



E-Marketing/7E

Chapter 1

Introduction to E-Marketing

Chapter 1 Objectives

- After reading Chapter 1, you will be able to:
 - Explain how advances in internet and information technology offer benefits and challenges to consumers, businesses, marketers, and society.
 - Distinguish between e-business and e-marketing.
 - Explain how increasing buyer control is changing the marketing landscape.
 - Understand the distinction between information or entertainment as data.
 - Identify several trends that may shape the future of e-marketing, including the semantic Web.

The Barack Obama Campaign Story

- President Obama made history by his use of e-marketing to win the 2008 election.
- Obama's internet strategies targeted 18-29- year-old voters because 93% are online.
- His 2012 efforts added higher levels of sophistication, including the use of social media and mobile marketing.
 - Facebook displayed over 33 million “likes.”
 - The Obama YouTube channel had over 286,000 subscribers and 288 million upload views.

Internet 101

- The internet is a global network of interconnected networks.
- Data move over phone lines, cables and satellites.
- There are three types of access to the internet:
 - Public internet
 - Intranet: network that runs internally in an organization
 - Extranet: two or more joined networks that share information

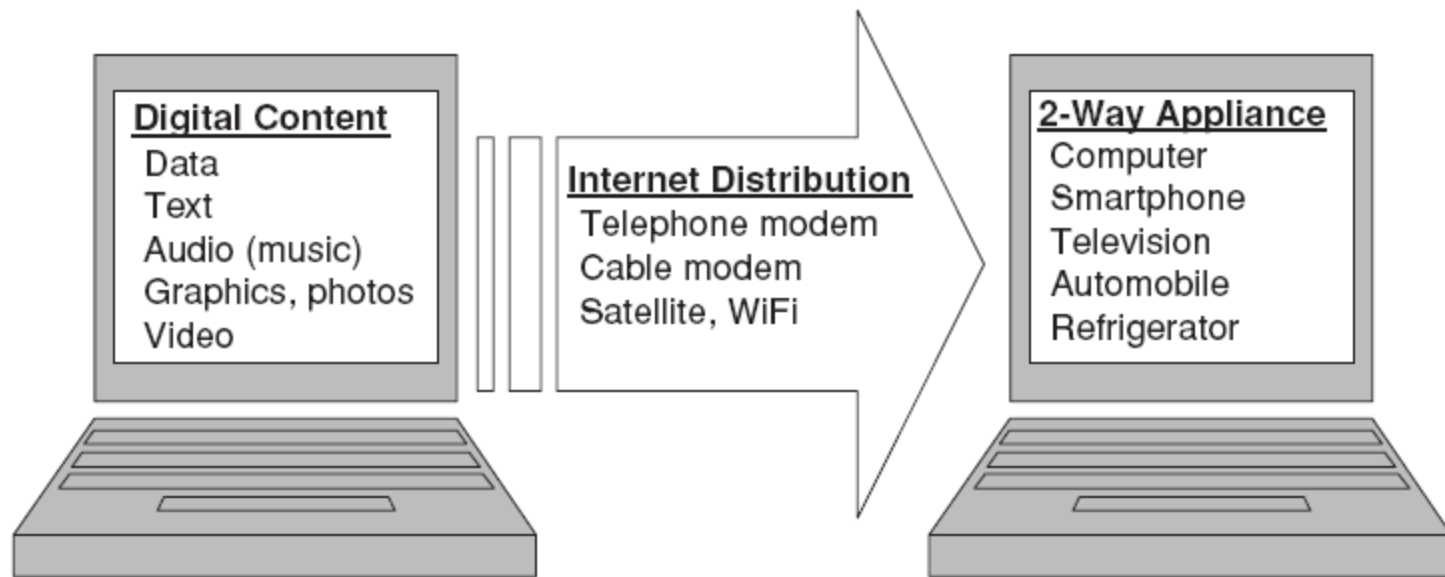
E-business, E-commerce, E-marketing

- E-business is the optimization of a company's business activities using digital technology.
- E-commerce is the subset of e-business focused on transactions.
- E-marketing is the result of information technology applied to traditional marketing.

E-Marketing Is Bigger than the Web

- The Web is the portion of the internet that supports a graphical user interface for hypertext navigation with a browser.
- The Web is what most people think about when they think of the internet.
- Electronic marketing reaches far beyond the Web.

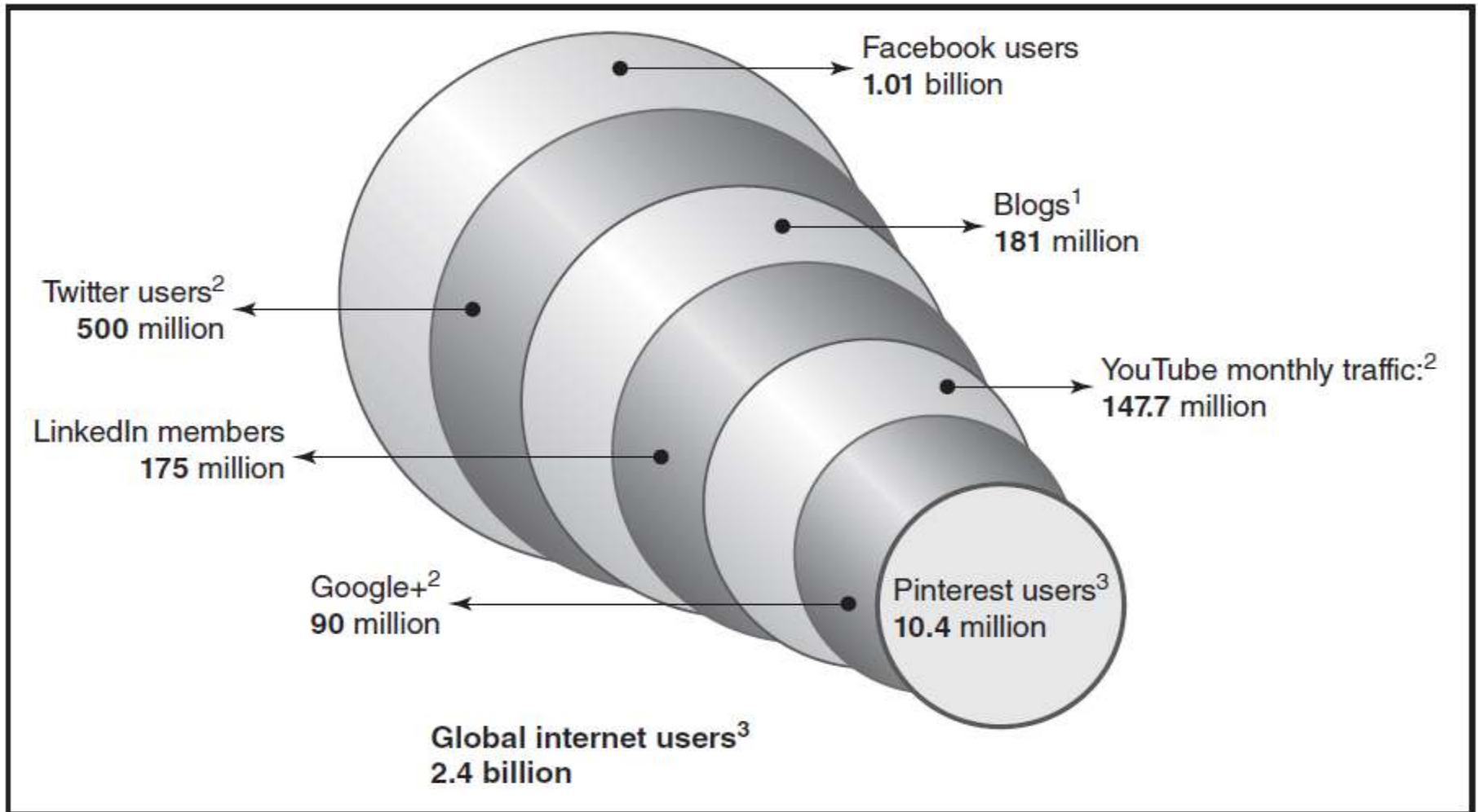
The Web Is Only One Aspect of E-Marketing



E-Marketing Is Bigger than Technology

- **Individuals:** The internet provides individual users with convenient and continuous access to information, entertainment, networking, and communication.
- **Communities** form around shared photos (Flickr), videos (YouTube), and individual or company profiles (Facebook).
- **Businesses:** The digital environment enhances processes and activities for businesses.
- **Societies** and economies are enhanced through more efficient markets, more jobs, information access, communication globalization, and more.

Global Internet Users




E-Marketing's Past:

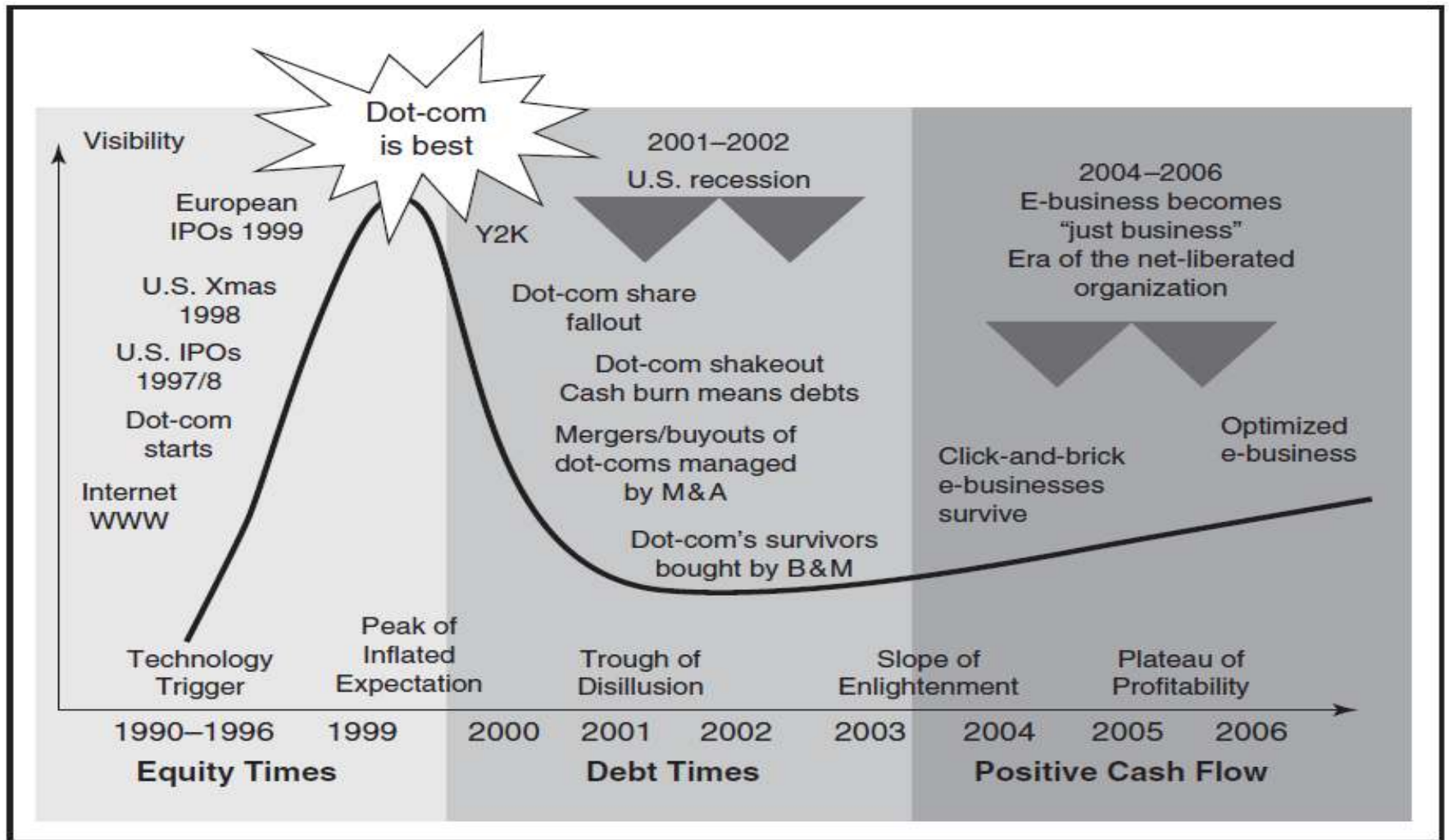
Web 1.0

- The internet started in 1969 as the ARPANET, a network for academic and military use.
- Web pages and browsers appeared in 1993.
- The first generation of e-business was like a gold rush.
 - Companies quickly attracted sales and market share, but negative profits.
 - Between 2000 and 2002, more than 500 internet firms shut down in the U.S.
 - By Q4 2003, almost 60% of public dot-coms were profitable.

Internet Timeline

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- 1969** ARPANET commissioned by U.S. Department of Defense for academic and military use.
 - 1975** First mailing list created to use the new computer network.
 - 1979** USENET established to host discussions. First post in 1981. Later managed by Google Groups (800 million archived messages).
 - 1984** Number of connected computer hosts reaches 1,000.
 - 1987** Number of connected computer hosts reaches 10,000. First e-mail connection with China.
 - 1988** First computer virus, affects 10% of the 60,000 hosts.
 - 1993** Early Web sites appear and business and media take notice.
 - 1994** First banner ads, "Jerry and David's Guide to the World Wide," appear on hotwired.com (later named Yahoo!).
 - 1995** eBay opens its doors and disrupts the classified advertising business.
 - 2000** Napster.com shows the world that peer-to-peer networking can work. Businesses show that e-commerce doesn't always work (the dot-com crash).
 - 2002** Running your own blog is now considered hip.
 - 2003** Recording Industry Association of America (RIAA) sues 261 people for illegal music downloading.
 - 2004** 16% of the world's population uses the internet. Businesses figure out how to be profitable with e-business models.
 - 2012** 34.3% of the world's population is online. Internet usage in industrialized nations reaches maturity. Social media use moves the balance of power from organizations to internet users.

2001 Garner Hype Cycle



The *E* Drops from E-Marketing

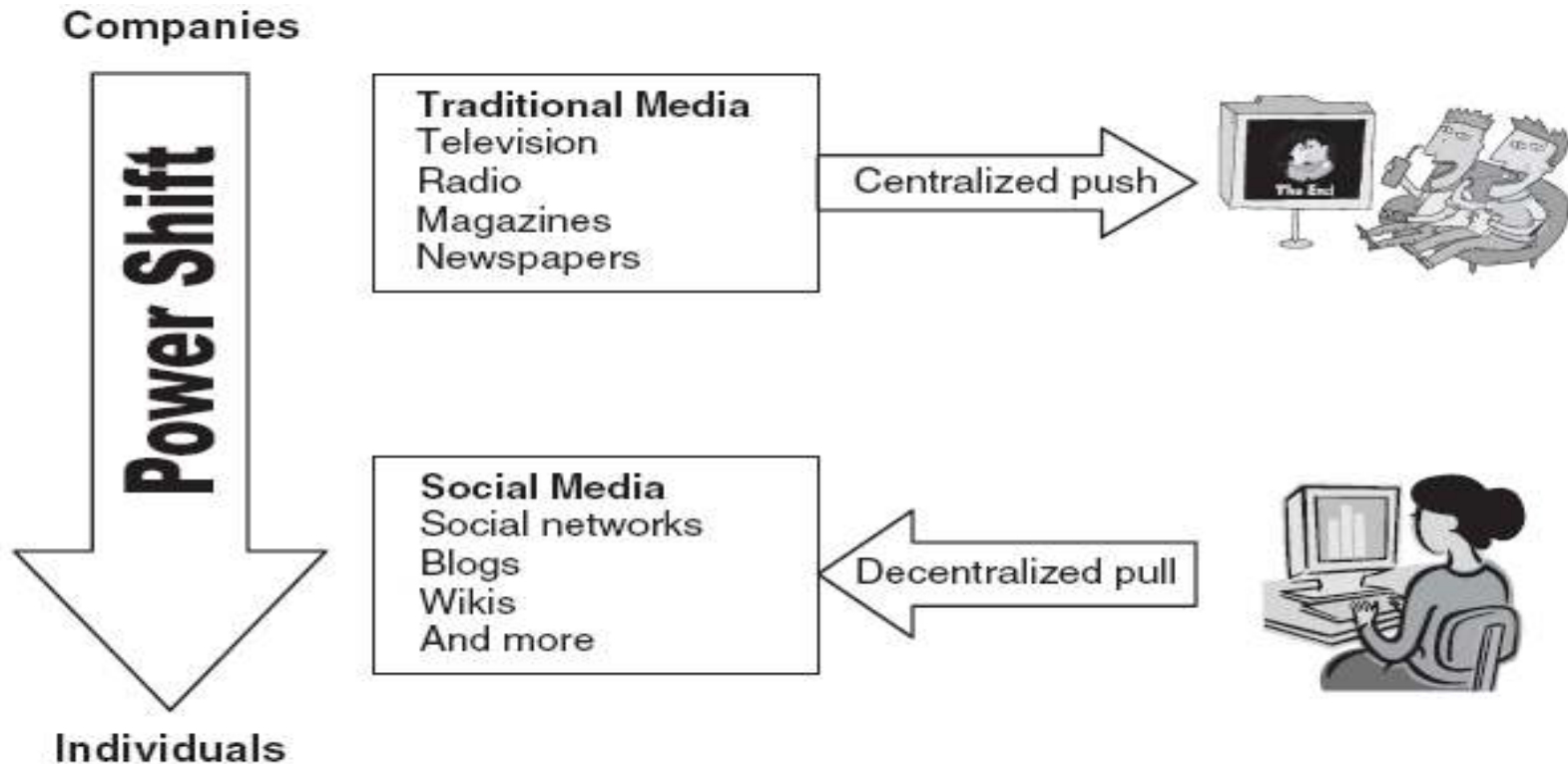
- Gartner predicted that the *e* would drop, making e-business just business and e-marketing just marketing.
- Nevertheless, e-business will always have its unique models, concepts, and practices.
- The e-marketing landscape is changing rapidly due to consumer-generated content, mobile internet access, social media and disruptive technologies.

E-Marketing Today:

Web 2.0

- Web 2.0 technologies connect people with each other through social media, which have created opportunities and challenges for marketers.
 - Power shift from sellers to buyers.
 - Consumers trust each other more than companies.
 - Market and media fragmentation.
 - Online connections are critical.
 - Everyone is a content producer.
 - Information transparency.
 - Social commerce.

Power Shift From Companies To Individuals



New Technologies

- Wireless networking and mobile computing.
 - 4G is a fourth-generation high speed wireless technology.
- Appliance convergence.
 - LG internet refrigerator is many digital appliances in one.
- Voice navigation.



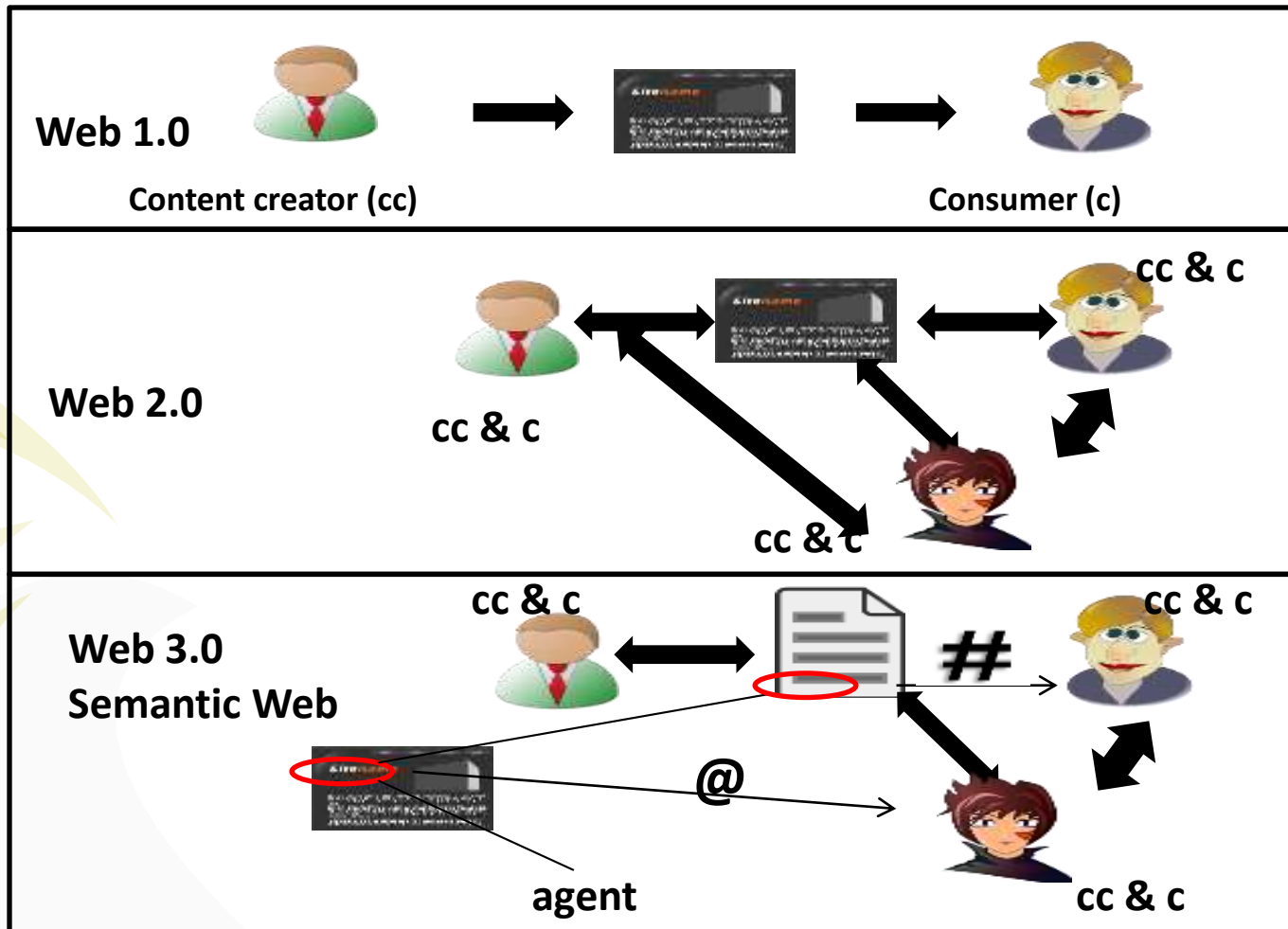
Other Opportunities And Challenges In Web 2.0

- Internet adoption matures.
- Online retail sales equal 4%+ of all sales.
- Search engines are now reputation engines.
- Image recognition takes root.
- Improved online and offline strategy integration.
- Intellectual capital rules.
- Decline of print media.
- Online fundraising increases.
- Location-based services.
- The long tail.
- Everything is “FSTR.”

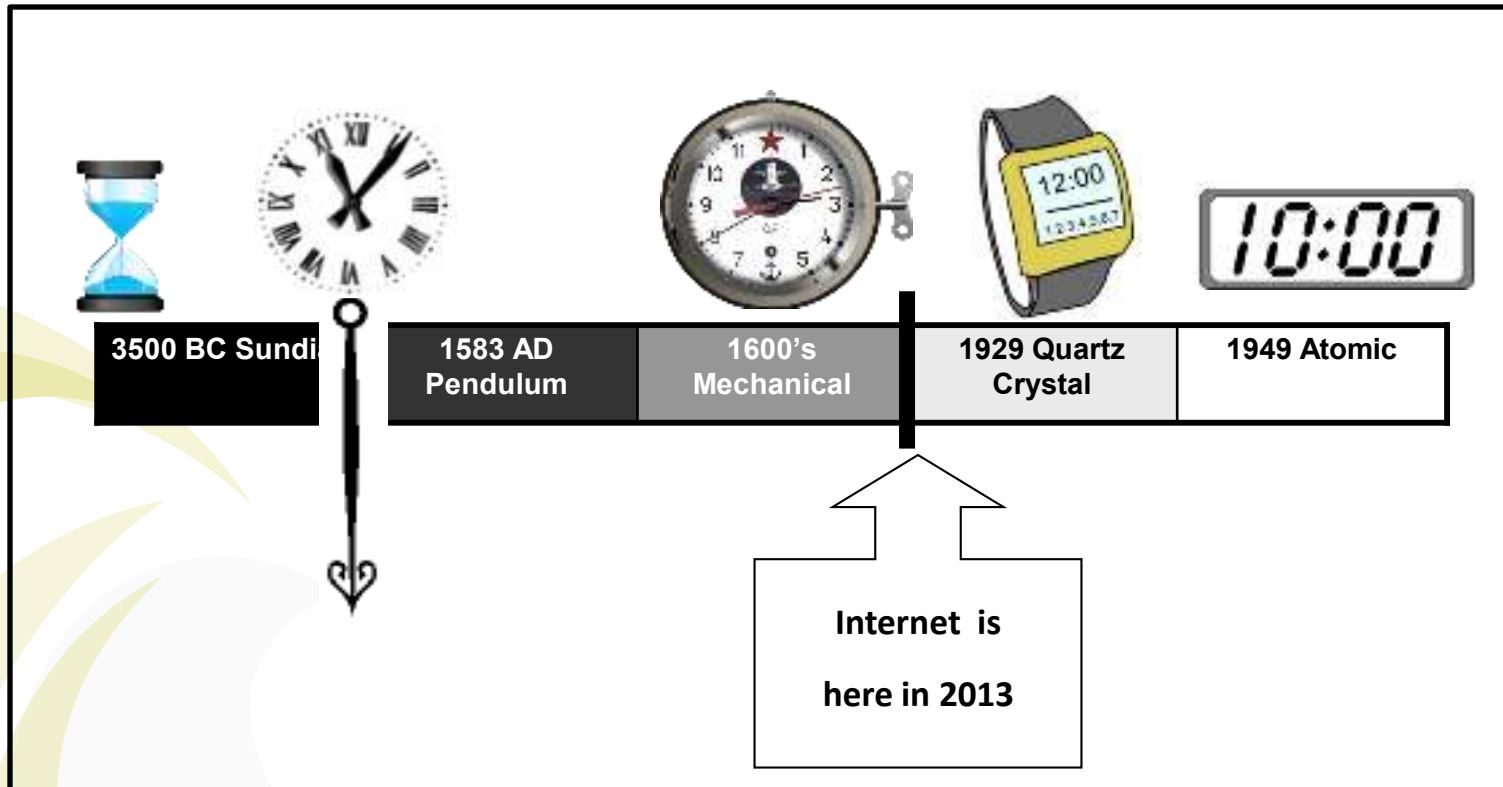
The Future: Web 3.0

- Sir Tim Berners-Lee, coinventor of the World Wide Web, has been working on technology to organize online data for greater user convenience, i.e., the semantic Web.
 - Users can easily find information based on its type.
- The value of the semantic Web is information on demand.
- Experts believe the semantic Web will become a reality over the next decade.

Evolution from Web 1.0 to Web 3.0



Internet-time Analogy



Stepping Stones to Web 3.0

- Higher bandwidth
- Faster connection speeds
- Artificial intelligence
- Seamless social networking
- Modular Web applications



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