INTERNET MARKETING

Daniela Andreini

SCHEDULE

time	date	day	subject
1.30-4.30 pm	May 20	Tue	Introduction to Internet Marketing and E-commerce
1.30-4.30 pm	May 22	Thu	Internet and E-commerce: diffusion and practice
9.00-11.00 am	May 23	Fri	Internet Marketing Plan_ Research online
1.30-4.30 pm	May 27	Tue	Internet Marketing Plan_ Target and E-business model
1.30-4.30 pm	May 29	Thu	Internet Marketing Plan_ E-business model
9.00-11.00 am	May 30	Fri	Branding online: target, values and benefits
1.30-4.30 pm	June 3	Tue	Internet Marketing Plan_Tactical Decisions
1.30-4.30 pm	June 4	Wed	Company Visit
9.00-11.00 am	June 6	Fri	Internet Marketing Plan_ Web Site Communication
1.30-4.30 pm	June 10	Tue	Internet Marketing Plan_ Adv online
1.30-4.30 pm	June 11	Wed	Internet Marketing Plan_ Positioning
9.00-11.00 am	June 13	Fri	TEST

What does mean Internet to business?

- For EasyJet: a marketplace
www.easyjet.com

- For CISCO System: the way to do business
www.cisco.com

- For UPS: an e-commerce channel
www.ups.com

- For FORD: an influencing purchase decision tool
www.ford.com

- For Benetton: a widowshop
www.benetton.com

- For Coca-cola: a branding channel
www.cocacola.com

Definitions

INTERNET

The Federal Networking Council (FNC) defines "Internet" as the global information system that

1. is logically linked together by a globally unique address space based on the Internet Protocol (IP) or its subsequent extensions/follow-ons;
2. is able to support communications using the Transmission Control Protocol/Internet Protocol (TCP/IP) suite or its subsequent extensions/follow-ons, and/or other IP-compatible protocols; and
3. provides, uses or makes accessible, either publicly or privately, high level services layered on the communications and related infrastructure.

INTRANET

A network within a single company which enables access to company information using the familiar tools of the Internet such as web browsers. Only staff within the company can access the intranet, which will be password protected.

EXTRANET

An extranet is a private network that uses the Internet protocol and the public telecommunication system to securely share part of a business's information or operations with suppliers, vendors, partners, customers, or other businesses. An extranet can be viewed as part of a company's intranet that is extended to users outside the company

Opportunities for using the Internet, extranets and intranets to support Marketing functions

Level of management	*Internet*	*Intranet and extranet*
Strategic	Environmental scanning	Internal data analysis
	Competitor analysis	Management information
	Market analysis	Marketing information
	Customer analysis	Database
	Strategic decision making	Operations efficiency
	Supply chain management	Business planning
		Monitoring and control
		Simulations
		Business intelligence (data warehouses)
Tactical and operational	Advertising/promotions	Electronic mail
	Direct marketing	Data warehousing
	Public relations	Relationship marketing
	Distribution/logistics	Conferencing
	Workgroups	Training
	Marketing research	Technology information
	Publishing	Product/service information
		Customer service
		Internet trading
		Sponsorship

Research & Knowledge Management

Relationship Marketing & Internal Marketing

"**Marketing is** the activity, set of institutions and processes for creating, communicating, delivering and exchanging offerings that have **value for customers, clients, partners, and society at large**."
American Marketing Association

How do Internet marketing communications differ from traditional marketing communications?

Kiani (1998)

Old media	*New media*	*Comment*
One-to-many communication model	One-to-one or many-to-many communication model	Hoffman and Novak (1996) state that theoretically the Internet is a many-to-many medium, but for company-to-customer-organisations communications it is best considered as one to one
Mass marketing push model	Individualised marketing or mass customization. Pull model for web marketing	Personalisation possible because of technology to monitor preferences and tailor content (Deighton, 1996)
Monologue	Dialogue	Indicates the interactive nature of the World Wide Web, with the facility for feedback
Branding	Communication	Increased involvement of customer in defining brand characteristics. Opportunities for adding value to brand
Supply-side thinking	Demand-side thinking	Customer pull becomes more important
Customer as a target	Customer as a partner	Customer has more input into products and services required
Segmentation	Communities	Aggregations of like-minded consumers rather than arbitrarily defined target segments

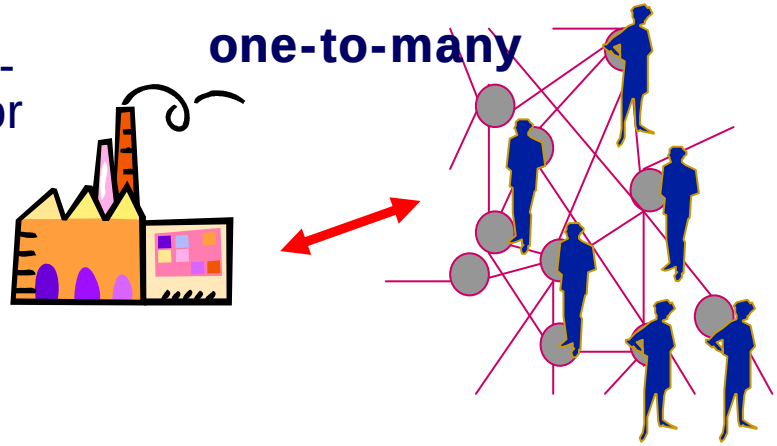
Source: After Kiani (1998).

Internet can develop (Hoffman and Novak, 1996)

1. **One-to-many Communication**
2. **One-to-one Communication**
3. **Many-to-many Communiaction**

1. One-to-many Communication

Broadcast Model: The traditional one-to-many marketing communications model for mass media. In this passive model, firms provide content through a medium to a mass market of consumers.



- **OFFLINE**

- Advertisement on TV, Radio, Newspaper

- Direct Marketing (catalogs, mailing, etc...)

- **ONLINE**

- Web Sites

- Online advertisement: Video Streaming, Banner,

- Online direct marketing

trend

ONLINE + OFFLINE

Case Studies: One-to-many Communication

OFFLINE COMMERCIAL

http://www.youtube.com/watch?v=_F9ftNCboA0

ONLINE COMMERCIAL

http://www.youtube.com/watch?v=_F9ftNCboA0

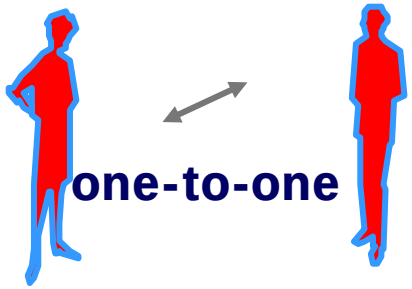
ONLINE+OFFLINE COMMERCIAL

http://www.youtube.com/watch?v=k0_0Yd4HF4E

2. One-to-one Communication

Interpersonal Or Computer Mediated Communication Model

It's the basis for a personalized service and communication



- **OFFLINE**
  - **Retails**
  - **Agents**
  - **Direct Marketing**

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- **ONLINE**

- Chat

- VOIP

- **Online direct marketing**

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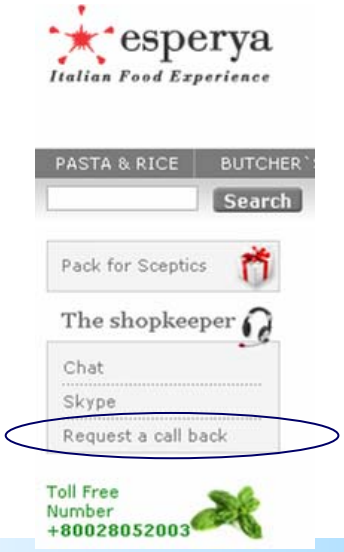
ONLINE + OFFLINE

Case Studies: One-to-one Communication

OFFLINE INTERPERSONAL COM.

ONLINE INTERPERSONAL COM.

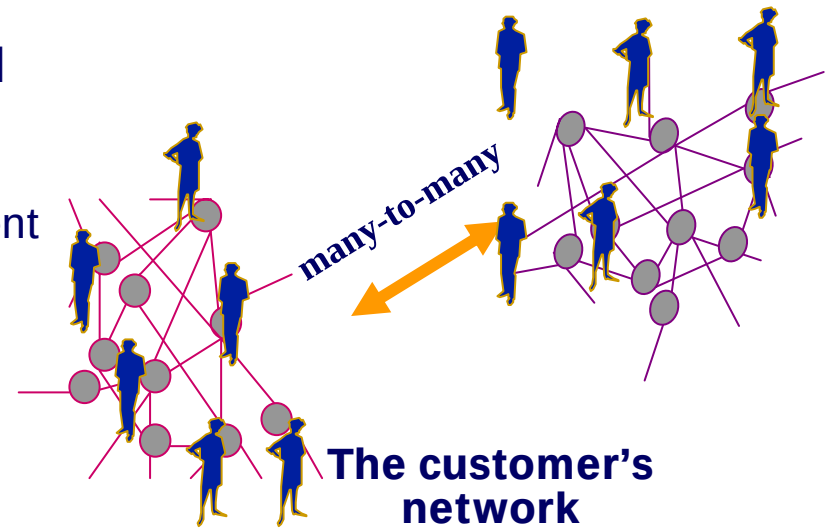
ONLINE+OFFLINE INTERPERSONAL COM.



3. Many-to-many Communication

Hypermedia Communication Model

Internet offers an alternative to mass media communication. Some applications on the Internet (e.g., personal homepages) represent narrowcasting" to the extreme, with content created by consumers and for consumers.



- **OFFLINE**
  - **Associations**
  - **Co-buying businesses**
  - **Sharing businesses**

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- **ONLINE**
  - **Community**
  - **Web 2.0**
  - **Customer experience**

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trend

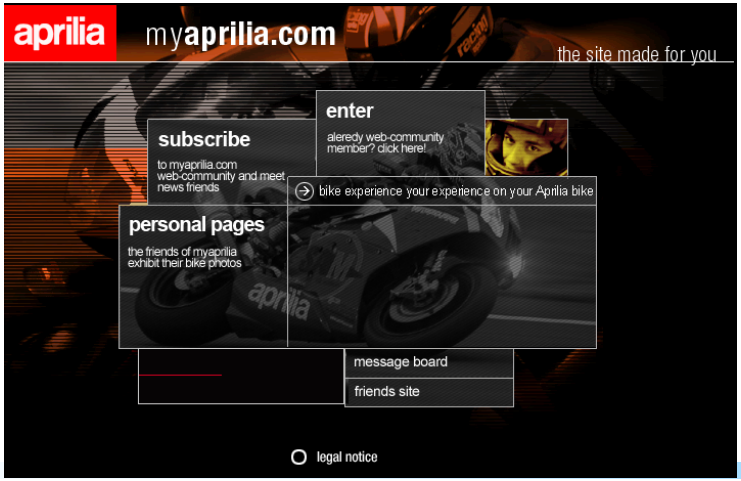
ONLINE + OFFLINE

Case Studies: Many-to-many Communication

OFFLINE

ONLINE

ONLINE + OFFLINE



Internet and Marketing

Definitions

- **E-commerce**

Rayport and Jaworski (2001) define e-commerce as “technology mediated exchanges between parties (individuals and organizations) as well as the electronically based intra or interorganizational activities that facilitate such exchanges”. eg inventory, ordering, payment processes, etc...

- **E-business**

Philips et al. (2003) define e-business as: “the application of IT for internal busines processes as well as activities in which a company engage during commercial activity. These activities can include functional activities such as finance, marketing, HR management, operations”

- **E-marketing**

Institute of Direct Marketing: “the use of internet and related digital information and communication technologies to achieve marketing objectives”

- **M-marketing**

Strauss et al. (2003) the increase in sales of mobile phones induce marketers in seeing mobile communication as the future scenario for marketing activities

Definitions

Business-to-consumer (B2C)

Business that sells products or provides services to end-user consumers.

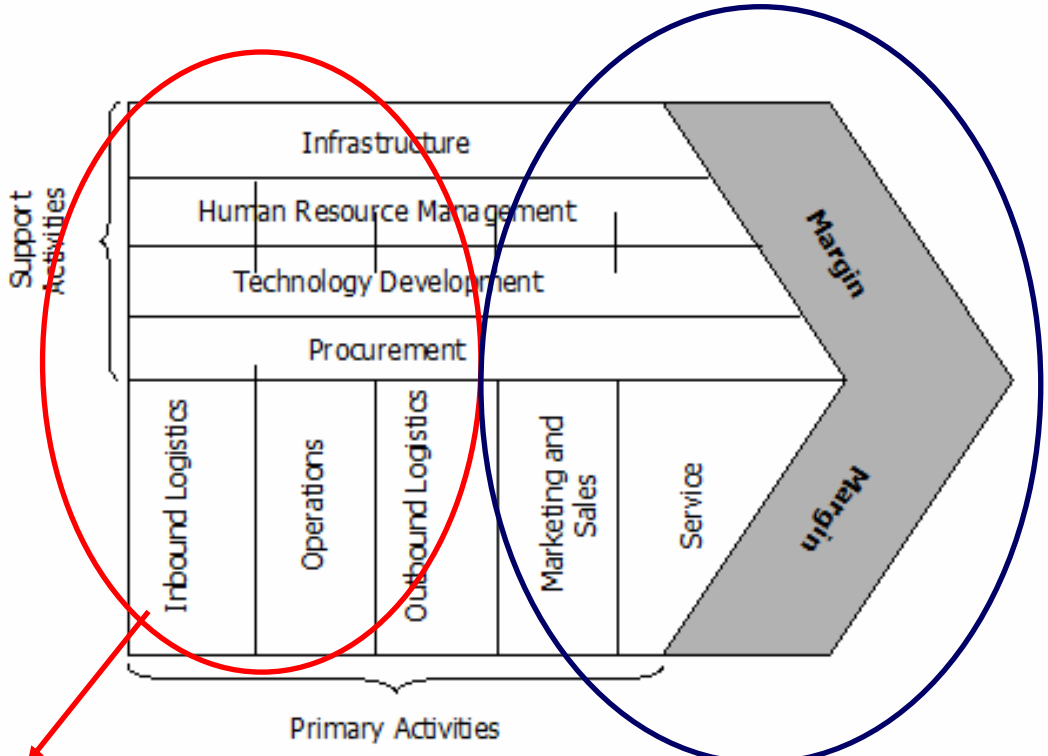
Business-to-business (B2B)

Business that sells products or provides services to other businesses

Consumer-to-consumer (C2C)

Person-to-person transactions are the oldest form of e-business.

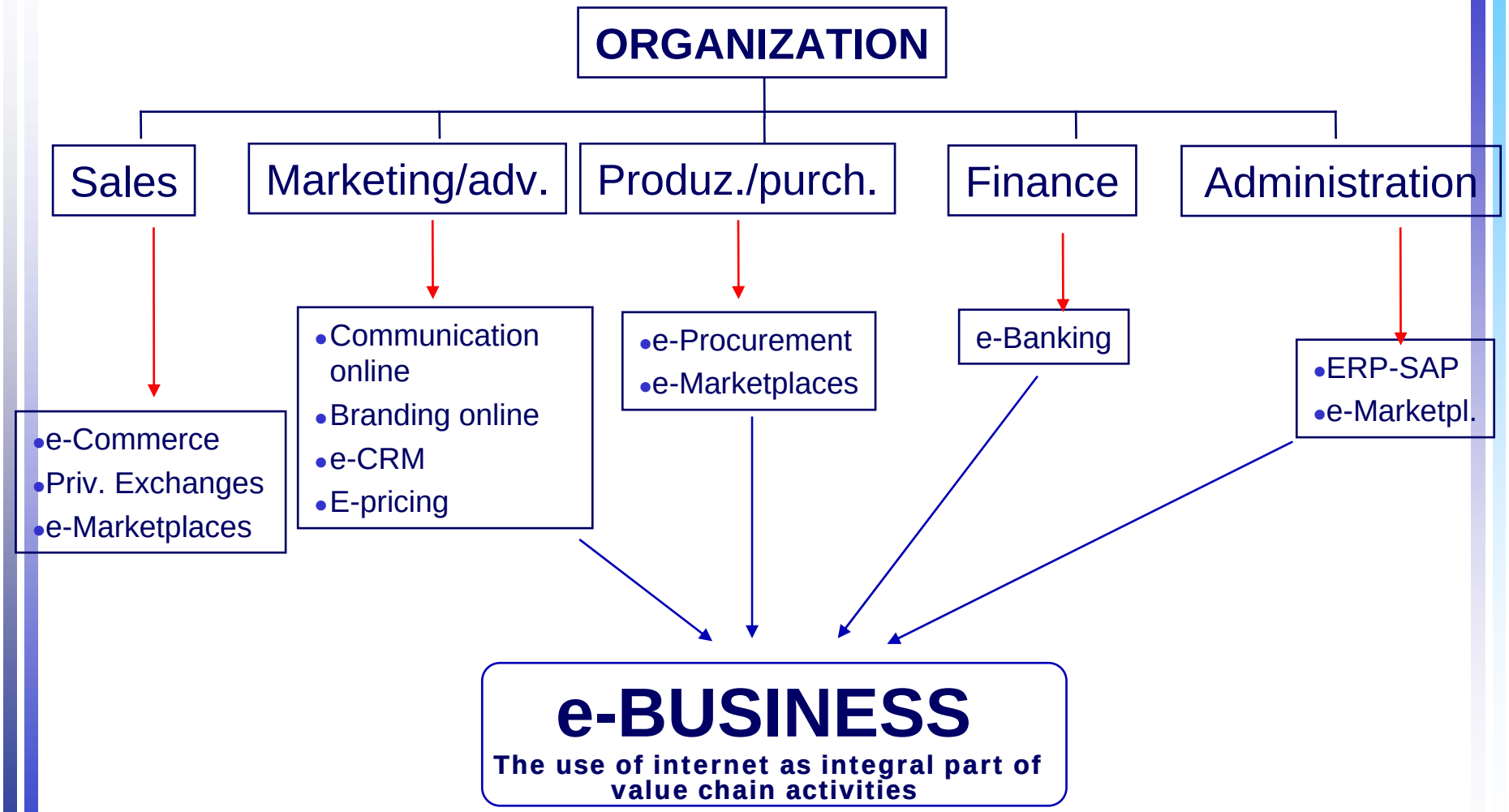
E-Business: Internet-based activities



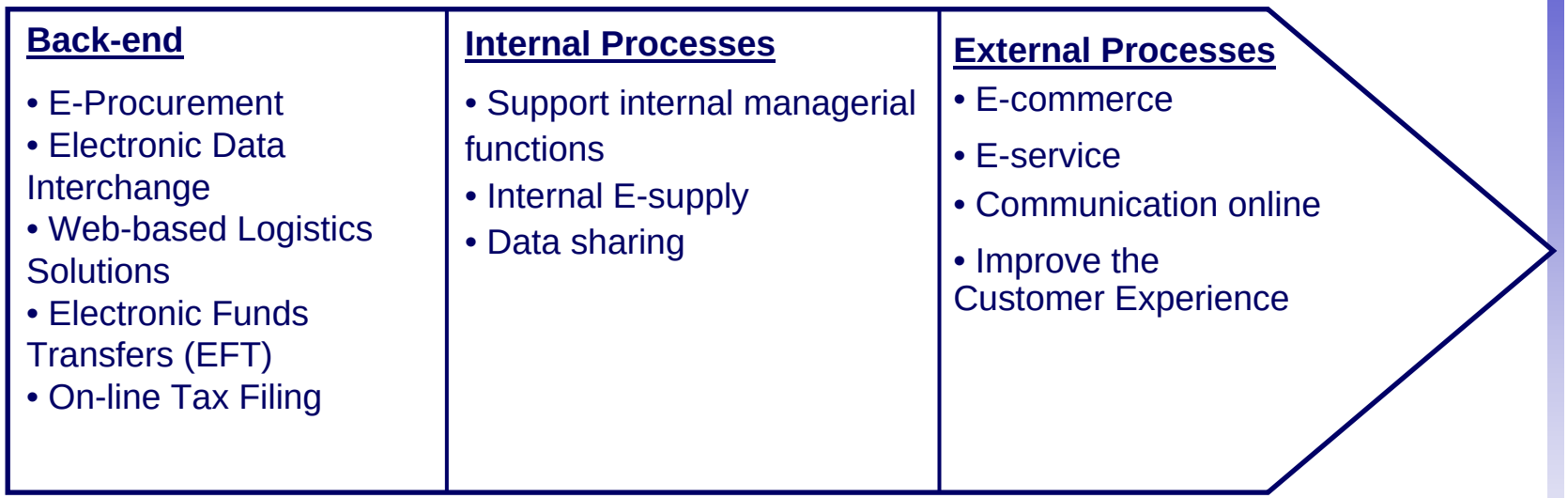
B2B Activities

B2C activities

E-Business


ORGANIZATION
Sales
Marketing/adv.
Produz./purch.
Finance
Administration
•e-Commerce
•Priv. Exchanges
•e-Marketplaces
•Communication online
•Branding online
•e-CRM
•E-pricing
•e-Procurement
•e-Marketplaces
e-Banking
•ERP-SAP
•e-Marketpl.
e-BUSINESS
The use of internet as integral part of value chain activities

E-Business: Internet-based Activities



Definitions: Internet and Marketing

Internet marketing

The application of the Internet and related digital technologies in conjunction with traditional communications to achieve marketing objectives.

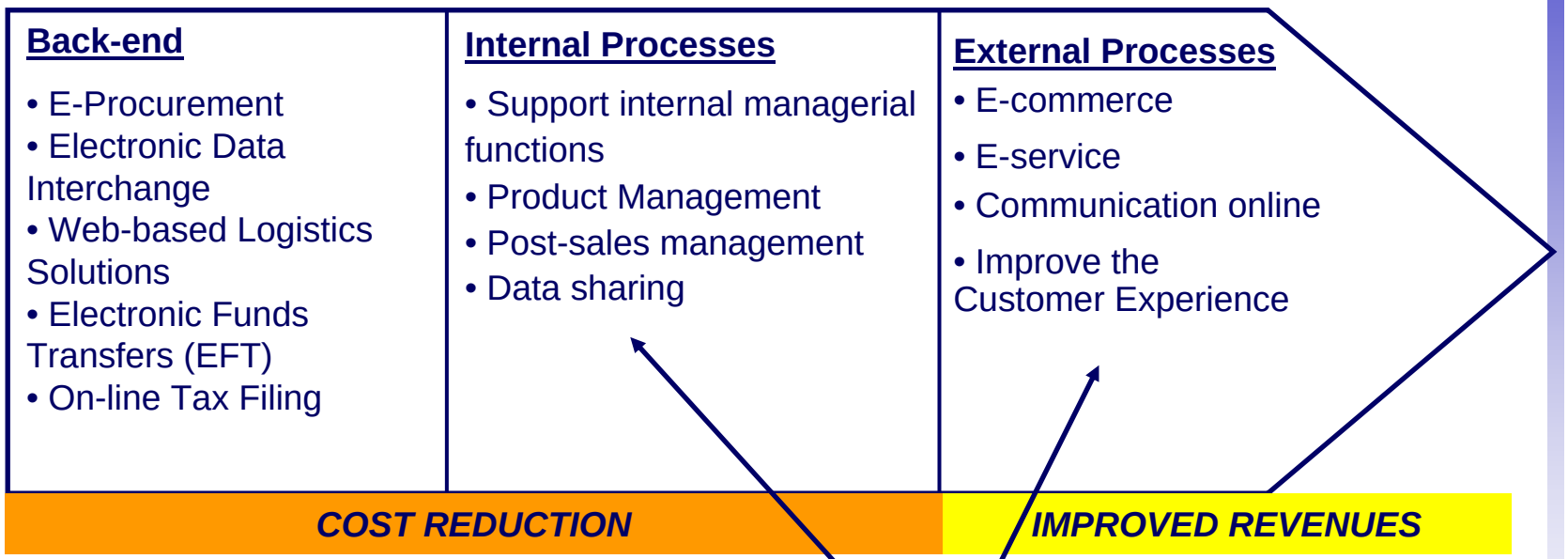
E-marketing

Achieving marketing objectives through use of **electronic communications technology**

(McDonald and Wilson, 1999 and Smith and Chaffey, 2001)

Achieving marketing objectives through Internet, interactive digital TV and mobile marketing together with other technology approaches such as database marketing and electronic customer relationship management (CRM).

Internet-based Activity



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Internet and Marketing

WITH CUSTOMERS: sales opportunities

Internet can develop Marketing in different forms of Communication between firms and customers in order to :

COMMUNICATE

- Better knowledge of customers' preferences, improving interaction and customer experiences;

PERSOLIZE

- Better customization, increasing CRM activities online

COMMERCE

- More market opportunities, thanks to e-commerce, m-commerce, etc...

INTERNALLY : reduce costs

Internet can develop Marketing activities, in order to :

RESEARCH

Improve data collection, management and diffusion

MULTIPLE ACTIVITIES

Enhance the customer experience through different channel of communication and commerce

DEVELOP PRODUCTS AND SERVICES

New services and products can be tested and developed online

POST-SALES ACTIVITIES

Fidelity and post-sales activities with customers can be less expensive online

IMPROVE REVENUES ONLINE (Ansoff, 1957)

New and existing markets	Existing	and	New Products
	Provision of Online Customer Support The Internet can be used to sell more existing products into existing markets , especially by superior online customer service		*Product development.* New products or services are developed which can be delivered by the Internet. These are typically information products such as market reports which can be purchased using electronic commerce. This is innovative use of the Internet.
	Online Selling Existing products or services can be delivered by the Internet in new markets by e-commerce activities. This is a relatively conservative use of the Internet, but it does require the overcoming of the barriers to becoming an exporter or operating in a greater number of countries		*CRM Application Products* Diversification online can be realized by CRM applications.

Darby et al. (2003)

IMPROVE REVENUES ONLINE

Transaction

- E-commerce
- E-CRM
- E-Promotion

Interaction

- E-Communication
- E-Advertising
- E-After sales
- Customer Experience

Internet Marketing Plan

But Internet can be use in every Marketing Activity

FASE 1
Research Marketing

FASE 2
Strategic Marketing

FASE 3
Operational Marketing