Dell Starts Listening

- In 2004, Dell held 28.2% of U.S. computer market share.
- To reduce costs, Dell Computer began outsourcing customer service to a firm in India.
- Market share increased to 28.8% but complaints and consumer dissatisfaction rose.
- Dell digital media manager initiated blogs in several languages to improve communication.

Dell Starts Listening, cont.

- Dell's blogs became mechanisms for handling consumer complaints and ideas.
- Blog usage resulted in over 20 changes to the company.
- What are the opportunities and risks in utilizing blogs for improving customer service?
Internet 101

- The internet is a global network of interconnected networks.
- E-mail and data files move over phone lines, cables, and satellites from sender to receiver.
- There are two special uses of the internet:
  - Intranet: network that runs internally in an organization.
  - Extranet: two joined networks that share information.

Internet 101, cont.

- E-business is the continuous optimization of a firm’s business activities through digital technology.
- E-commerce is the subset of e-business focused on transactions.
- E-marketing is one part of an organization’s e-business activities.

E-Marketing is Bigger than the Web

- The Web is the portion of the internet that supports a graphical user interface for hypertext navigation with a browser.
- The Web is what most people think about when they think of the Internet.

The Web Is One Aspect of E-Marketing

- Exhibit 1.1
E-Marketing is Bigger than Technology

- The internet provides individual users with convenient and continuous access to information, entertainment, and communication.
- Communities form around shared photos, videos, and online profiles.
- The digital environment enhances processes and activities for businesses.
- Societies are enhanced through more efficient markets, more jobs, and information access.

Global Internet Users

Exhibit 1.3

- Exhibit 1.3

E-Marketing’s Past: Web 1.0

- The Internet started in 1969 as the ARPANET, a network for academic and military use.
- The first generation of e-business was like a gold rush.
  - Between 2000 and 2002, more than 500 internet firms shut down in the U.S.
  - By Q4 2003, almost 60% of public dot-coms were profitable.

E-Business to Just Business

Exhibit 1.5

- Exhibit 1.5
E-Marketing Today: Web 2.0

- Web 1.0 connected people to networks.
- Web 2.0 connected people with machines and each other.
- Web 2.0 is the second generation of internet technology and includes:
  - Blogs
  - Social networking
  - Photo, video, and bookmark sharing

E-Marketing Today: Web 2.0

- Power shift from sellers to buyers
- Search engines are now reputation engines
- Market and media fragmentation
- Connections are critical
- Improved online and offline strategy integration
- Marketing investment is moving online
- Refined metrics
- Intellectual capital rules

The Future: Web 3.0

- The newest technologies allow marketers to focus on user:
  - Engagement
  - Participation
  - Co-creation
- Online gaming represented over $1 billion in revenue and 15 million players in 2006.
Consumers Have More Control

- The internet provides a communication platform for individual comments, both positive and negative.
- Comments can spread quickly and rapidly.
- New technologies such as digital video recorders (DVRs) will increase consumer control.
- New service Akimbo maintains a library of over 10,000 programs with access via the internet, television, or other appliance.

Power Shift from Companies to Individuals

Exhibit 1.7

- Companies
  - Traditional Media
  - Television
  - Radio
  - Magazines
  - Newspapers

- Social Media
  - Social networks
  - Blogs
  - Wikis
  - And more

- Centralized push
- Centralized pull

Wireless Networking Increases

- Cell phones, PDAs, and laptops connect to the internet via wireless modem worldwide.
  - Starbucks
  - Hotels and airports
- Customers will have information, entertainment, and communication when, where, and how they want it.

WiFi at Train Station in France

1-20
Appliance Convergence

- The receiving appliance is separate from the media type.
  - Computers can receive digital radio and TV.
  - TV sets can receive the Web.
- New types of “smart” receiving appliances will emerge.
  - Internet refrigerator is many digital appliances in one.
  - Global positioning systems (GPS) allow in-car communication and entertainment.

Semantic Web

The Semantic Web will utilize a standard definition protocol that will allow users to find information based on its type, such as:
- The next available appointment for a doctor.
- Details about an upcoming concert.
- Menu at the local restaurant.
- Represents the next huge advance: providing worldwide access to data on demand without effort.