MARKETING STRATEGY IN E-COMMERCE

E-commerce has now become a key component of many organizations in the daily running of their business. Simply defined, “electronic commerce is a system of online shopping and information retrieval accessed through networks of personal computers”. In order to successfully realize the impact that E-commerce has in terms of marketing, it is important to break the area of interest into some key areas.

In successfully identifying the relationship between E-commerce and strategy, the issues are categorized as follows:

Strategic analysis + Understanding the environment + Identifying the strategic options/SWOT analysis + Strategic Advantages/Disadvantages + Advertising + Electronic cost cutting/publishing/Process

Strategic analysis and Understanding the Environment. E-commerce provides organizations with a unique medium to analyze, requiring information and a clear understanding of the environment and its relevant effects. Legal/Political environment. As with the need to understand world economies, global integration of E-commerce highlights fundamental environment issues such as legal and political influences. As independent countries operate different legal and political systems, it is obvious that an understanding of such ideals is also important in addressing E-commerce. Micro Environment and Market environment. The potential market that the Internet provides has little or no restrictions by either geography or time, and therefore poses a huge impact on any organization considering E-commerce in its strategic marketing formulation. Forecasters have projected that the world wide E-commerce revenues will be over $700 Billion in the year 2012. User trends. Customer tracking can be found as an integral advantage in the use of Internet-based marketing. For example Amazon.com provide e-mail announcements when a new product or service become available to its customers. Such information may be particularly useful when implementing strategic formulation and planning. Consumer analysis. By
having an understanding of users of the Internet and E-commerce resources, the marketing strategy can be further advanced, and tailored in a favorable direction to the organization. Demographics and cultural influences must be identified when assessing the characteristic of any market. Business-to-business relationships must also be taken into account when planning strategy based around the E-commerce framework. By being aware of how industries and organizations utilize tools such as the Internet, a marketing strategy can be further guided in the right direction.

**Identifying the Strategic Options/SWOT analysis.** Having provided a situation analysis and environmental analysis, an organization must use the information, in order to implement its strategic plan. In implementing a strategic plan is it appropriate to identify the four key elements in an organization’s environment. They are: the internal strengths and weaknesses; and the external opportunities and threats. (Or SWOT analysis). By matching the organizations resources, and any apparent opportunities it may be possible to conclude an effective match, and hence, a favorable outcome.

**Strategic Advantages/Disadvantages.** The organization must identify how to use the Internet towards a useful business advantage. For example, “CD Now and Amazon.com are building businesses based on immediate availability and ordering of, respectively, any CD or book”. Advertising. Advertising on the Internet presents a significant opportunity for an organization to enter the world of E-commerce. Virtual store can provide an inexpensive form of direct sales or help to supplement existing sales channels. By using the Internet, manufacturers are possible to reach the end-consumer without going through intermediaries. Successful exponents of such strategies are organizations such as Amazon.com, and their success in the distribution of books. Electronic Cost-cutting. By replacing existing print and publishing cost, organization can use E-commerce for their electronic publishing. Distribution on the Web, as opposed to mail, for example can have a huge impact on cost, and may be a strategic driver.

**Conclusion**

Organizations that gain an understanding of E-commerce and its relationship to marketing and operational strategies; they will be better ready for future development and technological change. In order to be competitive in modern business, the organization’s corporate strategies should be constantly reviewed and environmental influence - addressed. E-commerce has developed into an enormous aspect of the Internet and as such, organizations have been required to address this
in their strategic planning.