

# Marketing strategy in ecommerce industry

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



## **Introduction**

Technological development has led to formulation of quite a number of strategies aimed at elevating marketing in line with the current electronic age. Amazon and eBay provide us with a perfect example to the extent to which e-commerce can help in the continued growth of business. In the traditional marketing strategy, the model used is the Four P's model. That is, there has to be product, place, price and promotion. The commodity offered on the market to attract attention or intended to be offered for acquisition is the product. When you have your product you must also have the platform which will act as the venue of meeting between the targeted client and the product in question.

The value attached to the product and which is the target channel to the generation of revenue is the price. The price attached or tagged on the product need not necessarily be the price at which it is sold. This is because the process of selling is subject to many constraints, bargaining being one of them. Customers or targeted customers need information about the product, its characteristics and distinguishing features in order to make their purchases. Promoting the product therefore helps in ensuring that this role is played. It ensures awareness of the product by the potential customers. It is done in several ways. Advertising is one of the ways through which this promotional activity is carried out.

The model applied in e-commerce strategy is more complex than what we have discussed above. However, it is good to also note that it is very essential; that both traditional model and this advanced model be fused

together in order to create a smooth transition without leaving a hanging gap. According to Allen and Fjermestad, integrating the new strategic frameworks with the traditional marketing model a more thorough framework can be developed.

Due to great expansion that has been seen in the area of internet use, which means that the number of internet users has immensely increased, there is need to come up with a model that can serve the needs of all these customers so that businesses do not lose the goodwill of the very customers whose satisfaction the existence of the business depends on. If the satisfaction of the customers is not assured then the business can be sure to lose their confidence yet it is fundamental that the business reassures every customer of satisfaction. In fact, information apart from providing awareness, it is a product on its own. It is therefore important to examine the problems that the e-commerce faces by critically looking at the marketing mix. In addition the four P's do not lose meaning but rather the gain meaning.

As we have indicated above, data is a product on itself in addition to being a means of creating awareness to the benefit of a given product offered by a company. The product can either be a service or a good. Companies in need of obtaining data through quick online connection need to license eBay Market Data. After licensing eBay Market Data, they can access AERS (Advanced Economic Research Systems) data services online. Companies can get online quickly with time tested search technologies that produce correct analysis using the most efficient techniques possible. Before we look into the kind of data a company would need it is good to understand the setting in which the data will be situated.

Allen and Fjerstand go ahead to state that the development in technology has allowed the information about the product or service to be separated from the product or service itself (Allen and Fjerstand). This, they say, has three elements: content, context and infrastructure. Content is what is being sold and could be information, service or a physical product.

Context is how the product is presented for exchange. This method of presentation is vital to winning the consumer loyalty. Once the consumer loyalty is won, there is assurance of large and similar transactions taking place. Infrastructure on the other hand is the way in which the buyer and the seller are brought together in order for the transaction to be executed.

There is need to understand that mentioning marketing we must have two kinds of information. We must have consumer information and product information. Therefore the data required falls under the two categories of information. The consumer has to be equipped with the full information about the product before making good the urge to purchase. In addition, the fact that the whole process internet selling is quite intangible increases the risk involved. The seller also needs to have information about the buyers. It is important that the seller understands the location of the customer, preferences and tastes. The customer will also need to know about shipping, physical features of the product on offer.

It is vital that correct information is gathered concerning the customer or the product. If this is not done, there is possibility of collecting the wrong information thereby either buying the wrong product or providing buyers with the wrong product. Coming up with a comprehensive marketing is a challenge which has several advantages that give a strong of go on.

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It allows reduced warehousing by the companies thereby reducing storage costs and holding costs and reduced inventory costs due to automation. Internet selling is just to all companies big and small since any company is able to operate internet. There is possibility for companies to reach customers who are far away and who the company would otherwise not have the ability to sell to in their localities. Internet has enabled a one to one marketing in addition to creating room for 24-hour operation. Lastly, it provides a unique form of market research for information about the market.

The internet has also its own demerits. The rapid growth in internet use has made it difficult for the companies to cope with high demand and manage distribution. Secondly, it is possible for transactions to take too long before being executed. This is because it is easier for buyers to forget after making an order due to dalliance. Lastly, apart from the fact that it could be hard to find some sites, there is a barrier created between the buyer and the company since the products can't be seen in person.

Achievement of any framework developed should be measured in terms of customer satisfaction such that its failure would be seen through its failure to satisfy the targeted customers. In conclusion, we can say that there has been an enormous increase in the demand for information which can be justified by the increase in internet connectivity. This means that there is need to be developed a strategy that will ensure effective management and sustained distribution to customers.

## **Reference:**

1. Checking out. (2000, March- April). Harvard Business Review, p. 22

2. Mardesian, J. (1999, November 8). ' The Web is no Shopper's Paradise'.  
Fortune. Pp 189, 190