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## Exploring Foundations for the Diffusion of Internet Marketing Research and Practice: A Conceptual Framework and Empirical Analysis

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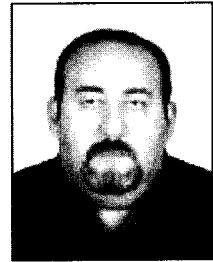
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## ***Exploring Foundations for the Diffusion of Internet Marketing Research and Practice: A Conceptual Framework and Empirical Analysis***

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### **ABSTRACT**

*This paper aims to provide a conceptual framework that justifies the quick and quantum leap of Internet marketing in research and practice. So, the paper starts by a review of Internet marketing literature to reveal the need for and importance of building such a framework for the future of Internet marketing as an emerging marketing discipline and an area for professional marketing practice. Consequently, the proposed framework is introduced based on an argued configuration of the relationship between Internet-marketing-oriented-technologies and the strategic agenda of modern marketing thought and practice. The paper concludes by translating the arguments extended by the proposed conceptual framework into research hypotheses for subsequent empirical testing for substantiating and refining the framework. Empirical results suggest that some Internet technologies has been and still can fulfill strategic ends of modern marketing thought and practice at an unanticipated and unprecedented scale when and if deliberately and properly theorized and managed.*

*Key Words: Internet Marketing, Rationale for diffusion, Strategic marketing agenda,*



### Introduction:

The main focus of this research will be devoted to rigorously gaining a conceptual insight into the relationship between Internet technology and marketing thought and policies to furnish a theoretical (and subsequently empirical) ground for explaining and extrapolating (i.e., predicting) the diffusion of Internet marketing research and practice to justify and guide contemporary and anticipated academic and professional investments in the area (Levy 2001).

### Literature Review:

A critical and extensive review of current theoretical and empirical literature that is conducted within the domain of the new discipline of Internet marketing revealed insightful basis for looking into and understanding the phenomenon of Internet marketing diffusion in research and practice. These bases were produced through introducing an analytical classification that reveal the alternative schools of thought underlying such intensive and growing research efforts pursued within a relatively short period of time. Accordingly, a deliberate and thorough analysis of Internet marketing literature made it possible for this paper to argue for and propose the coexistence of four main research streams that have emerged respectively and are all still actively pursued. Namely, these research streams are:

- 1- A conceptual research stream focusing justifying, explaining and laying the foundations for the widespread adoption of Internet marketing applications in marketing research and practice (Richardson 2001, Cox and Kozlen 2003).
- 2- A functional research stream examining and highlighting the functional impact of Internet marketing ideology and technology on the essence and form of marketing mix variables and activities (Strauss & Frost 2003, Hanson 2005).
- 3- A strategic research stream emphasizing the strategic influence and potential of Internet marketing concepts and practices and their implications to building and sustaining a global

competitive advantage (Bloch et al, 2002, Chen 1999 and Porter 2001, Roberts 2005).

- 4- An integrated e.business research stream investigating possible interfaces between Internet marketing system and other e.business functional areas, models and environmental forces (Coupley 2001, Wilson 2004).

This research identifies itself with the first research stream in the belief that the provision of a rigorous and empirically substantiated foundations for explaining the expanding diffusion of Internet marketing is argued to be a prerequisite infrastructure for evaluating present practice and research efforts (embracing all four streams). These evaluations would be expected to properly guide future investments of industry and research in the area of Internet marketing. Such research efforts devoted to the first stream should be expected to equip Internet marketing with its academic and professional credentials as full-fledged marketing discipline and set the stage and gauge the track on which the promised Internet marketing revolution must embark on to bring about its full potential to enrich and transform marketing theory and practice (Pfeffer & Sutton 1999 and Quinn 1999, Muhammad et al, 2005).

A considerable and conceptual-stream-oriented review of available marketing literature on monitoring, explaining and anticipating Internet influences on marketing thought and practice has resulted in a strong support for a clear argument for the astronomic and phenomenal diffusion of Internet marketing within the research and practice veins of marketing during the past few years and its predicted acceleration during this decade. This argument is based on the premise that the widespread and increasing adoption of Internet marketing applications in marketing research and practice can be justified on two rationales: 1) the unique and huge marketing capabilities of the Internet which have triggered and enabled a wide range of Internet marketing applications in research and practice, and 2) The already existing and identified strategic scholarly and professional marketing agenda which created severe pressures on the side of marketing as an academic discipline and organizational function to fulfill such agenda which was fortunately

matched significantly by a number Internet marketing capabilities that did serve and still hold great potential for further and unprecedented accomplishment of these strategic ends of marketing research and practice (Richardson 2001, Quinn 1999, and Reynolds 2000\*, Siegel 2004).

The evident existence of a large number of un-bridged gaps in the performance of marketing as an organizational function is claimed to have made Internet marketing practice get ahead and vastly precede its needed theorization that is molded in the form of rigorously supported inducted and deduced scholarly Internet marketing models introducing the scientific logic for this diffusion of Internet marketing. Such preempted diffusion of Internet marketing practice without having solid conceptual Internet marketing bases can be argued to underlie the largely unexplained and almost equal stories of great Internet marketing practice successes and failures (Reynolds 2000, Siegel 2004).

This could explain why though e.marketing practice preceded its research movement by at least 5 years ( 1991 - 1995), the e.marketing research streams have, somehow, managed to catch up and eventually lead Internet marketing practice within almost three years time (1998 - 2000) (Brady et al, 2000). This quick rise of rigorous e.marketing research can be attributed to the much needed theoretical and empirical research guidance that was perceived by e.marketing practicing professionals and institutions. Early research work aiming to explain the diffusion of e.marketing was initiated by MIS scholars since Internet applications in their broad sense were viewed as a powerful extension and a quantum technological leap that can be of considerable potential to reach a substantial number of theoretical and empirical aspirations in the area of MIS (Cash et al 2002, Venkat 2001, and O'brien 2002, Roberts 2005).

Subsequently, marketing scholars sparked the first trend of Internet marketing research as above described ( which is the main angle of this research) with a view toward profiling and justifying (i.e., theorizing) the dispersion of marketing applications and practices enabled and/or inaugurated by the Internet. This research stream was supported by the empirical evidence indicating that almost 75% of Internet business applications in 1999 were either marketing-

dominated or carries a clear marketing substance or flavour. Another significant indicator of the empirical diffusion of Internet marketing that is worthy of conceptual explanation is the quite amazing the adoption of marketing-oriented approach in building and managing the websites of several world class organization that can be hardly described as having an explicit marketing agenda such as NASA, UN, the British Monarchy and the White House. Such unusual marketing phenomena sent across early empirical signals about the far reaching implications and drastic influence, the Internet technology was bringing about to the essence, form and logic of marketing research and practice that was being molded into the new and fast-growing discipline of Internet marketing (Nicovich & Cornwell 1998, Strauss & Frost 2003 and Richardson 2001, Cox and Koezlen 2003, Hanson 2004).

Such unprecedented empirical phenomena and innovative research efforts of Internet marketing can be argued to lend a supportive rationale for setting up a conceptual framework for understanding the impact of the Internet technology on marketing as a functional area of business and an academic discipline as embedded in the diffusion of Internet marketing in the research and practice of marketing.

### **The Need for Further Research (the Research Problem)**

The above cited need for a conceptual framework that examines the diffusion of Internet marketing can be argued to motivate and trigger a research stream that aims to describe, explain and predict current and potential strategic interfaces between existing and anticipated Internet marketing-oriented technological capabilities and established and recent strategic ends that are leading marketing research and practice into new horizons for intensifying and optimizing academic and professional marketing-based values ( i.e., possible sources of Internet marketing values) which are integrated through diffusing the new paradigm of Internet marketing. The intensive pursuit of such research stream should introduce what this Internet/marketing synergy implies and how it can help in creating a more insightful and future-oriented conceptions of marketing phenomena and variables. Also, these research



efforts should be expected to result in refined and innovative theoretical and empirical models and methodologies to investigate and justify the largely untapped Internet marketing phenomena and variables. These new frontiers initiated by research on the logical postulates of E.marketing hold great promising vehicles to pave the way for marketing as a science to accomplish contributions to theory and practice in terms of meeting the strategic ends of marketing research and professionalism that significantly and unprecedentedly go beyond its already massive accomplishments over the last three decades of the twentieth century ( Novak et al, 2000, Muhammad et al, 2005).

### **Aim of the Research**

The scholarly examination of the relationship between marketing and Internet technology would be expected to involve E. marketing- related decisions, systems, strategies, activities and human, physical and information resources. Such critical analysis of the, arguably, multidimensional and mutually causal relationship between marketing as a scholarly discipline and an organizational function and the Internet as an integrated information technology should be based on a rigorous and relevant stream of marketing thought (Haeckel 1998, Bloch et al, 2002 and Deans & Adam 2000, Roberts 2005). This stream ought to be grounded on a conceptual framework and a series of empirical investigations aiming to improve the academic understanding and managerial practice of Internet marketing. These theoretical and empirical research efforts exploring the growing relationship between marketing and the Internet have already originated a myriad body of marketing knowledge and practice referred to as Internet marketing. Such scientific paradigm should serve as enlightening and guiding foundations for Internet marketing research and practice (Clark 1997, Wilson 2004).

Consequently, these research efforts would be expected to produce effective gauges to guide and intensify value-added-Internet marketing research and practice undertakings. Eventually, a systematic and reliable approach to enhance the strategic role of Internet marketing to augment marketing as a science and professional practice would be expected to

result in. This should lead marketing to fulfill corporate expectations in meeting the immense contemporary and anticipated challenges posed by the global marketing environment.

Accordingly, the main aim of this paper would be to endeavor to provide a theoretical and empirically testable explanation of the evolving relationship between Internet technology and marketing thought and practice with a view toward catering for a panoramic conceptual bridge to overview and anticipate the present and expected diffusion of Internet marketing as a logical outgrowth of this complicated and multi-faceted relationship.

As above argued, such theoretically and empirically substantiated analysis of the diffusion of Internet marketing should be expected to lead to more insight into, and foresight of the new paradigm of Internet marketing and its extensive influence on the way marketing phenomena are researched and practiced in the present and their strategic outlook in the near future.

### **A Proposed Conceptual Framework for the Diffusion of Internet marketing Research and Practice**

A thorough examination and an in-depth understanding of the Internet technology and its marketing capabilities on one hand and the strategic agenda of modern marketing research and practice on the other hand, consolidate the main infra structure for the proposed framework.

The Internet technology is grounded on the world wide web of advanced digital telecommunications composed of networked space and satellite systems, sophisticated desktop, laptop and portable communication modes (e.g., cellular phones, satellite receivers and dishes, and computer network groups). The Internet technology's main breakthrough is its astounding capacity to transmit data in the alternative forms of text, graphics, audio, and video along with electronic capabilities such as sending and receiving data formats, analysis logics, computing powers, storing, retrieving and sharing information, conducting documented and authenticated operations, building private networks, and engaging in online interactions (O'brien 2002 and Coupley



2001, Wilson 2004, Muhammad et al, 2005, Siegel 2004).

The first main argument made by the proposed framework is that there are five main Internet technological vehicles that assume particular importance in attaining the strategic ends of modern marketing thought and practice as emphasized and embraced by marketing research efforts and professional practices during the past two decades.

On one hand the five main Internet technologies are homepage technology, hypertext technology, "push" technology, search engines technology, and virtual interactive technology. There is considerable evidence in the Internet marketing literature about the unique marketing capabilities and immense contributions of these five technologies. On the other hand, modern marketing research and practice is said by many scholars to have a short list of five established and emerging strategic ends consisting of the value equation, global image, differentiation, strategic focus, and marketing ROI. These ends are strongly argued by a majority of marketing academics and practitioners to deliver the core credentials of marketing as a science and a functional area of business to bring about its substantial and

genuine contributions under contemporary and foreseeable pressures such as globalization of markets, deregulation of industries, changes in customer bases and technological reshuffles (Baker 2001, Keegan & Schlegelmilch 2001 and Morgan 2001, Roberts 2005, Wilson 2004).

Table 1 indicates the second main argument of the proposed conceptual framework concerning the relationship between the five Internet marketing capabilities and the five strategic ends of marketing research and practice and its positive outcomes (i.e., values). The major claim of this second argument is that

the strongest justification for the intensive, accelerated and extrapolated diffusion of Internet marketing research and practice lies in that each of the five Internet technologies plays a crucial role in accomplishing one of the strategic ends of modern marketing on a scale that was largely unpredictable and inconceivable in terms of effectiveness, efficiency and adaptability.

Both main arguments of the proposed framework, by no means suggest that there are no other possible interactions between the above mentioned Internet technologies and strategic ends of marketing or that there are no other

**Table (1)**  
**Internet Technologies and Strategic ends of Marketing**  
**Rationale for the Diffusion of Internet marketing Research and practice**

<b>Strategic Ends of Marketing</b>	<b>Fulfilling Internet Technology</b>	<b>Resulting Values</b>
Value Equation	Virtual Interactive ness	Value Maximization
Differentiation	Homepage	Uncontestable Competitive Advantage
Global Image	Search engines	Global Brand Equity
Marketing Focus	Hypertext	Mass Customization
Marketing ROI	" Push" Digitization	Technology-based Marketing Leverage

technologies/ends that could justify the diffusion of Internet marketing in research and practice. Rather than that, the proposed framework is aimed to claim the interactions between these specific five Internet technologies and five strategic ends of marketing were and still would be the strongest drivers for the diffusion of Internet marketing research and practice. In other words the summed up story,

this framework is trying to tell is that " The Internet marketing has been and will still be diffused in research and practice because marketing found a great power in the five Internet technologies to optimize its strategic agenda and parallel to that the Internet technology found marketing and its five strategic ends an appropriate and rich field to demonstrate its huge business capabilities and



unprecedented contributions. This synergy was the source of values inflicted by Internet marketing on marketing as a science and organizational function, thus causing its present and expected wide and escalating diffusion in research and practice".

### **Conceptual Arguments and Research Hypotheses**

The substance and rationale of the arguments introduced by the proposed conceptual framework for the diffusion of Internet marketing through the values created by the interaction between the suggested list of Internet technologies and strategic ends of marketing as depicted by table one is explained below to give room for the statement of research hypotheses.

#### **Value One: Value Maximization**

**Hypothesis One: The Internet technological capability of virtual interactivity has maximized the value equation in marketing which was a main driver for the diffusion of Internet marketing research and practice.**

#### **Rationale**

Virtual interactivity means that organizations can use some Internet-based communication modes to interact with their target audiences on one-to-one basis through on-line or off-line platforms at the discretion of both parties for a wide variety of purposes.

The value equation is a long-standing strategic end of marketing reflecting the need on the side of marketing research and practice to continuously improve the delivery of its basic utilities (i.e., customer-driven values) in terms of time, place, possession and information utilities (Alba et al, 1997, Ghose & Dou 1998, Cox and Koezlen 2003).

Marketers have capitalized and still can the virtual interactive features of the Internet to hold customers' attention or to capture information about who they are and what they want. Some of this information may be obtained by asking visitors to register online and provide information about them. Companies can also use special Interactive auditing and history software capabilities to trace the number of hits

to their web sites and the web pages of great interest to visitors after they have entered the sites. They can analyze such information to develop more precise profiles of their customers. Companies can even use the virtual interactive capabilities of their web in particular or the Internet in general such as electronic discussion groups, mailing lists and email systems to create ongoing dialogues with their customers. So, the virtual interactive features of Internet marketing systems are not used solely for facilitating supply of marketing equation of values but also to enhance this equation through profiling demand and building its marketing value equation around their peculiar traits, behaviour and preferences (Chin & Wells 1999, Davidoff et al, 2001, Hanson 2004).

The virtual interactive features of Internet marketing systems have enabled these marketing utilities to materialize on a geometrically expanding scale. The 24x7 feature of the Internet backed up by its enormous speed and coverage has declared the death of time while the equally-global and cost-effective access of the Internet has meant the death of place, thus opening endless horizons for maximizing time and place utilities of the marketing value equation. The amount and quality of various forms of knowledge (text, visual ..... etc) along with the massive and selective database modes for obtaining and disseminating information has also endorsed the information utility tremendously. The virtual interactive facilities for exchanging documentation, money, digital products and services, and legal authentications on online and offline basis has created untapped venues for Internet marketing-based possession utilities (Quinn 1999, Benjamin & Wignard 1995, and Rayport & Sriokla 1995, Roberts 2005 ).

#### **Value Two: Uncontestable Competitive Advantage**

**Hypothesis Two: The Internet technological capability of homepage has created a differentiated uncontestable competitive marketing advantage which was a main driver for the diffusion of Internet marketing research and practice**

#### **Rationale**

Homepage technology is a facility that allows the organization to design its initial opening web page in a way that expresses its unique identity, distinguish it clearly from its direct competitors, explain the full range of its products/services and values its customers can receive when they log into its website and ultimately reflects the distinctive competencies of the company (Deans & Adam 2000, Wilson 2004).

The strategic end of differentiation in marketing implies that companies need to distinguish themselves with uncontested competitive advantages. This competitive advantage must be in the form of a distinctive competency that is superior in customer value creation than those offered by direct competition which is perceived as a highly prioritized source of value by target customers (Quinn 1999, Muhammad et al, 2005).

If the homepage is deliberately designed and operated in a market-oriented manner, it can be argued there is no perfect substitute (physically at least) for the homepage. This is due to the fact that there is no one forum or place that can reflect the company's differentiations as resembled by its people, functions, show rooms, operations site (s), product mix, service package and its technological capabilities in the way a virtual space molded in a homepage docs (Berthon 2001, Bloch et al, 2002 and Donthu & Garcia 1999, Siegel 2004).

#### **Value Three: Global Brand Equity**

**Hypothesis Three:** *The Internet technological capability of search engines has boosted building a global brand equity which was a main driver for the diffusion of Internet marketing research and practice.*

#### **Rationale**

Search engines technology is a set of advanced and artificially intelligent tools that are used for locating specific and relevant sites or information on the Internet as a whole through "word" search or other more narrowly defined categories through more smarter and guided searches.

Globalization refers to the strategic needs of marketing organizations to build and maintain a global brand image of all their marketing actions (even if they are exclusively

operating in their local markets as a response to the growing global uniformity among customer bases, competitors, and industry and supply chain partners as far as all marketing phenomena such as perceived quality, name awareness, customer value and satisfaction and brand loyalty are concerned which represent a strong impetus for a global brand equity as the binding theme for all these globalization requirements of marketing phenomena (Basu 2000 and Rafik & Ahmed 1998, Hanson 2004).

Internet-wide, commercial and specialized search engines and databases offer marketers' unparalleled opportunity for creating a two-way path for creating and maintaining global brand equity. Search engines technology help companies gain proper access to virtual communities and professional databases containing an easy reach to their target markets. On the other hand when companies are sufficiently listed in carefully selected search engines' classifications and databases, they enjoy the right level of exposure to global demand. Such exposure creates adequate global brand awareness through appropriate identification of its brand equity against its world-class rivals (Hagel 1999, Rayport & Jaworski 2002 and Jevons & Gabbott 2000, Wilson 2004).

#### **Value Four: Mass Customization**

**Hypothesis Four:** *The Internet technological capability of hypertext has emphasized the marketing focus to reach mass customization which was a main driver for the diffusion of Internet marketing research and practice.*

#### **Rationale**

Hypertext technology is generally manifested in any text or web page that contains links to other documents, words, or phrases in a document to be retrieved or displayed. One of the most important digital tools of hypertext is a hyperlink which is the path between two documents that associates an object, such as a button on hypertext on a web page with another web address. The hyperlink allows a user to point and click on an object and thereby move to the location associated with that object by loading the web page at that address (Hoffman & Novak 1996, Javalagi and Ramsey 2001 and Milne & Boza 1999, Roberts 2005).



The strategic end of marketing focus is hung around the theme that the company needs to identify one or few market segments on which to focus its marketing offerings. Such focus allows the effective building and sustenance of competitive advantage in conjunction with efficient allocation of scarce marketing resources. Maintaining a marketing focus necessitates that the company should make sound segmentation, targeting and positioning decisions to base its focus strategy on real and solid customized marketing mix. This customization ought to be as massive as possible to be intensively used to access the target segments and undisputedly identify the company's position within these segments and clearly signals it to all parties of concern (Turban et al, 2001, Siegel 2004).

The effective and adequate use of hypertext and hyperlink technology allows the company to focus its Internet marketing capabilities its diversified target segments up to its full potential within its defined market boundaries in terms of customer groups, product/service uses and levels of technology. Thus, the hypertext technology is widely considered as responsible for the first pioneering experiences in the area of mass customization/personalization in websites such as Lexus cars, Barbie dolls, Bank of America, BBC News and Dell computers (Samiee 1998, Muhammad et al. 2005).

#### **Value Five: Technology-based Marketing Leverage**

*Hypothesis Five: The Internet technological capability of "push" digitization has leveraged the optimization in marketing ROI which was a main driver for the diffusion of Internet marketing research and practice.*

#### **Rationale**

"Push" digitization technology comes only second to the only physical "push" technology marketing has had for a long time which is personal selling. However, the "push" digitization technology is robust to any other physical "push" technology in that it provides the materialization of closed deals on a much more convenient, far reaching and promotion-rich implications for producing highly leveraged real revenues for the company on continuous and reliable basis. The access offered by the "push" digitization technology of the Internet

depends on a complete and orchestrated set of digital tools for rendering the full spectrum of marketing activities, services and values in a variety of digital-rich forms including actual buying, transfer of ownership, complete delivery and distribution and collection operations (Birch and Clements 2001, Black et al, 2002, Roberts 2005).

An increasing pressure is mounting on the marketing function to rationalize its capital budgeting decisions while simultaneously seeking creative means to boost its genuine marginal contribution to cause overall corporate revenues to significantly flourish. Such demands mean that the marketing function is gradually falling under dual pressures for efficiently using a diminishing amount of corporate resources while effectively magnifying its attributable value-added to corporate profitability and growth.

The "push" digitization technology features of Internet marketing are said to have greatly enhanced the acceleration and leverage of marketing ROI. This is, arguably and variably, due to their ability to achieve a greater return on the same or even less amount of marketing investment. As a demonstration of this point, an ROI analysis of the performance of Amazon.com, Hilton central reservation system, and HSBC e.banking system in comparison to their physical equivalences would tangibly indicate to what extent the "push" digitization technology augmented the ROI position of the marketing function/strategic business unit as an investment/profitability centre (Brynjolfsson & Smith 2000, Goodwin 1999 and Grewal 2001, Hanson 2004 ).

#### **Research Method**

The following methodological choices were made to help with a rigorous empirical testing of research hypothesis and subsequent achievement of research objectives.

#### **Research Design**

A conclusive descriptive research design was adopted for conducting empirical analysis since there was no need sensed to trace causality. The direction of causality is strongly argued to be two-way between the use of the five Internet technologies and the achievement of the five strategic ends of marketing in the

sense that the earlier helped achieve the latter while the latter helped stimulate the use and development of the earlier. Nevertheless, the way the relationship between Internet technologies and marketing ends should be managed and researched is clear and receive high consensus from marketing researchers and practitioners alike. The appropriate direction for examining this relationship should be encompassed toward devising the influence of Internet technologies to boost the achievement of strategic ends of marketing since from the perspective of marketing scholars/managers, Internet technologies represent controllable determinants of marketing effectiveness, the strategic ends of marketing resembles the underlying dimensions of such effectiveness. Accordingly a rigorous descriptive design relying on cross-sectional data design was judged to be adequate for monitoring and explaining the diffusion of Internet marketing based on a statistically significant and generalizable configuration of the interrelationship between the hypothesized Internet technologies and marketing ends (Koraonkar & Wolin 1999 and Strauss & Frost 2003).

### Sampling Design

The sampling units and their population were defined as the worldwide and world-class marketing researchers and practitioners since they represent the main stakeholders and at the same time the most active parties in managing, researching and capitalizing on the diffusion of Internet Marketing in academic and professional manners. A sample size of 300 units divided equally between both subpopulations was considered to be sufficient to reflect variations in explaining the diffusion of Internet Marketing and allows effective and significant use of intended main technique of analysis which is common factor analysis.

The sampling technique adopted was quota sampling drawn from a sampling frame composed of several academic and professional databases along with some virtual communities devoted to highly qualified marketing researchers and practitioners dispersed in different countries and regions to demonstrate the global nature of Internet technology and globally shared strategic agenda of marketing. A

quota sample was considered most appropriate for reflecting the heterogeneity of Internet Marketing diffusion within relatively varying scales of the marketing academia and industry thus indicating drastically different levels of sampling units' exposure to adoption of Internet technologies and pursuit of strategic ends of marketing as a science and as a functional area of business. The countries and regions were used as criteria for determining quotas while judgment was used for qualifying and selecting sampling units for data collection. The countries and regions represented in the sample were UK, France, Germany, Canada, USA, Japan, South East Asia, the Middle East and Australia.

### Measurement and Data Collection

A structured questionnaire was distributed through post and/or email to 1000 sampling units equally divided between researchers and practitioners anticipating a response rate of 35% based on judgment of their interest in research participation and panel membership. The actual response rate resulted in 387 complete and valid questionnaires filled out by 208 researchers and 179 practitioners which largely preserve the relative quota structure of the sample.

The questionnaire consists of two main sections each containing a number of interval seven point scales for measuring respectively: 1) the marketing effectiveness of the selected Internet technologies and 2) how far strategic ends of marketing have been particularly pursued by the adoption of Internet technologies in research and practice.

Section one of the structured questionnaire included ten statements measuring the present and anticipated effectiveness of the selected Internet technologies in fulfilling the designated strategic ends of marketing in a general and collective sense. It should be noted that the interval scale, deliberately, aimed not to get respondents to specify which Internet technologies were most effective in achieving specific marketing ends with a view toward avoiding negative or positive bias and prejudice on such relationships.

Section two of the questionnaire also included ten statements for measuring the present and expected boosts in accomplishing the designated marketing ends that can be traced to the adoption of the selected Internet



technologies. Again, respondents were not asked to identify which marketing ends did/would benefit most from which Internet technologies for the same bias/prejudice considerations above mentioned.

### Empirical Analysis and Results

Table two demonstrates the descriptive statistics for both internet marketing-based technologies and strategic ends of contemporary marketing thought and practice. The relatively higher means for Internet marketing technologies in proportion to those of strategic marketing ends imply the intensive use of such technologies that is not usually tied to a clear marketing agenda as a consequence of such use. The same conclusion is supported by the standard deviations for Internet marketing

technologies and strategic marketing ends showing that the variation in adopting Internet technologies is considerably less than the variation in pursuing specific marketing ends through these adoptions.

Common factor analysis based on SPSS (version 12) was considered the most appropriate analytical technique since as explained above, there was no need to further investigate dependence as a matter of direction but rather a strong evidence and proof of the strength of interrelationships between Internet technologies and marketing ends were instrumental for the purpose of explaining the diffusion of Internet marketing and ensuring the validity of used scales which is a valuable methodological goal in such a relatively novice research stream of Internet marketing.

Table( 2) Descriptive Statistics of Measured Variables

Variables	Mean	Standard Deviation
1- Homepage	4.85	1.8
2- Virtual Interactiveness	5.73	1.7
3- "Push" Digitization	5.42	2.2
4- Hypertext	4.33	2.5
5- Search Engines	3.72	2.7
6- Differentiation	3.55	3.5
7- Value Equation	4.22	3.2
8- Marketing ROI	4.12	2.8
9- Focus	4.18	3.6
10- Globalization	3.35	2.9

The strong categorization and association powers of factor analysis supported by a Varimax Rotation procedure was vitally decisive and necessary to significantly explore the relationships between the use of selected Internet technologies and the achievement of designated marketing ends as the underlying dimensions of the Internet marketing diffusion in research and practice (Koraonkar & Wolin 1999). It was also possible to rely on eigenevalues and percentages of variance to make an empirically-supported inferences/projections about the relative contributions of the selected short list of Internet technologies/marketing ends to the visualization

and explanation of the contemporary and predicted diffusion of Internet marketing research and practice thus demonstrating the amount of light shed by this research and the scope that needs to be addressed by future research in the same stream of Internet marketing thought.

Table Three summarizes the main factor loadings, eigenevalues and ratios of variance of the three factors resulting from conducting a Varimax Rotation procedure on the combined scales measuring the effectiveness of Internet technologies and the attainment of marketing ends with a view toward revealing the underlying dimensions behind the diffusion of



Internet marketing research and practice. The output factor analysis can be safely used to conclude the following results concerning hypothesis testing and general explanatory conclusions providing a general profile of the Internet marketing diffusion phenomenon.

First, Factor loadings composing factor show a very strong support for hypothesis one indicating that the Internet technology of virtual interactive ness has made a substantial contribution to the maximization Of the marketing value equation thus accelerating the diffusion of Internet marketing in research and practice. Further augmentation of this hypothesis can be demonstrated by the considerable amount of research work and applications of virtual interactive ness in different areas of marketing mix emphasizing customer value which exceeds the academic and professional work carried out for any other Internet marketing technology ( Richardson 2001, Coupey 2001, and Strauss and Frost 2003).

Second, Factor loadings resulting in factor two implies very strong support for hypothesis two through highlighting the great influence of homepage in achieving very high levels of genuine differentiation leading to uncontestable competitive advantage which represents a very solid ground for justifying a significant part of Internet marketing diffusion in research and practice. This result proves the importance of homepage as an indicator of websites' marketing quality as a major area of differentiation-based competition.

Third, the factor loadings of factor three suggests a very significant influence of "push" digitization technology on optimizing marketing ROI which caters for an additional empirically supported explanation of Internet marketing diffusion in research and practice as argued by hypothesis five. This result poses very important implication to the need of marketing to adopt more "closing" and "exchanging" Internet technology as effective means for handling its tightening budgets, difficult-to-justify investments and questionable returns. Fourth, Factor loadings related to variables of Internet technologies and marketing ends composing hypothesis three and four suggest that both hypotheses can be rejected.

As for hypothesis three the Internet technology of search engines proved to be strongly related to virtual interactive ness which indicates that it is looked at by researchers and practitioners as an interactive feature helping with maximizing time, place and information utilities and providing them through easy access (in terms of customer databases/virtual communities) to target segments thus emphasizing the strategic end of "focus" which also appeared as an underlying dimension of the same factor (i.e., factor one). On the other hand, globalization came out as strongly related to homepage technology showing that researchers and practitioners believe that a global brand image could be traced back to having a world-class and global-scoped homepage than being listed in worldwide search engines and databases for exposure.



**Table(3)**  
**Factor Analysis of the Underlying Dimensions of the Diffusion of Internet Marketing in Research and Practice**

<b>Factors Variables</b>	<b>Factor One</b>	<b>Factor Two</b>	<b>Factor Three</b>
Homepage		.77	
Virtual Interactive ness	.87		
"Push" Digitization			.86
Hypertext			.57
Search Engines	.55		
Differentiation		.72	
Value Equation	.75		
Marketing ROI			.73
Focus	.61		
Globalization		.58	
Eigenevalues	3.77	2.88	3.25
% of Variance	28.3	19.5	25.7

As for hypothesis four, hypertext was found to be strongly related to "push" technology aiding in economizing on marketing investments while boosting returns as researchers and practitioners view it as an effective "closing" technology in terms of information search and determining/evaluating alternatives for customers. Apart from that as above mentioned researchers and practitioners considered the marketing "focus" to be strongly fulfilled and augmented by Interactive features which help tailor and mass-customize marketing offers to the peculiar profile and needs of specific target segments which were described through the interactive dialogue features above mentioned.

The rejection of both hypothesis can not, however, be used to suggest that the involved Internet technologies/marketing ends did not contribute the diffusion of Internet marketing in research and practice. These results simply imply that their contributions seem to unfold and materialize in a way that is different from the one argued by the proposed conceptual framework. Such conclusion is in line with the aim of this research of refining the proposed framework and paves the way for other frameworks with different perspectives.

Finally, eigenevalues and ratios of variance provide strong evidence on the explanatory

power of the proposed framework as far as the diffusion of Internet marketing in research and practice is concerned. The proposed framework explains %73.5 of the diffusion of Internet marketing in research and practice which can be attributed to the interactions between the selected Internet technologies and designated marketing ends. Nevertheless, such ratios of variance indicate that there is still significant room for further and different frameworks for explaining the Internet marketing diffusion phenomenon.

Apart from that, Factor one provided the strongest explanation for Internet marketing diffusion based on the synergy between virtual interactive ness and search engines to maximize the marketing value equation with a "focus" on target market segments which can be labeled as " Internet-based optimized and focused marketing values". Factor three came second in explaining the diffusion of Internet marketing through devising "push" digitization technology in conjunction with hypertext to leverage marketing ROI through rationing investments while escalating revenues. Thus factor two can be labeled "Internet-based leveraged marketing ROI". Factor three, though the least significant, still provides a valid justification for Internet marketing diffusion, which lies in the definitive role of homepage technology to create a



differentiated-based competitive marketing advantage on the global spectrum to maintain global brand equity. Thus factor two can be labeled as "Internet-based global differentiation".

As a wrap-up, there are three empirically evident motivations that can be used to explain/justify and conceptually ground the contemporary and foreseen diffusion of Internet marketing manifested in the positive contributions of five Internet technologies on: 1) Maximizing mass-customized marketing values for target segments, 2) leveraging the ROI on marketing assets, and 3) creating an uncontested competitive advantage based on a differentiated and global brand equity. Thus, it is the values uniquely brought about by Internet marketing to make marketing as a science and as an organizational function more value-adding than ever before that allowed and in fact legitimized and prioritized the tidal diffusion of Internet marketing research and practice.

### **A Concluding Note**

The overriding conclusion of this paper is that an empirically-verified conceptual framework that explains the explosive diffusion of Internet marketing in the research and practice of marketing is vitally needed. This is

mainly because of its anticipated role in evaluating past and present Internet marketing contributions and eventually rationalizes and led the future of research and practice in such novice, yet crucial, marketing area. The core argument of this research is that such framework can be grounded on the interrelationship between marketing-oriented Internet technologies and the strategic ends of modern marketing thought and practice. Five research hypotheses are argued and put to empirical testing. The essence of their arguments is based on a critical review of the literature on how specific five Internet technologies was (and still is) a real source for fulfilling five challenging constituents of the strategic agenda of contemporary marketing research and practice on an astronomic scale that was inconceivable within other marketing contexts such as telemarketing, strategic marketing and international marketing.

Empirical findings strongly point out to the evidence that the conceptual Internet marketing research stream still holds lots of potential such as testing different Internet technologies with different strategic ends of marketing, adopting various methodologies for testing the hypotheses.





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