

Chapter 9

E–Trading Decision Making: An Integrated Digital Marketing Approach With Theory and Cases

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ABSTRACT

Electronic trade has a key role for today's companies with help of technology affecting marketing environment. The emergence of the Internet has led to huge changes in both the production and strategy channels and the consumer's purchasing process. Previous studies from different contexts examine electronic trade focusing on different aspects on concept. An integrative approach combining theory with cases can help to a better understanding of electronic trade and competitive markets. This study aims to examine electronic trading decision making with digital marketing approach. The study identifies a three-step marketing plan for competitive advantage about electronic trading. First step includes identifying standards, seasonalities, and anomalies related to market. Second step continues with further evaluation of market environment by including sentiment analysis and network analysis cases. Third step goes further with predicting cases by focusing on future. The study also contains solutions and recommendations, future research directions, and conclusion sections.

INTRODUCTION

Electronic Trade and the business world are affected by many factors such as developing technology, changing competition conditions and differentiating consumers. One of the results of this intense change in recent years is the need to understand the factors in the market correctly for the competitive advantage. When compared with the business world in the 20th century, there are a quite different market and competition conditions. When the business history is examined as a timeline in the 20th century, it

DOI: 10.4018/978-1-7998-0035-4.ch009

is observed that many different factors such as mass production, world wars, developments in quality and technology are effective. When the 21st century is examined, it is concluded that technology and globalization factors are effective in competition conditions. As a result of these factors, there have been changes in the market actors and consumer expectations. The main aim of this study is to understand the changes and to develop strategies for them.

The concept of electronic trade has become one of the issues of global markets and the business world, especially with the spread of technology and the Internet. The existence of a more global commercial world has created a market environment in which electronic commerce can be reached by the whole world and commercial actors can participate. Commercial markets, which approach the concept of full competition in economics at this stage, have both advantages and disadvantages for the business world. Factors related to advantages generally include access to the market and access to customers, while the factors associated with disadvantage include increasing competition in the market and changing consumer expectations.

One of the changes for electronic trade refers to the consumer side of the market. “Consumer” in this change can refer to companies for business to business markets and refers to individual customers for a business to customer markets. The processes of consumer decision making are changing day by day due to technological advancements. Consumers of 80s, consumers of 90s and today’s consumers have different characteristics. Main consumer decision making processes have three different stages including; information seeking, comparing alternatives, forwarding information. Information seeking step has lots of changes due to the speed of internet and social media. Today, companies can reach to different suppliers from different countries/regions of the world. This information availability causes second steps to be complex. Comparing alternatives is easier than past times, as there are lots of alternative suppliers and buying options. Third step forwarding information refers to information exchange between both sides. Consumers affect each other fast with help of social media and electronic communication mediums.

Complexity of electronic trade, changing of competitive environment and consumer beliefs are main factors affecting electronic trade today. These factors make strategic decision making necessary for competitive advantage. This study focuses on this gap and suggests a three-step action plan for competitive advantage in an electronic trade context. Contents of the study start with electronic trade concept and continue with digital marketing and competitive advantage concepts. Case section of study starts with detecting standards and norms since they signal about marketing environment. This section also has an anomaly detection part as it would include insights for further steps. Second case section includes network analysis and sentiment analysis methodologies for evaluating market conditions better. Last case section focuses on the future as it includes prediction of future values of variables. All three case sections have marketing focus and competitive positions either. Therefore, it is aimed to have integrated and comprehensive view for electronic trade. The study also includes solutions and recommendations, suggestions for further research, and discussion parts.

LITERATURE REVIEW

Electronic Trade

One of the most important factors that ensure the survival and prosperity of human beings is to establish organizations that provide the means and methods for the trade of goods and services. These organiza-

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