Editorial

A dress rehearsal for the future

According to *The Economist*, 42 per cent of the annual investment capital base in the USA is now spent in information technology. *Business Week* reported that 35 per cent of the growth in US gross domestic product during the recent economic recovery has been due to growth in information technology.

These are amazing figures. Despite falling literacy and skill rates in the American labour market, it is investment in IT that has driven the global competitive resurgence of the US.

According to Jeff Papows, president and CEO of Lotus, we are only in the early years of a fundamental change in the way our civilisation works. Papows observes that 'Seemingly basic conventions and terminology such as customers, communities, culture and even competition will take on a new meaning as we begin to come to grips with the truly borderless, twenty-four hour world enabled by information technology.'

All that we have witnessed so far in a relatively short space of time has been only a dress rehearsal for what will happen in the 21st century as the World Wide Web continues to build a networked world.

Marketing at the watershed

Through the 1990s, the marketing discipline has been experiencing a mid-life crisis of identity and direction. New themes and new concepts have increasingly added new dimensions to marketing strategy and policy — customer relationship marketing (CRM) being just one. Many marketers still cling to the stability of the '4 Ps', first cited in Jerome McCarthy's book of 1960, *Basic Marketing*. But the influence and changes IT is bringing to traditional marketing communications and distribution channels cannot be ignored.

IT will enable marketers to have one-to-one relationships with their customers. We as direct marketers do not hold the exclusive right to that privilege. If our skills, honed as direct marketers, are to be fully exploited in the interactive age, we need to understand and embrace new technologies and their applications to marketing practice. The term 'direct marketing', coined by Lester Wunderman in 1961, will not continue to capture the imagination of the brightest young minds of the future who are born into a digital world. As the 4 Ps must change to a more dynamic and flexible approach, so direct marketers must evolve if they are to be centre stage in marketing of the information age.

Your new journal — *Interactive Marketing*

So welcome to your new journal, which represents your editors' attempts to evolve in this direction. We have listened to you, our members and readers who asked for more original, forward-thinking articles. We also took the decision to change the title to *Interactive*

Marketing as we believe this is the future for direct marketing. As we enter the new millennium, it is appropriate for the Institute to launch the foremost forward-thinking marketing journal in the UK.

Editorial aim

The aim of *Interactive Marketing* is to provide an indispensable resource for senior marketing managers seeking awareness of new marketing concepts, strategies and applications from around the world.

Through this, *Interactive Marketing* will demonstrate thought leadership, providing an international forum for the publication of refereed papers and case studies, as well as an abstracting service describing the strategies and processes of interactive marketing.

Specifically the journal will seek to:

- foster an understanding of the organisation — systems, people, processes and environments — required for effective interactive marketing;
- identify, describe and actively encourage best practice in interactive marketing;
- address, in rigorous, detailed and evidence-based fashion, the major and current issues facing the modern marketer;
- present studies, empirical evidence and research into the success (and failure) of interactive marketing strategies and applications;
- provide a forum for presenting challenging and coherent new models that describe the interactive marketing process;
- build a valuable resource of abstracts summarising the best writing on issues of direct and indirect concern to modern marketers in general and interactive marketing in particular.

We will bring you leading-edge articles from around the world concerning today's current marketing and direct marketing issues. We will also present strategic articles by top practitioners and academics that will depict the marketing environment of tomorrow and show how the latest information technologies can be successfully introduced to marketing practice.

The journal will clarify and define the new marketing terms which are emerging in the Internet age, such as e-commerce, digital marketing, relationship marketing, intranet, meganet, marketpace, etc.

Defining interactive marketing

There is no universally accepted definition as yet. At one end of the spectrum it might simply be the use of information from the customer rather than about the customer. A more all-embracing definition is:

'harnessing technology to create a competitive, customer-centred marketing organisation.'

This definition takes into account all interfaces and interactions between an organisation and its value chain, in particular the strategies, technologies, processes, systems and people required to deliver customer satisfaction — and, by inference, customer loyalty.

Over the forthcoming issues of *Interactive Marketing* it is hoped that we can together derive a common definition that is universally accepted. We welcome your input.

The customer interface

The information age brings a new marketing landscape — one of electronic media, on-line shopping and instant customer gratification. It implies there will be a continuous process of corporate learning and reinvention. Failing to understand and respond quickly to customers' needs will even more quickly than before render an organisation and its products and services irrelevant. Competitive positioning will not be won on the tangible assets of a product or service, but on the ability to understand and relate to changing customer expectations.

It is the customer interface which will be the most important corporate asset. Managing that interface — the technologies, systems, processes and people which support and surround it — will require organisational changes the scope and scale of which we have not witnessed before. This will be the way to compete successfully in the information age.

Understanding the real value of the Web today

Since its introduction, the Internet has become a social and cultural phenomenon. The Internet and its graphical interface, the World Wide Web, have been the predominant subject of articles in the marketing media for the past few years. While there has been much hype about its consumer applications, the real potential of the Web in the short to medium term will be in business-to-business applications and commerce.

There will be a fundamental change to the 'value chain' concept originated by Professor Michael Porter in the 1990s. The value chain represents connections between an organisation and its suppliers, sales force, intermediaries, clients and customers. As Porter showed, these linkages can be enhanced and integrated; but the next stage will no longer involve a chain, but a space — a space the technologists have called 'marketspace'. Traditional links in the chain will be replaced by a wider, complicated matrix of relationships stretching beyond the organisation and surrounding environment. This will fundamentally change relationships, margins, speed of transactions and choice of channels.

Digital marketing

Digital marketing (yet another new term), is likely to become an integral part of the consumer marketing mix in the future. It enables new forms of interactions between consumers and marketers — seamless transactions, on-demand availability, deeper relationships and greater personalisation of goods and services as well as encouraging two-way interactivity. Already, the more progressive companies are grasping the opportunities that digital marketing offers to:

- enhance information delivery to customers (FedEx);
- explore new channels/disintermediary opportunities (Amazon);

- maximise the relationship-building opportunity (MBNA);
- increase productivity and speed of delivery to market (John Brown).

Organisations in the interactive age

A further issue in the interactive marketing age will be how to organise for it. Parsons, Zeisser and Waitman believe interactivity will have profound consequences for an organisation's structures, skills and activities.¹ George S. Day goes one stage further to discuss aligning the structure with the interactive strategy.² The more the strategy becomes interactive, leading to increasing dialogue and collaboration with customers and channels, the greater the need for dispersion of information and decision making around the organisation. In the next decade, we will witness the development of the knowledge-based organisation.

Back to the future

These references to the Web, digital media and organisational change are just some of the facets of the emerging interactive and IT environment. It is important that this journal covers such topics and gives a clear direction of the future applications. But equally, this journal will not ignore the basics of marketing which are sometimes washed aside with the tide of technology. Truly understanding customers' needs and wants, profiling, segmentation, targeting and positioning and measurement methods are important aspects of marketing. No papers which add to the future theory and practice of marketing will be dismissed just because they are not about interactive marketing or information technology. Loyalty, lifetime values, relationship marketing, databases and financial analysis are still fundamental to today's marketing practice.

Conclusion

This is the start of a journey with no fixed destination. If, as we believe, one day every marketer will be an interactive marketer, then this journal will have served a purpose in helping to redefine marketing.

To be a leading interactive marketer of the 21st century, you already have a head start as a direct marketer. Our discipline revolves around interaction, targeting, control and relationship building. It is built on 'consumer behaviour', develops a dialogue with customers, understands transactional databases and is more measurable and accountable than any other discipline. This journal will help hone your current knowledge and skills. It will provide you with an understanding of the practical applications of information technologies to marketing as they evolve. Welcome to the interactive age.

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References

1. Parsons, A., Zeisser, M. and Waitman, R. (1998) 'Organizing Today for the Digital Marketing of Tomorrow', *Journal of Interactive Marketing*, Vol. 12, No. 1, pp.47–53.
2. Day, G.S. (1998) 'Commentary: Organizing for Interactivity', *Journal of Interactive Marketing*, Vol. 12, No. 1, pp.47–53.