

Internet and marketing essay

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



Internet and Marketing

Marketing is a process that is used when determining the kinds of services and products that are interesting to customers, as well as the strategy that should be used in communications, sales and business development (Kotler et al., 2008). Marketing defines the strategy for sales and is always one of the main constituents of the companies' success. It is possible to build efficient customer relationships only if the company has well-developed marketing strategy and employs professionals.

Throughout the history of marketing, its foundations were evolving and changing. Its development before the 20th century is rather obscure due to the lack of information, but for the purposes of this research development of marketing in the previous and this centuries are of major importance. Before the 1950s marketing was oriented on production, which means that its primary concern was on the issues related to manufacturing (Adcock et al., 2001). In that period of time, people believed that supply created the demand, i. e. if someone makes a product, it will be bought by someone else. This approach was justified in the environment of manufactured goods shortage, as people didn't have another option than to buy what was offered to them. In other words, production orientation can function when there is a high demand for the product, and it is not going to change in the short time. Between 1950s and 1960s there was product orientation in the sphere of marketing. Companies were first of all concerned with the quality of the products they offered (Kent & Taylor, 1998). It was considered that if the product was manufactured with high quality, people were eager to buy it. In the same period of time there was marketing trend oriented on the selling

methods (Adcock et al., 2001). Companies that chose it were focused on promotion and selling of a product, while not determining the desires of customers.

In the contemporary approaches to marketing a lot has changed, and especially its basis, as the focus on customer relationships emerged, which has also been developing up to the present day. The history of relationship marketing began in 1960s (Valentin, 1996). In it the main focus is on the relationships between suppliers and customers, especially on the ways to build up customer loyalty and binding. The principles and characteristics of the relationship marketing will be provided in a separate subsection below. Apart from the relationship marketing, there are also such approaches as industrial and social. The first started in 1980s and is oriented towards industrial or capital goods instead of the consumer products. Social marketing emerged in 1990s, and according to it, marketing is oriented towards the benefit to society (Valentin, 1996).

The new approaches to marketing now employ all the benefits offered by the modern technologies. One of the most important developments that considerably changed the marketing practice is the Internet. Today practically no company can succeed without employing internet marketing into its practice, and the tendency is likely to develop in the same way (Charlesworth, 2009). So, what are the major differences between traditional marketing and its new form? And what are the main constituents of success in the internet marketing?

In general, internet marketing deals with promotion of services and products over the internet. It is broad in scope, and covered technical and creative

aspects of the web. Among the forms that are widespread and topical today there are search engine optimization, search engine marketing, email marketing and others (Sinisalo, J. et al., 2007). The main differences in the traditional and internet marketing are the following:

1. In both marketing forms it is necessary to have leads to make it work. The peculiarity of the internet marketing is the fact that the leads have other forms – names, phone numbers, emails, instead of personal presence.
2. In both forms it is necessary to have something to offer to customers – either goods or services (Hoffman & Novak, 1997). In internet marketing the peculiarity is that customers have lower attention span, which is why it is necessary to have a stack of continually higher margin items, which should be offered to the customers after the actual purchase, or the other action expected from them.
3. Customers always need information from the company to stay interested in its products. In traditional marketing with brick and mortar business the possibilities in this field are rather limited, while on the web there are different strategies that can be employed to make customers loyal to the business (Yoon & Kim, 2001).

So, it is clear that with advent of the internet marketing gained much more possibilities than it used to have before. Today practically anyone can advertise their products on the web (Sinisalo, J. et al., 2007). There are several important aspects of internet marketing that should be taken into account:

Good website. While in the past it was necessary to rely on the physical locations, today in order to achieve success in business it is necessary to

have well-designed website that should look professional and be user-oriented (Dyche, 2001). In the case of electronic magazines, it is of the highest importance to create such a website that people would find convenient and with relevant content. Otherwise, it will be impossible to attract customers and make them loyal.

Market research. In the sphere of internet marketing this aspect is also essential (Madu, C. & Madu, A., 2002). It is necessary to always be aware of what the other people are selling and what customers are looking for. E-magazines should be well suited for customers so as to have permanent number of visitors. Without constant market research it is impossible to achieve the necessary number of visitors, and consequently, get profit from attracting advertisers.

Audience. It is necessary to constantly attract visitors and maintain high traffic indicators. For electronic magazine it is an aspect that defined the whole success of the product.

There are different business models commonly applied in the internet marketing. The most popular of them are: publishing, e-commerce, affiliate marketing and lead-based websites (Charlesworth, 2009). Publishing is one of the most valuable business models, and in this sphere (to which e-magazines pertain) very much depends on the relevance of content. If it is chosen successfully and is regularly updated, it is possible to get considerable revenue from advertisers. E-commerce deals with services and goods that are sold to the customers (Coltman, 2007). Affiliate marketing represents a model, in which services and products are developed by one person and are sold by someone else for profits percentage. Lead-based

websites get profit for selling leads, which is often a part of Internet marketing campaigns of other websites (Stewart & Zhao, 2000).

Among the advantages of internet marketing there is its comparatively low cost, if the ratio between cost and reach of the target audience is taken into account. Besides, for customers it is convenient and easy to make use of the services available online. It is convenient to make purchases from home, as well as to get access to all the necessary information in electronic magazines (Gallagher et al., 2001). Thus, this medium can demonstrate considerable results in short period of time. These results can easily be evaluated and analyzed, as there are various statistical tools available for people for small amount of money (Coltman, 2007). Another advantage is that practically all the aspect of internet marketing campaigns can be easily traced and measured. Limitations related to internet marketing are mostly related to the e-commerce, as there is no possibility to touch and see the products before the purchase. In the case of e-magazines there are practically no limitations, as information in them is convenient to read and it is easy to find exactly what you are looking for, especially if the magazine is well-developed.

Relationship Marketing

Relationship marketing started its development in the second half of the XX century and since that time it became one of the leading approaches in marketing. It differs from the other forms of marketing in the fact that it is focused on the long-term value of relationships with customers and it seeks to extend communication beyond advertising (Blois, 1996). Morgan and Hunt (1994) defined this type of marketing as a combination of activities dedicated to formation, development and maintenance of successful

relational exchanges. In the model developed by these scientists the key constituents of success are trust and commitment.

Among 10 forms of relationships described by Morgan and Hunt (1994), 8 are appropriate for the communication between companies and their suppliers, partners, functional units, etc. The other two deal with customers – communication between them and service providers and long-term relationships between them and service firms. Whether only these two contexts are appropriate for relationship marketing was researched by Iacobucci and Hibbard (1999). They defined 3 relationships types – interpersonal commercial relationships, business marketing relationships and business to customer ones. Business marketing relationships are the most described ones in the marketing theory and are focused on intense, long-term and close relations among symmetric (by power) partners. Iacobucci and Hibbard (1999) emphasize the importance of trust and commitment in this kind of relationships. In Table 1 the most essential factors of these relationships are presented.

Table 1. Business marketing relationship factors.

Factor

Definition

Conflict resolution

Effective and creative partnerships are facilitated by dispute resolution functionality.

Cooperation

A set of actions taken by companies that are complementary coordinated or similar and are aimed at achievement of mutual outcomes.

Power

Ability of a party to make another party do something that the latter subject wouldn't normally do.

Trust

The belief of a party that its needs will be met by another party.

Balance of power

It represents symmetric power, which is opposed to hierarchical one.

Communication

Sharing of information, both informal and formal, between companies.

Interdependence

Mutual dependence.

Commitment

Explicit or implicit pledge of relational continuity between parties.

Control

The result of power exerted by one party towards another one.

Isiosyncratic investments

Irrecoverable costs in the case of termination.

Interpersonal relationship marketing represents interactions between service providers and final customers. Among the factors of this relationship type there are: absence of conflict (ability to resolve conflicts), similarities of shared belief systems, communication and competence and personal factors.

The third relationship described by Iacobucci and Hibbard (1999) is business-to-customer one. They represent interactions driven by technology.

Before introduction of eCRM there were certain difficulties with introduction of interactivity into the CRM practice, which threatened it to a considerable

extent (Fournier et al., 1998). The problem was that communication often ended up to be one-way – from organization to the customer. To solve this problem, the scientists offer to make use of the marriage and social forms of relationships. According to them, businesses should focus on six factors that help build successful relationships with customers: partner equality, interdependence, intimacy, attachment, commitment and love. If these factors are taken into account, it is possible to establish long-term relationships with customers .

Communication

Communication today is one of the fundamental concepts in marketing. The main aim of the marketing communication is to reach some audience and affect the behavior by persuading and informing. Thus, new customers are attracted with the help of building awareness, which is achieved by the same marketing communication (Dyche, 2001). Apart from this function, communication in marketing serves to keep the existing customers by the way of keeping them informed about the latest company's news. Another goal is to establish long-lasting relationships with customers and stakeholders (Rowley, 2001).

According to Duncan and Moriarty (1998), there are certain elements of interception between communication and marketing theory. They offer a managing relationships' marketing model that has communication in its basis. They show the similarity of the basic communication model and the basic marketing model (Figure 1).

Figure 1. The similarities between the basic communication model and basic marketing model (Duncan and Moriarty, 1998).

The scientists also develop a model depicting why communication (instead of persuasion) should be true foundation of marketing efforts (Figure 2). The recent increase in the interactivity importance makes communication the most worthwhile element of marketing that causes the brand relationships that eventually drive value of brand.

Figure 2. Marketing and communication in an intersection model developed by Duncan and Moriarty (1998).

There are the following elements marketing communication involves: public relations, advertising, direct marketing, sales promotion, and personal selling (Harris, 1998). Internet is one of the most important tools for reaching target audience. In order to make marketing communication successful, it is necessary to make effective management decisions, especially in the sphere of balancing the above listed elements (Schultz & Bailey, 2000). In order to do it, a new perspective emerged in 1990s – integrated marketing communication, which offers new and effective ways of reaching customers.

Interactivity

Interactivity today is one of the most important aspects in marketing. It allows customers to get involved in the process of building image of brands (Weiss, 1999). Owing to the possibility of customers to participate in the communications of the companies, the products and services offered to them can be made more interesting to them. Those organizations that choose to establish only one-way communication can lose their customers

and it is really hard to turn them into loyal ones (Deighton, 1996). Especially today, when internet offers enormous possibilities to establish interactive relations, it became a must for the companies to develop this feature properly.

On the web there are vast possibilities to make personal connections with the audience. Today the times when it was necessary to search for customers and get their feedback via telephone or seeking personal contacts, to which not many people agreed, became a history. Now it is possible to attract visitors from blogs and websites if proper techniques are used, and then to earn their loyalty if eCRM strategies are realized (Coviello et al., 2001). In them interactivity should always play a significant role, as today it is possible to communicate with customers in many different ways, such as forums, webinars, emails, etc.

As soon as the customer gets to the website, it is necessary to offer him some interactivity options. A very simple way is allowing comments to the posts or articles (it is convenient in the case of e-magazines), as in this way they get a feeling that their point of view is interesting to you. Forum is a perfect place for the visitors to exchange their ideas considering the resource or products that the companies offer (Holland & Baker, 2001). If the forum is administered properly and has interesting topics, it is likely to attract many visitors. Another convenient feature is a signup form, in which visitors can leave their emails so as you could send the latest news and information to them. In this way they will also get the necessary attention and there is a good chance that they will be loyal to the company.

Thus, interactivity on the web is certainly an important feature that should

get proper attention from marketing experts. In the e-magazines context it is very important, as in this way it is possible to gain the necessary loyalty and binding,

Summary

Marketing industry was considerably influenced by the advent of the Internet. This technology brought a lot of possibilities for the marketing specialists, as well as introduced important changes that have to be taken into account. Electronic magazines are now fast developing and the marketing principles allow to get profit from them, although for customers they are offered for free.

With the help of internet marketing it becomes possible to attract a considerable number of visitors to the website, and if the proper eCRM strategy is realized, they can find exactly what they want at the website and become loyal to it. In order to do it, e-magazines should make use of the interactivity features that modern technologies offer so as to understand what kind of content their visitors require and to make their content customized to their needs. In this way, they can gain favor of a large audience, which will be interesting to advertisers. Thus, they get interested in placing their ads in the e-magazines and the owners get profit in this way.

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