Competency 12

Explores applicability of ICT to business organizations and the competitive marketplace

12.3 Analyses the ICT in terms of generating and delivering an improved products and services to consumers

Time: 4 periods

Learning Outcomes

- Defines e-marketing
- Identifies the role of ICT in e-marketing
- Investigates the usage of database in marketing activities to improve the product and services according to the requirements of the customers
- Identifies the ways of gaining competitive advantages using ICT

E-Marketing

Electronic Marketing also referred to as Internet marketing, i-marketing, web-marketing, online-marketing or e-Marketing. E-Marketing is the marketing of products or services over the Internet.

It is simply making use of electronic media, especially the Internet for marketing activities.

Such activities typically include promotions, public relations as well as after-sales support.

For example,

- Many customers make purchases based on the emails they receive containing product catalogs and special offers.

- Social media that are being increasingly used by firms to stay connected with customers, share information regarding new offerings and promotions as well as to hear from customers any suggestions, complaints, as well as comments.

- Social media, on the other hand, acts as the digital equivalent to word-of-mouth marketing as the customers help to spread the message about the firm's offerings by sharing, tagging, liking and commenting.

- Online advertisements are also very effective to spread the message about a particular product or a service.

- The advantages of e-marketing include the ability of a firm to adapt based on the customers' feedbacks, the ability to make an instant impact, the ability to directly approach specific market places (based on profiling), the ability to analyze the responses in real-time, etc..

Internet marketing ties together creative and technical aspects of the Internet, including: design, development, advertising, and sales.

Philosophy of marketing

The marketing concept and philosophy is one of the simplest ideas in marketing, and at the same time, it is also one of the most important marketing philosophies.

At its very core are the customer and his or her satisfaction. The marketing concept and philosophy states that the organization should try to satisfy its customers' wants and needs while meeting the organization's goals. In simple terms, "**the customer is king**".

The implication of the marketing concept is very important for management.

From top management to the lowest levels and across all departments of the organization, it is a philosophy or way of doing business.

The customers' needs, wants, and satisfaction should always be foremost in every manager and employees' mind.

Example,

Wal-Mart's motto of "satisfaction guaranteed" is an example of the marketing concept. Whether the Wal-Mart employee is an accountant or a cashier, the customer is always first.

	Marketing philosophy	**Product-based philosophy**
Attitude to customers	Determined by customers' needs	Sell what we make
Market Research:	Identify customers' needs.	Measure customer reactions
Sales Strategy:	Pull customers.	Push products.
Packaging:	Customer convenience, Marketing & sales aid.	Product protection
Profit	Profit long term from customer relationships.	Now, through manufacturing efficiency.
Transport / Distribution:	To meet customer demands effectively.	At lowest cost.
Advertising:	Customer Benefits.	Product Features

Online Advertising

Online advertising is a form of promotion that uses the Internet and World Wide Web for the expressed purpose of delivering marketing messages to attract customers.

Examples of online advertising include contextual ads on search engine results pages, banner ads, Rich Media Ads, Social network advertising, online classified advertising, advertising networks and e-mail marketing, including e-mail spam.

Benefits of online advertising

- The immediate publishing of information and content that is not limited by geography or time.
- The efficiency of advertiser's investment. Online advertising allows for the customization of advertisements, including content and posted websites. For example, AdWords, Yahoo! Search Marketing and AdSense enable ads to be shown on relevant web pages or alongside search results of related keywords.

Mobile Marketing

Mobile marketing is a revolutionary form of e-marketing.

As we know, many people now use smartphones and other mobile handheld devices to browse the Internet.

This shift from desktops to mobile devices has created new opportunities for marketers to use multiple channels to reach a customer through their mobile handheld devices.

These channels may include email, SMS, MMS as well as the very popular social media such as Facebook, Viber, WhatsApp, etc.

Technology is developing rapidly to create innovative ways to personalize the marketing messages sent to users as much as possible.

According to the latest edition of the textbook - Management Information Systems by Laudon and Laudon – the increase of mobile devices introduces a new dimension to marketers to recognize their targets, which is the location.

They introduce three notable location-based services the mobile marketers can use namely geo-social services, Geo-advertising and geo-information services.

The **geo-social services** help users to know where people with similar interests as him or her meet. Facebook is a popular social networking site that offers this service.

Geo-advertising services help connecting local merchants with nearby customers. For example, the local restaurants can offer lunchtime promotions to the crowd within a specific distance expecting to attract a percentage of them as customers.

Geo-information services provide information about a subject, such as an exhibit at a museum, on a geographical map for the people passing nearby.

M-commerce is an important component of mobile marketing in which electronic commerce takes place through mobile devices. In other words, the customers today prefer to shop online for products and services through their mobile devices which makes firms to consider the mobile as an important channel to carry out business with customers.

For example, most banks, insurance firms, and telco companies offer mobile apps for customers to receive their services through mobile devices.

More and more firms offer mobile-friendly e-commerce sites expecting better engagement with the customers. There also exist mobile advertising platforms such as Apple's iAd and Google's AdMob.
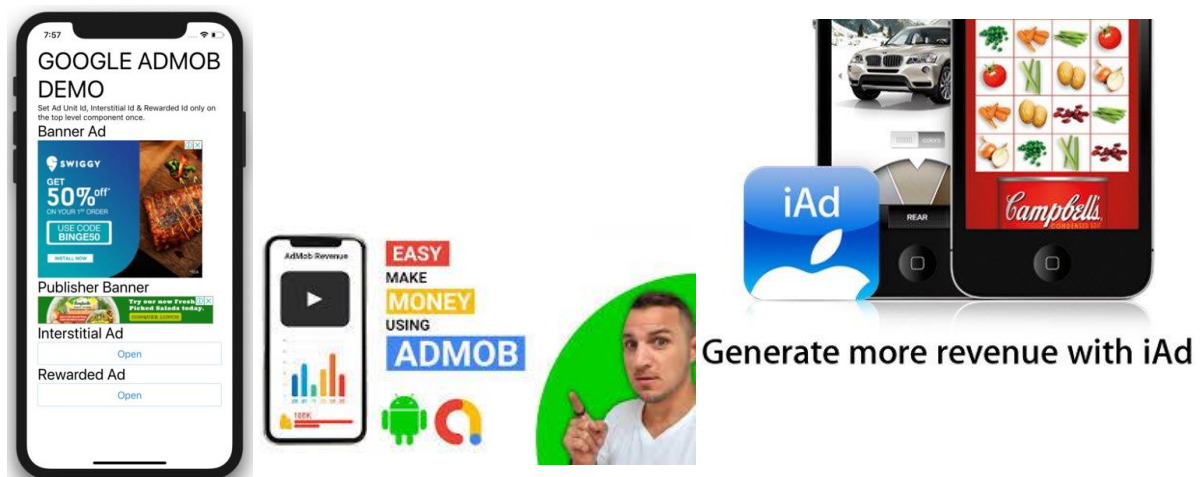
Database Marketing

When the customers' online activities increase through both web and mobile interfaces, more and more databases become existing which contain information about current and future customers.

These databases not only contain customers' personal information but also their web browsing patterns as well as location details.

Database marketing involves making use of these databases to directly contact existing or potential customers regarding firms' offerings.

Database marketing is a direct marketing technique and it could be well supported with intelligent data mining techniques.

For example, mining of web access patterns of individual customers can help to create unique profiles of customers based on their interests and other characteristics. This helps to make more personalized offers to customers which are more likely to be accepted than a bulk offer sent to all customers irrespective of their likes and dislikes.

Gaining competitive advantages through IT

A competitive advantage is an advantage over competitors gained by offering consumers greater value, either by means of lower prices or by providing greater benefits and service that justifies higher prices.