

Impact of Different Electronic Marketing on the World of Commerce

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Abstract: *The number of Internet users and internet international networks is increasingly growing. Therefore, each business is responsible for meeting the needs of these huge groups of customers and users without considering which area of the world they are from. So, it is essential to equip their business with amenities and employ new technologies in order to be able to compete with world competitive markets. If we accept that future competition is a global and professional competition, then getting informed from trading tools, international, global and competitive marketing will provide better situation to improve our competition skill. As the competition gets harder and more difficult, professional marketing would replace general marketing. Mastering different types of concepts, techniques, tools and mechanisms of marketing is the essential factor to pass the current marketing and to enter new era of competitive marketing. Therefore, we are going to study different aspects of electronic marketing in the world.*

Key Words: *E-Marketing, Information Technology, Interactivity with the Customers*

I. Introduction

Information and communication technology is one of the important factors of development in twenty first century. ICT has caused changes and evolution in life styles, pedagogy, occupation and recreation and it still continues to make changes. Related developments to computational calculations and communicational technology have made new infrastructures for tradeoffs, scientific studies and social activities. These developed infrastructures present new tools to communicate with the whole world and gain knowledge and information. Some people limit information and communication technology to hardware and software systems of computer to process, store and transfer data, while information and communication technology is the comprehensive skill and science of computation and storage of information and communication. Information technology deals with creation, collection, process, storage and deliverance of information and all the processes and measures which make these items possible.

I.C.T is a term which includes all different forms related to creation, storage, exchange and use of information in various frames like commercial, conversational, still image, cinema, multimedia display and other frames. This technology is often called "information revolution".

Electronic development has led to market equity school. The appearance of smart machines like automobiles, cameras and camcorders, microwaves, washing machines and so on has been the final result of invention of wheel. After that digital computers are among the most important inventions. Among other inventions which have had a major impact on human life is the invention of Fuzzy calculations. Next generation of inventions which is supposed to affect the world would be biotechnology. Therefore, our world is continuously affected by different technologies and the third millennium has inaugurated with information and communication technology. So it is estimated that before long in future, a huge part of human needs are fulfilled through electronic marketing and information and communication marketing, i.e. internet and satellite networks.

II. Literature Review

The following researchers have done some related studies to the present study:

In 1991, Blattberg and Deighton did a study and emphasized on mutual interaction and the necessity of dialogues instead of monologues.

Hoffman and Novak, who are the pioneers in electronic developments interaction and consumptive behavior, did a study in 1997 and stated that it is not possible to implement the modern marketing paradigm according to the traditional marketing. The process of modern marketing is accompanied by an increase in the role of consumer and also the developed interactive technologies between producer and consumer.

Haeckel (1998) considered the effect of Internet and information technology in tradeoffs and also said that interaction with customers is much more important than interaction with other business people.

Achrol and Kottler (1999) stated that nonconformity of hierarchy of real organizations with current hierarchy in virtual organizations and also an increase in the capacity and tendency of the customer in different

processes are the particulars of new organizations. The marketers are more efficient than salesclerk in interaction with customers and play the role of consultants.

Hammond et al (2000) made a research and said that the internet users are usually interested in technology and its benefits and they regard it as very important.

Even now, computerized internet networks are still very primary, but since, the more it grows, the more complex this process would be, therefore, in future we will see the benefits and advantages of internet networks, that like electricity and telephone, will serve all the houses, departments and organizations in the whole country (Kleinrock, 2003).

Dutta studied the approaches of using internet by economical organizations in 1999. The results of his study showed that most of the big and multinational companies use internet a little and employ internet as a mean to broadcast their news. He showed that the traditional companies don't tend to take risk and therefore are more vulnerable and are not flexible about getting connected to internet as a new member. Furthermore, according to his surveys, just a small number of companies and organizations actively use internet to set up new tradeoff brands. But it is not fully accepted that becoming an internet user is a must.

According to Arnott and Bridgewater (2002), internet has made the customers more powerful and although making money has decreased in different industries after the appearance of internet, the competitive market has flourished compared with past time and of course all these effects are internationally confirmed.

Internet, the Most Important Tool of Marketing

Marketing is expansively used in all the countries due to globalization of the materials and services, therefore internet can potentially affect the power of the world and in fact internet is a marketing world media with unlimited amenities (Forouzande et al, 2011). In recent 20 years, the importance of using internet as a competitive marketing tool was confirmed by researchers and scholars. In fact, internet is a kind of connector between organizations and investors who compete with each other in local, regional or international levels (Ivanov, 2012).

The function of electronic marketing can be divided into three categories:

1. Integration: electronic marketing includes all the steps of sales by the company and also sales by the company representatives as an integrated process.
2. Balance: electronic marketing will control the demands of the company customers with the amount of production and capacity of serving the customers by the company.
3. Intermediation: electronic marketing plays the role of a middleman between different parts of the company like finance and foreign investors' sector.

The Purposes of Electronic Marketing

- Being online
- Using the services of online commercial companies
- Selling the materials via internet
- Setting up personal webpages
- Responding the frequently asked questions of customers
- Conserving your position in the market or your leadership status in a specialized market
- Emphasizing on transnational activities
- Economizing the time and educating the customers

The concept of Electronic Money

Electronic banking and electronic money are general concepts and we should recognize to what they exactly refer. It is nowadays accepted that electronic banking can be divided into two separate parts: one part refers to the products of electronic money, particularly the products which store the value and the other part is the electronic deliverance or accessibility to the products. These are the products which able the consumers to use electronic communication apparatuses and to access the contractual payment services, for example: using a personal computer or internet networks in order to pay electronically or send a request to transfer money from one account to the other. European Union has defined electronic money like this:

- A. it has been electronically stored on electronic units like card chips or computer RAM.
- B. it has been accepted as a payment mean for undertakings of people other than issuing party.
- C. it has been created in order to be used as an electronic alternative of coins and notes.
- D. it has been made in order for electronic transfer of money and limited payments.

The consumer advisor of Federal Reserve of America has explained electronic money as following:

It is the money which is transferred electronically and is turned over and can be saved as smart cards or credit cards or an electronic wallet. It can also be used in points of sale (PoS), or can be used personally without the

interference of any other people. It can also flow toward the banks via phone lines or toward other servers of exporters.

Online Advertisements, Astronomical Figures

Appropriate and high quality products will guarantee a good sale and advertisement is the requisite of good sale. This matter is undeniable in today competitive world in a way that online advertisements form a huge volume of advertisement in developed countries. Regarding the different research and studies done, the growth of online advertisement has been so eye-catching and this growing trend is continuing in the whole world. According to the scientists of IDC research institute, the reduction of the price of online advertisement, the prevalence of free online advertisement and the increase of rate of internet use among people are the most important reasons of fast growth of online advertisement. According to the newest report published by IDC, the income achieved through online advertisement in the United States has been \$5.25 billion in 2007 and it is estimated that this number reach \$10.51 billion by 2012. Therefore, the researches show that online advertisement will be placed in the second rank in four years and will be ranked after the direct advertisement, while online advertisement is now ranked in the fifth place, but online video advertisements have attracted so many people.

The End of Printed Advertisement

The scientists of IDC have predicted that the industry of online advertisement will have a 85 percent growth from 2006 to 2009 and printed advertisement in newspapers will decrease in the developed countries and it is expected that the volume of printed advertisement have a decrease of 2.35% in 2009. The role of huge digital screens shouldn't be ignored. These screens may not be the newest rival of online advertisement. The advertisements in these screens will have a 9.5% growth in 2009. Now, it should be said that in near future, advertisement industry will be changed to a virtual profitable industry.

Chain Marketing

Chain marketing is one of the most effective electronic marketing. Through creating various links between your website and other websites, this method will enable other people from different parts of the world to be guided to your website according to their needs and the services you present. The most important point about chain marketing is that unlike other methods of electronic marketing, you only pay when you achieve your result (which is absorbing the attention of the website viewer). It exactly means that you don't miss anything and it also means that you have hundreds of marketer working for you without paying then any money in advance. To be successful, this method needs smart design of external cluster and correct management of internal core.

Electronic Mail

Using electronic mail(E-mail) is one of the most influential ways of electronic marketing. This method is very economical, flexible, purposeful and searchable and it is also very profitable if is done correctly. Using Email for one to one marketing is the most important function of Email, because one to one marketing needs to enter the Email address of the other party. Through using Email, a sustainable relationship can be made by the customer and also their visiting of the website and their shopping will increase. The personalized Email enables us to talk directly with one person according to his/her particulars, interests and needs and strengthen the relationship. The more the marketer gain information about the customer, the easier can make relationship with him/her.

Besides making relationship with customers, Email marketing enables to compete more efficiently. Since we are all in shortage of time, we only have the time to improve the website in order to provide added value.

Internet Ads

Internet ads refer to employment of Internet as a canal and communicative mean to send the advertisements in the World Wide Web.

The Advantages of Internet Ads

1. Making a mutual relationship

Internet ads make a mutual relationship between the marketer and the audience. The audiences not only receive internet ads but also are able to react and ask the producers their questions about the products.

2. Static and dynamic targeting of the customers:

Different methods are applied in internet ads in order to statically and dynamically target the customers to choose, present and display the ads. These methods may be chosen according to the content of the webpage, personal information and dynamic exchange of information.

3. Global and 24- hour accessibility

The internet ads can be accessed from different parts of the world in all 24 hours of the whole year and it results in an expansion of the market.

4. The capability of being measured and prosecuted

Since internet ads have a digital nature, it can be easily measured and prosecuted. Different methods are used in order for prosecuting, evaluating the function and measuring the effectiveness of internet ads.

5. Designing the advertisements

Since the audiences can be exactly targeted, the messages can be prepared according to absorb the needs and requests of the audiences. When you identify the audiences, you find more information about them, so the advertisements can be prepared more attractively.

6. Easy forwarding, keeping and updating:

Internet ads have the capability of being easily displayed, kept, and up dated which all refer to the digital nature of internet. The reduction of preparation process and execution of advertisements are all the results of this feature.

7. Salability:

After displaying the advertisements, you can immediately start the sale.

8. Making a direct link to the list of products:

Internet advertisements make a direct link through which the information about a special product is provided for the audiences. This capability often leads to the exchange of the products and increase of commercial trades.

Browsers

Today, browsers have made better and more effective opportunities for marketers and absorbed the attention of millions of users to themselves. Browsers are the best way to find the required products and information by users and applicants on one hand and on the other hand, they are the best way to advertise and absorb the attention of customers by manufacturers.

Digital world is so wide and unlimited in which your trade may get lost. In order to introduce your trade properly to the world and be able to compete in the wide digital network of virtual world, your customers should be able to find you easily. This cannot be realized unless you have a high rank in the browsers. It is so important for your trade to be at least among the first two pages which are found by different browsers at the request of the users. It is of course better to be shown on the first page. To be successfully found by browsers in marketing, the observance of following points is suggested:

1. Browsers' power

The main idea is that you choose the key words and become a member of some browsers like MSN or Google. When the users search the key words, your web page is shown among the results found by the browsers and the customers are guided to your web page.

In the browsers in which the payment is done in lieu of one click, they ask you money only when a user click on your website address and view it.

2. Purposeful advertisement

A new phenomenon which has been created in the browsers is searching the subjects related to the text or purposeful advertisement. In this phenomenon, the browser doesn't show the link of your website among the results found; instead it enters the related websites. For example, if a user goes on a website in order to check the weather of Miami beaches, he may also be eager to gain some information about hotels or car rent companies of that region. These links are suggested to him on the same page by the browsers. Therefore, when the customer is thinking about finding a product or using your service, the browser surprise him and leads him to your website.

Viral Marketing

Viral marketing changes the internet network of the customer and users to a huge machine that spreads the news from mouth to mouths, expose the company to public visit. An advertising message of a company can dramatically increase by tempting the customers to introduce it to friends and relatives. In fact, the company uses the customers to do a job and after using the website, the customer unwantedly becomes the seller of the company. If a high percentage of the message receiver sends it to a large number of their friends, then the growth of that message is eye-catching and if the rate of exchange of the message decreases, then the growth rate fails to increase.

Some companies like Yahoo, Hotmail and AOL use this method. These companies advertise for their company through messages in Email programs. According to this method, each mail which is sent via electronic mail services of these companies, includes a concise advertising message, i.e. these messages are distributed among people as people send mails using the services of these companies. Since these messages are distributed without direct interference of these companies and are spread among people who have gotten their electronic address from these companies, this method of marketing is called strategic viral marketing. In other words, viral marketing is a strategy which encourages people to send marketing messages to each other and also provides gradual growth of the efficiency of the message.

Viral marketing presents two different ideologies:

First: a world in which the marketers make customers without paying a penny.

Second: it suggests that the communication change from “marketer-consumer” status into “consumer-consumer” status. In fact, the biggest power in sale of products and ideas isn’t transferred by the marketer to the consumer, but it is transferred by customer to customer.

This kind of marketing is today of high popularity because:

1. Social networks have moved toward World Wide Web. Nowadays, a large number of friends and families are members of social network or they are going to join them very soon.
2. Calling your friends via Web is almost free. Each person can communicate with hundreds of people in a day and other people can also talk with more other people. In fact communicative pyramid can be made only in one day.
3. The effect of social network is very important. As more people join the social networks, they can make connection with bigger groups and the whole number ascends very quickly.

Companies can stimulate the customers to do the companies’ affairs:

-Services of valuable concepts

- Financial Encouragement (like participating in competitions or matches or other programs)

- Sense of individualism because of holding the name and brand of the company

- Entertainment (animations, post card, etc.)

If the wide amenities of this method of marketing are properly employed, you will improve a lot. This method of marketing is very economical for you and very attractive for your customers. It is the same old and famous method of word-of-mouth marketing, in a way that the good and proper services are spread among people and it makes a company to increase the number of his customers. In viral marketing, you can send your message to other people using the communications among people. Regarding the special place of this kind of marketing in recent years among marketing strategy, you cannot easily ignore it.

III. Conclusion

According to the scientists of management, the companies can compete in today’s markets that are familiar with its language and instruments. According to Michael Porter, internet has been able to transform the role of previous strategies and competition. If the companies want to be successful in electronic tradeoff, they should have the marketing features in electronic milieu and they certainly should achieve new paradigm and views in order to take part in competitive markets.

The easy accessibility of internet has made the electronic tradeoff (electronic – commerce) to be placed in a high position. The features of electronic commerce like globalizing the tradeoff, removing the spatial and time constraints, reducing the price of sources of shopping, increasing the percentage of sale, removing the time constraints of the transactions, accessing easily to the required information, high decrease of transaction prices, reducing the time needed for doing the transactions and many other advantages of electronic tradeoff made it grow fast.

Electronic tradeoff has made great changes in competitive conditions. For instance, fast appearance of new rivals even out of related businesses, globalization and competition of market, high competition in standards are among these changes. The webpage viewers usually look for low cost products, so it can be said that electronic marketing has a very high importance in the flourishing of economy.

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