ONLINE MARKETING OF COMMERCIAL AND INDUSTRIAL PROPERTIES AND SERVICES IN A SMALL BUSINESS

Charmaine Jansen Van Rensburg

Student Number 20454553

Submitted in fulfilment of the requirements for the degree of Master of Technology: Business Administration in the Faculty of Business and Economic Sciences at the Nelson Mandela Metropolitan University, Port Elizabeth

SUPERVISOR: Prof Miemie Struwig

August 2013
DECLARATION
MTECH CANDIDATE

I, Charmaine Jansen Van Rensburg, student number 20454553, hereby declare that the dissertation “Online Marketing of Commercial and Industrial Properties and Services in a Small Business”, submitted in fulfillment of the requirements for the Master of Technology, is my own work and that it is has not previously been submitted for assessment or completion of any postgraduate qualification at another university or for another qualification.

Charmaine Jansen Van Rensburg
PORT ELIZABETH
AUGUST 2013
ACKNOWLEDGEMENTS

I hereby express my sincere gratitude to the following people and institutions for their contribution to making this study possible:

- My supervisor, Professor Miemie Struwig, for her support and encouragement. Her hard work, devotedness and sacrifices were exceptional, highly admired and appreciated.
- All the participants in this study for their valuable contributions and time sacrificed.
- Kate Goldstone for language editing of the dissertation and her thorough attention to detail and assistance with editorial aspects.
- Chantell Vögts for her assistance with the final formatting of the dissertation.
- To my precious mother who has continued to offer personal encouragement throughout my academic endeavours. Her prayers and unconditional love and support carried me through.
- Last but not least, my family members who have shown me what business is all about, and especially my brother Johan for his unconditional support in this journey.
## TABLE OF CONTENTS

DECLARATION .................................................................................................................. i

ACKNOWLEDGEMENTS .................................................................................................. ii

LIST OF FIGURES ........................................................................................................ viii

LIST OF TABLES ........................................................................................................... ix

EXECUTIVE SUMMARY .................................................................................................. x

### CHAPTER 1: INTRODUCTION TO THE STUDY

1.1 BACKGROUND TO THE STUDY ............................................................................ 1

1.2 LITERATURE OVERVIEW .................................................................................. 2

1.2.1 Definition of concepts used in this study .......................................................... 2

1.2.2 Property marketing and the role players ............................................................ 6

1.2.3 Marketing of commercial and industrial property and services ....................... 7

1.2.4 Marketing in the online environment ................................................................. 10

1.2.5 The content page of home pages on the World Wide Web .......................... 12

1.2.6 Major issues in using the Internet ....................................................................... 14

1.2.7 The top ten Internet marketing trends ............................................................... 16

1.3 PROBLEM DEFINITION ...................................................................................... 17

1.4 RESEARCH OBJECTIVES .................................................................................. 19

1.5 RESEARCH DESIGN AND METHODOLOGY .................................................. 20

1.5.1 Secondary research ......................................................................................... 20

1.5.2 Primary research ............................................................................................... 20

1.6 SCOPE OF THE STUDY ..................................................................................... 24

1.7 STRUCTURE OF THE RESEARCH ................................................................. 24
CHAPTER 2: MARKETING OF COMMERCIAL AND INDUSTRIAL PROPERTY AND SERVICES

2.1 INTRODUCTION ........................................................................................................ 25

2.2 DEFINITION OF CONCEPTS .................................................................................. 26

2.2.1 Definition of commercial property ................................................................. 26
2.2.2 Definition of industrial property .................................................................... 26
2.2.3 Definition of property services ........................................................................ 26
2.2.4 Categories of commercial and industrial properties ...................................... 27

2.2.5 The characteristics of fixed property which distinguish it from other
commodities and products ......................................................................................... 28

2.2.6 Definition of marketing ...................................................................................... 31

2.3 THE ENVIRONMENT OF THE PROPERTY MARKET ........................................... 32

2.3.1 The role of government in the property industry .............................................. 32
2.3.2 The role of the private sector in the property industry .................................... 34

2.4 MARKETING IN THE REAL ESTATE CONTEXT ................................................ 36

2.5 THE ELEMENTS OF THE MARKETING MANAGEMENT PROCESS
IN THE PROPERTY INDUSTRY .................................................................................. 38

2.5.1 Gathering information about the marketing environment
(market opportunity analysis) .................................................................................... 38

2.5.2 Setting marketing goals and planning marketing strategy ............................... 39
2.5.3 Organizing and implementing marketing strategy ......................................... 40
2.5.4 Controlling marketing activities ...................................................................... 40

2.6 MARKETING TOOLS ............................................................................................. 40

2.7 MARKETING STRATEGIES .................................................................................... 43

2.8 SERVICE MARKETING STRATEGIES ................................................................ 46

2.9 A PRACTICAL EXAMPLE OF A MARKETING PLAN FOR A SMALL
ESTATE AGENCY ........................................................................................................ 49

2.10 SUMMARY .............................................................................................................. 57
3.8.3 The design and components of a Website .................................................. 106
3.8.4 The content page of home pages on the World Wide Web ......................... 109
3.8.5 The costs involved in Website development ............................................. 111

3.9 WEBSITE EFFECTIVENESS .................................................................... 112

3.9.1 Factors influencing consumer perception of Website effectiveness ............. 112
3.9.2 Factors determining the effectiveness of a Website .................................... 115

3.10 SUMMARY ............................................................................................ 116

CHAPTER 4: PROPOSED FRAMEWORK TO IMPLEMENT ONLINE MARKETING IN A SMALL INDUSTRIAL AND COMMERCIAL PROPERTY AND SERVICES BUSINESS

4.1 INTRODUCTION .................................................................................... 118
4.2 RESEARCH METHODOLOGY EMPLOYED ............................................ 118
4.3 RESULTS OF THE CRITICAL ANALYSIS OF LITERATURE ...................... 119
4.4 OVERVIEW OF THE BUSINESSES INCLUDED IN THE CONTENT ANALYSIS .............................................................................................. 119

4.4.1 Bruce McWilliams Industries (Pty) Ltd .................................................... 120
4.4.2 Broll .................................................................................................... 121
4.4.3 Seeff .................................................................................................... 121

4.5 CONTENT ANALYSIS OF WEBSITES .................................................... 122

4.5.1 Results of Seeff Property’s content analysis ........................................... 124
4.5.2 Results of Broll content analysis ......................................................... 125
4.4.3 Results of Bruce McWilliams Industries’ content analysis ....................... 126

4.6 REVISED FRAMEWORK TO IMPLEMENT ONLINE MARKETING IN A SMALL INDUSTRIAL AND COMMERCIAL PROPERTY AND SERVICES BUSINESS ...................................................... 129

4.7 A NARRATIVE OF A SMALL COMMERCIAL AND INDUSTRIAL PROPERTY AND SERVICES BUSINESS ......................................................................................... 129

4.7.1 The history of the business .................................................................... 130
4.7.2 Lessons learned from the business .......................................................... 130
4.7.3 The current business .................................................................................. 131

4.8 SUMMARY ...................................................................................................... 131

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION .............................................................................................. 132

5.2 REVIEW OF CHAPTERS .................................................................................. 132

5.2.1 Chapter One .................................................................................................. 132
5.2.2 Chapter Two .................................................................................................. 133
5.2.3 Chapter Three ............................................................................................... 134
5.2.4 Chapter Four ................................................................................................. 134

5.3 CONCLUSION AND RECOMMENDATIONS .................................................. 136

5.3.1 Conclusions from the content analysis of the Websites of commercial and
industrial property and services ........................................................................... 136
5.3.2 Conclusions from the narrative of the small business .................................... 136
5.3.3 Recommendations on a proposed framework ................................................. 137
5.3.4 General conclusions and recommendations .................................................. 138

5.4 RESEARCH OBJECTIVES AND QUESTIONS ............................................. 138

5.4.1 Meeting the primary objectives of the study ................................................. 138
5.4.2 Meeting the secondary objectives of the study ............................................. 139

5.5 LIMITATIONS OF THE STUDY AND SUGGESTIONS FOR FUTURE
RESEARCH ............................................................................................................ 140

5.6 REFLECTIONS OF LEARNING .................................................................... 140

REFERENCE LIST ................................................................................................ 141
### LIST OF FIGURES

<table>
<thead>
<tr>
<th>Figure 1.1:</th>
<th>Marketing Mix in an online environment</th>
<th>12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure 2.1:</td>
<td>The Four P components of the Marketing Mix</td>
<td>41</td>
</tr>
<tr>
<td>Figure 2.2:</td>
<td>Marketing-Mix strategy</td>
<td>42</td>
</tr>
<tr>
<td>Figure 2.3:</td>
<td>Business and marketing strategies in RPI</td>
<td>45</td>
</tr>
<tr>
<td>Figure 3.1:</td>
<td>Marketing Mix in an online environment</td>
<td>61</td>
</tr>
<tr>
<td>Figure 3.2:</td>
<td>Classification of Internet marketing models</td>
<td>71</td>
</tr>
<tr>
<td>Figure 3.3:</td>
<td>Ten Cs of marketing for the modern economy</td>
<td>72</td>
</tr>
<tr>
<td>Figure 3.4:</td>
<td>The online marketing environment in the modern economy</td>
<td>78</td>
</tr>
<tr>
<td>Figure 3.5:</td>
<td>Attributes which affect the effectiveness of a commercial Website</td>
<td>116</td>
</tr>
<tr>
<td>Figure 4.1:</td>
<td>The Proposed Framework</td>
<td>119</td>
</tr>
<tr>
<td>Figure 4.2:</td>
<td>A copy of the homepage of Seeff</td>
<td>125</td>
</tr>
<tr>
<td>Figure 4.3:</td>
<td>A copy of the homepage of Broll</td>
<td>126</td>
</tr>
<tr>
<td>Figure 4.4:</td>
<td>The homepage of Bruce McWilliams Industries</td>
<td>127</td>
</tr>
</tbody>
</table>
**LIST OF TABLES**

| Table 1.1: A definition of small business in South Africa | 3 |
| Table 1.2: Classification of services in relation to tangible goods for property marketing and role players involved | 6 |
| Table 1.3: The categories of contents found on homepages on the World Wide Web | 13 |
| Table 1.4: The research process and design for this study | 23 |
| Table 2.1: Classification of services in relation to tangible goods for property marketing and role players involved | 27 |
| Table 2.2: The 4 Ps and their corresponding C | 43 |
| Table 3.1: Summary of the E-Marketing principles | 67 |
| Table 3.2: Major segmentation variables for consumer markets | 92 |
| Table 3.3: The categories of content found on homepages on the World Wide Web | 110 |
| Table 4.1: A summary of content analysis of the Websites | 128 |
EXECUTIVE SUMMARY

In view of the factors influencing and the steps in the design of a Website, building a successful Website will vary from business to business. This study investigates what is required from a small commercial and industrial property and services business to take their business online and create an effective Website.

The environment of the property market reflected the role that government plays in the property industry and also the role of the private sector. Marketing in the real estate context indicated that if real estate agents have access to the right type of information, not only can they add value to their own organizations, but they can also capitalize on the same information to create added value for their clients.

The elements of the marketing management process include four steps, namely to gather information, to set marketing goals and plan strategy, to organize and implement marketing strategy and to control the marketing activities. Marketing in the online environment showed that the Marketing Mix includes personalisation, privacy, customer services, community, site, security and sales promotion.

The principles of online marketing revealed the important role of the customer and customer relationships. An investigation into the difference between e-commerce and online marketing made it clear that online marketing is one component of e-commerce.

This study critically analysed the available literature in order to suggest a proposed framework of what should be included in the Website of a small commercial and industrial property and services business. In order to successfully research online marketing of commercial and industrial properties and services in a small business, a basic but thorough understanding of online marketing principles and Website content are important. In this study a qualitative research approach was followed where secondary sources were critically evaluated to design the required framework. Thereafter three Websites of marketing of commercial and industrial properties and services were content analysed to see whether anything else should be added to the framework. This would assist in taking a small business in commercial and industrial
properties and services online. The framework suggests that the Website homepage content should include:

- Business overview/information
- Products/services
- What's new
- Search
- Employment opportunities
- Interactive feedback
- Customer service/assistance
- Index/directory
- Financial facts
- Links to other sites
- Online business services/utilities
- Guest book
- Frequently Asked Questions
- Messages from CEO

A purposeful sample of three Websites was then content analysed so as to provide the information necessary to reach the objectives of the study. The following Websites were included in the content analysis: Broll, which operates as a national agency with international associations. The firm renders services (Estate Agency) and does not own property. Bruce McWilliams Industries Pty Ltd is operative in Port Elizabeth, Uitenhage and surrounds. It is a family business that owns property, which it develops and markets itself. Seeff is a national agency. It renders services (estate agency) and does not own property.

Lastly, a narrative of a small commercial and industrial property and services business was created by means of document analysis of a specific business. The researcher was allowed to study the documents and diaries of the business in order to provide a narrative for this business. This narrative can be used as part of the envisaged Website for the business.
CHAPTER 1
INTRODUCTION TO THE STUDY

1.1 BACKGROUND TO THE STUDY

Smith (2010) points out that although macro-economists suggested an economic upturn in 2010, the South African property sector conditions remained extremely difficult.

With increased globalization of the world economies, market opportunities for most businesses seem to be endless. This in turn increases competition among the players. Consequently, departing from the traditional commercial strategies and tactics, innovative managers are looking for unique ways to compete more effectively on a local, regional and global basis. The Internet is what many business leaders say will make these visions a reality in everyday business (Smith, 2010).

The number of Internet users grows at an exponential rate every quarter (Cheunga & Huangb, 2002). The Internet has many applications of which the World Wide Web (WWW) is one. Among Internet applications, WWW functions as one of the most significant driving forces in the commercial usage of Internet technology (Cockburn & Wilson, 1996; Chang & Cheung, 2001; Huang, Lin, Gan & Huang, 2002; Turban, McLean & Wetherbe, 1999).

Smaller businesses are also discovering the Internet to be a cost-effective means through which they can conduct their business. Markley, Barkley and Lamie (2007) indicate that one of the major aspects to help entrepreneurs develop their Websites is planning. They further argue that there is no single way to be successful on the Internet, and entrepreneurs need to make a commitment to doing the time-consuming work of figuring out what strategies might work best for them.

This study will focus on how a small commercial and industrial property and service business can take its business online and create an applicable Website.
1.2 LITERATURE OVERVIEW

1.2.1 Definition of concepts used in this study

The following concepts are used in this study and therefore need clarification.

(a) Marketing

Marketing is the process of planning and executing the conception, pricing, and distribution of ideas, goals, and services to create exchanges that satisfy individual and organizational objectives (Cloete, 1996).

(b) Online marketing

Online marketing is the marketing of products or services over the Internet. Although there are many definitions for online marketing, in this study the definition by Kalyanam and McIntyre (2002) that online marketing enables relational exchanges in digital, networked, interactive environments will be used.

There is a lack of a common vocabulary regarding marketing in the online environment. It is sometimes referred to as online marketing or it is referred to e-marketing.

(c) Small businesses

A small business is a business that is privately owned and operated, with a small number of employees and relatively low volume of sales (Longenecker, Justin & Moore, 2008). The legal definition of "small" varies by country and by industry. In the United States the Small Business Administration establishes small business size standards on an industry-by-industry basis, but generally specifies a small business as having fewer than 100 employees. In the European Union, a small business generally has fewer than 50 employees. However, in Australia, a small business is defined as one with fewer than 15 employees. In addition to number of employees, other methods used to classify small businesses include annual sales (turnover), value of assets and net profit (balance sheet), alone or in a mixed definition. In South
Africa, the National Small Business Act of 1996 regulates the definition of a small business. Table 1.1 provides a summary of the definitions as included in the Act.

**TABLE 1.1: DEFINITION OF SMALL BUSINESS IN SOUTH AFRICA**

<table>
<thead>
<tr>
<th>Sector or subsectors in accordance with the Standard Industrial Classification</th>
<th>Size or class</th>
<th>Total full-time equivalent of paid employees: Less than</th>
<th>Total annual turnover: Less than</th>
<th>Total gross asset value (fixed property excluded): Less than</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>Medium</td>
<td>120</td>
<td>R 4.00 m</td>
<td>R 4.00 m</td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>50</td>
<td>R 2.00 m</td>
<td>R 2.00 m</td>
</tr>
<tr>
<td></td>
<td>Very small</td>
<td>10</td>
<td>R 0.40 m</td>
<td>R 0.40 m</td>
</tr>
<tr>
<td></td>
<td>Micro</td>
<td>5</td>
<td>R 0.15 m</td>
<td>R 0.10 m</td>
</tr>
<tr>
<td>Mining and Quarrying</td>
<td>Medium</td>
<td>200</td>
<td>R 30.00 m</td>
<td>R 18.00 m</td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>50</td>
<td>R 7.50 m</td>
<td>R 4.50 m</td>
</tr>
<tr>
<td></td>
<td>Very small</td>
<td>20</td>
<td>R 3.00 m</td>
<td>R 1.80 m</td>
</tr>
<tr>
<td></td>
<td>Micro</td>
<td>5</td>
<td>R 0.15 m</td>
<td>R 0.10 m</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>Medium</td>
<td>200</td>
<td>R 40.00 m</td>
<td>R 15.00 m</td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>50</td>
<td>R 10.00 m</td>
<td>R 3.75 m</td>
</tr>
<tr>
<td></td>
<td>Very small</td>
<td>20</td>
<td>R 4.00 m</td>
<td>R 1.50 m</td>
</tr>
<tr>
<td></td>
<td>Micro</td>
<td>5</td>
<td>R 0.15 m</td>
<td>R 0.10 m</td>
</tr>
<tr>
<td>Electricity, Gas and Water</td>
<td>Medium</td>
<td>200</td>
<td>R 40.00 m</td>
<td>R 15.00 m</td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>50</td>
<td>R 10.00 m</td>
<td>R 3.75 m</td>
</tr>
<tr>
<td></td>
<td>Very small</td>
<td>20</td>
<td>R 4.00 m</td>
<td>R 1.50 m</td>
</tr>
<tr>
<td></td>
<td>Micro</td>
<td>5</td>
<td>R 0.15 m</td>
<td>R 0.10 m</td>
</tr>
<tr>
<td>Construction</td>
<td>Medium</td>
<td>200</td>
<td>R 20.00 m</td>
<td>R 4.00 m</td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>50</td>
<td>R 5.00 m</td>
<td>R 1.00 m</td>
</tr>
<tr>
<td></td>
<td>Very small</td>
<td>20</td>
<td>R 2.00 m</td>
<td>R 0.40 m</td>
</tr>
<tr>
<td></td>
<td>Micro</td>
<td>5</td>
<td>R 0.15 m</td>
<td>R 0.10 m</td>
</tr>
<tr>
<td>Retail and Motor Trade and Repair Services</td>
<td>Medium</td>
<td>120</td>
<td>R 30.00 m</td>
<td>R 5.00 m</td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>50</td>
<td>R 15.00 m</td>
<td>R 2.50 m</td>
</tr>
<tr>
<td></td>
<td>Very small</td>
<td>10</td>
<td>R 3.00 m</td>
<td>R 0.50 m</td>
</tr>
<tr>
<td></td>
<td>Micro</td>
<td>5</td>
<td>R 0.15 m</td>
<td>R 0.10 m</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>Medium</td>
<td>120</td>
<td>R 50.00 m</td>
<td>R 8.00 m</td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>50</td>
<td>R 25.00 m</td>
<td>R 4.00 m</td>
</tr>
<tr>
<td></td>
<td>Very small</td>
<td>10</td>
<td>R 5.00 m</td>
<td>R 0.50 m</td>
</tr>
<tr>
<td></td>
<td>Micro</td>
<td>5</td>
<td>R 0.15 m</td>
<td>R 0.10 m</td>
</tr>
<tr>
<td>Commercial Agents and Allied Services</td>
<td>Medium</td>
<td>120</td>
<td>R 50.00 m</td>
<td>R 8.00 m</td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>50</td>
<td>R 25.00 m</td>
<td>R 4.00 m</td>
</tr>
<tr>
<td></td>
<td>Very small</td>
<td>10</td>
<td>R 5.00 m</td>
<td>R 0.50 m</td>
</tr>
<tr>
<td></td>
<td>Micro</td>
<td>5</td>
<td>R 0.15 m</td>
<td>R 0.10 m</td>
</tr>
<tr>
<td>Catering</td>
<td>Medium</td>
<td>120</td>
<td>R 10.00 m</td>
<td>R 2.00 m</td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>50</td>
<td>R 5.00 m</td>
<td>R 1.00 m</td>
</tr>
<tr>
<td></td>
<td>Very small</td>
<td>10</td>
<td>R 1.00 m</td>
<td>R 0.20 m</td>
</tr>
<tr>
<td></td>
<td>Micro</td>
<td>5</td>
<td>R 0.15 m</td>
<td>R 0.10 m</td>
</tr>
<tr>
<td>Sector or subsectors in accordance with the Standard Industrial Classification</td>
<td>Size or class</td>
<td>Total full-time equivalent of paid employees: Less than</td>
<td>Total annual turnover: Less than</td>
<td>Total gross asset value (fixed property excluded): Less than</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Transport</td>
<td>Medium</td>
<td>120</td>
<td>R20.00 m</td>
<td>R 5.00 m</td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>50</td>
<td>R10.00 m</td>
<td>R 2.50 m</td>
</tr>
<tr>
<td></td>
<td>Very small</td>
<td>10</td>
<td>R 2.00 m</td>
<td>R 0.50 m</td>
</tr>
<tr>
<td></td>
<td>Micro</td>
<td>5</td>
<td>R 0.15 m</td>
<td>R 0.10 m</td>
</tr>
<tr>
<td>Storage</td>
<td>Medium</td>
<td>120</td>
<td>R20.00 m</td>
<td>R 5.00 m</td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>50</td>
<td>R10.00 m</td>
<td>R 2.50 m</td>
</tr>
<tr>
<td></td>
<td>Very small</td>
<td>10</td>
<td>R 2.00 m</td>
<td>R 0.50 m</td>
</tr>
<tr>
<td></td>
<td>Micro</td>
<td>5</td>
<td>R 0.15 m</td>
<td>R 0.10 m</td>
</tr>
<tr>
<td>Communications</td>
<td>Medium</td>
<td>120</td>
<td>R20.00 m</td>
<td>R 5.00 m</td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>50</td>
<td>R10.00 m</td>
<td>R 2.50 m</td>
</tr>
<tr>
<td></td>
<td>Very small</td>
<td>10</td>
<td>R 2.00 m</td>
<td>R 0.50 m</td>
</tr>
<tr>
<td></td>
<td>Micro</td>
<td>5</td>
<td>R 0.15 m</td>
<td>R 0.10 m</td>
</tr>
<tr>
<td>Finance</td>
<td>Medium</td>
<td>120</td>
<td>R20.00 m</td>
<td>R 4.00 m</td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>50</td>
<td>R10.00 m</td>
<td>R 2.00 m</td>
</tr>
<tr>
<td></td>
<td>Very small</td>
<td>10</td>
<td>R 2.00 m</td>
<td>R 0.40 m</td>
</tr>
<tr>
<td></td>
<td>Micro</td>
<td>5</td>
<td>R 0.15 m</td>
<td>R 0.10 m</td>
</tr>
<tr>
<td>Business Services</td>
<td>Medium</td>
<td>120</td>
<td>R20.00 m</td>
<td>R 4.00 m</td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>50</td>
<td>R10.00 m</td>
<td>R 2.00 m</td>
</tr>
<tr>
<td></td>
<td>Very small</td>
<td>10</td>
<td>R 2.00 m</td>
<td>R 0.40 m</td>
</tr>
<tr>
<td></td>
<td>Micro</td>
<td>5</td>
<td>R 0.15 m</td>
<td>R 0.10 m</td>
</tr>
<tr>
<td>Community</td>
<td>Medium</td>
<td>120</td>
<td>R10.00 m</td>
<td>R 5.00 m</td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>50</td>
<td>R 5.00 m</td>
<td>R 2.50 m</td>
</tr>
<tr>
<td></td>
<td>Very small</td>
<td>10</td>
<td>R 1.00 m</td>
<td>R 0.50 m</td>
</tr>
<tr>
<td></td>
<td>Micro</td>
<td>5</td>
<td>R 0.15 m</td>
<td>R 0.10 m</td>
</tr>
<tr>
<td>Social and Personal Services</td>
<td>Medium</td>
<td>120</td>
<td>R10.00 m</td>
<td>R 5.00 m</td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>50</td>
<td>R 5.00 m</td>
<td>R 2.50 m</td>
</tr>
<tr>
<td></td>
<td>Very small</td>
<td>10</td>
<td>R 1.00 m</td>
<td>R 0.50 m</td>
</tr>
<tr>
<td></td>
<td>Micro</td>
<td>5</td>
<td>R 0.15 m</td>
<td>R 0.10 m</td>
</tr>
</tbody>
</table>

Source: National Small Business Act of 1996

(d) The Internet

Paul (1996) outlines the development of the Internet starting from 1968 when the department of Defence in America started a research project. Originally, known as the ARPAnet, the Internet was started as an experimental network connecting different university computer centres throughout the country. In the 1980s, ARPAnet was broken into two distinct networks called Milnet and NSFnet. Milnet was used primarily for government purposes, while NSFnet, funded by the National Science Foundation (NSF), was used to support education and research. The NSF promoted
NSFnet’s use within the realm of higher education institutions and succeeded in establishing more than 3,000 institutional inter-networks by 1991.

The Internet offers many opportunities for all businesses, especially for small and medium-sized organizations, looking to market their products and services internationally.

The use of this computer network can substantially minimize a firm’s printing and postage costs since with one flat monthly fee a business can send as much e-mail as it wants, wherever it wants. In addition, there is no need to pay substantial amounts to rent a mailing list to reach potential customers or to purchase an expensive advertisement in a magazine, since the Internet offers features like a Web page that performs such tasks (Palumbo & Herbig, 1998).

If a business decides to use the Internet it should make some marketing decisions and redefine its organization, since the Internet’s environment has changed the rules of traditional business. These important marketing decisions include: international prices, global branding, territory, channel conflict, international distribution, organizational structure, competition, and means of payment (Palumbo & Herbig, 1998).

The Internet allows a business to reach foreign markets, leave its usual business environment and move into new markets where cultural, legal, and social systems differ widely. What is adequate for one market could be illegal or not work in another. Hence, a business with a presence in this cyberspace will face new problems given the diversity of markets. Among these problems are: cultural differences, privacy, censorship, security, international law, intellectual property, telecommunications infrastructure, personal computers availability, and credit card use worldwide.

Although the list of challenges and problems to marketing on a global scale through the Internet may seem large, many businesses are successfully using this new medium to market their products or services, promote their philosophy, and increase awareness of their brand(s) all over the world. They have adapted their sales effort in such a way as not to offend the ad-resistant Internet community, they have accommodated cultural differences into their Web pages, and modified their organizational structures for the Internet marketing age (Palumbo & Herbig, 1998).
(e) World Wide Web (WWW/Web page)

One of the most used concepts for on-line marketing is the WWW. It offers businesses an easy, inexpensive, fast, and technologically sophisticated tool for advertising goods and services, taking and placing orders, promoting their philosophy and policy and communicating with their customers all over the world. In the Web environment, a business can deliver a full presentation with sound, pictures and video to millions of potential consumers. A Web site is much more enticing and informative than e-mail messages, but it can be much more difficult to plan and implement (Mack, 1995). A Website is a web application on the World Wide Web.

1.2.2 Property marketing and the role players

Table 1.2 outlines the extent of services in property marketing by indicating the role players involved for each service and the actual product or service delivered.

TABLE 1.2: CLASSIFICATION OF SERVICES IN RELATION TO TANGIBLE GOODS FOR PROPERTY MARKETING AND ROLE PLAYERS INVOLVED

<table>
<thead>
<tr>
<th>Pure tangible goods</th>
<th>Tangible goods with accompanying services</th>
<th>A major service with accompanying minor goods and services</th>
<th>Pure service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Role players</td>
<td>Property Developers:</td>
<td>Property Developers and Administrators:</td>
<td>Estate Agents:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Estate Agents or Property Developers:</td>
<td></td>
</tr>
<tr>
<td>Product or service delivered</td>
<td>Designing and constructing or converting:</td>
<td>Designing, constructing / converting properties which are put up for sale</td>
<td>Selling time-sharing as a service</td>
</tr>
<tr>
<td></td>
<td>- Houses</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Commercial properties</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Industrial properties</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Selling undeveloped</td>
<td>Selling</td>
<td>Selling undeveloped</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Matching purchasers’</td>
</tr>
<tr>
<td>Pure tangible goods</td>
<td>Tangible goods with accompanying services</td>
<td>A major service with accompanying minor goods and services</td>
<td>Pure service</td>
</tr>
<tr>
<td>---------------------</td>
<td>------------------------------------------</td>
<td>----------------------------------------------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>land</td>
<td>undeveloped land and undertaking to administer it</td>
<td>land and undertaking to administer it as well as other facilities</td>
<td>needs by introducing them to properties which are for sale</td>
</tr>
<tr>
<td></td>
<td>Maintain the properties which are sold</td>
<td></td>
<td>Letting properties</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Administering properties on behalf of landlords</td>
</tr>
</tbody>
</table>

Source: Adapted from: Cloete, 1996

### 1.2.3 Marketing of commercial and industrial property and services

#### (a) Definition of commercial property and services

Commercial property is property that is used in the practice of a business, occupation or profession. It includes offices, shops, hotels, restaurants and unimproved land allocated for these uses. Residential and agricultural property and property for special purposes, for example a school or hospital, are excluded (Cloete, 1996).

#### (b) Selling commercial property

The selling of commercial property requires a thorough knowledge of real estate, urban property economics, business and finance. A person must have knowledge and experience of the items listed below, or must be able to acquire it, because every one of these factors can have an influence on the investment decision on its own or in combinations:

- Local and national politics
- Trends in the local and national economy
- Income and property tax
- Monetary and fiscal policy of government
The valuation of income-producing property
Town planning
Investment analysis
Accounting

The following are some of the disadvantages of commercial selling:

- It normally takes a fairly long time before a property is sold. Transactions can take up to a year or longer to be completed and the course of negotiations can be very unpredictable.
- It can take several years to build up a network of clients.
- There may be long periods during which no commission is earned.
- Novices have to undergo a long training period.

The benefits of selling commercial property include the following:

- One deals mostly with professional and business people.
- One mainly sees clients during normal office hours.

Commercial property administration can supply the agent with a healthy cash flow basis on which a commercial selling practice can be based. Agents may find it necessary to spend the greater part of their time on the administration and letting of property when a commercial practice is started to ensure a regular monthly cash flow.

The administration and letting of commercial property is complicated. The lease contracts that are used are often more intricate than residential selling contracts for instance and a good understanding is required of items like basic rental, royalties, sharing of operating expenses, administrative costs, payment of municipal services, security of the property, repairs and maintenance.

When estate agents are working with commercial properties, they will find that they will only be able to give attention to one or two investors per year. Some agents for instance work exclusively with fuel or retail businesses, finding suitable premises for their type of business. It is also possible to build a career by searching for premises for new shopping centres.
Nearly all bigger businesses and financial institutions have their own property department with salaried personnel, who buy, sell and manage property for their employers. These personnel are often specialists on small segments of the property business.

(c) **A definition of industrial property**

Industrial property is property that is used in the production, storage and distribution of tangible economic goods. It includes factories, warehouses and distribution centres, as well as unimproved land earmarked for these purposes.

(d) **Selling of industrial property**

Industrial properties can be on the market for several years before they are sold. This is particularly true during deep economic recessions. As in the case of commercial property, industrial property and warehouses need specialized knowledge.

(e) **Categories of commercial and industrial properties**

Both commercial and industrial property can be divided into two categories, namely investment property and property used by owners.

(f) **Investment property**

Investment properties are bought for the monetary benefits which accrue as a result of one or more of the following:

- Rent received for allowing other people to use the property.
- Financial leverage – the use of borrowed money to finance the property.
- Capital growth that can be realised when the property is sold.

The investment category includes rented property like office buildings, multi-user buildings (for instance a combination of offices and shops), planned shopping centres, free standing shops, property in a ribbon shopping development (i.e.
property next to a street or throughway which is built up on one or both sides with a variety of shops, garages, restaurants, etc.), hotels, motels, parking garages, free standing industrial property, industrial parks, warehouses and unimproved land which could be used for any of the above purposes.

(g) Property used by the owner

A property used by the owner is any property utilized by the owner for his trade, profession, business or for manufacturing. The primary objective of the owner is occupation for own use. Rental income, leverage, income tax benefits and capital growth are normally secondary considerations. Property used by owners may include banks, medical centres, offices for estate agents, power stations, sewerage works, garages, factories and unimproved land earmarked for these purposes.

1.2.4 Marketing in the online environment

Scholarly research in marketing in the online environment has focused on such issues as new models of communication (Hoffman & Novak, 1996), buyers and sellers’ incentives to participate in the electronic marketplace (Burke, 1997; Grewal, Comer & Mehta, 2001) and the migration of products to the electronic marketplace (Peterson, Balasubramanian & Bronnenberg, 1997; Yadav & Varadarajan, 2001). The contextual relevance of factors such as industry structure characteristics (e.g., market dispersion and market thinness), product characteristics (e.g., product digitizability), and buying environment (e.g., information search costs) for competing in the electronic marketplace has also been explored in research (Balasubramanian, Krishnan & Sawhney, 2000; Hoffman and Novak 1996, 1997; Lynch & Ariely, 2000). Contributions from strategy (e.g., Porter, 2001), complement the above research in online marketing.

(a) The electronic marketplace

Varadarajan and Yadav (2002) define the electronic marketplace as “a networked information system that serves as an enabling infrastructure for buyers and sellers to
exchange information, transact, and perform other activities related to the transaction before, during, and after the transaction”.

The electronic marketplace thus performs the same set of functions as a physical marketplace, namely to bring buyers and sellers together. Although they share a common purpose, electronic and physical marketplaces do have certain distinguishing characteristics. Varadarajan and Yadav (2002) list these as:

- In the electronic marketplace the enabling infrastructure is electronic rather than physical.
- Private electronic marketplaces serve either multiple buyers and a seller (e.g., buyers purchasing tickets directly from an airline Website) or multiple sellers and a buyer (e.g., sellers participating in a live reverse auction at a pre-specified date and time in response to a call for bids posted by a buyer). Such variations can occur in the physical marketplace as well, but they can be scaled much more readily in the context of the electronic marketplace.
- Role players other than buyers and sellers can be found in the electronic marketplace, namely those that provide value-added services to buyers and/or sellers. For example, interacting with other marketplace participants may involve activities such as a buyer accessing information.

(b) The marketing mix in an online environment

Kalyanam and McIntyre (2002) propose how the marketing mix should be made up in an online environment.

The marketing mix in an online environment consists of the 4 Ps, personalisation (P), customer service (C) and site security (S). It can be shown as:

Online marketing mix = 4 Ps + P² + C² + S².

The marketing mix as an exchange paradigm in a physical world has been well documented (Kotler et al., 2001). The marketing mix in an online environment requires relational exchanges in a networked world predominantly made up of bits and bytes. The marketing mix in an online environment thus has the following
additional elements: site, personalization, security, privacy, community, and customer support. There is much more to marketing in the online environment because these additional functions are considered overlapping. Since overlapping functions moderate other functions, planning and implementing an overlapping function involves coordination and integration with other functions. Figure 1.1 outlines the marketing mix in the online environment. This figure is further discussed and shown again in Figure 3.1.

**FIGURE 1.1: MARKETING MIX IN AN ONLINE ENVIRONMENT**

Source: Kalyanam and McIntyre (2002)

1.2.5 The content page of home pages on the World Wide Web

Although the content of home pages on the World Wide Web may vary from Website to Website, the categories of contents most often found are given in Table 1.3 (Liu, Arnett, Capella & Beatty, 1997).
# TABLE 1.3: THE CATEGORIES OF CONTENTS FOUND ON HOME PAGES ON THE WORLD WIDE WEB

<table>
<thead>
<tr>
<th>Contents</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business overview/info</td>
<td>Brief history; how the business is organized and operates; business capability; general business environment; challenges faced today and tomorrow, etc.</td>
</tr>
<tr>
<td>Products/services</td>
<td>Main products and services</td>
</tr>
<tr>
<td>What’s new</td>
<td>News releases for the products and services; updated news; pertinent industry information; new announcements; hot topics; what’s cool/hot, etc.</td>
</tr>
<tr>
<td>Search</td>
<td>Search engine for users to locate available interested items within the business’ homepage.</td>
</tr>
<tr>
<td>Employment opportunities</td>
<td>Available opportunities for certain positions and their descriptions.</td>
</tr>
<tr>
<td>Interactive feedback</td>
<td>Requesting viewers to respond about their feelings/suggestions about a business Web homepage.</td>
</tr>
<tr>
<td>Customer service/assistance</td>
<td>Answering customers’ questions; sending forms to relevant person for product/service support; providing necessary help, etc.</td>
</tr>
<tr>
<td>Index/directory</td>
<td>Business’s Website direction; location distribution; Department addresses; office phone numbers, etc.</td>
</tr>
<tr>
<td>Links to other sites</td>
<td>Connection to the online Yellow Pages, funny things, weather, stock quotes, gopher services, newsgroups or third</td>
</tr>
</tbody>
</table>
### Contents

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>party vendors.</td>
</tr>
<tr>
<td>Online business services/utilities</td>
</tr>
<tr>
<td>Guestbook</td>
</tr>
<tr>
<td>FAQ</td>
</tr>
<tr>
<td>Messages from the CEO</td>
</tr>
</tbody>
</table>

Source: Liu, Arnett, Capella and Beatty (1997)

A business that has developed a use-friendly web site with content and appropriate services to its audience is only part of achieving successful Internet marketing. The idea that ‘build a great site and they will come’ is not valid – effective marketing communication is necessary to promote the site in order to generate visitors or traffic to the site (Fisher, 2010: 89).

#### 1.2.6 Major issues in using the Internet

There are several advantages and disadvantages associated with using the Internet for marketing purposes. According to Paul (1996: 29), some primary advantages to businesses using the Internet include:

(a) **Global opportunities**

The Internet provides a business with an opportunity to implement highly cost-effective vehicles for their own marketing and customer support needs and also for positioning themselves globally. It is especially beneficial to smaller businesses that want to expand their businesses globally, but do not have the capital and resources to do so. In addition, the Internet helps ease the red tape surrounding the prospect of
doing business overseas, thus avoiding regulations and restrictions that businesses must follow when physically present in other countries.

(b) Accessibility

Businesses that use the Internet, not only for advertising, but for e-mail and customer ordering, increase their hours of business on a global spectrum. Instead of a typical eight-hour day, businesses have increased their opportunities by providing 24-hour access to customers. Expanding access indeed increases the number and coverage of potential customers.

(c) Utility

The Internet provides product and service information to current and potential customers when they want it and hence increases the chances of trial/purchase/repurchase. Utility for the small business is created in:

- Advertisement effectiveness

The Internet has opened up avenues, particularly for smaller firms, to reach their potential clients more cost-effectively (with a lower cost per million).

- Market research and analysis

Although marketing on the Net can benefit businesses of all sizes, smaller organizations may have the maximum gain. The Internet provides direct customer contact, combined with the appropriate market and technical reference material, which gives businesses greater ability to adapt to product and customer trends and to test new value propositions in response.

(d) Disadvantage when using the Internet for business

Paul (1996: 29) has identified security as the major risk when using the Internet for business. In particular business concerns include:
• Concern for security in terms of copyrights and other proprietary information (intellectual property).

• Concern for access to customers’ personal information (addresses and credit card numbers) referred to as sharing confidential information.

1.2.7 The top ten Internet marketing trends

Arnold (2010, 36) lists ten Internet marketing trends and advises on whether businesses should invest in this feature or not. These 10 trends are:

• Search engine optimization

As the volume of content on the web is growing it is important to ensure that your business features high up in the search results of different search engines. It is best to test the various means to ensure this first before investing money in this.

• Paid search

Done on Bing and not Google, this search engine does not use advertising banners and other methods to produce income. It may be advisable to invest in this search engine as more consumers use the paid search options.

• Email marketing

Email marketing will be especially effective when email marketing is integrated with other social media and it may be advisable to invest in this option.

• Social network marketing

As the use of social network platforms is relatively new it will be advisable to first test this before you invest in the options available.

• Blogging

Many use blogging as a means of help search engine rankings but it is advisable in business not to go this route.
• Web presence

It will be advisable to advertise your Website on other high traffic Websites so that consumers can come to your web site. It is advisable to invest in this.

• Mobile marketing

As more mobile applications become available, a business should test the options before investing in them.

• Podcasting and online radio

As online broadcasters are struggling to find and attract audiences, it is best not to pursue this option.

• Online video

A video is interactive, memorable, widely accessible, cheap and highly shareable. It is thus advisable to invest in this.

• Coupons, discounts and savings

As in the offline environment it is advisable to first test this option before investing in it.

1.3 PROBLEM DEFINITION

There are many factors that come into play when developing a Website and each element can have an effect on the time it will take to design and build a Website. Shaheen (2010) indicates the following elements in designing and building a Website:

• Sitemap, planning and research

A sitemap that outlines the sections needed on a Website must be determined before the design of the Website can take place.
• Design and copy

An approach is to sit down and write all Website content first and through this process you will find the inspiration for the design in words. One does not have to have a copy finished to start the design, but having a sizable percentage will help you have a strong idea of the direction you want for your design.

• Coding and content

Custom-designed Websites will need to be converted to the code that makes them work online.

• Functionality

No matter how a Website is built, you should always take time to test its functionality.

Jackson (2009) indicates that the steps one should take in building a Website include:

  • Get started with a search

Your first port of call should be any search engine search for a “free Website” and you will discover that there is no shortage of options.

  • Building marketing content

Websites are all about content which must be relevant to your intended target audience.

  • Maintenance and management

The level of maintenance and site management you will perform depends largely on your business type. Maintenance involves the same sort of procedure followed in the original design; refreshing your site regularly with new images, news or diagrams can keep interest from your public high.
Hanson and Kalyanam (2009) list the following as important elements to include in an online shopping environment:

- Comprehensive product assortment accessible to all
- In-depth information
- Simple order taking
- Credit card transactions
- Accurate and real-time execution

Considering the factors influencing and the steps in the design of the Website, it is clear that building a successful Website will vary from business to business. This study will investigate what is required from a small commercial and industrial property and services business to take their business online and create an effective Website.

### 1.4 RESEARCH OBJECTIVES

The primary objective of this research is to investigate the Websites of small commercial and industrial property and services businesses so as to establish what is needed to create an actual Website.

Secondary objectives include the following actions:

- To outline theory on marketing of commercial and industrial properties and services
- To investigate marketing of commercial and industrial properties and services in an online environment
- To develop a framework to implement online marketing by analysing Websites of commercial and industrial property and services businesses using content analysis
- To qualitatively determine the characteristics of a specific small commercial and industrial properties and services business.
- To suggest a framework to create an actual Website.
1.5 RESEARCH DESIGN AND METHODOLOGY

To achieve the objectives of this research, primary and secondary research was undertaken.

1.5.1 Secondary research

A comprehensive literature search had to be conducted in order to identify as many sources as possible on Internet marketing with specific emphasis on how it relates to small commercial and industrial properties and services businesses. International and national data searches were made possible by the Library of the Nelson Mandela Metropolitan University and to date include: Sabinet databases; ISAP (National library of South Africa); and SAe Publications; EBSCO: MasterFile premier, Business Source premier, Academic Source premier; FS Articles First; Kovsidx; SA Cat and FS Worldcat; ScienceDirect; UPECAT; Google searches; Dialog and Dissertation Abstracts database.

Data were accessed from other international and national libraries by means of the inter-library loan facilities at the Nelson Mandela Metropolitan University.

The secondary research was used to build some guidelines on how a small commercial and industrial property and services business should go about taking their business online.

1.5.2 Primary research

A qualitative research paradigm was followed to investigate the success stories of online commercial and industrial property and services businesses. The success stories of online commercial and industrial property and services businesses were analysed using content analysis. The intention was to establish what these businesses do in the online environment that made them successful and whether the online environment changed their business and how. This knowledge assisted in developing a proposed framework for a small commercial and industrial property and services business to go online.
One of Australia’s largest commercial property Websites was used to source a sample of successful online commercial and industrial property and services businesses. In particular the focus was on what these businesses did in the beginning when going online. The Website of PropertyLook was searched to find the success stories or comments of owners of commercial and industrial property and service businesses.

PropertyLook is part of the REA Group (realestate.com.au Ltd.). Realestate.com.au Ltd. and its subsidiary companies, known as The REA Group, make up a global online real estate advertising company headquartered in Melbourne, Australia. The REA Group operates realestate.com.au, property.com.au, homesite.com.au, realcommercial.com.au and propertylook.com.au in Australia; propertyfinder.com in the UK; allrealestate.co.nz, realcommercial.co.nz and propertylook.co.nz in New Zealand; and Casa.it, atHome.lu, atOffice.lu, atHome.be, atHomeLorraine.fr and atHome54.de in continental Europe. The REA Group’s businesses also include estate agent office management tools and web design services as well as real estate print publishing. As a listed company, realestate.com.au Ltd operates as an independent entity.

The PropertyLook Website was established in 2003 and by 2005 it had become part of the larger REA Group. In 2005, in the early years of the Website, PropertyLook had over 50 companies using the Website to market commercial properties for sale and lease, representing over 110 offices in Australia and New Zealand – and over 1,300 property agents. Some brief statistics on PropertyLook at the time include:

- Over 18,500 properties represented
- 300,000+ page impressions per month and growing
- 30,000+ visitors per month and growing
- 6,000 signboards carrying the Website address - nationally
- www.propertylook.com.au address listed in newspapers - every day
- over 4,000 people registered for our daily Keep Me Posted service
- over 1,100 companies regularly receive Keep Me Posted emails
- 51 Companies (over 110 Offices) represented in Australia and New Zealand
- Direct access to over 1,300 agents nationwide and in New Zealand
The reason for using this Website was that no such Website for the South African market existed (of such a large size and with information on individual business owners). It was also important to obtain informative statistics on the Website when it went online as this study aimed to provide guidelines on how to go online.

Content analysis is a procedure for the categorisation of data, for purposes of classification, summarisation and tabulation. Content analysis of the success stories of the sample businesses was conducted using the following procedures:

- A copy of the business story was printed. While reading through the story and anything else available that contained relevant information, a brief note in the margin about the nature of the information was noted.
- Then the margin notes were studied and a list of the different types of information found was written down.
- The list of items extracted from the text was used to categorise each item in a way that describes what it is about. At this stage as many categories as needed were used as the number of categories could be reduced later.
- The list of categories identified from the transcript was considered to see if some of the categories could be linked in some way. A final list of categories was established when no new categories emerged and all the items of relevant and interesting information had been accommodated in the existing categories. At this stage the different categories were colour coded using a coloured highlighter pen for each category to highlight items of data in the transcripts.
- A final look was taken at any text that was not highlighted at all, because it did not appear relevant at the time.
- The final categories were then given to another researcher to see if she also found the same categories and agreed with the list produced.

Trustworthiness of the research was enhanced by triangulation by the researcher. This involved the use of more than one researcher to analyze the data (Struwig & Stead, 2001). Inter-rater reliability was performed in that another researcher verified the categories and ensured that the data were indeed correct.
The extracted categories from the success stories assisted in building a framework of what should be included in the Website of a successful commercial and industrial properties and services business.

Thereafter a narrative of an existing small commercial and industrial properties and services business in South Africa was drawn up. The “story” of the small business enabled the researcher to identify the content that had to be included in the proposed framework.

Labov (2002) defined a narrative as a technique of reporting past events that assists in establishing a basis for understanding current situations. To use narrative to collect data assists in collecting data that are richer than those found in unstructured interviews (Boudens, 2005). Remenyi (2005) indicated that a narrative or a story is a fundamental way of understanding the environment and relationships of people or businesses.

To compile the narrative of the business, interviews were scheduled with the owners and documents reflecting the business were studied.

Table 1.4 summarises the research process and design for this study.

**TABLE 1.4: THE RESEARCH PROCESS AND DESIGN FOR THIS STUDY**

<table>
<thead>
<tr>
<th>Steps</th>
<th>Data collected</th>
<th>Research design</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1: Collect existing literature</td>
<td>Online marketing for small commercial and industrial properties and services business and what is required to take the business online</td>
<td>Secondary research</td>
</tr>
<tr>
<td>Step 2: Investigate the Websites of selected online commercial and industrial properties and services businesses.</td>
<td>Content analysis of online commercial and industrial properties and services businesses.</td>
<td>Qualitative research using content analysis</td>
</tr>
<tr>
<td>Step 3: Develop a framework for a commercial and industrial properties and services business</td>
<td>Framework based on the content analysis of the Websites and literature study</td>
<td>Qualitative research using interpretative procedures</td>
</tr>
<tr>
<td>Steps</td>
<td>Data collected</td>
<td>Research design</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Step 4: Construct a narrative</td>
<td>Documents and interviews with current owners will supply data to provide the</td>
<td>Qualitative research using narratives and storytelling procedures</td>
</tr>
<tr>
<td>of a small commercial and</td>
<td>narrative of the business</td>
<td></td>
</tr>
<tr>
<td>industrial properties and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>services business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 5: Indicate how the</td>
<td>Compare results of step 4 with step 3</td>
<td>Qualitative research using interpretative procedures</td>
</tr>
<tr>
<td>small business can fit the</td>
<td></td>
<td></td>
</tr>
<tr>
<td>framework so as to establish</td>
<td></td>
<td></td>
</tr>
<tr>
<td>what will be needed to take</td>
<td></td>
<td></td>
</tr>
<tr>
<td>this business online</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1.6 SCOPE OF THE STUDY

This study was limited to how a specific small commercial and industrial properties and services business in South Africa could create an actual Website. Although the lessons from best practices were applied and researched, their implementation was for one specific business in South Africa.

1.7 STRUCTURE OF THE RESEARCH

The structure of the research was as follows:

Chapter 1: Purpose and Objectives of the Research.
Chapter 2: Marketing of Commercial and Industrial Property and Services
Chapter 3: Online Marketing and Web Site Development
Chapter 4: Framework to Implement Online Marketing in a Small Business
Chapter 5: Summary, Conclusions and Recommendations
CHAPTER 2
MARKETING OF COMMERCIAL AND INDUSTRIAL PROPERTY AND SERVICES

2.1 INTRODUCTION

The primary objective of this research was to investigate a small commercial and industrial property and services business so as to establish what was needed to take the business online and create an applicable Website. To ensure that happened, it was important to outline the theory on marketing of commercial and industrial properties and services.

The Internet offers many opportunities for all businesses, especially for small and medium-sized organizations, looking to market their products and services locally and internationally.

If a business decides to use the Internet it should make some marketing decisions and redefine its organization, since the Internet’s environment has changed the rules of traditional business. These important marketing decisions include: international prices, global branding, territory, channel conflict, international distribution, organizational structure, competition, and means of payment (Palumbo & Herbig, 1998).

The Internet allows a business to reach foreign markets, leave its usual business environment and move into new markets where cultural, legal and social systems differ widely.

In this chapter a theoretical overview of conventional marketing will first be provided. Thereafter the marketing of commercial and industrial property and services will be discussed. This chapter will start with the definition of concepts such as commercial properties, industrial properties and property services. The various categories of commercial and industrial properties are outlined and the characteristics of fixed properties explained. The environment of property is discussed and to conclude property marketing is outlined.
2.2 DEFINITION OF CONCEPTS

In this section commercial property, industrial property and property services will be defined.

2.2.1 Definition of commercial property

For the purposes of this study the definition of Cloete (1996: 79) will be used. Commercial property is property that is used in the practice of a business, occupation or profession. It includes offices, shops, hotels, restaurants and unimproved land allocated for these uses. Residential and agricultural property and property for special purposes, for example a school or hospital, are excluded.

2.2.2 Definition of industrial property

Industrial property is property that is used in the production, storage and distribution of tangible economic goods. It includes factories, warehouses and distribution centres, as well as unimproved land earmarked for these purposes (Cloete, 1996: 81).

2.2.3 Definition of property services

There are firms and individuals that offer professional property services such as property valuation, investment and property management, as well as agency and project planning. Property services represent intangible, high-contact services in which customers have to rely primarily on experience and credence qualities, especially during the pre-purchase stage. The following distinctions between types of services should be drawn:

- People-based or equipment-based services
- Services where clients are present or not present
- Services aimed at satisfying personal needs (for home dwellings) or business needs (for industrial sites)
- Services aimed at transferring ownership (sectional title units) or where only occupation is offered (renting shopping space).
# TABLE 2.1: CLASSIFICATION OF SERVICES IN RELATION TO TANGIBLE GOODS FOR PROPERTY MARKETING AND ROLE PLAYERS INVOLVED

<table>
<thead>
<tr>
<th>Pure tangible goods</th>
<th>Tangible goods with accompanying services</th>
<th>A major service with accompanying minor goods and services</th>
<th>Pure service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Role players</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Developers:</td>
<td>Property Developers and Administrators:</td>
<td>Estate Agents or Property Developers:</td>
<td>Estate Agents:</td>
</tr>
<tr>
<td>Product or service delivered</td>
<td>Designing and constructing or converting:</td>
<td>Selling time-sharing as a service</td>
<td>Canvassing properties to put up for sale on behalf of sellers</td>
</tr>
<tr>
<td></td>
<td>- Houses</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Commercial properties</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Industrial properties</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Designing, constructing / converting properties which are put up for sale</td>
<td>Selling undeveloped land and undertaking to administer it</td>
<td>Matching purchasers’ needs by introducing them to properties which are for sale</td>
</tr>
<tr>
<td></td>
<td>Selling undeveloped land and undertaking to administer it</td>
<td>Selling undeveloped land and undertaking to administer it as well as other facilities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Maintain the properties which are sold</td>
<td></td>
<td>Letting properties</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Administering properties on behalf of landlords</td>
</tr>
</tbody>
</table>

Source: Adapted from Cloete (1996)

Table 2.1 outlines the extent of services in property marketing by indicating the role players involved for each service and the actual product or service delivered.

## 2.2.4 Categories of commercial and industrial properties

Both commercial and industrial property can be divided into two categories, namely investment property and property used by owners.
a) Investment property

Investment properties are bought for the monetary benefits, such as:

- Rent received for allowing other people to use the property.
- Financial leverage – the use of borrowed money to finance the property.
- Capital growth that can be realised when the property is sold.

The investment category includes rented property like office buildings, multi-user buildings (for instance a combination of offices and shops), planned shopping centres, free standing shops, property in a ribbon shopping development (i.e. property next to a street or throughway which is built up on one or both sides with a variety of shops, garages, restaurants, etc.), hotels, motels, parking garages, free standing industrial property, industrial parks, warehouses and unimproved land which could be used for any of the above purposes.

b) Property used by the owner

A property used by the owner is any property utilized by the owner for his trade, profession, business or for manufacturing. The primary objective of the owner is occupation for own use. Rental income, leverage, income tax benefits and capital growth are normally secondary considerations. Property used by owners may include banks, medical centres, offices for estate agents, power stations, sewerage works, garages, factories and unimproved land earmarked for these purposes. (Smith, 2009)

2.2.5 The characteristics of fixed property which distinguish it from other commodities and products

Fixed property has a number of characteristics which distinguish it from other products and commodities. These distinguishing attributes are as follows (Smith, 2009):
a) **Large economic units**

Fixed property is relatively expensive in comparison with most other products. It is often said that buying a house is the biggest financial investment that the average person will make in his lifetime. Office blocks, shopping centres, hotels and factories typically require even larger capital amounts for their development or acquisition.

This implies that the number of participants in certain parts of the property market is relatively limited, with the result that the market for fixed property is often not an effective market. When there are few or no buyers or suppliers in the market, the effectiveness with which that market is able to function as a market is reduced.

b) **Complexity**

Buying and development of fixed property is a complex process, which requires a high level of knowledge, and it takes a relatively long time. Fixed property is therefore not as easily accessible to the ordinary investor as are other investments or possessions like shares, gemstones or minerals.

c) **Immobility**

Fixed property is geographically immovable; hence the term fixed property or immovable property. The benefit of a fixed property is because of its geographical location, and its suitability as financial security. The disadvantages are that every market for fixed property is a local market and that a specific property could be very vulnerable from the point of view of its environment and any changes in that environment.

d) **Fixed stock**

Only a limited supply of fixed property with certain characteristics will be found in a certain location. The physical expansion of the supply of land is only possible at certain locations and in unique circumstances, like the reclamation of land in low-lying parts (e.g. Holland, Cape Town, Hong Kong, Monte Carlo), while a physical decrease in the supply of land can happen as result of factors like erosion of coastal areas. The value-forming attributes of fixed property are also relatively fixed.
regarding physical characteristics and location, whereas the institutional attributes (right of use) could possibly be changed, for instance by a change in the right of use of the property. The improvements found on land or fixed property can also be seen as a relatively fixed stock in the short term, because improvements normally take months or even years to complete.

e) Permanence

Fixed property is nearly indestructible, and the improvements are usually relatively permanent. The utility of fixed property is not diminished easily or even quickly in contrast with many other products like food or clothes. These attributes make the long-term financing of fixed property possible, but also imply that fixed property cannot be adapted, or can only be adapted at very high cost, to suit changed needs or circumstances. The property can age functionally, although there may not be significant physical ageing of the property.

f) Heterogeneity

No specific property is identical in all respects with another property, in contrast to many other products such as shares. Even two apparently identical flats in a block of flats differ at least regarding their location, and most fixed properties differ substantially regarding the location and improvements.

This distinctiveness implies that each individual property can and should be described in a unique manner, and that specific compliance with contracts is more easily enforceable.

g) Dependence on the public sector

No fixed property can be used without the necessary accessibility and essential services, both of which are usually supplied by the government. The use of property is also normally subject to a variety of limitations as laid down by government in a variety of ways from laws to local regulations.
h) Monopolistic interaction

The result of all the above attributes is that the property market is not an efficient market, because participation in the market is limited regarding the number of participants, their actions and their access to or the availability of certain types of property. The property market is typically subject to the monopolistic market forces of the government, where supply and demand can be regulated, and to the fact that there are relatively few participants (Cloete, 1996).

2.2.6 Definition of marketing

Of the numerous definitions offered for marketing, Kotler (2000: 7) distinguishes between a social and a managerial definition. A social definition shows the role marketing plays in society. One marketer said that marketing’s role is to “deliver a higher standard of living”. A social definition that serves this purpose is (Kotler, 2000: 8):

“Marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others”.

A managerial definition of marketing, on the other hand, focuses on the “art of selling products.” There is, however criticism of this definition as it is well known that marketing involves much more than just selling.

Marketing is the process of planning and executing the conception, pricing, and distribution of ideas, goals, and services to create exchanges that satisfy individual and organizational objectives (Cloete, 1996).

If one looks at the various views on what marketing entails, it is important that it should include the following:

- A process of exchange
- Lead to satisfaction
Any definition of marketing should thus include the concepts above. Coping with exchange processes calls for a considerable amount of work and skill.

a) Definition of marketing strategy

Marketing strategy entails the design and creation of the four marketing elements (product/service, price, place, promotion) in an ideal combination forming the total offering to the customer. The firm’s marketing strategy will change over time as a result of the ever-changing marketing environment.

b) Definition of marketing programme

The marketing programme specifies the detailed execution of the marketing strategy of the firm. In property marketing it will for instance outline in detail how a block of bachelor flats will be converted to one-bedroomed units (product) and what unique customer benefit will be communicated in press advertisements (promotion).

c) Definition of marketing plan

The marketing plan, amongst other issues, documents the above strategies and programmes as discussed in the previous paragraph.

2.3 THE ENVIRONMENT OF THE PROPERTY MARKET

Any firm in the property context is exposed to both governmental influence and also the private sector.

2.3.1 The role of government in the property industry

Government plays a role in:

a) Levying of taxes

Taxation makes direct inroads into the property rights of the owners of fixed property. From an economic point of view, taxation is probably the most powerful instrument available for the redistribution of income and wealth.
Taxation has a direct influence on the utility or productivity of property and consequently on its value. The following are well-known forms of taxation that are important in regard to fixed property:

- Income tax
- Estate duty
- Transfer duties
- Assessment rates
- Development contribution
- Donation
- Rent control

b) Expropriation

Expropriation means that right of ownership or other limited real rights in respect of fixed property are taken over by the government, without the co-operation of the owner of the rights for use, for public purposes. When these rights are taken over, compensation is generally paid.

For public purpose the government has the right to acquire property for a wide variety of purposes, including: housing, community development, water reticulation, slum clearance, national roads, railways, universities, group areas, soil conservation and electricity supply.

c) Control measures

Control measures place restrictions on the use of private property, for the benefit of the general public. Unlike what happens in the case of expropriation, compensation is virtually never payable.

The control measures imposed by the government are far-reaching and widely divergent; they are exercised at the national, provincial and local levels. The following list gives some indication of the broad spectrum of control measures:
• Control over the use of land
• Control over the construction and operation of permanent improvements
• Control over the subdivision of land

2.3.2 The role of the private sector in the property industry

The private sector influences the property business in four economic activities (agency, investment, trading and advisory services) that jointly make up the property business. The government is regarded as an economic participant, and also as a supplier of government services to the property industry.

Note that the construction industry does not form part of the property industry. Similarly, the services provided by architects, quantity surveyors, surveyors and attorneys are economic activities pertaining to the business services industry, not the property industry. However, the construction industry and the business services industry are closely linked to the economic fortunes of the property industry.

a) Agency

An estate agent is any person who, for the acquisition of gain, on his own account or in partnership, in any manner presents himself as a person who, either directly or indirectly, advertises that he, on the instructions of or on behalf of any other person, performs one or more of the following acts in connection with immovable property, an interest in immovable property or a business enterprise:

• Purchases or sells
• Negotiates for the purchase or sale
• Canvasses a purchaser or seller
• Undertakes or offers to canvass a purchaser or seller
• Negotiates for the letting or hiring
• Canvasses a lessee or lessor
• Undertakes or offers to canvass a lessee or lessor
• Collects or receives any monies payable on account of a lease
• Renders any other service specified by the Minister by notice in the Gazette
b) Investment

By “investment” is meant the purchase of property (or of rights in property) for own use or in order to derive a monetary income – usually a regular one – from it. Factors such as the resale value of the property and income tax benefits should be studied in depth when investment analyses are carried out. Although resale value is always taken into account, trading in property is not a primary objective in property investment.

c) Property development and other forms of trading in property

The person trading in property and rights in property is more interested in profit from turnover than in a regular income that could be earned on the investment. Trading in fixed property includes all those economic activities which are directed at making a trading profit. The chief aim of the dealer (unlike the investor) is to buy and sell rights and interests in property, and make a profit from the transaction. Like the investor, the dealer makes use of his own and borrowed capital.

The commodity traded is generally full ownership, but mineral rights and other limited real rights, such as servitudes and usufructs, can also be bought and sold. The dealer could follow a number of different strategies in order to bring about an increase in the resale price (relative to the purchase price) and so realise a trading profit. These include:

- Changes in market conditions
- Extraordinary pressure on the seller
- The fact that the seller is poorly informed about prevailing market conditions
- Expectations of major economic expansion in the area
- Changing the right of use
- Township establishment
- Building development
- Income-generated buildings
- Lease
- Mortgages
• Other rights and interests

d) Property valuation and other advisory services

An adviser is someone who is able to analyse a specific property problem, evaluate alternative possibilities and recommend solutions. The demand for this type of service is increasing rapidly, especially as a result of the growing complexity of property transactions and increasing government control over and regulation of property matters.

Advisory services cover a wide range of property matters but the following are probably the most important:

• Market value
• Property investment
• Property development
• Property financing

The most specialised aspect of property advisory services is probably property valuation. The valuer requires a sound knowledge of all aspects of real estate, an understanding of the functioning of the economy in general, a working knowledge of the most important legislation applicable to property matters and of relevant case law, and should have sufficient practical experience to be able to identify all the factors that influence property values and take them into account, to substantiate his conclusions and defend his point of view in a court of law (Smith, 2009).

2.4 MARKETING IN THE REAL ESTATE CONTEXT

Marketing of real estate has tended to focus on promotion and advertising and the emphasis is on selling as opposed to marketing. Property professionals have begun to recognize that there is a fundamental difference in these two approaches and begun to develop a marketing approach (Levy, 1995). Part of the development of this approach is to be fully informed about target markets and consumers and being able to match one with the other. An essential aspect of this is the need to undertake market research.
In a property context, if real estate agents have access to the right type of information, not only can they add value to their own organizations, but they can also capitalize on the same information to create added value for their clients. By being better informed, the property professional should be able to outperform rival organizations in a number of ways, for example, by:

- developing effective promotion and advertising campaigns;
- matching consumer needs with available premises;
- providing superior advice to developers and investors on potential development/purchase opportunities;
- identifying appropriate premises more accurately and quickly.

Outperforming rivals can only be achieved by businesses pursuing “value activities” at a lower cost, or performing them in a way that leads to differentiation and a premium price. It is therefore beneficial to draw on marketing research techniques that permit a deeper understanding of how consumers perform in real-life situations (Levy, 1995).

Property marketing can also be defined by a number of key activities which raise the awareness of potential occupiers that it is available (Pullan, 2005). These are:

- Erection of a signboard
- Production of particulars
- Mailing to registered enquiries – i.e. from in-house database.
- Target mailing
- Press coverage
- Inclusion of details on Website
- Registration of particulars with Local Authority/Regional Development Agency
2.5 THE ELEMENTS OF THE MARKETING MANAGEMENT PROCESS IN THE PROPERTY INDUSTRY

The marketing management process should be documented in the annual marketing plan which, among other factors, describes the marketing strategy.

2.5.1 Gathering information about the marketing environment (market opportunity analysis)

In order to be in position to design, develop and promote at set prices to achieve marketing and profit goals, marketing management should accumulate information about the market, competitors and target customers. The following types of information are needed to make sensible and profitable decisions in property marketing:

- What specific needs exist in the property market?
- What is the profile of the target market which will be most attracted to the business’s offering?
- Which attributes would the target market be looking for in the property which is on offer?
- Who would be making the final decision to acquire the property? Also who may influence the purchaser or tenant to enter into an agreement with the seller or landlord?
- What is the size of the market?
- What is the specific developer’s share of the total market; for instance what percentage of office space is being let by a business in the Braamfontein area in Johannesburg in relation to its competitors?
- What are the opportunities and threats existing in the business’s business environment? (One of marketing’s main responsibilities is to identify propositions which are worth investing in. It should also pinpoint threats which exist at present or may exist in future. Marketing management should advise the business which markets have the biggest potential.)
- What are the strengths and weaknesses of the business? Marketing management critically analyses characteristics of the business which should be
promoted to the target market. Weaknesses should be neutralised, minimized or eliminated.

- Who are the main competitors of the business?
- What are their strategies, strengths and weaknesses?
- How are the competitors going to react to the business?

The above information and other relevant information put the business in an advantageous position to optimally develop and execute its marketing strategy.

2.5.2 Setting marketing goals and planning marketing strategy

Knowing exactly where it stands in relation to its marketing environment, marketing management can set goals and create strategies to meet these goals. Marketing goals are normally expressed in terms of one or more of the following:

- sales volume, i.e. number of units to be sold during a planning period in order to make a development feasible
- turnover
- market share
- growth in sales, turnover or growth in market share
- profitability
- return on investment

Establishing specific, measurable and attainable marketing goals is followed by creating marketing strategy to meet these goals.

The marketer of properties should:

- Develop and offer the most suitable product (development, house, flat, office, industrial premise).
- Establish the most acceptable price for both client and business.
- Select the locality (place) where the product is offered for sale in such a way that it attracts the right number of clients and still is profitable for the business to market. In property marketing place could also be described in terms of the
locality where the business’s administration is situated, i.e. from where letting of properties and administration is managed. Different sales offices of an estate agent’s business could also be considered a “place decision”.

- Promote the business’s offering. It forms the fourth element of the marketing mix. Promotion’s task is to attract the target market’s attention, create interest and desire in the offering and persuade the client to conclude an agreement and to meet the conditions as described in the agreement.

2.5.3 Organizing and implementing marketing strategy

Marketing management’s task is to make sure that the planned marketing strategy is properly implemented. In order to do so, an organization should be established and managed in order to execute the marketing strategy.

Marketing management also includes the preparing of marketing action plans which will ensure that the strategic marketing plans are implemented.

2.5.4 Controlling marketing activities

Marketing management has a controlling function. In addition to creating strategy and implementing these strategies through action plans, it should also exert control over these activities.

It should monitor the following on an on-going basis:

- whether marketing strategies are correctly implemented
- whether marketing activities are profitable
- whether marketing activities are performed efficiently and
- whether marketing contributes to the overall business strategy in accordance with the business goals (Cloete, 1997).

2.6 MARKETING TOOLS

Marketers use various tools to elicit desired responses from their target markets. These tools constitute a marketing mix. The marketing mix is the set of marketing tools that the firm uses to pursue its marketing objectives in the target market.
Kotler (2010) classified these tools into four broad groups that he called the four Ps of marketing, namely product, price, place and promotion. The particular marketing variables under each P are shown in Figure 2.1:

**FIGURE 2.1: THE FOUR P COMPONENTS OF THE MARKETING MIX**

![Diagram showing the four P components of the marketing mix](image)

**Source:** Kotler, Principles of Marketing (2010: 66)

From Figure 2.1 one can see the 4 Ps that make up the marketing mix of a business. Marketing-mix decisions can influence trade channels as well as the final customers. Marketing mix constitutes the business’s tactical tool kit for establishing strong positioning in selected target markets.
Figure 2.2 shows the business preparing an offering mix of products, services, and prices, and utilizing a promotion mix of sales promotion, advertising, sales force, public relations, direct mail, telemarketing, and Internet to reach the trade channels and the target customers.

**FIGURE 2.2: MARKETING-MIX STRATEGY**

The business can change its price, sales force size, and advertising expenditures in the short run. It can develop new products and modify its distribution channels only in the long run. Thus the business typically makes fewer period-to-period marketing-mix changes in the short run than the number of marketing-mix decision variables might suggest.

The four Ps represent the sellers’ view of the marketing tools available for influencing buyers. From a buyer’s point of view, each marketing tool is designed to deliver a customer benefit. Kotler (2010) suggested that the seller’s four Ps correspond to the customers’ four Cs as outlined in Table 2.2.
TABLE 2.2: THE 4 Ps AND THEIR CORRESPONDING C

<table>
<thead>
<tr>
<th>FOUR Ps</th>
<th>FOUR Cs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>Customer solution</td>
</tr>
<tr>
<td>Price</td>
<td>Customer cost</td>
</tr>
<tr>
<td>Place</td>
<td>Convenience</td>
</tr>
<tr>
<td>Promotion</td>
<td>Communication</td>
</tr>
</tbody>
</table>

From Table 2.2 one can point out that winning businesses will be those that can meet customer needs economically and conveniently and with effective communication.

### 2.7 MARKETING STRATEGIES

Kotler (2010) indicates that when designing a customer-driven marketing strategy and integrated marketing mix, the following marketing strategies can be identified:

- Customer-driven marketing strategies: Creating value for target customers
- Product, branding and services strategy
- New-product development and product life cycle strategies
- Pricing products: Understanding and capturing customer value
- Pricing products: Pricing strategies
- Marketing channels and supply chain management
- Retailing and wholesaling
- Communicating customer value: Integrated marketing communications strategies
- Advertising and public relations
- Personal selling and sales promotion
- Direct and online marketing: Building direct customer relationships

When deciding upon a marketing strategy, the owner and agent must make a number of decisions. In making these decisions, they will have to pay attention to the following factors:
• Location
• Age
• Specification
• Size
• Accessibility
• Likely market interest
• Tenure
• Rental/price

The subsequent marketing strategy of the business will have to consider the factors above and determine whether the marketing takes on a local, regional or national focus. The strategy for marketing a property/site is contained within the marketing report. This document will also set out the basis of the instruction – e.g. sole agent, joint agent and the terms on which the property is to be marketed.

If the property is being marketed correctly, the agent will have obtained comparable evidence, and applied a realistic sale/letting price, allowing room for negotiations. For both office and industrial premises, it is not uncommon for marketing to take in the region of 12 – 18 months, and in some instances up to two years. It is thus important to expose a property to the market correctly; it would be reasonable to expect that it is marketed for a minimum of 12 months. During this time period, the marketing strategy should be reviewed and the agent should provide regular updates to the client.

It would therefore be reasonable to request a copy of the marketing report to ensure that a suitable asking price has been established and that all other aspects of marketing are realistic and suitable for the type of property being marketed. Again, it would be reasonable to request details of any marketing meetings and updates in terms of changes in strategy.

Specialized developers and funds have occupied several market niches, meeting respective demands of all kinds of investors. In most Responsible Property Investment (RPI) strategies, at least two of the three dimensions of building, location and people play a significant role. Figure 2.3 outlines this.
From Figure 2.3 it is clear that when developing the business and marketing strategy, the following strategic questions connected with the building, its location and the people using and inhabiting the built environment seem to lead responsible property developers, funds and investors and may inform future decision making in the business and its marketing:

- How much to focus on design and performance of the building compared to its location? Is the building a means to an end or the main object?
- To what extent is the location of the building an essential issue in our responsible property investors’ strategy, and do we aim to make a significant contribution to smart growth, to sustainable urban development or revitalization?
- What spectrum of people using and inhabiting the built environment do we
consider in our responsible property investors’ strategy and activities?

Marketing activities mirror business strategies as they are highly differentiated, too. Depending on the business model and respective target group(s), marketing either focuses on or combines issues related to people, location and/or building (Figure 2.3.) User benefits related to location and/or buildings are regularly specified. LEED proved to be the most widely used label for green building. With regard to RPI contributing to urban development, it is frequently described as “smart growth”. Some market actors even argue for landscape preservation through inward development.

2.8 SERVICE MARKETING STRATEGIES

The development of services marketing strategies must give much greater attention to integrating with an effective operating strategy. Marketing and operations have to be designed together if the business is to achieve high service quality with a viable cost structure.

There are four central components of a service marketing strategy, namely (Doyle, 2002):

- The target market segment has to be defined and analysed
- A clear differential advantage and service positioning concept has to be developed
- An operating strategy has to be created that is internally consistent with the marketing strategy and which achieves high value-cost leverage
- The marketing mix has to be specified and implemented

The paradigm by which services have been defined and understood has traditionally posited a service (as opposed to a physical good) as having four distinctive characteristics:

- “intangibility”;
- “heterogeneity”;

• “inseparability”; and
• “perishability” (IHIP).

Of these characteristics, “intangibility” is commonly held to represent a problem for the evaluation of services by prospective consumers. As the level of intangibility increases, such prospective customers face increasing uncertainty in evaluating quality, and they are therefore forced to rely on experience and/or credence qualities in making their evaluations of service characteristics. To decrease the information asymmetry that is inherently associated with the intangibility of services, consumers are increasingly reliant on search qualities – that is, cues that serve as “surrogate quality indicators” (Reimer & Kuehn, 2005).

These search qualities become particularly important before purchasing services of which customers have had no prior experience. Several scholars have referred to the “servicescape” as being one such quality indicator (Aubert-Gamet & Cova, 1999; Baker et al., 2002; Ward et al., 1992).

In making their observations about “surrogate quality indicators”, Reimer and Kuehn (2005) contended that the meaning of the “tangibles” dimension of services has been insufficiently explored and defined in the literature; in particular, they argued that insufficient attention has been paid to the question of how a business’s servicescape (acting as a surrogate quality indicator) affects the evaluation of service quality. This question of the importance of tangibility in the service environment has also become an issue of interest in electronic business-to-customer (e-B2C) services (Melia´n-Alzola & Padro´n-Robaina, 2006); in particular, the role of aesthetics in virtual servicescapes has been attracting increased research interest (Vilnai-Yavetz & Rafaeli, 2006). Most of the research in this area has attempted to apply traditional quality models to the online environment and its “virtual servicescapes”. However, researchers have not explored the topic of service quality from an integrated perspective that considers quality dimensions from both a physical and a virtual servicescape.

Real-estate services are consequently well suited to an analysis of the relationship between potential qualities and the decision to initiate a service interaction, as well
as to the more traditional relationships among process quality, customer satisfaction, and customer intentions. Tuzovic (2009) seeks to investigate the notions of a firm’s virtual servicescape in connection with its physical servicescape and service encounters in a holistic framework. The key objective is to synthesize four research streams (service quality in general; servicescapes as a surrogate quality indicator; the concept of a virtual servicescape; and the idea of tangibility as a quality factor of e-services) in proposing a new integrated research framework for the real-estate industry in particular and for “ownership/non-ownership” services in general. He concludes that real-estate quality appears to be driven by two main components:

- the physical service encounter; and
- the firm’s virtual servicescape.

Taking these together, it is apparent that real estate firms need to pay attention to both the recruitment and training of their agents, and to their Websites (especially the ease of navigation and the provision of valued features, such as search functions, pictures, floor plans, and virtual tours).

Buyers and renters exhibit certain similar patterns in the pre-purchase stage. In particular, both groups value the availability of pictures and search functions on Websites and positive interactions with realtors. However, some differences were also apparent. For buyers, the purchase of a property entails greater complexity and personal involvement. Buyers are therefore very interested in receiving honest and ethical treatment. For renters, ready access to the realtor in the post-encounter stage is of importance.

Of prime importance to buyers and renters was to be able to view both interior and exterior pictures of properties on the Websites. One commented that merely having one or two pictures was not sufficient. Another said if there were no pictures at all the property was not even considered. Floor plans and layouts were important, as were virtual tours of properties. One comment was that virtual tours should become a standard offering. The second most important feature of the Website, according to respondents, was tools such as search functions, allowing them to customize searches on the basis of various criteria – type of property, size, number of rooms,
price range. Other tools that influenced respondents’ perceptions of Websites were mapping features – i.e. a link to an online map, allowing potential buyers or renters to understand the neighborhood better (location of schools, etc.). One suggested satellite views should be linked to the site. It was also apparent that respondents emphasized trust and honesty in a realtor. Buying a house is the biggest investment most people will make and no one wants to get the impression that the agent is focused mainly on closing the deal and getting a commission.

2.9 A PRACTICAL EXAMPLE OF A MARKETING PLAN FOR A SMALL ESTATE AGENCY

This paragraph provides a practical application of a possible marketing plan for a small estate agency.

**Introduction to the marketing plan**

Residential property is a tangible product, in other words it can be seen or touched or quantified. The service provided by the agent (either for the seller or the buyer) is intangible and cannot be seen or touched or felt by the seller or buyer. The marketing plan will focus primarily on how to introduce this intangible service to the market, attract customers in the market, retain them and add additional clients.

**The corporate strategic plan**

**The corporate vision**

To become the people’s choice in the property market

**Corporate mission**

To provide a superior service to the property

**Values**

- Excellent customer service
- Value for money
- Innovation
- Treat each client on an individual basis
Challenge the norm
- On-going self-improvement

Primary market served (currently)
- Upper-income residential market

Primary product (current)
- Service to the real estate industry (upper-income) residential market

Primary technology to service market (current)
- Advertising in property guide
- Telecommunication

The business plan (SWOT) analysis

Strengths
- Large network
- Skilled employees
- Highly committed

Weaknesses (current)
- Poor history of marketing
- Targeting only a small sector of the market

Opportunities (future)
- Government policies (positive fiscal factors)
- Prospective clients
- International market
- Target other sectors (middle-income market)
- Successful strategies of other agents
- New technology (Internet advertising)

Threats (current)
- Many agents operating in the market
Government policies (new legislation regarding redistribution of land and expropriation)

The international market has shown a greater interest in the South African segment. The business cannot only rely on the upper-income and needs to broaden its target market to include the low to mid upwardly mobile residential market. The business needs to examine the techniques used by successful agents and ensure that it can use them to its own benefit.

The threats need to be managed. The impact of government policies needs to be understood and acted upon accordingly. The business needs to identify agents working in its target sector and ensure that its own level of service exceeds that of other agents.

**Analysis of the marketing situation**

**Current sales analysis**

**Turnover**
- The annual turnover of the market was R143,885,700.00
- The annual turnover of the business was R28,605,000.00
- The agent's annual turnover was R5,755,000.00

**Number of units sold**
- The total number of units sold in the last year was 230
- The business sold 48 units
- The agent sold 11 units

**Market share**
- The business share of the market was 19.8%
- The agent's share of the market was 3.9%
Growth

- Turnover
  - The business turnover improved by 15%
  - The agent’s turnover improved by 17%
- Volume
  - The number of units sold by the business increased by 8%
  - The agent’s number of units sold increased by 9%
- Market share
  - The business has grown its market share by 14% in the past year
  - The agent has grown her market share by 19% in the past year

Summary of current marketing mix

Property selling
- Focusing on only high income group

Summary of current marketing strategy

Based on turnover the business and the agent have had a drop in their share of the total property market. Currently the business has targeted the high-income bracket and although they have been successful, they have seen a decline in sales over the past few months. They have attributed this to the levelling off of the property market. They have to identify a more viable market in order to continue being successful as well as keeping their current clients satisfied.

The business has not used technology effectively and advertising methods used have not paid the expected dividends as they were not thought out carefully. To date, they have not utilised an effective marketing plan.
Macro environmental analysis

Demographic environment

The demographic environment has not changed considerably in the last year. There are, however certain trends that have remained. There continues to be a demand for entry-level housing.

The population is constantly growing in the traditionally poorer groups, while in the high-income groups the trend is toward smaller families.

People are moving from the cities to the suburbs and it is not uncommon for people to commute to and from major city centres to coastal locations. As the price of property increases in these regions, lower income groups are moving inland, creating an increase in property prices in those regions.

Economic environment

Consumers are spending more than ever. With a decrease in the interest rates, people are able to obtain affordable bonds with a resultant increase in property demand. A negative saving climate exists. Prices, especially petrol, continue to rise and the cost of living therefore also continues to rise.

Physical environment

There is increased pressure from environmentalists to conserve natural areas creating a shortage of available land and therefore a rise in the cost of living in or near preservation areas.

Technology environment

Technology continues to improve and most consumers are aware of the latest developments creating pressure for suppliers of technological devices.
Political environment

The political climate seems to be stable at present. Attention must be drawn to the BEE policy and the need to conform to its standards. SMMEs need to comply with the BEE plan as it has a direct bearing on estate agencies.

International environment

South Africans have access to global markets as well as foreigners having interest in the South African market. There has been a steady rise in the number of foreign investors in South Africa. South Africa is also seen as a choice location for holiday housing. Of particular importance is the hosting of international events such as the rugby, cricket and now football Worlds Cups.

Legal environment

The Estate Agency Board has certain legal requirements, which must be strictly adhered to. Legal acts protect consumers and in some instances competitive marketing firms.

Micro environment analysis

The Business

The business has a good management system and good support base for the individual agent. The mission, vision and values are clear and have been listed above. As previously mentioned, the marketing of services has been a weakness in the business but is now being addressed.

Suppliers

The supply of property is scarce and the business needs to market itself effectively in order to enjoy a desirable share of the market. Suppliers have not been identified and targeted as effectively as they could have been.
Marketing Intermediaries

The marketing intermediaries such as advertisers, marketing firms and other specialists have not been used effectively. Other intermediaries such as banks and financial advisers have not been identified and therefore not been utilised to market our product.

Competitors

There will always be competitors in the estate agency business. The business has not observed our competitors closely enough and therefore has not learnt from their successes and failures.

Consumer behaviour analysis

The business has not paid enough attention to observing its consumers closely enough and therefore a detailed study will be required to comment on the consumer behaviour.

Current target markets served

As mentioned previously, the target market of the business at present has been the high-income groups.

Competitive analysis

The business has not paid close enough attention to its competitors and has therefore not been able to capitalise on their strengths and learn from and avoid their weaknesses.
**Market forecast**

The business predicts that there will be more opportunity in the low-to-mid income bracket group and has therefore identified them as a target group. It has also identified the need to service the international community.

**Critical marketing factors**

The high level of service, professionalism and competence of the business will make it attractive to the market. The business must continue to work on and improve these strengths.

**Product services related weaknesses**

The weaknesses to be eliminated include:
- Poor previous marketing strategy and plan
- Only targeting the high-income group
- Poor advertising
- Not utilising intermediaries effectively
- Not identifying the international market
- Not observing the competitors

**Identifying marketing gaps**

The agent needs to continue to service her current clients in a professional manner. She needs to follow-up on her existing client data-base continuously. She has identified the business and her own weaknesses and needs to eliminate these and convert them into strengths. The business needs to form a relationship with and gain the respect of intermediaries in the market place. The business needs to broaden its approach with regard to the target market. The business has identified the upwardly mobile low to mid-income group as well as the international market as a key focus area.
Conclusion

Having compiled the marketing plan the business is in a position to realign its marketing strategy. It has identified areas for improvement as a business and for the estate agent in the business. The business can set its marketing goals.

2.10 SUMMARY

In this chapter the concepts of commercial property, industrial property and property services have been defined, the categories of commercial and industrial properties outlined and the characteristics of fixed properties compared to other commodities and products. Thereafter a definition of marketing, marketing strategy and marketing plan has been given.

A discussion of the environment of the property market indicated the role that government plays in the property industry and also the role of the private sector. Marketing in the real estate context indicated that if real estate agents have access to the right type of information, not only can they add value to their own organizations, but they can also capitalize on the same information to create added value for their clients.

The elements of the marketing management process included four steps, namely to gather information, to set marketing goals and plan strategy, to organize and implement marketing strategy and to control the marketing activities. Marketing tools, strategies and service marketing strategies were also outlined. To conclude, a practical example of a marketing plan for a small estate agency was given. In Chapter 3 the online environment for marketing commercial and industrial property and services will be discussed.
CHAPTER 3
ONLINE MARKETING AND WEB DEVELOPMENT

3.1 INTRODUCTION

Chapter 2 outlined the marketing of commercial and industrial properties and services. A theoretical overview of conventional marketing was provided and thereafter the marketing of commercial and industrial property and services was discussed.

This chapter focuses on the topic of online marketing and web development. Marketing in the online environment will first be outlined. Thereafter the principles of online marketing will be supplied. Major issues concerning the Internet and the top ten Internet marketing trends will be discussed. The difference between e-commerce and online marketing will be explained, the future of the Internet presented and Website development and Website effectiveness examined.

3.2 MARKETING IN THE ONLINE ENVIRONMENT

Online marketing is the fastest growing form of direct marketing. Recent technological advances have created a digital age. Widespread use of the Internet and other powerful new technologies is having a dramatic impact on both buyers and the marketers who serve them (Kotler, 2010, p.581)

Scholarly research in marketing in the online environment has focused on such issues as new models of communication (Hoffman & Novak, 1996), buyers and sellers’ incentives to participate in the electronic marketplace (Burke, 1997; Grewal, Comer & Mehta, 2001) and the migration of products to the electronic marketplace (Peterson, Balasubramanian & Bronnenberg, 1997; Yadav & Varadarajan 2001). The contextual relevance of factors such as industry structure characteristics (e.g., market dispersion and market thinness), product characteristics (e.g., product digitizability), and buying environment (e.g., information search costs) for competing in the electronic marketplace has also been explored in research (Balasubramanian, Krishnan & Sawhney, 2000; Hoffman & Novak, 1996, 1997; Lynch & Ariely, 2000).
Contributions from strategy (Porter 2001) complement the above research in online marketing.

### 3.2.1 Marketing and the Internet

Much of the world’s business is carried out over digital networks that connect people and firms. The Internet, a vast public web of computer networks, connects users of all types all around the world to each other and to large information sources. Internet usage continues to grow steadily. In 2008, Internet penetration in South Africa reached 10.5%, with nearly 5 million people using the Internet at home or at work.

Compared to the US, Internet household penetration in the United States reached 64%, with more than 205 million people using the Internet at home or at work. The Internet has given marketers a whole new way to create value for customers and build customer relationships. The Web has fundamentally changed customers’ notions of convenience, speed, price, product information and services. The amazing success of early click-only firms – the so-called dot-coms such as Amazon.com, bid or buy and hundreds of others – caused existing brick-and-mortar manufacturers and retailers to re-examine how they served their markets. Now, almost all of these traditional firms have set up their own online sales and communications channels, becoming click-and-mortar competitors (Kotler, 2010).

### 3.2.2 The electronic marketplace

Varadarajan and Yadav (2002) define the electronic marketplace as “a networked information system that serves as an enabling infrastructure for buyers and sellers to exchange information, transact, and perform other activities related to the transaction before, during, and after the transaction”.

The electronic marketplace thus performs the same set of functions as a physical marketplace, namely to bring buyers and sellers together. Although they share a common purpose, electronic and physical marketplaces do have certain distinguishing characteristics. Varadarajan and Yadav (2002) list these as:
• In the electronic marketplace the enabling infrastructure is electronic rather than physical.
• Private electronic marketplaces serve either multiple buyers and a seller (e.g., buyers purchasing tickets directly from an airline Website) or multiple sellers and a buyer (e.g., sellers participating in a live reverse auction at a pre-specified date and time in response to a call for bids posted by a buyer). Such variations can occur in the physical marketplace as well, but they can be scaled much more readily in the context of the electronic marketplace.
• Role players other than buyers and sellers can be found in the electronic marketplace, namely those that provide value-added services to buyers and/or sellers. For example, interacting with other marketplace participants may involve activities such as a buyer accessing information.

3.2.3 The marketing mix in an online environment

Kalyanam and McIntyre (2002) propose what the marketing mix should look like in an online environment. The marketing mix in an online environment consists of the four Ps, personalisation (P), customer service (C) and site security (S). It can be shown as:

\[ \text{Online marketing mix} = 4 \text{Ps} + P^2+C^2+S^2. \]

The marketing mix as an exchange paradigm in a physical world has been well documented (Kotler et al., 2001). The marketing mix in an online environment requires relational exchanges in a networked world predominantly made up of bits and bytes. The marketing mix in an online environment thus has the following additional elements: site, personalization, security, privacy, community, and customer support. There is much more to marketing in the online environment, because these additional functions are considered to be overlapping. Since overlapping functions moderate other functions, planning and implementing an overlapping function involves coordination and integration with other functions. Figure 3.1 outlines the marketing mix in the online environment.
FIGURE 3.1: MARKETING MIX IN AN ONLINE ENVIRONMENT

The E-Marketing Strategy is normally based and built upon the principles that govern the traditional offline marketing – the well-known four Ps (Product - Price - Promotion - Positioning) that form the classic Marketing Mix as outlined in Figure 3.1.

There are not many aspects to differentiate E-Marketing from the traditional marketing performed offline. The extended Marketing Mix (4 + 3 Ps) is built around the concept of "transactional" and its elements perform transactional functions defined by the exchange paradigm. What gives E-Marketing its uniqueness is a series of specific functions, relational functions that can be synthesized in the 2P + 2C + 3S formula: Personalization, Privacy, Customer Service, Community, Site, Security, and Sales Promotion as seen in Figure 3.1.

These seven principles of E-Marketing stay at the base of any E-Marketing strategy and they have a moderating character, unlike the classic Marketing Mix that comprises situational functions only. Moderating functions of E-Marketing have the quality of moderate operation upon all situational functions of the mix (the classic four Ps) and upon each other.

Source: Kalyanam and McIntyre (2002)
(a) **Personalization**

The fundamental concept of personalization as a part of the E-Marketing mix lies in the need for recognizing and identifying a certain customer in order to establish relations. It is crucial to be able to identify customers on the individual level and gather all possible information about them, with the purpose of knowing their market and being able to develop customized, personalized products and services.

For example, a cookie strategically placed on the Website visitor's computer can let marketers know vital information concerning the access speed available: in consequence, if they know the visitor is using a slow connection (e.g. dial-up) they would offer a low-volume variation of their Website, with reduced graphic content and no multimedia or flash applications. This will ease the customer’s experience on the Website and the user will be prevented from leaving the Website for the reason that it takes too long to load its pages.

Once a relationship is the marketing goal, an important step is to identify individual customers (Peppers & Rogers, 1993) and to gather information about them, which is the foundational concept of personalization (Peppers & Rogers, 1997). Personalization, then, is defined to be any form of customization that occurs because of specific recognition of a given customer.

In addition, personalization can be done based on rules provided by experts. For example, if the customer buys shirt A, then recommend pants B, or if the customer is from corporation X, then provide a discount of Y percent.

From this example, it is apparent that personalization can be applied across any aspect of the E-Marketing mix and is, therefore, overlapping and moderating with regard to the effect those other functions have on the customer experience.
(b) Privacy

Privacy is an element of the E-Marketing mix very much connected to the previous one - personalization. When marketers gather and store information about their customers and potential customers a crucial issue arises: that of the way this information will be used, and by whom. A major task to do when implementing an E-Marketing strategy is that of creating and developing a policy for access procedures regarding the collected information.

This is a duty and a must for any conscious marketer to consider all aspects of privacy, as long as data are collected and stored, especially data about individual persons. Privacy is even more important when establishing the E-Marketing mix since there are many regulations and legal aspects to be considered regarding collection and usage of such information.

The collection of information for personalization forces the marketer to decide how this information is to be used, particularly regarding access to it—thus the basic decision about privacy. Privacy-related decisions are inescapable once the marketer collects information about individuals and stores it. Furthermore, privacy considerations are well recognized by the policy-making forces in society and often carry the force of laws, which increases the complication of managing this aspect of the marketing mix internationally.

(c) Customer Services

Customer service is one of the necessary and required activities among the support functions needed in transactional situations.

Many early marketing mix taxonomy specifications (Borden, 1964) included customer service as a support function often needed to make a transaction happen (and therefore a situational function). The introduction of “time” into the exchange paradigm (the driving factor in moving to a relationship perspective) means that the marketer is forced to consider providing support to the customer over time. This necessitates consideration of customer service (in its broadest sense) as an ongoing and essential function. Interestingly, customer service is typically shown as a
necessary function (a key element) in the retail mix (Levy & Weitz, 2001). This suggests that an on-going direct interaction with customers requires support as an essential function. Furthermore, the support can be about any aspect of the E-Marketing mix. It can be an issue about product availability, service plans, pricing, or promotions.

Metcalf (2009) writes that sites that focus on marketing or online transactions should have a Help Desk for visiting users, as well as have access to a Frequently Asked Questions (FAQ) page containing a number of relevant and frequently asked questions of users. This makes it easier for users to refer to specific queries without the need of using the sophisticated Help Desk option. “A FAQ page on your Website will answer their questions before they ask them by allowing your customers to be self-serving while saving you time and money” (McGee, 2010).

McGee (2010) also notes that the site (and its services) should be developed with the consumer in mind, and that the ordering process be simple, straightforward or streamlined for users, so as to avoid confusion. In addition, providing a simple search engine on the site allows users to easily find what they were looking for. Most Internet users prefer using a site search engine as opposed to browsing through pages and links to find what they need, a convenience the web surfer always appreciates.

For these reasons, the Customer Service function (in its fullest and largest definition) is essential within the E-Marketing mix.

(d) Community

Mohammed et al. (2002) defined a community as a set of interwoven relationships built on shared interests that satisfy members’ needs, which are otherwise unattainable individually. Customers are members within a community (Mohammed et al., 2002) who interact with one another over time (either independently or under some influence from the marketer). A marketer-influenced interaction can be to exchange support information about the product or to provide something as simple as frequently asked questions (FAQs). Hence, community building is recognized as
an important function to be addressed by marketing management (Armstrong & Hagel, 1996; Young & Levine, 2000).

In addition to perspectives on relationships and exchanges, another perspective on E-Marketing focuses on the fact that the Internet is a network (Hanson, 2000). Access to the Internet also means access to other individuals who are a part of the network. Metcalfe’s law states that a network is valuable in proportion to the number of individuals involved in the network. This phenomenon emphasizes a positive externality evolving from participation in a networked group. Websites and blogs such as Twitter, Facebook, and MySpace are the most prominent modern example of Metcalfe’s Law (Boase et al., 2006). The essence of this externality leads to the value of what has been called community on the Internet.

Interactions among members of such a community can address any of the other functions of E-Marketing, so it can be placed next to other moderating functions.

(e) Site

E-Marketing interactions take place on digital media such as the Internet. These interactions and relations also need a proper location, to be available at any moment and from any place in the form of a digital location for digital interactions.

Such a location is what is called a "site", which is the most widespread name for it. However, the term ‘Website’ and ‘site’ are not considered synonymous, as the term ‘Website’ refers to a site on the Internet. Site, in terms of E-Marketing, refers to how a site is accessed by the user, either through a web browser on a personal computer, or on a mobile apparatus. The "site" can take other forms too, such as a Palm Pilot or any other handheld device, for example. This special position in the Internet for all types of digital technologies will moderate all other Functions of E-Marketing and is therefore a restraining role.

(f) Security

Another “essential” function of E-Marketing is the issue of security. There are at least two aspects to security, the first being security during the transaction. An example of
the first type of security is to ensure that a third party is not hijacking aspects of the transaction. The need for credit card numbers and other critical information on the Internet exposes the consumer to risks beyond just the current transaction and therefore involves a trust in the marketer that goes well beyond just the probity and punctuality of the current transaction, heightening the relationship nature of these digital interactions. This trust encompasses beliefs about the security-related diligence of the marketer. The second aspect of security is regarding the data that are being recorded about the individual (e.g., providing adequate security to the consumer that a third party cannot break into the database). There is a constant battle between methods of security (e.g., encryption) and the sophistication of hackers. It is the marketers' responsibility and competitive necessity to keep ahead in this technological race. A lapse in the security domain could easily be the end of a business.

Some businesses use a Secure Sockets Layer encryption for their transactions. An SSL Certificate, also called a Digital Certificate, creates a secure link between a Website and a visitor's browser. By ensuring that all data passed between the two remains private and secure, SSL encryption prevents hackers from stealing private information such as credit card numbers, names and addresses.

Qam (2006) states that three features are required in order to establish security between the user and the site. The first thing is to actually make sure the Website is secure. This can be done by installing some kind of security software or encryption technique (such as the abovementioned Digital Certificate) which will manage all the files and information coming in and out and will constantly check and recheck that everything is secure. Qam (2006) points out that “With a nice big security badge from a reputable company on your homepage and all through the payment process, you will reassure customers so that they will find parting with their details less painful.”

Secondly, there are a number of online businesses that can provide users with a place on the Website that will allow customers to input all their card information in one easy-to-use area. A payment service provider offers services that save users from having to deal with banks online. They are also heavily secured and reliable. This provides reliability that users may not be able to achieve on their own with
regard to online credit card processing. PayPal, Alert Pay, Any Pay, iKobo and Neteller are examples of such a company.

Lastly, Qam (2006) notes that the final layer of security designers need to give customers is reassurance of the site. By making sure the site is technically slick and is not full of pop ups and adverts will manage to give the target audience a feeling of trust even before they approach the site’s store.

(g) Sales Promotion

Sales promotion has to be considered when building an E-Marketing strategy as it is an excellent way to achieve immediate sales goals in terms of volume. This function counts on the marketer's ability to think creatively: a lot of work and inspiration is required in order to find new possibilities and new approaches for developing an efficient promotion plan. On the other hand, marketers need to continuously keep up with the latest Internet technologies and applications so that they can fully exploit them.

Some marketing activities, such as e-coupons, are undertaken as special incentives to encourage the relationship partner to undertake a specific act by a certain time. For instance, an e-coupon might be good for a 20 % discount if used by the end of the month. These incentives help consumers to overcome the natural human tendency to delay and are considered, therefore, to serve a separate function for the marketing manager. These inducements are termed situational because they are applied as an exception or temporary sub-offer to the basic on-going marketing plan relative to that specific act. Table 3.1 provides a summary of the e-marketing principles.

**TABLE 3.1: SUMMARY OF THE E-MARKETING PRINCIPLES**

<table>
<thead>
<tr>
<th>Principle</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personalisation</td>
<td>Denotes any aspect of E-Marketing that is modified to an individual customer</td>
</tr>
<tr>
<td>Privacy</td>
<td>How the site protects/uses the private</td>
</tr>
</tbody>
</table>
### Principle | Explanation
--- | ---
Customer Services | Supporting the customer at the access point.
Community | Areas where multiple individuals are participating or involved.
Site | The digital platform used to interact with customers
Security | This addresses which aspects of a site are secure and which types of security measures are deployed.
Sales Promotion | How the site promotes its products on not only its homepage, but on other sites as well.

### 3.2.4 Internet Marketing Models

Although various models exist for Internet marketing, the one of Timmers (1999) is the most applicable to this study. This model includes:

- **e-shop** – typically online retailers such as [www.amazon.com](http://www.amazon.com) and [www.waterstones.co.uk](http://www.waterstones.co.uk) in the B2C sector are seeking revenue from selling online advertising and new markets whilst driving costs, e.g. procurement and inventory, down.

- **e-malls** – which provide a virtual shopping centre. Groups of e-tailers congregate here to pull in online traffic; these can be extremely beneficial for smaller companies with limited promotional budgets. The e-malls can be hosted by one player which may encourage use of its facility or product. Many e-malls not only provide an umbrella for merchants but they may provide finance and delivery facilities.

- **e-procurement** – changes the purchasing process for many in the B2B and public sector, often aggregating buyer power to drive down costs. Probably the most famous is the US-based automotive buying group, [www.covisint.com](http://www.covisint.com).
• **e-auctions** – where the age-old process of bidding for goods has gone online to widen its appeal. The eBay model has been a global success and is now one of the most recognised international brands.

• **Virtual communities** – where groups of like-minded people and organizations congregate together to develop their knowledge, exchange information or pursue their hobbies or interests. Revenue comes from membership or subscriptions fees, and where possible advertising and sponsorship. New enhancements will include player blogs, private chat-rooms, member profiles and distribution of content via RSS feeds.

• **Collaboration platforms** – where providers of software tools and an information environment enable collaboration between businesses. It is difficult for one organization to keep up to speed with the emerging technologies, hence partnerships and collaboration are essential as companies become more specialised in their area of expertise. The system incorporates the sharing of e-mail, task management, instant and group messaging, content, knowledge and consultancy sharing.

• **Third-party marketplaces** – are where intermediaries take over the marketing role on the web and provide an interface between buyers and sellers and carry out functional roles like logistics, ordering and fulfilment and branding. Third party marketplaces enable aggregation of customer demand and allow basic web presence without the cost or time commitments.

• **Value chain integrators** – where organizations offer services across the value chain and integrate them to form strategic alliances. The enhanced information flows produce added value for the partner institutions.

• **Value chain service providers** – offer specialist services or specific functions within the value chain. For example, there may be a number of providers in the holiday industry, such as airlines, hotels, insurance companies etc., which form partnerships and alliances to promote each other’s activities and increase site traffic.
- **Information brokerage** – the Internet is an incredible source of information and is fast and accessible. Brokering information has become big business often on a subscription or pay-per-use model such as online newspapers and market services like Mintel. Other sites provide comparison tools such as [www.kelkoo.com](http://www.kelkoo.com) or [www.moneysupermarket.com](http://www.moneysupermarket.com).

- **Trust and other services** – provide important digital peace of mind through the use of trust services such as those offered by Verisign ([www.verisign.com](http://www.verisign.com)), Thawte ([www.thawte.com](http://www.thawte.com)) and the former Which Web Trader scheme. Digital certificates are now becoming commonplace and verify a merchant’s authenticity though the take-up on Public Key Infrastructure has been slow. Client and company security is vital for confidence in the web as a transactional channel including intranet and extranets.

The principal purpose of any model is to generate revenue. For the online business, the creation of sustainable revenue streams requires creativity and vision to develop appropriate business models. E-business models generate revenue from a number of broad streams such as sales, advertising, subscription and commission.

- **Sales** – typically through online retailing
- **Advertising** – e.g. selling advertising space for banner ads
- **Subscription** – e.g. in publishing media for paid content
- **Commission** – e.g. paid to affiliates for generating revenue streams to the reseller’s Website
Figure 3.2 summarises the classification of Internet Marketing models as discussed in the previous paragraphs.

3.2.5 The Ten Cs for Internet Marketers

The new tools provided by digital media, changing consumer lifestyles and the integration of technology and multi-channels increase the complexity of the business arena. Marketers are encouraged to “think outside of the box”, to be more creative, entrepreneurial and visionary but not innovative just for the sake of it. Rather than abandon the old marketers’ kit bag, other tools can be added to it to enhance market
analysis and decision-making. The ten Cs (Figure 3.3) provide a useful framework for marketers assessing the modern digital marketspace from both an internal and external perspective.

**FIGURE 3.3: TEN Cs OF MARKETING FOR THE MODERN ECONOMY**

Source: Gay, Charlesworth & Esen (2007, p. 12)
On the basis of Figure 3.3, the following discussion for the 10 Cs in the modern economy is presented:

(a) **Customer**

The customer should be the central focus for any marketing driven organization and marketing activities must be designed to achieve high levels of customer satisfaction. From satisfaction comes loyalty and from loyalty comes improved profitability through up-selling, cross-selling referrals and acquisitions. The customer is king but the Internet makes the customer even more powerful and demanding with tools like search engines, price comparison sites, and an expectation of real time and multi-channel offerings fed by user-friendly technology. We must also remember that the customer is part of a wider online “community”. Customer behaviour is more complex than ever with greater disintegration of purchasing patterns. We have a new young generation of photo-text messages; a generation of thirty-somethings using the web more at work than at home and a generation of early retirees who use the web for information and purchase by telephone. The web coupled with emerging software technologies enables more precise segmentation, targeting and analysis.

Websites should be designed with the needs of different customers forming the homepage and with customisation opportunities bringing tailored value to the individual or organization.

(b) **Corporate culture**

As with any business seeking commercial success, a shared vision and commitment are priorities. An Internet based operation is no different though it has other issues to consider such as risk, appropriate IT architecture, front and back office systems and partnerships as it moves to this new channel.

One thing that is most apparent when we evaluate the Internet success stories is the culture of continual customer-centric innovations. The exponential growth in technological improvements requires constant and expensive investment in new services and features. Without them the online operation becomes stale and fails to meet customer expectations.

Online vision goes beyond providing a corporate Website but actively seeks partnerships and strategic alliances to increase traffic, brand awareness and sales.
However, like successful businesses in the physical world, the leading online players in their sectors always seek to improve their online offering with customer-oriented innovations.

(c) Convenience

The Internet and other digital media have made possible greater freedom, flexibility and convenience. The ability to shop when the customer wants, signals a notable shift in power away from retailers to the customer which marketers have to address. Changing social and economic reasons such as longer working hours, increasing divorce rates, the demise of the nuclear family and greater geographical mobility all impact upon modern living. Usually they impact in a negative way, particularly with regard to time and stress, and therefore individuals seek out organizations, products and services to help alleviate this and dovetail in with their lives, leaving more leisure time.

Digital technologies also provide mobile convenience for customers and businesses alike with Wi-Fi, PDAs (personal digital assistants) and of course, the mobile phone with its expanding range of interactive tools and services. Businesses and consumers want instant access and connectivity. As Brennan et al (2003) suggest, “e-marketers must appreciate that these “new” customers typically value their time immensely, know what they want, insist on meaningful content and refuse to be disappointed or exploited”.

(d) Competition

Online marketers should view the competition in a different light. Competitors are certainly still a danger and a threat but as Mohammed et al (2002) observe in the new economy, technology has made them “fast and unpredictable”. Competition also has no physical boundaries.

The Internet has brought a greater transparency especially in terms of price, promotions, PR and new product and organizational developments. Price comparison sites such as Kelkoo do give consumers more knowledge and power but such information is also available to online competitors. This obviates the need for sales staff to carry out this laborious task.
Organizations may face competition from a number of angles:

- Traditional competitors moving online
- New online only entrants in domestic markets
- New online entrants from overseas
- Competition from newly formed online alliances and partnerships
- Competition introducing or eliminating channels of distribution
- Revitalised traditional businesses

It is unlikely, but nevertheless possible that an organization could face threats from all six angles.

(e) Communications

Communication models consider the interactions and outcomes between the sender and receiver based on the one-to-many model associated with mass media. The death of mass media, the paperless office and growth in one-to-one interactions were forecasted years ago. Now the media is more fragmented than before; we use e-mails more but still print; and suffer from SPAM. The economics of the digital world makes it cheaper to mass mail electronically but have we learned from the image problems of junk “snail” mail? However, traditional creative marketing skills like headline and copywriting have found a new home online. News, PR and online sales promotions come more quickly and more frequently via newsletters and e-mail marketing campaigns requiring a more succinct style in a world of sound bites and time-starved receivers. Style, tone and an attractive offer or reason to buy, or read on remain essential elements of successful communications. Receivers were formerly passive, now they actively seek out sites which appeal and deliver either by search engines, memorable domain names, viral marketing or bookmarks. With online communities, the communications dialogue is more two-way than with traditional “push” communications, and if handled carefully, can be utilised effectively to improve loyalty.
With the Internet and mobile devices, the consumers can now select what they want to access so it has to be relevant and succinct. Technologies provide flexible interactions and make more detailed product demonstrations possible.

Applying software technologies enables more appropriate communications especially with smaller niche markets more efficiently than previously possible. The changing nature of consumers has ensured that the drive of integrated marketing communications continues.

**(f) Consistency**

Consistency is needed across all communications and all channels to ensure that the brand experience is reliable, especially if the organization is operating in both the virtual and physical worlds. A firm’s reputation established over many years in the high street could be tarnished by a poorly performing web operation, perhaps on the delivery side. There have been a growing number of partnerships and alliances emerging with the vendor transferring service responsibilities onto the partner.

Brands reflect the company’s personality and positioning as well as reflecting something of the customer’s self-image. As we rely on brands for reassurance, confidence and quality – be it premium or own label – anecdotal evidence suggests that consumers are mirroring their offline behaviour and levitating towards brands and sites they trust and enjoy, and not just purely on price, in the online environment.

**(g) Creative content**

If the web was going to mature and motivate people to return time and time again, then site content had to be informative, topical, stimulating and of course relevant to the needs of the target market(s). Content should be current except of course regarding archives. Modernising the site should be within the capabilities of most SMEs on a daily basis if resources allow. For larger organizations with extensive product catalogues, rapidly changing prices, massive information and news platforms, updating manually is unrealistic. Organizations depend heavily upon Content Management systems to provide real time information from multiple sources. One of the buzz phrases in Internet marketing has been “site stickiness” which works on the basis that the more time a customer spends online at your site, then the more likely they are to spend with you. This is important in brand building.
and retention but not every prospect wishes to browse slowly if they are the modern
time-starved customer. Site design with creative prompts and offers may be enough
to get them to the checkout earlier.

At another level, site content can also play an important role in online customer
service and marketing research with knowledge management content. Creativity
online has few limitations with so many multimedia tools to generate added value
interactions but of course it must be relevant and timely for the individual consumer
or the online community that it is aimed at.

(h) Customisation

The Internet provides customised benefits to both buyers and sellers. The term
“mass customisation” is used to refer to more personalised, tailored communications
as database systems redefine market niches with greater precision. Relevant
customisation should help achieve the aims of the spiral of prosperity in that the
more we know about the customer, the more we can tailor and time offerings to their
needs rather than the tactics of interruption marketing that we often endure.
Customisation also now comes from the ability of the consumer to order more
custom-built products unique to them such as a PC with specific processor speeds,
style of monitor, peripherals and printer. This puts demands across a range of
functions but if it provides competitive advantage then it is wise to adapt systems to
cope.

(i) Coordination

Marketers have long argued that the marketing function is the coordinating business
function within organizations. Everything such as production and finance flows from
the customer and forecasted sales. For the effective operation of an e-business the
real time dissemination of information from customer shopping cart to order and
despatch requires a scalable IT infrastructure supported by organizational
competence across all supporting functions.

(j) Control

As another mode of direct marketing, the Internet has the power and ability to test
events and activities. Response and measurement provide marketers with the
statistical and financial accountability to further champion the electronic cause within
organizations. The technologists have provided marketers with the tools to measure just about any online activity through web analytics. Many organizations are collectors of data but they do not know what to do with the information or, more precisely, they have not clearly defined their online objectives and so do not know what to measure.

The Internet through e-CRM also provides real time control down to individual account level that improves profitability resulting from enhanced customer relationship handling.

3.2.6 The online marketing environment in the modern economy

Figure 3.4 illustrates the online marketing environment in the modern economy.

FIGURE 3.4: THE ONLINE MARKETING ENVIRONMENT IN THE MODERN ECONOMY

Source: Gay, Charlesworth & Esen (2007, p. 19)
Figure 3.4 illustrates the marketing environment in the modern economy and businesses need to understand all its aspects.

“A company’s marketing environment consists of the actors and forces outside marketing that affect the marketing management’s ability to develop and maintain successful transactions with its target customers. The marketing environment offers both threats and opportunities’ (Kotler et al., 2001).

Some argue that marketplaces change so fast that it is not worth the effort planning for the future and gut feel and instinct play a more important role. This type of entrepreneurial spirit has merit but as witnessed by the dot.com bubble burst it can be dangerous without an appreciation of the marketing environment.

It is worth considering the environmental factors that have influenced and driven the Internet’s growth and ongoing development, as well as its sway upon the factors. The factors are grouped under:

(a) **Macro environmental factors**

The wider macro environmental factors have had a more direct and significant effect on the adoption of the Internet, especially in terms of technological influences than the immediate micro environmental factors. However, we shall consider the micro factors first.

(b) **Micro environmental factors**

Jobber and Fahy (2003) state that the micro environment ‘consists of the actors in the firm’s immediate environment that affect its capabilities to operate in its chosen markets’. Organizations have sought to drive down costs throughout their processes. Functional areas such as Supply Chain Management (SCM) and logistics focused the attention on cost and developing effective business relationships to provide value and satisfaction before the commercialisation of the Internet.
• **Suppliers**

The Internet has had a major impact on existing supplier arrangements as partnership relationships and more intimate vertical integration are desired to streamline supply chains and improve efficiency. Technologies such as electronic data interchange (EDI) and extensible mark-up languages (XML) have enabled improved information exchanges. The Internet has opened up the market for many companies to access potential new suppliers across national boundaries faster.

• **Distributors**

The “Now Society” places more demands on distributors regarding their performance to meet customer expectations and to overcome the delivery problems associated with the early dot.com operators. The Internet has impacted upon traditional distribution channels removing some intermediaries (disintermediation) whilst creating new channels (re-intermediation) in existing markets. In addition, the Internet comes into its own with information based ‘products’ with negligible distribution cost involved once the ‘product’ has been produced, such as, for example, an e-book.

• **Stakeholders**

As part of any organization’s promotional planning, communicating effectively with various stakeholders or ‘publics’ is critical for successful ongoing relationships. With careful use of e-mail and the corporate Website, intranets and extranets, stakeholders can be informed, influenced, persuaded and sold to in a faster and more flexible way.

• **Competitors**

Some competition issues have already been discussed earlier in this chapter within the Ten Cs framework. The reality of the Internet is that it has created more competition both within and across national boundaries.
(c) Four Macro environmental factors

Most texts consider the wider environmental factors utilizing STEP or PEST as the analytical frameworks for environmental scanning, representing Societal, Technological, and Economic and Political dimensions. Other academics have extended the model to incorporate regulatory frameworks, the natural environment and legal aspects. For the purposes of this discussion, regulatory issues will be incorporated into the political section. The natural environment had had little effect on the Internet’s development, though the web plays an important role in disseminating information and providing a forum for ecological debate.

For convenience, some issues raised under the STEP analysis framework will be considered under a specific heading (e.g. economic factors) but they can often overlap and be considered as a joint issue (e.g. socio-economic factors).

• **Societal**
  
  • Cash rich, time poor
  • Increased leisure time
  • Increased technology ownership

• **Technological**

‘How technology is reshaping marketing’ was the title of the FT’s Creative Business supplement in May 2002 and it outlined the impact that it had played in changing marketing practices such as Customer Relationship Management (CRM), Database Marketing applications and related privacy issues as marketers wrestled with the problem of establishing and maintaining meaningful relationships with customers. CRM is a classic example of relying too heavily on technology to achieve corporate and marketing objectives without customer-centric applications. Organizations are now benefiting from greater customer insight.

Various commentators have observed that the marketing and IT functions in many organizations have failed to integrate. In the early Internet years, the reality was that IT wizards’ drove most online marketing communications with little feel for the
customer experience. The web visionaries have married the two functions effectively and exploited the web’s potential. Marketing is increasingly technology driven but it must not be technology for technology’s sake.

The Internet is here to stay, either in its PC based delivery or in its growing mobile format.

Apart from IT infrastructures, which provide the backbone of the Internet, rapid development in software solutions, server technologies, hosting and electronic shipping (ES) packages present the online marketer with fast, flexible integrated customer interfaces at an ever-decreasing cost. Off-the-shelf solutions can provide quick and customisable sites offering secure socket layer technologies, Website traffic analysis, customer account management, fast updateable product catalogues, e-mail newsletter distribution and shopping cart integration features. Technology is reshaping marketing for online sellers but they must not lose sight of customer orientation amidst the excess of new toys and tools available.

- **Economic**

According to a D&B business report (2003), ‘As economic growth falters in western economies in particular, it’s no surprise that there is more pressure than ever before on the costs side of the equation’. Much attention has been given to the economic impacts of the Internet and its promise to be a key business driver in cost reduction. The unique nature of e-commerce business exchanges with global reach, has the potential to impact upon relationships between individuals, organizations, industry sectors, national and global operations. The growth of the so-called ‘New Economy’ and the ‘Information Age’ has had an immediate and lasting impact on economies, economics and prices in the short term. In the post-bubbly economy, the empirical evidence is mixed on the effect of the Internet on prices as markets settle and high street retailers fight back. The following should be considered:

- how the Internet is changing industry structures and
- its economic value, outputs and forecasted potential.
Much attention has been given to the economic efficiencies generated by the Internet. The term ‘frictionless economy’ was coined to describe how markets could work effortlessly and supposedly, in perfect competition, or as close as realistically possible. The commercialisation of the Internet has had a number of economic impacts affecting the adoption rate of web-related technologies. Some are considered below but the list is by no means exhaustive:

- The Internet should increase competition within industry sectors leading to a position of equilibrium where demand equals supply.
- Buyers and sellers can reach markets previously inaccessible for geographic, entry barriers or other reasons creating new segments and new players in market sectors. PriceWaterhouseCoopers (PWC) in a report on European technology firms observed that the Internet was creating a more level playing field, particularly for so-called infrastructure companies (integration, middleware and security providers), when challenging their traditionally dominant American competitors.
- Promotional communications such as e-mail are significantly cheaper and often achieve higher response rates than traditional methods
- Improved ‘reach’ may facilitate improved economies of scale.
- Buyers’ search costs are reduced whilst choice is increased with the availability of supplier information. This may impact on traditional outlets and change consumer behaviour.
- E-procurement and online payment processing will streamline administrative and buying procedures and cut transaction costs.
- The Internet has led to disintermediation and occasionally re-intermediation in supply chains and distribution channels. This has often resulted in costs being driven out with the elimination of intermediaries.
- The Internet and related technologies also impact upon employment levels and practices. Automated processes can replace human labour or a combination of the two can lead to job losses.
- It is clear that the Internet provides large economic value and benefits both individuals and businesses alike. In the new millennium, cost reduction has increased in importance as a critical business driver in increasingly competitive markets. All economic indicators suggest that Internet growth is
steady and encouraging rather than explosive, as buyers and sellers understand its potential after the early dot.com hype.

- **Political**

Governments across the globe have recognized the economic and social impacts that the Internet and its related technologies have had as well as exploiting its potential. The level of government commitment to e-commerce adoption will significantly influence how each nation state will be able to compete across the globe. As Jutla *et al.* (2002) observe, ‘Countries are providing a model for their citizens by becoming adopters of the network processes and technologies that enable convenient, cost effective, online business-to-government, government-to-citizen and government-to-government services’. Bandyopadhyay (2002) puts forward examples of potential e-government activities:

- Electronic polling and voting e.g. to counter voter apathy
- Electronic communication by e.g. solving cross-border
  the police crime
- Establish links with other governments e.g. support poorer countries
  regarding education or famine with health
- The coordination of international e.g. to achieve consistency
  regulations across borders
- The establishment of intellectual e.g. to protect the vulnerable
  property rights from web theft
- The establishment of an efficient e.g. the Internet is not owned
  regulatory framework by anyone and may be
  open to abuse

Governmental bodies have set various targets in order to achieve what is termed ‘e-readiness’. E-readiness judges a variety of factors that indicate a country’s ability to exploit and support Internet opportunities. It considers the level and quality of government initiatives and funding, the levels of Internet and broadband adoption, the ICT infrastructure within the country and how its business community is implementing it.
Other proactive governments have initiated a whole raft of projects and polices such as:

- automating government services such as passport applications and tax assessments;
- deregulating the telecoms sectors to increase competition and drive down broadband prices to make high-speed connections readily available;
- providing consultancy and other support networks, especially for SMEs
- supporting the development of leading-edge IT infrastructures
- developing e-citizen portals to improve delivery of public services whilst encouraging wider web usage;
- engaging in joint initiatives with the private sector;
- supporting IT training to overcome specific skills shortages;
- introducing legislation to curb SPAM and monitor anti-competitive practices (e.g. EU's antitrust case against Microsoft);
- developing training initiatives and addressing skills shortages through e-learning delivery;

The Internet is not owned by anyone but its democracy and openness has often been abused in terms of fraud and pornography. Mounting industry and public pressure may determine how the Internet develops in years to come. Political pressure may come from industry bodies such as the Direct Marketing Association or the Advertising Standards Authority.

The Internet as a commercial entity has come a long way in a short time, though its technical developments stretch over four decades. After the bursts of wild enthusiasm and optimism, the Internet revolution has ended, to be replaced by a phase of learning and maturity as marketers begin to understand the potential benefits of the technology and how they can use it. This has also been appreciated globally by governments and other agencies that see not only the economic and competitive benefits but also the wider social impacts of the Internet. The indications are that Internet usage will continue to grow especially in the B2B sector as they focus on the cost efficiencies generated. In the B2B sector, sustained growth will rely heavily on cheaper high-speed access and of course whether the consumers wish to
adopt the PC based Internet technology available or go to the easier mobile options. For marketers in the online world we need to question the relevance of traditional models and embody new ones in this rapidly changing business and social environment.

3.3 THE PRINCIPLES OF ONLINE MARKETING

3.3.1 The Customer

E-commerce involves several stakeholders, including the business that concludes the transaction and its customer suppliers. These customers could be other businesses, individuals or employees. Turban et al. proposed classification of e-commerce based on the nature of the transaction (Turban et al., 1999). Their classification is briefly described below:

(a) Business to business (B2B)

In B2B E-commerce all the participants are businesses or organizations. Most E-commerce applications found today can be classified as B2B.

(b) Business to Consumer (B2C)

B2C transactions are retailing transactions with individual customers. When an individual customer purchases a book from Amazon.com or Kalahari.net, it is classified as B2C, since a business is selling products to an individual customer.

(c) Consumer-to-Consumer (C2C)

C2C involves consumers selling directly to other consumers. It includes auction sites, selling of expertise and knowledge and advertising personal services on the Internet as well as using intranets and other organizational networks to advertise items and services. Examples of these are typically consumers selling products or services in classified advertisements.
(d) People-to-People (P2P)

This category is a special case of C2C where people exchange CDs, videos, software and other goods.

(e) Consumer-to-Business (C2B)

Consumers who sell to business organizations fall into the C2B category. C2B also includes individuals who seek sellers with whom they may have interacted in order to conclude a transaction.

(f) Intrabusiness (organizational) E-commerce

Internal organizational activities involving exchange of goods, services or information usually performed on intranets are included in this category. Activities can include selling corporate products to employees and online training and collaborative design efforts. Intrabusiness E-commerce can take place between a business and its employees (see business to employee below); among units within the business: and among employees in the same business.

(g) Business-to-Employee (B2E)

B2E is a subset of intrabusiness E-commerce. When the organization delivers services, information or products to individual employees, it is categorized as B2E.

(h) Government-to-Citizens (G2C) and to others

The main focus for G2C is to allow citizens to interact with the government from their homes. Citizens can, for example, find information they need on the web; ask questions and receive answers; and pay taxes and bills online. A recent example from South Africa is where the government made information and registration forms available for employers to register themselves as well as their employees for the unemployment insurance fund on their Website at www.uif.gov.za
(i) **Exchange-to-Exchange (E2E)**

Many companies have created corporate portals that act as gateways to the Internet. The E2E category describes a formal system that connects corporate portals or exchanges with each other.

(j) **Collaborative commerce (C-commerce)**

An interorganizational information system (IOS) involves information flow among two or more organizations. The major objective of an IOS is to provide efficient transaction processing. C-commerce is an application of an IOS that enables collaboration between business partners and between organizational employees.

(k) **Mobile Commerce**

E-commerce that takes place in a wireless environment is referred to as M-commerce. A typical example here is a student using a cellular telephone to obtain examination marks from the examination office of the university where he or she studies.

It is important to realize that B2C E-commerce is also about individual customers that search for, research, acquire and maintain goods and services via the Internet.

3.3.2 **Online shopping advantages and disadvantages**

Online customers have the final say in whether they purchase products online. Several studies and research projects have been undertaken to ascertain why some customers purchase online and others not. The following two sections provide a summary of the reasons given by customers why they either shop or do not shop online.

(a) **Reasons for shopping online**
It is important that there are incentives for buying goods online. Incentives could include a broader selection of goods available, excellent service or better prices. Online purchases should also be convenient, easy to use and everywhere.

Researchers at the Graphics, Visualization and Usability (GVA) Centre at the Georgia Institute of Technology conducted a study in 1997 using representative experienced Web users from around the world. Their study had 10 000 respondents and over half of them had purchased items online before. The reasons given for purchasing online were as follows:

- Convenience (65%)
- Availability of vendor information (60%)
- No pressure from sales people (55%) and
- Saving time (53%)

Cornish lists convenience, a broader selection, fewer sales taxes and the ease of price comparisons as the main reasons for consumers to shop online (Cornish, 2003). Similar results were found in research done by Furnell and Karweni where attractiveness of the offer, fast response from the retailer, access to international and a wider range of products were among the reasons given for shopping online (Furnell et al., 1999). When purchasing digital products, delivery is immediate, regardless of the consumer’s location, be it from home, work or on the road. Another issue that ties in with convenience is that the online stores are available 24 hours a day, seven days a week.

The Internet provides enormous potential benefits for consumers worldwide. There are wider choice ranges, lower prices, entirely new products and travel packages, amongst others, available to consumers that are geographically dispersed and not at the centre of the world's traditional commerce.

The main reasons for shopping online are therefore convenience, a broader range of products, delivery and time savings
(b) Reasons for not shopping online

In a 1997 study conducted by Jupiter Communications, an Internet market research firm, it was reported that 64 percent of web users do not trust the sites they visit. This report cited in the government and media warnings about the abuse of personal information that is passed over the Internet as the origin of the consumers’ fears. Websites can appear (and disappear) literally within a few minutes, thus some form of creditability or permanence needs to be established. Contrary to what Cornish found, a study conducted by Vijayasarathy and Jones records that the participants in their study found that price comparisons on the Internet were relatively difficult and time consuming (Vijayasarathy & Jones, 2000; Cornish, 2003).

According to Van Someren, chief executive at nChipher, a security specialist company, the security market tends to tell consumers how dangerous the Internet is. When security people send out messages to this effect, the natural reaction of the consumer is to avoid this kind of technology. Security is still the single most significant concern about conducting online transactions. Thirty percent of Internet users surveyed for the Taylor Nelson Sofres (TNS) Interactive global E-commerce report stated that they did not want to divulge credit card details. Twenty-eight percent of the Internet users surveyed named general security concerns as the reason for not shopping online. Security is seen as a necessary condition, but on its own security cannot attract customers (Liu & Arnett, 2000).

In many cases it happens that shipping costs sometimes cause final prices to be as much, or more, than normal retail prices. Furthermore, immediacy is lacking, since consumers need to wait for products to be delivered. Customer service can also be problematic, since either contact details are not available, or the telephone lines available are backed up for hours (Cornish, 2003). According to Cornish, product returns can also turn out to be a time-consuming process, requiring several steps to be followed. Virtual companies need innovative solutions to issues such as returns to prevent traditional retailers from attracting all the customers.

The main reasons cited for not shopping online are thus a lack of trust, difficulty in comparing prices, shipping costs, delivery delays and poor customer service.
(c) Products that sell online

Internationally, books, gifts, groceries, music, technology, tickets and travel are the products most frequently purchased online. In Australia, books, computers and related products, CDs and other recorded music and tickets were the top-sellers in 2000. On the other hand, in the UK, the preferred online sales items are leisure and travel products, software, hardware and other computer-related products, books, CDs and groceries.

The Goldstruck report states that lingerie, wine and music were the fastest growing retail categories in South Africa in 2001. However the products that were most commonly purchased in South Africa in 2001 were groceries, books, music and entertainment products. This agrees with views held by several researchers that low-priced commodity items such as CDs and books are the most commonly sold online. Products that can be digitized are easily sold online, since delivery is instantaneous once payment is received.

3.3.3 Market segmentation

Markets consist of buyers, and buyers differ in one or more ways. They may differ in their wants, resources, locations, buying attitudes and buying practices. Through market segmentation, firms divide large, heterogeneous markets into smaller segments that can be reached more efficiently and effectively with products and services that match their unique needs. In this section, we discuss four important segmentation topics: segmenting consumer markets, segmenting business markets, segmenting international markets and requirements for effective segmentation.

3.3.3.1 Segmenting consumer markets

There is no single way to segment a market. A marketer has to try different segmentation variables, alone and in combination, to find the best way to view the market structure. Table 3.2 outlines the major variables that might be used in segmenting consumer markets. Here we look at the major geographic, demographic, psychographic and behavioural variables.
TABLE 3.2 MAJOR SEGMENTATION VARIABLES FOR CONSUMER MARKETS

<table>
<thead>
<tr>
<th>Geographic</th>
<th>World region or country</th>
</tr>
</thead>
<tbody>
<tr>
<td>World region</td>
<td>Southern Africa, North America, Western Europe, Middle East, Pacific Rim, China, India, Canada, Mexico</td>
</tr>
<tr>
<td>or country</td>
<td>KwaZulu-Natal, Gauteng, North West, Northern Cape, Eastern Cape, Western Cape, Mpumalanga, Limpopo, Free State</td>
</tr>
<tr>
<td>City or metro size</td>
<td>Under 5 000; 5 000 - 20 000; 20 000 - 50 000; 50 000 - 100 000; 100 000 - 250 000; 250 000 - 500 000; 500 000 - 1 000 000</td>
</tr>
<tr>
<td>Density</td>
<td>Urban, suburban, rural</td>
</tr>
<tr>
<td>Climate</td>
<td>Hot, cold, wet, dry</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Demographic</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>Under 6; 6 - 11; 12 - 19; 20 - 34; 35 - 49; 50 - 64; 65 +</td>
</tr>
<tr>
<td>Gender</td>
<td>Male, female</td>
</tr>
<tr>
<td>Family size</td>
<td>1 - 2, 3 - 4, 5 - 7, 8 +</td>
</tr>
<tr>
<td>Family life cycle</td>
<td>Young, single; young, married, no children; young, married with children; older, married with children; older, married, no children; under 18; older, single; other</td>
</tr>
<tr>
<td>Income</td>
<td>Under R 12 000; R 12 000 - R 60 000; R 60 000 - R 120 000; R 120 000 - R 240 000; R 240 000 - R 600 000; R 600 000 and over</td>
</tr>
<tr>
<td>Occupation</td>
<td>Professionals and technical; managers, officials and proprietors; clerical; sales; craftspeople; supervisors; farmers; retired; students; homemakers; unemployed</td>
</tr>
<tr>
<td>Education</td>
<td>No education, primary school, Grade 9, Grade 12, diploma, degree, postgraduate degree, Masters, PhD</td>
</tr>
<tr>
<td>Religion</td>
<td>Catholic, Protestant, Jewish, Muslim, Hindu, other</td>
</tr>
<tr>
<td>Race</td>
<td>Asian, coloured, black, white, other</td>
</tr>
<tr>
<td>Generation</td>
<td>Baby boomer, Generation X, Generation Y</td>
</tr>
<tr>
<td>Nationality</td>
<td>South African, Zimbabwean, British, French, German, Italian, Japanese</td>
</tr>
</tbody>
</table>

| Psychographic               |                                                                                          |
| Social class                | Lower lowers, upper lowers, middle class, upper middles, lower uppers, upper uppers      |
| Lifestyle                   | Achievers, survivors, strivers                                                            |
| Personality                 | Extrovert, introvert, compulsive, gregarious, authoritarian, ambitious                    |

| Behavioural                 |                                                                                          |
| Occasions                   | regular occasion; special occasion                                                       |
| Benefits                    | Quality, service, economy, convenience, speed                                             |
User status | Non-user, ex-user, potential user, first-time user, regular user  
User rates | Light user, medium user, heavy user  
Loyalty status | None, medium, strong, absolute  
Readiness stage | Unaware, aware, informed, interested, desirous, intending to buy  
Attitude toward product | Enthusiastic, positive, indifferent, negative, hostile

(a) Geographic Segmentation

Geographic segmentation calls for dividing the market into different geographical units such as countries, provinces, regions, municipal regions, cities or even neighbourhoods. A firm may decide to operate in one or a few geographical areas, or to operate in all areas but to pay attention to geographical differences in needs and wants.

(b) Demographic Segmentation

Demographic segmentation divides the market into groups based on variables such as age, race, gender, family size, life cycle, income, occupation, education, religion, race, generation and nationality. Demographic factors are the most popular bases for segmenting customer groups. One reason is that consumer needs, wants, and usage rates often vary closely with demographic variables. Another is that demographic variables are easier to measure than most other types of variables. Even when market segments are first defined using another basis, such as benefits sought or behaviour, their demographic characteristics must be known in order to assess the size of the target market and to reach it efficiently.

- Age and life cycle stage

Consumer needs and wants change with age. Some firms use age and life cycle segmentation, offering different products or using different marketing approaches for different age and life cycle groups.
• **Gender**

Gender segmentation has long been used in clothing, cosmetics, toiletries and magazines.

• **Income**

Income segmentation has long been used by the marketers of products and services such as motor vehicles, clothing, cosmetics, financial services and travel. Many firms target affluent consumers with luxury goods and convenience services.

(c) **Psychographic segmentation**

Psychographic segmentation divides buyers into different groups based on social class, lifestyle or personality characteristics. People in the same demographic group can have very different psychographic make-ups.

(d) **Behavioral segmentation**

i. **Occasions**

Buyers can be grouped according to occasions when they get the idea to buy, actually make their purchase, or use the purchased item. Occasion segmentation can help firms build up product usage.

ii. **Benefits sought**

A powerful form of segmentation is to group buyers according to the different benefits that they seek from the product. Benefit segmentation requires finding the major benefits people look for in the product class, the kinds of people who look for each benefit, and the major brands that deliver each benefit.
iii. User status

Markets can be segmented into non-users, ex-users, potential users, first-time users and regular users of a product. For example, blood banks cannot rely only on regular donors. They must also recruit new first-time donors and remind ex-donors to donate – each will require different marketing appeals.

iv. Usage rate

Marketers can also be segmented into light, medium and heavy product users. Heavy users are often a small percentage of the market, but account for a high percentage of total consumption.

v. Loyalty status

A market can also be segmented by consumer loyalty. Consumers can be loyal to brands (Omo), stores (Pick n Pay) and firms (Toyota). Buyers can be divided into groups according to their degree of loyalty. Some consumers are completely loyal – they buy one brand all the time.

vi. Using multiple segmentation bases

Marketers rarely limit their segmentation analysis to only one or a few variables. Rather, they are increasingly using multiple segmentation bases in an effort to identify smaller, better-defined target groups.

3.3.3.2 Segmenting business markets

Consumer and business marketers use many of the same variables to segment their markets. Business buyers can be segmented geographically, demographically (industry, size of the firm), or by benefits sought, user status, usage rate and loyalty status. Yet business marketers also use some additional variables, such as customer operating characteristics, purchasing approaches, situational factors and personal characteristics. By going after segments instead of the whole market, firms
can deliver just the right value proposition to each segment served and capture more value in return. Within a given target industry and customer size, the firm can segment by purchase approaches and criteria. As in consumer segmentation, many marketers believe that buying behaviour and benefits provide the best basis for segmenting business markets.

3.3.3.3 Segmenting international markets

Few firms have either the resources or the will to operate in all, or even most, of the countries that dot the globe. Although some large firms, such as Coca-Cola or Sony, sell products in more than 200 countries, most international firms focus on a smaller set. Operating in many countries presents new challenges. Different countries, even those that are close together, can vary greatly in their economic, cultural and political make-up. Thus, just as they do within their domestic markets, international firms need to group their world markets into segments with distinct buying needs and behaviours.

Firms can segment international markets using one or a combination of several variables. They can segment by geographic location, grouping countries by regions such as Western Europe, the Pacific Rim, the Middle East or Africa. Geographic segmentation assumes that nations close to one another will have many common traits and behaviours. Although this is often the case, there are many exceptions. For example, although the United States and Canada have much in common, both differ culturally and economically from neighbouring Mexico. Even within the region, consumers can differ widely.

World markets can also be segmented on the basis of economic factors. For example, countries might be grouped by population income levels or by their overall level of economic development. A country’s economic structure shapes its population’s product and service needs and, therefore, the marketing opportunities it offers. Countries can be segmented by political and legal factors such as the type and stability of government, receptivity to foreign firms, monetary regulations and the amount of bureaucracy. Such factors can play a crucial role in a firm’s choice of
which countries to enter and how. Cultural factors can also be used, grouping markets according to common languages, religions, values and attitudes, customs and behavioural patterns.

Segmenting international markets based on geographic, economic, political, cultural and other factors assumes that segments should consist of clusters of countries. However, many firms use a different approach called intermarket segmentation. They form segments of consumers who have similar needs and buying behaviour even though they are located in different countries.

3.3.3.4 Requirements for effective segmentation

Clearly there are many ways to segment a market, but not all segmentations are effective. For example, buyers of table salt could be divided into blonde and brunette customers. But hair colour obviously does not affect the purchase of salt. Furthermore, if all salt buyers bought the same amount of salt each month, believed that all salt is the same, and wanted to pay the same price, the firm would not benefit from segmenting this market. To be useful, market segments must be:

- **Measurable**

The size, purchasing power and profiles of the segments can be measured. Certain segmentation variables are difficult to measure. For example, there are 32.5 million left-handed people in the United States – almost equaling the entire population of Canada. Yet few products are targeted toward this left-handed segment. The major problem may be that the segment is hard to identify and measure. There are no data on the demographics of lefties, and government census studies do not keep track of left-handedness in their surveys. Private data firms keep reams of statistics on other demographic segments, but not on left-handers.

- **Accessible**

The market segments can be effectively reached and served. Suppose a firm selling fragrances finds that heavy users of its brand are single men and women who stay
out late and socialise a lot. Unless this group lives or shops at certain places and is exposed to certain media, its members will be difficult to reach.

- **Substantial**

  The market segments are large or profitable enough to serve. A segment should be the largest possible homogeneous group worth pursuing with a tailored marketing programme. It would not pay, for example, for a motor vehicle manufacturer to develop cars especially for people whose height is greater than seven feet.

- **Differentiable**

  The segments are conceptually distinguishable and respond differently to different marketing mix elements and programmes. If married and unmarried women respond similarly to a sale on perfume, they do not constitute separate segments.

- **Actionable**

  Effective programmes can be designed for attracting and serving the segments. For example, although one small airline identified seven market segments, its employee base was too small to develop separate marketing programmes for each segment.

### 3.3.4 Customer Relationship Marketing (CRM) and One-to-One Marketing on the Internet

CRM is important because rarely in history has so much money been spent by so many clients on improving their marketing. The sheer size of the budgets has concentrated the minds and the attention of CEOs and directors on marketing as never seen before.

CRM does seem to have the ability to arouse very strong feelings and divide opinion on its merits and payback. It emerged in the mid-nineties as a customer-centric software application, which would manage all interactions at a time when organizations faced increasing competition on a global basis. Typically, vendors
described CRM as a strategic business and process issue and not just as a technology solution. Undoubtedly, technology has enabled a greater capacity for effective management of customer data but the root of many CRM problems was the fact that many organizations had forgotten the customer!

Instead, discussions were stalled over the merits of various software applications, database solutions and emerging e-commerce technologies. Many organizations became embroiled in implementing the technology and more dangerously, were focused on hitting internal deadlines instead of improving the customer experience. The benefits of CRM will only accrue when the technology supports the buying experience in the role of a facilitator, rather than dictating it. CRM should be viewed as a business philosophy, and not as an IT solution. The benefits to the organization will of course be seen through improved customer value and profitability. The criticisms have been levelled when systems have been purely automated or when they have formed part of a multi-channel delivery approach.

In theory, focusing on the most profitable segments will generate increased customer value. For many organizations, especially those in the financial sector, the Pareto 80:20 rule identifies key customers who respond positively to individual promotions and make the cost and effort of such campaigns worthwhile. Masters (2000) stresses the importance of these key accounts, and how CRM can be used to nurture them. He goes on to suggest that they can be subdivided into three key groups:

- The most profitable current customers – we should focus on improving their customer experience and develop their brand loyalty, which in turn should increase their lifetime value and share of wallet.

- New customers with long-term potential – having identified this group’s profit potential, they should experience superior service levels so that they stay long enough with the organization to achieve a healthy return on investment.

- The most profitable customers in the past – even though they spend less than they have done in previous years, they remain very loyal and require little effort and investment in terms of marketing. On the ladder of loyalty they are
Reed (2002) emphasizes that customer and prospect data have traditionally been scattered across an organization. CRM is recognised as the point where marketing meets technology. If we are to market more effectively, then the data held should be accessible to all. Reed suggests three options:

- **Data warehousing** – which provides an integrated data storage facility across the organization with intelligence and analytics capabilities to drill down for marketing purposes. This is high cost and high maintenance.

- **Data mart** – provides similar data facilities but on a more limited scale and usually for a specific functional purpose, e.g. marketing. This is a cheaper alternative.

- **Database** – provides local data solutions, designed for marketing purposes on a need-to-know basis, with specific fields for a specific purpose. As Reed points out, they do not have to be integrated, and within an organization various databases may exist, causing inefficiencies through duplication and resulting in customer irritation.

CRM systems give businesses the opportunity to manage the customer lifestyle through every stage from prospecting to acquisition, cross selling and selling based on customer data to develop longer, more profitable relationships.

### 3.4 THE DIFFERENCE BETWEEN E-COMMERCE AND ONLINE MARKETING

Turban, King, Lee, Warkentin and Chung (2002:12) provided a framework for e-commerce. They argued that successful e-commerce implementation is dependent on five major areas: people, public policy, marketing and advertisement, business partners, and support services. These five areas are the pillars of their framework. Underlying these pillars are infrastructure and support components. Marketing is one element of the framework and consists of market research, promotions, and web content. Rayport and Jaworski (2001:18) provided a framework with six interrelated
and sequential decisions for determining and implementing an e-commerce strategy. The six decisions are market opportunity analysis, business model, customer interface, market communications, branding implementation, and evaluation. Given that marketing is one component of the focus of these books, it is treated as part of an overall framework, and a more detailed taxonomy for marketing is not proposed.

3.5 THE TOP TEN INTERNET MARKETING TRENDS

Arnold (2010, 36) listed ten Internet marketing trends and advised on whether businesses should invest in this feature or not. These 10 trends are:

- **Search engine optimization**

  As the volume of content on the web is growing it is important to ensure that your business features high up in the search results of different search engines. It is best to test the various means to ensure this first before investing money in this.

- **Paid search**

  Done on Bing and not Google, this search engine does not use advertising banners and other methods to produce income. It may be advisable to invest in this search engine as more consumers use the paid search options.

- **Email marketing**

  It will be especially effective when email marketing is integrated with other social media and may be advisable to invest in this option.

- **Social network marketing**

  As the use of social network platforms is relatively new it will be advisable to first test this before you invest in the options available.

- **Blogging**

  Many use blogging as a means of help search engine rankings and it is advisable in business not to go this route.
• **Web presence**

It will be advisable to advertise your Website on other high traffic Websites so that consumers can come to your Website. It is advisable to invest in this.

• **Mobile marketing**

As more mobile applications become available, a business should test the options before investing in one.

• **Podcasting and online radio**

As online broadcasters are struggling to find and attract audiences, it is best not to pursue this option.

• **Online video**

A video is interactive, memorable, widely accessible, cheap and highly shareable. It is thus advisable to invest in this.

• **Coupons, discounts and savings**

As in the offline environment it is advisable to first test this option before investing in it.

### 3.6 MAJOR ISSUES IN USING THE INTERNET

There are several advantages and disadvantages associated with using the Internet for marketing purposes. Some primary advantages to businesses using the Internet include (Paul, 1996: 29):

#### 3.6.1 Global opportunities

The Internet provides businesses with an opportunity to implement highly cost-effective vehicles for their own marketing and customer support needs and also for positioning themselves globally. It is especially beneficial for smaller businesses that want to expand their businesses globally, but do not have the capital and resources to do so. In addition, the Internet helps ease the red tape surrounding the prospect of
doing business overseas, thus avoiding regulations and restrictions that businesses must follow that are physically present in other countries.

3.6.2 Accessibility

Businesses that use the Internet, not only for advertising, but for e-mail and customer ordering, increase their hours of business on a global spectrum. Instead of a typical eight-hour day, businesses have increased their opportunities by providing 24-hour access to customers. Expanding access indeed increases the number and coverage of potential customers.

3.6.3 Utility

The Internet provides product and service information to current and potential customers when they want it and hence increases the chances of trial/purchase/repurchase. Utility for the small business is created in:

- Advertisement effectiveness

The Internet has opened up avenues, particularly for smaller firms, to reach their potential clients more cost-effectively (with a lower cost per million).

- Market research and analysis

Although marketing on the Net can benefit businesses of all sizes, smaller organizations may have the maximum gain. The Internet provides direct customer contact, combined with the appropriate market and technical reference material, which gives businesses greater ability to adapt to product and customer trends and to test new value propositions in response.

3.6.4 Disadvantage when using the Internet for business

Paul (1996: 29) has identified security as the major risk when using the Internet for business. In particular businesses’ concerns include:

- Concern for security in terms of copyrights and other proprietary information.
• Concern for access to customers’ personal information (e.g. addresses and credit card numbers).

3.7 THE FUTURE OF THE INTERNET AND ITS IMPACT ON THE MARKETING DISCIPLINE

The future is looking bright for marketers who use the Internet networking services. The evolution of the virtual experience and the promise of cyberspace have recently begun to open doors to information which was previously inaccessible. Everyone from public universities to big business is racing to cash in on what promises to be the future of information and communications. A totally paperless, highly dynamic environment has been created in which ideas and images are exchanged free from the burdens of the physical world. In this virtual space, there are no rules, no government regulations. The Internet represents the most massive amount of knowledge ever assembled on a common grid. It is for this reason that an Internet connection is fast becoming the best way to reach the masses and provide input into a large percentage of the earth’s composite knowledge. The implication of a digital tomorrow for the way man conducts his day-to-day affairs is astounding. How will the business traditions of the past fit into the binary stream of the future? The world of mass-marketing is evolving at an alarming rate, and the vehicle which will bring the business of the future to the doorsteps of everybody lies in the web of the Internet.

3.8 WEBSITE DEVELOPMENT AND CONTENT

The construction of a homepage is vital for the success of any business. One of the most important aspects of the homepage is that it is short and simple in order to reduce the customer’s time in making decisions. While some people may want to cram an abundance of information into one page, appearance is sacrificed. Cluttered information may diminish the customer’s interest in continuing interaction. In addition, the company’s homepage must be kept up-to-date to make available the most recent information about the company. If the client returns to a particular Website and finds no modifications, he has no incentive for ever returning again. Knowing who your customer is and what they want is key to any marketing strategy. So set up some type of program to find out who is interested and what else can be done to generate customers and keep them coming back. Using techniques
of total quality management, such as a continual updating, revising, and RANGOON of the site will encourage the user to visit the company’s site again and again.

Providing information that will be desired by a variety of people with different needs and tastes will encourage a mix of nationalities and cultures. The Web page must be clear and arranged in a logical order so that information can be easily obtained and understood. Small companies offering specialized niche products should be able to find the critical mass of customers necessary to succeed through the worldwide reach of the Internet.

3.8.1 What is a Website?

One of the most used concepts for on-line marketing is the WWW. It offers businesses an easy, inexpensive, fast, and technologically sophisticated tool for advertising goods and services, taking and placing orders, promoting their philosophy and policy and communicating with their customers all over the world. In the Web environment, a business can deliver a full presentation with sound, pictures and video to millions of potential consumers. A Website is much more enticing and informative than e-mail messages, but it can be much more difficult to plan and implement (Mack, 1995). A Website is a web application on the World Wide Web.

3.8.2 Managing the creation of a Website

Whether the Internet strategies are developed for the immediate needs of the company or not, the very first thing that needs to be done is to secure a meaningful universal resource locator (URL) address. URL is the unique address on the Web, which is in the form of “http://www.abcd.com” and can be obtained from the InterNIC in Washington, DC (http://rs.internic.net). The InterNIC charges a nominal fee to register your unique address on the Web, and the URL is granted on a first-come first-served basis. There is no trademark or copyright involved with the issue of the URL. The owner of the small business thus may register the new site with a household name so long as the name has never been registered with the InterNIC. This allows the small businesses to take advantage of the brand name of their bigger rivals, name of the complement product producers, or other household names to
increase the chance of having their new Websites visited more frequently. A practical strategy for registering the name is to choose one which is easy to remember, easy to enter, and can be easily associated with the leader of the industry.

Once the appropriate URL has been secured, a specific target marketing program and content goals and objectives must be set. Although the characteristics of the Internet make it a highly visible forum for conducting business electronically, the Internet project can become very time-consuming, and a major capital investment (Senn, 1996). Rather than competing with the bigger rivals on the Internet directly, it may be more effective to identify the opportunity of niche marketing – the specialized markets that big companies have ignored.

Next, the profile of netizens must be carefully studied. We need to know who is surfing the Internet, what these netizens are looking at, and all relevant demographic information about them. Such information suggests that businesses must be aware of the dynamics of the online marketplace and develop realistic strategies accordingly to answer the following two key questions:

- What product/service information is suitable to be presented on the Internet?
- How should the idea and information be presented?

Information pertaining to the answers to these two questions will be used to pave the foundation for developing a comprehensive plan for Website design.

### 3.8.3 The design and components of a Website

A comprehensive Web design plan aims at addressing the following major questions:

- How can the Web best help the business?
- How can people be attracted to the Websites?
- How can people be attracted to visit the sites regularly?

A carefully drawn blueprint for designing and developing Web pages will help answer
all three major questions. A few key points must be kept in mind while this blueprint is being drawn (Dickman, 1995; McCarthy, 1995):

- Research and plan the type of information that the company will present to the viewers. A Website is opened potentially to millions of visitors. It can become a major security threat to a corporate information system. Decisions on what information can be accessed by outsiders must be made prior to doing anything else.

- Make sure your Website is scalable. Rather than developing a stand-alone Website, consider integrating Websites into the company’s backbone information system. This allows the Website to grow along with the growth of the business.

- Target content to specific users’ need. It is important to persuade visitors to register on your site by providing their names, address, and interests. The collected information about the viewers will enable the company to tailor the Web pages to the specific needs of the interested customers. A little incentive for visitors to provide the above-mentioned information could attract more input and make the analysis of collected information more meaningful.

- Make the interface intuitive. Do everything you can to make sure the visitors can surf the Website as fast and efficiently as possible. Use graphics sparingly, since they slow down retrieval.

- Create a sense of community. Involve users in your site by providing an opportunity for them to input suggestions, complaints, and so on. Make use of such other interactive Web features as bulletin board systems and e-mail, and always include the phone number so that the viewer can call in.

- Look beyond customers. Use the Internet to improve communications with all of the parties with which the company has business.

These rules should serve well for small businesses to build up the Website with minimal problems in implementation.
There are many factors that come into play when developing a Website and each element can have an effect on the time it will take to design and build a Website. Shaheen (2010) indicates the following elements to design and build a Website:

(a) Sitemap, Planning and Research

A sitemap that outline the sections needed on a Website needs to be determined before the design of the Website can take place.

(b) Design and Copy

An approach is to sit down write all Website content first and through this process you will find the inspiration for the design in words. One does not have to have a copy finished to start the design, but having a sizable percentage will help you have a strong idea of the direction you want for your design.

(c) Coding and Content

Custom-designed Websites will need to be converted to the code that makes them work online.

(d) Functionality

No matter how a Website is built, you should always make time to test its functionality.

Jackson (2009) indicates that the steps one should take in building a Website include:

(e) Get started with a search

Your first port of call should be any search engine search for a “free Website” and you will discover that there is no shortage of options.
(f) **Building Marketing Content**

Websites are all about content which must be relevant to your intended target audience.

(g) **Maintenance and Management**

The level of maintenance and site management you will perform depends largely on your business type. Maintenance involves the same sort of procedure followed in the original design; refreshing your site regularly with new images, news or diagrams can keep the interest of your public high.

Hanson and Kalyanam (2009) list the following as important elements to include in an online shopping environment:

- Comprehensive product assortment successful to all
- In-depth information
- Simple order taking
- Credit card transactions
- Accurate and real-time execution

Considering the factors influencing and the steps in the design of the Website, it is clear that building a successful Website will vary from business to business. This study is investigating what is required of a small commercial and industrial property and services business to take their business online and create an effective Website.

### 3.8.4 The content page of home pages on the World Wide Web

Although the content of home pages on the World Wide Web may vary from Website to Website, the categories of contents most often found are given in Table 3.3 (Liu, Arnett, Capella & Beatty, 1997).
### TABLE 3.3: THE CATEGORIES OF CONTENT FOUND ON HOME PAGES ON THE WORLD WIDE WEB

<table>
<thead>
<tr>
<th>Contents</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Overview/Info</td>
<td>Brief history; how the business is organized and operates; business capability; general business environment; challenges faced today and tomorrow, etc.</td>
</tr>
<tr>
<td>Products/Services</td>
<td>Main products and services</td>
</tr>
<tr>
<td>What’s new</td>
<td>News releases for the products and services; updated news; pertinent industry information; new announcements; hot topics; what’s cool/hot etc.</td>
</tr>
<tr>
<td>Search</td>
<td>Search engine for users to locate available interested items within the business’ homepage.</td>
</tr>
<tr>
<td>Employment opportunities</td>
<td>Available opportunities for certain positions and their descriptions.</td>
</tr>
<tr>
<td>Interactive feedback</td>
<td>Requesting viewers to respond about their feelings/suggestions about a business web homepage.</td>
</tr>
<tr>
<td>Customer service/assistance</td>
<td>Answering customers questions; sending forms to relevant person for product/service support; providing necessary help, etc.</td>
</tr>
<tr>
<td>Index/directory</td>
<td>Business’ Website direction; location distribution; department addresses; office phone numbers, etc.</td>
</tr>
<tr>
<td>Financial facts</td>
<td>Detailed financial performance</td>
</tr>
<tr>
<td>Links to other sites</td>
<td>Connection to the online Yellow Pages, funny things, weather, stock quotes, etc.</td>
</tr>
<tr>
<td>Contents</td>
<td>Description</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>gopher service, news groups or third party vendors.</td>
<td></td>
</tr>
<tr>
<td>Online business services/utilities</td>
<td>For information transformation on ordering/banking through the business’ homepage.</td>
</tr>
<tr>
<td>Guestbook</td>
<td>Requesting customers to sign in by providing their names and addresses.</td>
</tr>
<tr>
<td>FAQ</td>
<td>Questions and answers to the frequently asked questions about the business, its products, its services, or something else.</td>
</tr>
<tr>
<td>Messages from CEO</td>
<td>Greetings and brief introductions from CEOs</td>
</tr>
</tbody>
</table>

Source: Liu, Arnett, Capella & Beatty (1997)

A business that has developed a user-friendly Website with content and appropriate services to its audience is only part of achieving successful Internet marketing. The idea that ‘build a great site and they will come’ is not valid – effective marketing communications are necessary to promote the site in order to generate visitors or traffic to the site (Fisher, 2010: 89).

Although the content of home pages on the World Wide Web may vary from Website to Website, the categories of contents most often found are given in Table 3.3 (Liu, Arnett, Capella & Beatty, 1997).

### 3.8.5 The costs involved in Website development

The Internet’s low-cost communication permits firms with limited capital to become global marketers at the early stages of their development. It is very easy for a new company or an existing company to get a Website on the Internet. There are companies that provide services ranging from designing homepages to designing entire advertising campaigns available on the Internet. Cyberspace advertising companies are providing these services at rock bottom
prices. For a low monthly cost, a company can open and maintain its own homepage. Homepages are graphically organized in a way to appeal to target markets. Such homepages have a potential market of 30 to 50 million people, 24 hours a day, seven days a week, without interruption (Roberts, 1995): "Nowhere else can you find this kind of exposure for 67 cents a day!" This is a major driving aspect of the World Wide Web. Companies are providing new and unique services to companies interested in marketing their goods on the Internet.

Advertising on the Internet is a much more cost-effective way to do business than normal advertising through newspapers and magazines. The Internet is proving to be a much greater resource than traditional means of advertising. Access to the Web is key to the future success of many companies. Without this access, competitors gain a competitive edge against those who are hesitant of getting on the Internet. Building customer relationships by providing information on products makes the Internet appealing to customers and vendors alike. It is the great equalizer, allowing small and mid-size businesses to compete with Fortune 500 companies without incurring the costs expected with such an undertaking. With a simple point and click, any Internet user can easily locate shopping, travel, real estate, sports, or financial information (Herbig & Hale, 1997).

3.9 WEBSITE EFFECTIVENESS

There are various ways to determine whether a Website is effective. In the following paragraphs the factors that influence consumer perception on Website effectiveness will first be discussed. Thereafter factors that determine the effectiveness of a Website will be outlined.

3.9.1 Factors influencing consumer perception of Website effectiveness

One of the more comprehensive formulations in assessing Website effectiveness was developed by Simeon (1999). Simeon proposed the AIPD model, arguing that an effective Website must accomplish four principal objectives:

- Attracting
- Informing
• Positioning; and

• Delivering

Websites could be evaluated in terms of their contributions to these aims. Simeon recognised that each AIPD component was multidimensional and he attempted to identify dimensions of each of the AIPD factors and determine their relative importance. The AIPD factors are briefly discussed below:

• Attracting

To the extent to which an organization is able to increase traffic flow to its site, the chances are that commercial interactions can take place and be similarly increased (Simeon, 1999). Reach has always been a measure of marketing communications effectiveness, a focus on access to and connection with a target audience. Unconstrained by physical limitations, cyber-reach on the Internet can explode. Hence, the first task of E-Marketing is to attract a steady stream of interested users to visit the business’s online presence.

There are a variety of methods to attract interested parties to a business’s Website. For well-known businesses with an established brand, the URL, or Web Address, is itself a competitive advantage, a tool to attract users to the business’s online presence. When online customers do not directly navigate to the business’s URL, they can still be directed there through the use of affiliates, noncompeting e-commerce businesses who act as partners by directing visitors to their site to a separate e-commerce site, typically for a fee or commission should a purchase take place.

Recent research shows that some businesses incur an average acquisition cost that may, in some cases, be higher than the average lifetime value of the customers (Hoffman & Novak, 2000). E-marketers must evaluate the cost effectiveness of the various methods of attracting customers and budget their promotional expenditures accordingly. Regardless of how customer acquisition is accomplished, it is obvious that the first order of business in e-commerce is to bring current and potential customers to the Website.
Informating

Websites must provide content, in other words information that Website visitors will value. Typically, for commercial Websites this would include information about the business and its products and services. A Website’s content, how it is presented, and how easily it can be accessed by visitors to the site will be important influences on customer behaviour. Website users are likely to be very involved and active in obtaining information (Perry & Bodkin, 2000).

Visitors must be able to easily move through the site and obtain the content they seek easily and enjoyably. However, this may be difficult to achieve, particularly when a Website matures, since new features and functions are constantly added to the Website. Customers may be confused with the information content or if the Website becomes complicated to use. This can result in customer defection.

Many consumers appear to prefer graphical interface, simply pointing and clicking, which makes it easier for customers to navigate a site and find what they want.

Positioning

The positioning capabilities of a Website relates to the key factors determining the business’s e-commerce market positioning strategy (Simeon, 1999). Prior research has concluded that discounted price (Reichheld & Schefter, 2000), convenience and unique merchandise (Plau & Sui, 2000) are some of the market positioning strategies adopted by most e-marketers.

Delivering

The delivery function emphasizes the way the Website provides reliability, speed, security and interactivity (Simeon, 1999). To examine the delivery capacity, attributes such as warranty and after-sales service, customer support (Hoffman & Novak, 2000), mode of payment, downloading time (Abels et al., 1998) are user-based criteria that are likely to influence customers’ use of, and satisfaction with, a Website.

In addition, security and privacy are vital components of effective commercial Websites (Wang et al., 2000; Reicheld & Schefter, 2000; Head & Yuan, 2000). Security and privacy are directly related to trust, which is a vital competitive advantage in the online environment (Spar & Bussgang, 1996; Wang et al., 2000).
Recent negative publicity regarding lapses in privacy and the integrity of e-commerce vendors has slowed the development of online markets. Businesses must take proactive steps to build a climate of trust with end customers.

Thus, the AIPD model consists of four factors that contribute to the effectiveness of a commercial Website: 1) attracting; 2) informing; 3) positioning; and 4) delivering.

Each factor is believed to represent multiple dimensions. A limitation of the AIPD model is the ambiguity in the definitions of the four dimensions offered by Simeon (1999). Nevertheless, the AIPD model provides a basis for evaluating consumers’ perceptions and preferences and the implications of these user variables on the effectiveness of Websites, a major contribution, since one must be able to understand how users perceive and utilize a Website to truly determine how successful it is (Gattiker et al., 2000; Abels et al., 1998).

3.9.2 Factors determining the effectiveness of a Website

Figure 3.5 illustrates the attributes that affect the effectiveness of a commercial Website,
Figure 3.5 outlines the attributes which affect the effectiveness of a commercial Website.

3.10 SUMMARY

This chapter has looked at Marketing in the online environment and showed the Marketing Mix in the online environment. The marketing mix in the online...
environment includes personalisation, privacy, customer services, community, site, security and sales promotion.

The principles of online marketing indicated the important role of the customer and customer relationships. The difference between e-commerce and online marketing pointed out that online marketing is one component of e-commerce. The ten Internet marketing trends included search engine optimisation, paid searches, Email marketing, social network marketing, blogging, web presence, mobile marketing, podcasting, Online radio, Online video, coupons, discounts and savings.

The major issues in the Internet showed the advantages and disadvantages of using the Internet. To conclude, Website development and content and Website effectiveness were discussed. Chapter 4 will outline the development of a framework to implement a Website in a small commercial property and leasing services business.
CHAPTER 4
PROPOSED FRAMEWORK TO IMPLEMENT ONLINE MARKETING IN A SMALL INDUSTRIAL AND COMMERCIAL PROPERTY AND SERVICES BUSINESS

4.1 INTRODUCTION

In Chapter 3 the online environment to market commercial and industrial properties and services was outlined. Marketing in the online environment, the principles of online marketing, Website development and content, marketing the Website as well as major issues in using the Internet were discussed. This chapter will focus on the research methodology employed to critically analyse the literature in order to suggest a proposed framework of what should be included in the Website of a small commercial and industrial property and services business. Thereafter three Websites of commercial and industrial property and services businesses will be content analysed to establish how the framework fits these businesses. This may lead to a revised framework. To conclude, a short narrative of a small commercial and industrial property and services business will be given as a starting point to take the business online.

4.2 RESEARCH METHODOLOGY EMPLOYED

The development of a framework requires a critical review of secondary sources. In order to successfully research online marketing of commercial and industrial properties and services in a small business, a basic but thorough understanding of online marketing principles and Website content is important.

In this study a qualitative research approach was followed where secondary sources were critically evaluated to design the required framework. Thereafter three Websites for the marketing of commercial and industrial properties and services were content analysed to see whether anything else needed to be added to the framework. This was intended to assist in taking a small business in commercial and industrial properties and services online.
4.3 RESULTS OF THE CRITICAL ANALYSIS OF LITERATURE

The proposed framework (Figure 4.1) explores the principles of online marketing and their relationship with the Website content as displayed by the homepage.

FIGURE 4.1: THE PROPOSED FRAMEWORK

![Diagram showing the principles of online marketing and their relationship with Website homepage content]

Principles of online Marketing
- Customer
- Online shopping
- Market segmentation
- Customer relationship management

Website homepage content
- Business overview/info.
- Products/services
- What’s new
- Search
- Employment opportunities
- Interactive feedback
- Customer service/assistance
- Index/directory
- Financial facts
- Links to other sites
- Online business services/utilities
- Guest book
- FAQ
- Messages from CEO

Source: Owner’s own construct

Figure 4.1 shows that the principles of online marketing applicable to a business will have a relationship with the content page of the Website. To ensure that this framework can be used by a small commercial and industrial properties and services business, three similar Websites were content analysed to investigate whether there are more components to include in the framework or some components to be eliminated from the framework.

4.4 OVERVIEW OF THE BUSINESSES INCLUDED IN THE CONTENT ANALYSIS

A purposeful sample of three Websites was included to be content analysed so as to provide the information necessary to reach the objectives of the study. It was
decided to include the following Websites in the content analysis: Broll which operates as a national agency with international associations. They render services (Estate Agency) and are not property owners. Bruce McWilliams Industries Pty Ltd is operative in Port Elizabeth, Uitenhage and surrounds. It is a family business that owns property, which they develop and market themselves. Seeff which is a national agency. They render services (Estate Agency) and are not property owners.

4.4.1 Bruce McWilliams Industries (Pty) Ltd

In 1974, buoyed by his business success in the preceding two decades and excited by the new concept of sectional title ownership, Bruce McWilliams founded Bruce McWilliams Industries (Pty) Ltd in Port Elizabeth. Bruce McWilliams Industries consists of four key divisions: Development, Portfolio Administration, Brokering and Valuations. This gives Bruce McWilliams Industries the unique ability to match a potential tenant’s requirements to the available space in Nelson Mandela Bay. One of the company’s specific strengths is the structuring of purpose-built developments to suit the needs of both the tenant and the investor.

The Valuations Division undertakes valuations of immoveable property for a variety of purposes. The Property Management division provides management and financial advice to a variety of business enterprises reaching beyond the parameters of normal property administration. The company manages a substantial property portfolio, which lists many major national and international companies among its clients. Bruce purchased his first block of flats and introduced the concept of sectional title to the city of Port Elizabeth. Over the years, well-known blocks of flats, which included Cape Marina, Marine Towers and Bandle, were sectionalised in this way.

Not content with developing only residential properties, the company moved into the field of commercial and industrial property investment, brokerage and development, winning recognition as a major player in the local property market.

In December 1989 Bruce’s eldest son, Garry, joined the business to fill the void created by his semi-retirement in 1985. In 1993 Garry was appointed to the Board of
Directors and a year later took the helm as Managing Director. In 2010 Garry became Chairman and Mark Bakker was appointed Managing Director.

4.4.2 Broll

Founded in 1974, Broll is fast becoming Africa’s leading commercial property services group. Their association with international partner (US) provides Broll with a large mix of technical expertise and global market knowledge with the sole purpose of maximising the potential of property, wherever it is.

They have offices in all cities and major towns across South Africa and in a growing number of African countries. Through these strategic locations, they offer the full bouquet of property-related services, including property management, facilities management, shopping centre management, retail consulting, office broking and office space, industrial property broking, investment property broking, corporate real estate services, valuations, patented property-management software solutions and a property search function with a vast database of properties across South Africa.

4.4.3. Seeff

Established 49 years ago, Seeff has grown from a small family business to having close on 200 branches countrywide, and has positioned itself as one of the leading, most professional residential property companies in Southern Africa. Seeff Property Services was founded in 1964 by Geoffrey Seeff and in 2013 his youngest son, Samuel, is the chairman and the oldest, Lawrence, is a director of the company. This has ensured that solid family values of honesty and integrity underpin the company and is one of the reasons that Seeff has grown to be a leader in South Africa. The company is represented throughout South Africa, Zimbabwe, Zambia, Mauritius, Botswana and Namibia.

Among Seeff’s strengths are years of hands-on informed and in-depth knowledge of the property market in South Africa. Highly trained property experts operating out of individually licensed agencies, run as individual business entities but with close networks of communication with each other. They are an official SAA Voyager partner. This exclusive partnership gives them unique marketing benefits, including access to the extensive Voyager database. Participating branches can also offer
Voyager Mile rewards to their clients. Seeff also provide a constantly revolving "stock" of the best properties in South Africa in every price range and they have a nation-wide referral system allowing buyers and sellers a seamless link with Seeff professionals to help them buy or sell property throughout the country. They also allow access to the best legal advice and assistance in gaining bonds and have trained property negotiators.

Access to markets in the United Kingdom is available through their close association with the UK Guild of Professional Estate Agents with 700 outlets, a dynamic top UK residential property firm that specialises in sales and lettings in central London. Each office is independently owned and operated. This allows their agents to move with the speed of an eagle and provide buyers and sellers with excellent personal service while still being part of an umbrella organization that gives the added value of a big brand.

Each Seeff office is independently owned and operated. This allows their agents to move quickly and provide buyers and sellers with excellent personal service while still being part of an umbrella organization that gives the added value of a big brand. A major advantage of the Seeff brand for these offices is access to good quality properties and new developments. This access is often granted solely to Seeff agencies. Seeff is a founder member of Mortgage SA, now Ooba, South Africa’s leading mortgage origination company. Ooba is linked to four major South African banks, namely ABSA, First National Bank, Nedbank and Standard Bank.

4.5 CONTENT ANALYSIS OF WEBSITES

The data collection used was in the form of obtaining the homepages of the Websites of the two selected commercial and industrial properties and services businesses. The screen dumps were thus collected and analysed and extensive notes were made in terms of content and marketing principles. Screen dumps of the two selected businesses are discussed in the section dealing with the results. The study was qualitative in nature as the homepage examined by means of screen dumps of each selected business’ Internet site was analysed in terms of content. The procedure used in content analysing the screen dumps was as follows:
A copy of the screen dump of the selected businesses was sourced and printed. While reading through the screen dump of the homepage of the website, all interesting or relevant information was highlighted by a brief note in the margin about the nature of the information. Notes regarding the content found on the homepage of each selected business were made on the screen dump.

The margin notes were then studied and a list of the different types of information and actions found was written down.

The list of items excerpted from the text was then ready for further analysis. This list of data items was categorised in a way that described what it was about. At this stage as many categories as required were included, as the number of categories could be reduced at a later stage if necessary.

The list of categories identified from the transcript screen dumps were considered to see if some of the categories were linked in some way. A final list of categories was established when no new categories emerged, and all the items of relevant and interesting information had been accommodated in the existing categories. At this stage the different categories were colour coded using a coloured highlighter pen for each category to highlight items of data in the transcripts.

A final check of all text on the screen dumps of the homepage was done to ensure that the information that was not highlighted at all (because it did not appear relevant at the time), was checked once again for relevance.

The finalised categories were then given to another researcher to see if this researcher identified the same categories and agreed with the list produced.

These categories were then compared to the categories identified in the proposed framework to see which categories could be eliminated and which added.

Trustworthiness of the research was enhanced by triangulation by researchers. This involved the use of more than one researcher to analyse the data (Struwig & Stead, 2001). Inter-rater reliability was performed in that another researcher verified the categories and ensured that the data were indeed correct.
4.5.1 Results of Seeff Property’s content analysis

The content analysis of the Website of Seeff properties indicated that Seeff Properties provides the following information on its Website:

- Business overview/info.
- Products/services
- What’s new
- Search
- Employment opportunities
- Interactive feedback
- Customer service/assistance
- Index/directory
- Financial facts
- Links to other sites
- Online business services/utilities
- Contact Us
- Messages from CEO
- Annual reports

Figure 4.2 shows a screen dump of the homepage of Seeff.
FIGURE 4.2: A COPY OF THE HOMEPAGE OF SEEFF

Figure 4.2 provides a screen dump of the Website of Seeff that was content analysed.

4.5.2 Results of Broll content analysis

The content analysis of the Website of Broll indicated that Broll provides the following information on its Website:

- Business overview/info.
- Products/services
- What’s new
- Search
- Employment opportunities
- Interactive feedback
- Customer service/ assistance
• Index/directory
• Links to other sites
• Online business services/utilities
• Contact Us
• Annual reports

FIGURE 4.3: A COPY OF THE HOMEPAGE OF BROLL

Figure 4.3 shows a copy of the homepage of Broll

4.4.3 Results of Bruce McWilliams Industries’ content analysis

The content analysis of the Website of Bruce McWilliams Industries indicated that the following information is found on its Website:
Figure 4.4 displays a copy of the homepage of Bruce McWilliams Industries.

Table 4.1 summarises the content analysis of the three Websites.
**TABLE 4.1 A SUMMARY OF CONTENT ANALYSIS OF THE WEBSITES**

<table>
<thead>
<tr>
<th>Components</th>
<th>Broll</th>
<th>Bruce McWilliams Industries</th>
<th>Seeff Properties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business overview</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>Products/services</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>What’s new</td>
<td>√</td>
<td>No</td>
<td>√</td>
</tr>
<tr>
<td>Search</td>
<td>√</td>
<td>No</td>
<td>√</td>
</tr>
<tr>
<td>Employment opportunities</td>
<td>√</td>
<td>No</td>
<td>√</td>
</tr>
<tr>
<td>Interactive feedback</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>Customer service/assistance</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>Index/directory</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>Financial facts</td>
<td>No</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>Links to other sites</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>Online business services/utilities</td>
<td>√</td>
<td>No</td>
<td>√</td>
</tr>
<tr>
<td>Contact Us</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>Guest book</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>FAQ</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Messages from CEO</td>
<td>No</td>
<td>No</td>
<td>√</td>
</tr>
<tr>
<td>Annual Report</td>
<td>√</td>
<td>No</td>
<td>√</td>
</tr>
</tbody>
</table>

Table 4.1 shows the comparison of the content analysis of the three Websites.

From Table 4.1 it can be seen that only two components are not included in all three of the Websites, namely a guest book and Frequently Ask Questions (FAQ).
4.6 REVISED FRAMEWORK TO IMPLEMENT ONLINE MARKETING IN A SMALL INDUSTRIAL AND COMMERCIAL PROPERTY AND SERVICES BUSINESS

The Proposed Website homepage content included the following components:

- Business overview/info.
- Products/services
- What’s new
- Search
- Employment opportunities
- Interactive feedback
- Customer service/assistance
- Index/directory
- Financial facts
- Links to other sites
- Online business services/utilities
- Guest book
- FAQ
- Messages from CEO

After the content analysis it was suggested that two components could be omitted, namely:

- Guest book
- FAQ

One component that needed to be added was:

- Annual report

4.7 A NARRATIVE OF A SMALL COMMERCIAL AND INDUSTRIAL PROPERTY AND SERVICES BUSINESS

A narrative of a small commercial and industrial property and services business was compiled by means of document analysis of a specific business. The researcher
was allowed to study the documents and diaries of the business in order to provide a narrative of this business. This narrative could then be used as part of the envisaged Website for the business.

4.7.1 THE HISTORY OF THE BUSINESS

The business was established by two brothers. It started with a business from home until 1970 when business premises were obtained in North End, Port Elizabeth. The business was a tow-in business and it also sold 2nd hand motor spare parts. The business grew rapidly and in 1971 second premises were obtained. They also obtained a contract to transport horses twice a week to Cape Town. Their father joined the business in 1974. As the business grew bigger the family business started buying property as investments. Eventually the property side of the business grew and the family also diversified into other businesses.

4.7.2 LESSONS LEARNED FROM THE BUSINESS

The main lessons learned by the owners were:

- That without people you cannot do business
- Good relationships are necessary to do good business
- Good relationships with staff
- Good financial management
- Quick response to customers’ demands
- Stay cool in a crisis
- Friendly service

The main philosophy is that:

- You need to try even if you have failed
- You should not take anything for granted
- You need to make well-thought through decisions
- You should believe in yourself
- You should pursue opportunities
• You must be able to work in a team

4.7.3 THE CURRENT BUSINESS

The current business consists of:

• Properties, commercial, industrial and residential
• Plant handling such as forklifts
• Quarry
• Farms

4.8 SUMMARY

This chapter outlined the research methodology employed to collect data to assist a small industrial and commercial property and services business to go online.

First a critical analysis of the literature helped to develop a proposed framework to implement online marketing in a small industrial and commercial property and services business. Thereafter three Websites were content analysed to investigate whether any more components should be included or excluded from the proposed framework. The results of the content analysis showed that two components should be excluded from the proposed framework and a new component added.

To conclude, a narrative of a small commercial and industrial property and services business was provided. In Chapter 5 the study is summarised and conclusive arguments highlighted in answering the research questions. Contributions and recommendations are then made.
CHAPTER FIVE
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter will present a brief summary of each individual preceding chapter, followed by appropriate conclusions and recommendations. Thereafter, the limitations of the study as well as suggestions for further research will be discussed.

5.2 REVIEW OF CHAPTERS

In the following section a review of each chapter included in the study is presented, ranging from Chapter One to Five.

5.2.1 Chapter One

Chapter One discussed the background to the study, the problem statement and the primary and secondary objectives of the study. Furthermore, this chapter provided an overview of the research design and methodology used to obtain the data for the study. Concluding this chapter was an outline of the forthcoming chapters.

Considering the factors influencing and the steps in the design of the Website, building a successful Website will vary from business to business. This study sought to investigate what is required from a small commercial and industrial property and services business to take their business online and create an effective Website.

The primary objective of this research was to investigate the Websites of small commercial and industrial property and services businesses so as to establish what is needed to create an actual Website.

Secondary objectives included:
• To outline the theory on marketing of commercial and industrial properties and services
• To investigate marketing of commercial and industrial properties and services in an online environment
• To develop a framework to implement online marketing by analysing Websites of commercial and industrial property and services businesses using content analysis
• To qualitatively determine the characteristics of a specific small commercial and industrial properties and services business.
• To suggest a framework to create an actual Website.

5.2.2 Chapter Two

Chapter Two provided a literature overview of the marketing of commercial and industrial property and services. The concepts of commercial property, industrial property and property services were first defined, the categories of commercial and industrial properties outlined and the characteristics of fixed properties compared to other commodities and products. Thereafter the definitions of marketing, marketing strategy and marketing plan were given.

A discussion of the environment of the property market indicated the role that government plays in the property industry and also the role of the private sector. Marketing in the real estate context indicated that if real estate agents had access to the right type of information, not only could they add value to their own organizations, but they could also capitalize on the same information to create added value for their clients.

The elements of the marketing management process included four steps, namely to gather information, to set marketing goals and plan strategy, to organize and implement marketing strategy and to control the marketing activities. Marketing tools, strategies and service marketing strategies were also outlined. To conclude, a practical example of a marketing plan of a small estate agent was given.
5.2.3 Chapter Three

This chapter provided a literature overview of the marketing of commercial and industrial properties and services in an online environment. In particular, this chapter looked at marketing in the online environment and discussed the marketing mix in the online environment. The marketing mix in the online environment covers personalisation, privacy, customer services, community, site, security and sales promotion.

The principles of online marketing indicated the important role of the customer and customer relationships. Investigating the difference between e-commerce and online marketing revealed that online marketing is one component of e-commerce. The ten Internet marketing trends included search engine optimisation, paid searches, Email marketing, social network marketing, blogging, web presence, mobile marketing, podcasting, online radio, online video, coupons, discounts and savings.

The major issues in regard to the Internet showed the advantages and disadvantages of using the Internet. To conclude Website development and content and Website effectiveness were discussed.

5.2.4 Chapter Four

This chapter firstly focused on the research methodology employed to critically analyse literature in order to suggest a proposed framework of what should be included in the Website of a small commercial and industrial property and services business. In order to successfully research online marketing of commercial and industrial properties and services in a small business, a basic but thorough understanding of online marketing principles and Website content was important. In this study a qualitative research approach was followed where secondary sources were critically evaluated to design the required framework. Thereafter three Websites of marketing of commercial and industrial properties and services were content analysed to see whether anything else need to be added to the framework. This was intended to assist in taking a small business in the commercial and
industrial properties and services online. The framework suggested that the Website homepage content should include:

- Business overview/information
- Products/services
- What's new
- Search
- Employment opportunities
- Interactive feedback
- Customer service/assistance
- Index/directory
- Financial facts
- Links to other sites
- Online business services/utilities
- Guest book
- Frequently Asked Questions
- Messages from CEO

A purposeful sample of three Websites was then content analysed so as to provide the information necessary to reach the objectives of the study. It was decided to include the following Websites in the content analysis: The first was Broll which operates as a national agency with international associations. They render services (Estate Agency) and are not property owners. The second was Bruce McWilliams Industries Pty Ltd which is operative in Port Elizabeth, Uitenhage and surrounds. It is a family business that owns property, which they develop and market themselves. The third was Seeff which is a national agency. They render services (Estate Agency) and are not property owners.

Lastly, a narrative of a small commercial and industrial property and services business was compiled by means of document analysis of a specific business. The researcher was allowed to study the documents and diaries of the business in order to provide a narrative for this business. This narrative could then be used as part of the envisaged Website for the business.
5.3 CONCLUSION AND RECOMMENDATIONS

In this section the conclusions arrived at from the investigation are discussed.

5.3.1 Conclusions from the content analysis of the Websites of commercial and industrial property and services

After the content analysis of the three Websites it was suggested that two components from the proposed framework could be omitted, namely:

- Guest book
- Frequently Asked Questions

These omissions were based on the fact that none of the three sample business Websites included these components.

One component that needed to be added was:

- Annual report

It was suggested that this component be added as all three businesses had included their financial statements in their Websites.

5.3.2 Conclusions from the narrative of the small business

The narrative of the small business focused on the history of the business. It is important for potential clients to know where your business came from and what it has achieved thus far. The narrative of the small business showed that the business had started very small in the 1970s and had grown to be what it is today.

Eventually the property side of the business grew and the family also diversified into other businesses. The lessons learned from the business include:

- That without people you cannot do business
- Good relationships are necessary to do good business
- Good relationships with staff
• Good financial management
• Quick response to customers’ demands
• Stay cool in a crisis
• Friendly service

The main philosophy is that

• You need to try even if you have failed
• You should not take anything for granted
• You need to make well-thought through decisions
• You should believe in yourself
• You should pursue opportunities
• You must be able to work in a team

The current business consists of:

• Properties, commercial, industrial and residential
• Plant handling such as forklifts
• Quarry
• Farms

It is proposed that this history and narrative form part of the Website of the small business.

5.3.3 Recommendations on a proposed framework

After the content analysis it is proposed that the Website of a small commercial and industrial property and services business should include the following components:

• Business overview/info.
• Products/services
• What's new
• Search
• Employment opportunities
• Interactive feedback
• Customer service/ assistance
• Index/directory
• Financial facts
• Links to other sites
• Online business services/utilities
• Messages from CEO
• Annual report

5.3.4 General conclusions and recommendations

In general it can be concluded that the small commercial and industrial property and services business should use the Website of the local business that was content analysed as it has many similarities with the current business.

It can also be concluded that there is no one size fits all when it comes to designing a Website and that the proposed procedure used in this study can be a good guide for developing a Website for a small commercial and industrial property and services business. This procedure includes:

• Content analyse similar businesses
• Develop a narrative for your business
• Decide on the components to include in the Website.

5.4 RESEARCH OBJECTIVES AND QUESTIONS

5.4.1 Meeting the primary objectives of the study

The primary objective of this research was to investigate the Websites of small commercial and industrial property and services businesses so as to establish what is needed to create an actual Website. This research showed which components to include in the Website of the small commercial and industrial property and services business (see paragraph 5.3).
5.4.2 Meeting the secondary objectives of the study

The secondary objectives of this study included:

- To outline theory on the marketing of commercial and industrial properties and services

This objective was met in Chapter Two that outlined a theoretical perspective on online marketing with specific reference to a commercial and industrial properties and services business.

- To investigate the marketing of commercial and industrial properties and services in an online environment

This objective was met in Chapter Three that looked at marketing in the online environment.

- To develop a framework to implement online marketing by analysing Websites of commercial and industrial property and services businesses using content analysis

Chapter Four outlined a proposed framework to design a Website for a commercial and industrial property and services business.

- To qualitatively determine the characteristics of a specific small commercial and industrial properties and services business.

Chapter Four provided a narrative of a specific small commercial and industrial property and services business.

- To suggest a framework to create an actual Website.

Chapter Five suggests a framework to use to create an actual Website considering all the previous results.
5.5 LIMITATIONS OF THE STUDY AND SUGGESTIONS FOR FUTURE RESEARCH

There were a number of limitations to the study which can also indicate future research areas. Firstly the qualitative nature of the study provided rich data, but questions can be posed as to the validity and reliability of the information. The number of Websites that were content analysed, was limited as the sample was relatively small. It is argued that even if the study were repeated with a larger sample size, the same results would occur. Similar research could be conducted with businesses from other sectors and this may provide other insights. The framework designed in this study can also be empirically tested.

It is proposed that the effectiveness of the various Website of small commercial and industrial property and services businesses be investigated.

5.6 REFLECTIONS OF LEARNING

This study has resulted in the researcher becoming more knowledgeable with regard to the numerous components relating to theory on online marketing and in particular to the content of Websites. Furthermore, the researcher learned how to practically implement theoretical guidelines in a real life situation. This research equipped the researcher with additional knowledge on the theory of online marketing and it also assisted the researcher to feel more adequate and well-informed with regard to qualitative research methods, and the design, reporting and analysis of this kind of information. It was a journey of great challenges and great exploration.
REFERENCES


Cloete, C.E. 1996. *Introduction to Property Marketing*. Student notes. SA: Technikon SA.


