Internet Influences on Marketing

When the internet was first introduced the predictions for how it would change the world were both bold and far-reaching. Some gurus suggested that the internet would so dramatically change commerce that the retail sector would be rendered irrelevant as all our shopping would be conducted online. An extension of this was the prediction that money in its physical form would be eliminated in favor of some form of virtual, internet based currency. Taking the word of the gurus to heart, the 1990's were rampant with internet start-ups selling anything and everything via the net, fueled by private and public capital eager to get on board the greatest revolution since the invention of automation and the industrial revolution. It all proved to be wrong. For some it proved to be the end of their career or the loss of their wealth.

But if in fact there is one area in which the internet caused a revolution it would probably be marketing. The introduction of certain accountability, customization, and tracking capabilities inherent in the way the internet operates offered marketers a series of opportunities and possibilities that had, until its onset, been mere dreams.

By understanding how the internet influenced marketing we can understand how and when to leverage the internet and when it is best to remain within the scope of more traditional marketing tactics. Certainly it is fair to say that just about every serious company dedicates at least a portion of its marketing budget to web based marketing. This is done because it has become clear that no presence on the internet is a recipe for a diminished and perhaps even insignificant marketing effort.

Tudog has taken a look at the way the internet has influenced marketing. While our list is no way exhaustive, we believe it emphasizes the core contributions. They are:

1. The Internet Forced Accountability

By being able to actually monitor response rates and provide reports on the efficacy of a program, the internet put an end to marketers who placed all their response excuses on the notion that marketing is a process of trial and error. By being able to better identify the error, they have been forced to put more thought into the trial.

2. The Internet Forced Creativity

It has long been thought that many marketing tactics are in need of a boost in creativity and the internet provided both the technologies and the medium for creative types to explore and express. The focus on creativity, because of the ease with which ads can be overlooked and the need to capture and retain attention, has led to the development of web marketing tactics that bring information to consumers and make the discovery of information simple.

3. The Internet Forced a Re-emphasis on Relationships

Again, perhaps because of the enabling technology that made relationship management simpler and easy to administer, the internet brought marketers back to the idea that their companies should establish and maintain an on-going relationship with their consumers. Whether through the use of e-mail notifications, chat rooms, in-depth product data, or

useful free information, the internet allows marketers to communicate freely and directly to each of its consumers.

4. The Internet Forced Speed

The internet spoiled consumers and put them in the driver's seat, at least when it comes to selecting one competitor over another. The need, from a marketer's perspective, was to provide the now demanding consumers with the information they required as quickly as possible. One approach was to anticipate questions (FAQs), which proved to be effective, and another approach has been to utilize email as a channel for real-time communication. Today with VoIP and Skype style messaging, the ability to provide immediate information on demand to consumers is becoming more sophisticated.

5. The Internet Forced Value

As a competitive necessity as well as a way of meeting the increasing demands of consumers, the internet forced merchants to provided added value, whether through the inclusion of information, the detailed presentation of product specs, or the sale of products for additional cost savings.

6. The Internet Forced Discipline

Insofar as shopping on the internet is simple, e-tailers have been forced to offer products that consumers demand and not the products that they are able to secure at profitable margins. The presentation of products that are of high demand drive consumers to websites, which is what the marketing is all about. The idea of placing some impulse buy nonsense products on the shelves near the checkout counter is not an option on the internet, leading online retailers to exercise discipline in their product offerings.

7. The Internet Forced Choice

While the retailers are exercising discipline, they are also able to offer within their selected categories an extremely wide range of products. The idea that Amazon can carry millions of titles is an example of the choice the internet delivered to marketers.

8. The Internet Forced Differentiation

The narrower focus on products and the relatively shared pricing models has forced retailers to base their differentiation models on factors other than price. This newfound need to sharpen their differentiation skills has led marketers to look once again to the differentiation models that focus on relationships and service.

The internet has served to forever alter marketing, and in most instances, for the better. The ease with which customers can be gained or lost on the internet has led marketers to re-engage their creative and analytic skills. The ability to incorporate technologies that permit tracking, measurement, and individual customization are powerful tools exclusive to the internet. While it is true that the internet did not eradicate money as we know it, it has led to wide scale and dramatic advances in marketing.