

Evolution of Marketing Strategies: From Internet Marketing to M-Marketing

Tiziana Guzzo, Alessia D'Andrea, Fernando Ferri, and Patrizia Grifoni

Institute of Reaserch on Population and Social Policies (IRPPS-CNR)
00198, Rome, Italy
{tiziana.guzzo,alessia.dandrea,fernando.ferri,
patrizia.grifoni}@irpps.cnr.it

Abstract. The paper describes the evolution of marketing strategies from the advent of the Web (Internet Marketing) through the advent of Social Networks (Marketing 2.0) to the evolution of Mobile Social Networks (M-marketing). Moreover the paper analyses the use that Italian people make of mobile devices and the user perception and acceptance of M-marketing on considering the characteristics that influence them. Finally a short discussion on viral marketing trend is given.

Keywords: Internet Marketing, Marketing 2.0, M-marketing, User perceptions, Users acceptance, Viral Marketing.

1 Introduction

Marketing is “the process which creates, communicates, delivers the value to the consumers, and maintains the relationship with consumers. It generates the strategy that underlies sales techniques, business communication, and business developments. It is “an integrated process through which companies build strong consumers relationships and create value for their consumers and for themselves” [1].

Marketing strategies have a long history and mainly interested economists and sociologists. The wide use of Internet, pervasiveness of social networks and the evolution of mobile devise are implying a wider involvement of interdisciplinary competences enlarging the interest toward ICT competences.

This paper is to describe the evolution of marketing strategies from the advent of the Web (Internet Marketing) - through the advent of Social Networks (Marketing 2.0) - to the evolution of Mobile Social Networks (M-marketing). In particular, the paper analyses the use that Italian people make of mobile devices and the user perception and acceptance of M-marketing.

The advent of the Web had a significant impact on the way marketers do their strategies; it provides opportunities for companies to enhance their business in a cost-effective and practical manner. That is, the Web can be used by marketers to distribute products faster, to reach new markets, to conduct marketing research, to serve customers better, to solve customer problems and also to communicate more

efficiently with marketing partners. This evolution of marketing is called “Internet Marketing”.

The widespread advent of Social Networking stimulated a further development of marketing (Marketing 2.0) defining a new perspective connected to the symmetry of companies and consumers in their communication process. Indeed, consumers do not passively receive marketers’ messages; they actively express their needs, preferences and choices. All these issues stimulated the emerging of new marketing models with different aspects for successful marketing strategies such as: user information sharing and interaction, brand & corporate identity, search engine optimization (SEO) etc.. In the new marketing on Social Networks, databases play an enormous role in allowing the use and the integration of online tools. In particular they make it possible for consumers and companies to login and to have their own profile on a Social Networking site etc.; this give consumers and companies the possibility to connect each other and to fulfill their specific needs for information sharing and interaction and companies the possibility to outline the core concept of identity that, in the case of marketing strategies, can be extended to the analysis of the way in which consumers and companies develop their online profiles. This process can stimulate the presence of small enterprises on the market.

However, a stronger change is connected to the popularity of Social Networks, combined with the widespread diffusion of mobile technologies, such as pocket PC, PDA and cell phone; it has given rise to the phenomenon of Mobile Social Networks. Mobile Social Networks are considered to be the natural evolution of Social Networks; they can be seen as Social Networks communities specialized with mobile services. Mobile devices offer to Social Networks new opportunities connected with real-time location-based services, communication on the move and the sharing of information and services anywhere, anytime. This phenomenon is having a great impact on marketing sector. Mobile marketing (M-marketing) is defined as “the use of the mobile medium as a means of marketing communication” [2]. More specifically, it is “using interactive wireless media to provide customers with time and location sensitive, personalized information that promotes goods, services and ideas, thereby generating value for all stakeholders” [3].

In order to marketers adopt best M-marketing strategies it is very important to understand the use that users make of mobile devices, their perceptions and acceptance in terms of benefits and costs in using Mobile Social Networks for marketing purpose.

The integration of Internet Marketing, Marketing 2.0 and M-marketing has led to the development of a new type of marketing: the Viral marketing.

The reminder of the paper is organised as follows. Section 2 describes the Internet Marketing by discussing the different marketing ways, their advantages and limitations. Section 3 introduces the Marketing 2.0 by analyzing the benefits for consumers and companies. In Section 4 the different forms of mobile marketing strategies are discussed. Section 5 analyses the use that Italian people make of mobile devices and the user perception and acceptance of M-marketing on considering the characteristics that influence them. Finally Section 6 discusses the viral marketing trend.

2 Internet Marketing: Marketing on the Web

Internet Marketing is also called online Marketing, Website Marketing or e-Marketing. It is generally referred to the promotion of products or services over the Internet. Among the advantages of Internet Marketing there is mainly its cheapness both for companies and for buyers. Companies can reach a wide audience with minor budget respect to the traditional advertising while consumers can research and purchase products and services conveniently and quickly.

There are different ways of Internet Marketing which are listed below:

- *Pay per Click*: is a model where advertisers pay the publisher when the ad is clicked.
- *Marketing with Affiliates*: A company hires one or more affiliates that are paid commission for each visitor that click on the banner or logo. Visitors are connected to the sponsor's site for which affiliates are paid a commission.
- *Search Engine Optimization (SEO)*: It allow to types keywords in search engines related to ones product and to have the list of different sites related to that product. SEO maintains ones site to collocate on the first page of the most search engines to attract more traffic. This can give good Return on Investment (ROI) and increase profits.
- *Advertising through Banner*: Advertiser purchases banner to be displayed on the website. Usually, banner marketing is used to divert potential traffic to the site.
- *Auction through Internet*: In a n online auction takes place when items are kept for selling. A minimum price for items is fixed by seller and buyers that offer the highest price will receive that product.
- *Listing on Directories*: People can place their site on Hellometro.com or Citysearch.com which act as Yellow Pages on the internet. This is cheaper than the other ways of internet marketing, so also small-scale enterprise can use it.

3 Marketing 2.0: Marketing on Social Networks

The advent of Social Networking provides marketers with new potentialities, not available in traditional channels, in particular for the products and services diffusion.

The importance of Social Networks and the key aspect of the companies' interest on them are due to the wide number of consumers that can be reached using these tools.

Marketers start from building a loyal constituency of consumers through advertisement on discussion forums, providing links to experts in specific areas for free consultation, and use of knowledge from other forums to honestly counsel consumers. Marketers may also open discussion to specifically attract new members according to their profile of interest. The real advantages of Social Networks can be exploited when marketers use the interactive capabilities of this new medium and build a personal community environment for the consumers, on considering each consumer as an individual in addressing promotional messages, providing all related services at a unique point, and making the virtual community a truly worthwhile place for the consumer to visit. The possibility to individually and interactively address

consumers, allows marketers to understand their target better and to provide new products and services in fulfilling the consumers needs. The importance of Social Networking is, moreover, connected to the symmetry between companies and consumers in their communication process. Indeed, consumers do not passively receive marketers' messages they actively express their needs, preferences and choices [4] [5]. All these features of Social Networks allowed the introduction of different benefits on marketing process; the benefits can be view on considering the consumers as well as the companies' point of view.

From consumers' point of view the key useful characteristics of a Social Network to consider are:

- inter-activity: a consumer who joins a Social Network can seek information, test the product and proceed to place order for products. Consumers can also have access to the feedback of other people to make better informed decisions.
- aggregation of services: a Social Network allows aggregation of different services, coordinated and hyper-linked by the seller of the products or services. This gives consumers access to all the necessary information to make a better purchase decision.
- deliverability: a Social Network is delivered in real time 24 hours a day, and 7 days a week.

These characteristic allow consumers to:

- gather information about products and services offered by companies;
- interact with other consumers without spatial and temporal constraints and with reduced search costs;
- provide information about the product, to the company and to other consumers;
- add "collective content" using discussion forums;
- have economic benefits deriving from special prices, customized offers and better service from the qualitative point of view;
- being part of a powerful bargaining group that can influence important marketing decisions.

From the companies point of view the most important benefit that a Social Network can offer is given by the possibility to reach out and build interactive relationships with consumers on a global basis. In the past companies have been constrained by the inadequacies of the traditional channels, particularly in the products and services diffusion. Social Networks have the potential to transform and enhance this activity. As said before the key element for the interest in the use of Social Network is the critical mass of consumers that can be reached. Companies usually start from building a loyal community of consumers through advertisement on discussion forums, providing links to experts in specific areas for free consultation. Companies may also open discussion forums to specifically attract new members according to their profiles of interest. These discussion forums are rich sources of information about companies and their products/services and, at the same time, should be closely monitored by the marketer to identify the needs of the consumers. Companies can also facilitate an immersive experience to consumers, for example, by using 3-D virtual communities

such as Second Life, they can create customized graphical user interfaces and include tutorials (Avatar), which can better explain to consumers how to move around and interact with the environment. Many real-world companies are taking interest in this latest online trend. American Apparel is the first "real world" company that has opened a store in the virtual world of Second Life. Its ultra-modern clothing store is located on a beach resort and has quickly become a hot spot within Second Life. Second life provides companies with the opportunity to build a strong trademark. Some brand owners have established an online presence by building retail stores to sell products in the real world. Moreover they have the possibility to create an event in the largest world virtual 3-D environment to directly communicate with the wide audience of the community members. For example, the MacArthur Foundation uses events on Second Life to introduce the foundation to a new audience and to stimulate discussions about the real-world issues that it seeks to resolve; William Gibson, the influential author who coined the word "cyberspace", had a reading in Second Life to promote his novel "Spook Country"; the Royal Liverpool Philharmonic have built a replica of their concert hall where they will perform works by Rachmaninov.

4 M-Marketing: Marketing on Mobile Social Networks

Today we live in a mobile-devices-focused society. Mobile technologies, such as PDA, pocket PC and cell phone, transform interpersonal communications, which are independent from the fixed location, and result in the phenomenon of "situated nowhere," in which communication occurs everywhere. Several studies individuate and classify mobile devices properties. In particular Klopfer et al. in [6] classify the following five property classes, to characterise mobile devices:

- Connectivity.
- Social interactivity.
- Individuality.
- Context sensitivity.
- Portability.

These properties are strictly related to several key elements: the user device, the user, user communities, the Network and the context. In this scenario, connectivity represents the interaction between the user device and the Network, many devices are characterised by a high connectivity (smart phones) other by a limited capability (PDAs). The Social interactivity represents the interaction between the user device and user communities that satisfy user need to communicate, this property class is strongly related to the previous connectivity class. The Individuality represents the interaction between the user device and its user and allows adapting content according to the user's needs and characteristics. The Context sensitivity represents the interaction between the user device and the external environment and permits to adapt content according to the context characteristics. Finally Portability represents the property to establish interactions between the user device and all others actors everywhere and every-time. Being mobile adds a new dimension also for marketing strategies on Social Networks because of the mobile devices properties that give advantages to Social Networks. The real advantage of Mobile Social Networks

compared to Social Networking websites is that mobile devices enhance the freedom of movement [7]. Moreover, they allow data sharing in peer-to-peer (P2P) networks with communication links created in ad hoc manner [8].

The widespread diffusion of Mobile Social Networks have great impact on marketing strategies; from marketing 2.0 we move to M-marketing that is defined as “the transactions of commodities, services, or information over the Internet through the use of mobile handheld devices” [9]. M-marketing has generally been viewed as “an extension of marketing 2.0 beyond the static terminal of the PC/TV to anytime, anyplace, anywhere on mobile and other wireless devices” [10]. M-marketing on Social Networks are increasingly a vital component of brand marketers' strategies, creating a rush to develop content and advertising to consumers via on their mobile devices. There are many forms of M-marketing such as Short Message Service (SMS), Multimedia Message Service (MMS), Mobile Web Marketing, and Location-based Services:

- *Short Message Service (SMS)*: SMS messaging is going to be the new e-mail which aim is to collect phone numbers instead of email addresses. To take full advantage of SMS, companies have to invest in dedicated mobile texting platforms (like MobileStorm or MooText) to create and manage M-marketing campaigns. These platforms typically incorporate a mobile CRM to expand customer's insights and data into mobile devices.
- *Multimedia Message Service (MMS)*: Multimedia can break down the faceless marketing-to-consumer sales flow and make companies appear friendlier. Thanks to the use of Mobile Social Networks consumers have the possibility to use the web to look for videos and pictures of products they considering buying everywhere and every time. It's easy for companies to taking photos of their products but also to invite consumers to events to highlight their culture and recruit new employees.
- *Mobile Web Marketing*: M-marketing is great for all kinds of companies, but particularly for companies that have brick-and-mortar locations. As marketers start to leverage more mobile social platforms they most deliver the same message over multiple platforms instead of tailoring communications for each individual Mobile Social Network. However every mobile social platform have an ecosystem of their own, so it is important to consider that each of them is different from another, for instance specific style of writing might spread on Facebook but fail on Twitter, it is indeed relevant to customize the marketing message in order to ensures the success of each respective social platform.
- *Location based Services*: Being visible to consumers looking for a business in their area is extremely important. Make sure Social Network is included in local business directories in order to help ensure that consumers find you when they need you. This is possible through location-based services (LBS) are powerful tools for engendering loyalty from customers; examples are Gowalla, Foursquare and Facebook Places that companies can to run mobile promotions. For instance, Chili's ran a promotion where everyone who “checked in” to their locations using Foursquare got free cheese dip.

5 M-Marketing: The Consumers' Perspective

This section analyses the use that Italian people make of mobile devices and the user's perception and acceptance of M-marketing on considering the characteristics that influence them.

5.1 Diffusion of Mobile Devices in the Italian Market

The mobile is the most widespread tool among Italian consumers as well as the most personal and with characteristics of immediacy, geolocation, and very strong interaction. The big changes in terms of diffusion of intelligent devices (smartphones), growth of mobile Internet browsing, the new paradigm of the Mobile Application Store, makes it a highly attractive channel for communication and marketing activities of companies.

The development of mobile opens important perspectives on the market field in the next year. In Italy, in fact, about 20 million users have a smartphone, with a 52% increase compared to 2010 [11]. From a research commissioned by Google to Ipsos MediaCT (July, 2011) 53% of the respondents use these tools every day to surf the Internet wherever they are. The 45% takes smartphones to find information quickly. On the rise also the proportion of people who start to use the smartphone to buy directly on the web 23% had in fact, already made a purchase via mobile and 72% of smartphone owners remember to have noticed an advertisement on the mobile.

This trend will grow in the near future. According to data reported by Google, the volume of searches through mobile of 2011 increase of 224% compared to those of 2010. In particular 53% of respondents said to use mobile devices for daily researches, while 29% use them only weekly. Moreover 78% use them to find local information, while 43% to search products and services. Finally 35% of respondents had visited a business website then has activated a service.

These data are confirmed also in tourism field, in fact a recent survey conducted by the GDS (Global Distribution System) Sabre Travel Network, detects a sharp increase in the sale of tourism services through mobile. The analysis was conducted on business travelers who travel 7 times a year for business. For these users is a great convenience can search, book and pay directly via mobile. The 2/3 of respondents said they would be able to search and book hotels in mobile. 63% is not opposed to receiving bids and proposals relating to the destinations by local businesses. 72% want to be able to see the hotel on the map.

These data show that investing in the mobile market is an emergent and great opportunity in Italy.

This phenomenon is changing radically the logic of relation and interaction between businesses and consumers and is an opportunity for significant growth for the economy of the country.

According to [11] Italy is the market where the owners of mobile devices are more likely to click on an advertisement and to seek more information about a product. In 2011, the Italian market of Mobile Advertising, the corporate investments in advertising on the mobile channel, has increased by 50%, from 38 to 56 million euros,

equal to about 5% of the total market of Internet Advertising. (Osservatorio Mobile Marketing & Service della School of Management del Politecnico di Milano) (www.osservatori.net). Among the sectors that invest most in Mobile Advertising there are: at the first place the automotive sector (+81%), at the second place Finance and Insurance (+22%) and at the third place Entertainment and Publishing (+40%).

5.2 User Perception, Acceptance of Mobile Social Networks for Marketing Purposes

In order to marketers adopt best strategies it is very important understand which are perceptions by consumers in terms of benefits and costs to use Mobile Social Networks for this purpose.

The study presented in [12] individuated some characteristics that influence consumers' perception. Respect to benefits perceived, mobile convenience and service compatibility directly and positively influence mobile values. Respect to costs perceived instead, security risk and cognitive effort negatively influence mobile values.

- *Service compatibility*: is the consistency of products and value perceived by consumer [13]. In the case of the market, consumers use mobile data services to satisfy their demands for desired products. Compatibility of mobile services is the ability to use the functions provided on Social Networks on mobile phone [14].
- *Security risk*: users perceive some risks for shopping on line and these risks are more perceived when they buy on Social Networks [14, 15]. In particular, users are concerned when use mobile since they think that their personal information can be diverted while using wireless. According to [12], users think that using Mobile Social Networks can cause security problems like transparency of personal information.
- *Cognitive effort*: if users use much time and effort to access Mobile Social Networks the user's self-confidence decreases [16]. In this case the user's mood can be spoiled and he can stop to use services or products.

The study of [17] found that consumers prefer that marketers interact with consumers in bi-directional communication, through actions such as responding to consumer-generated content.

Consumer acceptance and attitudes towards receiving communications from brands via social media could be improved if it was relevant, interactive, non-intrusive, and permission-based advertising. Furthermore, in order to improve the brand credibility, it is necessary to create a dialogue with the consumer, rather than using the media as a promotional vehicle [17].

According to [11] about trends and consumption patterns on social media in the U.S. and other major markets, 70 percent of active online adult Social Networkers shop online, 12 percent more likely than the average adult Internet user. Although most internet sites can be browsed on a mobile, the best sites are those designed specifically for that purpose. Some Mobile Social Networking sites are investing to respond to their customers' demands.

As reported in <http://thesocialskinny.com/100-social-media-mobile-and-internet-statistics-for-2012/> "20% would purchase products from their favorite brands within their social media sites (as opposed to normal websites); 34% would be more likely to share information about a purchase on a social media site than one on a traditional marketing site; 45% of social media users are at least 'somewhat' comfortable providing credit card details through social media channels". These data demonstrate that M-marketing is having a great success in terms of user's perception and acceptance and we can foresee a positive and growing trend of use of these tools for marketing purposes.

6 Discussion and Conclusion

The paper describes the evolution of marketing strategies from the advent of the Web (Internet Marketing) through the advent of Social Networks (Marketing 2.0) to the evolution of Mobile Social Networks (M-marketing).

The evolution of these marketing strategies has led to the development of a new type of marketing: the Viral marketing. The Viral marketing is a technique that allows implementing actions and strategies by self-replicating viral processes. The elements that characterize the "viral" aspect are both communicative and technological.

On considering the communicative issue, the marketing message to become viral will reach the target of potential customers by transforming them in active agents that involve other people by sharing the message.

With respect to the technological prospective it is necessary to have flexible, easily accessible, highly integrated technologies that allow a quickly sharing of the messages.

In this scenario, Internet Marketing, Marketing 2.0 and M-marketing provide the necessary integration to define marketing strategies that can exponentially increase the number of people involved in marketing strategies by opening new perspectives for the development of new business and marketing models. Viral marketing could allow a new marketing model for a sustainable economy. It will be a future work the study of features that this model should contain.

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