

Association for Information Systems

AIS Electronic Library (AISeL)

ICEB 2008 Proceedings

International Conference on Electronic Business
(ICEB)

Fall 9-30-2008

Approaches to Consumer-Focused E-Marketing

John Hamilton

Follow this and additional works at: <https://aisel.aisnet.org/iceb2008>

This material is brought to you by the International Conference on Electronic Business (ICEB) at AIS Electronic Library (AISeL). It has been accepted for inclusion in ICEB 2008 Proceedings by an authorized administrator of AIS Electronic Library (AISeL). For more information, please contact elibrary@aisnet.org.

Approaches to Customer-Focused E-Marketing

John Hamilton, James Cook University, Cairns, Australia, John.Hamilton@jcu.edu.au

Abstract

E-marketing is an important area for leading edge businesses. The paper discusses new and practical ways to enhance business-to-customer e-marketing, such that strategically enhanced marketing solutions may result. New approaches to e-marketing now capture strategic marketing solutions. The business strategic marketplace may be constructed into a combined product life cycle and time-lined strategic toolkit. Website tools may allow the business to test its product - from idea generation to product launch, and then through into a product life-cycle selling situation. To build these early stage e-marketing solutions, recently released interactive tools, termed web 2.0 tools, including Facebook (www.facebook.com) and Second Life (www.secondlife.com) may be engaged. These web 2.0 tools, may be further strategically deployed across various components of the business's new product e-marketing life cycle development.

Keywords: e-marketing, marketplace, technology, marketing, strategy, competitiveness, product life cycle

1. Introduction

The internet has become a powerful global reach tool for business today. Businesses seeking to reach out into these new markets are often attempting to engage more closely with customers. This e-marketing approach has delivered the business website, and the business website has in-turn become another communications channel for the business. As websites have developed, they have also become more focused. Businesses with on-line approaches have sought to meet their customers' (or website visitors') needs. This focus has driven the business website towards delivering a total customer experience, and several authors have described various consumer-based approaches [6],[10],[16],[15].

E-marketing plays a vital role in such activities, and many approaches have been trialed. To date e-marketers win business by their relative strategic position on web crawlers, their banner add linkages, their sales and after sales communications use, their value adding, their branding and company profile, their price, their innovation, their strategy and marketing, and the like. However these approaches are often readily copied. The e-marketer works in a dynamic, change-ridden customer targeting environment,. There is often a need to continually seek out, and to implement more dynamic, and new, e-marketing approaches. In 2004 Mohammed, Fisher, Jaworski and Paddington [13] re released their 2002 approach – previously developed at eBay. This approach developed an e-marketing matrix consisting of seven C's.

2. The Seven C's

Mohammed, Fisher, Jaworski and Paddison [13] mapped the marketing mix parameters, company branding, website interactivity and website individualization solutions into a strategic matrix framed at points in time This strategic matrix has since been drawn into different customer-targeted e-marketing models [1],[5],[7],[8]. Mohammed et al's [13] seven C's approach engaged both on-line and off-line solutions, but the model was also applicable to straight on-line businesses. The seven C's engaged were: (1) context – housing website layout, design and feel, (2) content – capturing text, image, audio, video and graphics, (3) connection – linking websites and internally linking-website pages by appropriate hyperlinks, (4) communication – between customer-to-website and customer-to-customer via website, (5) community – building services relationships between customer(s) and website, (6) commerce – the website knowledge transactions and sales functions and (7) customization – the website's ability to be personalized by the customer.

Whilst the 7C's framework provides a useful insight into the different design elements that companies should consider when developing websites, it gives little indication as to which elements should be considered critical for the success of a website, and whether importance attached to each of the elements should be varied depending on the scope and scale of operations of a business, or which of the 7C's would be most appropriate to target a market.

Mohammed et al [13] mapped the marketing mix parameters, company branding, website interactivity and website

individualization solutions into a strategic matrix framed at points in time. This strategic marketing matrix has been drawn into different customer-targeted e-marketing application models [1],[5],[7].

Askim-Lovseth and O’Keefe [1] used Mohammed et al’s seven C’s as a foundation base that captured the business website interface, and mapped these against the marketing value-bubble fields of: attracting, engaging, retaining, learning and relating. Thus, Askim-Lovseth and O’Keefe’s model (shown as Figure 1) adopted a customer learning, and relating, model built around the marketing objectives of the business. A multi-dimensional, multi-layer structural model of customer attitudes then helped to align the business marketing objectives, finally developing an overall index or measure of achievement. Whilst this approach is useful, it is primarily a point-in-time approach, and it is not directly customer driver. Nevertheless, is useful to help map parameters to an initial new website placement.

Today’s e-marketing solutions generally work in dynamically changing environments. Hence, websites with well developed business tools are capable of delivering levels of dynamic change – roughly in line with customer demands, and often delivering better and expanded, e-marketing framed, customer targeted solutions. These approaches are generally more customer focused than those offered via static approaches.

Hamilton and Selen [9] and Gunesh and Hamilton [5],[7] showed that the strategic seven C’s website marketing approach displayed incompleteness when applied in conjunction with a strategic positioning approach, and at the more detailed personalized level. Another e-marketing ‘C’ dimension (or eighth ‘C’) termed ‘characterization’ was therefore included to cater for this higher level of business-customer engagement. ‘Characterization’ was termed to capture the intelligent business website’s ability to more closely adapt to its individual customers, and to deliver on-line-stimulated changes that better targeted the individual customer. This required new levels of business intelligence, ones that allowed the on-line business website to be more closely mapped at the customer interface end [7],[8]. This intelligence may then be built into a ‘Services Gateway’ [8]. This approach allowed the website interface to be further treated – with various customer visible and controllable areas being capable of modification as response solutions to a customer request or demand. For example, a service or product variation may be offered to the specific customer, a specific personalization option may be offered to a customer’s website engagement region or a entry page variation may be allocated to a specific user. This approach encouraged has been shown to yield closer customer alignment [7]. Thus, the customer was able to see a partially ‘made-to-order’ personalized website interface, with visible items specifically arranged according to individual customer requirements.

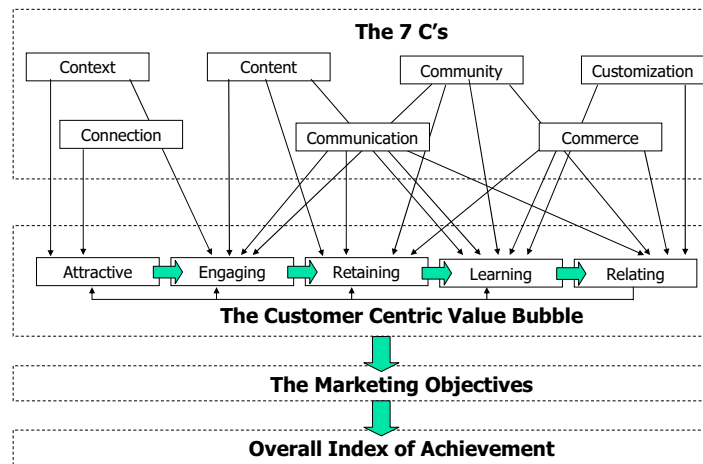


Figure 1: The Customer Centric Value Assessment Model, adapted from Askim-Lovseth and O’Keefe, 2008

Hamilton’s [7] approach used the eight C’s of the website interface customer engagement, and linked them to service value networks approaches [7]. This approach delivered a statistical mechanism from which pathways to customer alignment were elucidated and understood. Combined with business intelligence, and a full services gateway approach, a highly-responsive, interactive, business-customer alignment approach was delivered. This new approach enabled the business to move closely with changes in its customer sets’ needs, wants, desires, and net

benefits. The business website was moved to a new competitiveness position – one where the individual user was perceived as more closely aligned to the individual customer’s desire.

As part of the services gateway solution a strategic marketspace matrix may be developed. This strategically positioned, business-specific, integrated on-line and off-line strategic marketspace matrix (shown in part as Figure 2), when combined with a time-lined product-life-cycle approach of successive overlays of innovations and marketing additions (and at the appropriate levels of eight C’s involvement) delivered a new competitive pathway that captured both the off-line and on-line marketing dimensions. This solution set when embedded into the original services gateway solution moved the model to new statistically positioned levels of customer engagement – one capable of catering for changes in website scoping over time [7],[8]! The strategic marketspace matrix, over time, incorporated new innovations and new marketspace requirements. In addition, it also strategically incorporated new degrees of interactivity and individualization and so moved the more skilled website user to greater levels of engagement. This approach when built and implemented as time overlays, also extended the dimensions of customer engagement. Once the normal customer targeting has slowed this approach may also be applied to Kim and Mauborgne’s [11] tiered non-customer groupings.

Customer Marketing Channels	Targeting of Customers: 8C's Strategically Engaged						Non Customers - Targeted with 8C's plus Groups Specific Tools			
	Context, Content, Connection & Communications		Communications, Community & Commerce		Customize & Characterize		Tier 1	Tier 2	Tier 3	
	Functional Low Levels of Innovation and Awareness		Intimate Medium Levels of Innovation, Awareness and Exploration		Evangelist (Trust) High Levels of Innovation, Awareness, Exploration and Commitment					
Product										
Price	hi/lo, brand, auction, vol disc, package, etc									
Place	All may be targeted, but techniques and emphases will change depending on PLC stage									
Promotion										
Branding										
Individualize										
Interactivity	Awareness		Exploration		Commitment		Sustained Growth		New Markets	

Figure 2: Strategic Marketspace Matrix, Hamilton, 2007

These approaches build new marketing perspectives from which to tackle e-marketing solutions. But the dynamic e-marketing approach is more in-tune with the ever-changing dynamic of the internet. The skills required to move into the dynamic strategic marketspace arena remain quite extensive, and they capture areas including: website design, strategic website positioning, strategic marketing strategies, integrated business databases, logistics, e-commerce, security, all dimensions of servicing, innovations, communications channels, combined with a ‘service value networks’ approach. This approach offers a means to develop a fairly unique business solution set [7],[8]. To build such dynamic solutions it is necessary to incorporate emerging technologies.

3. Dynamic E-Marketing, Emerging Technologies and Tools

To value add to a website, traditionally more information or approaches has been the solution offered. The internet and its connectivity tools have continued to evolve. A recent 2008 Australian study conducted by eMarketspace estimated that well over 90% of Australian businesses with websites did not use, or deploy, any web 2.0 features. A small tertiary student study conducted in a regional Australian university showed that of the 152 undergraduate students surveyed in February and July 2008, 77% (or 117 students, 89 female) used their on-line social networks to source, and / or to confirm information - such as initial travel and accommodation plans, entertainment, latest products and the like. This survey further indicated that most female survey participants held (or utilized) an active

social website membership, and that most engaged in social website activities at least once a month. This convenience sample suggests tertiary students are one group that may be targeted by deploying web 2.0 e-marketing approaches, and that this emerging market may offer a possible rich source of additional marketing options to the astute e-marketer.

3.1 Internet and Web 2.0 Tools

Tim O'Reilly introduced web 2.0 in September 2005. Here, web applications were seen as involving web-sharing sites or applications, and were perceived to connect internet-savvy customers (or consumers) with websites deployed as business marketing channels that targeted the sale of services and / or products.

Today, websites have moved to become 'communities-of-users' destinations where vast arrays of communications and data swapping may occur. Today, the web 2.0 business website incorporating web 2.0 approaches is typically a social and rich-content customer exchange site, as well as a sales site. Thus it has typically become broad transaction(s) site, that also builds its business intelligence on its business-customer exchanges and/ or its transaction feeds. Here, blogs, peer-to-peer networks, and content creation have extended well beyond the business enterprise. Thus, the website with strong web 2.0 environments is typically a website platform where rich, dynamic content may be read, written, or influenced, within social and /or collaborative arenas.

Many web 2.0 e-marketing opportunities have emerged. For example, there are e-marketing approaches whereby the social networks MySpace (www.myspace.com), Facebook (www.facebook.com), YouTube (www.youtube.com), Joost (www.joost.com) and virtual worlds like Second Life (secondlife.com), may be incorporated into business e-marketing solutions today. These emerging marketing tools, and their business-related areas, have been very poorly deployed into the realms of business e-marketing.

MySpace was launched in 2003, as a social network offering interconnectivity between user submitted friendship networks. It houses personal profiles, blogs, images, music, videos, multimedia, karaoke, bulletins, groups, polls, news, and the like. It can also be linked to mobile devices. It generates its revenue streams primarily from advertising.

Facebook, launched in February 2004 by a Harvard student Mark Zuckerberg, is a free-access, social network. Here users may send public (or private) messages, find people, build profiles (including images interests, and personal information), connect and reconnect with friends, and where the user may also allow selected access to their profiles. It generates revenue by advertising. Facebook now offers blogs with images and tags, text and chat facilities, virtual gifts and tied messages, and it is a useful communication and meeting tool.

YouTube released in February 2005 with embedded video clips is now owned by Google. It houses user-generated music videos, TV clips, and the like. It generates revenue through advertising, and via some sales avenues.

Joost launched in August 2007 is a developing open source system for third party developers, and for delivering on-line, peer-to-peer TV. As such, it does not require massive servers – with the bulk of content serving provided by a small number of clients, but with each client then pushing the video stream to more clients! Hence, the distribution costs are moved from the channel owner, out to the user – thereby making it a very profitable for Joost to push advertising out to its customers.

The above media are rarely tapped by e-marketers. One Australian e-marketer and its dating team have engaged with the medium Facebook. They have used this approach to rapidly build a large database of willing potential dating participants. This e-marketer has delivered the on-line dating product, and a significant, and growing, database. An addition to this approach is also engaging the medium Joost – using a desirable, quality video (clip or several video clips)! This approach expands the target marketplace, and it further publicises this dating agency. You Tube could also be used, in combination with a quality brand labelling, to further rapidly expose this dating business to yet another potential mass market. Thus, these relatively new internet tools, when applied as a 'profiler' and 'social network/ information source, may give companies rapid exposure, unique working databases of clients, and quick profiles as quality service providers. Yet another approach is to move into a 'virtual world'.

3.2 Virtual Worlds Web 2.0 Tools

'Virtual worlds' come in many forms – games, virtual pets, imaginary businesses, and the like, each offers a range of

computer simulation environments where users may interact with various sensory applications and manipulate various components, thereby modifying a real world situation – such options are usually presented in two or three dimensional space. Social interactions also occur. Here games, maps, forums, blogs, wikis, chat-rooms, sensors and the like, are often engaged. Today it is possible to own a virtual pet conduct a virtual business, conduct transactions, or even train or work in a virtual team. Virtual worlds may also provide an additional meeting place where the on-line business personnel, and the customer, may discuss and clarify, ideas, test products, practice launch a new and/or innovative product or service, gauge changing customer perspectives, and the like.

Virtual worlds products are sought and sold across the real global marketplace. Movies like ‘The Matrix’ have incorporated virtual worlds. Research is using this realm to source, and to improve, open source code, and to provide new tools for customer engagement. Companies are even using virtual teams, in differing time zones, places, spaces and cultures to deliver collaborative business and general solutions. Currently, there is an industry trading in virtual real estate.

The computer software company Apple uses Second Life to advertise latest and innovative ideas, and to seek feedback. Sun Microsystems uses their Second life ‘island’ to advertise new ideas/products, to exchange ideas and to help its employees. Others use virtual worlds to engage customer feedback to new ideas; or to better understand a proposed project, service and / or new marketing idea. Thus, virtual worlds like Second Life offer a new way to socialize, to meet others, and to discuss ideas in a safe and distant mode. The e-marketer may help the business to capture such opportunities by researching this realm, and also interacting with its participants. For example, by tapping such virtual worlds the e-marketer may further help the business to: compete, and/or acquire new markets, and/or gauge customer reaction, and/or receive feedback [2],[3],[4],[12],[14].

Table 1: Business Activity: e-Marketing New Products Activities in Second Life

CUSTOMER ROLE	CUSTOMER AS RESOURCE	CUSTOMER AS CO-PRODUCER	CUSTOMER AS USER	CUSTOMER AS BUYER
Content	present	present	present	present
Context	present	present	present	present
Connection	present	present	present	present
Communication	present	present	present	present
Community		present	present	present
Commerce				present
Customization			present	present
Characterization				present
STAGE	Idea Generation	Concept and Design	Product Testing	Market Launch
Core Product	present	present	present	present
Concept and Design	present	present	present	absent
Competitive Contribution	present	present	absent	absent
Ongoing Development	present	present	present	present
AUTHORS	NEW PRODUCT DEVELOPMENT PROCESS			
Nambisan, 2002	Opportunity Identification, Idea Generation & Concepts	Design and Engineering	Testing	Product Support
Dahan & Hauser, 2002	Idea Generation and Concept Development	Core Concept, Design and Evaluation	Pre-Announcement	Market Launch
Enkel, Perez-Freije & Gassmann, 2005	Idea Generation and Concept	Design and Engineering	Test and Launch	
Fuller & Matzier, 2006	Idea Generation	Concept and Design	Product Testing	Market Launch
Lang, Fetcherin, Lattermann, 2008	Idea Generation	Concept and Design	Product Testing	Market Launch
BUSINESS ENGAGEMENT OF SECOND LIFE IN 2007	SOME BUSINESS APPLICATIONS	MOST BUSINESS APPLICATIONS	FEW BUSINESS APPLICATIONS	AVERAGE BUSINESS APPLICATIONS

Today virtual worlds area is being trialed by some leading edge businesses, and then only by engaging some of the

above tabulated stages. Lang, Fetscherin, and Lattermann [12] found only 22 major businesses were actually using a virtual worlds approach to explore opportunities, and then, each was doing so at in a specific, and different manner. In their virtual worlds approaches the most prevalent areas of business activity were the Product Development Stages – captured in Table 1 under ‘Idea Generation’ and ‘Concept and Design’. The ‘Product Testing’ and ‘Market Launch’ stages are less broad, and typify a ‘zeroing-in’ on the customer. Such virtual worlds segmentation approaches offer e-marketers potential additional paths to test their new on-line businesses initiatives. Here, possible e-marketing areas, business product development, research, business roles, and customer roles may be tapped, and different aspects and / or levels of customer involvement, may assessed. These initiatives, when focused strategically as virtual worlds products /services models, may capture early-to-mid stages of Figure 2’s sales (or life cycle) curve.

Table 1 may be further developed into a business-specific, three dimensional marketing matrix capable of maximizing business yields, and mapping: (1) the 8C’s, (2) the product life cycle strategic matrix, and (3) the virtual worlds added new product development stage. The e-marketing virtual worlds approaches may be combinations of: (1) ‘profiling’, (2) MySpace, Facebook, YouTube and Joost ‘socialization data capture’ techniques that complement the different approaches of Mohammed et al [13], Hamilton [5],[7],[8] and Askim-Lovseth and O’Keefe [1]. These aspects may be added to the strategic marketplace matrix at appropriate time poisonings as shown in Figure 2, and may add additional value for the web 2.0 business and its to the marketing matrix solution.

It should also be noted that some aspects of virtual worlds may also be deemed to build anti-social behaviours. For example, on-line computer gamers often participate for hours in isolation from the real world and from interactions with others. In Second Life participants may create their own unique person along with specific characteristics and they may then live in a second life and in a virtual world. Here there is a virtual economy, virtual trading, virtual properties and lots of other possible activities as defined under the virtual world’s time-dependant conditions. Again this is an e-marketing opportunity. Here the business may use a game or facilities type structure to seek an in-depth analysis to a situation. For example, the Hotel group Starwood used second life as an instrument where customers could go tot the hotel tour it and make recommendations regarding its design features – both its interior and exterior. This enabled them to add ideas, reevaluate their new and/or innovative additions and ultimately to build a hotel with the users ideas incorporated. This approach has application to many businesses seeking on-line solutions, but it must be remembered this feedback group is highly skilled and their views may not translate to those of the wider targeted community.

4. Discussion and Research

New tools for the e-marketer are continually emerging, as existing on-line socialization tools evolve, and as new ones emerge. The e-marketer may engage a host of approaches to build the net e-marketing solution. Web 2.0 tools combined into strategic overlaying marketplace matrices may be used to build such solutions. These approaches may be used to target: (1) profiling on-line customers, (2) database capture, (3) finding new opportunities and generating new ideas (4) designing new business activities, services or products, (5) evaluating and testing new ideas, (6) launching a new product, (7) seeking detailed assessments from more highly skilled internet users, (8) target a customer and in (9) building the net more competitive position of the business. Commercial business solutions incorporating the above have been built by applications teams associated with this researcher. For example, an online dating agency has been built and its initial database of participants or users established by viral marketing techniques – largely engaging Facebook and MySpace.

This paper links several new web 2.0 tools available to the e-marketer, and a range of e-marketing approaches – like service value networks and services gateways into the construction of enhanced e-marketing solutions. These network and gateway approaches offer several pathways that may be appropriately engaged to both capture, and direct, further e-marketing successes. These approaches are capable of being linked into ‘service value networks developed dynamic website modeling. Here, business-customer interface approaches [7],[8] are engaged and used to build business services gateways linking the business, the surrounding environment, and the customer into an interconnected contact network that engages the business back-end and delivers sound business generated solutions back to customer , and in response to the customer generated request.

To further develop competitive positioning in addition to the above solutions, comparisons using third party sites may be of use. For example, it is likely that many new products or services may l have a near direct competitor (or at least an indirect competitor). Hence, visits to eBay, and / or similar ventures, may elucidate additional on-line

approaches that are being used by other e-marketers. These approaches may be added to the business intelligence toolkits and may then provide further insights into the business's competitive strategies. These may be used to further modify the business's final strategic marketplace matrices e-marketing solution. Thus, yet another way to possibly extend a service's and/ or product's competitiveness is deliverable.

This researcher suggests these e-marketing approaches, when developed and incorporated strategically via time-lined overlays of marketplace matrices may offer new paths to elevated levels of business competitiveness. This e-marketing area is still in its infancy, and it continues to offer great marketing opportunities to business.

5. Conclusions

Today quality e-marketing approaches operate in a 'change' environment. E-marketing competitive solutions also mesh with the changing or dynamic environmental factors that impinge on the business and its strategies. By adding emerging web 2.0 internet tools such as discussed herein, and applying them strategically in a quest to reach, and better understand, its customers, the e-marketer may be able to develop new strategic, and possibly more competitive, business options. The considerations discussed herein offer a pathway to such strategic solutions.

This approach may also be applied to on-line and / or off-line marketing solutions. It may be time-lined, and built into new dynamic strategic marketplace matrices approaches that further link the tools above into new customer interface approaches – possibly involving service value networks and services gateways. These approaches may also offer closer customer alignment pathways. Such approaches also allow the business to more closely track, and respond to, the changing perspectives of its customers. Thus web 2.0 tools, combined into smart marketing business solutions may offer additional ways to enhance e-marketing competitiveness and to improve business understanding.

References

- [1] Askim-Lovseth, M. & O'Keefe, T. "Application of the 'Consumer Centric eMarketing Value Assessment Model' to website development," A case study, *E-Business Review*, 2008, 8 (1), 16-19.
- [2] Dahan, E. & Hauser, J. "The virtual customer," *Journal of Information Management*, 2002, 19 (1), 332-353.
- [3] Enkel, E., Perez-Freije, J. & Gassmann, O. "Minimizing marketing risks through customer integration in new product development," Learning from bad practice, *Creativity and Innovation Management*, 2005, 14 (4), 425-437.
- [4] Fuller, J. & Matzler, K. "Visual product experience and customer participation – A chance for customer-centred, really new products," *Technovation*, 2007, 27 (1), 378-387.
- [5] Gunesh, R. & Hamilton, J. "Incorporating Customer Interface Marketing Design Elements to Leverage Strategic Positioning in the On-line Real Estate Industry," *3rd International Conference on Business*, Honolulu, University of Hawaii, 2003, 3 (1), 1-9.
- [6] Hamilton, J. "Service Value Networks: Value, Performance and Strategy for the Services Industry," *Journal of Systems Science and Systems Engineering*, 2004, 13 (4), 469-489
- [7] Hamilton, J. "Service value networks and the strategic marketplace," *7th International Conference on Business*, May 23-27, Honolulu, Hawaii, 2007, 3285-3291.
- [8] Hamilton, J. "The Services Gateway framework: Innovations for the customer interface," *E-Business Review*, 2008, 8 (1), 127-130.
- [9] Hamilton, J. & Selen, W. (2004) "Strategic Positioning Matrix for Real Estate Management in Australian: Implementing e-business for Competitive Advantage," *International Journal of Electronic Business*, 2004, 2 (4), 383-403.
- [10] Hong, S. & Kim, J. "Architecture critical for website evaluation – Conceptual framework and empirical validation," *Behaviour and Information Technology*, 2004, 23 (4), 337-357.
- [11] Kim, C. & Mauborgne, K., *Blue ocean strategy: How to create uncontested market space and make competition irrelevant*. Harvard Business School Press, Boston, Ma, 2005.
- [12] Lang, G., Fetscherin, M. & Lattermann, C. "Virtual customer integration in new product development," *E-Business Review*, 2008, 8 (1), 170-175.
- [13] Mohammed, R., Fisher, R., Jaworski, B. & Paddison, G. *Internet Marketing: Building advantage in the networked economy*, McGraw-Hill / Irwin, New York, NY, 2004.
- [14] Nambisan, S. "Designing virtual customer environments for new product development: Towards a theory," *Academy of Management Review*, 2002, 27 (3), 392-413.
- [15] Petre, M., Minocha, S. & Roberts, D. "Usability beyond the website: An empirically-grounded e-commerce evaluation instrument for the total customer experience," *Behaviour and Information Technology*, 2006, 25 (2), 189-203.
- [16] Yeung, L. & Lu, M. "Gaining competitive advantage through a functionality grid for website evaluation," *Journal of Computer Information Systems*, 2004, 44 (4), 67-77.