Environmental Forces as Catalysts in Electronic-Marketing, The 21st Century Trends in Nigeria

Kalu Alexandra o. U.
DEPARTMENT OF MARKETING
COLLEGE OF MANAGEMENT SCIENCES
MICHAEL OKPARA UNIVERSITY OF AGRICULTURE UMUDIKE

Nto, chioma p. o.
DEPARTMENT OF MARKETING
COLLEGE OF MANAGEMENT SCIENCES
MICHAEL OKPARA UNIVERSITY OF AGRICULTURE UMUDIKE

Nwadighoha, Emmanuel e.
DEPARTMENT OF MARKETING
COLLEGE OF MANAGEMENT SCIENCES
MICHAEL OKPARA UNIVERSITY OF AGRICULTURE UMUDIKE

ABSTRACT
Electronic marketing is the use of electronic data and applications for planning and executing the conception, distribution and pricing of ideas, goods and services to create exchanges that satisfy individual and organizational goals. While a number of research studies have examined the factors that drive electronic marketing, there is only scant empirical evidence on the link between environmental forces activity and electronic marketing integration into our contemporary business model. The objective of this study is to critically analyze the environment forces that influence e-marketing practices in the 21st century trend in Nigeria. Various environmental factors were identified that hampers electronic marketing growth in Nigeria. Technological Acceptance Model was used as the theoretical underpin for the study. It was concluded that a systematic implementation of e-marketing strategies is positively related to the enhanced job performance of Small and Medium scale Enterprises (SMEs) owner/managers and the overall success of core business processes, that the environmental force if properly streamlined will result to full integration of the electronic marketing tools into the business operation. Various recommendations were given and limitations/suggestion for further studies.

INTRODUCTION
Over the years, e-marketing have boast the way in which business are being operated and this have been enhanced extensively by advent technological development and the integration of the internet based facilities into the product and services marketing. The market condition and business environment of the 21st century is witnessing rapid change. Business often must respond to this rapidly changing environment (Kurtz, 2008).

Environmental change has been a business focus for decades. Now, a well-established new comer is changing the traditional business environment even more: information technology; the internet and the electronic commerce are the new players disrupting the business environment. Even more critical is the development of entirely new business. Given these changes, businesses have rediscovered that, more than ever, in the face of increased competition, matured market, and ever demanding customers, treating existing customers well is the best source of profitability and sustained growth (Hair, Bush, & Otinau, 2006).

In recent years, increasing numbers of businesses have been using the Internet and other electronic media in conducting their marketing efforts, giving the chance for Electronic Marketing (as a new marketing phenomenon and philosophy) to grow in a very dramatic and dynamic way.

From the author point of view, implementing E-Marketing by small business enterprise can change both the shape and nature of its business all over the world. Because the increase usage of the Internet and other Electronic Marketing tools (i.e.: E-mail, Intranets, Extranets and Mobile phones) in electronic transactions might create not only a lot of opportunists for small business enterprises but also can eliminate a lot of its threats. From this prospective, it is noticed that the Internet, other electronic media tools and Electronic Marketing tools are playing a vital and essential role in conducting marketing activities within business enterprises regardless of its type or size (El-Gohary, 2010).

Electronic marketing (henceforth referred to as e-marketing) is one of the rapidly growing forms of digital marketing in may developed economies. The E-Marketing Association defines e-marketing as “the use of electronic data and applications for planning and executing the conception, distribution, promotion and pricing of ideas, goods and services to create exchanges that satisfy individual and organizational objectives” (Burgess
provide sales support for their products and services. Zhao (2005) further posits that business enterprises can also carry on with their operations through the integration of e-marketing platforms. But in the developing nations, just like Nigeria, firms are yet to reap the benefit associated with the integration of e-marketing facilities into our traditional marketing systems which is rather new and more expensive. And this has constituted a problem for economic and marketing decision makers, and the adoption rate in Nigeria have remain low despite increasing campaign by the government and its agencies for its citizens to embraces e-marketing practices. And also while a number of research studies have examined the factors that drive electronic marketing, there is only scant empirical evidence on the link between environmental forces activity and electronic marketing integration into our contemporary business model. It is against this backdrop that the need to carry out this study arose, so as to identify the environmental catalysts that affects e-marketing in the 21st century.

**Objective of the Study**
The objective of this study is to critically analyze the environment forces that influence e-marketing practices in the 21st century trend in Nigeria.

**Statement of the Problem**
Over the years e-marketing have been an avenue through which firms has achieved competitiveness in the developed countries all around the globe and this have drastically changed the ways in which business operations are being carrying out. But in the developing nations, just like Nigeria, firms are yet to reap the benefit associated with the integration of e-marketing facilities into our traditional marketing systems which is cumbersome and more expensive. And this have constituted a problem for economic and marketing decision makers, and the adoption rate in Nigeria have remain low despite increasing campaign by the government and its agencies for its citizens to embraces e-marketing practices. And also while a number of research studies have examined the factors that drive electronic marketing, there is only scant empirical evidence on the link between environmental forces activity and electronic marketing integration into our contemporary business model. It is against this backdrop that the need to carry out this study arose, so as to identify the environmental catalysts that affects e-marketing in the 21st century.

**REVIEW OF RELATED LITERATURE**

**E-Marketing**
Electronic Marketing (E-Marketing) can be viewed as a new philosophy and a modern business practice involved with the marketing of goods, services, information and ideas via the Internet and other electronic means. By reviewing the relevant literature it is noticed that definitions of electronic marketing (E-Marketing) vary according to each author's point of view, background and specialization. For that, while Smith and Chaffey defines it as: “Achieving marketing objectives through applying digital technologies” (Smith and Chaffey, 2005: 11), Strauss and Frost define it as: “The use of electronic data and applications for planning and executing the conception, distribution and pricing of ideas, goods and services to create exchanges that satisfy individual and organizational goals” (Strauss and Frost, 2001: 454).

E-Marketing is the application of a broad range of information technologies for:
- Transforming marketing strategies to create more customer value (more effective segmentation, targeting, differentiation, and positioning strategies),
- More efficiently planning and executing the conception, distribution, promotion and pricing of goods, services, and ideas,
- Creating exchanges that satisfy individual consumer and organizational customers’ objectives.

E-marketing is the result of information technology applied to traditional marketing. It affects traditional marketing in two ways: Increases efficiency in traditional marketing functions, the technology of e-marketing transforms many marketing strategies (Kotler & Armstrong, 2010).

On the other hand, the review of the relevant literature revealed that one of the main obstacles in the literature is the unclear way of dealing with the concept and definition of E-Marketing. In this respect most of the researchers misused the term E-Marketing; the majority of researchers are using the terms: E-Marketing/Internet-marketing / E-commerce / E-business as equivalents or a deferent wording for the same meaning, which is incorrect because they are deferent. For example, E-Marketing has a broader scope than internet marketing since Internet Marketing (IM) refers only to the Internet, World Wide Web, e-mails. While E-Marketing includes all of that plus all other E-Marketing tools like: Intranets, Extranets and mobile phones. In contrast with that, E-commerce and E-business have a wider and broader scope than E-Marketing.

Porter (2001) highlights that marketers are able to identify and satisfy customer needs and preferences through monitoring website visitations, e-mails, online surveys and chat rooms conducted on the Internet. Awa et al. (2010) opines that e-marketing presents a virtual marketplace within which firms buy, sell, distribute and provide sales support for their products and services. Zhao (2005) further posits that business enterprises can also
develop custom-made products and services that meet the precise needs of consumers. This in turn, culminates in high returns for businesses. The adoption of e-marketing also enables businesses to promote their products and services to the public through advertisements, banner advertisements, e-mails and mobile phone competitions (Chaffey & Smith, 2005). Furthermore, businesses are also better able to effectively serve global markets and distribute goods and services to customers through e-marketing adoption (Harris & Dennis, 2002).

Overview of internet

The Internet is a global network of interconnected networks:
- Millions of corporate, government, organizational, and private networks,
- The Internet consists of computers with data, users who send and receive the data files, and a technology infrastructure to move, create, and view or listen to the content.

Three important types of networks form part of the Internet:
- **Intranet** - A network running internally in a corporation + using Internet standards (HTML and browsers) - a mini-Internet but only for internal corporate consumption,
- **Extranet** - An intranet with value chain partners + the access is normally only partial,
- **Web** - The portion of the Internet that supports a graphical user interface for hypertext navigation with a browser (Netscape / Internet Explorer). The Web is what most people think about when they think of the Internet.

Internet Properties and Marketing Implications

Internet technologies have changed traditional marketing in a number of critical ways:
- Power shift from sellers to buyers,
- Death of distance,
- Time compression,
- Knowledge management is key,
- Interdisciplinary focus,
- Intellectual capital rules.

<table>
<thead>
<tr>
<th>Property</th>
<th>Marketing Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bits not atoms</td>
<td>Information, products, and communication in digital form can be stored, sent, and received nearly instantaneously. Text, audio, video, graphics, and photos can all be digitized, but digital products cannot be touched, tasted, or smelled.</td>
</tr>
<tr>
<td>Mediating technology</td>
<td>Peer-to-peer relationships such as auctions and music file sharing, and business partnerships can be formed regardless of geographic location. Technology allows timely communication and data sharing, such as with businesses in a supply chain.</td>
</tr>
<tr>
<td>Global reach</td>
<td>Opens new markets and allows for worldwide partnerships, employee collaboration and salesperson telecommuting.</td>
</tr>
<tr>
<td>Network externality</td>
<td>Businesses can reach more of their markets with automated communication, and consumers can disseminate brand attitudes worldwide in an instant.</td>
</tr>
<tr>
<td>Time moderator</td>
<td>There are higher expectations from consumers about communication with companies and faster work processes within companies.</td>
</tr>
</tbody>
</table>

Internet Properties and Marketing Implications

*Source*: Properties adapted from Afuah and Tucci (2001)

Environmental Forces and E-Marketing Trend Constraints

Environmental analysis is a strategic tool. It is a process to identify all the external and internal elements, which can affect the organization’s performance. The analysis entails assessing the level of threat or opportunity the factors might present. These evaluations are later translated into the decision-making process. The analysis helps align strategies with the firm’s environment. Our market is facing changes every day. Many new things develop over time and the whole scenario can alter in only a few seconds. There are some factors that are beyond your control. But, you can control a lot of these things (Porter, 2008).
The e-marketing environment represents a mix between the internal and external forces which surround an organization and have an impact upon it, especially their ability to build and maintain successful relationships with target customers. The marketing environment consists of the micro and macro environment.

Macro environmental factors include social, economic, political and legal influences, together with demography and technological forces. These are sometimes referred to as the PESTLE factors and are discussed in more detail as the study progresses. The organization cannot control these forces, it can only prepare for changes taking place (Porter, 2001).

Micro environment refers to the forces closely influencing the company and directly affect the organization’s relationships. The factors include the company and its current employees, its suppliers, marketing intermediaries, competitors, customers and the general public. These forces can sometimes be controlled or influenced and are explained in more detail in Porter’s 5 Forces. Businesses are greatly influenced by their environment. All the situational factors which determine day to day circumstances impact firms. So, businesses must constantly analyze the trade environment and the market (Kurtz, 2008).

There are many strategic analysis tools that a firm can use, but some are more common. The most used detailed analysis of the environment is the PESTLE analysis. This is a bird’s eye view of the business conduct. Managers and strategy builders use this analysis to find where their market currently. It also helps foresee where the organization will be in the future. PESTLE analysis consists of various factors that affect the business environment. Each letter in the acronym signifies a set of factors. These factors can affect every industry directly or indirectly.

The letters in PESTLE, also called PESTEL, denote the following things:

- Political factors
- Economic factors
- Social factors
- Technological factors
- Legal factors
- Environmental factor

Often, managers choose to learn about political, economic, social and technological factors only. In that case, they conduct the PEST analysis. PEST is also an environmental analysis. It is a shorter version of PESTLE analysis. STEP, STEEP, STEEPLE, STEEPLED, SLEPT and LEPEST: All of these are acronyms for the same set of factors. Some of them gauge additional factors like ethical and demographical factors (Olatidoye, 2004).

An organization is often influenced by the environment they work under. There are several factors which influence such as customers, suppliers etc of the micro environment can be controlled to a certain extent by the organization. The nature of micro environment is very much dependent upon macro environmental factors.

The macro environment will influence all the players operating in the market. Therefore, it does not imply that the organization should not be bothered with changes happening in the micro environment. Organizations need to constantly monitor changes happening in political and regulatory environment and make changes accordingly (Ozuru & Kalu, 2006). Organizations which adapt to the changes happening in the macro environment can showcase this as a differentiation and have a competitive advantage.

In traditional conventional marketing, there are six main external factors that influence the marketing strategy of a business or organization. Some organizations may perform a SLEPT (social, legal, economic, political, and technological) analysis to obtain information on major external influences on their business. Another external factor that can influence a business is competition. But in e-marketing, there basically four (4) key environmental factors that comes into play and they include legal, technological and market-related factors (Strauss, El-Ansary & Frost, 2013). They include as follows;

**Legal factors**

There are certain types of behaviors which are tolerated and accepted by the society around the use of the internet. These generally accepted norms are referred to as ethical standards (Agwu, 2013). Countries are developing ethics related laws advocating the correct use of the internet. Any organization should be aware of these laws and develop their marketing programs after taking them into consideration.

Among internet users the biggest concerns come with privacy factor. Privacy is described as a moral right every individual, enjoys from intrusion in their personal affairs. The internet users have their online identity through which they perform financial and personal transactions. Consumers are very much concerned for the protection of this online identity. Effective e-commerce requires an organization to protect contact information, consumer profile, and behavioral information etc all the time. Organizations should not share or use personal information without prior consumer consent. The other half of the legal and ethical issue concerns organization itself and its own protection against hacking or industrial espionage.

Legislative changes take place from time to time. Many of these changes affect the business environment. If a regulatory body sets up a regulation for industries, for example, that law would impact...
industries and business in that economy. So, businesses should also analyze the legal developments in respective environments (Ozuru & Kalu, 2006).

Some legal factors you need to be aware of include:

- Product regulations
- Employment regulations
- Competitive regulations
- Patent infringements
- Health and safety regulations

Current and pending legislation can greatly influence e-marketing strategies:

- Privacy: Difficult to legislate and Critical because consumers yield personal information over the Internet
- Opt-out e-mail: when users must uncheck a Web page box to avoid being put on a company’s e-mail list, difficult for governments to balance freedom of expression against consumer needs.

New technology brings new opportunities for fraud: enforcement is difficult in a networked world (Olatidoye, 2004).

Social factors

Though the advent of the internet is a universal phenomenon, but the usage pattern is not the same. The level of the internet access and usage directly influence buying behavior of the consumer. The social perception of the internet directly influences its use. The typical perception of the internet can be classified as no perceived advantage, little or no trust in the internet, security risk, cost of usage and utility (Agwu, 2013). The group of population around above classification are the ones who are not utilizing the internet, thus organization needs to factor them in demand analysis.

The social impact of the e-marketing in Nigeria cannot be undermined. It has greatly influenced our way of life and has brought many differences to the fore-front. The population with income and a certain degree of education is able to use the internet much easily compared to population with costly service or slower access. Developed countries are promoting the use of the internet and making efforts through social programs. Even people with special needs are able to use the internet to their advantage (Zorayda, 2003). Countries vary from each other; every country has a distinctive mindset. These attitudes have an impact on the businesses. The social factors might ultimately affect the sales of products and services.

Some of the social factors you should study are:
- The cultural implications
- The gender and connected demographics
- The social lifestyles
- The domestic structures
- Educational levels
- Distribution of Wealth

Technological Factors

The modern digital technology is disruptive in nature. It forces the organization to re-look at its strategies more often. The advent of the internet has seen the rise of online retailers, seriously hampering the function of neighborhood stores.

The biggest challenge for today’s organization is to access the current technological environment and figure which solution would be the best against the competition. Companies can adopt either of following three courses:
- Cautious approach
- Fast follower approach
- First mover approach

In addition to in-home fixed internet access, the newer addition to technology is the mobile connectivity. These mobile connectivity is through phones, internet enabled devices, digital TV and digital radio. With the availability of so many digital devices, a technology convergence is on the horizon.

Like privacy, security is also a great concern for the organization as well as the internet users. A security fear prevents greater adoption of e-commerce facilities (Olatidoye, 2004).

Any security system should ensure and verify the following:
- Authenticity of identity of users
- Privacy and confidentiality of e-commerce the parties
- Completeness of transaction
- Un-interrupted continuity

Technology is advancing continuously. The advancement is greatly influencing businesses. Performing environmental analysis on these factors will help you stay up to date with the changes. Technology alters every minute. This is why companies must stay connected all the time. Firms should integrate when needed. Technological factors will help you know how the consumers react to various trends (MSG, 2016).

105
Firms can use these factors for their benefit:

- New discoveries
- Rate of technological obsolescence
- Rate of technological advances
- Innovative technological platforms

Technological developments influence: the composition of Internet audiences and quality of material that can be delivered to them.

E-marketing is evolving through software advances: Technologies can target consumers according to their online behavior to give a firm a distinct competitive advantage.

Technology lowers costs: Many firms have saved money on staff and paperwork via electronic order processing, billing, and e-mail.

**Technological implications to E-marketing trend in Nigeria**

Technology requires costly investments:
- Web page development costs thousands of Naira,
- E-commerce operations require expensive hardware and software,
- New technologies continue to emerge, which make current investments obsolete,
- Putting technology to use entails a steep learning curve (Woherem, 2000).

**Economic Factors**

The overall economic prosperity of the country will determine the extent of e-commerce activities. Organizations will target developed economy for more internet based transaction as compared to a developing country (Turban, King, & McKay, 2008). The globalization has encouraged the development of a single international market for trade and commerce. It has reduced the social and the cultural difference between countries. This has promoted culture of standardization of prices and reduction of intermediaries. Language and culture difference pose a special problem to smaller companies as they do not have enough financial resources to develop a regional specific e-commerce.

**Theoretical underpinning: Technological Acceptance Model (TAM)**

The Technology Acceptance Model, (TAM), introduced by Davis (1989) is one of the most widely used models to explain environmental catalyst and user acceptance behaviours. The technological acceptance model proposes that perceived ease of use (PEOU) and perceived usefulness (PU) predict the acceptance of information technology (Tung, Sayar & Ekin, 2008). Since its inception, the model has been tested with various applications in various studies and has become the most widely applied model of user acceptance and usage (Pikkarainen, Pikkarainen, Karjaluoto & Pahnila, 2004).

Lichtenstein and Williamson (2006) stressed that the model is grounded in social psychology theory in general and the Theory of Reasoned Action (TRA) in particular. TRA asserts that beliefs influences attitudes, which leads to intentions and therefore generate behaviour. Correspondingly, Davis (1989) introduced the construct TAM as follow: perceived usefulness (PU), perceived ease of use (PEOU), attitude and behavioural intention to use. Among the constructs, PU and PEOU form an end-user’s beliefs on a technology and therefore predict his or her attitude towards the technology, which in turn predicts its acceptance (Cheng, Lam & Yeung, 2006). Various authors, simply posits that individuals who are keen to adopt an innovation, would want to believe or made to believe that they will not find a particular technology difficult to use and it would require no much labour in is usage. The following researchers Lee (2009) in Finland; Lichtenstein and Williamson (2006) in Australia, have utilized TAM variously in their works and some modifications based on environmental and cultural characteristics have also been included. Organizational based research has examined a variety of adoption behaviours from communication use (Lee, 2009) to B2B transactions; and individual use has also been examined on the online transaction stance for both goods and lately services (Enos, 2001). However, The TAM model does not account for social influences in the adoption and utilization of new technologies (Agwu, 2013). The inability to account for the social influences makes the model open for the inclusion of other variables, hence its flexibility and wide usage.

**Criticism:** Despite the robustness of TAM, the model have also been found to possess some limitations in its application to consumer adoption of the electronic marketing applications and several authors have extended TAM (Pikkarainen et al, 2004; Lee, 2009) or supplemented it by combining it with other factors (Cheng et al, 2006). Moreover, TAM's lack of explanatory power in the context of consumer adoption might have accounted for its failure to account for differences in the prior experience of users. Thus researchers need to take into account user experiences, age, education, institutional factors, ICT literacy of the users, level of income and cost of the equipments, etc; when conducting research in innovation adoption using TAM as a model. All these aforementioned factors will be investigated in this study to ascertain the role or roles they play in electronic marketing in Nigeria as a developing economy.
CONCLUSION
Environmental change has been the focus of business for decades. A well-established new comer is changing the environment so fast; information technology; the internet and electronic commerce are the new players disrupting the business environment. Companies have realized that customers are the life blood of their business; this realization has made companies to have a better chance to outperform competition.

Marketing managers in Nigeria acknowledge that e-marketing is effective. A systematic implementation of e-marketing strategies is positively related to the enhanced job performance of Small and Medium scale Enterprises (SMEs) owner/managers and the overall success of core business processes and SMEs who fail to implement these systems are set to jeopardize the potential returns of their businesses.

Numerous companies have adopted a ‘wait-and-see’ attitude toward the adoption of e-marketing strategies in the SME industry in Nigeria (Agwu, 2013). As soon as successful champions emerge (innovators), many companies will be able to seriously consider participation. Increasing numbers of SMEs in Nigeria are adopting Internet marketing technology as a means of communication and distribution under competitive pressure from global suppliers and customers. This underlying determinant is further compounded by the perceived usability of e-marketing tools as defined by design, flexibility, understandability and ease of use. This is because once potential adopters perceive technology to be complex then this reduces the chances of it being applied within their business processes. There remains immense need to encourage increased SME participation in online marketing platforms, through media hype and advertising campaigns. Such a media drive can go a long way in strengthening the SMEs’ ability to commit financial obligations.

Nigeria is amongst the developing economies of the world thus, faces some challenges in an e-marketing environment and they include as follows; Infrastructural challenges, governmental challenges, educational challenges, creating efficient and effective Website, poor credit payment and poor support service, attitudinal challenges etc. It can be suggested that of the different Social, Legal, Economic and Technological characteristics of the macro-environment, the four most significant factors described in more depth in the study are legal constraints – What are the legal limitations to online promotion and trade such as data protection and taxation, ethical constraints such as privacy and technological constraints – what is the current availability and usage of technology to access the Internet and offer distinctive services and how is this likely to vary in the future?, Social and Economic environment.

Recommendations
Nigeria based organizations are encouraged to install some social software platforms in order to stimulate digital communities and collaborations with their trading partners (customers, suppliers, governments). This will aid in creating knowledge sharing environments and network developments as these go a long way in facilitating social networking, globalization and ultimately, firm internationalization. The ordeals of distance and size are bridges and the smaller firm is better able to maintain competitive advantage.

Government grants and subsidies may be developed at national level in order to support the development of skills within the ICT sector in line with the Nigeria Workplace Skills Plan. Furthermore, collaborations with foreign based organizations may go a long way in accelerating the exposure to the international environment as well as technology transfer among Nigerian firms. Additionally, industrial coordination may be forged amongst SMEs, banks and the government in order to assist small firms with loans and other forms of long-term financing. These measures will help to broaden the participation of both firms and individuals in Information Technology (IT) usage and this will undoubtedly reflect positively on the GDP of the country. Moreover, firms will be better able to overcome the barriers of size thus levelling the playing field between SMEs and their larger counterparts.

In order to enhance the Internet technology readiness of Nigerian business environment, it is necessary that formal education and awareness tools be introduced starting from national level in order to avert scant adoption of e-marketing. Adoption can rarely take off unless companies and individuals are educated about the opportunities offered by Internet related technologies.

Firms should keep abreast with the trend of technological development in their business environment since early adopters of these technological changes reap a lot of benefits which is associated with such innovation and hence maintains a significant level of sustainable competitive advantage.

Firms should ensure that they have correctly identified all of the factors which make up their e-marketing environment and plan how to manage them for the firm’s benefit.

Limitation of the study/Suggestion for further studies
The limitation of this study is based on the fact that this study was basically a theoretical paper and thus did not make use of any data (failed to sample people’s opinion) and it is therefore suggested that future research in this area should carry out same study using quantitative and qualitative data.

REFERENCES
International Journal of Business and Commerce, 3(6), 50-70.


