

# Embracing the power of e-marketing

## *The importance of e-trust and improving strategic business performance*

**G**lobal technological developments continue to change how firms understand and achieve competitive advantage. It is becoming standard practice for firms to look at e-Marketing orientation (EMO) to improve strategic business performance (SBP). Linked to EMO is the concept of e-trust. This includes practices such as security and privacy in online transactions, more rapid query and complaints responses, and aftersales services that all work to develop customer e-trust. EMO is particularly crucial for SMEs which require constant evaluation of competitive advantage compared to larger, more established and secure firms. Quickness of response to customers and market changes are central to SME success. EMO is therefore a key concept to help develop this agility in the marketplace. In countries such as Pakistan, the nature of the marketplace as developing means the SME sector is less established and therefore a more unsettled arena in which to operate. Any method of seeking competitive advantage is key to success in such a situation.

### Long-term gains

Firms looking to build sustainable advantages are looking at EMO, and the attributed boost in e-trust, as ways to do this. The adoption of e-marketing allows firms to cut costs for physical mediums by using electronic channels. It also gives customers greater flexibility in engaging with firms. EMO allows firms to target customers more directly, and in a more personalized manner. This is typically achieved through communications channels across social media and other online platforms, and by using browsing and purchasing data to help push products and services most likely to be purchased to the fore. The direct and personalized engagement by a firm towards a customer can also have the benefit of building loyalty. This is a key factor in improving retention levels, which has a knock-on benefit for productivity and strategic strength for a firm.

EMO has the ability to allow market pool size to be expanded at relatively low costs. Using e-marketing enables firms to reach out to larger audiences with greater frequency, without incurring much additional cost. The key to successfully implementing EMO in this fashion is making sure the short-term gains are transformed into long-term benefits. Any increase in market size or customer loyalty can be quickly lost if sufficient work is not put into maintaining these benefits.

In order to gain the e-trust of customers, a firm must build a successful EMO dialogue. Customer satisfaction is what tends to drive e-trust and building that should be a center point for all firms embarking with EMO. The prevalence of social media and online forums allows customers to quickly and widely distribute opinions and reviews of firms and their products. Firms that deal successfully with these complaints, and in turn gain a loyal following, are those that expend effort in replying to customer complaints and demonstrating a desire to take on negative feedback to improve things for the future. Doing this convincingly and quickly are key ways for firms to build e-trust with customers. This has the added benefit of boosting word-of-mouth (WOM) and e-word-of-mouth (eWOM)

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communication. With today's issues of consumer data and privacy breaches, customers now demand firms demonstrate how they will use their data, and how their transactions will be kept safe. In the absence of a physical sales person, trust is now built through actions. It is accepted that e-trust is a driver of EMO to boost SBP.

### Trust in a digital world

In order to understand the impact of EMO and e-trust on SBP, *Yousaf et al. (2018)* used 479 responses from 1450 SMEs in Pakistan to test their hypotheses. These are as follows, including the results:

- H1. EMO is positively associated with SBP (supported).
- H2. EMO and e-trust are positively associated (supported).
- H3. e-trust and SBP are positively associated (supported).
- H4. and e-trust mediates the relationship between EMO and SBP (supported).

The conclusion of this research is that EMO can be seen to have a significant and positive effect on SBP, as well as on e-trust. This is also the case for e-trust, which has a positive and effect on SBP. There is a clear mediating effect of e-trust between e-marketing and SBP, which can be seen to have an impact on SMEs particularly in Pakistan and other developing nations. Importantly, managers within SMEs need to look carefully at their current EMO strategies, and how they can better be aligned to boost SBP.

### Comment

The review is based on 'The effects of e-marketing orientation on strategic business performance: mediating role of e-trust' by *Yousaf et al. (2018)* published in the *World Journal of Entrepreneurship, Management and Sustainable Development*.

### Reference

Yousaf, Z., Sahar, N., Majid, A. and Rafiq, A. (2018), "The effects of e-marketing orientation on strategic business performance: mediating role of e-trust", *World Journal of Entrepreneurship, Management and Sustainable Development*.

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