

## Effective Variables on the Compilation of E-Marketing Strategy

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**Abstract:** The effective variables on the assignment of digital marketing strategy have been studied that is one of the most novel issues proposed in marketing domain. According to internet strategy efficiency and their Adoption to business environment, current strategies in marketing and related technologies, proves the concept of digital technology and strategic management efficiency. The Goal of this Research is study cost drop and benefits of value changes, income age, channel sharing, communication, and finally marketing. The Bench Marketing Method used in this study and SWOT method at the end with some suggestions. Based on Results, It is proposed that this strategy is one of the most important and novel methods that can be used both as a framework of the market strategic management and as a principle in the direction of organizational marketing sector.

**Key words:** Compilation of strategy • Marketing • E-marketing

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### INTRODUCTION

The term marketing has changed and evolved over a period of time. Today, marketing is more on providing continual benefits to the customer and these benefits need to be provided when transactional exchange takes place. The Chartered Institute of Marketing defined marketing as the management process that responsible for identifying, anticipating and satisfying customer requirements profitably. Marketing requires co-ordination planning, implementation of campaigns and a competent manager(s) with the appropriate skills to ensure success [1]. For marketers to effectively market and advertise their products and services, they should consider about the behavior or nature for customers and supplier for resources. They should understand the customer's needs and respond to their demand using the relevant supply. By doing so, they can maintain their core competency by remaining connected with their customers or suppliers [1]. E-commerce has been growing rapidly and is still expanding worldwide. More and more people are purchasing their products online and giving reviews and comments through the Internet. These reviews are valuable information if extracted and summarized properly. Using this information, users will be

able to buy a product that suits their needs; suppliers will know what the customers' likes and dislikes and will be able to order their supplies accordingly [2]. Main decisions to internet marketing are similar to traditional business and marketing strategies. Development process defines an internet marketing strategy, customer categorizing, targeting and locate and all of them are important, basic and effective concepts for digital marketing. The target marketing strategy approaches includes the target customer's groups and to specify the way of value delivering to these groups as a plan and an object of products and services [3-8].

**The Main Characteristics of the Internet Marketing Strategies:** Communication and convergence between the internet and traditional channels is an important part of internet marketing strategy. internet marketing strategy is mainly a channel marketing strategy and needs to converge and combination with other channels as a part of multi-channel marketing.

The characteristics of an effective internet marketing strategy are as follows:

- Coordination with business strategy \_ i.e majority of companies the same 3years-plan-Including specific business annual priorities and innovations.

- Using crystallized goals in business and mark (brand) development, online manager assistance and selling to other internet channels or other digital channels. these issues should be provided in different models to the number of users in these channels.
- To adopt with variety of the channel users that they can be captured by the channel.
- To define a different and effective value object to be informed to the customers effectively.
- To specify a mixture of offline and online communication tools that is used to attract the site users or to communicate with mark (brand) by digital media like email or mobile.
- to manage the online customer life cycle by users attract steps, change them as customers, to keep and increase the number of the customers [4].

**The Advantages of Internet Marketing Plan:** It is obvious that an internet marketing plan involved in joint advantage of every other marketing methods. McDonald and Wilson [12], declares the below reasons to this question \*why a marketing plan is approved for below

- Issues such as marketer,
- higher officials,
- non-marketing approaches,
- employees,
- assisting to identify competing benefit resources and also to assign a regular approach,
- to expertise-development,
- to ensure the fix and continues relationship,
- to inform,
- to achieve support,
- to achieve the resources ,
- to gain guarantee,
- to assign the strategic goals,

**Issue Expression:** Should an organization own a separated electronic marketing to define its strategic approach toward internet? Either it is regarded as a whole for the organization or as specific marks for markets.

Figure 1 shows hierarchy of a company or a business-a marketing plan that indicates a communication plan and operational modules of different markets and marks (brands).where should we use the marketing plan? if an organization needs an electronic marketing plan?

Figure1 shows that an electronic marketing plan can be useful for such of” electronic operational parts “management that return to online communicational tools like online advertisements or continues email marketing or electronic marketing activities [5].

You may suppose that marketer has usually enough plans to communicate with them. if a certain practical approach for companies implementing electronic marketing, is to merger electronic marketing based on current planed frameworks? We believe that while an organization is ready to implement digital marketing efficiently, a distinct electronic marketing plan is needed. Since online channels are new ones, inner crystallization of organization is a necessary concept. An electronic marketing specialist can design an electronic marketing plan to influence not only on senior managers and other non-marketing functions but also for purchase-access of the marketers.

**Goals:** Fareena and Rohm [8] studied on three organizations and attests that different utilize of internet strategies including business targets and their frameworks to indicate strategic goals are as follows:

- Cost drop and value concatenate benefits,
- Income age?
- Channel sharing,
- Communication and marking,

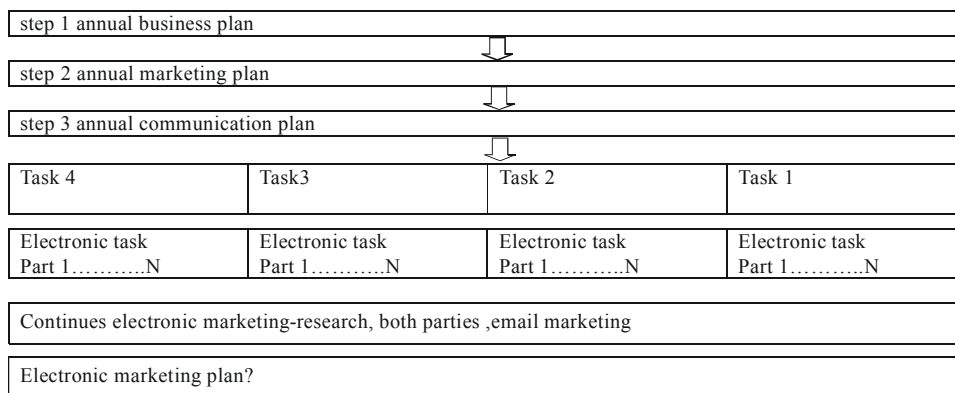


Fig. 1: Hierarchy of organization’s plans including electronic marketing plans

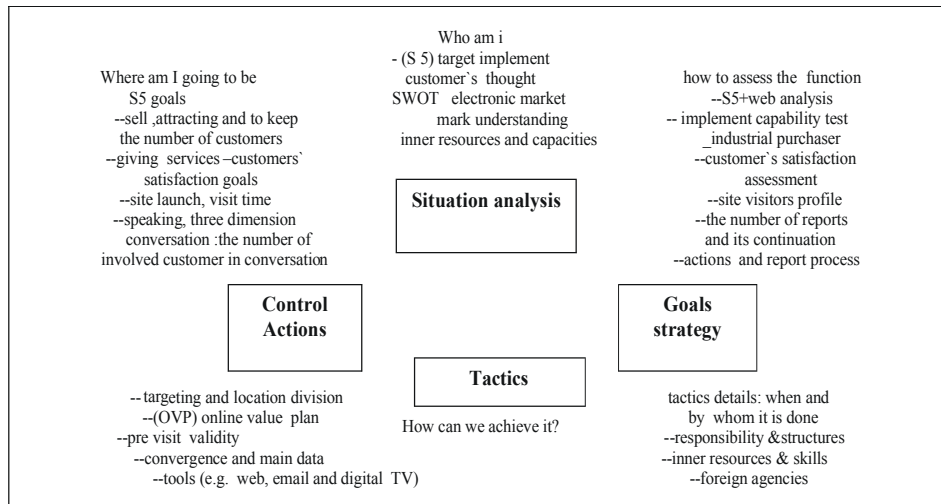


Fig. 2: SOSTTAC implemented planning framework for digital internet marketing strategy

**The Research Literature:** A strategic process model supplies a framework to strategy development. in a marketing field, the strategy development and it's implement activities will be coordinated by a marketing plan that is called "marketing planning" process. McDonald and Wilson [12], defines marketing planning as follow:

- "planned utilization of marketing resources to gain the marketing goals.....marketing planning is a rational arrangement and collection of activities that leads to marketing goals' assignment and designs' arrangement to access them".

McDonald [6] distinctions between strategic marketing plans involving a 3-5year cycle and tactical marketing plans involving slight activities in less than one year cycle or a lesser cycle. For internet marketing a resemblance difference is useful. For giant companies we recommend a long term strategic internet marketing plan that focuses on the three key modules. first one is primary specify of changes toward competitor in minor environment and main changes in huge environment that effects the customers' demands for experiences and purchased products. second one is value plans development for customers that use online services as a part of their purchase process. third one is to define and recognize the information's designing and technology's basis to display the value plans as a customer's experience [6]. Figure 2 illustrates a general strategy for strategic internet marketing [6].

SOSTAC planning implement about the way of their description in this field and regarding digital marketing strategy is as follow:

- Situation analysis \_where are we right now?
- The Goals\_ where are we going to be?
- Strategy\_ how we are going to get it?
- Tactics\_ show tactical applied digital tools
- Activities\_ they are related to action plans change management and specific managing skills
- Control\_ this part monitor managing information use including web analysis to assess the possibility of access to strategic and tactical goals and the way of progress for further results.

Lakota and Robinson [7] proposed a dynamic and strategic process specified for electronic business. This approach's materials illustrated in Fig. 3, this approach focuses on replying besides, continues scrutiny and investigation priority in internet's new usages. it is obvious that environment's investigation quality and information gathering analysis and the rate of the reply for the organization that follow such organization are fundamental issues. An approach sample to gather the market data is "competitive spy". Competitive spy is a process that changes a diffusive information to a related strategic knowledge that is fine and usable toward competitors, situation, function, capacities and objects [7].

**Situation Analysis:** Situation analysis is known in classic marketing in the best way as a marketing analysis from present marketing activities' profit in the company besides, external elements to manage the companies design style. These principles are easily utilized for online marketing profit. Strategic or situation analysis is as follow:

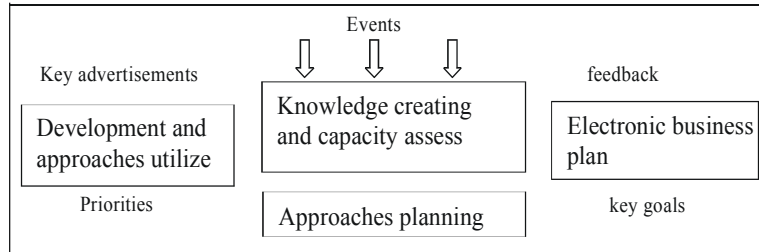


Fig. 3: A dynamic electronic business strategic model

|   |   |   |
|---|---|---|
| w-weakness points<br>1) Brand assumption<br>2) Using the arbitrator<br>3) Technologies-skills<br>4) Cable support | S-strength points<br>- Current brand<br>- Current customer's base<br>- Current distribution | organization  |
| WO-strategies<br>Opposing to weakness by using opportunities-creating strength points to attack strategy          | SO-strategy<br>Power and ability to maximize<br>Opportunities-attack strategy               | O-opportunities<br>1. Widthwise sell<br>2. New markets<br>3. New services<br>4. Joining-simultaneous branding |
| WT-strategy<br>Fighting against the weakness and threats – empowerment for defense strategy                       | ST-strategy<br>Empowerment to minimize the threats =defense strategy                        | T-threats<br>1. Customer choosing<br>2. New comers<br>3. New competitive commodities<br>4. Channel contradict |

Fig. 4: A specific analysis internet SWOT, showing threats and opportunities resulted by internet

- Inner capacities, company’s resources and products and its processes` analysis in the market.
- immediate competition environment (individual environment) including customer’s demand and behavior, competitor’s behavior, market’s structure and to communicate with distributors and shareholders.
- an extended environment (general environment) that a company starts a task including economy development by governments as laws and taxes with social and morality limitations like as ask for personal space.

**Moderate Analysis:** Moderate analysis is related to the present services that internet marketing channel currently exposes toward other channels.

**Opportunities and Threats Analysis of OT:** A SWOT structural analysis implement to summarize external threats and opportunities that are introduced by internet environment are a part of basic activity to situation analysis. Company should pay more attention on their weakness and strength points in internet marketing environment.

Results description by specific internet analysis (SWOT)-like as internal strength and weakness points, external opportunities and threats-will declare threats and opportunities obviously. a suitable planning to oppose with such threats and using such opportunities can be concentrated in internet marketing. a model of SWOT analysis related to marketing strength and weakness points is shown in Figure 4. Like many cases relating to SWOT analysis, present opportunities in a company were created to oppose to other companies` threats. strength and weakness points are different in every company. but majority of strength and short weakness points are related to CEO’s abilities and capacities to recognize and start to change. internet SWOT in can be assessed in main fields of online marketing activities like as customer’s attract, change, keep and rate increase [8].

**Strategic Goal Assignment:** Every marketing strategy should be defined base on the crystal goals. But there is no demand for such internet marketing that is controlled separately from marketing and business goals. Porter [15] criticized lack of goal assignment in internet strategy designed by organizations. he mentioned that many companies used the “current test” to reply sabotage

signals that is not commercial. this issue lead to “.dot com” companies failure and weak investment by new established companies. he recommends that present economical value or profit is final reason for business success.

Internet goal assigning will be base on managers` view point about internet`s future communication. ”scenario-based analysis” is a useful strategic analysis to discuss about coming alternative viewpoints before goal assigning. Lynch [9] describes that scenario-based analysis is related to presumable coming models of an organization, he adds that the goal is not only to predict but also display a collection of information scenarios with different preface will get different situations.

In a glance, those internet marketing scenarios that are able to display are as follows:

- In our industry a player using the internet can be a victorious player,
- Main customers don`t utilize from electronic business because of organizations` barriers,
- In our industry, main arbitrator omission is done.
- B2B market either is victorious or not.
- New inputs or alternative products change our industry,

**Business Models Strategy:** Other aspect of internet strategy is related to product development, new business models and income model opportunities issues. business model comprises of a summary of the way of profit making by a company, introduced products, added profit services, income resources and target customers issues. since the companies don`t assess opportunities for invention so to assess new models to pass competitors is important and demands so, to study new business models is necessary.

DELL is another example of technological company that assess its business model regularly. high-level technological companies like Google and Yahoo renovate by owning other companies and study and inner development regularly. (e.g. Google accomplished with <http://labs.google.com> and Yahoo did the same with <http://research.Yahoo.com>).

**Target Marketing Strategy:** Choosing the target markets is very important in internet marketing strategy. you will see that a company`s web presence and email marketing enables them to target more addressees than other channels. Target marketing strategy includes to assess and choosing the appropriated sectors and to develop appropriated products that comprises 4 steps-as illustrated in figure 5-but the main decisions are:

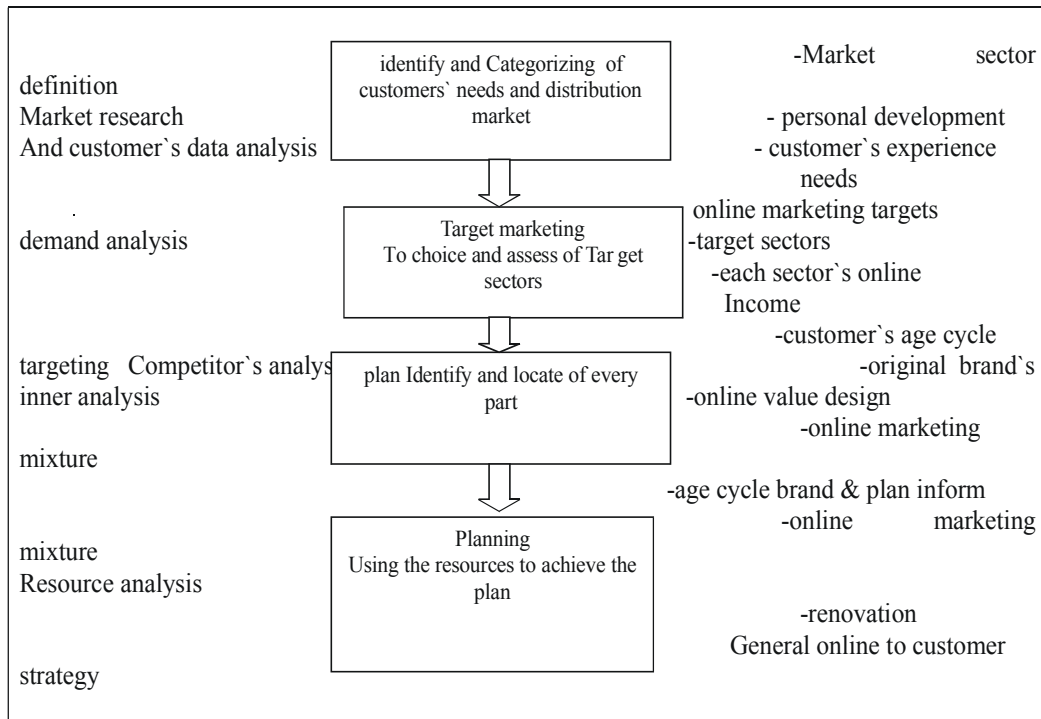


Fig. 5: Different Steps in development of target marketing strategy

- Online customers targeting and categorizing strategy that a company does it toward online customers that are characterized by different demographic, needs and behaviors. Thus different approaches are needed and targeting a specific parts by online media channels, the company's web or email communications are needed too.
- Difference-locate strategy: competitor's products and services are usually different in online environment. the development of an appropriated online value plan is an important aspect of the strategy. Although main brand design should be crystallized.
- In an internet field, organizations need such groups of customers that have high .....to online access, choice and purchase. categorize is knowing the customer's categorizing in target market to know their recognize and potentials as an income resource consequently to develop a strategy to satisfy this part and to maximize the income [10].

In an internet marketing planning, market's parts will be analyzed to assess below notes:

- Current market value or size, coming size and current market share and future of the organization in the sector.  
competitor market's share in the sector each sector's needs, specially the needs of plans and distributed products of the organization and competitor
- Each sector's share in all aspects of purchase,
- Using the site and change it to action by web analysis,

Step 2 in figure 5 is target marketing. Here we choose some parts for targeting that have the most attractiveness in profit making aspect. These parts comparing to targeting can be either similar or differ from them. Some of customer parts that are targeted online are as follows:

- The most profitable customers,
- Giant B2B companies,
- Minor B2B companies,
- Special members of purchase B2B unit,
- Customers that are hardly to contact by other media,
- Those customers that are the mark's fan,

**Locate and Distinction Strategy (Including the Marketing Mixture):** Step 3 in figure 5 shows the locate. Based on Some investigations [7-9], companies can locate their products toward competitor products by below four main variables:

Product's quality, service's quality, the price and time of the implementation. they believe that these issues assess through the way of their mixing is useful to effect on the customer's recognition and thought about the brand (Equation 1).

$$\text{Customer value (brand's recognition)} = \frac{\text{service quality} * \text{quality}}{\text{quality} * \text{implementation tim}} \quad (1)$$

Strategies should analyze those borders that there is an equation between increasing the quality of products and services toward price increasing and implementation time. Chasten (2000) utters that there are four situations for strategic concentrate of the companies situation he adds, to online 4 mentioned options, strength points should be regarded furthermore, current facilities can be used to increase locate base on the following issues:

- Product function priority: increase by preparing the online product's to fashionable,
- Price function priority: using the internet facilities for optimum internet pricing for exponent customers or to decrease the price in low demands,
- Business priority: a site like dabs.com displays its priority by joining the pricing data with active current data about the products.

**Connection Priority:** personalize characteristics to enable customers to assess the purchased urged date.

## CONCLUSION AND RECOMMENDATIONS

Strategy arrangement includes alternative strategies identify; their indexes' assess then to choose the best strategies. Since internet is a new media and many companies are creating the strategy to the first time so a collection of strategic elements should be regarded to the best use.

Strategies are useful to support specific business. in this chapter we define 8 main decisions of main options.

Main strategic decisions for electronic marketing are similar to traditional marketing strategic decisions. They comprises of target customer groups choosing and to declare the way of value transferring to these groups. As mentioned at strategy is a channel marketing strategy and needs to act in multi-channel marketing.

Internet, marketing strategy should follow these issues:

- Base on the goals of online share and to sell for this channel,
- To appropriate with the customers that use it and has channel access effectively.
- To support the customer's route to choose and purchase a product by joining this channel to other channels.
- To define a distinctive and unique channel.
- To specify the way that we use to persuade the customers to use online services with other channels
- To manage online customers' life cycle by attracting the site visitors, change them to customers and keeping and increasing the number of visitors.
- It is said that majority of decisions related to internet marketing strategy developing includes a company's approaches reassess to a strategy with same parts of marketing strategy. thus following decisions are discussed:

Decision 1: Product and market developing strategy,

Decision 2: Business and income models strategy,

Decision 3: Target marketing strategy,

Decision 4: Locate and distinction strategy (including marketing mixture),

Decision 5: Multi channel distribution,

Decision 6: Multi channel communication,

Decision 7: Online communication's mixture and budget,

Decision 8: Organization's capacities,

Decision 9: Market and product developing strategies,

Specific targets of products' selling should be assigned, thus this decision should be related to the targeting. now we discuss these strategies in details.

**Market Penetration:** This strategy includes using digital channels to sell further products in current market. Internet has high capacity to access to keep or increase the selling by market penetration strategy. Many companies at first use internet as an assistant to sell their products in the market. although they probably miss strategies' displayed opportunities in other parts of the graph. Figure 6 illustrates some of the main ways that internet has a very high speed access.

- Market share increase-online more effective competition,
- Customer's loyalty reinforcement-customers' online transferring and value-increasing of products, services and the brand,
- Customer's value reinforcement-to increase the

customer's profit making by cost drop to increase the purchase or quantity or regular use,

**Market Development:** online channels in new markets are used to profit from low price of international advertisement and without needing to infrastructures in customer's country.

Internet helped to low cost airways like "easy jet" "Ryan air" to enter the new markets. Although this is rather a Victorian use of internet but it is a great chance for small companies to increase their export with low cost and it doesn't need to overcome the distribute laws. So, present products can be sold to new parts of the market or variety of customers. internet can give further selling opportunities for subparts of the market that they weren't regarded. as an example product that is sold to great companies can be approved by small companies too, as it wasn't regarded because of selling cost of an expert seller. Moreover a young-aged product can be approved by elders and vice versa. Many companies noticed that their addressees and customers differ from traditional customers.

**Product Development:** Web is used by many companies to develop current products. As an example a car producer can display the car's function and related data of services by a web site, potentially. but new products or services that internet is their only display way can be regarded only for some products as an example music and book distribution companies have found new ways to deliver the product "pay for use" to be mentioned in next chapter. Retail sellers can develop their products collection and prepare new online packing.

**Variation-Creating:** In this chapter new products will be designed to be sold in new markets. Internet can't facilitate high risk business strategy but it can facilitate them by low cost that they weren't possible before.

**Involved Options:** Variation-creating in the related business---as an example a low cost airway can be used to promote trip services-with low prices-like hotel booking, car hiring or trip insurance.

Variation-creating in unrelated businesses---web site can be used to promote unrelated products this approach is used by "Virgin" brand, although it is a rare one.

- High convergence with distributors is gained by data exchange between a manufacture(producer) and retail sellers for more control in distribution change,
- Low convergence with arbitrator it is done by data exchange between distributors like available online arbitrators [10-19].

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