Measuring E-Marketing Mix Elements for Online Business

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ABSTRACT

E-marketing strategy is normally based and built upon the traditional 4 P’s (Product, Price, Promotion, and Place) that forms the classic marketing mix; e-marketing’s uniqueness is created using a series of specific and relational functions that are combined with the 4P’s to form the e-marketing mix elements, each of which contain associated e-marketing mix tools that are provided on business web sites to facilitate sales transactions. This research analyses the importance of each e-marketing tool related to its supporting e-marketing mix element. Furthermore, the composite score of each e-marketing mix element is determined. This research concludes with a discussion of the relative weights of e-marketing tools.

Keywords: E-Marketing Mix Element, E-Marketing Mix Model, E-Marketing Tools, Factor Analysis, Relative Weight

INTRODUCTION

As a result of the increased utility and bandwidth of Internet communications, the usage of web browsers has increased dramatically over the last ten years. Many users make use of browsers to get different types of information in different media such as text, graphic, animation, audio and video. Thousands of businesses have exploited this great opportunity to create their own web sites that allow customers to purchase products directly from their browsers. Most commercial companies believe that they can generate a large amount of profit from the web.

Before the electronic age, McCarthy (1960) introduced the 4Ps (product, price, place and promotion) standardization of the marketing mix as a core unifying construct. During the last 20 years, the popularity of the Internet has been growing exponentially (Hou & Cesar, 2002). Although many web businesses terminated operations or ceased to exist from April 2000 to December 2001, those e-retailers that developed and introduced new internet-based marketing techniques (e-marketing), which have been widely considered in the formation of current marketing strategy, managed to increase their business activities. According to Hoffman and Novak (1997), marketers should focus on developing new paradigms for electronic commerce on the Web, rather than using the existing primitive 4Ps structure. Following this issue, many new models are developed to replace the 4P model in the digital marketplace. Among these alternatives, the 4C model (Lauterborn,
4S model (Constantinides, 2002) and 4Ps + P²C²S³ model (Kalyanam & McIntyre, 2002) have tremendous influence. The following section discusses these models in more detail.

Marketing Mix–4CS Model

With market competition shifting from product-oriented into customer-oriented, some defects of 4Ps emerge. Under this condition, 4Cs marketing mix model was put forward by Lauterborn (1990) who suggested the marketing strategies involving the 4Ps are outdated. The 4Cs include:

1. Consumers’ wants and needs (Replacing product): what the customers want should be sold rather than what you can manufacture.
2. Cost to satisfy (Replacing price): enterprise should take every effort to decrease the cost of fulfilling the customer’s demand.
3. Convenience to buy (Replacing place): enterprise should make every effort to give convenience to customer for purchasing.
4. Communication (Replacing promotion): communication with customers is more important than promotion.

Marketing Mix–4Ss Model

The 4Ss model (web-marketing model, WMM) was put forward by Constantinides (2002). It describes web marketing strategy with four elements begin with “S” including scope, site, synergy and system. The goal of this model is to design and develop the marketing mix for Business to Consumer online projects through controlling four “S” elements. The 4Ss include:

1. Scope consists of the decisions to be made in four areas: i) the strategic and operational objectives of the online project; ii) the market definition including measuring the market potential and the identification/classification of potential competitors, visitors and customers; iii) the degree of readiness of the organization for E-commerce; and iv) the strategic role of the E-Commerce for the organization.
2. Site (Web Site) is the interface between company and customer and is therefore the most important communication element of E-Commerce. Through this element, some tools are designed on the web site to attract the customers and provide communication with them.
3. Synergy refers to the integration of the Web site with organizational processes, legacy systems and databases or the integration with third party business partners.
4. System refers to the technology, technical requirements and web site administration.

Marketing Mix–4Ps+P²C²S³ Model

Van Waterschoot and Van den Bulte (1992) pointed out that the components of “communication” address “barriers to wanting,” whereas the sales promotion function addresses “barriers to acting.” They observed that “triggers to customer action” seem necessary in certain situations to induce the exchange. Hence, they termed sales promotion a “situational” function. On the basis of these distinctions, the marketing mix can be reclassified into the “basic mix” and the “situational mix.” In additional, since the sales promotion mix can apply across the full spectrum of the basic mix (the rest of the traditional marketing mix), it is considered by Van Waterschoot and Van den Bulte to be overlapping. The concepts developed by Van Waterschoot and Van den Bulte (1992) can be summarized in the form of the following axioms:

Axiom 1: Marketing functions are the appropriate properties for the classification of marketing tools.
Axiom 2: Some functions are essential and others are situational in nature.
Axiom 3: Some functions have a moderating effect across other marketing functions and are called overlapping functions.
Axiom 4: Functions are accomplished by marketing tools.
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