Marketing Intelligence
Strengths & Weaknesses of E-Business Marketing

Harrison John Bhatti & Andrii Alymenko
Master’s Programme in Industrial Management and Innovation
School of Business and Engineering
Halmstad University, Sweden.
2017-03-07

Emails: harbha16@student.hh.se; andaly16@student.hh.se

Abstract
The web based business is one of the greatest things that have surprised the world’s business. It is making a whole new economy, which has a gigantic potential and is in a general sense changing the way of businesses. Organizations and associations must draw in and hold clients with the goal that they can survive. Electronic trade is viewed as a suitable methodology for showcasing, offering and coordinating on the web administrations which can assume a critical part in recognizing, acquiring and looking after clients. Online business advances and upgrades the relationship and correspondences between the association, makers, wholesalers and clients. In any case, it ought to be noticed that accomplishment in web based business relies on trust and deciding practical facts web business. There is an arrangement of practicable inside hierarchical and outside authoritative calculates online business which ought to be thought about. This paper discovers the strength, weaknesses and the online trust of the stakeholders in E-Business marketing. Furthermore, a model and system are proposed for indicating the practical components on web based business achievement.

Keywords: Marketing Intelligence, E-Business, E-commerce, Commercial-IT, Strength, Weaknesses, Success Factors, Online Trust.

1. Introduction
According to Whiteley (2000), electronic commerce (e-commerce) business in general covers any type of commercial relations for electronic data exchange between organizations, companies, private actors, and government. Thus, e-commerce regulates electronic transaction for products, including services and electronic information. Yadav and Sharma (2014) explains that e-commerce is mostly prerogative of business organizations, defining business as ‘a commercial enterprise as a going concern’. Kalakota and Whinston (1997) give original definitions for e-commerce, explaining it from different angles as:
- Transfer of information, physical goods, services, or transaction of cash funds via electronic networks (e.g. through the Internet) or direct electronic channels;
- An information technology (IT) which aims for complete electronification of transactions between organizations and users;
- A thrifty method for reducing the cost, improving the quality of communication,
and increasing the speed of operations between organizations and users;

- A virtual platform for interaction for offering and purchasing products (as well as services and information) through electronic networks or channels.

The current research regarding the e-commerce business and marketing of IT products explore extensively customers’ satisfaction and implications of the use of online tools. The Internet is considered as the main subject of the research (Balasubramanian, 1998) and is a core platform for users’ interaction. The more specific areas for examination are:

- Clickstream analysis of users’ data (Moe & Fader, 2001) through the online service;
- Specifics of data processing in the virtual systems (Hoffman & Novak, 1996);
- Demographical implications in using the Internet sources and value creation within electronic information systems (Keeney, 1999);
- Respond rate to the customers’ needs within online platforms (Menon, Bharadwaj, Adidam, & Edison, 1999).

This paper discovers the strength and weaknesses of E-Business marketing. Furthermore, the direct impact of weaknesses on the online trust and satisfaction of different stakeholders involved in E-Business Marketing are focused.

2. Literature Review

E-commerce brings the completely new perception of the classical business models to the economy. According to Hackbarth and Kettinger (2000), these “New Economy” methods demand the integration of people, technologies and business operations into the consistent development of the e-commerce strategy. With the ability of electronic business digitally coordinate the trade of products, the new efficient methods of sharing, integration, and coordination activities are explored. Moreover, the organization which uses e-commerce tools has an extensive development of resourceful partnerships with suppliers and customers.

The modern business has been evidently influenced by the Internet technologies. The Internet has become the core driver for the processing of business transactions and the main communicative tool between organizations.

Companies are investing heavily in IT increasing the dependence of business on e-commerce operations coordination (Delone & Mclean, 2004). This leads to the substantial changes in industries and competitive behaviors, thus, to the increasing need for innovation and investments in e-commerce tools.

Despite the ubiquitous modernizations of the online methods, Delone and Mclean (2004) argue, that traditional economic laws are still in function. Organizations must maintain the long-term profitability by creating the models for capturing the value. In this case, the role of IT is not actually replacing any principles of the economy but rather modify the way the transactions and communication systems are executed by the organizations. The modification of the transaction systems allows customers to be fully integrated into the decision-making process. Thus, despite the substantial changes in the economy, e-commerce stands on the classical principles of the efficient operations and careful use of resources.

2.1 Strengths

From a business point of view, e-commerce tools are giving significant advantages to the company against its competitors increasing the speed and lowering the cost of operations. Hassan, Sistani, and Raju (2014) explain the
increasing importance of online communication systems for the business, such as e-mail and others. Also, e-commerce systems allow enterprises to maintain contact with the customers during twenty-four hours, as such, constantly gain cash from electronic transactions. Last, but not least, it is much easier to run the new business with the help of e-commerce tools as it requires fewer costs, especially at the beginning.

2.2 Weaknesses
The crucial factor of any IT technology is an ability to secure the data from the interference of third parties. Kesh, Ramanujan, and Nerur (2002) put e-commerce security on the top of the list of evaluating the respective IT usage for the organization with the interrelation to the functioning features of the system. Willing to have the user-friendly bank cards, customers will still refuse to have the one if the bank cannot provide the guarantee for the protection of the personal information and safety of the cash funds. In data, protective systems there is a need for coordination of all components of the security system: application development platforms, information control systems, software, and infrastructure of networks. The security system is usually attacked at the weakest point; thus, the above-mentioned systems should provide equally high levels of protection. Still, security systems can slow down the processes within the system and IT professionals must find the exact solution in combining safety and functionality of their software.

Stallings (2006) has described different needs for assuring safety in the e-commerce systems and classified the factors indicating control for access, confidentiality of information, log in (or authentication) procedures, non-rejection processes, and availability.

Access control is a system that allows to define the permission of the actor to certain information and further proceed with opening or blocking the access (Nichols, 2000). This process requires the inclusion of physical access as well as through electronic devices. Thus, these two types of access are followed by diverse dangers and violations of the system security. These could be breaking into the facilities or using electronic devices for entering the automatic doors, connecting the cables etc. One of the most dangerous ways of unauthorized access is applied through insiders of the organization. In this case, the thefts get not only the data but can steal the technology.

Confidentiality is a characteristic of the system which limits the ability of an unauthorized person to detect the data. Nichols (2000) defines confidentiality as a prohibition of the distribution of the information to non-competent parties. Confidential information assurance is interrelated with the access control system. As an example may be shown the database of the public organization which becomes violated in the case that someone has an unauthorized access. Still, confidentiality of the information remains stable even in the case of the physical damage or implantation into the network hardware.

Log in procedures ensure non-error identification of electronic algorithms. The system of identification can recognize the person who contacts the database and the place or device which was used for that. With the help of identification procedures, organizations can control the flow of products according to the orders of real people (Nichols, 2000).

Non-rejection of e-commerce operations assures all parties that senders cannot reverse the process of sending the data and receivers cannot refuse to obtain the message (Stallings, 2006). Non-rejection principle sometimes can bug, but infrequent errors do not bring any considerable disturbance to the system. Still,
the tendency for errors on the big scale may seriously harm e-commerce relationships. In practice, this factor controls the trade obligations for buyer-seller when the process is unlikely to reverse after the buyer received the goods per the contract.

**Availability** factor must provide the constant twenty-four-hour access to the service. This may be the applied to the customers as well as to providers. Availability factor may suffer mainly from viruses attached to the files or failure of the service in overall.

### 2.3 Success Factors

The main purpose of the current paper is to determine and present significant features of e-business. According to (Choshin & Ghaffari, 2017), four core variables create the success rate of e-business: customers’ satisfaction, costs, infrastructure, and awareness (Figure 1). The author explains the impacts of each variable using hypotheses. This article defines Ghoshin and Ghaffari’s hypotheses showing the argumentation of other scholars upon this topic.

*Customer satisfaction* has an essential importance for the overall success of electronic enterprise activities. Customers fulfill their needs providing organizations with funds. Thus, the ability to create trust is crucial in relations with customers and much more challenging for the companies who compete with other enterprises which have access to e-commerce technologies.

**Costs** are very important in building the success of the organization. E-commerce aims for increasing the efficiency of the company in many ways and high-cost rates for the basic structures and outfits will increase the end price for the product significantly, thus, can

![Figure 1: Self-drawn Conceptual Model of E-Business Success; Source (Choshin & Ghaffari, 2017)]
critically decline the success (Thorleuchter & Van Den Poel, 2012).

Strong Technical Infrastructure sure can provide growth of sustainable and lasting e-business (Kurnia, Choudrie, Mahbubur, & Alzougool, 2015). The development of this variable can be achieved by progress in company’s telecommunication assets, juridical inputs, security moments and in the organization of delivering internal and external messages of different departments. Xiao and Dong (2015) argues, that fast internet together with adequate communication abilities, strong cultural background, appropriate educational and governmental functions will create a sustainable infrastructure for the success of the organization in total.

The society’s Awareness and Knowledge about the existing or potential possibilities of the technologies play an important role in establishing the new or developing present technology (Falk & Hagsten, 2015). Thus, the majority of people in society must recognize the need for some certain knowledge and later accept the new solution for the issue. Fathian, Akhavan, and Hoorali (2008) call public awareness and knowledge a critical issue for e-commerce explaining that lack of realization of IT possibilities and business needs will substantially decrease the success of e-commerce.

3. Methods
In this qualitative research, a conceptual model of E-Business Success which was proposed by Choshin and Ghaffari (2017) has been reviewed. This model focuses on four main factors that play a main role in E-Business Success and Marketing. These four factors are: customer satisfaction, awareness and knowledge, cost and technical infrastructure.

Furthermore, Strengths and Weaknesses of E-Business marketing have been discussed in the literature part of this paper. Success of E-Business marketing is based on the Stakeholders’ trust of online transactions. The online trust has been discussed in result and discussion part. The data has been used to analyze and evaluate the results of E-Business Success, Marketing and Stakeholder Trust.

The primary data has been gathered from the reliable sources such as peer-reviewed journals and articles. Google Scholar has been used as a search engine to find the resources. Further, details are mentioned below regarding databases, search words and document type.

**Databases:** Scopus, Web of Science, Science Direct, Emeralds, and Springer.

**Search Words:** Marketing Intelligence, E-Businesses, E-Commerce, E-Marketing, E-Success, Strengths, Weaknesses, and E-Trust.

**Document Type:** All.

4. Results & Discussion
Some of the sociocultural factors have important implications for e-business. Scholes, Johnson, and Whittington (2002) define these forces: demography of the customers, wealth dispensation, the extent of the impermanence of trends in the society, lifestyle habits, the balance between work and spare time, and education background.

4.1 Online Trust
Authors of this paper are giving a special attention to trust as one of the main concerns of the organizations and users who are willing to have trade relations with each other (Shankar, Sultan, & Urban, 2002). The low level of trust creates a frustration between these parties and creates additional barriers for e-business. (Gefen, Karahanna, & Straub, 2003) show the evidence of the customers worry about economy recession and terrorism problems. These issues force buyers to purchase the goods from the most trusted online shops in 2001. The rule applies both to
personal buyers as well as to business-to-business trade negotiations.

To fully understand the principles which trust stands for, the comprehensive definition of trust must be described. Different authors, including Gilbert (1998), explain trust as a confidence of all actors involved in the system of a relationship about the complete predictability of the actions of other participants. The core factors to be predicted to establish trustworthy relations include the engagement of parties about the risks and vulnerabilities of other parties and the assurance of the expected behavior within the interests of each other (Rousseau, Sitkin, Burt, & Camerer, 1998).

Scholars distinguish different types of trust and explain the dissimilarity of offline trust and trust in e-commerce (Shankar et al., 2002). The offline trust is usually represented by individuals or the group of people from the organization and is interrelated with all the activities in the company: economy management, brand promotion activities, sharing of information, human resource technologies which are trustworthy and predictable.

Considering e-commerce management there are many interactions between different organizations which require high levels of both online and offline trust. This issue requires parallel coordination and matching of the information on the companies’ online resources and the ones presented to partners and customers offline. All the departments of the company must be acknowledged about the information the company delivers to online users, especially those who contact customers and provide the consultancy. The failures in the coordination of data could cost the reputation and trust (both online and offline) losses to the organization.

A convenient model for explaining the components of online trust (Fig.2) is given by Shankar et al. (2002). Customers, suppliers, distributors, regulators, stockholders, partners, and employees are all the stakeholders of the communication system through which trust is applied to assure the creation of value for all actors. However, each of these stakeholders perceives trust per their peculiarity. This issue is commanding the necessity of coordination of different features of trust with respect to the

![Figure 2: The involvement of Stakeholders in Online Trust](image_url)
needs of every stakeholder. Moreover, taking into consideration both external (customers, distributors, suppliers, and regulators) internal (stockholders, employees, and partners) the prioritization of the needs must be arranged to avoid conflicts in the system overall. Still, there is a strong impact of internal and external trusts on each other and positive accreditation of the features of the products within the company will increase the level of customers’ trust while the lack of confidence will quickly remove the willingness of stakeholders to set the trade relations.

Shankar et al. (2002) argue, that all stakeholders must have trust in the product per se and see the real value which will be delivered to each actor, thus increasing the society’s trust in an e-commerce project. Ultimately, trust might be provided by the guarantees of the government implementing laws and regulations accordingly to the standards of e-business in the taken regions.

For more specific explanation of the factors which influence trust of each stakeholder, the details of the needs to be fulfilled are presented below (Shankar et al., 2002):

**Customers**’ main concern is about the fairness of the company they are willing to buy from. Clarity of the website of the company plays its role in building the trust of the customers by giving correct, easy, comprehensive information about the product and related processes. The users’ comfort in using the company’s website is giving additional scores for the company on a scale of a trust from customers. Last, but not least, the transaction procedures and its safety are giving the last drop in the decision to trust to the company or not.

**Suppliers and Distributors** have similar needs to customers. More specifically, they are willing to be secure in terms of confidentiality of information the company is sharing in open sources. The other positive factor in building trust is an openness of the partners for sharing the data about the buyers with the supplier. Also, the reliability and competent coordination of online and offline materials from the company increasing the supplier’s confidence in the trustworthiness of the organization.

**Regulators** want to be sure, that the company is providing the clear explanation for the laws and policies on their website. Among these are privacy regulations, protection of the financial information of the customers. The other important factor is the existence of the retrieval system for correcting failures within company’s online and offline operations.

**Employees**’ main requirements are the reliability of the information and the competence of the available online support. Good reception of the feedback from the employees in the company increases the trust from these stakeholders.

**Stockholders** are aware of the accuracy and time management of the company. Their main demands are transparency of the activities related to the strategy of the company and its online performance accuracy. These actors want easy ways of vulnerability identification and high potential for the success of the enterprise.

**Partners** try to promote their product and the growth in trust appears with the assistance of the company by providing the marketing and operational e-commerce tools for them. The ability to have the access to the partners’ information also enhance the trust of these actors and allow them to be more dependent on the relationship with the company.

5. Conclusion
In this paper, a model and system are reviewed for specifically assessing and examining the effect of four parameters on the achievement of web based business. The information has been retrieved from the past research. This study concentrated on deciding the effect of four factors on the achievement of internet business. In any framework, there are various basic elements which assume vital parts in keeping up the framework. The outcomes acquired from this review demonstrated that the utilized frameworks for every framework significantly affect the achievement of web based business. Then again, the lower the expenses for e-commerce, the higher the achievement of internet business. Thusly, the effectiveness of online business will be more. Moreover, clients' mindfulness and learning influence their fulfillment with web based business. As a rule, a portion of the key issues in internet business are identified withholding consumer loyalty, embracing proper foundations with the most reduced conceivable expenses and having sufficient mindfulness and learning for enhancing web based business.

References


