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The Internet's Impact On Marketing – the Six “I’s”

“Since the dawn of the television age, the message of virtually all commercials has been: Buy! Buy! Buy” (Weber 2007, p10)

Broadcast-driven mediums are commonly ‘corporate-controlled’, where publications are highly edited by professional journalists and editors before being disseminated to the public to paint a “distorted” view with regard to “editorial constraints” (Weber 2007, p3); chiefly the views of advertisers and management. In contrast, social media is not restricted to the amount of time or pages the publication or program has available.

Technological advancements of the ‘Web 2.0’ environment, however, have created a platform that can ultimately fully facilitate the potential for businesses to engage in “marketing concepts which were previously largely theoretical” (Hurst 1998, p1), such as ‘two-way’ relationship marketing and consumer-customised advertising (Hurst 1998; McWilliam 2000; Haig 2001), with greater Internet access penetration and ‘accelerating’ Internet speeds further increasing the opportunities for e-marketing (Strauss *et al* 2006, p71).

Marketing is regularly confused with just the process of advertising and sales; however, it can be difficult to define because it encroaches on a wide array of tasks and objectives. Marketing is often constructed as “risk capital” (Bishop 1998, p14); investing time and money “in the hope of generating more revenue

than the program costs” (Bishop 1998, p14). The Chartered Institute of Marketing define marketing as a process that focuses on the consumer, where:

“Marketing is the management process responsible for identifying, anticipating and satisfying consumer requirements profitably” (Times 2008).

Whereas, Boone & Kurtz (2005, p7) suggest a more holistic definition, being the:

“Process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, services, organizations, and events to create and maintain relationships that will satisfy individual and organizational objectives”.

E-marketing achieves these objectives via “the applications of the Internet and related digital technologies in conjunction with traditional communications” (Chaffey *et al* 2006, pp8-9). E-marketing has many differences when compared to traditional marketing. The development of the ‘6 I’s’ (McDonald & Wilson 1999) give a useful summary of the differentiation “between these new media and traditional media” (Chaffey *et al* 2006, p21) and how they affect marketing methods, as well as opportunities created.

Interactivity: Online marketing is changing the values of traditional marketing, by “shifting power [from suppliers] to consumers” (Pires *et al* 2006, p937). Traditional marketing involves ‘push’ strategies of finding the right customer to market to and broadcasting the message to the consumer with limited interaction. In comparison, the Internet is a search-based platform with the

customer initiating contact and seeking information (Chaffey *et al* 2006, pp21-22), requiring a ‘pull’ medium strategy where one “must appeal to [users’]... specific needs or requirements to a greater extent” (Haig 2001, p10) than offline marketing. Marketing implications arise from this consumer empowerment, requiring a different strategy to attract consumers; one that encourages two-way communication (Chaffey *et al* 2006, pp21-22).

The Internet and social media tools have enabled marketers to interact with their audience on a large scale, “providing a tool to listen to customers” (Smith & Chaffey 2005, p24) as opposed to just talking at them (Steinbock 2000, p79; Weber 2007, p4), in an environment that resembles that of face-to-face interaction (Feenberg & Barney 2004, p1). Social media venues induce dialogue built on such interactions (Bishop 1998, p18; Tapp 2005, p211). If these interactions are “dynamic” (Steinbock 2000, p84), they can permit marketers to “identify, anticipate and satisfy customers’ needs efficiently” (Smith & Chaffey 2005, p14) through learning more about their usage patterns and behaviours (Strauss & Frost 1999, p266). By developing and building “ongoing dialogue” marketers can “begin... [to] foster high-quality one-on-one relationships” (Bishop 1998, p18).

Integration: The interactive capabilities created by these Internet technologies have regenerated interest in relationship marketing (Hurst 1998, p1; Policy Publications 1999; Tapp 2005, p4), such as “one-to-one (e.g. e-mail and instant

messaging), one-to-many (e.g. Web pages and blogs) and many-to-many (e.g. Wikipedia) communication modes” (Cooke & Buckley 2008, pp277-278). The importance of relationship marketing has been intensified by an “increase in the commoditisation of products” (Shaw & Ivens 2005, p1), and the greater competition for customers that globalisation and the Internet have created (Levitt 1983). E-marketing has further enabled marketers to maintain “a closer and abiding relationship” (Steinbock 1998; cited by Steinbock 2000, p62) with customers via exchanges and interactions over the Internet, enjoying “direct access to customers, their attitudes, their interests and their buying patterns” (Smith & Chaffey 2005, p24), thereby removing “the lottery technique of mass-marketing targeting” (Koranteng 1998, p6).

Intelligence: Before a campaign is launched it is imperative that it can be adequately assessed, particularly with respect to its performance and what it is doing for the business. Significant literature exists concerning both the importance of measurement and the “ineffectual measure studies” (Business Wire 2006b; Binet & Field 2007) that are being undertaken. Failure to evaluate factors in the relationship between targets and businesses will lead to an incomplete understanding of indicators to success (Binet & Field 2007; Prophet 2007). The Internet, however, offers a wealth of marketing research information, which can be obtained and analysed with the ability of Web analytics to “build [a] knowledge [and understanding] of customers preferences and behaviours” (Chaffey *et al* 2006, p22).

Web analytics are techniques which are used in the assessment of online marketing to improve its “contribution... to a business, including reviewing traffic volume, referrals, online reach data, customer satisfaction surveys, leads and sales” (Chaffey *et al* 2006, p22); information that would be otherwise difficult and near impossible to obtain in the traditional environment. The driving factor of the online platform in generating and evaluating feedback of the marketing process is the increase in efficiency and ‘pace of change’, as all marketing stages can occur concurrently “in a spatial rather than linear... nature” (Bishop 1998, p16), as opposed to taking “months to realise... success” (Strauss *et al* 2006, p3). This contrasts with “traditional marketing rules [which were] designed for static markets and static industries” (Steinbock 2000, p76).

Individualisation: Via the use of analytical software, marketers have gained the ability to track consumers’ actions more closely and on a mass scale, enabling ‘individualised’ services and promotions (Wright 2006) and “heightened customer intimacy” (Quinn 1999; Cited by Richardson 2001, p24). Changing consumer attitudes and an increasing interest in niche sectors has resulted in a shift from mass production to mass customisation, enhancing the importance of a customer relationship focus (Egan & Harker 2005, p70).

Information obtained through analytical software can include demographic information, interests, tastes, income levels and locations of residence

(Koranteng 1998, p1). Utilising this information marketers, through the use of customer relationship management (CRM) tools, can “provide products and services that individuals’ desire” (Strauss & Frost 1999, p264). Amazon.com <www.amazon.com>, for example have successfully employed proprietary computer systems which have allowed them to gain an advantage over other retailers by supplying personalised recommendations based on information previously obtained from its own user community (Bancroft 2008). In building up an image and understanding of its users, Amazon has been able to further utilise this information to target “customers’ niche segment markets with product recommendations and links” (Anderson 2004). This measurement and evaluation of users’ information in the online environment can also further enhance relationship management (both on and offline), providing information across all areas of the business to facilitate service improvements (Business Wire 2006a).

Independence of Location: The Internet has made location irrelevant to the extent of dissolving “barriers of time, distance and space” (Quinn 1999; Cited by Richardson 2001, p25). As a result of globalisation, society has grown to become “more demanding, less loyal and less willing to forgive companies” (O’Connor & Galvin 2001, p3). The Internet has become an enabler of increased competition, lowering entry barriers for new competitors by reducing the costs associated (Porter 2001, p66); in effect diluting differences and increasing rivalry between competitors (Porter 2001, p66). This increased

competition has “liberated [the consumer] from overpricing and ignorance” (Mintel 2006b) and allowed access to a “plethora of global competitors, all vying for business” (Strauss *et al* 2006, p11), holding marketers ‘hostage’ via just a single click (Transparent Marketing 2003). For marketers, this greater freedom of movement and access brings both opportunities and threats, providing simultaneously a broader market and greater competition.

Industry Restructuring: The sixth and final ‘I’ presents more of a challenge than an opportunity for marketers. The Internet has prompted a transformation of the entire marketing environment by allowing organisations to directly link to their consumers, leading towards ‘disintermediation’ and the removal of the ‘middle man’ (Chaffey *et al* 2006, p25). In response to this, some providers have developed a niche through ‘reintermediation’ being “the creation of new intermediaries between customers and suppliers [via the online platform]... providing services such as... search and product evaluation” (Chaffey *et al* 2006, p25).

The Internet is removing the advantage from the sellers and giving it to the consumers by “training individuals... to help themselves to information, products, and practically everything they want, when and where they please” (Strauss *et al* 2006, p175). As Weber (2007, p12) asserts, “in this new world, the customer is in control”, meaning that organisations are “no longer the sole author of [their] brands” (Franklin 2008, p38). Consequently, people no longer

need marketing, gaining “more and more information without having to actually speak to a vender” (Volpe 2007). This may lead to the increase in importance of ‘inbound’ marketing techniques, including relationship marketing, creating opportunities for people to find the supplier, in contrast to outbound techniques, which are less permissive and based more on interruption (Volpe 2007).

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