Critical Success Factors of E-Direct Marketing in Jordan Travel Agencies

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ABSTRACT

Critical success factors are popular approaches that can be used as a key metrics to measure the success of companies. In this paper, the authors analyze the current state of e-marketing in Jordanian travel agencies by examining the implantation of critical success factors of e-marketing. The research model analyzes the relationship between critical success factors and online direct marketing. Explanatory studies were used by distributing a qualified questionnaire to the employees of seventeen important travel agencies in Jordan to get results and test the research model. The paper concludes that a need exists to consolidate and strengthen the integration of the critical success factors of e-direct marketing in Jordanian travel agencies. Travel agencies must use a new business model and find a new way to contact their customers so to increase customer loyalty. Further research on the field of e-direct marketing and in travel agencies is needed. E-direct marketing can increase revenue for travel agencies in Jordan.

Keywords: Business Models, Critical Success Factors, Customer Relationship Management, Direct E-Marketing, Operating Costs

INTRODUCTION

Online Marketing is the match between modern communication technologies and the old marketing principles (Pastore, 2001). Jackson et al. (1999) recognized that managers have always applied online marketing in their companies, in order to increase the return on investment (ROI). Online marketing can far exceeds of traditional marketing strategies (Pastore, 2001). Digital marketing initiatives such as coupons, promotions, and e-mails will surpass that of internet advertising (advertisements placed within website content such as banners, interstitials, rich media, pop ups, etc.) (Pepers & Rogers, 2000). Organizations should concentrate on the critical success factors of this kind of marketing and test if they are implemented correctly, to ensure their success (Selim, 2005). The growth in database marketing and the emergence of e-commerce, driven by its exponential growth requires internet marketers to emphasize on the advantage provided by information technology to be competitive (Gopal, Garfinkel, Nunez, & Rice, 2006; Robert & Berger, 1989). E-marketing gives businesses of any size access...
to the mass market at an affordable price and, unlike traditional advertising techniques, it allows for truly personalized marketing. Specific benefits of e-marketing include: global reach, lower cost, tractable, measurable results, and 24-hour marketing (Nory, Jones, & Kochtanek, 2002). E-commerce and online marketing play a great role in the travel sector in Jordan and worldwide. Turban (2008) argued that travel agency services would be replaced by the rise of travel superstores on the internet. The economist predicted that the critical success factors are a popular approach that can be used to help companies identify the information system they need to improve and flush organizations. In this case, travel agencies will be gaining an advantage through the critical success factors. Turban (2008) identifies the critical success factors of direct online marketing as: new business model, interesting site, switching cost, and customer relations. This research paper adapts these factors to build a model on direct online marketing in Jordanian travel agencies. The paper also describes and illustrates the importance of critical success factors, and how they are required for the success of direct e-marketing. The following are the sections of the study: Literature Review, Previous Study, Procedural Definition, Research Model and Hypotheses, Research Methodology, Measure of Descriptive Statistical and Dictions, Result, and Conclusion.

LITERATURE REVIEW

The Advantage of e-marketing has been recognized by a number of authors (Pepers & Rogers, 2000) It helps organizations to support the ability of creating a market plan tailored to consumer’s pattern, by showing items of interest, offering incentives appeal to the consumer’s sense of value, or providing certain services that will attract the consumer (Malhotra & Briks, 2000). Zhu and Zhao have developed a framework based on the resource-based view (RBV) to identify the sources of e-business competitive advantages and compare the differences of competitive advantages between travel agencies and online travel service firms. A Delphi study and the analytic hierarchy process (AHP) method were conducted, using 38 top managers from the top-ranking travel firms in China. The results indicate that the main differences in the sources of competitive advantages between travel agencies and online travel service firms are strategic initiatives and e-business capabilities. The findings provided insights for both the managers and the policy-makers in the travel industry (Zhu & Zhao, 2011). Eric et al. suggested that product differentiation is an important component of the strategies used in electronic markets, even in products with relatively simple and unambiguous product descriptions, the study examines the nature of competition in electronic markets, the result of the empirical investigation led to recommend that online travel agents need a modern computing and communications technologies, in order to reduce buyer search costs and other market inefficiencies, the researchers were used data on the airline ticket offers from online travel agencies (OTA), the study concludes that the travel agencies market is not characterized by perfect competition, the OTAs engage in both horizontal product differentiation and price discrimination. One lesson from success stories in the field of e-marketing is that most customers, especially long-term loyal customers, come to a Web site from known and trusted business names, affiliate links, search engines, or personal recommendations. All organizations are looking to achieve online success as e-marketing by articulated and integrated strategy, visionary leadership, effective supply chains, and information systems and technology platforms that support efficient processes (Clemons, Hann, & Hitt, 1999). In addition, the Internet allows customers and companies to easily configure product or service. This self-customization feature creates a large demand for personalized products and services. Nory, Jones, and Kochtanek have been examining the relationship between four potential success factors on the adoption of a collaborative technology and performance improvements in
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