A Digital Age Value Hierarchy – E-Commerce, E-Business, and E-Marketing

E-commerce, e-business, and e-marketing are three overlapping levels of the digital age business domain. The three levels are also in a hierarchy by importance of how they provide online marketing value. E-commerce is the most important concept in the hierarchy because of the necessity of a network infrastructure to support new economy electronic exchanges. This e-commerce network infrastructure also signifies a new economy because electronic exchanges are the dominant source of economic value as opposed to interpersonal exchanges in the services economy, interorganizational exchanges in the industrial economy, and inter-regional exchanges in the agricultural economy.

E-business is the next hierarchical level that is supported by the e-commerce network infrastructure. E-business provides companies with a blueprint for potential market profitability that can be described as digital age business models or online value propositions for connecting with customers. Once successful online value propositions are developed based on the digital advantages afforded by e-commerce networks, e-business models are implemented using e-marketing strategies to build online customer relationships. Two examples of e-business value propositions are shopping convenience and global merchandise access.

Strategic E-Marketing – Digital Context for Marketing Fundamentals

Strategic e-marketing applies the fundamentals of marketing in a digital context. The strategic e-marketing process aligns strategic e-marketing functions with three primary fundamental marketing dimensions: marketing environment, customer, and marketing mix.

Marketing Environment

To illustrate marketing environment in the digital context, consider travel agencies that are looking to search for summer travelers. They may simultaneously scan demographic trends, economic factors, social-cultural trends like eco-tourism, and natural climate patterns. These online travel e-marketers can also make use of online links to perform digital condition scans in hours—not days or weeks—using a few online connected employees. Traditional marketers require much longer periods of time and larger staffs. They also incur higher expenses to compile comparable marketing environment intelligence.
Customer

Within this online marketing environment context, e-marketing addresses the second marketing fundamentals component, the customer, by profiling digital customers. Online interaction provides e-marketers with an infinite and inexpensive network memory that automatically stores and catalogues customer characteristics down to the minute detail.

For example, when a customer visits an online merchandise auction website to either place or purchase an item, the registration data he/she enters combined with real-time software tracking applications will build a profile that matches him/her with thousands of potentially complementary products and people. This profile becomes more refined with each visit to the same site, even if no bids or no bid items are offered. Traditional marketers would have to survey customers interpersonally and probe into various aspects of personal background and shopping preference to even come close to the sophistication of these online digital customer profiles. Of course, e-marketers must be fiercely guided by high ethical standards to protect customer privacy and guard against identity theft.

Marketing Mix

The precision of these digital customer profiles enables e-marketers to translate the third dimension of marketing fundamentals, the marketing mix, into customized digital commodities commonly known as e-brands. An example of the marketing mix, or marketing program, is when today’s Internet users download music from web-based MP3 player music content sites. They are not simply purchasing music; they are crafting online audio identities. The music itself is only one aspect of the customized digital commodity and e-brand. The marketing mix may include addressing the consumer’s preferences such as pleasing website aesthetics, options for connecting with peers, and ability to create personalized playlists. Without question, e-marketing has transformed the marketing mix into customizable content for an emerging generation of online customers.