

# Evaluating the impact of e-marketing on businesses



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## **Introduction**

The development of e-marketing has been one of the most important and influential trends in the field of business, marketing and Information Technology over the past decade. It has revolutionised the manner in which certain businesses market their products and the advent of social media offers the potential to revolutionise the manner in which businesses and consumers interact in the future. This essay will evaluate the impact of e-marketing upon businesses and will do so in three clear sections. The first section of the essay will define the concept of e-marketing and the second section will examine how e-marketing helps businesses to reach their customers. The third and final section will highlight some of the most important advantages and disadvantages of e-marketing. The conclusion will argue that the impact of e-marketing upon businesses has been largely positive and that despite a number of potential problems e-marketing offers exciting new opportunities for business growth and development.

## **Defining the concept of e-marketing**

In the first section of this essay it is important to clearly define the concept of e-marketing. This is a vital task, because in order to be able to fully understand how e-marketing affects businesses and their customers it is important that the notion of e-Marketing is first of all adequately defined. Patricelli argues that e-marketing is a general term used to denote a wide array of different Internet-related activities. These include “ website building and promotion, consumer communications, e-mail marketing and newsgroup advertising” (Patricelli 2002: p. 141). However, the term e-marketing has developed enormously over the past decade and today it encompasses a far

wider range of activities and one of the most important of these is the use of social media in order to advertise online. Pride settles on an altogether more comprehensive definition of e-marketing, stating that he understands the concept as referring to the “ strategic process of creating, distributing, promoting and pricing products for targeted customers in the virtual environment of the Internet” (Pride 2010: p. 70). E-marketing is best understood as a broad concept and one that has gained additional platforms in recent years with the advent of smart phones and tablets such as the iPad. As a result, the notion of e-marketing is defined most clearly when it is understood as referring to the creation, distribution, promotion, pricing and communication of products across the entirety of the Internet and the wide variety of platforms that constitute the Internet in a modern context.

### **How does e-marketing help businesses reach their customers?**

E-marketing helps businesses reach their customers in a wide variety of different ways. Boone claims that the Internet offers businesses the chance to reach their customers in a number of unique ways and that one of the most important of these is the global reach of the consumer base that the Internet is able to provide. According to Boone, “ the net eliminates geographic protections and limitations of local businesses and it gives smaller firms a wider audience” (Boone 2011: p. 105). It is for this reason that the Internet is often seen as being inextricably linked to the wider force of economic globalisation, which some economists see as being responsible for the increasing retrenchment of the nation state and the rising power of non-state actors such as multinational corporations (MNCs). The ability to reach customers connected to the Internet anywhere in the world is seen as

an enormous benefit to businesses in their quest to reach, attract and retain customers. Another way in which e-marketing helps businesses to reach their consumer bases is the extent to which it is able to further personalised marketing. It allows businesses to create products that “ meet customer specifications” and in recent years the advance of this type of marketing in particular has been seen as perhaps the most significant long-term development in the course of e-marketing (Boone 2011: p. 105). Through the use of social media, for example, business analysts believe that corporations may well be to harness enough information in order to tailor products, services and critically search engine results in such a way that consumers will be automatically attracted to them, because the products and services shown will be of interest either to them personally or to their close friends on social networking websites. However, even in the absence of such sophisticated targeting techniques certain websites such as Amazon have made great strides in personalising content to individual users, as Chaffey explains. “ Amazon is the most widely known example where the customer is greeted by name on the website and receives recommendations on site and in their emails based on previous purchases” (Chaffey 2009: p. 32). Boone argues that e-marketing offers other important ways for businesses to reach their customers including the use of interactive marketing and integrated marketing. Interactive marketing is a form of marketing in which the advertising process is driven by buyer-seller communication and where the “ customer controls the amount and type of information received from the marketer” (Boone 2011: p. 106). Integrated marketing refers to a type of marketing strategy in which all promotional and communication efforts are combined in order to create a unified and consumer-centric promotion

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campaign. It is clear; therefore, that e-marketing offers a wide variety of different ways for businesses to reach consumers.

### **What are the advantages and disadvantages of e-marketing for businesses?**

E-marketing has a number of important advantages that make the adoption of e-marketing approaches and strategies attractive for businesses. One powerful argument in favour of e-marketing revolves around the cost and speed of this approach to marketing and Jones argues that these two factors in particular set e-marketing apart from other marketing approaches. " There is much evidence that makes a case for marketing electronically because of the cost-benefit ratio and the speed-to-market advantage" (Jones 2008: p. 304). However, it is important to understand that e-marketing is only a cheap option when one considers it in the context of the size of advertising budgets that large firms used to have in relation to television and radio advertising. Whilst small e-marketing campaigns may be cheap, any larger scale campaign is likely to still incur a significant cost, but some of the other most important advantages of e-marketing ensure that this approach to advertising has become increasingly popular in recent years. These advantages mainly revolve around the ability of this form of marketing to collect information and deploy it in unique ways.

The increased ability to garner data and critically the ability to analyse this data in relation to consumers is something that offers businesses many valuable insights into not only their marketing campaigns, but also their business strategies as a whole. In fact, in certain cases e-marketing has developed to such an extent that certain businesses are able to make vast profits by offering comparisons between different websites, websites that are <https://assignbuster.com/evaluating-the-impact-of-e-marketing-on-businesses/>

commonly referred to as comparison websites. These companies have no discernible products of their own and instead they offer a service in which they “ are uniquely equipped with product listings, consumer reviews, store ratings, and personal shopping lists that offer creative shopping options to consumers on the Internet” (Lebson 2011: p. 10). Examples of such comparison websites include Money Supermarket, Compare the Market and Go Compare and once these businesses have built their infrastructure their business model revolves almost exclusively around collecting consumer data and maximising SEO (Search Engine Optimisation). Comparison websites are therefore in one sense one of the most pure examples of e-marketing, because their business models rely almost exclusively upon effective e-marketing to target customers. E-marketing offers further important advantages including the ability to reduce costs via the use of automation and software programs and also allows marketers and consumers to interact in a far faster fashion than would be the case when using traditional means of communication. However, the analysis above has already touched upon one significant advantage of e-marketing that has great potential to evolve substantially in the future. The use social networking and social media in particular offers enormous potential to marketers and opens the door to revolutionary changes in the way customers and businesses interact with one another. The impact that social media websites such as Facebook and Twitter have had upon the way in which people use the Internet has been evident in the past few years and Rana argues that the user-driven, community orientated way in which social media communicates leads to a different type of Internet, full of organic content and user-friendly websites (Rana 2009: p. 255). Businesses are thus far only scratching the surface of <https://assignbuster.com/evaluating-the-impact-of-e-marketing-on-businesses/>

how to exploit such new opportunities, but Facebook for example offers an advertising service that allow businesses to target individuals based on a range of different criteria. Such adverts therefore are targeted at particular consumers in a much more focused way than even adverts traditionally used on Google, known as Google Ads (Facebook, 2011).

However, despite the numerous advantages of e-marketing businesses must be aware of the fact that e-marketing also presents businesses with a number of potential pitfalls. Certain businesses such as the comparison websites listed above rely completely upon the Internet to the extent that without technology they would actually have no business. Clearly, the Internet will not go away, however the dependency upon technology is something that can cause Internet-centric businesses major problems and also make them vulnerable to a wide range of different cyber attacks (Liebsch 2009: p. 87). Another disadvantage of e-marketing has become particularly apparent in recent years and is inextricably connected with the rise of social media. Whilst social media has the potential to offer many e-marketing benefits, businesses must also beware of the danger that poor reviews and poor customer service can have upon their operations. The opinions of one disgruntled customer can go viral at lightning speed and therefore irrevocably undermine a particular business, product or service in an instant. This type of increased transparency also manifests itself in other ways and leads to a situation in which consumers are empowered to search for the lowest prices from a wide range of different online businesses. The fact that the Internet offers an almost unlimited consumer base is one of its clear advantages, but its global reach also affects the competition that

businesses experience and as a result online businesses are likely to face stiff competition and many other companies highly competent in their e-marketing expertise. As a result, companies must focus upon distinctive e-marketing strategies and campaigns that differentiate themselves from their competitors in order to be able to cope with the extent of the competition that can be found online in today's marketplace.

### **Conclusion**

In conclusion, this essay has clearly shown that e-marketing impacts upon businesses in a number of important ways. When used effectively, e-marketing campaigns and strategies have the potential to reach customers in a speedy and low-cost manner and can provide promotion for a wide range of products and services. E-marketing also offers businesses the opportunity to garner data about their consumer base to an extent that has hitherto been very difficult to achieve via traditional marketing methods. The development of e-marketing and social media advertising has led to examples of businesses in recent years that appear to little more than categorise and filter information relating to products and services on the Internet, taking a small cut from any transaction that may occur as a result. However, despite the global reach, speed and the extent of information that can be gained from e-marketing there are a number of important disadvantages to this type of marketing that businesses must bear in mind. The technology driven approach of e-marketing leaves certain businesses vulnerable and overly-dependent upon technology. It also empowers dissatisfied consumers to a far greater extent than ever before and can lead to bad reviews that have the potential to greatly destabilise certain e-



marketing campaigns and operations. However, despite these problems it is reasonable to conclude that e-marketing is on the whole a positive development for businesses and that despite certain dangers its impact upon businesses has been largely positive.

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