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Interactive Marketing Management

Summary

The main aims of the paper are to present the role, importance and methodology of interactive marketing - one of the major modes of the marketing communications. Interactive marketing is online activities and programs designed to engage customers and prospects to raise awareness, and improve image or elicit sales of goods and services. The research is intended to provide a background, compare ideas and clarify complexities of interactive marketing. This will be done by exploratory, conclusive, descriptive and casual research.

Key words: enterprise, customer, communication, website, Internet, on-line.

JEL codes: M31

Introduction

The American Marketing Association defines marketing as the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large (www1). The value based approach puts the customer at the center of marketing considerations. Enhancing the exchange effort really means increasing the value that the customer perceives in the product offered. Communications are the means by which enterprises attempt to inform, persuade and remind customers about the products they sell. The newest and fastest-growing forms for communicating and selling directly to customers is interactive marketing. Two hypotheses are formulated:

- H1. The interactive marketing makes the attractive and effective form of communication with customers carrying out a sale and purchase products.
- H2. An enterprise can streamline marketing by gathering data and selecting the best sources of communications.

The hypotheses will be tested as the topic and issues are introduced and discussed. Before describing how interactive marketing can potentially benefit enterprise it is essential to impart communications background.

Marketing communications

Interactive marketing uses two-way communication channels to allow customers to connect with an enterprise directly. Although this contact can take place in person, it has in-

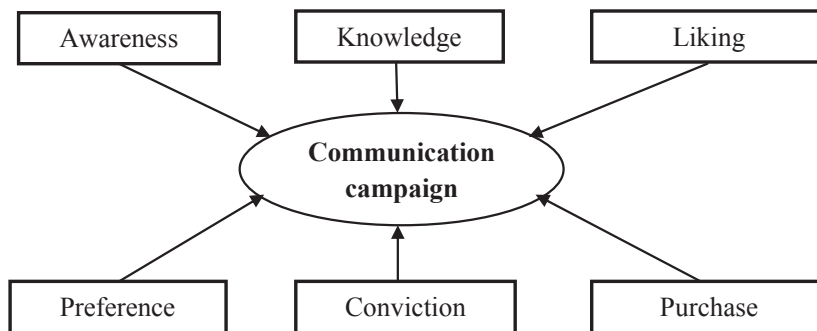
creasingly taken place almost exclusively online through e-mail, social media, and blogs. Interactive marketing relies on having means of open communication with customers and social media channels to head up by an enterprise's marketing. This issue is particularly important in a present market situations because of intensive competition and physical separate an enterprise from its intermediaries and customers (Michalski 2016, p. 94).

Marketing communications are means by which can be establish a dialogue, build relationships with customers and contribute to brand equity. Communications also work for customers when they show how and why a product is used, by whom, where and when. Customers can learn who makes the product and what the brand stand for and they can get an incentive for trial or use. Communications allow to link brands to places, events, experiences, feelings and things.

Technology has profoundly changed the process of communications (Jones et al. 2008, p. 180). The rapid diffusion of multipurpose smartphones, broadband and wireless Internet connections, and ad-skipping digital video recorders have deteriorated the effectiveness of the mass media. Communication contributes to drive sales by creating brand awareness, forging brand image in customer' memories, evoking positive brand judgments or feelings, and strengthening customer loyalty. An audit profiles all interactions customers in the target market with the enterprise, and its products (e.g. a customer interested in purchasing a laptop might talk to others, see television ads, read articles, look for information on the Internet, and look at laptops in a store).

Enterprises can judge communications according to their ability to affect experiences and impressions, build customer loyalty, brand equity and drive sales. In Figure 1. is displayed the communication campaign. Communications contribute to awareness or to creating, maintaining and strengthening brand associations. If most of the target audience is unaware of the product, the communicator's task is to build knowledge. If the audience looks unfa-

Figure 1
Model of a communications campaign



Source: own preparation.

vorably on the product, the communicator needs to find out why and perhaps renews quality. The communicator must lead the target customers to purchase by offering the product at a low price, offering a premium or letting try it out.

The ideal campaign would ensure that the right customer is exposed to the right message at the right place and at the right time. It should correctly position the brand in terms of desirable and deliverable points-of-difference and parity. The basic steps in developing effective communications are: identifying the target audience, determining the objectives, designing the communications, selecting the channels and establishing the budget.

The process of communication must start with a clear target audience in mind: potential buyers of the products, current users, deciders, influencers and the particular or general public (Michalski 2012, p. 103). Communication objectives can be identified by category need, brand awareness and a perceived discrepancy between a current and desired motivational state. Brand recall is important outside the store and brand recognition is important inside the store. Brand awareness provides a foundation for brand equity (Cateora et al. 2011, p. 241). Relevant brand needs may be negatively oriented (problem removal, problem avoidance, incomplete satisfaction or normal depletion) or positively oriented (sensory gratification, intellectual stimulation or social approval).

The scope of interactive marketing

Interactive marketing usually consists of following elements: e-mail marketing, sponsorship, blogging, widgets, social networking, targeting and offline activation. Delivering ads, deals and notifications through e-mail is an effective way to communicate with customers. Sponsorships that have established online presence can be a great way to connect with new customers. Blogging as fun and short form posts keep customers informed about new products, special deals and the brand. Widgets is simple downloadable tools that are a great way to create additional value for that brand. Social networking sites like Facebook and Twitter have millions of users and are critical spaces for connecting with customers. Enterprises must actively advertise a reference to a resource on the Internet so that customers can easily find them online.

Marketing in an interactive way has many advantages over traditional marketing (Michalski 2016, p. 140). Online advertising costs is significantly less than television, print or radio ads and often produces greater rates of return. Online activities leave tremendous amounts of information about customers. Demographic details and preferences revealed through customer's behavior online, allow to track and store this data to use in future marketing efforts. For customers, interactive marketing help evolve and grow their favorite products and brands. The more customers talk about an enterprise in online forums, social networking sites, e-mails, and videos the more their hopes and ideas enter into the enterprise's consciousness.

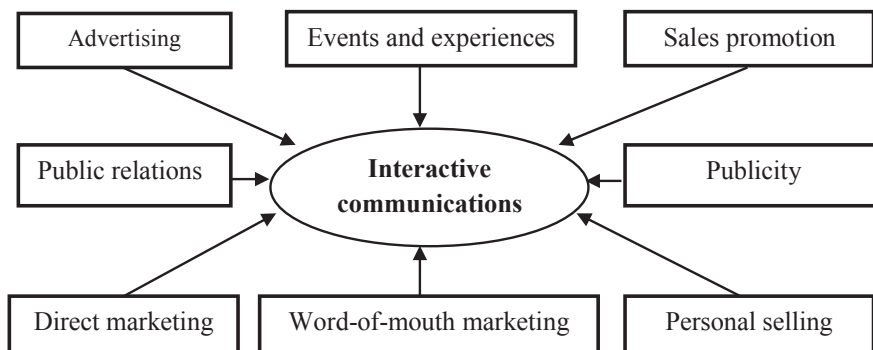
Interactive marketing can take many forms. When customers type a query into a search device, they are shown advertising based on search terms (e.g. a search for shampoo might

produce ads for hair care products). An enterprise's official website presents enormous opportunities for businesses to engage with customers. Unlike a TV ad which runs for 15 seconds, websites allow customers to engage with the brands that interest them according to own pace and agenda.

Interactive marketing allowing retail and B2B customers to contact multimedia websites using voice, graphics, animation, film clips, and access to human advice. When customers log on the websites of an enterprise they can usually enter a live chat room where a service operator initiates a secure one-on-one text chat. Questions and answers go back and forth to help customers get answers to specific questions before deciding on a product. A banner ad changes as the user's mouse moves around the page.

Interactive communications consists of modes presented in Figure 2. Advertising allows presents and promotes ideas, goods, or services via print media (newspapers and magazines), broadcast media (radio and television), network media (telephone, cable, satellite, wireless), electronic media (audiotape, videotape, videodisk, CD-ROM, Webpage), and display media (billboards, signs, posters). Sales promotion means a variety of incentives to encourage test or purchase of a good or service including samples, coupons, and premiums, advertising and display allowances.

Figure 2
Modes of interactive communications



Source: as in Figure 1.

Events and experiences are enterprise-sponsored activities and programs designed to create daily or special brand-related interactions with customers, including sports, arts, entertainment and cause events. Public relations and publicity are the variety of programs directed internally to employees of the enterprise or externally to customers, other enterprises, the government and media to promote or protect an enterprise's image. Direct marketing relays on using of mail, telephone, fax, e-mail or Internet to communicate straight with or solicit response or dialogue from specific customers and prospects (Kotler, Keller 2011, p. 536).

Word-of-mouth marketing consists of oral, written or electronic communications that relate to the merits or experiences of purchasing, or using goods or services. Personal selling is face-to-face interaction with one or more prospective purchasers for the purpose of making presentations, answering questions and procuring orders. Messages to customers communicate: the product's styling and price, shape and color of the package, salesperson's manner and dress, store décor and enterprise's stationery. A brand contact delivers an impression that can strengthen or weaken a customer's view of an enterprise.

Video marketing lets viewers shop at home from TV screens by phoning in or e-mailing orders. Most cable systems offer video marketing through home-shopping channels that display and demonstrate products and allow viewers to phone in or e-mail orders (Griffin et al. 2011, p. 570). Even smallest enterprises maintain websites or blogs, thanks to simple web design tools make it cheap and easy to develop online presence. Larger enterprises, particularly with funds invested in e-commerce have the technical resources to build expansive websites, design dynamic ads, film, YouTube videos and blanket the web in banner ads.

Marketers use multiple kinds of media from pictures to text, video and games. Multimedia can be used to tell a story which helps to reinforce the image of the brand in the minds of customers. Online ads should be intuitive and user friendly. Personalization makes the ad experience unique to each user. Customer's privacy should be respect only by contacting them if they sign up for a program. The targeting abilities of online advertising is used to offer customers special deals or delivers a high return on investment (Stiglitz 2002, p. 212).

An interactive marketing plan must be based on an analysis of customer data. Knowing who customers are, what they want, and where they combine online is crucial for effective communications. To collect this data, an enterprise can set up a special site where offers products for sale before anyone else could buy them. By taking such online approach, an enterprise generated curiosity about its new products and made it easy for customers to find out more information. Trigger-based or event-based marketing relies on an action started by the customers (www2).

One of the biggest innovators in interactive marketing is Amazon.com (www3). It collects and digests past visitor behavior, allowing it to show meaningful information in the present. This type of online environment makes a very comfortable and personal shopping experience, leading to longer stays within a site and conversions. Amazon remembers customer's preferences and will send e-mails or highlight online new similar and related items based on the customer browsing and buying history.

The benefits to interactive marketing can be significant because it makes the customer feels a sense of being heard, understood, and receiving personal service. Happy customers not only stay with the enterprise, but will refer the enterprise too. It's cheaper to keep a customer than get a new one.

One of the drawbacks to interactive marketing is that it requires detailed planning and implementation. Set up the system online needs know-how a program will take the data input and delivers an output. A marketer must assesses if it is working, leading to more sales or getting complaints.

Design of a website

The website offers the advantage of contextual placement, buying ads on sites related to the marketer's offerings. Marketers may think their ads are more effective than they are if bogus clicks are generated by software-powered websites or lose some control over online messages, which can be hacked or vandalized. But many feel the pros outweigh the cons, and the Web is attracting marketers of all kinds. An enterprise chooses which configurations of interactive marketing will be most cost-effective in achieving communication and sale objectives.

An enterprises must design a website that embody or express its purpose, history, products, and vision and that are attractive on first viewing and interesting enough to encourage repeat visits. There are 6 C elements of an effective website: context, content, community, customization, communication, connection and commerce (Kotler, Keller 2011, p. 542). Context is an idea or an event how layout and design website. The website contains text, pictures, sound and video. Customization means a website's ability to tailor itself to different users or to allow users to personalize the site. Communication decides on how the website enables site-to-user, user-to-site or two-way contact. Connection is the degree that the website is linked to other websites. Commerce is the activities and procedures involved in buying and selling.

To encourage repeat visits, enterprises must pay special attention to context and content factors and embrace constant change. Visitors will judge a website's performance on ease of use and physical attractiveness. Ease of use means the website downloads quickly, the first page is easy to understand and to navigate to other pages that open quickly. Physical attractiveness is assured when individual pages are clean and not crammed with content, typefaces font sizes are very readable and the website makes good use of color and sound. Enterprises can online track where customers go online through page views, unique visitors and length of visit.

Enterprises must also be sensitive to online security and privacy protection issues. Besides the websites, enterprises may employ microsites, individual webpages or clusters of pages that function as supplements to a primary website. They are relevant for selling low-interest products. For example, people rarely visit an insurance company's Web site, but the company can create a microsite on used-car websites that offers advice for buyers of used cars and at the same time a good insurance deal.

A hot growth area in interactive marketing is paid search or pay-per-click ads, which now account for roughly half of all online ads spending. In paid search, marketers bid in a continuous auction on search terms that serve as a proxy for the customer's product or consumption interests. When a customer searches for any of the words with Google or Yahoo, the ad may appear above or next to the results, depending on the amount the bids and an algorithm to determine an ad's relevance to a particular search.

The cost per click depends on how high the link is ranked and the popularity of the keyword. The ever-increasing popularity of paid search has increased competition among key-

word bidders, significantly raising search prices and putting a premium on choosing the best possible keywords, bidding on them strategically and monitoring the results for efficiency.

Broader search terms are useful for brand building, specifying a particular for generating and converting sales leads. Search terms need to be spotlighted on the appropriate pages so search devices can easily identify them. Multiple keywords are usually needed for anyone product, but each keyword must be bid for return on revenue. Data can be collected to track the effects of paid search.

Display ads or banner ads are small, rectangular boxes containing text and perhaps a picture that enterprises pay to place on relevant websites. The larger the audience, the higher the cost. Some banners are accepted on a barter basis. Given that Internet users spend only short of their time online actually searching for information, display ads still hold great promise compared to popular search ads (Cateora et al. 2011, p. 235). But ads need to be more attention-getting and influential, better targeted and more closely tracked.

E-mail allows marketers to inform and communicate with customers at a fraction of the cost of a direct mail campaign (Malthora 2009, p. 176). Enterprises are asking customers to say whether and when they would like to receive e-mails. The flower retailer, e.g. can allow customers to choose whether to receive e-mail reminders to send flowers for virtually any holiday as well as specific birthdays and anniversaries.

With cell phones ability to personalize messages based on demographics and other consumer behavior characteristics, the appeal of mobile marketing is obvious. With the increased capabilities of smartphones, however, mobile ads can be more than just a display medium using static mini-billboards.

Smartphones allow loyalty programs with which customers can track their visits and purchases at a merchant and receive rewards. By tracking the customers retailers can send them location-specific promotions when they are in proximity to shops or outlets. With traditional coupon redemption rates declining, the ability of cell phones to permit more relevant and timely offers to consumers at or near the point of purchase has aroused the interest of marketers. These new coupons can take digital in-store signs that now dispense coupons by smartphones.

Even with newer generation smartphones, the website experience can be very different for users given smaller screen sizes, longer downloads, and the lack of some software capabilities. Mobile marketing is fast becoming a central component of customer experiences. A growing population segment uses mobile phones for everything from entertainment to banking.

Conclusions

The research carried out has looked at knowledge, understanding and the usefulness of interactive marketing. The findings showed the factors that shape marketing communica-

tions and indicated how an enterprise can thrive on a market. The hypotheses have been positively validated.

Interactivity bridges an enterprise to the unknown needs and preferences of customers, and gives it the confidence and power to do domestic and international business. It also provides a comprehensive picture of the economic and technological development of a progress in communications.

The comprehension of interactive marketing must be analyzed by placing particular emphasis on forces of competitiveness factors. The assessment makes possible to meet better needs and preferences of customers for products and therefore increase customer loyalty and extend market share. Interactive marketing studies are in increasingly high demand, as enterprises seek successful strategies, take advantages of their strengths, eliminate weaknesses and modus operandi.

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Zarządzanie marketingiem interaktywnym

Streszczenie

Celem artykułu jest przedstawienie roli, znaczenia oraz metodologii interaktywnego marketingu – jednego z ważniejszych sposobów komunikacji marketingowej. Marketing interaktywny to działania *on-line* i programy projektowane w celu angażowania klientów, a w konsekwencji podnoszenia świadomości oraz poprawy wizerunku lub aktywizowania sprzedaży towarów i usług. Badania mają za zadanie przedstawić tło, porównać poglądy i wyjaśnić złożoność marketingu interaktywnego. Dokonano tego przy wykorzystaniu metod odkrywczych, rozstrzygających, opisowych i przyczynowych.

Słowa kluczowe: przedsiębiorstwo, nabywca, komunikacja, strona internetowa, Internet, *on-line*.

Kody JEL: M31

Управление интерактивным маркетингом

Резюме

Цель статьи – представить роль, значение и методологию интерактивного маркетинга – одного из более важных способов маркетинговой коммуникации. Интерактивный маркетинг – действия онлайн и программы, проектируемые для вовлечения клиентов и, в результате, повышения сознательности и улучшения имиджа или активизирования продажи товаров и услуг. Изучение призвано представить фон, сравнить взгляды и объяснить сложность интерактивного маркетинга. Это провели с использованием изыскательных, решающих, описательных и причинных методов.

Ключевые слова: предприятие, покупатель, коммуникация, вебсайт, интернет, онлайн.

Коды JEL: M31

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