

Digital marketing strategies as practices of e-tailers

Extended abstract for 4th NRWC conference

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The work-in-progress paper is an explorative study of the digital marketing strategies of e-tailers in Sweden with the aim to identify and compare their “strategies in action” as exemplified by their digital practices on different Internet-based platforms. The underlying intention of this study is to improve our understanding of the nature of these practices as reflecting the e-tailers’ market orientation approach.

The major reason for exploring market orientation practices of on-line retailers is an increased interest of both academics and practitioners to the ways these firms create an improved customer value and outperform competitors. Many on-line retailers have exhibited a combination of reactive and proactive strategies, for example, they can be responsive to rapidly changing customer needs, on one hand, and proactive and leading customers in their consumption practices, on the other hand. A good example of such a retailer is Nelly.com. This e-retailer started in 2006 as a pioneer of Internet underwear retail and created a new trend, which was followed by many competitors (pro-active approach). Later, however, this retailer had to follow the general pattern of Internet retail such as diversity of assortment, fast delivery and changing fashion (reactive approach). This retailer has been active on all major Internet platforms and achieved its major breakthrough purely via social media.

On the whole, only in Sweden e-trade is growing in 2014 more than ever and Swedish e-trade companies are leading on the EU market. Many e-tailers are considering cross-border operations. Nevertheless, the connection between e-trade and social media is relatively weak in Sweden. Looking into 45 Swedish e-trade companies one recent study (<http://www.asendia.se>) concluded that less than 50 % had a satisfactory presence in social media:

- 29 companies on Facebook
- 7 companies on Google+
- 25 companies on Twitter
- 10 companies on LinkedIn

- 13 companies were blogging.

Given the exponential growth of on-line retailers and the scope of Internet-based activities performed by retailers, there is a strong need in increasing our understanding of different ways, in which e-tailers can attract and satisfy customers on the Internet. The best marketing practices of successful retailers have to be identified along with the reasons they choose particular platforms and ways they optimize their strategies.

From a theoretical perspective, there are no studies on pro-active/reactive marketing strategies by on-line retailers and a few studies on market orientation of e-firms in general (Saini and Johnson 2005, Albers and Clement 2007, Borges, Hoppen et al. 2009, Colton, Roth et al. 2010). There are, however, several streams of research on pro-active and reactive approaches to market orientation in the off-line context. The theoretical field of market orientation with its focus on reactive versus pro-active customer orientation (Narver and Slater (1990), Jaworski and Kohli (1993), Narver, Slater et al. (2004), Atuahene-Gima, Slater et al. (2005), Bodlaja, Coenders et al. (2011), O'Cassa and Voolab (2011)) and the parallel stream of research on market driven versus market driving strategies (Kumar 1997, Jaworski, Kohli et al. 2000, Kumar, Scheer et al. 2000, Harris and Cai (2002), Hills and Sarin (2003), Carrillat, Jaramillo et al. (2004), Elg, Ghauri et al. 2008, Ghauri, Tarnovskaya et al. 2008, Schindehutte, Morris et al. 2008) lays the foundation for the study.

The literature suggests that the pro-active market and customer orientations are positively linked with new product development, innovation and higher operational performance (Narver, Slater et al. 2004, Bodlaja, Coenders et al. 2011). There are also studies arguing that by being pro-active and aimed at the customers' latent needs and new market trends, firms can avoid the traps of market myopia: following the competition and spending too much resources on incremental innovation at the expense of the radical ones (Jaworski, Kohli et al. 2000). At the same time, the today's fast-changing market environment demands from firms a quick response and individually-tailored approach to serving customers, implying the need for a firm to be flexible and market-driven when needed. Thus, both a pro-active and reactive orientations are needed by firms, which is particularly true for retailers. Hence, the study will fill the obvious gap in our knowledge of the ways in which e-tailers combine different approaches to market orientation in their digital marketing strategies.

The research question is: *How do e-tailers use the proactive and reactive market orientation approaches in their digital marketing strategies?*

The focus will be on identifying specific practices of e-tailers, drawing on theories of social practices represented by Bourdieu (1990), Latour (2005), Reckwitz (2002). Practices as socially recognized forms of collective activities by organizational members will also constitute the units of analysis in this study. The explorative approach will be taken, in which specific practices of 4-5 e-tailers will be identified and analysed. The choice will be made on the following criteria: 100% e-tailing; Swedish-based; active on several platforms; different types of products (e.g. food, clothes, DIY, children products); companies dominant in their sectors. One of such e-tailers is Årstiderna – ecological vegetables and fruits delivered to the customer door (www.arstiderna.com) - which will be explored first.

The digital content analysis of companies' web-based resources will be carried out with a focus on web-sites, Facebook pages, Instagram and Apps. Digital observations of these resources will be made with the help of NVIVO10 program allowing the analysis of diverse types of qualitative data such as texts, pictures, images, etc. The abductive reasoning will be used for analysis, in which the theories on market orientation will be used to categorise firms' practices and analyse their patterns. The ambition of the study is to contribute to the theories of pro-active and reactive market orientation for e-tailing.

The first stage of empirical work will be done before the conference.

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