CHAPTER 2

eMARKETING Vs. TRADITIONAL MARKETING

TOPICS

2.1 Product
2.2 Price
2.3 Place
2.4 Promotion
2.5 Contrast Model
   2.5.1 eMarketing: More Measurable
   2.5.2 eMarketing: Strategic Decision Base
   2.5.3 eMarketing: Reaching Target Addressees
   2.5.4 eMarketing: Constant Source
   2.5.5 eMarketing: Better Word-of-Mouth (WOM)
   2.5.6 eMarketing: Amplify Conversions
2.6 Major Trends in E-Commerce, 2012
   2.6.1 Business
   2.6.2 Technology
   2.6.3 Society
2.7 Seven Unique Features of E-Commerce Technology
   2.7.1 Ubiquity
   2.7.2 Global Reach
   2.7.3 Universal Standards
   2.7.4 Richness
   2.7.5 Interactivity
   2.7.6 Information Density
   2.7.7 Personalization/Customization
This chapter explains the concepts of conventional, customary & traditional marketing, concepts of eMarketing, performance measures of traditional as well as eMarketing efforts, challenges & threats in the eMarketing, consumer’s views about eMarketing facilities.

In this chapter the researcher made a contrast between the important points of both traditional marketing and eMarketing. The 4 Ps concepts make obtainable and provides as the clear idea about the contrast between traditional marketing and eMarketing concepts. It considers the several vital facets of the contrast between these two diversifications of the marketing.

2.1 Product

Product is the significant matter of purchasing for each and every one type of the consumers. Whenever consumer purchases a product, he/she likes to see the product physically. This is feasible in the case of conventional, customary & traditional marketing easily but in eMarketing it is infeasible to get the actual touch of the product instead they can see an implicit image of the product. Product in conventional, customary & traditional marketing is significant for the consumer where as each and every one the way each and every one the way through a website in eMarketing is just an implicit image. The consumer cannot know-how the quality and size of the product by bearing in mind it on the website in the same way as seeing the product in a physical store. Not being able to reach and feel the product physically, can craft worries for the consumer and have an effect on his/her purchasing decision. While it comes to range of goods & services easily reached and handy each and every one the way through Internet compared to physical stores, there is a benefit of prospect for a business to offer a wide range of goods & services on their website. The issues that can appear here are cost and space for inventory and store space itself, where there is a connection between cost and space.

One important matter to point out is the consumer service and how it can arrive at the consumer. It is more complicated to make obtainable and provide consumer service each and every one the way through Internet compared to face to face contact while the consumer visits the physical store. The consumer can get a quick reply and reaction from the organization while getting a service in the physical
store, where as each and every one the way through Internet the consumer is dealing with a so called unchanging service. And even though there might be feasibility for communicating each and every one the way through e-mail or support chat function, the response and communication of service will not be as personal and quick as it could be while communicating face to face.

One issue that can affect the consumers’ choice of purchase is the warranty of the good. This provides comfort to consumers, both in customary & traditional marketing and eMarketing but most importantly it provides the safe and sound feeling to those purchasing online. The consumer that cannot see and touch the product while purchasing it would feel more safe and sound knowing that there is a warranty on the product and this would make the choice of purchase easier and less risky.

2.2 Price

The pricing of a product can be based on the costs of its process in getting the market. While a business does eMarketing it has a bigger prospect to save costs and therefore feasibility to have lower prices. One of the reasons for this is the cost of space for keeping the goods & services or the cheap way of communication each and every one the way through internet such as communication by e-mail. While marketing each and every one the way through Internet, the competition is very though which affects the pricing reasons. The competitors are a click away while a potential consumer is searching for information on the Internet.

Since payments for purchase each and every one the way through Internet are done by credit card mostly, there can be some security issues that craft problems. For instance a consumer would feel more safe and sound paying in the physical store where they can have more control over the payment process; whereas purchasing online they would be taking a risk while giving the credit card details.
2.3 Place

In conventional, customary & traditional marketing, companies have the opportunities to decorate the stores in order to craft a specific atmosphere that can attract consumers. Some attractive tools to craft that atmosphere can be music, colors, etc, but each and every one the way through eMarketing it is almost infeasible to craft a real sensation since a website is just a virtual image. Even though several of the websites try to craft an atmosphere by adding the same tools for attraction, they cannot craft as real know-how as can be crafted in the physical store.

The atmosphere of the store is mentioned to be very important for sales of the goods & services. For instance if you see an unorganized store just filled up with some clothes you hardly feel tempted to go in and look for anything. The way the store is decorated provides a message about the business and its style. While one thinks about this, one can realize the importance of the physical existence of the store. Think for instance how the business could offer the same atmosphere each and every one the way through the website. As an instance we can consider H&M, based on their website their aim is to have the same atmosphere on their website that they have in their stores. But in the end the experience of stepping into the store is different than clicking on computer while shopping.

Internet helps companies to be reachable at any time, regardless of openings hours that physical stores require. Also the feasibility for the consumers to reach the store location online and the range of consumers that can do that is much wider compared to the physical location of the store.

2.4 Promotion

While it comes to endorsement and promotion, one thing is clear in differentiation between the communications each and every one the way through conventional, customary & traditional tools and Internet and that is the speed. Speed of getting the message of advertisement, news or any type of information each and every one the way through to consumers is very quick each and every one the way through Internet. This is a very important issue in the competitive world of business. Additional differentiation between endorsement and promotion by Internet and
endorsement and promotion by conventional ways is the durability of the marketing message the marketer wants to communicate with the consumers.

In conventional, customary & traditional manner, the message would receive attention during a limited amount of time, for instance as it is aired on TV or sent out as paper publicity and advertising. Where on the Internet, the marketer’s message to the consumers can exist persistently on the business’s website and it is easily reached and handy by the consumers 24/7.

Each and every one the way through a website, a business can present itself in several ways where the consumer can study different facets of the business and get to know it well where as this is not feasible in the same way each and every one the way through conventional, customary & traditional tools for endorsement and promotion. For instance the complexity of wide range of information cannot be easily fitted into a magazine publicity and advertising or TV commercial etc. The tools for customary & traditional endorsement and promotion can be used essentially in communicating the message shortly and consistently.

There is of course the burden of maintaining a website or online commercials that consumes time, resources and capital. But this should be weighted out by the accessibility and prospect they make obtainable and provide. Additional issue is the damage that a failed or crashed website or other Internet service can have on a business’s image.

A good website is very important for succeeding in online marketing. According to Times of India, some important course of action for a good website for a business is:

- “Make obtainable and provide clear information on contacts, delivery and refund policies.”
- “Think “user journey” rather than individual pages.”
- “Let shoppers browse without having to register.”
- “Keep websites simple and easy to use.”
- “Offer an efficient and effective search engine.”
- “Market the website online and link it to search engines.”
- “Make obtainable and provide steadiness of know-how.”
• “If the Internet does not offer the full bricks-and-mortar range, say so.”
• “Give complaints ID numbers.”
• "Build trust.”

Nowadays a large group of consumers have the problem of time but have the capital to spend so therefore it can be easier for them to shop online, by saving time while spending. The image, speed, design and generally every facet of the website of a business is very important and in a case of failure it can have big damages to the business that can’t be even compared to lost sales. Communicating each and every one the way through Internet provides a prospect to the marketer to reach the targeted group easily and have continues relationship with them.

Of course there are some great advantages in communicating each and every one the way through conventional, customary & traditional tools of endorsement and promotion such as face to face communication with consumers where the business can get straight feedback and can measure the result more quickly. The communication in this way is both sided where the consumer has more opportunities to react on the information or offer received.

2.5 Contrast Model

The researcher of this thesis has craft a list of the main advantages of conventional, customary & traditional and eMarketing based on the theories presented above. The points mentioned in this model draw an attention the main differentiations between the two approaches of & traditional and eMarketing. This model presents the summary of the contrasts done earlier in this chapter based on the literature presented in the theory section. The model is craft to help the reader get a clearer picture, while studying the differentiations in the parts of the marketing mix theory. The positive facets of either approach pointed out in this model can be radically important for some businesses. One can see here that some points in both sides are not replaceable by marketing each and every one the way through the other approach.

Each point/advantage presented in the contrast model is based on the books and articles used for theories.
### Table 2.1 The Contrast Model

<table>
<thead>
<tr>
<th>Traditional Marketing</th>
<th>E-Marketing</th>
</tr>
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<tbody>
<tr>
<td>Physical access to product</td>
<td>Wide range of product</td>
</tr>
<tr>
<td>Personal service</td>
<td>More feasibility to cut cost</td>
</tr>
<tr>
<td>Quick feedback</td>
<td>Easier to reach more consumers</td>
</tr>
<tr>
<td>Less tough competition</td>
<td>Faster speed of communication &amp; shopping</td>
</tr>
<tr>
<td>More safe and sound payment</td>
<td>Feasibility to present business (its image, offers, history etc.)</td>
</tr>
<tr>
<td>Atmosphere of physical store (more real)</td>
<td>24 x 7 access</td>
</tr>
<tr>
<td>Face to face communication</td>
<td>Communication directly with target group</td>
</tr>
<tr>
<td>Quicker &amp; easier measurement of results/responds</td>
<td>Feasibility for continuous relationship</td>
</tr>
</tbody>
</table>

Some issues or disadvantages that we can see mentioned in contrast between eMarketing and conventional, customary & traditional marketing might not bother some consumers. According to a past research study, the number of consumers purchasing goods & services each and every one the way through Internet is grow up continuously. Despite former studies, the finings here indicate a distinct, weak, negative correlation between the perceived quality & brand equity and the consumer trustworthiness, dependability and loyalty (conventional, customary & traditional marketing). Although the conventional, customary & traditional marketing shows a negative correlation between brand equity and consumer’s trustworthiness, dependability and loyalty, eMarketing demonstrates different findings.

Each and every one the way throughout the research, the Internet consumer demonstrates a strong connection between trustworthiness, dependability and loyalty & brand equity. The researcher believes those findings indicate that- Conventional, customary & traditional consumer’s trustworthiness, dependability and loyalty could suffer from high price, accessibility hard and difficulties (lack of product), etc. As a result, the conventional, customary & traditional consumer will most probably purchase a rival and competing brand in the incident he cannot get the brand he was originally looking for.

The Internet consumer, on the contrary, is exposed simultaneously to a wide range of brands. He is usually looking for relevant information and therefore knows the exact brand he is looking for.
Perceived quality is highly important in order to maintain consumer’s trustworthiness, dependability and loyalty in the E-Commerce environment, and word of mouth is a common marketing tool and is usually referred to as “e-viral marketing”.

The Internet deal procedure is well thought of, and delivering goods to consumers takes time. No immediate purchase option.

Unlike the conventional, customary & traditional deal procedure, which is done as a real time deal, and therefore a lack of product (in store/on shelves) can cause consumer change decision (brand choices).

Unlike the Internet consumer, who can look for the desired brand in a different website?

Therefore, while dealing with online marketing, perceived quality & brand equity can amplify and raises consumer trustworthiness, dependability and loyalty. Nevertheless, in opposed to different studies, the researcher found that this does not apply as a strong positive connection in the conventional, customary & traditional marketing.

More companies are moving away from conventional, customary & traditional marketing towards eMarketing. During the 1990’s Mass Communications dominated the market. Advertisers focused on delivering one message to mass addressees each and every one the way through various mediums like television, radio, and print. Now companies are shifting capital from conventional, customary & traditional marketing to eMarketing because eMarketing is a more efficient and effective way to show proven results.
2.5.1 eMarketing: More Measureable

Branding is important and conventional, customary & traditional marketing does have benefits while it comes to branding. Nevertheless, marketers today are smarter and more sophisticated. They see the value of measuring results and brand awareness is more hard and difficult to measure then real visitors to your website and real conversions. Marketers want to make sure every penny is spent wisely. eMarketing each and every one owes you to see exactly what you are paying for. Conventional, customary & traditional marketing takes a little more trust that the impact of your efforts is helping your bottom line. With eMarketing you can see real specifics and facts and every detail that leads to reaching your goals and determine your ROI.

2.5.2 eMarketing: Strategic Decisions Base

eMarketing can make decisions based on detailed analytics. You can have the smartest and most talented conventional, customary & traditional agency with great ideas and plenty of know-how, but they will have a hard and difficult time showing real statistics and facts that leads to achieving your goals. They will also build out a promotion and campaign and not be able to adjust it on the fly based on the public’s response. The best way to really know how efficient and effective your marketing approach is to see exactly what the addressees is responding positively too.

eMarketing allows studying every detail about addressees in real time. We can study statistics and facts from every phase in conversion funnel that includes: how populace found your website; what they do once they are on your website; and what led to your conversations. We can make adjustments to promotion and campaign at any point to amplify and raise the efficient and effectiveness of your promotion and campaign.

2.5.3 eMarketing: Reaching Target Addressees

Conventional, customary & traditional marketing is known for its reach to mass addressees. There are ways that conventional, customary & traditional marketing can target certain demographics depending on a television channel or show, radio station genre or industry magazine. Nevertheless, conventional, customary & traditional marketing will never be able to target as precisely as eMarketing. With
eMarketing we can target even the small addressees based on a variety of things. eMarketing also does a great job of targeting publicity and advertising spend so that we know each and every one of our capital is being spent in the most efficient and effective way.

2.5.4 eMarketing: Constant Source

While you hear or see a television or radio ad it is there one minute and then it is gone. If you catch an ad in passing and you missed some information you cannot go back and review it. Print is a little better for this but newspapers and magazines do get thrown out after a week or month. eMarketing make obtainable and provides us a permanent address online that populace can visit anytime they want. Even if someone does not know about business they can do searches based on what we offer and discover and locate you in the search engines.

2.5.5 eMarketing: Better Word-of-Mouth (WOM)

Word-of-mouth (WOM) is still the most efficient and effective marketing for producing conversions. Social Media is a facet of eMarketing that allows populace to build a community and let others spread positive feedback about your product or service. While you develop evangelists for your business, with Social Media Marketing, your message will be spread quickly because more populace is speaking for you. Populace will normally trust word-of-mouth (WOM) much more than conventional, customary & traditional advertisements that tries to persuade you about the benefits of a product or service.

2.5.6 eMarketing: Amplify Conversions

No matter what your goal, eMarketing can amplify and raise your conversions month after month. The reason eMarketing is more efficient and effective at delivering conversions is that you can study every detail of what is working and what might not be working. It takes the guessing game out of it. You can continue to place more emphasis on the tactics that are working and eliminate anything that is not efficient and effective. eMarketing also make obtainable and provides an environment where you can safely test new ideas so that you are always pushing to improve your promotion and campaign's performance.
Conventional, customary & traditional marketing develops a promotion and campaign and then hopes that it will work. This makes it hard and difficult for conventional, customary & traditional agencies to test new ideas or even look into each and every one of the details to determine the efficient and effectiveness of a promotion and campaign.

The bottom line is that eMarketing is far more efficient than conventional, customary & traditional marketing. We can adjust our promotion and campaign much easier to produce the best results. Analytics are the core reason why more populace is switching from conventional, customary & traditional marketing to eMarketing. We can track real specifics and facts for every element of our promotion and campaign. This will show us exactly what we are getting for our capital.

Comparing both types of marketing, eMarketing is more economical and faster way to reach out to buyer directly, and is the ideal ways for business to advertise locally or internationally. As the result in case of contrast; both types of marketing can help traders and marketers to do business. Each has advantages and disadvantages. In conventional, customary & traditional marketing consumers can see and touch the real goods or service but the domain of effect is low, on the other hand using of eMarketing will exceed the boundaries and bring in and launch goods and services to the demographic of internet users. Also using the internet would be more chipper, faster and convenient for marketing. Approximately the advantages of eMarketing are quite greater than advantages of conventional, customary & traditional marketing.

eMarketing is a new form of marketing which marketers use the new factors like electronics media, digital technology and internet to reach their business goals. Email Marketing is a form of direct marketing which utilizes electronic means to deliver commercial messages to addressees. It is one of the oldest and still one of the most powerful of each and every one eMarketing tactics. In the small one business, success relies on maximizing the sales while minimizing the expenses. Email allows populace to do both. A good email marketing promotion and campaign can helps populace:
• **Amplify and Raise their Sales Conversion**
  That means how goods or services are, because at the first visit of the website, visitors would not purchase the product quickly.

• **Generate Repeat Sales**
  As we know the price of repetition of advertisement is too high, so with email marketing this price will be reduce and adverts will be sending subsequently.

• **Up-sell and Cross-sell Goods and Services**
  By email we can bring in and launch the new goods & services or services while up date.

• **Gain Valuable Feedback from Visitors**
  By using email as a feedback tool we can adapt to what the market wants and improve business.

• **Drive Web Users to Make Offline Purchases**
  If we run a conventional offline business we can use email marketing to drive foot traffic each and every one the way through the door.

### 2.6 Major Trends in E-Commerce, 2012

#### 2.6.1 Business

• Retail consumer E-Commerce continues to grow up at double-digit rates.
• The online demographics of shoppers continue to broaden.
• Online websites continue to reinforce profitability by refining their business models and leveraging the capabilities of the Internet.
• The first wave of E-Commerce transformed the business world of books, music, and air travel. In the second wave, eight new industries are facing a similar transformation: telephones, movies, television, jewelry, real estate, hotels, bill payments, and software.
• The breadth of E-Commerce offerings grow ups, especially each and every one in travel, information clearinghouses, entertainment, retail apparel, appliances, and home furnishings.
• Each and every one business and entrepreneurs continue to flood into the E-Commerce marketplace, often riding on the infrastructures craft by industry giants such as Amazon, eBay, and Overture.
• Brand extension each and every one the way through the Internet grow ups as large firms such as Sears, J.C.Penney, L.L. Bean, and Wal-Mart pursue integrated, multi-channel bricks-and-clicks strategies.
• B2B supply chain transactions and collaborative commerce continue to reinforce and grow up beyond the $1.5 trillion mark.

2.6.2 Technology

• Wireless Internet connections (Wi-Fi, Wi-Max, and 3G telephone) grow up rapidly.
• Podcasting takes off as a new media format for distribution of radio and user-generated commentary.
• The Internet broadband foundation becomes stronger in households and businesses.
• Bandwidth prices of telecommunications companies re-capitaliz their debts.
• RSS (Real Simple Syndication) grow ups to become a major new form of user-controlled information distribution that rivals e-mail in some applications.
• Computing and networking component prices continue to fall dramatically.
• New Internet-based models of computing such as .NET and Web services expand B2B opportunities.

2.6.3 Society

• Self-publishing (user-generated content) and syndication in the form of blogs, wikis and social networks grow up to form an entirely new self-publishing forum.
• Newspapers and other conventional, customary & traditional media adopt online, interactive models.
• Conflicts over copyright management and control grow up in significance
• Over half the Internet user population (about 80 million adults) joins a social group on the Internet.
• Taxation of Internet sales becomes more widespread and accepted by large online merchants.
• Controversy over content regulation and controls amplify and rises.
• Surveillance of Internet communications grows ups in significance.
• Concerns over commercial and governmental privacy invasion grow up.
• Internet fraud and abuse occurrences amplify and rise.
• First Amendment rights of free speech and association on the Internet are challenged.
• Spam grows ups despite new laws and promised technology fixes.
• Invasion of personal privacy on the Web expands as marketers discover and locate new ways to track users.

2.7 Seven Unique Features of E-Commerce Technology

2.7.1 Ubiquity

In traditional commerce, a market place is a physical place you visit in order to transact. For instance, television and radio typically motivate the consumer to go someplace to make a purchase. E-Commerce, in contrast, is characterized by its ubiquity: it is obtainable just about everywhere, at each and every one time. It liberates the market from being restricted to a physical space and makes it feasible to shop from your desktop, at home, at work, or even from your car, using mobile commerce. The result is called a market space which is a marketplace extended beyond conventional, customary & traditional boundaries and removed from a temporal and geographic location. From a consumer point of view, ubiquity reduces transaction costs which are the costs of participating in a market. To transact, it is no longer necessary that you spend time and capital traveling to a market. At a broader level, the ubiquity of E-Commerce lowers the cognitive energy required to transact in a market space. Cognitive energy refers to the mental effort required to complete a task. Humans generally seek to reduce cognitive energy outlays. While given a choice, humans will choose the path requiring the least effort the most convenient path.
2.7.2 Global Reach

E-Commerce technology permits commercial transactions to cross cultural and national boundaries far more conveniently and cost-efficient and effectively than is true in conventional, customary & traditional commerce. As a result, the potential market size for E-Commerce merchants is roughly equal to the size of the world’s online population (over 1 billion in 2005, and grow rapidly, according to the Computer Industry Almanac) (Computer Industry Almanac, Inc., 2006). The total number of users or consumers an E-Commerce business can obtain is a measure of its reach (Evans and Wurster, 1997).

In contrast, most traditional commerce is local or regional—it involves local merchants or national merchants with local outlets. Television and radio stations, and newspapers, for instance, are primarily local and regional institutions with limited but powerful national networks that can attract national addressees. In contrast to E-Commerce technology, these older commerce technologies do not easily cross national boundaries to global addressees.

2.7.3 Universal Standards

One strikingly unusual feature of E-Commerce technologies is that the technical standards of the Internet, and therefore the technical standards for conducting E-Commerce, are universal standards—they are shared by each and every one nation around the world. In contrast, most conventional, customary & traditional commerce technologies differ from one nation to the next. For instance, television and radio standards differ around the world, as does cell telephone technology. The universal technical standards of the Internet and E-Commerce greatly lower market entry costs—the cost merchants must pay just to bring their goods to market. At the same time, for consumers, universal standards reduce search costs—the effort required to discover and locate suitable goods & services. And by creating a single, one-world market space, where prices and product descriptions can be inexpensively displayed for each and every one to see, price discovery becomes simpler, faster, and more accurate (Bakos, 1997; Kambil, 1997). And users of the Internet, both businesses and individuals, know-how network externalities—benefits that arise because everyone uses the same technology. With E-Commerce technologies, it is
feasible for the first time in history to easily discover and locate several of the suppliers, prices, and delivery terms of a specific product anywhere in the world, and to view them in a coherent, comparative environment. Although this is not necessarily realistic today for each and every one or several goods & services, it is a potential that will be exploited in the future.

2.7.4 Richness

Information richness refers to the complexity and content of a message (Evans and Wurster, 1999). Conventional, customary & traditional markets, national sales forces, and small retail stores have great richness: they are able to make obtainable and provide personal, face-to-face service using aural and visual cues while making a sale. The richness of conventional, customary & traditional markets makes them a powerful selling or commercial environment. Prior to the development of the Web, there was a trade-off between richness and reach: the larger the addressees reached the less rich the message.

Figure 2.1 The Changing Trade-off Between Richness and Reach
2.7.5 Interactivity

Unlike any of the commercial technologies of the twentieth century, with the feasible exception of the telephone, E-Commerce technologies allow for interactivity, meaning they enable two-way communication between merchant and consumer. Television, for instance, cannot ask viewers any questions or enter into conversations with them, and it cannot request that consumer information be entered into a form. In contrast, each and every one of these activities is feasible on an E-Commerce Website. Interactivity allow online merchant to engage a consumer in ways similar to a face-to-face know-how, but on a much more massive, global scale.

2.7.6 Information Density

The Internet and the Web vastly amplify and raise information density—the total amount and quality of information obtainable to each and every one market participants, consumers, and merchants alike. E-Commerce technologies reduce information collection, storage, processing, and communication costs. At the same time, these technologies amplify and raise greatly the currency, accuracy, and timeliness of information—making information more useful and important than ever. As a result, information becomes more plentiful, less expensive, and of higher quality.

A number of business consequences result from grow up in information density. In E-Commerce markets, prices and costs become more transparent. Price transparency refers to the ease with which consumers can discover and locate out the variety of prices in a market; cost transparency refers to the ability of consumers to discover the actual costs merchants pay for goods & services (Sinha, 2000). But there are advantages for merchants as well. Online merchants can discover much more about consumers; this allows merchants to segment the market into groups willing to pay different prices and permits them to engage in price discrimination which is like selling the same goods, or nearly the same goods, to different targeted groups at different prices. For instance, an online merchant can discover a consumer’s avid interest in expensive exotic vacations, and then pitch expensive exotic vacation plans to that consumer at a premium price, knowing this person is willing to pay extra for such a vacation. At the same time, the online merchant can pitch the same vacation plan at a lower price to more price-sensitive consumers (Shapiro and Varian, 1999).
Merchants also have enhanced abilities to differentiate their goods & services in terms of cost, brand, and quality.

2.7.7 Personalization/Customization

E-Commerce technologies permit personalization: merchants can target their marketing messages to specific individuals by adjusting the message to a person’s name, interests, and past purchases. The technology also permits customization which is like changing the delivered product or service based on a user’s preferences or prior behavior. Given the interactive nature of E-Commerce technology, much information about the consumer can be gathered in the marketplace at the moment of purchase. With the amplify and raise in information density, a great deal of information about the consumer’s past purchases and behavior can be stored and used by online merchants. The result is a level of personalization and customization unthinkable with existing commerce technologies. For instance, you may be able to shape what you see on television by selecting a channel, but you cannot change the contents of the channel you have chosen. In contrast, the online version of the Wall Street Journal allows you to select the type of news stories you want to see first, and provides you the prospect to be alerted while certain incidents happen.

Now, let’s return to the question that motivated this section: Why study E-Commerce? The answer is simply those E-Commerce technologies and the digital markets that result a promise to bring about some fundamental, unprecedented shifts in commerce. One of these shifts, for instance, appears to be a large reduction in information asymmetry among each and every one market participants (consumers and merchants). In the past, merchants and manufacturers were able to prevent consumers from learning about their costs, price discrimination strategies, and profits from sales. This becomes more hard and difficult with E-Commerce, and the entire marketplace potentially becomes highly price competitive.

In addition, the unique dimensions of E-Commerce technologies suggest several new possibilities for marketing and selling a powerful set of interactive, personalized, and rich messages are obtainable for delivery to segmented, targeted addressees. E-Commerce technologies make it feasible for merchants to know much
more about consumers and to be able to use this information more efficient and effectively than was ever true in the past. Potentially, online merchants could use this new information to develop new information asymmetries, enhance their ability to brand goods & services, charge premium prices for high-quality service, and segment the market into an endless number of subgroups, each receiving a different price. To complicate matters further, these same technologies make it feasible for merchants to know more about other merchants than was ever true in the past. This presents the feasibility that merchants might collude on prices rather than compete and drive overall average prices up. This strategy works especially well while there are just a few suppliers.