The Role of Education in Breaking the Nexus between e-Marketing and Online Fraud

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ABSTRACT

The world of marketing has changed through the incorporation of electronic means through which new customers and new markets can be reached. As a result, the world of trade and commerce has been revolutionized, revealing new and sometimes less scrupulous ways of dealing in an online marketplace. The article provides three Australian examples (each featuring a nexus between e-marketing and fraudulent online transactions) in order to gain a deeper appreciation of the darker side that exists to e-marketing. It also explores education and adult learning as means of raising awareness and skills in dealing with harmful e-marketing practices found in occurrences such as Internet fraud.

KEYWORDS

Consumer Trust, E-Commerce, E-Marketing, Education, Online Fraud

INTRODUCTION

The term ‘e-marketing’ refers to the use of information and communication technologies by firms to undertake marketing and promotion that complement their e-commerce and e-business strategies (Mazzarol, 2015). Whilst e-commerce (as we know it today) initially began 30 years ago as an online ordering system (Anyu & Ofong, 2015), the adoption of e-marketing, and the associated move towards e-commerce, has gradually changed the shape and nature of business transactions all over the world. Now, e-commerce is characterized by the relative ease, speed and flexibility through which a transaction can be completed between buyer and seller (Anyu & Ofong, 2015). A shift away from traditional face-to-face interactions between consumers and retailers is occurring, and there are innumerable advantages that can arise for both consumers and retailers through e-marketing. However, e-marketing is also being used to lure online consumers into purchasing goods and services under false pretenses, and it is therefore timely to highlight some of the less scrupulous dealings that can occur in the online marketplace. The article presents three Australian examples where e-marketing techniques and practices have helped facilitate the occurrence of Internet fraud. By doing so, it is possible to showcase Internet fraud as a pervasive issue in the fields of e-marketing and online advertising.

As an introduction into the nexus between e-marketing and online fraud, it can be useful to understand how individual’s come to construct their own realities. To this end, a constructivist perspective assists in appreciating the nuances in people’s constructions of meaning in the world. Berger and Luckmann’s (1966) seminal work on the social construction of reality sets a theoretical basis, from which it is understandable that some of the important principles of reality construction begin with the premise that reality is not necessarily the objective external reality which most people
believe they are observing. This realization can be particularly relevant in the online advertising environment where consumers rely on available information to form judgments about the legitimacy of a retailer and the authenticity of an advertised product. Karp’s (2006) insights into entrepreneurship (and based on a constructionist perspective) further helps us appreciate the importance of applying constructionist theory because importance is placed on feelings, intuitions and identity – all of which are integral aspects of consumers’ experiences of online shopping and online advertising. Further exploration of the role of constructionism and the theory of reality construction in relation to e-marketing and online fraud can be found in Sofo and Sofo (2013).

Andragogy, the art of helping adults learn, promises the most effective means of improvement and reality construction because it empowers individuals, groups and communities to cooperate with an open and creative mind. The people development function within organizations has been devolved increasingly to line managers. As such, all managers can assist in personal and organizational improvement by encouraging participation in the decision-making processes to enhance communication structures and work flow procedures. There is indeed opportunity to jointly combat Internet fraud by taking a similar approach. This might mean that where singular work structures exist (such as vertical or horizontal power relationships), individuals might instead be encouraged to experiment with the benefits of introducing variation such as matrix and web-based structures.

Organizations want to be seen to be like a graceful swan that glides effortlessly and serenely about its business. Hidden underneath are its feet, paddling rhythmically, working as hard as they can to move the swan in its desired directions. The swan has developed efficient habits to glide along the smooth flowing river to where it wants to go. However, the river is no longer the same smooth flowing mass of water as it has occasional waterfalls and rapids. This new river is a constant turbulence of white water rapids and this change reflects the new environment of globalization and electronic marketplaces where Internet fraud abounds. In this environment, the swan will need to learn different behaviors. It may need to flap its webbed feet energetically or to use its body and wings to escape if necessary. The swan analogy demands both new and creative ways of doing business and new risk avoidance behaviors must be learned to thrive in the changed environment. For the online shopper, the challenge is the same in terms of needing to adopt new behaviors and learning to thrive within e-marketing campaigns.

The article begins by setting the scene regarding the impact of technology and globalization on consumer behavior and a review of the current literature on e-commerce focusing on three key areas: ethics, categorization of fraudulent online behavior and the importance of trust and learning. Three Australian examples are then presented followed by a theoretical exploration of the role of education to enable a better appreciation of the emerging tactics and techniques used by less scrupulous e-marketers. This theoretical exploration is key to breaking the nexus between e-marketing and online fraud. Finally, some conclusions are drawn regarding ways in which online consumers can become more aware of, and thus less susceptible, to e-marketed online frauds.

**LITERATURE REVIEW**

The arrival of the Internet, and specifically social networking sites, has transformed our lives to the point where there is a role for technology and media in most of what we do. The social networking site Facebook currently has more than 1.49 billion users, with 968 million of them being daily users. The average user has 338 friends (Smith, 2014), with past studies showing that a typical user spends around 55 minutes per day on the social networking website (Gil-Or, 2010). Additionally, millions of applications and third party websites have been integrated with Facebook. These statistics alone explains why it makes good corporate sense to use electronic media, and specifically social networking sites, to reach consumers and compete against other retailers operating within the marketplace. Indeed, e-commerce embedded within social connections has been found to entail consumer-led online transactions (Popescu, 2015). With one social networking site alone claiming more than 1.4
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