

Lecture Two: Fundamentals of Digital Marketing

1. Concept of Digital Marketing:

Before providing a formal definition of digital marketing, it is important to clarify several related or closely associated concepts.

1.1 Digital Economy:

The proliferation and adoption of digital technologies—digital media such as the Internet, the Web, social networks, smartphones, and connected devices—have profoundly transformed methods of production, distribution, exchange, and consumption, thereby stimulating the evolution of the traditional economy. The digital economy encompasses transformations across the value chain and is characterized by four key features: geographical irrelevance, the critical role of platforms, the importance of network effects, and the utilization of big data (Charrier & Janin, 2015).

Innovative new technologies have reshaped virtually every aspect of the economy. It is no longer sufficient to merely reconsider online pricing strategies, the differentiation between offline and online offerings, the regulation of digital marketplaces, or advertising impacts. Companies must also embrace new paradigms such as platform economies, big data, and data privacy considerations (Einav & Levin, 2014).

Research on the digital economy highlights three areas of innovation: production processes, distribution mechanisms, and consumption patterns. In a fiercely competitive digital economy characterized by product and service diversification, companies must adopt appropriate digital technologies to access global markets and enhance online business operations. This environment has given rise to key concepts such as e-business, e-commerce, and digital marketing.

1.2 E-Business:

E-business refers to the digitization of a company's activities, applications, and business processes to enhance productivity and operational efficiency through innovation and creativity. Scott defines e-business as “a complex integration of business processes, business applications, and organizational structures to create a high-performance business model.”

An e-business model entails automating all business processes across the value chain, including sourcing, production, distribution, logistics, sales, and marketing. Thus, e-business is a core asset for optimizing all commercial operations within the value chain, encompassing both e-commerce and digital marketing.

The concept of e-business was first introduced by Lou Garner, IBM executive, who defined it as “the use of information and communication technology in all organizational activities aimed at executing business processes.” It is also understood as the optimal utilization of electronic media, including the Internet, to conduct organizational operations efficiently and effectively.

1.3 E-Commerce:

E-commerce, a subset of e-business, is narrower in scope and generally refers to buying and selling online, encompassing the digitization of all transactions related to purchase and sale. E-commerce involves a wide array of online commercial activities for goods and services, including any form of transaction conducted electronically rather than through physical exchange or direct personal contact.

Typically associated with online buying and selling or any transaction involving the transfer of ownership or usage rights of goods, e-commerce has evolved beyond this basic definition. It now includes the use of

electronic communication and digital information processing technologies in commercial transactions to create value and build relationships between organizations and between organizations and individuals.

E-commerce encompasses all electronic exchanges of information between an organization and external stakeholders. Examples include online purchasing and selling, electronic shipping, and digital payment systems. It also covers advertising goods and services, providing product information, customer support, post-sale services, interaction and negotiation between buyer and seller, contract management, financial settlements, product delivery and logistics tracking, technical support for purchased products, and electronic data exchange, including e-invoices, price catalogs, and banking operations.

Consequently, e-commerce is closely linked with digital marketing, as both share a common goal: improving business outcomes.

1.4 Digital Marketing:

Digital marketing—broadly referred to as online marketing—is at the heart of e-business. It constitutes a component of the company’s value chain and represents an evolution of traditional marketing practices through the use of digital tools in the promotion and delivery of products, with a primary focus on the Internet and digital channels such as websites, email, social media, mobile applications, and connected TVs.

1.5 Internet Marketing:

Internet marketing refers to the use of Internet-based channels to conduct a variety of marketing activities, including Web, email, newsgroups, and FTP (File Transfer Protocol).

1.6 Web Marketing:

Web marketing specifically involves leveraging the Web to execute the organization’s marketing activities.

Definition of Digital Marketing:

The Internet, the Web, and digital media have profoundly transformed marketing and business practices since the launch of the first website (<http://info.cern.ch>) in 1991. With over three billion users globally utilizing the Web regularly for product research, entertainment, and social interaction, consumer behavior and marketing strategies for both B2C and B2B have undergone significant change.

The use of the Internet and other digital technologies for commercial purposes has given rise to numerous terms, often considered specialized vocabulary, employed by scholars, professionals, and practitioners. The term “digital marketing” itself is relatively recent, emerging in the 1990s with Web 1.0. Previously, such practices were referred to as electronic marketing, Internet marketing, Web marketing, or interactive marketing.

The terms “online” and “offline” are still used to distinguish digital marketing practices from traditional marketing in the physical world. This shift reflects the expansion of digital technology beyond the Internet. Today, professionals commonly use the term “digital” widely in English, French, and Arabic-speaking contexts.

Ultimately, the practices themselves are more significant than the terminology; the essence of digital marketing lies in the activities undertaken, which must be prioritized according to strategic importance. These activities will be explored in subsequent lectures.

A concise definition of digital marketing can be stated as:

“Achieving marketing objectives through the application of digital technologies and media.”

These digital technologies include computers, tablets, mobile phones, connected devices such as smartwatches, and digital platforms. This definition underscores that objectives are more important than tools, and outcomes take precedence over methods. The focus is on achieving specific marketing goals—such as brand awareness, customer preferences, engagement, retention, sales, or market share—rather than simply adopting trending technologies.

In practice, digital marketing involves managing an organization's presence across all electronic media and platforms (websites, search engines, social networks, mobile apps, emails, etc.), enabling the acquisition of new customers and retention of existing ones, thereby enhancing customer relationships through electronic Customer Relationship Management (E-CRM). For digital marketing to succeed, it must be integrated with traditional practices, such as print media (brochures or direct mail) or conventional advertising channels (billboards or TV), forming part of integrated multichannel marketing strategies.