
e-Marketing

Applications of information technology
and the Internet within marketing

Cor Molenaar



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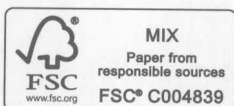
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Preface

In recent years there have been many developments that have influenced organizations and markets. The most important development undoubtedly is the application and acceptance of the Internet by companies, consumers and governments. This application of the Internet has made markets highly transparent and has enabled relationships to form that were previously inconceivable. What's more, the Internet is a truly international development, the impact of which reaches far beyond national borders; purchases are no longer limited to the action radius of customers and markets can no longer be protected.

It is in part due to the Internet that markets have become so dynamic; there is now an unprecedented volume of supply, a focus on customers, direct communication with customers and a seemingly unlimited supply of products and services. It is clear that these changes have also had an effect on marketing. No longer is it possible for marketing to restrict itself to communication and a relationship with markets; marketing now has to focus on individual customers. Furthermore, marketing has to monitor and guide the organization's external contacts with both customers and suppliers. This change results from the change in markets and the different purchasing behaviour of customers (exploring, finding information and sometimes buying on the Internet).

The technology, too, has to be integrated within marketing activities. In the 1980s this involved marketing information systems and database marketing. In the 1990s it included call centres and customer relationship management (CRM) systems, and since the turn of the century the Internet as well. This enables marketing activities to be carried out not only more efficiently but also differently. It is precisely for this reason that the potential of the application of IT and the Internet has to be determined integrally within the marketing function. But that is not all. As a result of the closer customer relationships and the possibility of communicating more directly, the role of marketing within an organization is also likely to change. The influence of the application of IT and the Internet within marketing must therefore also be examined across the entire organization. This can lead to changes in the form of the organization, in its focus and in its marketing orientations. The business model may well have to be modified as well, in order to remain successful in the market. The issues involved in the application of IT and the Internet are not restricted to certain areas, such as communication or sales, but have a wider impact. As a result, marketing has to be redefined and tested once again. Marketing can no longer be regarded as a separate business function: it influences all other business functions if the customer relationship forms the basis of marketing. The choice of the application of e-marketing and the subsequent choice of the manner in which relationships are maintained determine the position of marketing within the organization (the 'marketing orientation').

e-Marketing is a form of marketing in which the application of IT and the Internet enables the marketing instruments and activities to be focused on recognizable and defined

relationships. This means that e-marketing involves identifiable relationships, whereas with classical marketing the relationship with the markets or the submarket is essential. This distinction is so fundamental that there is a completely specific application issue, as well as a possible change in various organization disciplines and the organizational structure.

This book will examine the influence and the possibilities of e-marketing. As the past forms the basis for the present as well as for the future, this is done within a historical framework. The subareas of e-marketing – marketing, information technology and the Internet – are discussed separately within this context. Lastly, the developments are integrated within an organization's possible marketing orientation. This marketing orientation lies at the foundation of the application of e-marketing and of the marketing strategy that is to be applied. This makes it possible to identify, analyse and, if desired, apply future developments. A special look at social media, as part of marketing, will complete the book.

Within business there is a great demand for specialists who are able to size up and apply the influence of new technologies. No longer is it sufficient to have technical staff who are able to make a certain application possible, but the application also has to fit in with the marketing strategy. This book provides a theoretical background, giving students a theoretical foundation in order to be able to place the developments in this larger framework and thereby also to determine the marketing strategy. In addition to providing an understanding of the possibilities of marketing (Part 1), it also gives an insight into the applications of IT (Part 2) and the possibilities offered by the Internet (Part 3). Integrated in this arises the field of e-marketing (Part 4), whereby it is possible to apply e-marketing as a facility within marketing activities, as well as also integrally within the marketing function. For this a choice has to be made for the strategy that is to be followed. This is the basis for the marketing orientations (Part 5), whereby a specific interpretation of the marketing instruments and activities determines the focus of an organization and the manner in which relationships are given shape.

This book is aimed at students at Bachelor's level and Master's students of marketing and business administration. Also students who are following a technical course will be able to use this book in order to place the applications of IT and the Internet within the business function of marketing. In addition to the rudiments of these disciplines the changes brought about by the Internet and IT will be explained. This makes this book topical and enables it to cater for people in education, but also in business life. Managers responsible for e-marketing and Internet applications will use this book as a reference and for decision-making. In order to increase the direct applicability of this knowledge many practical examples are used and extra attention is given to the accessibility and practical application of the subject matter. I do of course welcome any suggestions, from students, lecturers as well as people from the field.

The history and technical information for the companies and software/hardware developments mentioned throughout the text can be found freely available on websites such as Wikipedia.

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Introduction

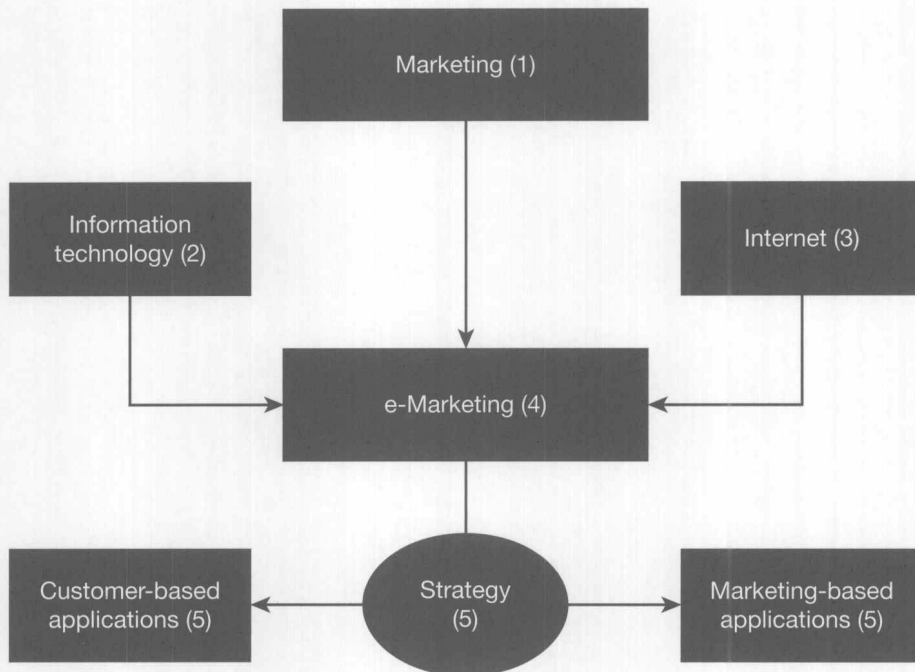


Figure 0.1 Outline of the book

e-Marketing is the application of information technology (IT) and the Internet within the marketing function. This enables the supply of products and services to be better geared towards the needs and wishes of individual customers. What characterizes e-marketing is the identifiable relationships with customers, the outside-in approach, whereby the needs and wishes of customers determine the supply. This is only possible if there is a close relationship with the customers and a direct communication supported by knowledge of the customers' wishes and the possibilities of the organization. The various applications of IT and communication technology (such as the Internet, mobile telecommunication and scanning/automatic identification) support the objectives of e-marketing – namely, building and maintaining a relationship with an identified customer.

This book examines the development of marketing (Part 1) which leads to identifiable relationships; the development of IT (Part 2) which leads to specific function support and

customer-oriented information management; and the development of the Internet (Part 3) which leads to general acceptance of the medium by businesses and private individuals. These three developments are integrated within the marketing function, e-marketing (Part 4) and change the marketing function both on an operational and on a strategic level.

In addition, organizations will also be modified (Part 5) in response to market developments. These changes in markets (dynamics) in particular will lead to a greater focus on individual customer relationships. This will require a strategic change to the organization's focus and the marketing orientation. The past leads to the situation in the present and forms the basis for developments in the future.

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Part 1

Developments of marketing

An historical outline

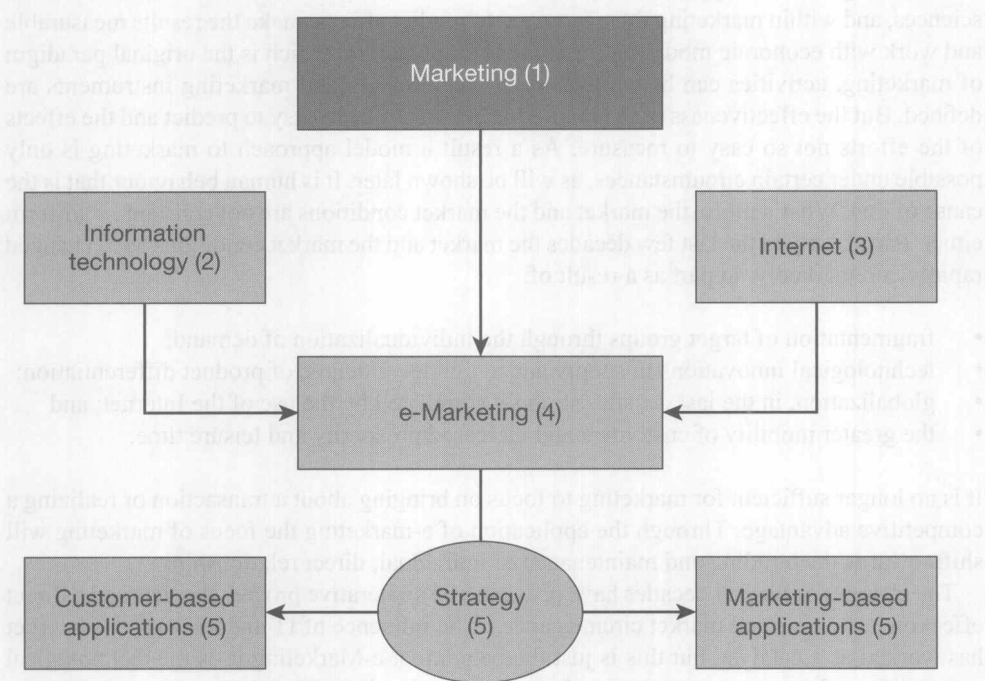


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