Marketing communication with e-commerce

Proposed Research:

This research critically analyses e-commerce as principle form of marketing communication in context of different marketing channels. In the first segment a thorough analysis of literature related to marketing communication, its channels and objectives will be performed. Also literature associated with various developments in information technology (IT) and E-commerce will be analysed deeply. After the literature review a primary hypothesis will be formed in order to postulate a theory on principle form of marketing communication. In second segment the primary data collected through various means and the case of amazon. com will be analysed and the hypothesis will be tested with respect to the data. The proposed research can be highly supportive for the future researchers, academic experts and practitioners in the field of marketing communication and e-commerce.

Origin of Interest:

The researcher was will to perform a deep research in the field of marketing out of interest, however being an engineer the researcher wanted an technical aspect to the research. Hence the researcher has chosen a blend marketing communication (marketing) and e-commerce (technical) as an area of the research. Further the proposed can be highly useful in future as e-commerce is still growing.

Theoretical Background:

Introduction:

In the current market the manner of communication between an organisation and its customer can be a significant factor of competitive

advantage. According to Hughes (2002) marketing communication is not only a source of competitive advantage but also an essential factor to survive in the market. Traditionally marketing communication involves two key players producer and customer as shown in the diagram:

Mercer (1996) suggests that marketing communication is a two way process of communication between producer and customer through the activities of promotion and market research. First aspect of marketing communication is market research through which various organisations identify the requirements of the market. And once the needs are identified and product or services are ready to deliver, they are delivered through promotion which is second aspect of marketing communication. However according to Mercer (1996) the traditional process is not complete as it does not involve feedback which makes communication complete. According to Dibb et al (1994) a complete marketing communication involves number of channels through which information is received and transmitted.

However the emergence of e-commerce has a huge influence on the process of marketing communication and the channels through which it takes place. Many authors suggest that due to e-communication the structure of traditional marketing communication is highly transformed.

- Accessibility at any time and place which is core characteristic of internet had a huge impact on marketing communication. Due to this in contrary to traditional way the marketing channels can be accessed at any location and any time (Li, 2004).

- E-communication provided organisations the capability to expand the target market without any limitation of location across the globe. And due to unique characteristic of e-commerce the customers can be treated individually without any differences (Darby, 2003).

- However besides the positive aspects on other hand e-communication provides majorly only one medium of communication based on messages in the form of text. But depending on various contexts sometimes marketing communication need other medium like dialog, which is a limitation of e-communication (Duffy, 2005).

The influence of e-commerce on marketing communication can be positive as well as negative as demonstrated in above discussion. Hence it is very essential to critically analyse the role of e-commerce in marketing communication and identify various advantages and challenges. The proposed research is focused on critical analysis of e-commerce as principle medium of marketing communication. Further the case analysis of amazon. com will trough more light on the role of e-commerce and its influence on marketing communication, also supports to identify the future trends.

Literature Review:

Rowley (1996) suggests that marketing communication is a crucial business activity having distribution of information through different marketing channels as core function. Elaborating the subject the author further divides marketing communication channels as:

- Personal Communication channel
- Non-Personal communication channel

According to Rowley (1996) personal communication channel involves direct interaction between two or more people and traditionally word of mouth was the principle form of personal communication channel. However the emergence of e-commerce had a huge impact on personal communication channel and in recent times e-mail's are becoming principle form of personal marketing communication channel. Further author classify personal communication channels in three forms depending on the medium of communication as:

- Advocate channels
- Expert channels
- Social channels

Advocate channels uses sales person as principle form communication. Some organisation uses experts view as a form of communication and the marketing channel used for such communication is expert channel. The marketing done through friends, professional colleagues and social groups is considered to be using social channel (Rowley, 1996).

On other hand the non-personal channels of marketing communication involves television, radio, newspaper, magazines, posters, leaflets, journals and other publication mediums as principle form of communication (Rowley, 1996).

In literature various authors argues that the above mentioned communication channels are traditional with respect to current era. As the new developments in e-commerce, e-business and widely spread network of internet across the globe have completely transformed the face of marketing

communication. As cited in Rowley (2001) e-commerce is defined as " doing business electronically across the extended enterprise which covers any form of business or administrative transaction or information exchange that is executed using any information and communications technology". As suggested in definition e-commerce is doing business technically using electronic mediums of communication which are rapid easy to use and cost effective, hence e-commerce have huge influence on business at present as well as in future (Rowley, 2001).

However Duffy (2005) argues that the degree of influence of e-commerce on any business is highly dependent on the stage of development of any business. The author classifies the stage of development of business in four segments namely:

- Contract
- Interact
- Transact
- Relate

Contract stage is the most basic stage where an organisation enters the web space replacing the traditional mediums of communication and starts communication its corporate image and information through internet. The second stage of development is interact in which an organisation starts communicating its offerings of products and services through internet to the target market. In third stage the influence of e-commerce becomes significantly high as in transact stage money is involves and the activities of placing the order, order fulfilment and transaction of money is done through

internet. In the fourth stage of development e-commerce have maximum influence on business as it completes the communication process by making it a two way process. In relate stage the activities of feedback on products, services, delivery and business operations of organisation are performed to fulfil the objective of customer relationship management through internet (Li, 2004).

As presented in literature the core objectives of e-commerce are:

- Developing corporate image.

- Growing the visibility of the organisation.

- Improving customer services.

- Maintaining and increasing the market share.

- Synchronizing the supply chain.

- Performing secure and quick transactions.

- Reducing cost.

- Increasing profitability.

- Penetration of new market places.

Also as identified in literature the core objectives of marketing are:

- Providing the information to the market.

- Improving the sales.

- Increasing market share.

- Creating a Brand.

- Making marketing as a source of competitive advantage.

(Leong et al, 1998).

According to researcher Leong et al (1998) introduction of e-commerce can satisfy not only all the core objective of marketing efficiently but also have higher advantage to the business by satisfying both the set of objectives. E-commerce can efficiently provide the information and create a brand. Also making customers aware of business policies, resolving customer complaints and taking the feedback can be quicker and authentic through use of e-commerce (Leong et al, 1998).

Further Berthan et al (1996) suggest that various researchers have argued the role of e-commerce in context of marketing communication based on the different objects of the two concepts.

Hence there is rich literature available on the subject of strategic role played by e-commerce in context of marketing communication.

The first organisation moved to e-business through retailing of books online was amazon. com and literature is filled with various research demonstrating the operations of amazon. com (Machlis, 1998). Literature suggest that amazon. com is one of the best internet brand and has become synonym of e-commerce over the period of time (Economist, 2000). Further the according to Business Week (1999) the philosophy of amazon. com suggests that in the new era of retail business only thing needed is a capable web site to greet the customers and take their orders at place of brisk warehouse and expensive inventory. The total operations of amzon. com are carried out through internet changing the face of marketing communication by continuous improvement and innovation (Hof et al, 1998).

The enriched literature on various aspects of marketing communication, e-commerce and amazon. com can lead to a highly effective critical analysis of e-commerce as a principle form of marketing communication and practice diagnosis of various theories through amazon. com case study. This critical analysis can be highly useful to various practitioners and academic experts in the field of e-commerce and marketing communication at present and in future.

Research Objectives:

The research is oriented according to the following objectives:

- To perform a thorough critical analysis of the literature associated with marketing communication, e-commerce and IT developments.
- To analyse the business strategy, operations and use of e-commerce by amazon. com in context of marketing communication.
- To perform a critical comparative analysis of e-business of amazon. com with the theories of marketing communication and e-commerce.
- To identify the principle form of marketing communication.
- To verify the hypothesis of e-commerce as a principle form of marketing communication.

Research Questions and Deliverables:

- What is marketing communication process and which channels of communication supports the process?
- What role is played by e-commerce in context of marketing communication?

- What are the pro's and cone's associated with e-commerce in context of marketing communication?
- What factors of e-commerce as a medium of marketing communication made amazon. com a successful organisation?
- What is the principle form of marketing communication in current era?

RESEARCH PLAN:

As cited in Saunders et al (2007) " research is a complex process, rooted in philosophy in terms of what is there to know and how do we go about knowing it". According to author to carry out an effective research plan is core essential. A research plan consists of following elements:

- Research Paradigm
- Research approach
- Research design
- Data collection
- Data analysis and representation
- Validity, reliability and generalisability

Research Paradigm:

As defined by Bryman et al (2003) " paradigm is a cluster of beliefs and dictates which for scientists in particular discipline influence what should be studied, how research should be done and how results should be interpreted" (cited in Bryman, 2003).

(Source: Saunders et al, 2007)

The research topic chosen by the researcher involves thorough study of e-commerce and marketing communication hence a definite research paradigm is essential.

According to Saunders et al (2007) there are majorly three types of research paradigm namely, Positivism, Realism and Interpertivism as demonstrated in above figure. The proposed research involves critical analysis of e-commerce and marketing communication. And exploring various factors associated with the two subjects to identify the principle from of marketing communication along with case analysis of amazon. com, hence interpertivist approach will be best suited according to the researcher.

Research Approach:

As shown in figure the research approach can be deductive or inductive. In deductive approach theories and hypothesis are developed and tested against the real circumstance. On other hand inductive approach introduces new theory by data collection and research (Saunders et al, 2007). The proposed research deductive approach can be more suitable as it involves analysis of various theories of e-commerce and marketing communication and then testing them against the real case of amazon. com.

Research Design:

As defined by Yin (2003: 20) " Colloquially, a research design is the framework for getting from here to there where here may be defined as the initial set of questions to be answered and there is some set of conclusions about these questions".

Bryman and Bell (2003) classify research design in five different segments as:

- Experimental

- Cross-sectional

- Case-study

- Longitudinal

- Comparative design

According to research a case study design can be highly suitable for the proposed research as it involves analysis and identification of various factors associated with role of e-commerce in marketing using case study of amazon. com.

Data-collection:

In the proposed research the researched planning to use both quantitative and qualitative approach. Hence the data collection methods listed below can be suitable for an effective project:

- Secondary data:

The researcher will use both forms of secondary data to perform a thorough analysis namely, written (books, journals) and non written (TV broadcast). Also the researcher will perform a deep analysis of the related literature in order to form a primary hypothesis. This secondary data will be tested against the quantitative and qualitative data and case example in the latter part of research.

- Questionnaires:

After the analysis of secondary data a questionnaire related to effectiveness of marketing communication of amazon. com will be circulated to approximately 200 amazon. com users by the researcher. The responses received will be interpreted using SPSS and will be represented in the form of pie-diagram and bar-charts in the project. However realistically the researcher identifies that all responses may not be received due many unforeseen reasons, hence a sample of 125-130 responses will be sufficient to test the preliminary hypothesis and postulate the theory.

Data analysis and Representation:

In the first segment of research the researcher will analyse the data collected from the literature and secondary sources and will form a primary hypothesis. In second segment the responses of the questionnaires will be analysed in context of various factors identified from the literature and then will be interpreted using bar-chart, pie-diagram, wagon wheel method as well as SPSS. The second segment of data analysis and representation will help to transform the hypothesis into a theory.

Validity, Reliability and Generalisability:

As cited in Saunders et al (2007) " Validity measures whether we are really measuring what we intend to measure". Hence the researcher will make sure that the proposed research is valid in all attempts to collect data, specifically while designing the questionnaire. The questions in the questionnaire and interview will be perfectly synchronised with the objective, deliverables and key questions of research. Also the findings will be in accord to the

statement given by Saunders et al (2007) as " the findings are really about what they appear to be about".

According to Saunders et al (2007) " Research is reliable if it is conducted in a way that allows other researchers to replicate the results". The researcher will make all teh attempts to make the proposed research reliable.

" Generalisability is the extent to which research findings can be applied to another context." (Saunders et al, 2007). Hence the contexts of this research will be generalised in academic respects so that the results can be used at different demographic situations.

Sources of Data:

Primary data:

- Data gathered from questionnaire.

Secondary data:

- Written Material:

1. Academic journals
2. Books
3. News papers
4. Reports generated by companies
5. Online sources

- Non-written material:

1. TV broadcasts.

Draft Structure:

Section-1

- The Agenda

1. Introduction
2. Aims, objectives, research question.

Section-2

- Literature Review

1. Background, theories of marketing communication and e-commerce.

Section-3

- Research Methodology

Section-4

- Data analysis and representation

Section-5

- Critical Comparative analysis of data

1. Assessing theory and hypothesis
2. Critical analysis of data got from primary and secondary sourceswith respect to theory.

Section-6

- Critical discussions

Section-7

- Conclusion and Recommendation