Preface to the Focus Theme Section: 'Internet Marketing'

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Internet marketing enables new forms of vertical communication and marketing between suppliers and customers in a traditional marketing sense, and also generates the potential for horizontal networks of customers interacting with each other to share information and experiences about specific products and services. Marketers have always used promotional activities such as advertising and product offers to share information about new products with consumers through general media campaigns based on TV, newspapers, journals and billboard advertising in addition to store-based promotions and product offers. As mass media becomes more fragmented, the internet starts to play an increasingly important role in the dissemination and sharing of such product information, and the consumer can become much more active in the generation, manipulation and communication of the marketing message that was traditionally tightly controlled by the commercial organizations advertising campaigns. McKinsey (2007), in a survey of leading marketing executives worldwide predicts that by 2010, the majority of consumers will use the web to inform their choice of purchase and a third will carry out a proportion of their purchasing online. Estimates of web sales as a proportion of total retail sales vary but it seems likely that by 2010 web sales will account for between 15 and 20% of total retail sales.

The changing patterns of communication between and among customers and suppliers will therefore affect all of the marketing stages of adoption from customer awareness, attitude, lead generation and validation through to the trial of products, sales and customer retention. It is therefore important to understand how the new technologies and marketing concepts can be exploited from a commercial perspective and also to identify research opportunities that will be generated as a result of a wave of innovative marketing practices centred on the use of internet technology and in the context of the overall marketing mix.

THE PAPERS

In this collection of internet marketing papers a glimpse of the type of new ideas and research methods that can be used to explore novel forms of marketing can be seen. The new ideas include the role of combining advertising and product placement with online games – ‘advergames’; the notion of branding in a web 2.0 environment; the importance of
The first paper *The Influence of Advergames on Players’ Behaviour: An Experimental Study* by Călin Gurău sets out the importance of incorporating online games into advertising campaigns that build on word of mouth concepts and ideas. In an empirical study based on a large student sample, Gurău tests the link between participation in ‘advergames’ and purchasing behaviour. This is an important topic that needs further research and there are clearly opportunities for IS researchers to work with advertising agencies and commercial organizations to set up collaborative research projects that can quantify the relationships between investments in advergames and customer behaviour. The growth in online gaming on platforms from Sony, Nintendo and Wii indicate that this form of advertising will become more important, especially as the user base of online games broadens from younger, male dominated groups to family units as has already happened with the Wii console.

In his paper *Branding 2.0 – Using Web 2.0 Principles to build an Open Source Brand*, Martin Mairinger explores the established concept of branding in a web 2.0 environment. Web 2.0 has become a widely used term, and is often perceived as being rather vague and nebulous. In this case, the term is defined through a series of innovative and specific branding examples that exploit communications among the users of the product (the brand community), the interface between the physical product and its virtual, information-based properties (physical/ virtual artefact) and the Information Systems component of the system to manage the overall process.

In their paper on the importance of online Word-of-Mouth advertising titled *An Empirical Study of Online Word of Mouth as a Predictor for Multi-product Category e-commerce Sales*, Alanah Davis and Deepak Khazanchi conduct an empirical investigation into the causal effects of a range of variables including the impact of online word of mouth on the sales of individual products in a multi-product electronic commerce website. They are to be commended for carrying out the research using commercial data and the results and methodology will help other researchers conducting similar evaluative projects.

The final paper *Exploring Loyalty Intention in the Electronic Marketplace* authored by Her-Sen Doong, Hui-Chih Wang and Hui-Chi Shih presents results from researching the loyalty intentions of shoppers in a large electronic marketplace in Taiwan. They explore the inter-relationships between a range of marketing variables including: sales capability; price; customer satisfaction; trust; and loyalty intentions. This is another example of researchers successfully engaging with a commercial enterprise to gain access to retailing data that can be used to develop and test theories that should have value to managers as well as other academics. One way of extending this type of work would be to look at the data over time which would allow the researchers to distinguish between intentions and actual customer behaviour.

All of the papers use marketing frameworks and develop additional insights based on their research into novel internet marketing activities. The fast development of internet marketing will continue to generate new research opportunities for academics working in the broad areas of information systems, technology, electronic commerce and marketing. As well as developing new theory it is also important that academic research makes a contribution to developing robust frameworks that can be used by managers who are involved in complex problems regarding the allocation of marketing resources and evaluating these investments.

References