Proposal

The e-Marketing Methodology
A template for developing new and capturing existing e-marketing strategies
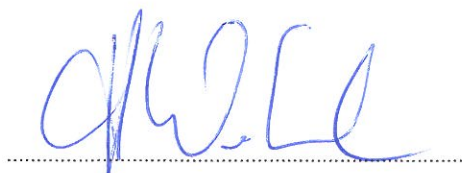
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1 Problem definition

In 2012, the spending on digital advertising[1] passed the $100-billion mark for the first time, which are about 20.6% of total media advertisement spending. It is expected that this percentage will grow up to more than one-quarter of all advertisement spending by 2016. [1]

While the spending on digital advertising grows, the different ways of online advertisement are growing too. The web evolved over the years from simple e-mail marketing, banner ads and simple web pages for presenting products and/or services in the early years to the Web 2.0 with all its advertisement possibilities. These multiple ways of e-marketing - ranging from SEO to video marketing, ads in social networks like on Facebook, Twitter, etc, ads in search engines like Google or Bing, and many other possibilities - make it quite challenging for people to find an appropriate e-marketing strategy to gain the desired outcome (e.g. higher conversion rates, higher market value, higher popularity of products, etc). Even if the Internet is full of manuals that promise to teach how to successfully manage online advertising (beside a multitude of books with the same promise), there exists no established formally approach that helps businesses to select the best e-marketing strategy (or at least a strategy that will help to reach a certain goal). This is a quite complex task, since it depends on many factors - e.g. type of business, related business objectives, the market, brand knowledge, target customers, and many more. [3]

To be able to suggest successful e-marketing strategies, an approach would be to compare existing strategies with each other. This approach is often used for benchmarks, where the objectives are "*(1) to determine what and where improvements are called for, (2) to analyze how other organizations achieve their high performance levels, and (3) to use this information to improve performance*". [5] A basic requirement for benchmarks is to determine a schema consisting of key indicators that allow for measuring the investigated facts (e.g. the usability of a web page from a users point of view on a scale from 1-10, or the computing time that is necessary to perform a certain task).

However, what is missing in order to use such an approach for e-marketing strategies is an established generic model that allows to describe and capture e-marketing strategies formally. Such a generic model could be used to compare e-marketing strategies amongst others in an easy and intuitive way to make it simple to use for people involved in e-marketing activities - from layman to e-marketing experts.

Additionally, as mentioned above, the options for online advertising are growing and growing, and thus, the complexity is growing too. This leads to the need of keeping the overview of one's e-marketing activities and making it easier to plan and handle them. Therefore a formal model is needed that supports activities concerned with e-marketing respectively e-marketing strategies.

2 Expected results

The expected outcome of this thesis is a formal methodology for e-marketing strategies. The rules and modelling methodology are specified formally. Thereby, techniques such as UML (Unified Modeling Language) or DSL (Domain Specific Language) might be used for specifying a certain meta model, profile and/or constraints.

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[1] The terms online advertisement, internet marketing, online marketing, e-marketing, and digital advertisement have the same meaning and are used synonymously in the literature.

In a first step, parameters that are common for e-marketing strategies and relevant to describe them comprehensively are identified (e.g. business objectives, budget, target group).

Based on the set of identified parameters, the e-Marketing Methodology is created. The methodology can be used to create new, and capture and compare existing e-marketing strategies. It assists in aligning e-marketing activities by illustrating potential trade-offs. An important requirement is that the e-Marketing Methodology is easy and intuitive to understand and practically applicable by people that are concerned with e-marketing.

Based on the formally specified methodology, a visual chart is created. The visual chart assists in planning and aligning an e-marketing strategy in a more hands-on way. Additionally, the visual chart makes it easier to work collaboratively.

An inspiration for the e-Marketing Methodology is the Business Model Canvas. It is a strategic management and entrepreneurial tool that allows to "*describe, design, challenge, invent and pivot*" business models. [6] The Business Model Canvas is a visual chart that comprises "*nine basic building blocks that show the logic of how a company intends to make money. The nine blocks cover the four main areas of a business: customers, offer, infrastructure, and financial viability. The business model is like a blueprint for a strategy to be implemented through organizational structures, processes, and systems.*" [7]

3 Methodology and approach

The methodological approach to reach the expected results comprises four parts:

- In the first part, parameters that are necessary for describing an e-marketing strategy are identified. This is done by investigating e-marketing strategies of e-commerce platforms, e-marketing frameworks and e-marketing methodologies. Additionally, different e-marketing approaches and published e-marketing strategies in the Internet and literature, and e-marketing recommendations by e-marketing experts and e-marketing consultancies are analysed. Existing generic approaches for describing e-marketing strategies are analysed and considered as well.

- In the second part, the set of identified parameters is used to create the e-Marketing Methodology and an underlying meta model/profile with techniques such as UML or DSL. Based on the specified e-Marketing methodology, a draft of the visual chart is created.

- The third part is the development of a web-based tool which enables users to model e-marketing strategies based on the specified e-Marketing Methodology respectively on the draft of the visual chart in an easy and intuitive way. The focus lies on an user-friendly interface and an easy-to-use tool which supports "drag&drop" modelling. After the implementation, the modelling tool is evaluated by people who are familiar with e-marketing activities (e.g. CEOs of e-commerce companies). The focus of the evaluation lies on the completeness and usability of the e-Marketing Methodology and the draft of the visual chart (and less on the functionality and the usability of the web-based tool itself).The user experience and the feedback is documented.

- In the fourth part, the feedback of the evaluation is analysed and used to further improve the e-Marketing Methodology (and, if necessary, the underlying meta model/profile) and to adapt the visual chart.

4 State of the art

Currently, there exists no formally specified methodology for creating or capturing e-marketing strategies.

However, there are some approaches having a similar focus.

There is a method for planning content marketing[2] projects. Basically, that method is just a copy of the Business Model Canvas where the 9 building blocks have been replaced by building blocks that are in the creators opinion necessary to describe content marketing projects. These building blocks are *project objectives, distribution channels, budget, content resources & creation of content, measurement, team, audience & target groups, communication & interaction,* and *time plan.* [9] It has to be investigated whether this canvas, which was created for content marketing projects, can be used in general for e-marketing strategies.

Models supporting e-marketing activities have already been published and have been subject of scientific research.

Krishnamurthy proposed a methodology called "E-MARKPLAN", "*a practical methodology to plan e-marketing activities*". [4] The methodology comprises five parts: goals, actors, spaces, actions, and outcomes. The setting of *goals* is an essential part in planning e-marketing strategies, especially for evaluating the outcome. For this methodology, the focus is on the company/brand website. *Actors* are those who are involved in the e-marketing process (e.g. consumers, other companies, etc). Based on the identified actors, a set of *actions* (e.g. banner ads, newsletter, product information) that are suitable to reach the actors have to be identified as well. The *space* is the place where the actions take place, i.e. where the engagement between the actors (e.g. a company and a customer) happens. *Outcomes* can be compared to the goals and can be used to take corrective actions if the expectations are not met.

The "E-MARKPLAN" is based on the former "international e-marketing framework (IEMF)", proposed by *Krishnamurthy & Singh.* They suggest to use it as "*a guiding template for future research in international e-marketing*". [10] It comprises seven parts; in addition to the five parts from E-MARKPLAN (the parts *actions* and *outcomes* are a combined part) the parts technology form factors, country-level cultural factors, and access to information technologies. *Technology form factors* consider that, across the globe, the Internet means different things to different people (e.g. how they communicate, use social media, transact online, etc), while the *country-level cultural factors* are an important determinant in global e-commerce, since they influence e.g. how people browse the Internet and shop online. The *access to information technologies* covers factors like the access to the Internet across and within nations, and the penetration level of the Internet.

The "RACE Planning Framework" is a recurring process as can be seen in Figure 1. The framework also comprises an interactive chart, similar to a questionnaire, that guides step by step through the process of planning an e-marketing strategy and provides background knowledge to all subtasks. RACE stands for "*Reach (prospects & customers)*", "*Act (Achieve interaction)*", "*Convert (to Lead or sale)*", and "*Engage (through time)*". [11] The interactive chart gives support in deciding about the key digital strategies, analysing the marketplace to see how well digital media is currently used, setting the objectives, deciding about the strategy to achieve the objectives, and setting the tactics to optimise the digital marketing activities. [12]

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[2] Content marketing "*is a marketing technique of creating and distributing relevant and valuable content to attract, acquire, and engage a clearly defined and understood target audience – with the objective of driving profitable customer action.*" [8]

Another approach is the "Digital Marketing Strategic Planning Framework", which is also a recurring process (see Figure 2). It consists of 4 steps, namely "*Step 1: Think*" (develop the e-marketing strategy and aligning business objectives), "*Step 2: Tool*" (identify and implement underlying software and system), "*Step 3: Do*" (execute the strategy and map back to business objectives), and "*Step 4: Measure & Adjust*" (analyse the outcome and adjust the strategy). [13]

These and other frameworks, methodologies and approaches not mentioned in this proposal, as well as existing e-marketing strategies and input from similar sources will be analysed and used to identify parameters that are common for describing and planning e-marketing strategies. The identified parameters will be used to propose a formal methodology as well a corresponding visual chart for creating and capturing e-marketing strategies.
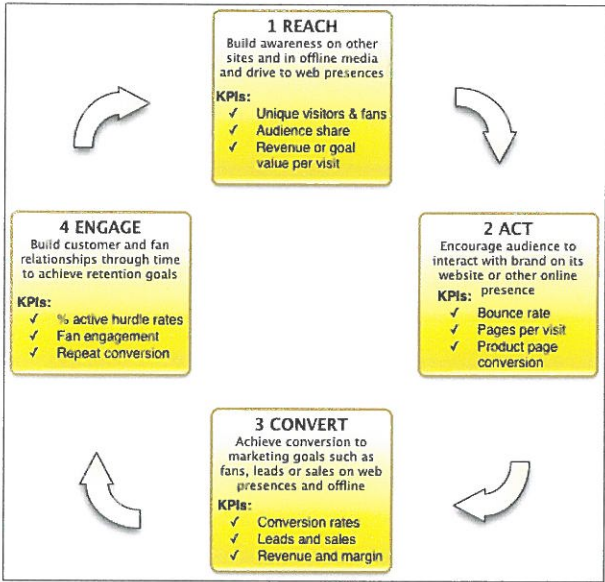

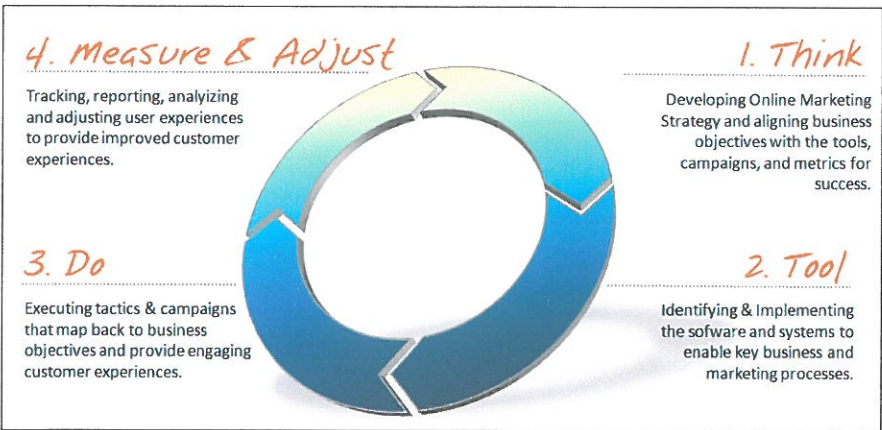Figure 1: Illustration of the "RACE Digital Marketing Improvement Framework" [11]

Figure 2: Illustration of the "Digital Marketing Strategic Planning Framework" [13]

5 Relation to Business Informatics

E-Commerce (and thus e-marketing, since it is an important part of e-commerce) is part of the curriculum of the master study "*Business Informatics*". The description of the course "E-Commerce" also mentions the area "e-marketing": "*E-commerce: Basics of e-commerce and e-business and diffusion aspects; business models; IT-Governance; e-strategy and e-marketing; electronic markets and networks; interorganisational systems; recommender systems; auctions; planing* [sic!] *and implementation of e-commerce systems*". [2]

Additionally, the (steady growing) importance of e-marketing and e-marketing strategies has lead to the introduction of the new module "*SBI/MTE - Business Informatics: Methods and Techniques for e-Marketing*". The description of the new module says that "*This module focuses on the technological as well as methodological aspects of the marketing of products and services over the Internet - often referred to as e-marketing. [...] In practical courses, students will design e-marketing strategies and learn how to employ contemporary e-marketing methods and techniques.*" [2]

6 References

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