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Digital marketing: A framework, review and research agenda



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ABSTRACT

We develop and describe a framework for research in digital marketing that highlights the touchpoints in the marketing process as well as in the marketing strategy process where digital technologies are having and will have a significant impact. Using the framework we organize the developments and extant research around the elements and touchpoints comprising the framework and review the research literature in the broadly defined digital marketing space. We outline the evolving issues in and around the touchpoints and associated questions for future research. Finally, we integrate these identified questions and set a research agenda for future research in digital marketing to examine the issues from the perspective of the firm.

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1. Introduction

It has been nearly a quarter century since commercial use of the Internet and the World Wide Web began. During this time the business landscape has changed at a frenetic pace. Large multinational corporations such as Google, Facebook, Amazon, Alibaba, eBay and Uber, unheard of twenty years ago, have emerged as key players in our modern economy. In 2015, online sales accounted for 7.4% of overall retail spending in the U.S., the highest percentage since tracking began in 1999 (Phillips, 2015). Sales made through mobile devices have increased at a rapid rate to between 22% and 27% of all online sales (Rao, 2015; Malcolm, 2015). Corporations now highlight the importance of creating a “digital relationship” with customers (Phillips, 2015). Moreover, digital technologies and devices such as smartphones, smart products, the Internet of Things (IoT), Artificial Intelligence, and deep learning all promise significant transformations of consumers' lives in the near future. It is against this backdrop that this paper seeks to understand how the developments in digital technology are re-shaping the process and the strategy of marketing, and the implications of this transformation for research in the broad space we call “digital marketing”.

Our objectives for this paper are three-fold. First, we develop and describe a framework for research in digital marketing that highlights the touchpoints in the marketing process as well as in the marketing strategy process where digital technologies are having and/or will have a significant impact. Next, we organize the developments and extant research around the elements and touchpoints comprising the framework and review the research literature in the broadly defined digital marketing space. Using the framework, we also outline the evolving issues around the touchpoints and associated questions for future research. Finally, we integrate these identified questions and set a research agenda for future research in digital marketing.

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In our discourse, we examine the research issues in digital marketing from the perspective of the firm – that is, we examine the strategic, tactical and implementation implications of the research conducted in the domain of digital marketing and focus on substantive issues of managerial relevance rather than on behavioral or methodological research per se. However, these issues could lead to fundamental questions that could be answered in the domains of consumer psychology, marketing analytics, economics, or computer science. In order to be as comprehensive as possible in covering the key substantive research developments in the area of digital marketing, and given our focus, we have narrowed down our search without compromising the representativeness. Our search for relevant literature focuses on four marketing journals: *International Journal of Research in Marketing*, *Marketing Science*, *Journal of Marketing Research*, and *Journal of Marketing*, focusing on articles published between 2000 to 2016. We started at Web of Science and searched for articles with the keywords “digital” or “online” as either the research topic or part of the article title, which provided us with 305 “seed articles”. As we read these papers, we eliminated those that were not directly relevant and included other relevant papers cited in these seed papers. This expanded our list to other journals not covered in our initial search. For each topic discussed in our paper, we selected the earliest papers in this list, and added a few most frequently cited papers in that topic to discuss under each topic making up our review. To this list we also added the most recent papers to render the review as current as possible. Thus, the review of extant research is not meant to be exhaustive but rather representative in order to cover the issues with sufficient depth and focus on future research issues appropriately.

Our review complements recent review articles on digital marketing and related topics. The article by [Yadav and Pavlou \(2014\)](#) focuses on marketing in computer-mediated environments and reviews literature in both marketing and information systems. The article by [Lamberton and Stephen \(2016\)](#) focuses on consumer psychology, motivations, and expressions in digital environments to highlight a few. The article by [Wedel and Kannan \(2016\)](#) focuses on modeling and methodological issues in marketing analytics necessitated by the advent of digital, social and mobile environments. Our review cites these articles at the appropriate sections for further details on issues we do not cover.

The paper is organized as follows. In [Section 2](#) we present the framework and identify touchpoints in processes where digital technologies play a key role. In [Sections 3 through 7](#), we review the literature around each element and touchpoint of the framework and discuss briefly open areas of inquiry. In [Section 8](#) we present more details on these open areas of research and present an agenda for future research and conclude in [Section 9](#).

2. A framework for analysis

2.1. Definition and framework

The term “digital marketing” has evolved over time from a specific term describing the marketing of products and services using digital channels – to an umbrella term describing the process of using digital technologies to acquire customers and build customer preferences, promote brands, retain customers and increase sales (Financial Times, lexicon.ft.com). Following the American Marketing Association’s firm centric definition (<https://www.ama.org/AboutAMA/Pages/Definition-of-Marketing.aspx>), digital marketing may be seen as activities, institutions, and processes facilitated by digital technologies for creating, communicating and delivering value for customers and other stake-holders. We adopt a more inclusive perspective and define digital marketing as “an adaptive, technology-enabled process by which firms collaborate with customers and partners to jointly create, communicate, deliver, and sustain value for all stakeholders”.¹

The adaptive process enabled by the digital technologies creates value in new ways in new digital environments. Institutions enabled by digital technologies build foundational capabilities to create such value jointly for their customers and for themselves. Processes enabled by digital technologies create value through new customer experiences and through interactions among customers. Digital marketing itself is enabled by a series of adaptive digital touchpoints encompassing the marketing activity, institutions, processes and customers. Significantly, the number of touchpoints is increasing by over 20% annually as more offline customers shift to digital technologies and “younger, digitally oriented consumers enter the ranks of buyers” ([Bughin 2015](#)).

In view of the above, we identify key touchpoints affected by digital technologies and propose a research framework that is inspired by the marketing process as well as by the marketing strategy process. The conventional marketing strategy process starts with an analysis of the environment including the five C’s – customers, collaborators, competitors, context, and company (firm). While these elements are presented in our framework ([Fig. 1](#)), *customers* emerge as the central focus (in the left box) with other elements such as *context*, *competitors* and *collaborators* making up the environment that the company operates in. Our key objective is to understand how *digital technologies* (at the bottom in [Fig. 1](#)) interact with the five C’s as well as the interface among these elements. We specifically identify the concepts, institutions and structures that emerge from these interactions – platforms and two sided markets, search engines, social media and user-generated content, emerging consumer behavior and contextual interactions. This analysis forms the input to the actions of the firm, encompassing all elements of the marketing mix – *product/service*, *price*, *promotion* and *place* – as well as information gathering through *marketing research* and analytics, which informs the *marketing strategy* of the firm. We focus again on how digital technologies are shaping these actions, information acquisition and analysis, and marketing strategy. Finally, as the outcome of the marketing actions and strategies, we examine the overall impact of digital technologies in value creation – creating *value for customers* (through value equity, brand equity, relationship equity and customer satisfaction), creating *customer equity* (through strategies for acquisition, retention and higher margin),

¹ We thank an anonymous reviewer for this suggestion.

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