

Chapter 9

4I: A New Premise for Marketing Online

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New technologies require new paradigms and a fresh perspective in analyzing and comprehending their implications. Computer networks, the Internet and the World Wide Web (WWW) in particular have already revolutionized many business practices. The satisfactory application of traditional marketing models to the analysis of online marketing practices is difficult at best. Thus, this chapter offers a new and an intuitive conceptual framework for analyzing, interpreting and managing the marketing process in a connected world. Specifically, we propose a model consisting of four crucial aspects: Intensity, Integration, Interaction, and Identification (4I). Each of these four aspects should be carefully analyzed according to prespecified guidelines to ensure the success of any on-line business. The chapter describes characteristics that will be intrinsic to marketing in the future connected world. We investigate the reasons underlying these characteristics. We suggest a detailed procedure for managing these future attributes using the 4I model. In the process of doing so, we also compare and contrast our model to traditional marketing models and demonstrate its superiority.

INTRODUCTION

The emergence of the Internet throughout the 1990s as a force in daily life is one of the most important events to date in the history of information technology. The introduction of the World Wide Web (WWW) has been one of the main reasons for this revolution. It took the Internet less than seven years to be adopted by 30

percent of Americans, compared to 13 years for PCs, 17 for televisions, and 38 for telephones (Stewart, 1998).

The emergence of the Internet and the World Wide Web has fundamentally changed the rules of business in several industries. It has presented new opportunities and challenges, and forced leading companies in these industries to rethink and reorganize themselves. Business to consumers electronic commerce, which can be loosely characterized as the process of customers carrying out business transactions over the Internet (Peterson, 1997), has been a big driver of this growth. (According to Forrester research 28.7 million Americans will generate \$38.8 billion in on-line retail spending in the year 2000.) Companies like Amazon.com, PlanetRx.com, and Etoys.com sell their products and services exclusively using the WWW. These companies have forced their well-established competitors like Barnes & Nobles, Walgreen, and Toys 'R' Us to incorporate the WWW in some form as a part of their business strategy. Several intermediaries like travel agents, car dealers, insurance agents, stockbrokers, and ticketing companies have seen a big fraction of their sales threatened by the emergence of firms like Priceline.com, Autoweb.com, E-Trade.com and Tickets.com over the WWW.

As a consequence of this growing activity over the Internet, marketing using the WWW has emerged as a significantly important way for a company to connect with both its existing and potential customers. As early as 1967, Doody and Davidson introduced the business world to their own form of online retailing. "City-Wide" was their synonym for a system that would allow for 'retail transaction to be made by electronic telecommunications and push-button devices installed in private homes and hooked on-line to data processing networks'. Whereas they identified certain basic sources of competitive advantage – such as low price, easy accessibility, and timesaving – the ability to proactively engage in novel marketing strategies is now being identified as one of the significant advantages of conducting business via the Internet. Firms have been making considerable investments in pursuing marketing strategies like interactive advertising, incentive marketing, building virtual communities, developing customer ownership, and forming alliances with portals. Several companies have also been experimenting with developing databases of customer profiles, helping their customers conduct product research, offering complementary services and pricing using auctions, all via the WWW.

The present day Internet and the WWW will gradually evolve into a universal information infrastructure characterized by convergence of audio, video and data communication. We term an environment characterized by such omnipresent connectivity and convergence as the *connected medium*. The connected nature of the medium not only enhances the potential of marketing activities described above but also makes possible marketing strategies unimaginable in the non-virtual world. This in turn has the potential to radically alter the way business is conducted in many industries.

In this chapter we propose an analytical model (4I) to help firms interpret, strategize and manage marketing processes in the *connected medium*. Traditional marketing models such as the 4P model (Kotler, 1997) have been of somewhat

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