

Disadvantages of e-marketing outweigh the advantages

[Business](#), [Marketing](#)



Throughout the past 50 years, marketing has changed substantially with the development of science and technology. Since the start of the age of information technology from as early as the 1960s, traditional marketing has been evolving into a new form of marketing, E-marketing. E-marketing is the use of information technology in the processes of creating, communicating, and delivering value to customers, and for managing customer relationships in ways that benefit the organization and its stakeholders (Strauss, J 2006 P. 3).

With the increasing demands of consumers, digital media brings more opportunities and at the same time more challenges for operators in today's world. As a marketing mode that typically reaches its audiences via the Internet, e-marketing benefits from the advantages of the internet and transcends distance and time, to which traditional marketing cannot measure up. Meanwhile, the shortcomings of the virtual world also impact e-marketing negatively, namely security issues and the cost of computer hardware which limits its reach in the developing world.

As a result, e-marketing is like a two-sided blade. This essay will argue that the disadvantages of e-marketing outweigh the advantages supported by the following: limitation of access to computers, the threat to personal privacy, high cost and low efficiency. Two significant advantages of e-marketing for the public are global reach and convenience. By using the Internet as a channel of marketing, e-marketing has the same features as that of the internet which can implement services for customers from different countries at any time.

E-marketing can be particularly useful for niche providers, companies whose products can be posted easily, or businesses that are looking to expand geographically but cannot afford to invest in new offices or businesses (DTI 2004, P. 4). The commercial information can reach anyone, anywhere that provided internet access in the world. It allows merchants to tap new markets and competition globally. In addition, time is no longer a factor effects on marketing. (Strauss, J 2006 P. 5) Instead of being applied by organizations and officers during typical working hours, most of the marketing efforts from e-marketing are supported by website, which open 24 hours and 7 days a week. However, e-marketing has one main obstacle which is the limitation of access to computer as the result of the costs of the hardware, the low speed of internet connection and unreliable power supplies. Firstly, despite advances in the past few decades, ownership of personal computers is still very low in the developing world.

In Ukraine, for example, only 1. 8 percent of the population owns a personal computer. In Mexico, 6. 8 percent of the entire population owns a personal computer; and in India, only half of 1 percent of the population owns one (Strauss, J 2006 P. 81). The statistics of the ownership of personal computer in the countries above indicate that e-marketing limits the potential audience the marketing efforts try to reach. Secondly, e-marketing is the balance between connection speed and web site design.

In the developing countries, internet connection is still largely through dial-up connections, which depends on the telephone lines and restrict the speed at which data can be sent and received. In 2005, Italy had 0. 77 percent of

its total population as broadband subscribers, while China had 0.21 percent, and Russia had 0.02 percent of its citizens subscribe to broadband (Strauss, J 2006 P. 87). This data illustrates that broadband is still limited in use as the communication infrastructure for e-marketing.

The third challenge for e-marketing is the unreliable power supply in many countries. In Nepal, one of the poorest countries in the world, only 15% of all households have access to electricity. Moreover, it sometimes experienced blackouts during the summer months across the entire country (Strauss, J 2006 P. 84). The unstable electricity supplies make e-marketing unavailable to cater to the consumers via the internet. All in all, the use of the Internet benefits e-marketing with its reach, but also has serious drawbacks. Another apparent characteristic of e-marketing is personalization.

Customers can acquire entertainment directly from the preferred individual receiving devices. Marketing by email or banner advertising enable multimedia one-to-one communication that makes the market easier to establish how effective your campaign has been. E-marketing is one-to-one and focuses objectives on the customers, which can typically reach the one who wants to know the products and services instantly and benefit the operators to receive the individual information and greet the customers with targeted offers (Descoedres, O 2004 P. 3). The essential part of the one-to-one marketing is base on the specific customer database. The database was established when the buyers accomplish interaction and trade on the web, allowing the company to quickly obtain detailed information about customers' responses to the advertising and contribute to the decision of

transform the marketing strategies. Despite this advantage, the use of the Internet poses threats to personal privacy which limit the spread of e-marketing.

For instance, Tonysmart. om sold the customers' information that they registered in the site when the company went to bankrupt, proclaiming that the customer database belongs to the company's asset (Lamb, C. W 2006, P. 651). Similar incidents lead to the lack of trust from the majority of customers, who hesitate in providing to private information to web companies. " Internet as a virtual marketplace is still not greatly acceptable to orthodox buyers who prefer physical interaction and review of products and services before buying them. (Nantel, J 2004) to build up the trust bridge between the interactions of customers and companies in the virtual world is an ongoing process, which requires more time to achieve. To compare with traditional marketing, some proponents of e-marketing believe that cost advantage is one of the considerable merits. " E-marketing eliminates printing and postage costs, taking the best of traditional newsletters, advertisement, or direct-mail offers and customizing them, sending them electronically at a fraction of the cost of other methods" (The Advantages of E-Marketing, 2007).

In fact, although e-marketing saves more postage costs, which may seems to reduce the investing input for operators, themoneyspend on setting up and tagging with the online payment channels, online allocation costs, cost of upgrading and maintenance of site are all the requirements for a successful sustaining marketing on the Internet. " Japan's average monthly subscription

charge is slightly more than 24 dollar per month, a relatively manageable amount given average household income levels. Yet, Lithuania and Slovenia have average monthly charges almost twice that amount” (Strauss, J 2006 P. 4). The consequence is inescapable that accessing to the Internet through land lines whether dial-up or via broadband is expensive in general. By 2011, online consumption will surpass TV as the number one medium worldwide. Despite this, some industries have been slow to adapt to changing consumer trends. Overall, marketers invest only 7.5% of their advertising marketing budget to online initiatives. The insufficient capabilities that in-house and agency are with the leading 59 percentage deterrent to investing online (Steve Latham, 2008).

There is no surprise that online marketing is still relatively new, somewhat complication, and transform rapidly. Most corporations are still trying to make sense of new methods and develop new strategies to utilize it. “After years of one-off efforts, many are taking time to define their key objectives, strategies, tactics and requirements for achieving them.” (Steve Latham, 2008). On the other hand, the tight supply of talent is also a problem for both brands and agencies.

According to Descoeudres (2004), finding skilled technicians to execute digital strategies is a huge challenge for e-marketing. As e-marketing involved in a certain range of marketing space, there are still not many clients who will enroll as loyal customers in the customer database. While this number grows over the years with time, some offline complementary methods are reliable to enhance the customer database. Striking a balance

between offline efforts and continuing online efforts or a combination of the two actually helps the company to highlight the market presence as an entrepreneur.

Therefore, it is very important that marketers are aware of the reward and inconveniences of e-marketing before they really strategize to optimize their revenue on the advantages and nullify the disadvantageous effects of virtual e-marketing. In conclusion, e-marketing becomes an integral strategy of marketing and business nowadays, which is widely used as manifestation method to contribute to marketing activities aimed at achieving profitable acquisition and retention of customers.

Nevertheless, it still has a great amount of drawbacks including the lower range of the ownership of computer, the coverage of the Internet and the neglect of the personal privacy, the uneconomical input for consumers. As a consequence, e-marketers should never underestimate the negative impacts of e-marketing. In the long run, the function of e-marketing can be further developed to enhance its benefits for both customers and merchants by resolving the problems mentioned above.