

# Chapter 5

## Digital Marketing Strategies Based on the E-Business Model: Literature Review and Future Directions

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### ABSTRACT

*One of the most significant changes in the last decade in the business environment has been caused by the development of information technologies and the internet. The internal structure and organization of companies has changed to evolve towards a digital environment influenced by internet business models and digital marketing (DM) techniques. This chapter develops a systematic literature review with the objective of identifying the key players in the business environment with respect to the new business models and digital marketing techniques applied to them, to improve the benefits they bring to the company. The results of the research identify and define the main actors of the electronic commerce (EC) ecosystem, as well as their typologies and the main techniques of DM used in this field of research. The results of the exploratory study can be used for future research in this field and to reinforce the reference bibliography in this area of research.*

### INTRODUCTION

Different research conducted in the last decade, indicate that one of the most significant changes in the business environment has been the implementation of Digital Marketing (DM) social media marketing strategies to maximize the return on investment -Return on investment (ROI) - of these in Electronic Commerce (EC) and this fact has led many authors to talk and research about the new digital industry as the Industry 4.0. (Chaffey, 2012).

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As indicated by O'Reilly (2005), one of the factors that caused this transformation process was the so-called Bubble Point Com, which together with the development of information and communication technologies, built a speculative economic current on companies of technological base or startups and business on the Internet (Cohen et al., 2000; Järvinen, and Karjaluo, 2015).

Therefore, we can affirm, following the works of Kaushik (2009) and Chaffey (2015) that innovation, new technologies and social networks have changed the way of doing business and the business model as we understood it until the last decade of the 20th century. It is important to point out that in the 60s and 70s the emphasis would already be on the value that for companies had to identify the interests and orientations of consumers in emerging market studies. Drucker, would explain his fundamental theory of Marketing focusing on customer orientation and segmentation as the keys to Marketing: "Marketing aims to know and understand the consumer so well that the product fits perfectly to their needs" (Arch, Woodside, Milner, 1992).

Based on these ideas, Godin (1995) would synthesize Drucker's conception of Marketing in its concept of "Permission Marketing", where Marketing would put aside aggressiveness for sale and intrusion and focus on getting the permission of consumers before proceeding with the sale process: "Consumers will only give permission to a company to communicate with them if they know what they are going to earn in return."

This philosophy of exchange and adaptation, anticipated by Drucker and developed by Godín (1995), would be the driving force for the DM thanks to the development of the Internet (O'Reilly, 2005, Chaffey, 2012).

In addition, this vision would be the starting point to the debate raised in the mid-1980s, in which after the Bubble Point Com, the use of traditional marketing techniques in this new business environment would be criticized, leading to the assimilation and approach of new DM techniques -also known as e-Marketing- suitable for sales in new digital environments (German et al., 2013).

In 1985, it would be when another important milestone took place in the formulation of the current DM paradigm, Relational Marketing. In 1990, the new social networks and the concept of social web burst among the websites with most Internet traffic, largely due to the relationship between brands and consumers (Chaffey, 2015). This fact would raise again the strategic model to develop to get customers through the use and development of digital strategies on the Internet (Celaya, 2011).

With the technological revolution in the late 20th century and early 21st -understood as a process of changes at the level of efficiency and productivity that affected both material changes as well as changes related to learning, management development and knowledge, the development of the DM would establish a new dimension in traditional Marketing and its application on the Internet (Águila, 2000; Lenskold, 2002; Kaushik, 2009; Chaffey, 2015).

The concepts and methodologies referring to the DM would be coined in the last decade of the 20th century, when the use of the Internet and sales through Electronic Commerce (EC) would be consolidated, supported by the irruption of the use of New Technologies (ICTs) in the business environment. Regarding the academic relevance of the DM, would occur in the first decade of the 21st century in which the authors would focus their interest in the new way of developing business on the Internet, methodologies and definitions of strategies, the optimization of DM techniques and the different types and modalities of use of these (Yao et al. 2013; Jayaram et al., 2015 and Zhang et al., 2016).

As we have already indicated, DM has promoted the birth of technology-based companies, startups, which, driven by innovation, would develop their business strategies based on the exploitation of DM and

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