E-MKTG

Antoine HARFOUCHE, PHD
Antoine HARFOUCHE

A. Prof. at Francois-Rabelais University of Tours
IAE de Tours

and Paris-Dauphine University

MSI coordinator at EDHEC

Tel : 06 11811643
harfoant@yahoo.com
1st Session
The New Economy

- The Putting-out Economy
- Industrial Economy
- Services Economy
- Digital Economy
The service economy
The old Marketing Mix

<table>
<thead>
<tr>
<th>Product</th>
<th>Promotion</th>
<th>Price</th>
<th>Place</th>
<th>People</th>
<th>Process</th>
<th>Physical evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Quality</td>
<td>• Marketing communications</td>
<td>• Positioning</td>
<td>• Trade channels</td>
<td>• Individuals on marketing</td>
<td>• Customer focus</td>
<td>• Sales/staff contact</td>
</tr>
<tr>
<td>• Image</td>
<td>• Personal promotion</td>
<td>• List</td>
<td>• Sales support</td>
<td>activities</td>
<td>• Business-led</td>
<td>experience of brand</td>
</tr>
<tr>
<td>• Branding</td>
<td>• Sales promotion</td>
<td>• Discounts</td>
<td>• Channel number</td>
<td>• Individuals on customer</td>
<td>• IT-supported</td>
<td>• Product packaging</td>
</tr>
<tr>
<td>• Features</td>
<td>• PR</td>
<td>• Credit</td>
<td>• Segmented channels</td>
<td>contact</td>
<td>• Design features</td>
<td>• Online experience</td>
</tr>
<tr>
<td>• Variants</td>
<td>• Branding</td>
<td>• Payment methods</td>
<td>• Remuneration</td>
<td>• Recruitment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Mix</td>
<td>• Direct marketing</td>
<td>• Free or value-added elements</td>
<td>• Research and development</td>
<td>• Culture/image</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Support</td>
<td></td>
<td></td>
<td></td>
<td>• Training and skills</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Customer service</td>
<td></td>
<td></td>
<td></td>
<td>• Remuneration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Use occasion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Availability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Warranties</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Using the Internet to vary the marketing mix
## Different category of Business

<table>
<thead>
<tr>
<th></th>
<th>Government</th>
<th>Business</th>
<th>Consumers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Government</strong></td>
<td>G2G</td>
<td>G2B</td>
<td>G2C</td>
</tr>
<tr>
<td><strong>Business</strong></td>
<td>B2G</td>
<td>B2B</td>
<td><strong>B2C</strong></td>
</tr>
<tr>
<td><strong>Consumers</strong></td>
<td>C2G</td>
<td>C2B</td>
<td>C2C</td>
</tr>
</tbody>
</table>
According to Kalika et al. (2005, 2003, 2002), there are today in France three kind of business:

- Brick-and-Mortar
- Pure-Players or the Pure Click
- Click-and-Mortar
Brick & Mortar

A face-to-face service delivery system or traditional physical CSD:

With Internet

• Numeric revolution

ICTs

Numerical and Virtual companies

Homo numérique
E-commerce and the Internet

• E-commerce arrival:
  – Began in 1995 and grew exponentially, still growing even in a recession
  – Companies that survived the dot-com bubble burst and now thrive
  – E-commerce revolution is still in its early stages
  – Use of the Internet and Web to transact business; digitally enabled transactions
Pure-Players or the Pure-Click

A virtual channel of service delivery system

E-Services

• People
  – Automate – use web self-service, offer customer choice

• Process
  – Change process for service – contact strategies

• Physical evidence
  – Site design – differentiate or support brand
  – Fulfillment quality.
## World Internet usage

**InternetWorldStats, 2011**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Africa</strong></td>
<td>1,037,524,058</td>
<td>4,514,400</td>
<td>118,609,620</td>
<td>11.4 %</td>
<td>2,527.4 %</td>
<td>5.7 %</td>
</tr>
<tr>
<td><strong>Asia</strong></td>
<td>3,879,740,877</td>
<td>114,304,000</td>
<td>922,329,554</td>
<td>23.8 %</td>
<td>706.9 %</td>
<td>44.0 %</td>
</tr>
<tr>
<td><strong>Europe</strong></td>
<td>816,426,346</td>
<td>105,096,093</td>
<td>476,213,935</td>
<td>58.3 %</td>
<td>353.1 %</td>
<td>22.7 %</td>
</tr>
<tr>
<td><strong>Middle East</strong></td>
<td>216,258,843</td>
<td>3,284,800</td>
<td>68,553,666</td>
<td>31.7 %</td>
<td>1,987.0 %</td>
<td>3.3 %</td>
</tr>
<tr>
<td><strong>North America</strong></td>
<td>347,394,870</td>
<td>108,096,800</td>
<td>272,066,000</td>
<td>78.3 %</td>
<td>151.7 %</td>
<td>13.0 %</td>
</tr>
<tr>
<td><strong>Latin America/Cari.</strong></td>
<td>597,283,165</td>
<td>18,068,919</td>
<td>215,939,400</td>
<td>36.2 %</td>
<td>1,037.4 %</td>
<td>10.3 %</td>
</tr>
<tr>
<td><strong>Oceania/Australia</strong></td>
<td>35,426,995</td>
<td>7,620,480</td>
<td>21,293,830</td>
<td>60.1 %</td>
<td>179.4 %</td>
<td>1.0 %</td>
</tr>
<tr>
<td><strong>WORLD TOTAL</strong></td>
<td>6,930,055,154</td>
<td>360,985,492</td>
<td>2,095,006,005</td>
<td>30.2 %</td>
<td>480.4 %</td>
<td>100.0 %</td>
</tr>
</tbody>
</table>
Retail e-commerce revenues grew 15–25 percent per year until the recession of 2008–2009, when they slowed measurably. In 2010, e-commerce revenues are growing again at an estimated 12 percent annually.
Click-and-Mortar

Face to face service delivery system

<table>
<thead>
<tr>
<th>Integrated Back-office</th>
<th>Front-office 1:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Back-office employee</td>
<td>Contact personnel (Service encounters, Human Interface)</td>
</tr>
<tr>
<td>Invisible organization &amp; systems</td>
<td>Inanimate environment (Servicescape or physical support)</td>
</tr>
<tr>
<td>Customer support provided by human agent</td>
<td></td>
</tr>
<tr>
<td>IT Systems</td>
<td>Virtual Interface (Web site, interactive kiosk..)</td>
</tr>
</tbody>
</table>

Front-office 2: Virtual channel of service delivery system

Customer 1

ICT 1

Customer 2

ICT 1

Customer 3
The futur of the Web?

The World Wide Web (Web 1.0) 1990 - 2000
- Databases
- Files & Folders
- Directories

The Desktop PC Era 1980 - 1990
- Keyword search

The Social Web (Web 2.0) 2000 - 2010
- Tagging
- Natural language search

The Semantic Web (Web 3.0) 2010 - 2020
- Semantic Search
- Reasoning

The Intelligent Web (Web 4.0) 2020 - 2030
- Semantic Search
- Reasoning

Productivity of Search

Amount of data
The 10 new rules of E-Marketing.

– 1. Power Shift from Sellers to Buyers - buyer attention is a scarce commodity
– 2. Increasing Velocity - rapid change
– 3. Death of Distance - geographic location not an issue when collaborating
– 4. Global Reach - borderless global economy
– 6. Knowledge Management Key - organize data
The 10 new rules of E-Marketing continued.

– 7. Market Deconstruction - separation of product and information (ex. auto buying)

– 8. Interoperability - open standards for software design so systems can work together.

– 9. Interdisciplinary Focus - Marketers have to understand technology (MIS).

– 10. Intellectual Capital Rules - Imagination, creativity, and entrepreneurship (i.e. intangible assets - intellectual property important).
e-Business vs e MKTG

- EB = EC + BI + CRM + SCM + ERP + HER + KM
  - EB = E-Business
  - EC = E-Commerce (transactions, e-tailing)
  - BI = Business Intelligence
  - CRM = Customer Relationship Mgmt - uses digital processes and integrates customer information gathered at each touch point.
  - SCM = Supply Chain Management
  - ERP = Enterprise Resource Planning (SAP)
  - HER = Virtual HR
  - KM = Knowledge Management
YourCompany

YOUROCOMPANY

Integration: ERP System

SCM | MRP | HRM | Finance | Invoicing | CRM

Back Office | Front Office

Supplier of YourSupplier → YourSupplier → YourCustomer

YourCustomer → Extranet: extended for third parties → Customer of YourCustomer

Online Intermediaries

Intranet: members of YourCompany

Dis-Intermediation

E-Procurement / E-Purchasing

Information → E-Marketing

Transaction → E-Commerce

E-Business

ERP → Enterprise Resource Planning

MRP → Materials Requirement Planning

CRM → Customer Relationship Management

SCM → Supply Chain Management

ERP → Enterprise Resource Planning

Intranet Infrastructure

Extranet: extended for third parties

Client - Server System
Conclusion

• A new economy, a new society, and a new man

• Benefits of this new economy:
  – Reductions in Cycle Time and Time-to-Market
  – Customized Products and Services
  – Cheaper Products and Services
  – Instant Delivery
  – Information Availability

• But it increases the divide between people

• Brick and Mortar’s Moving to the Web?