

**Ministry of Higher Education (MOHE)**

**Al-Madinah International University**

**Faculty of Finance & Administrative Science**



**THE EFFECT OF ELECTRONIC MARKETING MIX ON  
COMPETITIVENESS - AN EMPIRICAL STUDY OF SMALL AND MEDIUM  
SIZED ENTERPRISES IN EGYPT**

**BY**

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**Reference Number: AQ656**

**Supervised By**

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**Dean of the Faculty of Finance & Administrative Science**

**DOCTOR OF PHILOSOPHY IN BUSINESS MANAGEMENT**

**AL-MADINAH INTERNATIONAL UNIVERSITY**

**March , 2014**

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**THESIS SUBMITTED TO**  
**FACULTY OF FINANCE & ADMINISTRATIVE SCIENCES**  
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**DOCTOR OF PHILOSOPHY (PhD) IN BUSINESS MANAGEMENT.**



لَا يُكَلِّفُ اللَّهُ نَفْسًا إِلَّا وُسْعَهَا لَهَا مَا كَسَبَتْ وَعَلَيْهَا مَا اكْتَسَبَتْ رَبَّنَا لَا تُؤَاخِذْنَا إِنْ نَسِينَا أَوْ  
أَخْطَأْنَا رَبَّنَا وَلَا تَحْمِلْ عَلَيْنَا إَصْرًا كَمَا حَمَلْتَهُ عَلَى الَّذِينَ مِنْ قَبْلِنَا رَبَّنَا وَلَا تُحَمِّلْنَا مَا لَا طَاقَةَ  
لَنَا بِهِ وَاعْفُ عَنَّا وَاعْفِرْ لَنَا وَارْحَمْنَا أَنْتَ مَوْلَانَا فَانصُرْنَا عَلَى الْقَوْمِ الْكَافِرِينَ . (البقرة/٢٨٦)

Allah burdens not a person beyond his scope. He gets reward for that (good) which he has earned, and he is punished for that (evil) which he has earned. "Our Lord! Punish us not if we forget or fall into error, our Lord! Lay not on us a burden like that which You did lay on those before us; our Lord! Put not on us a burden greater than we have strength to bear. Pardon us and grant us Forgiveness. Have mercy on us. You are our Maula (Patron, Supporter and Protector, etc.) and give us victory over the disbelieving people. " (2/286)

**APPROVAL PAGE : صفحة الإقرار**

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## **DECLARATION**

This research thesis is my original work and has not been offered for a degree or any other award in any other institution/University all over the world.

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## DEDICATION

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## ABSTRACT

**E-Marketing** helps with increasing the competitiveness of enterprises through quality, supply chain and the effect of E-Marketing itself. E-Marketing represents the work approach that enhances competitiveness at the small and medium-sized enterprises. This research seeks to explore how product development techniques under e-marketing influence the level of competitiveness of small and medium sized enterprises in Egypt. Furthermore, the study examined how e-marketing help in improving pricing priorities, determine how e-marketing influence distribution methods and the competitiveness of small and medium sized enterprises. This study will also seek to know the effects of e-marketing and how it relates with promotion as well as the level of competitiveness of business in Egypt. To enable the researcher have a clear and understudying of these hypothesis, a questionnaire was designed to capture all the necessarily information and later SPSS program was used to analyze the data. It was found that the small and medium sized businesses that used e-marketing ad their marketing forum had higher returns compared to the one that still used physical media. In addition, it was noted that the level of competitiveness had increased with the level of technology as many businesses were using as many social media platform to market their products as best as possible.

**Keywords:** competitiveness ,E-marketing ,SMEs ,E-production ,E-pricing, E-distribution , E-promotion

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## ABBREVIATIONS AND ACRONYMS

**E-distribution:** this is a distribution concept which involves electronic empowered selling and buying of goods and services in public network which is different from physical media as it entails sending and downloading of services from consumer's device.

**E-marketing:** is basically the use of email to communicate to customers or potential about the goods and services a seller is having. A business person sends an email to his/her customers to advertise about the products he/she is stocking or requesting businesses or solicit donations.

**E-product development:** The process of using the electronic technology in developing new products or improving the existing one. Customers use the internet in requesting for new products or improvement of the existing ones.

**E-pricing:** The process of using the internet in setting the prices of products and services. In E-marketing, customers determine the prices for different products and services.

**E-promotion:** The process of using the electronic technology or the internet to communicate products and services to consumers and customers in the market.

**E-distribution:** The process of using the internet to distribute goods and services to the customers. For instance, consumers download music, videos, and software from the internet

**Marketing Mix:** The process of using the 4Ps (price, product, promotion, and place) in marketing products, services and brands.

## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background of the Study**

Having competitive capabilities is a strategic goal sought by all organizations as the survival of the organization became the subject of possessing competitive advantages as quality and price. Business organizations have begun to focus on the concept of competitive advantages in response to external changes as an essential element in the creation of value (Porter, 1998). Currently, most companies in the national and global markets ensure that they increase their competitive advantages in order to succeed in the market. Competitive advantage is an important factor as it shows how better a company is positioned as compared to its competitors in the market. According to Thompson, Strickland and Gamble (2008), the current business environment requires companies to be very competitive in the international economy. In this case therefore, the challenging business environment is calls for companies especially in the manufacturing and production industry to be very competitive. Due to the increased competition posed by large and international companies in the global market, small and mid-sized enterprises must be very competitive in order to survive and succeed in the market (Pearce & Robinson, 1997). One of the ways of increasing competitive advantage is designing and developing an appropriate and effective business vision. Each business must have a vision especially in the improvement of opportunities. For instance, small and mid-sized enterprises can have a vision of expanding to become large and international corporations in the future. A business without a vision is as good as dead because there are no progressing projects implemented. The marketing design adopted by a company shows its competitiveness in the market (Mohrman & Shani, 2011).

To gain competitive advantages nowadays has become one of the foundations and the main pillars underpinning any economic activity aims to achieve an advantage in the market through seizing part of it, or trying to attract the largest number of customers (Luffman, Eward, Sanderson & Kenny, 1996). Thus, the way to get competitive advantages in itself constitutes a meeting point for many researchers. That's because of the great importance of the concept of competitive advantage in both of the areas of strategic management and business economics. It represents the critical strategic element that provides a substantial opportunity for a company to achieve continuous profit compared to its competitors (Jones & Tilley, 2003). The present business world has witnessed large number of companies competing for fewer customers. The aspects of market liberalization and globalization have helped many companies to have a wider target market. Through globalization and technological advancement, organizations are able to expand their businesses to other economies in the globe (Johnson, Kevan & Whittington, 2008). However, even in these markets the level of competition is high thus encouraging companies to ensure that they increase their competitive advantages. This is done by doing something or including something in your products and services that is not used by other companies in the same market. For instance, Apple has been very competitive in the Smart phone and computer industry in the global market because of the high quality of its products . The company has ensured that its products are rated high in terms of quality thus giving customers maximum satisfaction. Additionally, Waitrose competes effectively in the food industry in the United Kingdom by offering high quality food products to their customers. By reaching out large number of customers in the global market and offering their products at lower prices, Wal-Mart has become very competitive in the retail market (Hitt, Ireland & Hoskisson, 2005). This analysis indicates that there are different ways or

methods used by companies to increase their competitive advantages and thus increase their profits and productivity.

There are various definitions of competitive advantage according to the view of each writer and author. There is no agreement on an exact definition. It can be defined as the organization's ability to formulate and implement strategies that make it in a better position compared to other organizations working in the same activity. Also it is limited to mean the organization's ability to formulate and implement strategies that enable it to get a better competitive position compared to its competitors that work in the same activity. According to Ferrell, Fraedrich and Ferrell (2012), different researchers and authors have different definitions of competitive advantage. Different companies term different aspects as their competitive advantages. For instance, some companies refer to their resources as competitive advantages while others refer to strategies. In whichever the case, competitive advantage is used to mean the resources or strategies used by an organization to become more competitive in the market as compared to its rivals (Rask & Dholakia, 2000). As indicated earlier, organizations operate in the same market thus they must devise the most appropriate ways of increasing their profits and productivity. As denoted by Campbell, Stonehouse and Houston (2002), competitive advantage cannot assume a single definition because it is comprised of different aspects. The author continues to assert that competitive advantage is used to address some of the criticisms for example if competitive advantage when used positively by competitors they streamline their services and products packaging to appease their customers. In the year 1998, Michael Porter proposed the theory of competitive advantage where he emphasized on productivity growth as the main focus of the national strategies. The theory that defines competitive advantage assumes that natural resources are not always for a good economy and cheap



labour is ever-present. This shows that companies must look for resources that are profitable to their business operations and must seek for cheap labour in order to effectively compete in the market (Thompson et al., 2008). It should be noted that labour is a major determinant of the amount of profits or competitive advantage assumed by an organization since when the labour is cheap an organization is able to offer its produced products at lower prices than other companies in the market thus become more competitive than them (Pearce & Robinson 1997).

According to Almenyawawi (2002) E-Marketing is one of the rapidly developing and accelerating areas through the application of integrated marketing mix 4P (product, distribution, promotion, and pricing) with the modern technical electronics which made E-Marketing more flexible and dynamic. E-Marketing is considered as one of the important dimensions and the strategic gains in modern marketing. These dimensions and strategic gains must be a strategic thinking with no relation to time, place or language and must be able to access at any time without permission and with this important equation they contribute significantly to raise the level of competitiveness for small and medium-sized enterprises.

In this study we will try to shed light on the E-Marketing as it is one of the gains of e-commerce and electronic transactions. It combines traditional marketing and the world of information technology through distinctive characteristics and advantages for the individual, the institution and the community with the model of strengths, weaknesses, opportunities and threats in relation to the determinants of foreign competition. In addition, E-Marketing helps with increasing the competitiveness of enterprises through quality, supply chain and the effect of E-Marketing itself. E-Marketing represents the work approach that enhances competitiveness at the small and medium-sized enterprises.

According to Mohrman and Shani (2011), the number of customers a company has is determined by the efforts made by the company in advertising or marketing its products, services, or brand. The most successful companies both in local and international markets invest a lot of their resources in marketing. Due to the current technological advancement, online marketing has become very fundamental in business. According to the marketing mix (the 4Ps), promotion plays an important role in attracting customers. E-marketing has been facilitated by technological advancement and has helped several companies in achieving their goals and objectives by increasing their customer base and thus profitability and productivity. The more productive and profitable a company is the more it offers several products and services thus the more it becomes busy in the market. Several companies have exploited the advanced internet technology in reaching out their customers and increasing their profits. E-marketing helps in connecting companies with customers from a wider area especially in the global markets thus has become one of the best way of marketing.

Simply put, e-marketing or online marketing is the application of marketing principles as well as techniques conducted through the electronic media and more particularly the internet. Internet is able to reach out a large number of customers across the world thus when it is used in marketing a company's products, services or brand several customers get to learn about them (Roberts & Berger, 1989). The term e-marketing is synonymous with online marketing, and internet marketing. Rask and Dholakia (2000) define e-marketing as the process of marketing products and services using the internet. This type of marketing includes both direct response as well as indirect marketing techniques whereby a wide range of technologies are used in assisting businesses to their customers. Several researchers and scholars have indicated that internet is the most appropriate way of connecting businesses with their customers

(Stroud, 1998). For instance, Tesco uses internet marketing in communicating its products and services not only in the United Kingdom but also across the whole world. Because of its importance and advantages in the local and international markets, e-marketing has been adopted by many companies ranging from multinational corporations to small and mid-sized enterprises (Merzeklal, 2010). From the definition it can be deduced that e-marketing is comprised of activities and processes conducted by a business through the worldwide web with the aim of attracting new customers, developing a company's brand identity and retaining the existing customers. For any company to survive and succeed in the current marketing and business world it must ensure that the existing customers are well retained, new customers are attracted, and its brand identity is well communicated. These activities are effectively conducted by e-marketing (Mahmoud, 2011).

Researchers and scholars have indicated the importance of e-marketing against traditional marketing. As Darby et al. (2003) note, when effectively implemented the return on investment from online marketing is far much higher than that of traditional marketing strategies. Basically, e-marketing is used by many marketers because it saves time as no time is wasted in explaining the product and its price to customers. The quality and price of the marketed product is clearly indicated on the website thus customers can learn it by themselves and proceed to order it (Kirkey, 2010). Additionally, this type of marketing is important to customers as it saves them time they could use in looking for the products they want. The current technological advancement has ensured that internet is the most consulted source when customers want to purchase different products. It has been found that many customers consult the internet concerning the products and services they want to purchase. E-marketing has played an important role of increasing the sales revenue to a business. As indicated earlier, the

cost of marketing products and services using the internet is lower compared to the traditional marketing thus a company using it is saved a lot of money. According to Dayoub et al. (2006), business people using e-marketing spend less amount of money but earn high profits because the marketing strategy is very easy but has high effect on the customer side. This type of marketing is capable of reaching out a wide range of customers which could be difficult when traditional marketing strategies like advertising on the television, radios, and newspapers, sales persons, and public relations. E-marketing requires fewer employees or workers to conduct that less cost of labour is incurred by an organization.

## **1.2 Problem Statement**

A number of studies have been conducted on how companies can increase their capacity as well as competitive advantages to become more profitable and productive in the market. However, very few studies have touched on how e-marketing can be used as a source of competitive advantages. Some of the different ways adopted by many companies in increasing their competitive advantages include production of high quality products and services, provision of products at lower prices as compared to other companies in the market, and designing effective marketing framework (Luffman et al., 1996). The fact that e-marketing is a result of the current technological advancement it has not been touched by many scholars and researchers. It should be noted that e-marketing comprises of the marketing conducted online and has become very imperative and significant in the current business environment. As noted by Thompson et al. (2008), the current market environment has experienced various challenges such as market shrinkages, changes in organizations and their marketing channels, increased competition, and technological improvement thus forcing companies to look for various ways of competing effectively in the market. Despite that online marketing has not

received much attention from scholars and researchers it has become one of the most important marketing strategies in the marketing field. For instance, this type of marketing helps in reaching out a large number of customers at a low cost. Some marketing strategies like media advertisements are used by companies in increasing their competitive advantages thus have been studied in depth by several researchers.

However, e-marketing has been left out mainly because it is a new venture and is mainly applied by the large corporations. In the global market, online marketing is mainly used by large corporations which have a large customer base across the world but not by small and mid-sized enterprises which mainly operate locally. These SMEs use local marketing strategies as their customers are found locally and their products and services are rarely sold in the global markets. Additionally, e-marketing is used to reach out those customers living in the urban areas as they have the accessibility of internet. The current generation is conversant with the internet thus use of internet marketing is considered as the most effective and efficient way of reaching out many customers. Basically, most of the current youths are frequent users of internet making it easier and effective for companies to communicate their products and services in the market. There are many studies that handled capacity and competitive advantages in companies but without linking those capabilities with E-Marketing. Hence studies that linked modern E-Marketing to competitiveness is highly encouraged, timely and relevant.

Technology advancement is realized more in the developed and emerging economies as compared to developing economies. As a result of this most of the studies conducted on e-marketing are mainly focused in developed countries like the United Kingdom, Germany, the United States, Japan, and France or in emerging economies like China, India, Russia, and Brazil. However, very few studies on e-marketing have

touched developing countries like Egypt. This study therefore aims at bridging this gap by making sure that it concentrates in Egypt which is a developing country. The main reason for concentration of developed and emerging economies by many studies is that e-marketing requires internet technology for its implementation but this type of technology is not effectively implemented in developing countries (Kalyanam & McIntyre, 2002). However, as noted by Mohrman and Shani (2011), in the current conditions a large number of people surfs internet through their mobile phones due to the improved Smartphone technology. This indicates that customers even in developing countries have the chance of learning about a product, service, or brand through the internet whether living in urban areas or rural areas.

Studies on e-marketing are wide spread but very few have touched Egypt. In Africa, Egypt is considered as one of the developed countries in terms of economy and thus many companies from the whole world are interested in investing in the country. Additionally, Egypt is considered as the leader among the Arab countries in Middle East thus it has a high propensity for marketing. However, studies on how e-marketing can be used in the country by companies as a way of increasing their capacities and competitive studies are very limited (Stroud, 1998).

There are contradictions and differences of the opinions and results of researchers regarding to the E-Marketing mix and their effect on competitiveness. Some of them supported and the others opposed. Different researchers have different results regarding e-marketing thus contradicting marketers (Merzeklal, 2010). Despite that every aspect of marketing is influenced by culture, the difference in the results on e-marketing given by researchers is alarming making it more confusing to marketers. It should be noted that e-marketing focuses on cross-cultural marketing environments thus may be influenced by different cultural factors but the results for all the cultures should

not show a wide difference (Mahmoud, 2011). E-marketing targets the computer and internet literate customers who have used the internet or any other form of online networks to get information concerning a product, service, or brand of their choice. Whether these customers are located in developed or developing countries they have similarities in their buying behaviours (Kalyanam & McIntyre, 2002). This study aims at indicating how e-marketing can be effectively used in Africa and Arab countries by studying its effectiveness in Egypt.

### **1.3 Research Questions (RQs)**

In order to achieve these objectives, the study was guided by some research questions which include:

**RQ1:** How product development techniques under e-marketing influence the level of competitiveness of small and medium sized enterprises in Egypt?

**RQ2:** How e-marketing helps in improving pricing priorities and the level of competitiveness of small and medium sized enterprises in Egypt?

**RQ3:** How e-marketing influence distribution methods and the competitiveness of small and medium sized enterprises in Egypt?

**RQ4:** What are the effects of e-marketing on promotion as well as the level of competitiveness of small and medium sized enterprises in Egypt?

### **1.4 Research Objectives**

The study aims at investigating the effect of e-marketing **mix** on competitiveness with special reference to the small and mid-sized enterprises in Egypt. The study therefore aims at investigating how e-marketing is used as a marketing

strategy to increase competitive advantage of a company. The specific objectives of the study are:

**RO1:** To explore how product development techniques under e-marketing influence the level of competitiveness of small and medium sized enterprises in Egypt.

**RO2:** To examine how e-marketing helps in improving pricing priorities and the level of competitiveness of small and medium sized enterprises operating in Egypt.

**RO3:** To determine how e-marketing influence distribution methods and the competitiveness of small and medium sized enterprises operating in Egypt.

**RO4:** To determine the effects of e-marketing on promotion as well as the level of competitiveness of small and medium sized enterprises operating in Egypt.

### **1.5 Justification of the Study**

E-Marketing is one of the necessary changes to match with the modern strategies of marketing which depends on information technology developments in the modern era. E-marketing plays a critical role in increasing sales volume and improving quality. Many institutions desire to shift from the traditional system of marketing to the electronic system because of its advantages in increasing sales volume and improving quality. Many people may expect modern organizations to mix traditional and e-marketing strategies and tools in marketing their products and services to increase competitiveness in the market. However, traditional methods are gradually wading away because consumers and customers are gradually becoming digital especially youth. In this research Egyptian context was be chosen for studying as it depicts the current trend of competitiveness brought up by the adoption of e-marketing among the small and medium sized enterprises in developing countries. Egypt being one of the fastest developing country and its significance in representing both Africa and Arab



league countries formed a good basis of assessing how small enterprises in terms of financial matters are coping up with this technological advancement. Furthermore, e-marketing is the latest technologies being adapted by many enterprises that want to link to the global market and enable them meet potential customers as fast as possible.

### **1.6 Significance of the Study**

This study derives its significance from the importance of the variables that it deals with. It tries to highlight the nature and essence of the close relationship between the two main variables of the study: e- marketing and the competitiveness of SMEs business organizations in a developing country like Egypt. It seeks to achieve coherence and intellectual and practical intermingling between these two main variables. Also it tries to clarify their effect on each other. Thus we can recognize the importance of the study through the following points: This topic is one of the modern topics at businesses and commercial enterprises in terms of linking E-Marketing to competitiveness. It therefore enables small and medium sized enterprises not only in Egypt but also in other countries to identify how they can use e-marketing to increase their competitive advantages. The small and medium sized enterprises were selected due to their vast challenges and extensive information they offer to a research. **Secondly**, this types of enterprises are the majority in the world hence they form the best case study. **Thirdly**, financially these small and medium sized enterprises are not well endowed as the larger firms hence their internet adoption make it encouraging for start-up business persons to learn the simple trick applied by the successful ones. Having coming from Egypt It is of paramount importance to study an area I am conversant with. This research also helps marketers to study the effect of modern technology on the traditional marketing mix. This implies that it guides marketers on how they can use internet technology as the modern technology in improving traditional marketing mix. Business enterprises that

adopt this technology are able to enlarge their market by reaching to more potential customers whereas thus they make greater sales and eventually more profit.

### **1.7 Assumptions of the Study**

The study assumes that small and medium sized enterprises in Egypt rely on marketing mix to achieve competitiveness. This is why the researcher focused mainly on the 4Ps. additionally, the study assumed that these enterprises operate in urban areas and their target customers live in urban areas. The study assumed that most of the people in Egypt are computer and internet literate and are able to access internet services to access e-marketing services.

### **1.8 Research Scope**

This study discusses the importance of competitiveness and its relationship with modern E-Marketing techniques. In addition, it studies the effect of E-Marketing mix on enhancing these competitive capabilities. This is done by discussing the factors of the modern E-Marketing mix like product development techniques and modern pricing policies using modern means of distribution with effective promotional tools. This study will be applied to the small and medium-sized enterprises in Arab Republic of Egypt as one of the early studies that links these factors to competitiveness, especially in Cairo. Small and medium-sized enterprises have been selected due to the number and spread of these institutions that use E- Marketing techniques recently. Study won't discuss large-sized economically and financially enterprises.

### **1.9 Delimitations of the study**

The study is limited only to e-marketing tools and strategies thus leaving out other traditional strategies and tools that could be of great importance to an

organization. Additionally, the study relied only on small and medium sized enterprises in Egypt without considering other companies like multinational corporations that could effectively benefit from e-marketing. The aspect of e-marketing only focused on the marketing mix comprising of only the 4Ps but did not expand the analysis to include other elements like physical environment, process, and people, The number of SMEs enterprises that applied the e-marketing strategies is very low and the e-consumers also are not to big enough to get a representative sample for the population.

### **1.10 Research Structure**

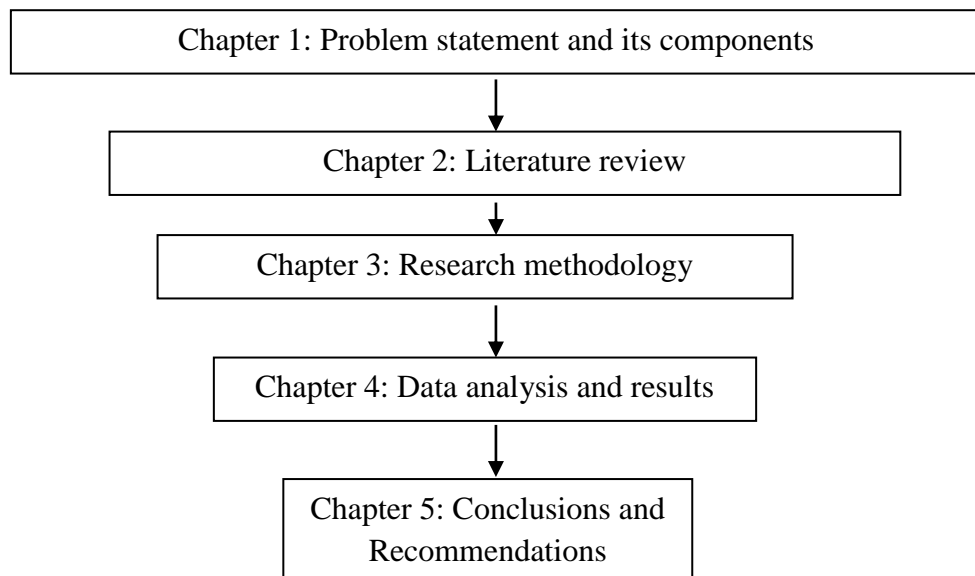
**Chapter 1: Introduction.** It introduces the topic of the study and outlines the aims, objectives, and purpose of the study. It also includes the background of the study section that offers the reader with a clear layout of the e-marketing aspect and its purpose in improving a company's competitiveness. This chapter also discusses the problem statement and states why the researcher was interested in studying the e-marketing topic.

**Chapter 2: Literature review.** It discusses the information given by the previous researchers on e-marketing mix in relation to competitiveness of small and medium sized enterprises is concerned. The researcher discussed the marketing mix of e-marketing in this chapter by comparing and contrasting what has been said by different researchers.

**Chapter 3: Research Methodology.** It discusses the methods and procedures used in data collection. Research methodology chapter outlines the procedures and methodology used in the study by highlighting research design, sampling procedures, data collection procedures, data analysis methods, study limitations, and ethical considerations.

**Chapter 4: Data Analysis.** It discusses data analysis by reviewing the questionnaires. The data in the study were collected through questionnaires which were distributed to 271 enterprises and were analyzed using the descriptive and inferential statistics. Descriptive statistics involved the use of measures of central tendency while inferential statistics involved use of Chi-square. Due to the complexity of these statistics, SPSS version 19 was used. In addition, this chapter is going to shed light on the population and sample of the study and the procedures of collecting information.

**Chapter 5: Findings and Recommendations.** It gives a brief discussion of the study conclusions made from the study findings and recommendations for the future study. Recommendations were given to avoid making similar mistakes in future and improving future studies.



**Figure 1.1 The organization of research**

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter sheds light on the previous views of researchers in the area addressed in this research. However information about the small and medium-sized enterprises in Egypt and E-Marketing mix and their effect on competitiveness, product, Price , Place and promotion are all discussed in sections and subsections in chapter two. This chapter discusses the small and medium sized enterprises in Egypt and the **four** E-marketing mix elements. This chapter also discusses the theories of marketing that explain the success of e-marketing in the global markets.

### **2.2 competitiveness**

According to (Feurer and Chaharbaghi, 1994) Business strategies are formulated to determine the way in which organizations can move from their current competitive position to a new stronger one. This can only be achieved by improving an organization's competitiveness. A universal and exact definition for competitiveness does not exist. As a result, competitiveness means different things to different organizations. Some organizations view competitiveness as the ability to persuade customers to choose their offerings over alternatives while others view competitiveness as the ability to improve continuously process capabilities. In other words, core competences as well as capabilities that drive such competences are considered to form the essence of competitiveness. However, these factors are interrelated and difficult to quantify, thereby reducing the potential of their application in the process of strategy development. There is a need for a holistic definition of competitiveness which makes it possible to determine the competitive position of an organization in a measurable form.

Such a measurement should allow a comparison of the competitive position of an organization against that of its competitors

Gaining competitive advantage is critical for organizations. Baltzan and Phillips (2010,) define competitive advantage as ‘a product or service that an organization’s customers value more highly than similar offerings from its competitors’ (in other words, you have something useful (i.e. products, services, capabilities) that your competitors do not have). Competitive advantages are typically temporary as competitors often seek ways to duplicate the competitive advantage (Baltzan & Phillips 2010,). In order to stay ahead of competition, organizations have to continually develop new competitive advantages; according to Barney (2002) Competitiveness of a firm is its capacity to achieve its targets. These targets are likely to be expressed in a variety of terms depending on the context, The researcher defined the competitive advantage as uniqueness and excellence, creativity and innovation in the providing of new products and services in a new form for competitors to ensure access to the largest segment of the market, that the organization continues to research and development to reach the best and the newest and the most efficient products.

According to porter, (1985) Competitive advantage grows out of value a firm is able to create for its buyers that exceeds the firm's cost of creating it. Value is what buyers are willing to pay, and superior value stems from offering lower prices than competitors for equivalent benefits or providing unique benefits that more than offset a higher price. There are two basic types of competitive advantage: cost leadership and differentiation, the competitive advantage could be found for the company in more than one sector, function or activity. Usually companies can prefer to develop competitive

advantages in just a few sectors. In addition, the identification of an advantage in one sector does not prohibit the successful operation of the company in other sectors, Treacy and Wiersema (1995) offer popular generic framework for gaining competitive advantage. In their framework, a firm typically will choose to emphasize one of three “value disciplines”: product leadership, operational excellence, and customer intimacy. According to Rothaermal (2008), competitive advantage is an outcome of interaction through all of the company’s processes instead of considering small set of them. Sunder et al. (1993) discusses that competitive advantage is gained from implementing strategies that create values or executing strategies like competitors to enhance values.

Barney (2002) discusses four approaches to measure the firm’s competitiveness. These measurements are firm's survival, stakeholder approach, simple accounting measures, and adjusted accounting measures. Feurer and Chaharbaghi (1994) measure competitiveness quantitatively by profit, ability to raise capital and cash flow in terms of liquidity status. Soliman (1998) adds cost, quality, delivery dependability, flexibility and innovation as factors formulating such a competitive position. M. Porter (1985) indicates that a firm experiences a competitive advantage when "its actions in an industry create economic value and when few competing firms are engaging in similar actions." De Wit and Meyer (1999), Buffam (2000), and Christensen (2001) indicate that a firm has a competitive advantage when it has the means to edge out rivals when competing for the favor of customers. Prahalad and Hamel (1990) focus on the resources, capabilities and competences of the organization as the source of competitive advantage rather than the environment, as in the traditional approach (sultan, 2007).

Competitive advantage is defined as the “capability of an organization to create a defensible position over its competitors” (Li, Ragu-Nathan, Ragu-Nathan, & Rao,

2006); Tracey, Vonderembse, and Lim (1999) argue that competitive advantage comprises distinctive competencies that set an organization apart from competitors, thus giving them an edge in the marketplace. They further add that it is an outcome of critical management decisions.

**Competitive Advantage:** When a company offers a product or service that is perceived by a customer to be superior, with lower costs than those of competitors, enabling it to sell its products for less or make greater profits, thereby promoting firm profitability. Attributes include: price and value, unique service features, notable product attributes, customer experiences, and accessibility.

The competitive advantage can develop from any of the company's functions and activities. The most common competitive advantages are based on (Aaker, 1998):

- Innovation and product quality
- Technology
- Distribution or sales method
- Degree of control over raw materials
- Knowledge of the specific market
- Customer service

Grant (2008) state that competitive advantage can be achieved by two types of changes, external and internal changes. The external source refers to customers and consumers behaviors and internal references that change directly are developed by firm's potential innovations to be superior in comparison with other competitors, There are two kind of sources for competitive advantage, assets (unit resources) and



capabilities which are distinctive skills, these sources enable firms to fulfill some secondary and primary activities in their value chain, in a way: (1) differentiating products to customer with higher value or/and (2) decreasing and managing costs in order to sustain cost leadership (Sunder et al, 1993).

Rothaermal (2008),explains that the firms' strategy demonstrates how management structures are planned to achieve and sustain competitive advantage. If the firm can have control over its competitors for a period of time, then it has a sustainable competitive advantage.

We can summarize the characteristics of competitive advantage as follows:

- 1 - Built on the basis of differences and not the similarities.
- 2 - A continuous advanced process.
- 4 - A variable process depending on changing circumstances and objectives.
- 5 – Arises from the organization and achieving value for organization.
- 6 – It is established as a long-term future.
- 7 - Usually it is geographic center.

### **2.3 The Small and Medium- Sized Enterprises in Egypt**

SMEs are considered the “lifeblood of modern economies” (Rao, Metts & Monge, 2003), creating far more jobs than those created by large businesses, contributing 37 percent to employment in South Africa (Soontiens, 2002, Barry & Milner, 2002). SMEs provide a variety of goods and services for customers to choose from, some of which might otherwise not be provided by large businesses (Jackson, 2004); SMEs act as catalysts for economic growth as well as for the development of the arts, human resources, manufacturing and sport sectors (Cronje, Du Toit and Motlatla 2004). Studies conducted by Moodley (2002) from a development perspective reported that SMEs are important because of their potential for job creation and distribution of wealth which in turn creates a multiplier effect on the socio-economic developmental activities of a country (Wrycza & Gajda, 2007), SMEs are flexible and can also act as subcontractors to most large enterprises in the economy, ultimately leading to equitable distribution of income (Lloyd 2002).

According to (O’Leary ,2005) Small and Medium Enterprises (SMEs) often have problems defining their requirements and goals, and aligning their requirements to their goals ,There is no universally accepted definition of an SME, even within the U.S. government. This situation reflects the relative nature of the “small” and “medium” size classifications, which can apply differently to firms in the manufacturing, agricultural, and service sectors (Hammer, Jabar, Bloodgood and Grossman,2010), According to ( IFAC, 2010) There are varying worldwide definitions of what constitutes an SME although they tend to use the same metrics of employment, turnover and asset base. For example, the European Union defines a SME made up of enterprises which employ fewer than 250 persons (micro 1–9; small 10–49, medium 50–249) and which have an

annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro, Also, in Canada there is not a standardized definition of small and medium sized enterprises (Yunke et al., 2008) , but Canadian Institute of Statistics classify SMES according to the number of employees and value of revenues, so the number of employees must not exceed 500 employees and the annual revenues be less than 50 million dollars.

International federation of accountants (IFAC) has chosen to define small and medium-sized entities (SMEs) as “entities considered to be of a small and medium size by reference to quantitative (for example assets, turnover/employees) and/or qualitative characteristics (for example, concentration of ownership and management on a small number of individuals). What constitutes an SME differs depending on the country.”, Osteryoung and Newman (1993) suggested that small and medium-sized enterprises should be defined as entities which are not publicly traded and entities in which the owners must personally guarantee any existing funding, Another example of a definition used by United States Congress,: "small entity whose capital is independent and does not occupy a dominant market position" (Recklies, 2001).

According to Buculescu (2013), Small and medium-sized enterprises represent more than Two thirds of all the companies from the world. These companies are considered to be “real economic engines” which contribute in a great extent to the economic growth of their country, In the European Union there are almost 21 million of small and medium-sized enterprises, which represents more than 98 per cent of all the European companies. For the year 2012 it was estimated that share of the total staff

within the SMES was around 67 per cent (more than 87 millions of employees) (Ecorys, 2012).

According to European research A Small and Medium sized Enterprise (SME) is an organization with fewer than 250 employees and an annual turnover not exceeding 40 million Euros. In addition, an enterprise of this size will typically have experienced/trained managers, own their own product, and service a large number of customers (O'Leary ,2005).

Regarding to the Chinese criteria for SMEs published by the Chinese Economic and Trade Commission (CETC) in 2003, SMEs refer to industrial enterprises meeting one or more of the following three criteria: (i) number of employees below 2,000, (ii) total revenue below RMB 300 million per year, or (iii) a total asset of less than RMB 400 million. In 2011, the Ministry of Industry and Information Technology (MIIT) amended the SME criteria by removing the total asset criterion, lowering the upper limit of the number of employees to 1,000 and changing the total revenue limit to RMB 400 million (IFC, 2012).

According to The Economist, (2010), In Japan definition and classification of SMES is according with the capital value, number of employees, and type of activity. For an entity to classify as SMEs must:

- (1) **For: manufacture**, construction and transportation, the value of the capital be less than 300 millions Japanese yens and number of employees < 300.
- (2) **For whole sales**, the value of the capital be less than 100 millions Japanese yens and number of employees < 100.
- (3) **For services sector**, the value of the capital be less than 50 millions Japanese Yens and number of employees < 100.

- (4) **For retail trade**, the value of the capital be less than 50 millions Japanese yens and number of employees < 50.

A Dubai SME is defined as any firm with a turnover of less than 250 million UAE dirhams and with an employment size of less than 250 employees. SMEs are the backbone of Dubai's economy representing 95% of all firms registered in the Emirate. They contribute 42% of the workforce and 40% of value add to the Dubai Economy. Together they constitute the largest reserve of knowledge and human capital in Dubai and serve many global companies in the country and region. The UAE leadership has long recognized the importance of SMEs; and the promotion of entrepreneurship and SME development are therefore among the key economic strategies of the Dubai government( Dubai SME 2012).

According to **Ministry of Foreign Trade in Egypt** Definitions of the SME sector in Egypt differ from one entity to another depending upon their usage, activities, and policy objectives. However, a unified definition is needed as it makes it easier to manage and handle the problems of that sector. Yet there is no agreement upon one operational definition, all definitions include either/or: 1. Number of workers 2. Size of capital 3. The existence of certain legal or institutional conditions. But the most common used criteria are based on :

1. Number of workers in the enterprise.
2. Fixed assets the enterprise has.

The definition used by **Ministry of Foreign Trade in Egypt** as follows:

- Small enterprises (5-14) workers.
- Medium enterprises (15-49) workers.

According to Elkabbani and kalhoefer (2011), small and medium enterprises in Egypt represent almost 90% of the enterprises and provide the main bulk of private

sector employment ,The structure of the industry sector in Egypt is characterized by dominating the micro, small and medium projects where represent a very important sector which has a high priority among the priorities of the economic and social development at any country in the world now. The great percentage of the production for the Egyptian economy is formed from these projects which could play an important role in creating new jobs and to accommodate the large growing numbers who join the Egyptian labour market every year, in addition to motivating the economic development and increasing it, also for supporting the social and economic development in Egypt (Alasrag., 2012). Those projects have the largest amount of economic and productive units of the Egyptian economy; they also are the responsible for recruitment of large numbers of employees and workers. The contribution of these projects is about 75% of the total employment and about 80% of GDP. However, its contribution in forming the capital doesn't exceed 10% due to the financial constraints they face. Based on the result of the latest survey of the labour market in Egypt for the year 2006, the number of careers which have fewer than 50 workers has increased with an annual rate estimated with 4.7% in the period from 1998-2006, and according to the establishments survey for the year 2006. There were 2.4 million very small establishments having fewer than 10 employees and there are another 39 thousands of other private establishments have from 10 to 49 employees .

According to El-said , Al-said and Zaki, (2012),Micro, small and medium sized enterprises (SMEs) have usually been perceived as a dynamic force for sustained economic growth and job creation in developing countries. From a social viewpoint, SMEs secure livelihood for a large and ever expanding segment of the population. In Egypt, there are around 2.5 Million SMEs representing 75% of the total employed workforce and 99% of non-agricultural private sector establishments

According (Alasrag., 2012) to The Egyptian government has set a strategy to create 550 thousands new jobs annually until 2017, and it is expected for the micro, small and medium projects to contribute with two-thirds of the new jobs, where is generated at least 110 thousands of jobs annually through the programs of the social fund for development which is considered the main agency and the responsible for supporting the micro, small and medium projects sector in Egypt .

A very great role is played by the small and medium sized enterprises in improving the Egyptian economic growth and development. The Egyptian government encourages the development of SMEs by giving them incentives as they provide employment to a large number of people in the country. Basically, the high rates of development in the Middle Eastern countries signify the capability of these countries to compete effectively in the global markets like China and India .

Egypt has achieved a high competitive edge because of the rapid growth and development of small and medium sized enterprises that offer the country economy with a lot of money from taxes. The country has a strong infrastructure and cost effective packages thus encouraging SMEs to investigate in large numbers. The small and medium sized industry is taking action in the development of financial incentives and tax breaks thus attracting global companies. According to a report by the Central Intelligence Agency 2009, Egypt provides a very rich pool of young skilled labour force. The report shows that the country has about 330,000 graduates who support the labour force in the region due to their capabilities of speaking and understanding multiple European languages. According to El-Gohary (2007), small business enterprises play a pivotal role in a country's economy as they contribute high rate of employment growth and economic development. In less developing countries is widely known that small

and medium businesses enterprises do represent a large portion of the total number of enterprises therefore, making them the biggest employer unit and drivers of economic growth.

SMEs are often classified by the number of employees and/or by the value of their assets , the classification of Egyptian SMEs is dependant on both number of employees , capital used and sales turnover as shown in table (2-1)

**Table 2.1 classification of Egyptian SME's**

	<b>Labour</b>	<b>Fixed assets , excluding land and building in LE</b>	<b>Sales in LE</b>
Manufacturing and construction			
<b>Small</b>	5-49	5,000,000	10,000,000
<b>Medium</b>	50-99	10,000,000	20,000,000
Services and trade			
<b>Small</b>	5-9	500,000	1,000,000
<b>Medium</b>	10-19	2,000,000	4,000,000

**Source:** Elkabbani, R., & Kalhoefer, C. (2011, p. 2).

## **2.4 The Concept of E-Marketing**

The rapid spread of digital technology in the administrative and economical fields has resulted in radical and dramatic changes in different fields. These changes have affected the marketing field making it to change remarkably in nature as well as qualifications (Abdallah & Elias, 2011). Avlonitis and Karayanni (2000) define internet as a tool that is capable of changing several aspects of marketing. Marketing is considered as the backbone of any company since without marketing a company is not able to effectively communicate its products, services, and brand to their customers . Through marketing a company is able to reach out as many customers as possible thus



increasing sales and profitability. The manner in which marketing or promotion is conducted has changed drastically with the introduction of internet or digital technology. Traditionally, companies used to use promotional mix where advertising through the media was considered as the best way of communicating products and services to customers. According to Fawzi (2005) Internet is described as the greatest invention since the invention of printing press and has effectively changed the manner in which marketers or business people are connected to customers. This is mainly reflected in the vast response to internet. Many people both in the rural and urban areas access the internet especially through the Smartphone. The use of internet has widely spread giving marketers a great opportunity to increase their sales, customer base, and profits. In the year 2001, the amount of money transacted online through buying and selling reached to \$500 billion (Yousef & Alsemeday, 2004). This shows that a lot of people are using the internet in purchasing and selling their products and services. There is no doubt that E-marketing is a great opportunity for marketers to increase and deepen relationships with customers and consumers on the basis of interactive principles and since Internet made it possible to target markets in clearer methods, as it is a system that achieves correlation between business organizations, customers, employees, suppliers and share holders through the international information network (Timmers,1999). E-marketing is an important medium of marketing communication especially for companies seeking to build and maintain closer relationships with customers (McCloskey,2006, Chaffey, Mayer, Johnston, and Ellis-Chadwick, 2003). Laudon(2003),asserts that E-marketing is based on two main principles ,First :The use of information and communication technology (principle of automation) between buyer and seller. second :The principle of interaction and it means the stage of the interaction ,communication and negotiation between the seller and the buyer through identifying

the buyer's needs and how to satisfy his desires by the availability of goods and services. According to Chaffey and Smith (2008), E-marketing is marketing online whether via websites, online ads, opt-in email, interactive kiosks, interactive TV or mobiles. It involves getting close to customers and maintaining a dialogue with them. It is broader than e-commerce as it is not limited to online transaction between organizations, but it includes all processes related to marketing.

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” (Gohary, 2007). Burgess and Bothma (2007) define e-marketing as a “business's efforts to inform, converse, promote and sell products and services over the Internet.”

Eager, Bill and McCall, (2000) defined E-marketing as "Target Marketing" oriented to specific groups of customers who represent the company's current online customers. We can think of E-marketing from several points of view. For example, the automation of the operating commands between suppliers and retailers using computers. In addition, providing information for customers and consumers, to use the internet and digital technology to achieve marketing objectives for the companies. So e-marketing represents an opportunity for marketers to increase, deepen and strengthen the relationships with customers and consumers on an interactive basis. (Almenyawie, 2002), Strauss et al. (2006) defined E-marketing in their latest book as the use of information technology in the process of creating, communicating, and delivering value to customers, and for managing customer relationships in ways that benefit the

organization and its stake holders, Chaffey (2002) defines E-marketing as “Applying Digital technologies which form online channels (Web, e-mail, databases, plus mobile/wireless & digital TV) to contribute to marketing activities aimed at achieving profitable acquisition and retention of customers

According to Alabbas (2008) E-marketing is one of the marketing knowledge recent areas .E-marketing has depended on the capabilities of the internet and made it a market for companies to communicate efficiently with their customers. This led to a transformation in the World Trade form, from the traditional form to the electronic one Also, E-marketing explains the process of buying or selling or exchange of products, services and information through the computerized net works, including the Internet .Keller(1995) defined E- marketing as the use of the power of direct communication networks, computer communications and interactive digital means to achieve marketing objectives . In the recent marketing areas, marketers have invested overwhelmingly in e-marketing. This type of marketing mainly depends on the capacity and capabilities of internet and makes it effective for marketers and companies to efficiently communicate their products to their customers across the globe. Internet marketing provides a platform whereby marketers can communicate directly with their customers thus building strong trust with them and ensuring that there is a strong relationship. E-marketing has significantly transformed the form used in the global trade whereby trading has been changed from the traditional form to electronic one. Researchers on online marketing have stressed that there is no much difference between e-marketing and other forms of marketing only that in e-marketing the marketer is able to communicate directly with the customer and learn what are the customer’s desires, preferences, and tastes. Internet is used as an effective, inexpensive, easy, and quick

way of communicating with customers. The researcher asserts that the concept of E-marketing is not different from other concepts of marketing only with respect to means of customer contact where e-marketing relies on the Internet as an effective, quick ,easy and less expensive means of communication (AlSharman& Albwaan, 2011). Basically, marketers win the customers' trust when they communicate directly as they answer the questions posed by their customers. According to Hitt et al. (2005) customers feel satisfied when they realize that their desires, preferences, and tastes are taken into consideration by companies. This increases customer satisfaction which increases the volume of sales and profits achieved by an organization.

According to Alhindawi (2005), there are a variety of factors that helped increasing interest in E-marketing as follows :

1 - **Technological advances in communication systems:** the enormous revolution in information technology has made the exchange of information easier and more flexible, which helped with the development of purchase , sale, and marketing.

2 –**Competitive Globalization:** with the advent of globalization ,international changes and the subsequent intensity of the competition as well as the high costs of traditional means ,companies began to search for new technical marketing methods to face this competition.

3 –**Evolution of marketing concepts:** Due to the evolution of marketing thought from the focus on production to the focus on consumers, companies began to be more interest in customers, especially with trends towards modern concepts of marketing, globalization and the changes in the pattern of consumption, in addition to the desire of companies to reach to accurate information about the global consumer preference levels.

E-marketing comprises of the whole electronic and network communication used by marketers and organizations to achieve marketing objectives and goals. E-marketing is used in ensuring that consumers and customers are adequately satisfied (Yongjun & Xiaoming, 2008), E-marketing is also known according to Alhindawi (2005) as the use of telecommunications and information global networks and marketing information systems based on computers for creating demand for goods and services ,and for satisfying the desires of all partners, According to Almenyawawi (2002) E-marketing means the use of communication networks and electronic means to achieve marketing objectives to satisfy the needs of customers and consumers, as it is an integrated system offers online processes of buying and selling goods, services and information, and enables movements electronic support revenue generation, such as strengthening the demand for those goods and services, information, as well as the processes that support sales and customer service,. For instance, buyers can chat with the sellers on a website and discuss how the products or services needed by the buyer will get to him within the shortest time possible. As explained by Dogan (2009), e-marketing is mainly used by large corporation which operate globally but can also be used by small and medium sized enterprises to increase their competitiveness. This form of marketing benefits both the seller and the buyer as goods are only sold when there an agreement between the two parties. A buyer is provided with products and services at the door steps while the seller is provided with a wide customer base. The tables below indicate the differences between e-marketing and traditional marketing, The researcher believes that E-marketing represents modern electronic methods and activities help with the accomplishment of the sale and the management of customer deals electronically via the Internet and other buying and selling activities that are done electronically and also help with achieving marketing objectives more efficiently and

with low cost. This type of marketing will result in eliminating or minimizing marketing circles in the traditional sense.

According to Aboufara, (2004) , Arthur E-marketing model consists of four main phase as follows :-

1 –The **First** stage: the preparation phase in which the identification of the needs , desires and preferences of the consumer as well as target markets and the nature of the competition .This requires getting the necessary data and information as fast as possible .So the organization may collect data and information through the internet using the approach of marketing researches and making allowances .

2 –The **Second** stage: the stage of communication, in which there is communication with customers to introduce new products .The effective commonly used selling methods in this field is the model 'AIDA'.This model consists of four steps; attracting the attention, providing the necessary information ,provoking desire, and acting.

3 - The **Third** stage: the stage of utilitarian exchange between buyer and seller. organization provides the required products with the required quantities in a suitable time and the buyer pays the required price.

4 - The **Fourth** stage: It is After the process f selling .The organization should not only conduct the sale process, but it is necessary to maintain effective relationships with customers .This means to take of the customer after the completion of the sale process .In marketing it is not enough to gain and attracting new customers, but you must retain these customers. If it is easy to gain the trust of the client, it is difficult to keep it with various forms of competition.

Marketing planning is simply a logical sequence and a series of actives leading to the setting of marketing objectives and formulation of plans for achieving

(McDonald, 2003). According to Ping (2012), this definition distinguishes between strategic marketing plans and tactical marketing plans. And it is more useful to develop an approach for E-marketing development. There are three key issues emphasized in developing process:

1. Identifying the changing of competitive environment.
2. Developing the value for customers using online services as part of their buying process.
3. Defining the technology infrastructure and ICT architecture to transfer the value as a customer experience.

According to Salehi, Mirzaei, Aghaei and Abyari (2012) , there are many researches and studies about the comparison between traditional marketing and modern marketing and also advantages and disadvantages of E-marketing, which shows the performances and efficiencies of it.

Comparing both types of marketing, Internet Marketing is more economical and faster way to reach out to buyer directly, and is the ideal ways for business to advertise locally or internationally. As the result in case of comparison; both types of marketing can help traders and marketers to do business. Each has advantages and disadvantages. In traditional marketing consumers can see and touch the real goods or service but the domain of effect is low, on the other hand using of E-marketing will exceed the boundaries and introduce goods and services to the demographic of internet users. Also using the internet would be more chipper, faster and convenient for marketing. Approximately the advantages of E-marketing are quit greater than advantages of traditional marketing and this will shown in following tables :-

**Table 2.2 Comparison of E-marketing and Traditional Marketing**

Serial	Element of comparison	E-marketing	Traditional marketing
1	The most important party in the process of exchange	Customer (inverted marketing)	Marketer (distributor)
2	Criteria for evaluating the performance of marketers	High quality, reasonable prices, faster and better services	Normal
3	Method of providing goods or services	Continuous different and integrated packages have added- value for the customer	Individual commodity or service in a limited period of time
4	Market	Internet is open to all people	Limited or closed markets
5	The relationship between the two parties in the exchange process	Direct interaction between the parties in the exchange process	Conversations in the exchange process
6	Automation of marketing functions	Advanced automation, especially for background jobs	Nonexistent (dependent on the human element)
7	Integration of jobs	Very large	Limited
8	Quickness	High	Limited
9	Product development	Fast and highly efficient method	Traditional, slow, and inadequate method
10	Pricing	Interactive and clear	Traditional and complex
11	Promotion	Use of available electronic means	Traditional and based on commercials
12	Distribution	More integration and direct distribution for some goods and services	Traditional, based much on long distribution channels
13	Cost	Low (automation)	High (the human element)
14	Market type	One to one	Rally
15	Scope of the market	International	Local

**Source:** E-marketing Course, (2009) pp. 11-12.



**Table 2.3 Differences Between E-marketing and Traditional Marketing**

Comparison elements in types of marketing	E-marketing	Traditional marketing
Customer retention	The aim is customer retention and focus on the individual client	The aim is to attract the customer and to focus on the average number of customers
Product mix	Product mix depends on offers suit every market, prompt production, an individual advertising message (a message oriented to every client), and contacting both parties	The product mix depends on stereotypes, intensive production, intensive advertisements, and a message of one party for the whole group
Market segmentation	Segmentation targeting a share of the customer base	Segmentation targeting a share of the market
Market research	Depends on collecting data directly from the network at low cost	Depends on collecting field data from customers at high cost

**Source:** Kotler, P., & Armstrong, G. (2001, p. 623).

The following table illustrates the shift from traditional markets to electronic markets

**Table 2.4 Shift From Traditional Markets to Electronic Markets**

Element of comparison	Traditional markets	The first form Electronic market	The second form Electronic market and distribution
Required characteristics of industry	Transactions do not need control	Acceptable standards for describing the product through the e-market	In addition to a product, descriptive standards can be easily distributed electronically
Information mechanism of the market	No	Yes	Yes
Information mechanism of product and distribution	No	No	Yes
Examples of intermediaries that can be canceled	-	Wholesalers and some brokers who collect and analyze information	The same as the first form in addition to the companies that make the physical distribution
Examples of intermediaries that can be added	-	Companies that achieve success in thee- \market, such as e-brokerage houses	The same intermediaries that exist in the first form

**Source:** Abdelazim, M. (2008, p. 224).

According to the foregoing, we can summarize the benefits that can be obtained by practicing e-marketing in the following six benefits. They all begin with the letter 'C' they are called 'the 6Cs': -

**Table 2.5 Benefits of E-marketing**

Cost Reduction	This is through minimizing the need for sales and marketing queries. Also through minimizing the need to print and distribute the necessary materials to conduct marketing communications because necessary information is on the Web sites instead of doing this printing.
Capability increasing	Internet provides opportunities for companies to produce and market new services it enables them to access new markets.
Competitive advantage	If the company could provide new capabilities for new products or new markets before its competitors, it could then achieve a competitive advantage that would continue until its competitors acquired the same advantage.
Communication improvement	This includes or involves improving communications with consumers, employees, suppliers, and distributors.
Control	Where we find that the Internet and Intranet can provide us with good market researches through the open channels that learn about consumer behavior and the ways used by workers during the performance of services.
Improvement of customer service	This is achieved through interactive tools on the Internet where databases are enabled involving, for example, the available storage of information or answers to consumers about provided services.

**Source:** Alaref, N., Abouelnaja, M., & Mokhtar, O (2008, pp. 346-47).

## **2.5 The factors of E-Marketing mix**

### **2.5.1 The First Factor: Techniques of Product Development with E-Marketing**

The word product in marketing means a bundle of features and attributes which comprises of intangible and tangible components produced by a company (Bennet, 2005). The results using internet on marketing and selling products and services are considerable and diverse. The internet has enabled marketing of many new products

which a customer is able to view and compare which products are good to him or her. Thus the internet has boosted production of good and quality products as firms compete to entice online customers. According to Combe (2006), Internet provides opportunities for the customer for mass customization of the products. Internet can also be used to vary the extended products in numerous ways like, endorsements, award, testimonies, customer list, warranties, guaranties, Money-back offer, customer services, incorporating tools for using the products.

This is the first element of the marketing mix and includes all “goods and services” that a company offers to the target market (Kotler et al., 1999). A product can be a good, a service, an idea, a person or a place (Bovée et al., 1995). In e Commerce markets, products can be grouped into two categories: physical products and purely digital goods and services (Hollensen, 2001). Product design, branding and after sales services are important to achieve a better customer service and higher product value

E-Marketing helps with the spread of information about different products. There is no doubt that providing information about products for each customer and comparing them with other products leads to increase the competitiveness of quality, specifications and prices (Ravi & Andrew, 1996). According to Eldosoki (2002), E-marketing plays an important role in providing information. This makes larger number of organizations know about the conditions, the evolution of tastes, and the trends and sort of the demands. In general, online purchase helps with reducing the costs of customers performance and improving customer service, but the size of the deal in consumer goods electronically represents a small percentage. It is expected that this percentage grows especially for products related to travel, tourism, books and children's toys (Almenyawawi, 2002). According to Guoling (2005), the effect of E-marketing on a product can be summarized as follows: Products and their specifications

relate to international specifications depending on the need of international markets in the current era. Internet helps the management of an organization to give information about the modern competitive global products. When using internet as a marketing strategies, marketers are aware that their information is visible to customers across the globe thus they must ensure that they have international specifications and standards (Zhang, 2005). For instance, the quality indicated in the e-marketing must be high in order to attract customers across the world. Additionally, new products and services appeared, that increased the diversification of the offered product and thus the factors of choice and selection became more obvious. Product development is very important as a marketing strategy in an organization and because they are selected by a wide range of customers across cultures, they must offer the maximum satisfaction (Yanhong, 2006), There are some studies indicate that e-marketing increases quality and causes continuous improvement in all goods and services .All this is beneficial to the buyer through the so-called the achievement of" self-sufficiency for the user (Abdelazim, 2008). E-marketing contributes to provide the opportunity for the consumer to identify a greater variety of products to choose from, and to provide a wider range to choose among products that can't be available close to the consumer or his country(Abdelghani, 2006) Online marketing ensure that there is an increase in product services and the organization's relations with the internet, especially with the after-sales services. This helps in attracting new customers and retaining the existing ones. Basically, companies achieve competitiveness by making sure that they perform their marketing differently and better as compared to others in the market (Mahmoud, 2011). In this case therefore, by providing customers with after sale services, customers feel motivated and satisfied. It should be noted that individuals who do not like traditional shopping can buy their

products online by watching the live images of products that can be marketed online within a wide variety of prices (Xiang, 2003).

There are different ways in which product techniques contribute to enhance competitiveness as noted by Aboufara (2004). Through online marketing, buyers are presented with a wide range of choices and purchase products from those companies which offer them with the maximum satisfaction. According to Fangpin (2005), online buyer can buy the product he wants or desires from any organization all over the world at anytime and anywhere. This implies that e-marketing increases the buyer bargaining power as they are provided with many choices across the world. For instance, a customer desiring to purchase a smart phone model in Egypt is provided with a wide range of choices from different companies like Apple, Samsung, Nokia, and Blackberry among others which conduct their businesses online. Techniques of product development with e-marketing contribute to make benefits from participating in the online auctions. These auctions help consumers get unique products that they can get them traditionally only by travelling long distances (Abdelghani, 2006). Modern technological methods have given an opportunity for many companies to design products according to the individual needs of the client or what is the researcher called "flexible development". Nowadays, customer can select the components and various additives through the Internet. For example, for the customers interested in annual holiday –tourism organizations that work in the field of aviation and tourism can design this service and its components according to the needs and desires of customers and can determine the appropriate cost according to the client's possibilities. (Alsirafi, 2006).

Institutions have moved from the concept of Relationship Marketing to the concept of managing the relationship with the client in more comprehensive method to keep customers and attract new customers. Electronic Customer Relationship

Management "eCRM " is defined as a set of available tools on the internet which conducts the relationship between the customers and the Institution .Institutions should focused on the needs of their customers and practice effective management of the relationships with customers.

One of the advantages of e-marketing to customers is that online buyer receives the goods as quickly as possible. Delivery in the field of electronic business is greatly faster than delivery in traditional trade where electronic distribution methods developed to be in line with technological changes. As Xiaoming (2007) asserts, customer satisfaction can decrease if they are not provided with the products that require at the time they require them. The time utility theory indicates that the value of a product reduces as the product delays in reaching to the customer. A customer in need of a product today should receive it today to maximize the satisfaction level. However, traditional trade does not offer customers with the products and services they want as faster as e-marketing making it the best and most competitive choice (Meng, 2009).

The other advantage of e-marketing is that when used, the traditional relationship between the price of a product and its duration which is a must in traditional trade became of less importance now. The idea that there is an inverse relationship between the price of a product and its duration isn't necessary nowadays (Alghalbi & Alaskry, 2003). The price of a product became related to other new factors. Additionally, providing data and information plays a crucial role in the success of a product. One of the most important conditions for the success of an online product is providing sufficient data and information about the product (Dominici, 2009). Previous studies have revealed that most consumers and customers seek information before making purchase decisions (Zou, 2007). This is to ensure that the products or services

they purchase maximally satisfy them. Internet is the most consulted source as it offers a wide range of information on the quality, price, distribution channels, and the availability of these products and services. For instance, if a small and medium sized enterprise in a country designs and develops a website that markets its products and services, it helps in providing relevant information to the customers making them more attracted to the products (Huang, 2007). E-marketing helps in providing a wide great variety of products on the internet and this gives the buyer opportunity to see, compare and do shopping. The buyer makes well informed purchasing decisions when they have adequate information.

According to Abdelghani (2006), Client is a strategic partner in e- marketing . Thus it is important to know his positive and negative opinions, advantages and disadvantages of the through electronic societies online .Then the enterprise begins to develop the positive characteristic and solve the problems .If an enterprise is close to the client ,he will feel himself as the axis of e-marketing and the base of this business. Developing sustainable long-term relationships is very important for any enterprise .In the field of electronic businesses trade "B2B" many enterprises utilize telecommunication technology to held video conferences between representatives of these enterprises and the clients .There is no doubt that this technique reduces travel costs , saves time and allows to repeat interactive communications with clients.

According to Almenyawawi (2002),The appearance of e-marketing made enterprises transfer from thinking of the market portion to thinking of the clients and the internet portion as the internet is unlimited means of communication and it is the ideal administration of relationships –based –marketing .The great competition on



customers and the great change of their behaviours made enterprises reorganize their processes by focusing on customers. Enterprises also began to think of the customers as a long-term capitals and not just a temporary project. There are several efforts of oil service stations. They created a file for each client on their database to help them determining the right time to change the oil of the car and to recommend other maintenance techniques for their clients. Marketers could create service sites to target small markets such as the service site "Gulf Web." This site has over 35 thousands pages that provide services related to the games of the disabled. On the other hand Community playthenger Company has proceeded a strategy to identify the customers who influence purchase by providing individual sites to deal with them via the internet. This company produces daily care accessories and furniture for special needs children. So it began to focus on potential customers who will be the doctors treating this category.

According to stone (1998), companies and institutions have been forced to make reformations to the traditional process to develop their products through flexible processes represented in "Operation of Sense market". It refers to the idea that companies should know how is the response of product design, the needs and the real requirements for customers. In other words companies should know of the needs and desires of customers. Companies should also study competitive products and the size of the demand and supply. In addition, they should test technical solutions and mix these technical solutions with customers cases to create a kind of flexibility and keep it always under test. These companies create a number of innovative methods that guarantee a continuous flow of information, such as customers interactive databases, electronic systems for exchanging data among companies, customers and newsgroups.

Customer Relationship Management has become one of the determinants of success in e-marketing and e-commerce. All the functions of the Enterprise must be directed to the customer .It must give him a share in the design of goods and services after identifying customers and determining the targeted sector through determining the tastes and needs of the customer and the services he wants. Internet technology allows the visitors on the websites to identify themselves and determine their needs of all products before they begin to buy .Internet also has the ability to invite existing customers and potential customers to participate in a dialogue includes evaluating products displayed on the web. This interactive dialogue helps customers and consumers to identify the characteristics of the products .In addition , this dialogue allows the marker to track and evaluate customer and consumers businesses and to measure the degree of their loyalty., There are many web sites encourage visitors to register their requests in special forms include the name ,e-mail, age, and job. Through this information marketers can build an image for customers and consumers to help them supporting their marketing efforts .For example, "CD", a company for music, was able to encourage its customers to provide it within formation about their audio tastes so as to provide their requirements .Using internet sites a marketer can study clients to know their abilities and he can offer prizes as a motivation for sharing data needed for the study .Amazon. com has stored data about customer purchases and used this information to give them recommendations during their visits next time on the website .Some cosmetic companies have provided products with certain specifications determined by ladies with the use of special sites that allow them to suggest colours and ingredients that they want .Other sites allow them to attach their photographs. Thus cosmetic specialists can determine how the colours match with their faces. (Almenyawawi,2002), According to Merzeklal (2010) the difference between product

techniques of traditional marketing mix and the electronic one is summarized in the table 2.5.

**Table 2.6 Product Techniques of Traditional Marketing Mix and the Electronic Marketing**

E-markets	Traditional markets
The product takes digital or physical shape.	The product takes a physical shape, because the physical aspect is very much valued.
The product is marketed at a very high degree of excellence and production. as requested by customers.	Traditional products are sold through this marketing mix in traditional markets.

**Source:** Merzeklal, I. (2010), p.42

Aljedayah and khalaf (2008) confirm that there are many companies started to apply the strategy of providing some products according to certain specifications determined by customers and consumers (customized manufacturing) that is because E-Marketing allows the consumer to determine the product specifications that he wants with competitive and appropriate prices and this is called ( Build To Order). This implies that as customers communicate directly with the marketer or company representatives they indicate what they feel should be included in the product development to make it more valuable and satisfying to their needs. For instance, a company providing coffee to their customers may be urged or recommended by customers to provide coffee in different colours and tastes to increase their satisfaction levels. Therefore, production will be according to consumer privacy. Customers are more satisfied when they realize that their views and ideas are highly recognized by the organization.

E-Marketing provides an opportunity to the consumer to increase the range of his choices and needs, as he passes the local world to a wider world with all its options (Radwan, 1999). E-Marketing has multiplicity and diversity of products and services as well as their suitability for the preferences and needs of the consumer. This guarantees customer loyalty and helps with achieving success, growth and quality at the enterprise. From the standpoint of Radwan (1999) E-Marketing shortens the gaps between producers and consumers. It allows close electronic presence between seller and buyer, which leads to improve the level and quality of the product through the services before and after the sale, the availability of information about the nature, prices and producers of the products, as well as the rapid response to market demands (Yingjian, 2007). Thus all these factors lead eventually to improve the level of competitiveness in electronic markets. In Yousef (2011) illustrates that E-Marketing is characterized by the diversity of products and providing goods and services according to the needs of customers. This means that it is able to provide products specifications determined by customers. Through E-Marketing marketers find a greater opportunity to adapt their products according to their needs electronically (E-Customization). This is done in a way meets customer expectations and in line with the specificities of each client and considers customer needs providing widely shopping options. According to Strauss and Frost (2008) and Chaffey et al. (2000), consumers have different needs and wants in electronic marketing. Consumers need a consumer centric environment is the creation or development of a positive consumer experience during sales and post sale. Consumers need to have adequate experience with the products and services they purchase as this adds value to the company by making it differentiate itself from its rivals who do not provide the same experience (Pearce & Robinson, 1997). By creating customer experience, e-marketing increases the competitiveness of a company against

its competitors in the market. Organizations create the culture of customer centric by understanding their brand value and delivering them consistently to their customers. For instance, Apple has been well known as providing the best quality Smart phone brands as well as other products like computers because of the type of experience customers have experience (Mohrman & Shani, 2011). Additionally, Wal-Mart has been well known as the best retail market that offers the cheapest products and services to their customers. This experience is very important as it helps in attracting and retaining customers as companies consistently deliver to their customers.

Customers want marketing services that they can rely on all the time. Basically customers feel dissatisfied when they cannot reach a company or marketers when in great need. E-marketing helps in solving this problem as the internet is a 24/7 medium. When a company uses internet as a medium of communication with its customers, it is guaranteed that all customers will be satisfied as they can reach the company at any time they want. Additionally, customers are very cost sensitive and thus want to communicate with a company representative where they incur a very low amount of money. A customer would find it ineffective if they are required to pay huge sums of money to contact a certain company. However, this challenge is usually solved by the use of e-marketing since very low costs are incurred during searching. As indicated earlier, many customers consult the internet before making purchase decisions and since they are required to pay very small amount of money in terms of search costs, they are encouraged to use this medium of communication. In this case therefore, companies using electronic marketing as a marketing strategy are able to more effectively communicate with their customers as compared to those using the traditional marketing strategies.

E-marketing is not only beneficial to customers but also to the organization since customers can provide product related information to the medium helping the organization to offer relevant information to other customers. This shows that customers can learn from among themselves through the information they contribute to the organization (Ireland et al., 2009). For instance, a certain customer may possess relevant information concerning a product produced by a company and if this information is shared in the medium it becomes of great help to other customers. Organizations using e-marketing as a marketing strategy has the advantage of using customers to market their products online (Hitt et al., 2005). The value of digital is created by posting or adding new products in the medium. Customers would be interested in visiting a company's website by the number of products added in the medium. If the company ensures that new products are added to the website frequently, customer traffics would increase drastically. For instance, customers would be interested in visiting a website where they are sure that they will get the information they need concerning particular products or services.

E-marketing has gained a lot of popularity because it enables customers to accesses some services immediately. For instance, some services can be downloaded immediately from the internet thus providing customers with maximum satisfaction. For instance, in the music industry some songs are uploaded in the internet and can be downloaded immediately after a certain fee is paid. This is more effective than traditional marketing strategies as time is saved and customers do not have to travel to long distances to get the services they want (Rask & Dholakia, 2000). Additionally, the customer has the control on the information content and accessibility. Internet allows customers from all over the world to access the information they require about a certain

product or service without the assistance of the company. This shows that customers can learn about a company's brand, product, and service without the assistance of that company. Since customers have the control of the content of the information they want, they consider e-marketing to be better in product development as compared to traditional marketing strategies.

E-marketing is one of the fastest rising fields in e-commerce which has the potential to become a platform for small business firm to compete with big industries even though they don't have the infrastructure and capital. But as we say that small business firms has a chance to compete with big players there are several issues and factors which lead a small business to adopt and ignore e-marketing (Carson et al., 1995). A small business firm can survive in e-market only if they use their resource carefully and allocate them properly and monitor the resource (McCole and Ramsey 2004). According to Harridge-March, S. (2004) e-marketing is been portrayed as an emerging technology that impact positively among small business. According to some of them, e-marketing is still considered as a foreign technology as the small enterprises still slowly understands the concept of e-marketing but gradually they will be inducting into their enterprises. The paper concludes that small business enterprises are taking advantage of this new platform as this provides small business to interact with customers directly which was not possible with the traditional marketing. E-marketing has provided small enterprises an opportunity to revive themselves and provide a way to compete with large industries. The buying process is customized for returning visitors, making repeat purchases easier. Organizations can also offer immediately ancillary products along with the main purchase, for example, the chance to buy extra printer cartridges along with your purchases of your printer online (Stroud, 1998). The

product can also be customized to consumers needs. [www.nike.com](http://www.nike.com) offer customized trainers to users online. Users can design and see their trainers online before they order.

However, e-marketing has been criticized in its purpose in product development. Critics of this marketing strategy indicate that e-marketing require the internet in order for its operations to be functional meaning that it targets only a certain customer group in the market leaving out the others (Merzeklal, 2010). For instance, in developing countries like Egypt a large number of customers living in the rural areas do not have internet accessibility making it difficult for them to access information about a product, brand, or service. The largest group of customers in developing countries do not have internet services because Smart phone are relatively expensive for people in these areas (Mahmoud, 2011). A marketing strategy is not considered effective if it does not effectively satisfy the customers. If this strategy does not satisfy the customers in rural areas it is considered ineffective. Additionally, internet operations are faced with the security challenges. It is very easy for a company's marketing information to be accessed by its competitors and used against it in the market (Darby et al., 2003). Despite that e-marketing is used as a competitive tool by companies to attract new customers and retain the existing ones in the market, when sensitive information is accessed by the competitors or enemies of the organization it can be used to ruin the company. If an organization indicates the prices of their products on the website, rivals may react by offering competitive prices to offset the competitive advantage of this company. For instance, disgruntled customers can use the medium to express their dissatisfactions which could negatively influence the purchasing decisions of other customers reading their information.

Business organization began to be greatly interested in offering and marketing their products online. They do their best to provide technical capabilities that allow



them to use this new technology .In e-marketing literatures ,there was suggestion of a Quadrant matrix has options to use the Internet in the process of marketing products and the expansion of markets through the following table:

**Table 2.7 Matrix Marketing Products Online**

Existing Product	1 –Using the Internet to promote current activities in current markets. Until 1998, most of the organizations used Internet for marketing; These organizations now use the Internet as an electronic tool, reflecting its promoting current products to current markets.	2 – Geographic expansion and expanding markets to new online ones through activating Web sites (that provide access to global markets by breaking geographical barriers) leads to a greatly expanded market. The use of this option also leads to significant changes in the cost structure, making it less costly than ever before. In addition, it results to enhancing the phenomenon of no mediation. In other words, organizations will not deal with mediators because there is no need for them nor is there a need to reduce costs.
New Product	3 – Developing and enhancing new products to utilize current markets on the Internet. This option is applied by organizations that offer products and new services, such as electronic newspapers. It should be noted that 100 Arab newspapers offer electronic copies; banks and insurance companies also offer electronic copies.	4- Using new applications and building innovative partnerships between e-business organizations through providing a new product to new markets, When an organization thinks of using this option, it should have prepared the means and facilities that enable it to develop and sell new products to new markets. This researcher believes that this option is the ideal one or the future one. This researcher also thinks that all businesses must search for this option, and develop and take advantage of it, But the legal issue remains one of the main obstacles that impede the spread of new electronic businesses with the new products to global markets (new markets) outside the territorial boundaries of the organization. Some laws and regulations allow some electronic businesses to operate outside the territorial boundaries only under special conditions.
	Existing Market	New Market

Source: Aboufara, (2004), p 150.

According to Aboufara(2004), There are a set of elements that affect the behaviour of the buyer through the internet and affect purchasing decisions:

### **1 - Elements and specifications related to online buyer himself.**

Demand for e-marketing differs according to the sex of the consumer .There is a questionnaire conducted by Cyber Dialogue in 1999-2000 which indicated a noticeable decline in women's use of e-marketing compared to men .Among 33 million women using the internet there are 25% who practiced e- marketing .Also there is education based on computer .This kind of education is known among males, especially in the developing Arab countries .This affects the rate of women's participation in e-marketing. Age also plays a role in e-marketing, as some age groups prefer to deal with the internet and conduct shopping .Old people who have a good knowledge of the internet prefer to e-shopping because of their health status or their inability to go to markets. This does not mean that young people do not tend to e-shopping. They have qualifications , reasons and capacities to do shopping online.

### **2 - Elements and specifications related to the product itself:**

There are many products can be handled easily online such as books, computer software and hardware, gifts and games. It is assured that organizations that use e-marketing match modern and current developments .The new client is their great interest .this creates rapid response to the orders , needs and desires of customers when compared to traditional marketing transactions that take a long time.

### **2.5.2 The Second Factor: Pricing Policies**

According to Ambler and Kokkinaki (1999), utilization of internet in businesses enables customers to easily and efficiently compare prices of the products being sold by online businesses. also E- marketing is the cheapest among marketing types. It can attract the largest number of recipients because of the wired and wireless costs are low

(Mahmoud, 2011). According to Almenyawawi (2002), e-marketing Leads to reduce business costs because it dispenses intermediaries it doesn't need to create a store with high costs.

Price is the amount a company charges for its product and its determination is both critical and complex. A low price can take sales away from competitors and increase demand in a market, while a high price can create an exclusive image for a product (Bové et al., 1995). Production costs, government regulation and ethical standards all affect price setting and must be taken into account.

Aboufara (2004) asserts that doing online business and practicing e-commerce gives the organization the opportunity to build pricing strategy capable of achieving its objectives, increasing its growth and profit rates and enhancing its market share. The effective company is in setting pricing strategies the more profits it gets. Price is an element used by several organizations to compete for customers in the market. Customers' purchasing decisions are largely influenced by the prices set for different products and services. Products and services priced lower are largely and frequently purchased than those priced higher. However, customers have perceptions that products that are lowly priced are of lower quality and might go for higher priced products. It is therefore the role of companies to ensure that reasonable prices are set for their products in order to attract many customers and retain the existing ones. A company that has competitive pricing strategies or policies is considered to be more competitive in the market than its rivals (Mohrman & Shani, 2011). Almenyawawi (2002), sees that E-pricing is characterized by low cost This refers to the ability of the organization to reduce its deals considering the competitive nature of the operating costs on the internet and the efficiency of database to get competitive marketing information. According to Ahmed (2009), the application of e-marketing leads to a reduction in many fields for

example, rent costs ,workers number, electronic communications costs compared to communications of local and private nets, administration costs ,shipping costs, advertising costs ,design and information costs, and job performance costs because the dispensing of intermediaries.

E-marketing is applied in the market in setting variable as well as dynamic pricing. Many prices are not fixed allowing customers or buyers to bargain for products. Customers can use the internet medium for bargaining for prices in order to make decisions to purchase these products (Luffman et al., 1996). Applications of E-Marketing lead to strengthening the concept of flexible and variable dynamic pricing that refers to business transactions in which price is not fixed. According to AlSirafi (2006), Internet provides an access to the information about the products' costs and prices and thus consumers and customers can determine the ideal price .With the internet pricing began to follow a new trend called "flexible pricing ."This kind of pricing added a new marketing area in business world. Internet provide a great deal of applications help providing information related to discounts, various contract conditions, methods of payment, and available credit facilities. Customers have a role in this process. They can negotiate with the company for price .Electronic questionnaires about prices on the internet resulted in 92% of internet users , included in the questionnaires , in America expect more reduction in prices on the internet to be less than the prices of traditional retail trade as the cost of e-marketing is lower than that of the traditional one. Finally Combe (2006) assure that internet allows much more dynamic approach to pricing product and services. Dynamic in a way that price can be updated instantly in response to changes. Flexible price can be divided into four types of price according to buyers and sellers as follows:

**Table 2.8 Types of Flexible Prices**

	One seller	Several sellers
One buyer	Negotiation-exchange-bargain	Reverse auctions
Several buyers	Traditional auctions	Flexible exchanges

**Source:** Turban, (2002): p.355.

From the table above it can be summarized as follows: in the first case, there is a buyer and seller and can negotiate on different aspects like delivery conditions, prices, and specifications through a process of bargaining and exchange. In the second case, there are several buyers and only one seller hence there is the traditional auction whereby the buyer bargaining power is less and the seller has a strong effect in the trade because of the high demand of the products sold. This is mainly done in the Dutch, English or American technique. In the third case, there is only one buyer but several sellers. The buyer has a strong bargaining power and the sellers are forced to offer their products at lower prices to attract the buyer. This is where high competitive advantage of a company is required to win the seller. In the fourth case, there are several buyers and several sellers and thus the prices are determined by the forces of the market.

As noted by Aboufara (2004), a company is enabled to improve its competitiveness and profits by the flexibility of e-pricing. This is done through different ways including retailing prices, adapting rapidly in response to market changes, and precision in determining price levels. According to Dayoub, et al. (2006), retail prices are used for products sold in retail. In order to achieve competitiveness and increase sales, many companies ensure that all types of customers are included in the target group. In this case, both wholesale and retail customers are targeted. Despite the fact

that companies sell their products in wholesale in order to record large volumes of sales in a particular period of time, retailing is the most profitable method . This is because is it slightly higher in terms of prices and a large number of customers are targeted. Many large companies like Apple, Samsung, Wal-Mart, and Tesco among others offer their products and services in the retail market because it is more profitable than in the wholesale market. Additionally, through this marketing method it is easy for an organization to identify the needs of their customers and ensure that they are effectively met to satisfy them. E-marketing enables companies to reach retail customers and set retail prices as customers bargain individually for particular products and retail prices are set for individuals.

E-marketing helps organizations to change their prices to adapt rapidly in response to market changes. Due to the increased competition in the market, buyers have a higher bargaining power thus the prices of products keep on changing (Ireland et al., 2009). Market prices are set by the forces of market and demand. When supply is high and demand is low, the price lowers and vice versa. When determining price levels, organizations require precision to ensure that customers are not lost through dissatisfaction. When prices are set without adequate information on what should be done, customers become dissatisfied and shift to other companies in the market (Al Qirim, 2004). E-marketing helps by informing the marketers on the price levels adopted by other companies thus ensuring that their prices are within the range (Rajarathnam, 2010). As indicated earlier, price is one of the factors that can ruin the prosperity of a company if not conducted effectively. The most competitive companies in the market ensure that there is a high level of precision in determining price levels in order to attract and retain customers (Mullen & Daniels, 2011).

Some online companies began to produce just in time .This new trend achieves an advantage for these companies .This advantage is that they will have no costs of sorting and they will be able to meet the rapid changes in clients' needs .In addition , the costs of e-promotion are less than the costs of the traditional one .E- marketing man can provide a digital catalogue in low cost on the internet. The researcher thinks that low costs "cost leadership" is one of most important positives that makes e-marketing a competitive advantage .In addition, low costs are accompanied with an increase in service quality and this increases the enterprise's quality as a whole (Almenyawawi , 2002).According to Dayoub et al. (2006) e-pricing enhances many of the competitive advantages in different ways. Due to the low cost of internet the total cost of printing, communications and travel is lowered thus lowering the cost per unit. As indicated earlier, internet is very cheap hence when used in marketing the cost of marketing is low thus lowering the overall prices of products become low (MacGregor & Vrazalic, 2007). Product prices are determined by different factors and different companies use various pricing strategies. For instance when cost plus price strategy is used, the prices are determined by adding all the involved costs and a certain percentage. This shows that if internet is used in marketing the cost travel, communication and printing is very low thus making the total product prices relatively low (Costa, 2011). Companies using e-marketing therefore become more competitive in the market than their rivals because they incur reduced costs of marketing. When competition comes to its extreme, prices converge. When competition is high in the market, companies offer products at relatively similar prices in order to attract customers. E-marketing enables a company to adopt the most appropriate pricing strategy at this time in order to remain competitive in the market (Rana & Aasma, 2009) , The following table shed lights on the differences in the services costs between the traditional marketing and electronic one

**Table 2.9 The services costs differences between the traditional marketing and electronic one**

Type of Service	Cost of service ( \$)
<b><u>Firstly : Banking services</u></b>	
Financial transaction takes place in the bank	1.07
Financial operation is performed using the ATM	0.27
Financial transaction conducted through the Internet	0.01
<b><u>Secondly : Booking a flight</u></b>	
Booking through the tourist office	10
Booking online	2
<b><u>Thirdly : Sale or purchase of shares</u></b>	
Through a full-service broker	150
Through an low intermediary service	69
Cross online mediator sites	10

**Source:** AbulFotouh, (2001): p.29.

Provision of relevant market information is very important both to organizations and customers. Customers usually gather relevant information concerning the market and products as well as services before making purchasing decisions. In this case, internet provides ways and programs by which marketers can gather information, stimulate consumers and track their business movements (Gay, Charlesworth & Esen, 2007). With adequate information about the market, marketers and organizations know the best approaches to stimulate consumers and track their business movements. For instance, a certain marketer may realize that consumers are frequently visiting a certain company in the market because of their prices and thus makes sure to change their pricing strategies in order to attract these customers. Once a company tracks and



understands consumers' business movements, it is able to use its resources to change their movements in its favour thus achieving more competitiveness in the market (Strauss & Frost, 2008).

When competition is high in the market, consumers participate in determining the price. For instance, once a product is introduced in the market, it attracts a lot of customers increasing its demand and prices are usually very high. A good example is the introduction of Smart phone in the market in the year 2007; they were only possessed by the high and middle income earners because they were priced very high (Mullen & Daniels, 2011). However, when the supply is high from different companies, consumers have a high bargaining power despite that the demand may be high. Through e-marketing consumers are given a chance to participate in price determination as before they are provided with the products, they have adequate information and have different alternatives to choose from (MacGregor & Vrazalic, 2007). For instance, in need of a Smart phone can choose from any model from the manufacturers in the market. If e-marketing is used by small and medium sized enterprises it becomes a very effective competitive advantage as it includes consumers in the process of determining the prices thus motivating them to increase their purchases (Fletcher, Bell & MacNaughton, 2004). Before a consumer settle on a certain price level he or she must be satisfied that the price level reflects what is offered in the market by other companies. It is very popular on the internet that price is determined at the end of the auction which takes many different forms, such as Dutch auctions and reverse auctions (O'Connor, Galvin & Evans, 2004).

A study conducted by iContact (2003) on e-marketing in small and medium sized companies found that most of these companies are allocating the largest share of their marketing budgets to e-marketing. More than 20% of the companies were found to

spend their total marketing budgets on e-marketing (Costa, 2011). This indicates that e-marketing has become of great importance to small and medium sized enterprises globally because of its purpose in customer attraction and retention. E-marketing helps small and medium sized enterprises in creating a strategy that can deliver the right and appropriate messages to the right people. It also offers a number of options to be explored by businesses in achieving their marketing objectives (Rana & Aasma, 2009).

E-marketing result in reduction of business costs as it dispenses business intermediaries and does not create a high cost store. This is because customers are supplied with products wherever they are without relying on the nearest store (Dayoub, Saker & Sleiman, 2006). For instance, if the business has its headquarters in the town centre it can deliver its products to customers and consumers in the rural areas without seeking assistance from the intermediaries (Goi,2007). E-marketing is therefore considered as the cheapest among the marketing strategies. Due to the low costs of wired and wireless, e-marketing attracts the largest number of recipients. Consumers can establish a business enterprise through a virtual site at very low cost. This helps in lowering the prices set by companies thus attracting a large number of customers in the market. In e-marketing, there is no need of more employees who increase the cost of marketing (Strauss & Frost, 2001). A decrease in fixed costs incurred in advertising, human resource, and storing results in an increase in the income.

Through the internet, consumers and customers can access relevant information concerning products' costs and prices thus determine the ideal price. If the costs are high consumers can determine the ideal price as high and vice versa. This shows that pricing follows a trend called flexible pricing with the internet (Good & Stone, 1995). This is because consumers have information on the discounts offered, methods of payment, different contact conditions, and available credit facilities. Consumers

therefore play a critical role in the process of online trading as they are in a position to negotiate with the company for prices. In the United States of America, most of the customers and consumers prefer online marketing to traditional marketing because they have not limit to the information they require from the internet (Avlonitis & Karayanni, 2000). The researcher agrees with the views of Internet marketing experts that prices will drop in the near future through the network, and this requires that electronic enterprises have to check their pricing policy which will directly affect the price in the international markets( Abdallah &Elias, 2011) as follows:

- The Study and examination of marketing environment.
- The study of costs and their relationship with the product demand.
- The creation of a table to see sales increase and decrease according to the prices.
- Choosing the price according to the costs , the price flexibility and the best strategy.

According to Alsirafi,(2006 )One of the recent trends in e-marketing site E-pay site .It is a site that provides opportunities of selling for sellers with different conditions .It can get the highest price if it has the ability to provide unique and distinctive products. E- Auction depends on to sending bidding online with catalogs for products. The technology of the research programs "Shop Bots" help consumers finding the best prices on the Internet .One of the recent developments in e-pricing strategy is the use of digital currency where customers insert their account numbers and allow certain amount to take advantage of certain services. Visitors of sports and matches sites pay a some money in return for getting the latest sports news. (Almenyawawi, 2002).

**Table 2.10 Comparison between E-pricing and Traditional Pricing Policies**

Method	E-pricing	Traditional pricing
Based on cost	Internet reduces the total costs of communications, printing, and travelling. Thus, the cost of each unit is reduced.	Based on the total costs of the company. When costs increase, price increases, too. When the cost is low, the price will be low, too, with the addition of little profit.
Competitors' prices	Competition reaches an extreme, so prices are relatively close.	Price is based on the prices of the competitors. It may be the same, less, or more, according to quality.
Depends on request size	With data, the Internet provides methods, like encouraging consumers and using programs that trace customers.	Price tracks request size. When the request increases, prices increase, too, and vice versa.
Pricing forwarded to consumer	Consumer participates in price determination.	This method is not common here.
Auctions	The method is very common online, as the price established at the end of the public sale that takes several forms, like reverse and Dutch auctions.	This is not common in the global markets.

Source: Dayoub, M., Saker, A., & Sleiman, N., 2006, p12-13

### **2.5.3 The Third Factor: E- Distribution Methods**

Distribution is a very fundamental element of marketing mix. The more dynamic distribution channels a company has the more competitive it is in the market. Distribution is the processes used by a company in delivering customers with products and services. If customers are not provided with the products that they require at the best time, they become dissatisfied. E-distribution is the process of providing products

and services to customers and consumers electronically. Through e-marketing, consumers are able to order for products online and provided with them online.

The use of e-distribution leads to reduction in the number of traditional mediators. There will be new mediators and alternative channels. One of the characteristics of the Internet is the elimination of the distances between the product and the customer. Instead of the location of the market, there is a new e-market or the virtual market. There is no doubt that some enterprises could recognize the right time to deliver the needs of customers from the dates of creating purchase orders. This helps keeping the lowest possible stocks with the possibility to improve the competitive situation (Kotler, 2001). According to Bakhti (2003), It is asserted that internet affects greatly on mediators of sales and distributors. The enterprise that produces goods and services can communicate directly with "the final consumer" without the need to mediators or brokers. The researcher agrees with the views of some writers that electronic processes don't cancel the role of mediators but they are existed in a default way with the name the default mediators or "active mediators" in the default world.

According to Samli et al. (1997), internet greatly influences distributors and mediators of sales. It has made it easy for the businesses producing goods and services to communicate directly with the final customer in the absence of brokers and mediators. The authors stress that when mediators and brokers are included in the process of communication to the final customer, the cost of marketing increases leading to increased prices. Several writers and researchers have indicated that the role of brokers and mediators are not cancelled by electronic processes but they exist in a default manner with the name default brokers in the default world (Darby et al., 2003). Internet is said to play a critical role in marketing by ensuring that products and services

get to the final customers at the required time. Because there is not time wasted in communicating with the middlemen, very little time is used in delivering goods and services to the final customer. It should be noted that a lot of time is wasted in waiting for products ordered because a lengthy process must be followed. When the marketer or a company communicates directly to the final customer, the delivery process is made easier and faster thus increasing customer satisfaction (Roberts & Berger, 1989). As indicated earlier, customer satisfaction may reduce if the customers are not provided with the required goods and services at the required period of time. According to Alsirafi (2006), The chain of management distribution channels is one of the basic elements for the success of e-commerce .Smart companies can integrate their partners of suppliers and retailers to share information to eliminate errors, delays and duplication of work when they plan for future and for production .Internet has led to fundamental changes in the composition and structure of distribution channels. It has led to support and strengthen certain elements, delete and remove other elements in distribution channels. This depends on the nature and type of product that is sold and bought online.

Distribution with the application of e-marketing on the Internet is that client gets goods and services by two types of distribution: the **first** distribution is from stores and the **second** distribution without stores .The companies that use E-marketing match with the latter of course as they apply e-distribution and this is what Dell does .It accomplishes most of sales online. Dell distributes the product by a third part that is a company distributes packages (Jahin, 2009).

According to Stroud (1998) Electronic distribution methods contribute to enhance competitiveness in different ways. For instance, through this method clients or customers are provided with the appropriate update of the product via e-mail and other

electronic means. Basically customers would feel satisfied if they are continuously informed about the nature of their products through the email. Through electronic distribution customers can report the delay of the product ordered to the company in order for actions to be taken (Rask & Dholakia, 2000). For instance, if a product was ordered and has not been delivered to the customer after the agreed time elapses, the customer can communicate directly to the company to inquire what could be the cause. In this case therefore, the client is sure that the ordered product will be delivered in time. Additionally, electronic distribution gives direct access to the systems of giving commands to the back office of the organization that provides the client with the special conditions of transactions and purchase agreements. This implies that the client has a way of communicating with the company to seek clarifications on their products. For instance, the company may inform the client when and where the product or service will be delivered to him. In the event that the delivered product does not meet the customer requirements and specifications, the customer has the right channel of giving command back to the organization or the office that offered particular conditions concerning the product. This creates an effective way of communicating between the company and its clients in matters relating to the products ordered and delivered.

Internet is considered as the best medium of selling and buying goods and services in the market. Basically, bidders and sellers use the internet to offer their auctions for selling and purchase processes. After searching the relevant information from the internet concerning the best product and services to purchase, bidders are enabled to auction for these products (Hitt et al., 2005). Internet therefore offers the most appropriate way of meeting consumers' demands and requirements in the market. It would be very unfortunate if the buyer cannot get the products they require from the market. On the other hand, sellers are provided with the best opportunity for selling

their goods and services. Through the internet, buyers and sellers trade on a similar platform. According to Almenyawawi (2002) Weyerhaeuser company of manufacturing doors achieved a great success on Web sites .Clients could make orders to get their needs of doors with local delivery in the shortest possible time through FedEx company for express mail for the service of its customers and consumers and the organizations on the Internet .Clients can follow-up their packages from the start point to the end. The company has received nearly 1.7 million applications during a month.

The internet enables customers to use the various electronic tools and means to identify their needs accurately. Identification of need is the first step in purchasing products from the market. Consumers use the internet to seek relevant information concerning their need and identifying the best product or service that can effectively satisfy their needs. For instance, when a customer identifies his need as downloading videos and music from the internet, he or she can use the internet to search for the best solution to the need. For instance, the customer may decide to purchase a Smart phone as it offers internet services including downloading of videos and music. Internet provides customers with direct access to the customer service centre thus they are able to discuss sales staff and contract deals (Jones & Tilley, 2003). Customers feel satisfied and motivated to stick to a company if they are provided with direct accessibility to the customer service where they can air their views and seek detailed information concerning products, services, and even the company. Consumers can gather adequate and relevant information from the staff sales concerning particular products and services (Luffman et al., 1996).

According to Stroud (1998) distribution electronic methods contribute to enhance competitiveness of the retail stores through different features. Internet provides customers and company officials with 24/7 services thus enabling customers to



purchase goods and services at any time of the day on the company's website. Companies indicate the available products and services, their prices, quantities, and delivery systems on their websites as a way of offering customers with relevant and adequate information. This enables customers to make well informed decisions concerning the goods and services they want to purchase from the company. Consumers can compare and contrast different companies online and settle on the company that offers them maximum satisfaction. Companies can offer support related to purchasing products online at any time thus increasing customer satisfaction. This shows that a company using e-marketing is more competitive in the market as compared to one using traditional marketing.

Additionally, through the internet clients can access to the relevant service providers more easily through the company's website. Clients do not have to go a long process before getting the relevant person as staff members are well indicated on the website with their roles. This helps in saving time and serving many people from different areas at the same time (Thompson et al., 2008). This is because customers are only required to initiate a chat with the responsible individual and he or she is provided with all the services required. Companies with high traffic of customers usually employ several customers to work on the clients' enquiries in order to reduce the lead time. If customers spend a lot of time waiting for a reply from the company representative, he or she may feel dissatisfied (Fletcher et al., 2004). However, the strength of the network used by the client is a key determinant on the amount of time used before a reply is given. A customer using a weak network may wait for longer before their questions are sent and replied thus influencing their communication process with the company (O'Connor et al., 2004).

Through e-distribution, customers are provided with fast delivery of purchase orders and offer fast shipping services. Some products and services can be uploaded over the internet (Jelassi & Enders, 2005). For instance, customers download videos and music, software, and books or learning materials after paying a certain amount of money. This shows that the some products and services are delivered very fast to customers and is more satisfying than when using traditional marketing methods. A customer is motivated to purchase products and services online than through the traditional methods because delivery is instant once the ordered products are paid for. For instance, a company that requires software can order one online and download it within minutes and continue serving their customers. Additionally, internet ensures that shipping services are provided very fast as companies use the internet to communicate with their partners or workers at online warehouses (Jelassi & Enders, 2005). Some companies like Tesco and Wal-Mart have online warehouses which are used to offer online customers with the products and services they want. This reduces the time wasted in waiting for product and service delivery. The current technology introduced by Smart phone has enabled many buyers to rely on the internet in purchasing and marketing their products and services.

According to Nofal (2005), Companies are seeking to reduce the risks associated with the accumulation of inventory by reducing the time of processing data or information related to orders and the use of "Just In Time" method .production can be can organized to meet the expected demand so purchase orders. This reduces the cost of production and the expenses of storage and maintains the level of goods to its minimum. Thus there will be increase in profits and work efficiency's-marketing reduces time since the time of agreement between parties in the process of exchange and getting products. Aljedayah and khalaf (2008) confirm that E-marketing reduced

the effort and time spent in searching for suppliers, distributors, and workers of storing products. It also reduced delivery delays and losses resulting from bad storage and that may cost a lot of money and hence the loss of the trust of products. Researcher believes that e-marketing helped in activating the policy of producing "Just In time". This policy is one of the modern methods of production and storage processes.

According to Strauss and Frost (2008), the new strategy in distribution in E-Marketing is convenience in different ways such as constant accessibility of products and services, information, and company staff. E-marketing also helps direct selling whereby the client orders products and services direct from the company and they are delivered directly without involving middlemen such as brokers and intermediaries. Additionally, there is no limit in entering into the online marketing and companies that want to exit are not limited (Clarke & Flaherty, 2005). This shows that a company can enter and exit at any time as they wish. Customers also are provided with the same services as they can use the internet in purchasing their products or use the traditional methods. The internet provides users with access to the latest information about the product and getting answers to the client questions on the company's website and communicating it electronically (Strauss & Frost, 2001). Further, companies can use various analysis tools such as tables and graphs to analyze the client needs in determining the best products to provide them with.

The relationship between the producer and the consumer can be just through distributors in three main forms as follows:

1 –**Non mediation Relationship**: this relationship is when distributor is cancelled from buying and selling process that happens directly between the producer and the

consumer, such as the electronic publishing house or companies of airlines .It is a direct relationship .This relationship can cancel the distribution chain completely For example when an author publish his books electronically.

2 - **Re-mediation relationship**: It means replacing the traditional distributor with new default distributor on the internet. For example **Amazon** library has virtual distributors Operating actively through websites.

3 –**Mediation relationship**: this relation is produced when new mediator is inserted within distribution chain .Mediation can result from mediators who are searching for the best product or service to meet the needs and desires of customers.

E-distribution is not without challenges in the current business environment. One of the biggest changes to the marketing mix is online purchasing. Consumers can purchase direct from manufacturers cutting out retailers totally (Gay et al., 2007). The challenge for online retailers is to ensure that the product is delivered to the consumer within a reasonable time. Additionally, consumers are not very sure about the security of the products they have ordered as they can disappear along the way. Since internet does not limit companies from entering and exiting, vague companies can develop websites and pretend to be selling products online but fail to deliver them to customers once they are paid for (Rana & Aasma, 2009). This shows that some customers may fear using the internet in purchasing products and services as they are not sure about these companies. There a company must safeguard its places of services to create loyal relationship with its customers. This word, ‘Place’ means all the company’s performance that are undertaken to see to it that a product is manufactured and made available to the consumers of interest (Armstrong and Kotler, 2005).

Place relates to those company activities which make the product available to the consumers (Kotler et al., 1999). Selecting marketing channels, managing product transportation, arranging storage, and processing orders are all distribution activities (Meffert, 1991). Ecommerce offers new ways to distribute products (e.g. Cybermediary or Online retailer).

According to Aboufara(2004), internet has led to substantial changes in the composition and structure of distribution channels as the Internet has led to support and strengthen certain elements, delete and remove other elements in the distribution channel and this depends on the nature and type of product that is sold and bought online as shown in the following table:-

**Table 2-11 internet effect on the sales person's job**

The Current functional task	Possible internet solutions
Maintaining the presence of the organization and its communication with the client	Providing client with the appropriate updates about the product by e-mail and other electronic means
Processing orders and arranging purchase agreements.	Direct access to the systems of inserting commands to the back-office of the Organization, which provides customer with the conditions of transactions and purchase agreements.
Negotiation of purchase conditions.	Bidders and sellers use the Internet to offer auctions for buying and selling processes.
Analysis of customer requirements	Enabling customer to use the tools and various electronic means to identify his needs accurately.
Meeting the demands of support, logistics, distribution and financial accounting.	Enabling client to have direct access to the systems of entering commands.
Understanding the customer's needs in future products.	Providing products with the style of delivery and individual marketing.
Achieving an interactive connection to the implementation of purchase orders.	Client can have direct access to customer service center and engage in dialogues with the sales staff and contract deals.

**Source:** Stroud, Dick, (1998) P. 136.

According to Aboufara(2004), On the other hand , the role of the retail Trade has changed by the effect of practice and keep up with e-business online as shown in the following table :-

**Table 2-12 Internet Effect on retail stores function**

The Current functional task	Possible internet solutions
Providing client with an easy means for buying and marketing.	Client can buy at any time of the company's web site.
Providing additional services (Maintenance services)	Company's Web site makes client able to access to the relevant service providers.
Keeping an amount of the stock	Fast delivery of purchase orders and providing fast shipping services.
Distributing products information and providing services to answer a customer's inquiry.	Getting the latest information about product and getting answers to client's questions from the company's web site and e-mailing it
Analysis of the client's needs.	The use of various analytical tools for the analysis of the client's needs, such as tables and graphics.

**Source:** Stroud, Dick, (1998) P. 136.

#### **2.5.4 The Fourth Factor: Electronic Promotion Tools**

Promotion: in this technological age promotion or marketing of product has been eased by the internet, as many firms are using it to enhance their reach to many customers as quick as possible. Businesses have been able to convey and scan their messages to large segment of customers scattered globally at low cost than before.

Promotion combines various techniques for communicating with a target market and persuading target customers to buy (Kotler et al., 1999; Bovée et al., 1995). Several tools are available to communicate with and influence customers, including advertising, personal selling, public relations and sales promotion.

For Dalrymple and Parsons (2000) Promotional efforts on the Internet are different from traditional methods and became more distinctive and competitive. In this case, the interactive nature of internet enables marketing representatives to do interactive talks with customers and consumers and this helps to design promotional

messages suit the individual client. Consumers are more convinced when they engage in direct conversation with marketers than when they learn about a product from the media (Mullen & Daniels, 2011). This is because the marketer is able to use all the appropriate marketing jargons to persuade the customer to purchase their products. When using internet as a promotional medium, marketers ensure that international standard marketing messages are used as they are viewed by people from the whole world. This shows that the messages used must be very convincing and persuading that analyzes the benefits of the products in satisfying the consumer's needs and requirements (MacGregor & Vrazalic, 2007). Additionally, internet users have the ability to control what they see because they visit the site upon their own desire and this reflects their interest in the company's products. This shows that consumers will only go to a site that offers information they require. It is therefore the responsibility of marketers to post valuable information that can be trusted by the customers. The ability of a marketing representative to identify customers before buying helps him to provide promotional efforts to certain customers in a more efficient and effective method (Good & Stone, 1995). A company becomes more competitive than its rivals in the market if it is able to offer customers with the promotional messages they require. A company that effectively conduct online promotion is in a better position in the market than one that uses traditional media as internet technology is in greater use in the current business environment.

Gay et al. (2007) differentiated between the features of successful electronic promotion and the unsuccessful one. Unsuccessful electronic promotion disturbs the user with several unnecessary information. Customers are usually bored by unnecessary information that does not contribute to the solutions of their needs. It doesn't enhance the offered products with additional desired information that could attract customers



despite the price of the product (Alghalbi & Alaskry, 2003). It doesn't take into account the changing needs of the users. With technological advancement and changes in lifestyles, consumer needs are changing very rapidly and organizations must take into account these changes in order to offer customers with maximum satisfaction. For instance, lifestyles have changed and consumers are interested in products and services that contribute to the conservation of the environment. In this case, a company must include in its promotion that it offers products and services that are not destructive to the environment (Avlonitis & Karayanni, 2000). For instance, fast food producing companies like Tesco indicates clearly in their promotional messages that they pack their products in degradable packaging bags.

Researcher believes that most element of marketing mix that is influenced by electronic techniques is the element of promotion. Promotion jumped from routine traditional methods to modern, more prevalent, less expensive, and high flexible methods. Internet is a promotion vehicle of the products throughout the world .Internet includes advertisements, sales, public relations, and marketing .organizations must update traditional advertising methods when they convert to the Internet. (Alsakka,2000), Development in information technology has led to create broad prospects and big opportunities for business enterprises to display , promote and spread their products and services on a global zone on the internet networks. E- marketing is an interactive method used to inform and persuade target markets in order to demand for buying products .E- promotion aims to attract the attention of customers to use the pages of the World Wide Web (Web) and providing it with useful information according to their interests. Lines of communication between advertisers and users of the internet help advertisers to provide a better work with higher efficiency to promote their products. (Ahmed, 2009), according to Alsirafi (2006), There is no doubt that

characteristics of e-marketing made promotional efforts through the Internet differ from traditional methods, as follows:

1-Interactive nature of the Internet allows marketers an access to marketing interactive conversations with customers and consumer's .This helps designing promotional messages that fit the individual client.

2- Internet users have the ability to control what they see .So they visit the site of their own volition and this reflects their interest in the products of the company.

3-The marketer's ability to identify customers before buying helps him providing promotional efforts to certain customers in a more efficient and effective method.

**The following table 2-13 illustrates the differences between traditional advertising media and the Internet:**

internet	Traditional Advertising Media
Very personal mean to get very personal information that a man needs for something important for him .This means that it doesn't deals with groups ,but it deals with persons	Impersonal means of communication deal with the audience as a whole
Online visitor is in a dominant, interactive and positive situation.	You are obliged to what you watch, read or listen. The message is oriented from one side. It is from the means of communication to you.
They use the picture and the written text.	They raise the internal desires of human beings through means of attraction to attract the audience
They persuade the client by providing separate services according to each client .In addition, they provide additional values.	They give the information directly
They attract information by the mouse according to the choice and desire of the client .So they can have live personal conversations with the client	They don't have conversations with the client and neither does the client.
Client has the choice to select the information of the goods and service that he wants.	They promote the goods and service that the advertiser wants.
They have detailed information that a client may need to take the decision of buying by his own convince.	They just advertise the goods and services and visit people at their homes like TV.
Media message aims to motivate customer to visit the site.	Traditional media message targets the potential attraction of consumer .It raises his interest and creates a desire and persuades him to buy the product.
To guarantee success of promoting the electronic goods, advertiser creates a small e-advertisement on famous electronic sites.	To guarantee success advertiser puts his advertisements away from that of his competitors.

**Source:** Ahmed (2009), pp. 232-234

Promoting products and service online is concerned with a number of issues. Having a recognizable domain name is first stage towards e-promotion. A company must design and develop a website that will be used in communicating products, services and brand to the customers (Darby et al., 2003). Most companies use domain names that are similar to their brand names in order to make customers recognize them as fast as possible. For instance, Apple uses apple.com, Tesco uses tesco.com since these names are easier to recognize. Marketers must ensure that their companies' websites offer adequate and relevant information like product quality, price, and staff contacts among others (Roberts & Berger, 1989). This makes it easier for the customer to go direct to the product he or she wants.

According to Abdelghani (2006), Internet provides a written means of communication that is fast and effective between officials of sale, customers and consumers through e-mail service .It also allows consumers to exchange experiences, opinions, and the advantages and disadvantages of certain goods and services through online communities (such as forums), E-marketing Contributes to create fields for everyone to market their goods or their experiences without distinguishing a giant company with a intensive –capital and an ordinary individual or a small company with limited resources without restrictions .Because on the internet it is not possible to distinguish between a big company and small one .The important thing is to providing services and how they are provided. so small businesses are able to establish credibility in their online site, as online site makes big and small companies alike., E-marketing also contributed to organize sales processes and to ensure their flexibility by allowing producers to communicate and sell directly with the final consumer without the need to the traditional distribution channels .This led to the reduction of the period between the payment and getting products and services .The buyer pays the value of his purchases

immediately after holding the contract to buy the product or Service. (Yousef & Alsemeday, 2004)

online market does not subject to constraints of time and place .Modern and advanced technologies are dominant such as Web sites, e-mail, blogs and ad sites, and social networks of business and cultures Internet is available permanently .It is available 24 hours a day throughout the year from anywhere without limits .This is the philosophy which e-marketing is characterized by. Market is always open .There is no times of starting and ending .An organization can work and make a profit every second even if the officials of the organization aren't online . This allows customers to purchase 24 hours a day and throughout the year and at any place. There is no need for breaks and weekends .This contributes to increase the competitiveness of the enterprises. E-marketing is an effective way to expand domestic markets so that to be linked to each other all over the world. Thus they can efficiently market goods and services all over the world (Rashid & Alvedh 2007).

According Almenyaw, (2002), an advertisement is the most used element in promotional mix elements through the internet. It plays an important and effective role in building loyalty and long-term relationships with customers, The Organization of Management information system Read ware has developed its product that is related to heavy print machines and has sent by the ordinary post 500 questionnaire to develop the product .It received two responses only .But when it sent questionnaires through the Internet, it received 500 out of 800 questionnaires .As a result it sold 125 product. So doubled its advertising online .The results were more growing and it managed within one month to achieve what has been implemented in 7 months through traditional marketing methods.

In E-commerce in regional small to medium enterprise (2007) MacGregor and Vrazalic see that one of the most important implications of the use of the internet in E-Marketing is to create a good continuous mental presence of the company within the client, as well as reminding the recipient constantly of the company's products that contributes to the development of the demand for products and services. This ensures that the clients go direct to the company's website whenever they require some information (Rask & Dholakia, 2000). For instance, Apple has created a mental picture in their customers to the extent that whenever they require a certain software, Smart phone, or computer they consult their websites.

Internet is the most important advertising means since the end of the twentieth century and the beginning of the twenty-first century .With the development and spread of the Internet ,and the opening of new markets ,internet has become the fastest means of communication and the fastest access to information .This is through providing of specialized ads depending on the interest and taste of each client in addition to the possibility of watching the ad more than once .Also there is a possibility to identify exact number of people who responded to the ad .A website is the enterprise business interface ,and it is a mediator between the seller and the buyer .E-marketing contributes to make the process of marketing more interesting and enjoyable through distinct website that has distinct management system, colours and animations and shapes .In addition a website should have the elements of excitement and attractions to attract the users to the electronic messages as it is in the visual ads on TV, (AlSharman& Albwaan, 2011). According to Almenyawawi (2002) ,a website should have audio and visual effects fixed and animated with updating information and data continuously .The site should be developed from time to another .By this the client doesn't feel bored and visits the site again. One of the modern methods in e-marketing is the idea of marketing picnic .The

company provides a list of its names on the web pages. These pages include colours, pictures, graphics and sounds that help customers watching commercial offers. This makes customers determine their goods and services quickly. Enterprises gained many benefits from the special characteristics of the internet in marketing their products and services. AS internet provides the ability to influence the client through live chat, interaction, and communication. Internet is a means that gathers personal communication with public communication and mediator for many of the business and commercial activities throughout the day in away to compete that of traditional media such as newspapers, magazines and TV (Mahmoud, 2011).

In E-Marketing Intelligence: Transforming Brand and Increasing Sales Using Digital Channels (2009) Rana and Aasma asserts that an advertisement -among all the elements of promotional mix - is the most commonly used on internet sites as it plays an important and effective role in building loyalty and long-term relationships with customers. Characteristics of online advertising according to O'Connor et al. (2004) an advertisement has several characteristics that include: a personal way of connecting and exchanging information efficiently and effectively. Through advertisement the company effectively and quickly passes the intended message to the audiences. This method helps in reaching out a large number of customers across the world as it represent the enormous market for products and services provided by companies. Advertisements are done to ensure that several different customers access the information. For instance, when internet advertisement is used several customers across the world are able to access the intended information and act accordingly. Additionally, advertisement gives the marketer an opportunity to use image as well as the written text thus making the process of providing products by companies more exciting, dynamic and attractive to customers. According to Strauss and Frost (2008), online

advertisement helps in providing marketing services in easy and varied ways. In e-marketing there is interaction with customers individually as it is a dialogue between an individual and another one. This helps building relationships with customers in a personal way for long periods, as well as starting and developing a continuous dialogue with the groups of consumers.

**Table 2.14 Effect of Internet on Salesperson's Job**

Current functional task	Possible Internet solutions
Maintaining the presence of the organization and its communication with the client	Providing the client with the appropriate updates about the product by e-mail and other electronic means
Processing orders and arranging purchase agreements	Direct access to the systems of inserting commands in the back-office of the organization, which provides the customer with the conditions of the transactions and purchase agreements
Negotiation of purchase conditions	Bidders and sellers use the Internet to offer auctions for buying and selling processes.
Analysis of customer requirements	Enabling customers to use the tools and various electronic means to identify customer needs accurately
Meeting the demands of support, logistics, distribution, and financial accounting	Enabling the client to have direct access to the systems of entering commands
Understanding the customer's needs in future products	Providing products with the style of delivery and individual marketing
Achieving an interactive connection to the implementation of purchase orders	The client can have direct access to customer service centers and engage in dialogues with the sales staff and contract for deals.

**Source:** Stroud, 1998, p. 136



There are many E- marketing tools can be reviewed as follows: -

**First -E-mail** , It is one of the results of modern technology in the internet world .It serves as the office of traditional mail where the individual can send and receive a full message accompanied by written or audible attachments or pictures according to the available storage size from your service provider at any time or anyplace as you can receive the message and reply at anytime without the need to have a person to receive at the same time(Abdelhamid,2001), E-mail is one of the most important marketing tools that companies greatly depend on to reach the consumer. (Habib & alshodokhy, 2006). according to Ahmed (2009) ,E-mail is one of the latest means of communication .E-mail is an electronic intersection between messages, phone calls and faxes or it is an electronic form that represent them. E-mail service is one of the most important services on the internet .It sends and receives e-mails between two or more persons. E-mail allows you to send any type of saved documents on the compute .This is through the participation in one of the companies that provide the service free. Among the most famous companies that provide e-mail service on their own sites are Microsoft, which provides mail service 'Hotmail', Yahoo and g mail. As a result of the audience high demand for the internet, major companies competed on the internet that provides e-mail service .Google provided e-mail service with an area of 1 GB. E-mail is the most popular service of other communicative services provided on the internet .According to a study by (The Internet of the Arab world)Magazine, E-mail is the most important objectives of the users of the Internet .The percentage of the users of e-mail is 71% of the total network users ( Alarabi, 2002) . All marketing specialists almost agree that advertising by e-mail is the best way to advertise if the message came directly to the inbox of the addressee, and if the advertising message designed well and distinctively to attract the client, and if the message reaches at a proper time to buy

.Sending messages by e-mail is done very quickly .E-mail's speed is better than light speed. E-mail messages' cost is very low E-mail transform data electronically and reuses it (without re-printing).It communicates the targeted clients and conveys them promotion messages from the computer of the organization to their personal computer .There is no need to a person to deliver the message at the time of sending. (Albakoor, 2009).

According to Salehi, et al, (2012) E-marketing is a new form of marketing which marketers use the new factors like electronics media, digital technology and internet to reach their business goals. Email Marketing is a form of direct marketing which utilizes electronic means to deliver commercial messages to an audience. It is one of the oldest and still one of the most powerful of all E-marketing tactics. In the small businesses, success relies on maximizing the sales while minimizing the expenses. Email allows people to do both. A good email marketing campaign can helps people:

- 1. Increase their Sales Conversion,**
- 2. Generate Repeat Sales.**
- 3. Up-sell and Cross-sell Products and Services**
- 4. Gain Valuable Feedback from Visitors**
- 5. Drive Web Users to Make Offline Purchases**

**Second: Advertising Banners,** According to Aboufara (2004), the majority of electronic business organizations advertise themselves and promote their products through creating advertising bars on other sites visited by a large number of customers. This bar includes summarized data about the product or organization so that data can be

attractive and motivates the customer to click on this bar .Advertising bar achieves many advantages for products .It helps clients remembering the product more .the advantages of the advertising bar can be as follows:

1. Enhancing the product name and the trade mark in customers' minds.
2. Attracting customers' attention to new products.
3. customers can access to the site of the company by the advertising bar
4. Provide adequate information and data about the product.
5. The lower advertising costs compared to other means advertising.
6. Improving the level of product sales.

According Almenyaw, (2002) Marketers have used e-advertising in different ways as follows:

1 –The Use of "**Banner advertisements**" style. It is to put a small advertisement in the top corner of the site so that the visitor can make one click to access directly to the site itself.

2 - The second method is called "**Key word advertisements** ".It refers to the advertisement that appears on the form of guide for the visitors to the main sites.

3 -The third method is called "**Button advertisements** ".It is a small advertisement appears in the form of a square or rectangle having the logo of the product and usually appears in the bottom corner of the site.

4–The fourth method is called "**Sponsorship advertisements**". It refers to advertisements designed to make integration between specific brands or products through using of one advertising content.

**Third: The Digital Catalog,** According to Mustafa (2008), is one of the latest contemporary applications that have been designed specifically for use on the Internet. Electronic catalogs are sites created by some companies for their products, their services, their prices, and how these products can be delivered abroad. Electronic catalogs are default equivalent to the conventional catalogs .They contain written specifications and pictures of the goods .They are a more modern form than the conventional catalogs .They appeared much after the technological development and the internet. They are the latest business applications designed for the internet .They are used a greatly on companies relate to transactions called "B2B" .These catalogs can be offered on the site of the company or through video bars .the site of the company can have different catalogs of different products . Thus a consumer can browse the goods on the websites of companies and choose the best product and prices (Alhindawi, 2005) .from opinion of (Ahmed, 2009) Electronic Catalog has several advantages as follows:

- The possibility of continuously update so they are always accurate information.
- Catalogs can be more effective by including pictures and movements.
- E-catalog is less expensive than the traditional one with respect to the costs of printing and colors. Distribution costs which can be reduced too .Because e-catalogs are' sent printed.

**Table (2-15) shows the differences between paper catalog and E-catalog**

	<b>E-catalog</b>	<b>Paper catalog</b>
<b>Advantages</b>	<p>Easy to save in the information of the product.</p> <p>It can be linked to purchase order.</p> <p>Easy to be detailed.</p> <p>Easy to search and make comparisons.</p> <p>You can add animation and sounds.</p>	<p>Easy to spread.</p> <p>It doesn't need to technology.</p> <p>Easy to turn pages and read.</p> <p>You can read without a computer.</p>
<b>Disadvantages</b>	<p>High fixed cost at the first time only.</p> <p>It requires some skills from the consumer.</p>	<p>Difficulty of update.</p> <p>It doesn't contain dynamic effects</p>

**Source:** Alsirafi, (2006)

**Fourth: E-site**, according to Hammad, (2003) the first step for the company that wants to apply e-marketing is to create a web site. The site should contain a lot of information about the products and services of the company. Some sites attract visitors while other sites make visitors run away .This includes condensed Banner Ads. Successful Web sites provide information more than what is available in printed copies or provided by other competitors. The content must be trusted. E-sites must also be having search capabilities and advertising material, a website is an interactive promotional tool for e-business .Websites became nearly 17 millions in 2002. (Mohsen, 2005), Practicing e-business on line requires two things to achieve good promotion: Creating a suitable website and Efficient and successful promotion (Aboufara, 2004), According to Fawzi, (2005) Advertisement size should be adequate and convenient to the mission as follows:

1 –consumer should feel that there is no difference between this advertisement and other TV advertisement.

2 –The advertisement should be copied easily.

3 –A website should have a good address away from immoral words exciting and be small, symbolic and expressive so as to be known easily among consumers and customers.

4 –Permanent modifications of the site and its design should be continuously.

5 –large fonts should be used to clarify the information.

6 –putting real pictures for the product without the use of pictures of any other characters (whether public characters or cartoon ones).

According to Almenyawli, (2002) There is no doubt that the interactive nature of internet allows marketers to engage in interactive dialogues with customers and consumers .This helps designing promotional messages fit the individual client .Internet supplied its stores with a statement to greet clients when they start browsing the site .The statement is "Welcome back here are some things that we think they admire you." Then the show begins in the form of detailed files and special folders of products. Every folder contains the product details. these means aim to facilitate the task of the client on the Internet .This makes him feel the benefits of e-marketing compared to traditional marketing .The evolution of offering products and services via web sites help attracting many customers and the proliferation of sites .this leads to increasing the effectiveness of those sites in the performance of marketing and raises the level of quality of the e-site.

**Fifth: Live chat,** This system allows speaking and writing or audio and video together to another person wherever he is all over the world .So it provides high degree of interaction with consumers, regardless of their geographic location .Many e-business organizations, communicate current and potential customers through chat rooms .Members of the promotion and sales notify customers and persuade them to buy products. e-business organizations usually buy one or more chat rooms for conversation in order to practice E- marketing activity .There are two basic types of chat rooms: Rooms belong to the organization: through these rooms they can engage in dialogue with customers who visit these rooms or invite them to visit them such as Yahoo rooms or paltuk rooms, another one called public chat rooms which belong certain site classified as sites of conversation. Conversations are dividing into different groups according to topics or countries (Aboufara, 2004).

## **CHAPTER THREE: RESEARCH METHODOLOGY**

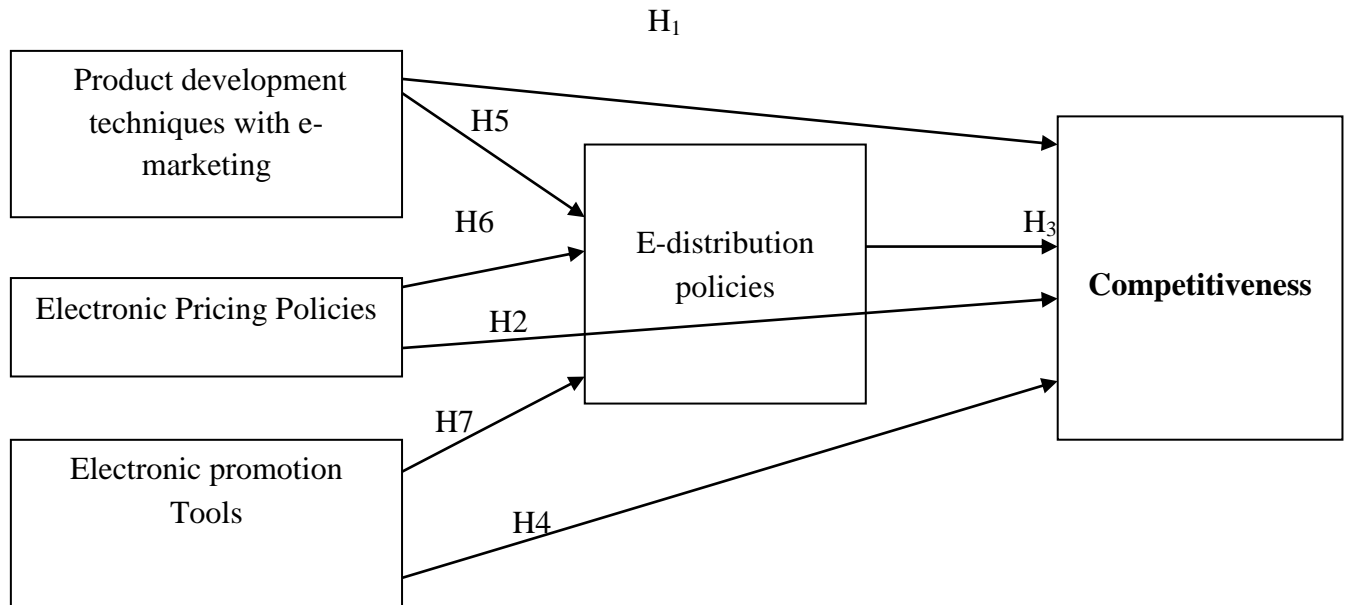
### **3.1 Introduction**

This chapter describes the methodology of the research and expound on the procedures that were used in conducting the research. Furthermore, the chapter discusses the research design, sampling procedure, the target population, data collection instruments, operational definition of variables and data analysis methods that were used to achieved to acquire the study objectives. The research study was structured to assess the effect of E-marketing Mix on enhancing the competitiveness of enterprises. The study focused on small and medium-sized enterprises operating in the Arab Republic of Egypt. A research methodology was designed to aid in determining the population of the study. Research methodology is crucial in both qualitative and quantitative analysis as it describes the procedures that were followed in carrying out the research (Larkin, Flowers & Smith, 2009).After developing the population study a sample size was selected from which data was collected using data collection tools that after analysis enlightened on the study objectives.

### **3.2: Research analysis framework**

The diagram belwo shows the independent variables which are techniques of product development, pricing policies and electronic promotion tools and e-distribution polices as a mediator variable and the dependent variable which is competitiveness.





**Figure 3.1** Research diagram

**Source:** Author(2013)

### 3.3 Operational Definition of Key Variables

The definition of all variables used in the research framework is shown in Table 3.1.

**Table 3.1** Operational Definition of Key Variables

Variables	Definition	Source
<b>Product development techniques with e-marketing</b>	Developing and enhancing new products to utilize current markets on the Internet	(Aboufara,2004)
<b>Electronic Pricing Policies</b>	Using the internet in pricing , Internet reduces the total costs of communications, printing, and travelling. Thus, the cost of each unit is reduced.	(Dayoub, Saker, & Sleiman, 2006)
<b>Electronic promotion Tools</b>	Very personal mean to get very personal information that a man needs for something important for him .This means that it doesn't deals with groups ,but it deals with persons	(Ahmed .2009)
<b>E-distribution policies</b>	internet greatly influences distributors and mediators of sales. It has made it easy	(Samli et al. 1997)
<b>Competitiveness</b>	Company capacity to achieve its targets	(Barney 2002)

### 3.4 Research Hypotheses

According to the problem of the study, many hypotheses were designed to be tested and validated. Below are the hypotheses themes that were used in this research:-

**H<sub>1</sub>:** There is a relationship with a direct effect of a statistical significant correlation between product development techniques and enhancing competitiveness of small businesses and medium-sized enterprises.

**H<sub>2</sub>:** There is a relationship with a direct effect of a statistical significant correlation between electronic pricing policies and enhancing competitiveness of small businesses and medium-sized enterprises.

**H<sub>3</sub>:** There is a relationship with a direct effect of a statistical significant correlation between e-distribution policies and enhancing the competitiveness of small businesses and medium-sized enterprises.

**H<sub>4</sub>:** There is a relationship with a direct effect of a statistical significant correlation between electronic promotion tools and enhancing the competitiveness of small businesses and medium-sized enterprises.

**H<sub>5</sub>:** There is a relationship with a direct effect of a statistical significant correlation between e-distribution policies and product development techniques.

**H<sub>6</sub>:** There is a relationship with a direct effect of a statistical significant correlation between e-distribution policies and electronic pricing policies.

**H<sub>7</sub>:** There is a relationship with a direct effect of a statistical significant correlation between E-distribution policies and electronic promotion tools.

### **3.5 Research Design**

The procedure which a researcher uses in order to get the objectives and goals of the research is known as research design. According to Kothari (2007), a research design is the theoretical structure within which research is conducted; it includes the blueprint for the collection, measurement and analysis of data. It is simply a historical proven way of achieving the research objectives. Moreover, a research design is a framework for stipulating the relationship among the research variables and outlines procedures for each study activity (Cooper & Schilnder, 2003).

A research design may involve many major studies such as descriptive, causal, exploratory, case study and survey. Descriptive study depict a research situation by showing an accurate condition with figures or graphs while exploratory research is employed in areas where in-depth understanding of a situation is required due to the little information on the study topic. On the other hand, explanatory research also known as causal describes the dependence and relationship between variables while experimental research influences the independent variable of a research to establish what impact it has on the dependent variable. Burns and Grove (1993) define quantitative research as a formal, objective, systematic process to describe and test relationships and examine cause and effect interactions among variables. Surveys may be used for descriptive, explanatory and exploratory research According to, Creswell (1994) quantitative research can be defined as a type of research that is `explaining phenomena by collecting numerical data that are analyzed using mathematically based methods (in particular statistics), This research employed quantitative study based on the questionnaire survey where this research Focused on small and medium sized enterprises that use E-marketing as a strategy for overcoming the stiff competition and increase their market coverage. This is because small and medium sized enterprises

uses E-marketing platforms in order to reach to their new and existing customers, In the definition from Aliaga and Gunderson (2000): Quantitative research is ‘Explaining phenomena by collecting numerical data that are analyzed using mathematically based methods’, This research paid much attention real life setting of small and medium business and specifically examined a particular subject area.

To achieve better results both quantitative and qualitative approaches should be employed as a researcher gains great insight into a study when he/she uses both methods as stipulated by Bless et al., (2008). In major research approaches in an organization or management, these terms qualitative and quantitative research are often used. Quantitative approach is the use of quantitative data to numerical data to come to a conclusion while qualitative approach is the use of words to collect results; it is more about theoretical data (Charmaz, 2006).According to Silverman (2009), qualitative research tries to find out why of its subject through the analysis of its unstructured details. Unlike quantitative research, qualitative study does not depend on numerals or statistics. To gain a deeper understanding of effect of E-marketing **Mix** on competitiveness and to be able to assess how it has influenced small and medium size enterprises in Egypt, both qualitative and quantitative methods will be used.

### **3.6 Study Population**

All items or group of interest in a field of research are referred to as population. According to (Miles & Huberman, 2009), population is the entire items or group of people where the desired study is going to be conducted before a particular item or specific group referred to as a sample size is chosen. Nonetheless, the population of study must be defined and selected carefully to enable the results to be valid and representative of the entire group. This is because a poorly chosen population will lead to wrong results which will not be statistically significant. The study community on

which the field of study will be applied was identified to be in enterprises in the Arab Republic of Egypt, which have previous work and experience in the field of e-commerce and E-Marketing in any way and which practice various activities of buying and selling through telecommunications networks and the internet. In Egypt, there are around **2.5** Million SMEs and My population of study in this Research will include **5000** SMEs in the Arab Republic of Egypt.

According to Larkin, Flowers and Smith (2009), a target population is a set of a group that has observable traits which are vital in generalizing the results of the research. Moreover, target population is also defined as the entire group of interest where a researcher plans to make conclusions. The target population for this research will include **300** small sized entrepreneurs and **200** medium sized business (**10%** of my population SMEs) .This target population will give more emphasizes on the business people who have embraced technology in their day to day running of their businesses. The table below depicts the target population of the study.

**Table 3.2: Target Population**

	<b>Target population</b>	<b>Percentage (%)</b>
<b>Small sized business persons</b>	300	60%
<b>Medium Sized business persons</b>	200	40%
<b>Total</b>	500	100

**Source:** Author (2013)

### **3.7 Sampling procedure and sample size**

To represent a population appropriately, a portion of it is selected using a sampling method that ensures that the chosen sample is a representative of the whole population. When a population of study involves a large group of items or people a research selects individuals or part of the items to represent the large group from which they were selected. The initial purpose of sampling is to get information about the entire group of study by examining only a crucial section of it with the assumption that the sample data will express the population parameters (Miles & Huberman, 2009). It is thus crucial that a sample size of the population of study residing in Cairo enabled me to narrow down the large business people population to a manageable sample size that provided the required data about the research.

Sampling methods are grouped as either probability or non-probability (Chandran, 2004). Non-probability sampling method does not allow elements to have equal chances of being selected from the population of study and is usually useful when a student is not interested in choosing a sample that is representative of the whole group of study, while probability sampling method gives each member of the population an equal chance of being selected. Therefore, every sampling member in probability sampling method has a known non zero chance of being selected in the research (Chandran, 2004).

According (Charmaz, 2006), some of the probability sampling methods are systematic sampling, simple random sampling, stratified sampling and cluster sampling. Systematic sampling involves organization of the targeted population in order of schemes where elements are selected from the order list are standard intervals while simple random sampling is used by a researcher who is familiar with the population he/she is studying where as he/she gives an equal chance to every elements

indiscriminately during selection process. On the other hand, stratified sampling involves division of the population into subgroups or strata with similar characters, and then simple random sampling will be used on each stratum to come up with an unbiased sample (Silverman, 2009). Stratified sampling aims at reducing standard error through provision of some control over variance. In this study, the target population was grouped into strata which were small sized entrepreneurs and middle sized business people in Cairo city, these elements in the target population had an equal and independent chance of being selected randomly.

A sample size is a selected representative of a big group, there by an optimum sample is the one that is reliability, efficiency, flexibility and representativeness (Silverman, 2009). A sample is ultimately tested by how well it represents the traits of the population it represents. From our target population, the optimal numbers of respondents were chosen in order to create a sample of study. As depicted by the table below, 60% of the target small sized business entrepreneurs and 45% of the medium sized business persons were used as the sample of the study. The study used 180 small business people who were a representative of all small entrepreneurs of the area of the study. Moreover, a total number of 91 medium sized business persons were chosen as the representative sample with a percentage of 54%. Since these numbers were more than 30% so they formed a good representative sample which was used to generalize their outcome. Statistically, a sample is said to be representative if it is thirty percent or more. In this research 500 questionnaires was distributed to the respondents but only 323 of them were filled and returned having been filled in. After going through these 323 questionnaires, 52 of them had been filled wrongly hence 271 correctly filled questionnaires remained.

**Table 3.3: Sample size**

	Target population	Selected percentage	Sample size
<b>Small sized business persons</b>	300	60%	180
<b>Medium Sized business perso</b>	200	45%	91
<b>Total</b>	<b>500</b>		<b>271</b>

**Source:** Author (2013)

### **3.8 Data collection methods and procedures**

Data is the facts present to the researcher from the study' environment they include secondary and primary data (Levy & Lemeshow, 2008). According to Chandran (2004), primary data are the original works of research or the raw data that represent a position or an opinion without pronouncements or interpretation. Secondary data or information sources involve the collection and analysis of the published materials and details from internal sources. The secondary information is obtained from a diverse source of documentations or electronically stored information. These secondary sources were books, Arab and foreign periodicals, researches and previous studies as well as the use of electronic search engines such as Google and Internet.

This research will use both primary and secondary research method to collate data. Primary data will be gathered by use of questionnaires that will be administered to the group of interest through drop and pick strategy. Secondary information will include sources of literature and historical details for the two groups of business entrepreneurs. By primary data research method it mean that the questionnaires were prepared specifically for getting data from the sample and the population of the study. Due to the nature of the study and the idea that it must be applied to businesses, the questionnaire



is the most appropriate tool to achieve the objectives of the study as it offers the respondents' questions consistent with the hypothesis of the study and its main objectives.

According to Cooper and Schindler (2003), data collection tools are tools used for gathering experimental evidence in essence of gaining new insight about a situation and answers questions that enhance the undertaken research. These instruments are interviews, questionnaires, focus group discussions and observations. The method used in collection data largely depended on the type of data either secondary or primary data (Larkin, Flowers & Smith, 2009). This process consists of examining, tabulating analyzing the evidence to address the initial proposition of the study. The study used questionnaires to collect primary data.

According to Larkin, Flowers and Smith (2009), questionnaires are series of written questions on topics about which an interview views are sought. A questionnaire usually contains both close-ended and open-end questions. Open-ended which are also referred to as unstructured questions are those questions for which alternative are given for the interviewees to select from, while close-ended questions do not provide alternatives for the respondents to choose from. This research will utilize both open-ended and closed questions to respondents who will be allowed to have two weeks to fill in the questions. I utilized control and care by making a follow up on the respondents to gauge how they were going on with the filling of the questionnaires. a register is used for the issued questionnaires to make sure that all of them were returned. questionnaire is suitable tool in this research because of its advantages if offer like having an ease in administration, convenience in gathering required information through limitation of subject at hand a respondents is restricted by the asked questions. Wilkinson and Birmingham (2003), states that use of self-administered questionnaires

is one of the ways of eliciting self-report on respondents' opinion, belief, value and attitude. Furthermore, according to Wilkinson and Birmingham (2003), questionnaires allow for confidentiality of the interviewee , in this research we selected the middle management in small and medium sized enterprises in Egypt as a unit of analysis to answer the questionnaire , Middle management include marketing managers , marketing supervisors , sales supervisors .

### **3.9 Pre-testing**

To ensure that the real questionnaire administered in the final data collection is efficient. Pre-testing is carried out to eradicate weakness that may have been present during questionnaire design, data collection period and streamlining procedures used to carry out the study (Cooper & Schilnder, 2003). Pre-testing of tools aids researchers to assess the clarity and efficiency of the instruments and their uses. Moreover, Cooper and Schilnder (2003), states that pre-testing or reconnaissance study allows errors to be detected and acts as a tool for educating interviewers before they embark on the data collation exercise. In this respect a pre-test by administering 12 questionnaires was conducted which were distributed to the small holder business people and who stay in Cairo city. This exercise was necessary to test the efficiency and reliability of the data collection instruments designed for the research. The reason of using 12 questionnaires was to first test or carryout out a pilot project which was used to test the validity of the questions in the questionnaire. This reconnaissance study is carried out to iron out errors in a questionnaire.

### **3.10 Data analysis and presentation**

Levine, J. (1996) defined data analysis is a body of methods that help to describe facts, detect patterns, develop explanations, and test hypothesis. Data analysis

is very important, because it is used in all of the sciences, business, administration and policy as well. In order to effectively analyze data, every researchers need to have valuable data and right data analysis approach, According to Bless et al. (2008), data analysis is the process of manipulation, organization and interpretation of the data collected. Data analysis involves reduction of accumulated data to a manageable size through development of summaries by observing any present pattern and applying statistical techniques like charts, percentages, and tables. To make this study comprehensive and in-depth, data analysis for this research combine qualitative analysis, content analysis and quantitative analysis to expound the authenticity of the meaning of the data collected in the two groups of enterprises.

On the other hand, quantitative data collected was analyzed using descriptive statistical method and also tested hypotheses by use of statistical packages program SPSS and presented the results by using the following statistical tools : arithmetic mean, Correlation coefficient , R-Squared, standard deviation, one sample T-Test, one way ANOVA which indicated the extent of the difference between the views of the study sample, percentages and frequencies. Bar graphs, charts and pie charts were used to present the result while qualitative data was coded thematically to enable the statistical analysis and we can explain Correlation coefficient R-Squared and ANOVA as follows:

**Correlation coefficient :**

The correlation coefficient is a concept from statistics and is a measure of how well trends in the predicted values follow trends in actual values It is measure of the strength and direction of the linear relationship between two variables that is defined as the (sample) covariance of the variables divided by the product of their (sample) standard deviations. The correlation coefficient, denoted by  $r$ , is a measure of the

strength of the straight-line or linear relationship between two variables. The correlation coefficient takes on values ranging between +1 and -1.

### **R-Squared'**

R-Squared is a statistical term saying how good one term is at predicting another. If R-Squared is 1.0 then given the value of one term, you can perfectly predict the value of another term. If R-Squared is 0.0, then knowing one term doesn't not help you know the other term at all. More generally, a higher value of R-Squared means that you can better predict one term from another.

### **ANOVA**

A statistical analysis tool that separates the total variability found within a data set into two components: random and systematic factors. The random factors do not have any statistical influence on the given data set, while the systematic factors do. The ANOVA test is used to determine the impact independent variables have on the dependent variable in a regression analysis.

### **3.11 Authenticity of the study instruments**

Authenticity of the study tool was verified through the help of several researchers of whom some were lecturers and specialized experts in their field of business management and e-marketing to assess the questionnaire and arbitrate it. Their comments after observations of the questionnaire were put into consideration and the questionnaire was amended in accordance with their observations. Moreover, a reconnaissance study was carried out to random section of the entrepreneurs to assess the level of understanding and clarity of phrases and terms contained therein.

### **3.12 Stability of the study tool**

To verify the stability of the study tool, statistical equations such as Cronbach alpha was employed to measure the level of consistency on the answers to the questions, where the test relied on the extent of the internal stability of questionnaire phrases as segment of an equation key in SPSS statistical program (Charmaz, 2006).

## **CHAPTER FOUR: FINDING AND ANALYSIS**

### **4.1. Introduction**

This chapter focuses on the systematization, analyzing and processing of the collated survey data. The researcher tries to show the outcome of the main research question of the research, namely what are the effect of E-Marketing Mix on competitiveness which focuses on the study of small and medium enterprises in Egypt. The chapter will begin by analyzing and examining the interviewee demographic profiles. I began by addressing the demographic characteristics such as gender, age, education, services received and experience of the respondents. It has been hypothesized that both demographic and non-demographic aspects are related success of competitiveness of E-marketing. The SPSS analysis tool was implemented to make the process successful by yielding the analysis and findings of the factors as summarized in this chapter.

### **4.2 Demographic Information of the Respondents**

#### **4.2.1 Gender**

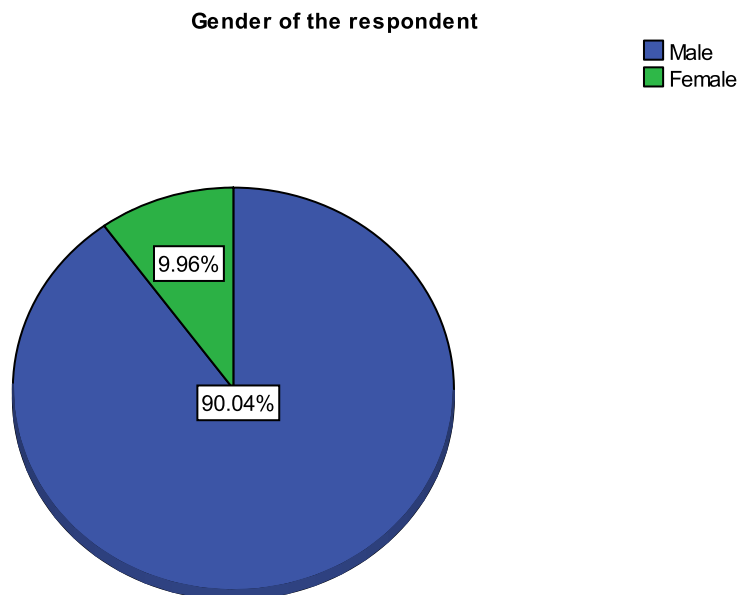
The first questions of the survey questionnaire aimed at identifying the interviewed respondents' background information. These questions inquired about the gender, age, education, services received and experience a respondent had. These traits are classified as demographic factors (McCole & Ramsey, 2004). Theoretically, interviewees can only belong to two main gender which either male or female. It was forecasted by the researcher that many of the business persons in Egypt are males. The table 4.1 below shows the results of the outcome.

**Table 4.1: Gender of the respondents**

**Gender of the respondent**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	244	90.0	90.0	90.0
	Female	27	10.0	10.0	100.0
	Total	271	100.0	100.0	

It can be deduced from the table 4.1above that majority of the participants were male, while their female counterparts accounted for only 10%. This results may be graphically shown as follows.



**Figure 4.1: Gender of the participants**

Male entrepreneurs doing businesses in Egypt out do their opposite in large margin signaling that this country which has majority of its citizens being Muslim still upheld its Arabic conservative values. According to Bless, Smith and Kagee (2008), this religious culture encourages men to work harder to support their wives as a way of emphasizing robust family values. It has been noted worldwide that men in businesses engage their ego to make sure they outdo their counterparts in businesses and by doing so their enhance competitiveness in those businesses. With advancement of technology and the introduction of E-marketing many of the males' entrepreneurs have result to applying all possible tricks and models in their businesses to entice customers in their businesses hence raising the level of competitiveness? Some of the businesses men have gone an extra mile to consult analytic experts and programmers to aid them come up with a likeable and high rating websites and blogs to attract more clients in their services (Darby, Jone & Al Mndi, 2003).

#### **4.2: Age**

As forecasted by the explorer that majority of entrepreneurs in Egypt carrying out their businesses by integrating it with the current technology are the young people below the age of 45 years. As shown by the table 4.2 below. Young people are known to be adventurous and have a high altitude of learning new things coming of their ways more so if they add value to their lives. Thus it can be said that more and younger people are being enticed in doing business the ease the internet marketing has brought on the globe.



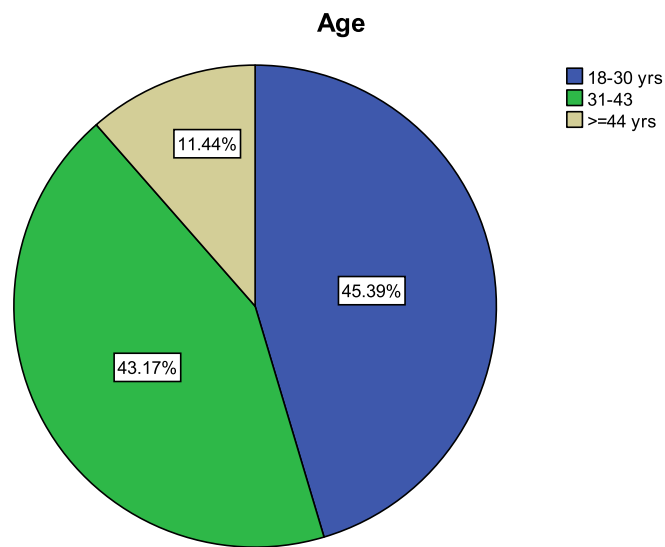
**Table 4.2: Age**

**Age of the respondent**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-30 yrs	123	45.4	45.4	45.4
	31-43	117	43.2	43.2	88.6
	>=44 yrs	31	11.4	11.4	100.0
	Total	271	100.0	100.0	

This table above shows that most of the participants were aged 18 to 30 years at 45.4%, they were followed closely by those aged 31-43 years who formed 43.2% of the sampled respondents. Only a small margin of 11.4% was aged beyond 44 years. These results indicate that many of the enterprenuers in Egypt are young people as they have integrated their skills in the internet technology to outdo their physically skilled competitors who are old men. This is a great stride in this country development as it shows that there is relationship between age and competitiveness which again is boosted by E-markleting technology. Graphically these results are shown below.

This results are graphically shown below at figure 4.2.



**Figure 4.2: Age of the respondents**

It can be deduced from this piechart above that age is determinant of how many businesses and competiveness there is in this country. They trend implies that day by day many of the older forks in Egypt are retiring in businesses to leave the young and energetic enterpreneurs to explore the field. This could be attributed to the popular rise of latest technological development coupled with fast changing e-marketing environment that has given potential business people a platform to market their goods and services to larger crowd therefore boosting their customer base. Majority of the respondents at 88.6% were below 45 years meaning that internet marketing has being received well by Egyptian enterpreneurs and thus have increased competitiveness among themselves as young people have a tendency to try to outdo each other and in the development advance services, packaging hence giving their customers the best choices to make as more and more popular products and services are easily available and locateable.

### 4.3: Education

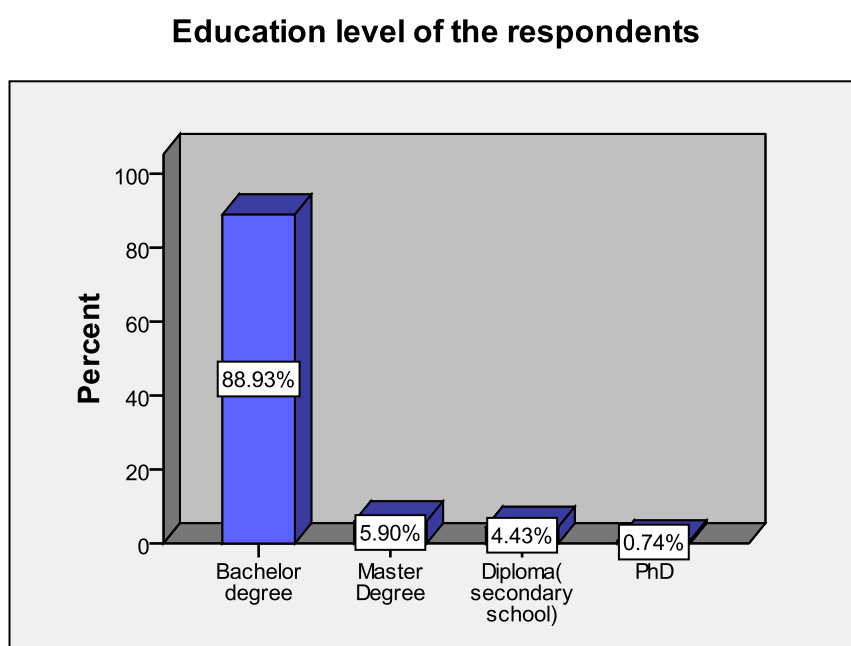
The education level of a participant is another crucial factor that influences e-marketing mix of competitiveness of enterprises because the more a person is technosavvy whether male or female the more he/she is able to update and improve his/her customer base. Competitiveness also needs the know-how to implement profitable technology that will increase an enterprise sale. The table 4.3 below indicates the findings on the education level of the participants.

**Table 4.3: Education level of the respondents**

#### Education level of the respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Diploma(secondary school)	12	4.4	4.4	4.4
Bachelor degree	241	88.9	88.9	93.4
Master Degree	16	5.9	5.9	99.3
PhD	2	.7	.7	100.0
Total	271	100.0	100.0	

As can be shown by this table 4.3, many of the participants had a bachelor's degree at 88.9%. This is a sign of very high literacy rate among the entrepreneurs. 4.45 had a diploma or secondary school education, 5.9% had a master's degree in their field while only a small percentage of the respondents at 0.7% who had a doctoral education, an explanation that most of the PhD fellows were working somewhere or they were limited in the country hence their demand could not allow them to have enough time to manage businesses. These findings were presented graphically as shown below in figure 4.3.



**Figure 4.3: Education level of the respondents**

This high level of educated business persons has been revolutionized by the e-marketing technology that has made it almost compulsory for business minded people to go back to class and enhance their computer skills so that they can be able to survive in this highly competitive industry that keeps on bringing new ideas now and then. E-marketing has given a chance to many of the job hunting graduates to have an easy start on business and learn quickly secrets that the analogue generation took years to discover as most of the ideas are freely available on the internet. The 4.43% of the diploma holders who is in business more so the e-marketing one is part of the group that have risked to try their hand in business, whereas their counterparts have joined their technical professionals, this could be said that many of the current entrepreneurs in Egypt are knowledgeable people who are able to market their services and products through online parts and equal to the task just as their fellow internationally on the global platform. However, this large number of educated entrepreneurs was not

identified as having special training in businesses, hence meaning that their high level of education did not give them additional advantages in day to day running of their businesses over their fellows who did not have any formal education or higher education. On this situation, academic can be concluded as having negative impacts on e-marketing factors of competitiveness.

According to (Gallagher, 2010), long experience is positively correlated with competitiveness in running an entrepreneur as depicted on literature review. This is because experienced business people are embodied by their stay in business hence they know when to take risks and when to over use it, thus being professional and having competence in their route.

#### **4.4: Services received by respondents**

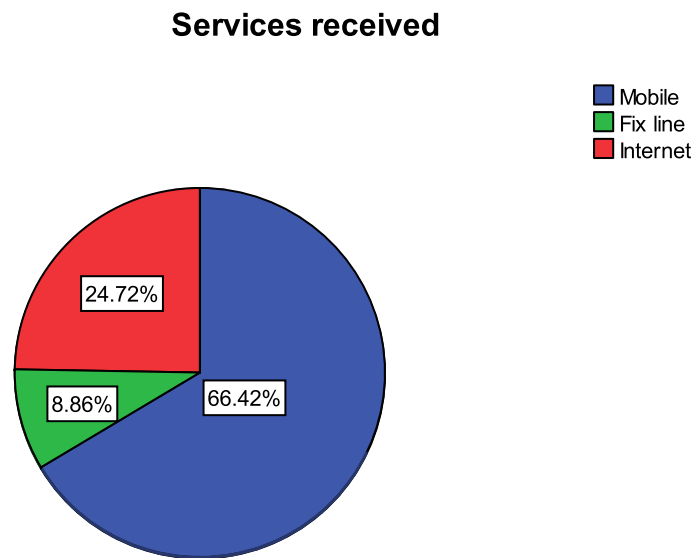
To boost e-marketing for business an entrepreneur needed to have been connected to one of the following services; mobile phone, fix line and internet. This is one of the most influential factors about e-marketing and its competitiveness as it is the one that facilitate e-marketing by making it available to consumers. It could have easily been forecasted that the most convenient way of reaching potential customers was through a gadget that was common to many of them which turned out to be a mobile phone.

**Table 4.4: Services received**

**Services received**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mobile	180	66.4	66.4	66.4
	Fix line	24	8.9	8.9	75.3
	Internet	67	24.7	24.7	100.0
	Total	271	100.0	100.0	

As it is shown by the table 4.4 above in the course of investigation, it can be said that more than half of the respondents at 66.4% used mobile phones to advertise their services and products to their potential clients. Internet usage was the second one with 24.7% followers which means that some participants had access to computers from which they used to make websites and blogs about their products. Only a minimal number at 8.9% used services line meaning that, it was not common to their customers or else it was expensive to manage. This can also be shown graphically as displayed below.



**Figure 4.4: Services received**

Mobile phone usage more so in Africa has facilitated technological development of many people as it is affordable and portable hence customers can be communicated to any time as long as they are connected unlike internet where a person must have a tablet, or a computer device to be able to log in online to access mails and other adverts. It is in this realm that Egypt entrepreneurs have resorted to taking advantage of mobile phone users how are many and market their services and products to enlarge their customer base. These kind of services offered are determining factor on how e-marketing success has contributed to competitiveness to small and medium sized businesses.

#### **4.5: Experience**

How long a participant has been in business is an important factor in determining his/her competitiveness in entrepreneurial skills and use of e-marketing techniques to advance business. Nonetheless, the introduction of internet based business has changed

the norm of the business as most of the older generation entrepreneurs were averse with technology based transaction, hence most of the people who have taken the risk of advertising online are the generation Y entrepreneurs who were born at the time of this technological development. Since this survey aimed at interviewing participants who are tech savvy and have been able to implement this technology in their businesses, most of them turned to be younger generation who are below 45 years of age as shown by the table below.

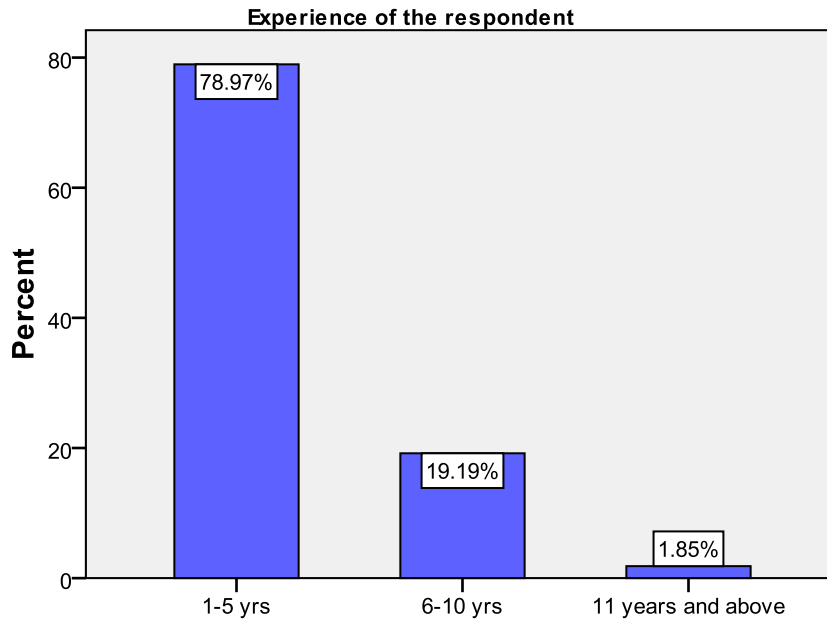
**Table 4.5: Experience of the respondent**

**Experience of the respondent**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1-5 yrs	214	79.0	79.0	79.0
6-10 yrs	52	19.2	19.2	98.2
11 years and above	5	1.8	1.8	100.0
Total	271	100.0	100.0	

As demonstrated by the table 4.5 above, most of the respondents at 79%, had an experience of between 1 to 5 years, meaning that they had little business experience. 19.2% had 6 to 10 years experience while the rest at 1.8% had 11 years and above. These results are presented graphically as follows.





**Figure 4.5: Experience of the respondent**

Since this survey screened small and middle business persons in Egypt who had used e-marketing in their trades, it emerged as could have been forecasted that majority of the participants had stayed in their businesses for less than six years. This could be because e-marketing is a new modern way of conducting business and is slowly being accepted by the older generation hence giving the younger one a higher opportunity to take the risk. Again this modern means of running business does not require a large amount of capital as has been before for there are cheap means a smallholder entrepreneur can use to boost his/her customer base, such as use of mobile phone short text messages and own blog making or ads through social media which are free.

#### **4.3 Non-Demographic Determinants of e-marketing competitiveness**

This second part will deal with opinion of participants on whether they agree or disagree with the opinion presented then afterwards, there will be a correlation between demographic and non-demographic factors with effects of competitiveness brought by

success of e-marketing. This part will unearth the most crucial determinants of competitiveness to small and medium sized enterprise.

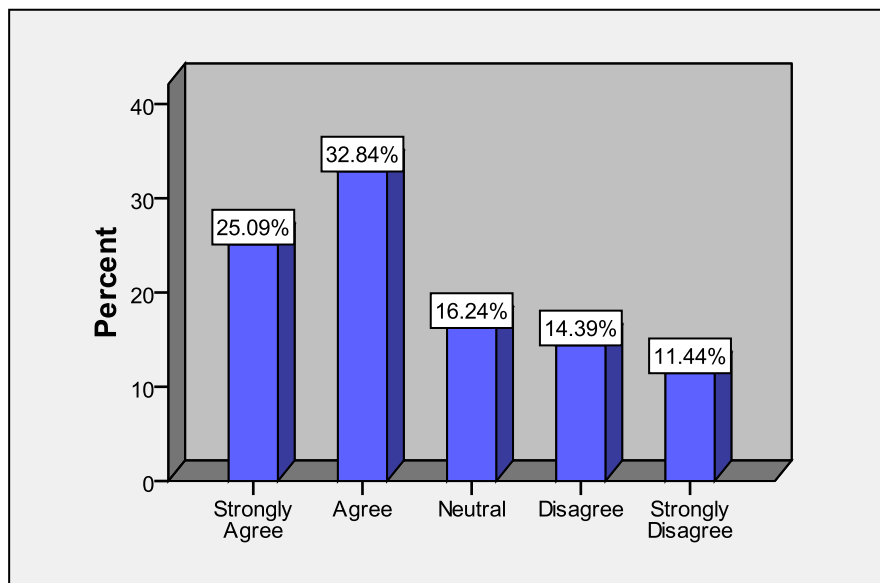
#### 4.3.1: Competitiveness

**Table 4.6: E-marketing adoption awareness**

**Our staff members are much aware of e-marketing adoption**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	68	25.1	25.1	25.1
Agree	89	32.8	32.8	57.9
Neutral	44	16.2	16.2	74.2
Disagree	39	14.4	14.4	88.6
Strongly Disagree	31	11.4	11.4	100.0
<b>Total</b>	<b>271</b>	<b>100.0</b>	<b>100.0</b>	

**Our staff members are much aware of e-marketing adoption**



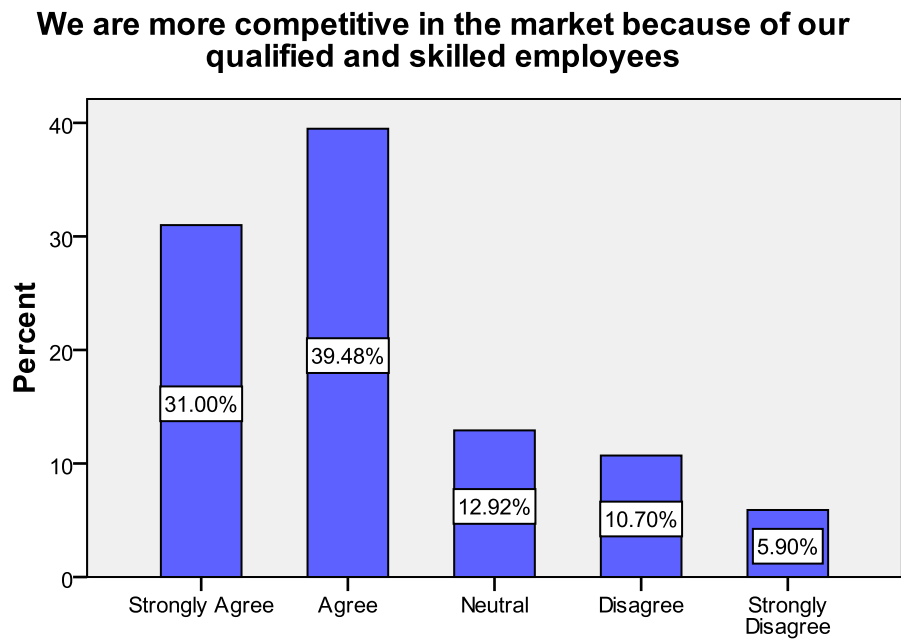
**Figure 4.6: E-marketing adoption awareness**

As deduced above from this figure 4.6, 32.84% of the respondents agreed that their staff members were much aware of e-marketing adoption. This was followed closely by those who strongly agreed at 25.09%, while 16.24% remained neutral, 14.39% disagreed and 11.44% strongly disagreed respectively. These result findings shows that despite the owners of the enterprises having knowledge of e-marketing, their staff members were aware of the e-marketing adoption in their businesses as depicted by more than half of the participants at 57.93% who agreed. Those who did not understand whether their area of work had adopted e-marketing could be because they were in small enterprise that involved only the owner in e-marketing strategy as the resources in terms of devices were few.

**Table 4.7: Qualified and skilled employees**

**We are more competitive in the market because of our qualified and skilled employees**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	84	31.0	31.0	31.0
Agree	107	39.5	39.5	70.5
Neutral	35	12.9	12.9	83.4
Disagree	29	10.7	10.7	94.1
Strongly Disagree	16	5.9	5.9	100.0
Total	271	100.0	100.0	



**Figure 4.7: Qualified and skilled employees**

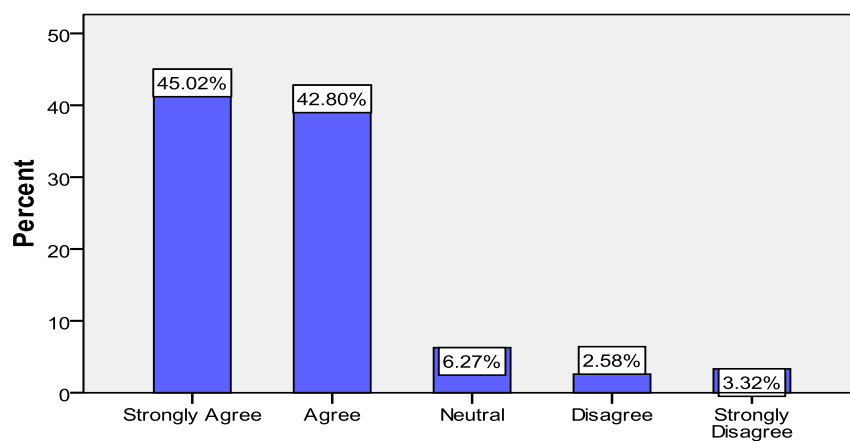
Asked whether they were more competitive in their market because of their qualified and skilled employees, 70.5% of the participants agreed, with 31.0% strongly agreeing and 39.5% just agreeing. Only insignificant number of employees at 10.7% and 5.9% disagreed and strongly disagreed with the statement. Having skilled and qualified staffs is factor that contributed toward high competitiveness in business more so through e-marketing which is fast and has wider coverage. In addition, qualified staffs are creative thus helping in the management of business to counter the stiff competition at the play and at the day the enterprises are able to survive and make appropriate profit. There is relationship between competitiveness on e-marketing and the level of skills of staff for the better they are empowered to work on digital devices the more the staffs will be able to craft better mechanism to attract customers into business. The result prove that the business that were doing well even though small and medium had at least one of the staff being tech savvy hence was able to communicate with regular and potential

customers often to wish the well and make them feel they were cared for from where they shopped. This is skill that has been noted to retain customers and safe guarding their royalty toward a business for customers who felt loved in a certain business always went back there and furthermore, introduced their friends.

**Table 4.8: The degree of technological advancement in our company improves our competitiveness**

The degree of technological advancement in our company improves our competitiveness					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	122	45.0	45.0	45.0
	Agree	116	42.8	42.8	87.8
	Neutral	17	6.3	6.3	94.1
	Disagree	7	2.6	2.6	96.7
	Strongly Disagree	9	3.3	3.3	100.0
	Total	271	100.0	100.0	

**The degree of technological advancement in our company improves our competitiveness**



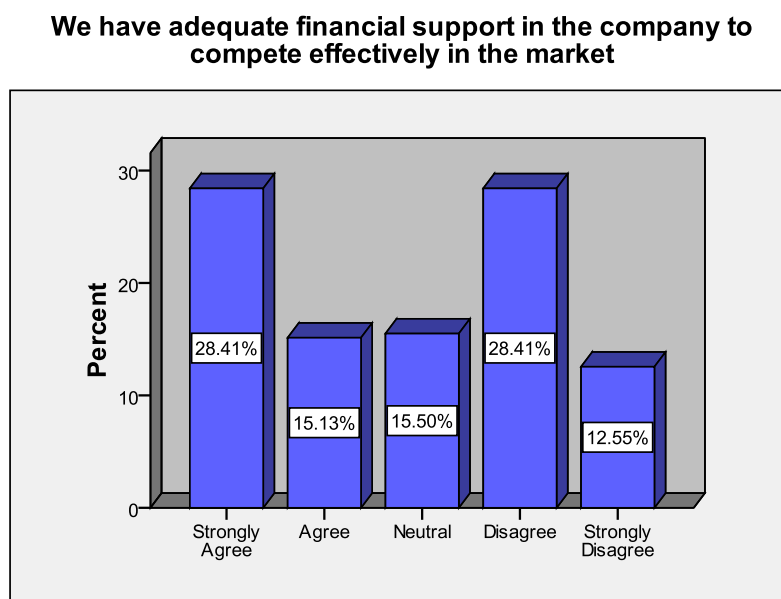
**Figure 4.8: Improved competitiveness through technological advancement**

Asked whether the degree of technological advancement in their company improved their competitiveness, 45.02% of the respondents strongly agreed and 42.8% agreed. This was an overall of 87.82% of the participants agreeing indicating that technology had brought numerous changes in operation of their businesses. Only 6.27% of the respondents remained neutral about the issue while 2.58% disagreed and 3.32% strongly disagreed. The introduction of e-marketing had improved many of the businesses performance as they were able to attract even customers far from their area hence improving their competitiveness not only in their local area but also nationally

**Table 4.9: We have adequate financial support in the company to compete effectively in the market**

**We have adequate financial support in the company to compete effectively in the market**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	77	28.4	28.4	28.4
	Agree	41	15.1	15.1	43.5
	Neutral	42	15.5	15.5	59.0
	Disagree	77	28.4	28.4	87.5
	Strongly Disagree	34	12.5	12.5	100.0
Total		271	100.0	100.0	



**Figure 4.9: Adequate financial support to compete effectively**

On matters concerning adequate financial support in the company to compete effectively in the market, 28.41% of the participants strongly agreed to have enough finances, 15.13% agreed while 15.50 remained neutral. 28.41% disagreed and 12.55% strongly disagreed. Both those respondents who agreed and those who against this opinion were almost equal at 43.54% for the former and 40.96% for the latter. This shows that since the survey was administered to small and medium sized enterprises, some of them more so the medium sized businesses had satisfying finances but for the small sized one they still struggled to manage their business due the limited finances they had, hence they did not have adequate finances to market their enterprises. It was almost a tier between those who had adequate finances and those did not have, moreover, high ranking web marketing require a lot of resources which many businesses could not have, hence even the one that said they had adequate finances just said so thinking about the services they were able to offer through mobile phones,

internet and fix line but an in-depth broad e-marketing coverage, a business had to finances it with large financial muscles.

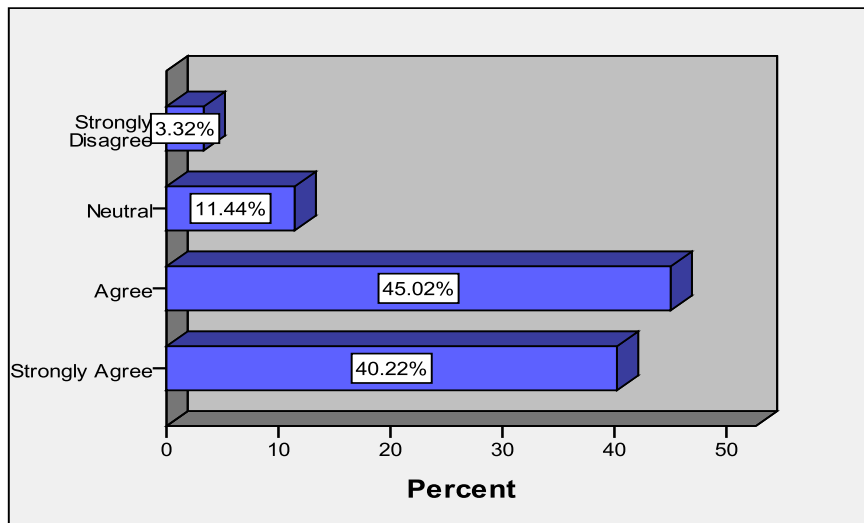
**Table 4.10: Adoption of e-marketing has proved usefulness in the national and international business**

**The adoption of e-marketing in the company has proved usefulness in the national and international business**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	109	40.2	40.2	40.2
Agree	122	45.0	45.0	85.2
Neutral	31	11.4	11.4	96.7
Disagree	9	3.3	3.3	100.0
Total	271	100.0	100.0	



**The adoption of e-marketing in the company has proved usefulness in the national and international business**



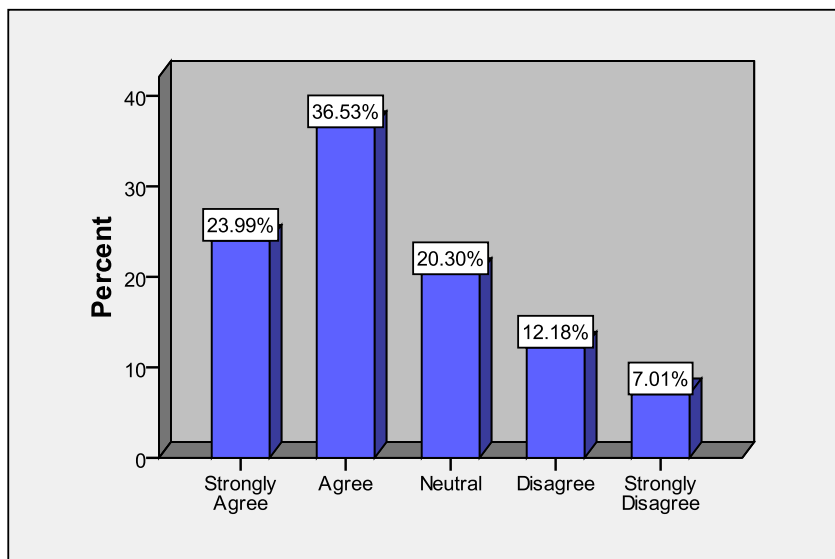
**Figure 4.10: Adoption of e-marketing has proved usefulness in the national and international business**

Asked whether the adoption of e-marketing had proved being useful in the national and international businesses, majority of the participants at 85.2% agreed with 40.2% strongly agreeing and 45.0% agreeing. Only minimal number at 3.3% disagreed with the opinion. These findings reveal that most of those who had employed e-marketing as factor in their marketing had yielded healthier results not only in their country but also gained an niche in the international arena as they were able to reach even international potential customers who earlier could not have known what transpired in those type of businesses. It is true to say that e-marketing has made the world a global village where people far away apart can transact businesses without necessary knowing each other physically. Competitiveness among business has being improved severally as business try to make their products and services more enticing to their targeted consumers, this has opened door to creativity and fast service delivery that is available everywhere on the global map.

**Table 4.11: The adoption of E-marketing in the company is adequately supported by legal acts**

The adoption of E-marketing in the company is adequately supported by legal acts					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	65	24.0	24.0	24.0
	Agree	99	36.5	36.5	60.5
	Neutral	55	20.3	20.3	80.8
	Disagree	33	12.2	12.2	93.0
	Strongly Disagree	19	7.0	7.0	100.0
	Total	271	100.0	100.0	

**The adoption of E-marketing in the company is adequately supported by legal acts**



**Figure 4.11: The adoption of E-marketing in the business is adequately supported by legal acts.**

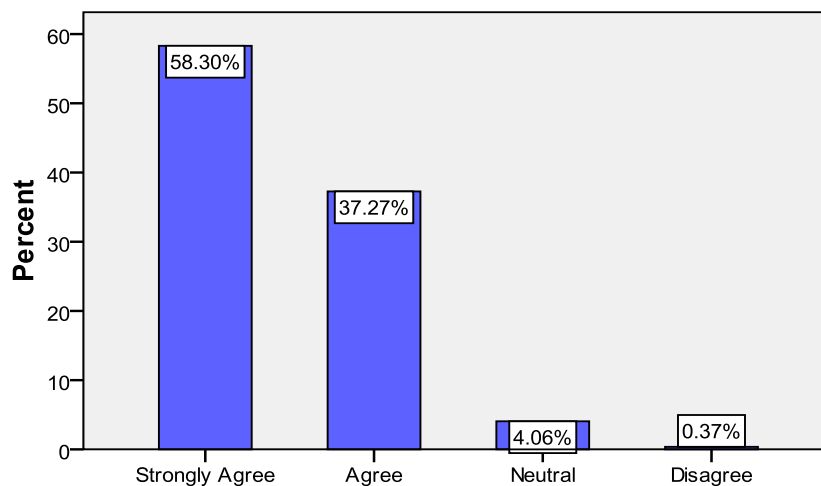
Asked whether the adoption of e-marketing in the company was adequately supported by legal acts of Egypt, most of the respondents at 60.52% said yes with 23.995 strongly agreeing and 36.53% agreed that the e-marketing strategy which they had implemented

in their commercial entities was legally supported. However, 20.30% neither agreed nor disagreed, they just remained neutral. 12.18% disagreed together with 7.01% strongly disagreed saying that some of the strategies adopted were not legally supported such as the internet advertising which did involve the government taxation during advertising and business transaction especially in services businesses which only required labor and knowhow to carry out the services.

**Table 4.12: E-marketing was adopted in the company as a result of the dynamic market trends**

E-marketing was adopted in the company as a result of the dynamic market trends					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	158	58.3	58.3	58.3
	Agree	101	37.3	37.3	95.6
	Neutral	11	4.1	4.1	99.6
	Disagree	1	.4	.4	100.0
	Total	271	100.0	100.0	

**E-marketing was adopted in the company as a result of the dynamic market trends**



**Figure 4.12: E-marketing was adopted in the company as a result of the dynamic market trends**

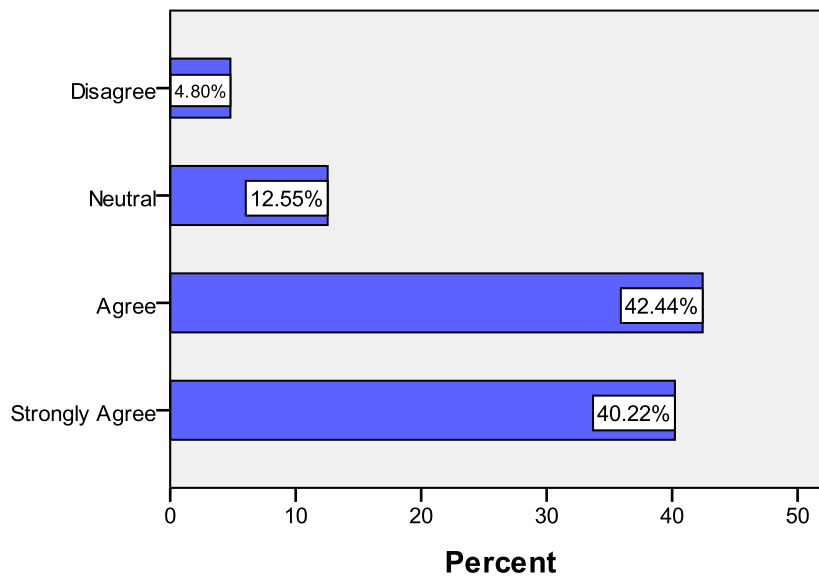
The figure 5 above, indicate that 58.3% of the respondents strongly agreed and 37.27% agreed that e-marketing was adopted in their businesses as a result of the dynamic market trends. These two opinions formed a combined total of 95.57% indicating that majority were coerced into using the e-market tools due to the pressure of dynamic technology that has caught customers' attention globally. Only insignificant number of respondents at 0.37% disagreed while 4.06% remained neutral on the issue. Dynamic market trends such as mobile banking, internet business transaction and payment has changed how business are done nowadays as customer rush to the most effective and competent entrepreneur whom they feel that cares for them.

**Table 4.13: The use of e-marketing has improved the organizational performance**

**The use of e-marketing has improved the organizational performance.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	109	40.2	40.2	40.2
Agree	115	42.4	42.4	82.7
Neutral	34	12.5	12.5	95.2
Disagree	13	4.8	4.8	100.0
Total	271	100.0	100.0	

**The use of e-marketing has improved the organizational performance.**



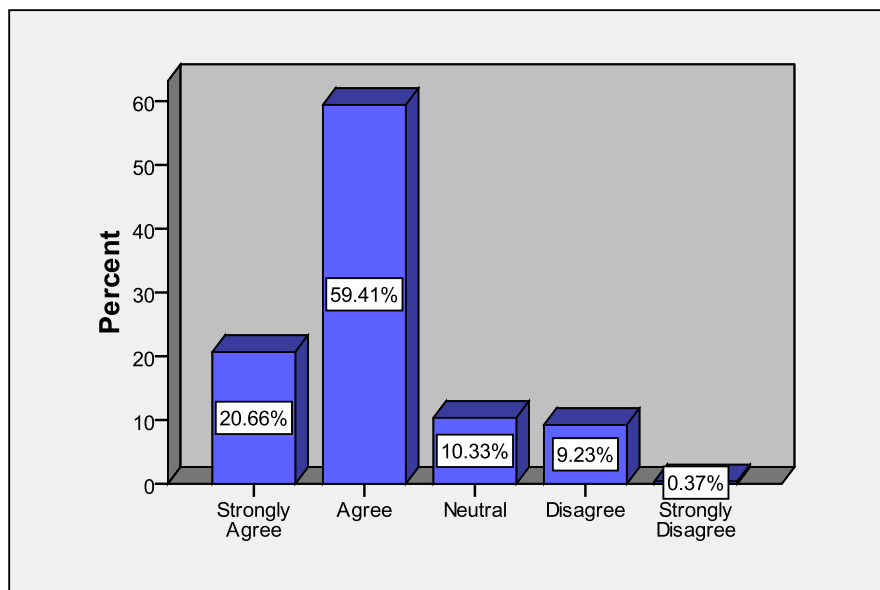
**Figure 4.13: The use of e-marketing has improved the organizational performance**

As can be displayed by the table 4.8 above, most of the respondents at 82.7% agreed that use of e-marketing had improved organizational performance as more transaction had been recorded after implementing it. Of this group, 40.2% strongly agreed while 42.4% just agreed. Only a small percentage of participants at 4.8% disagreed with the statement saying that they had not noted any difference within their organization.

**Table 4.14: E-Marketing has enabled the increase in sales, profits, attraction of new customers, greater customization of products, and reduction of costs.**

E-marketing has enabled the increase in sales, profits, attraction of new customers, greater customization of products, and reduction of costs					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	56	20.7	20.7	20.7
	Agree	161	59.4	59.4	80.1
	Neutral	28	10.3	10.3	90.4
	Disagree	25	9.2	9.2	99.6
	Strongly Disagree	1	.4	.4	100.0
	Total	271	100.0	100.0	

**E-marketing has enabled the increase in sales, profits, attraction of new customers, greater customization of products, and reduction of costs**



**Figure 4.14: E-marketing has enabled the increase in sales, profits, attraction of new customers, greater customization of products and reduction of costs**

Asked whether e-marketing had enabled the increase in sales, profits, attraction of new customers, greater customization of products and reduction of cost, more than half of

the participants at 80.07% said yes with 20.66% strongly supporting the statement and 59.41% agreeing to it. 9.23% disagreed while 037% strongly disagreed with this statement.

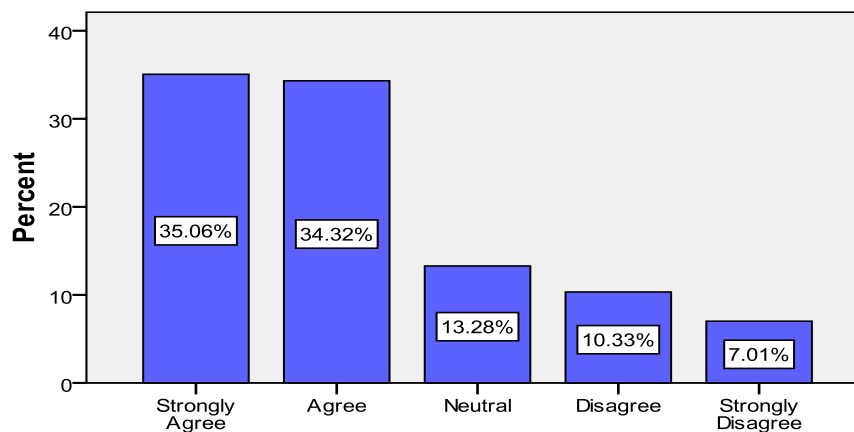
#### 4.3.2: Electronic Techniques of Product Development

**Table 4.15: The types of products produced in our company contributed to our adoption of the E-marketing**

The types of products produced in our company contributed to our adoption of the E-marketing

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	95	35.1	35.1	35.1
	Agree	93	34.3	34.3	69.4
	Neutral	36	13.3	13.3	82.7
	Disagree	28	10.3	10.3	93.0
	Strongly Disagree	19	7.0	7.0	100.0
	Total	271	100.0	100.0	

**The types of products produced in our company contributed to our adoption of the E-marketing**



**Figure 4.15: The types of products produced in our company contributed to our adoption of the E-marketing**

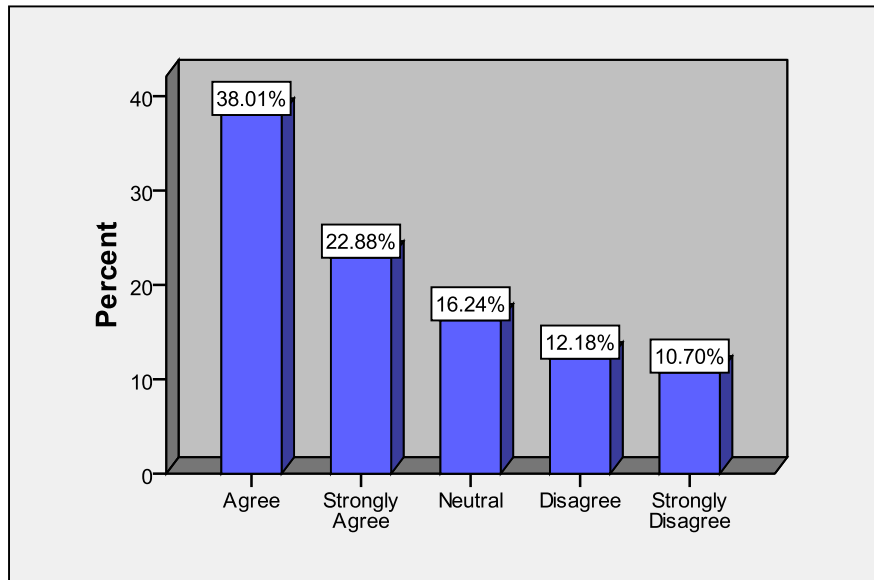
As indicated by this result above on figure 5.2, 35.06% of the respondents strongly agreed and another 34.32% agreed that the type of products produced in their businesses played a major role in adoption of e-marketing. 13.28% remained neutral while 10.33% disagreed and 7.01% strongly disagreed. This result shows that majority of the respondents supported this notion that implementation of e-marketing in their business was influenced by the type of products each entity was dealing with. Furthermore, the competitiveness nature of the products produced led the entrepreneurs to device better ways to sustain their businesses.

**Table 4.16: The implementation of E-marketing in the company has resulted in effective product development**

The implementation of E-marketing in the company has resulted in effective product development					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	62	22.9	22.9	22.9
	Agree	103	38.0	38.0	60.9
	Neutral	44	16.2	16.2	77.1
	Disagree	33	12.2	12.2	89.3
	Strongly Disagree	29	10.7	10.7	100.0
	Total	271	100.0	100.0	



**The implementation of E-marketing in the company has resulted in effective product development**



**Figure 4.16: The implementation of E-marketing in the company has resulted in effective product development**

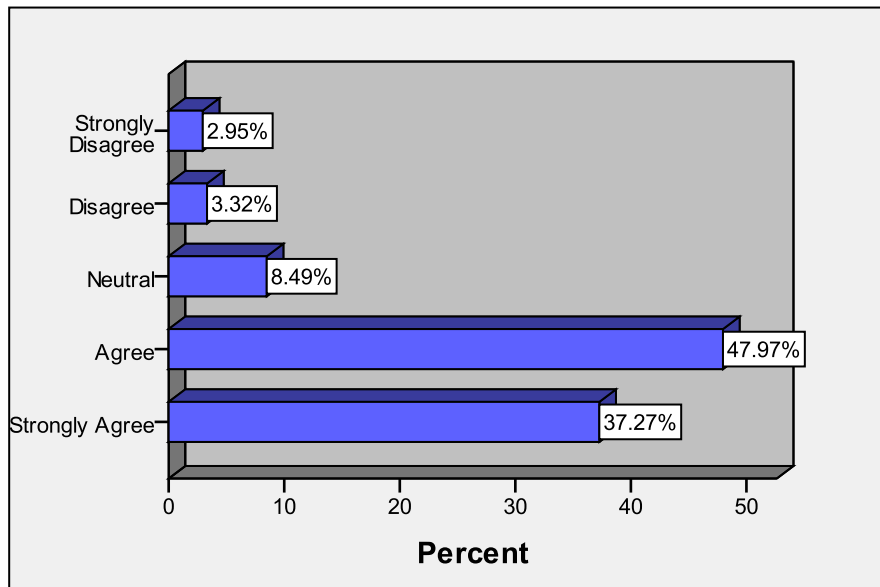
As depicted by figure 5.3 above, 38.01% of the respondents agreed and 22.88% strongly agreed with the opinion that the implementation of E-marketing in the company had resulted in effective product development. 10.7% strongly disagreed, 12.18% disagreed while 16.24% were neutral. Many of the respondents stated that after introduction of e-marketing in their businesses they were pressurized by the competitiveness among fellow entrepreneurs to improve their product packaging and development so as to keep abreast with new and modern marketing trends that were strengthening customer base.

**Table 4.17: Through e-marketing the company has been able to offer diverse products in the market.**

**Through e-marketing the business has been able to offer diverse products in the market**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	101	37.3	37.3	37.3
	Agree	130	48.0	48.0	85.2
	Neutral	23	8.5	8.5	93.7
	Disagree	9	3.3	3.3	97.0
	Strongly Disagree	8	3.0	3.0	100.0
	Total	271	100.0	100.0	

**Through e-marketing the company has been able to offer diverse products in the market**



**Figure 4.17: Through e-marketing the company has been able to offer diverse products in the market.**

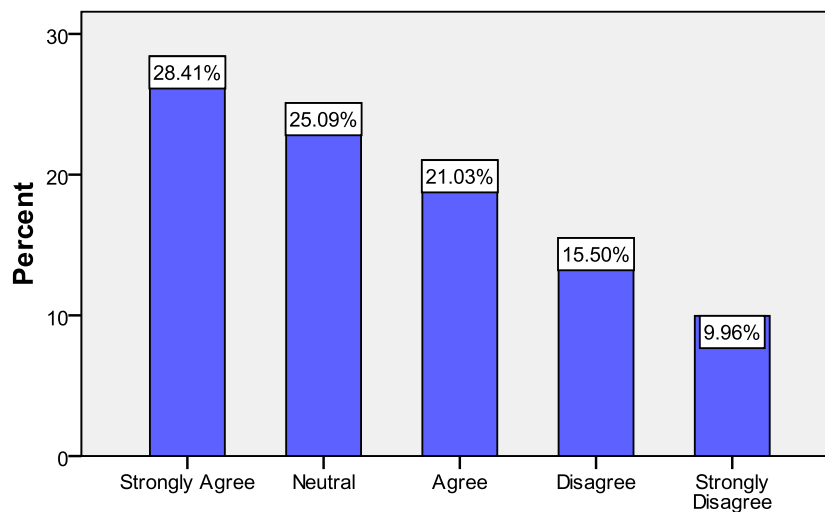
Asked whether through e-marketing the business has been able to offer diverse products in their market, 85.3% of the respondents said yes where 37.3% strongly agreed and 48.0% agreed. Only a small margin of them strongly disagreed at 3% and 3.3% who disagreed. The result shows that e-marketing brought tremendous changes in the businesses of small and medium sized enterprises of Egyptian people. Different products were introduced in many of these sampled businesses as they were able through e-marketing to acquire new breed of clients who needed diverse goods that their businesses delivered. Some of the demanded products were even imported to satisfy a customer hence streamline mode of business operation which earlier only included products that were only available. E-marketing changed entrepreneurs' mentality that they could order products that did not stock by juts dialing a call or importing it.

**Table 4.18: E-marketing has enabled the company to effectively satisfy customers' needs, tastes and preferences**

**E-marketing has enabled the company to effectively satisfy customers' needs, tastes and preferences**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	77	28.4	28.4	28.4
	Agree	57	21.0	21.0	49.4
	Neutral	68	25.1	25.1	74.5
	Disagree	42	15.5	15.5	90.0
	Strongly Disagree	27	10.0	10.0	100.0
	Total	271	100.0	100.0	

**E-marketing has enabled the company to effectively satisfy customers' needs, tastes and preferences**



**Figure 4.18: E-marketing has enabled the company to effectively satisfy customers' needs tastes and preferences**

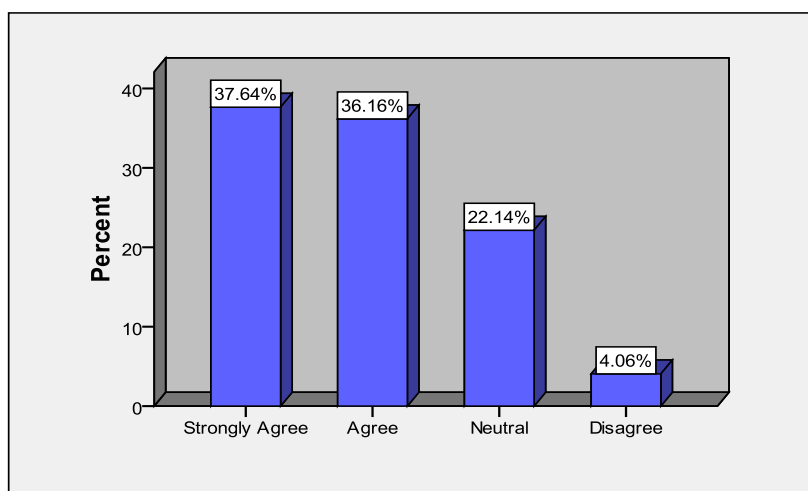
As shown by figure 5.4 above, 28.41% of the interviewees strongly agreed that e-marketing had enabled their enterprises to effectively satisfy customers' needs, 21.03%

agreed too to that statement while 25.09% took neutral position about the issue. 15.5% of the respondents disagreed together with 9.96% who strongly disagreed with the statement saying that it was not e-marketing that influenced customer satisfaction and preference but the general knowledge of the constant contact between a seller and a buyer.

**Table 4.19: The adoption of e-marketing has led to production of new and modern products**

The adoption of e-marketing has led to production of new and modern products					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	102	37.6	37.6	37.6
	Agree	98	36.2	36.2	73.8
	Neutral	60	22.1	22.1	95.9
	Disagree	11	4.1	4.1	100.0
	Total	271	100.0	100.0	

**The adoption of e-marketing has led to production of new and modern products**

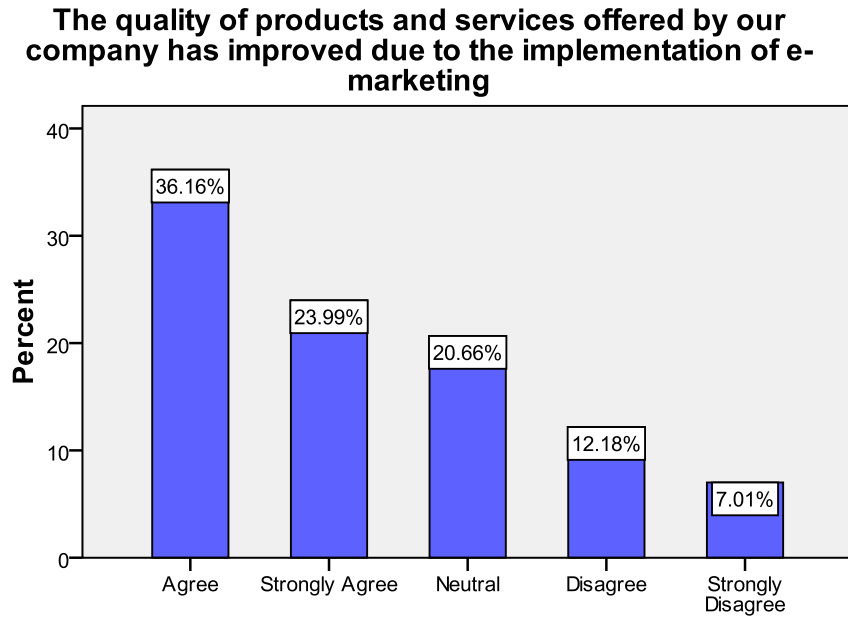


**Figure 4.19: The adoption of e-marketing has led to production of new and modern products**

Asked whether the adoption of e-marketing had led to production of new and modern products, 37.64% strongly agreed followed closely by those just agreed at 36.16% the remaining participants at 22.14% were neutral while only a small margin of 4.06% disagreed with this statement. E-marketing truly has brought many advantages into businesses that have utilized it well as it has not only brought local customers but also international one. Hence, to satisfy some of the local customers who resided in a different region from where the business is located, companies are being pressurized to produce product that the new customer base orders and making arrangement on how to deliver the products unlike before when they would only sell to physical customers. These new breed of clients are also requesting some products that the business person does not stock thus prompting him/her to search for those products or produce them in order to retain the customers.

**Table 4.20: The quality of products and services offered by our company has improved due to the implementation of e-marketing**

The quality of products and services offered by our company has improved due to the implementation of e-marketing					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	65	24.0	24.0	24.0
	Agree	98	36.2	36.2	60.1
	Neutral	56	20.7	20.7	80.8
	Disagree	33	12.2	12.2	93.0
	Strongly Disagree	19	7.0	7.0	100.0
	Total	271	100.0	100.0	



**Figure 4.20: The quality of products and services offered by our company has improved due to the implementation of e-marketing.**

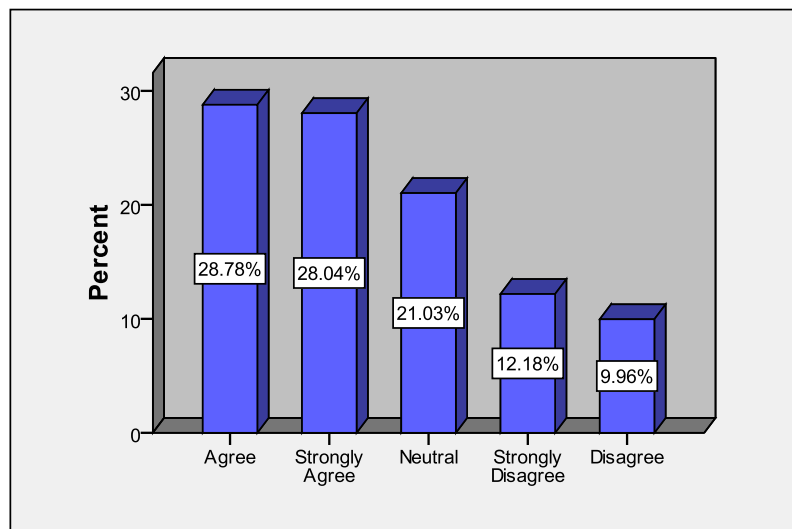
The figure 5.6 above, indicate that 36.16% of the participants agreed and 23.99% making it a total of 60.15% of those respondents who agreed that the quality of products and services offered by their companies had improved due to the implementation of e-marketing .20.66% were neutral while 12.18% disagreed and 7.01% strongly disagreed with the statement. Quality is essential in business as many of the customers appreciate a place where they receive quality. Therefore, it was noted that most of the participant agreed that e-marketing had influenced their competitiveness through quality maintenance.

### 4.3.3: Pricing Policies

**Table 4.21: Adoption of e-marketing has led to reduction of product prices in the company**

Adoption of e-marketing has led to reduction of product prices in the company					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	76	28.0	28.0	28.0
	Agree	78	28.8	28.8	56.8
	Neutral	57	21.0	21.0	77.9
	Disagree	27	10.0	10.0	87.8
	Strongly Disagree	33	12.2	12.2	100.0
	Total	271	100.0	100.0	

**Adoption of e-marketing has led to reduction of product prices in the company**



**Figure 4.21: Adoption of e-marketing has led to reduction of product prices in the country.**

Asked whether adoption of e-marketing had led to reduction of product prices in Egypt, 28.78% of the respondents agreed, those were followed closely by those who

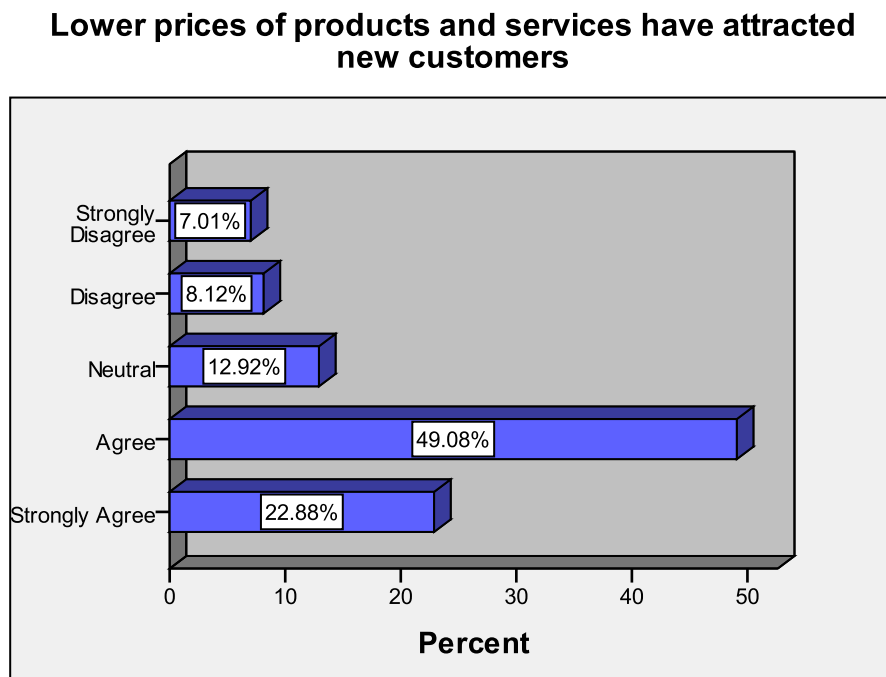


strongly agreed at 28.04%. 12.18% strongly disagreed and 9.96% disagreed while only a 21.03% remained neutral on the issue. These findings show that more than half of the respondents agreed that prices had fallen since the inception of e-marketing as competitiveness had forced the companies to lower their products prices.

**Table 4.22: Lower prices of products and services have attracted new customers**

**Lower prices of products and services have attracted new customers**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	62	22.9	22.9	22.9
	Agree	133	49.1	49.1	72.0
	Neutral	35	12.9	12.9	84.9
	Disagree	22	8.1	8.1	93.0
	Strongly Disagree	19	7.0	7.0	100.0
	Total	271	100.0	100.0	



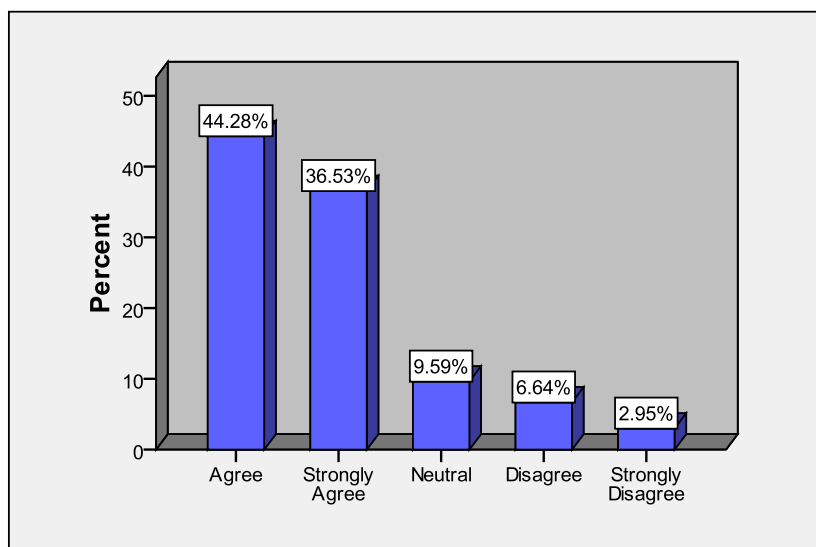
**Figure 4.22: Lower prices of products and services have attracted new customers**

As depicted by this figure 5.8 above, more than half of the respondents agreed that lower prices of products had attracted new customers whereas 22.9% strongly agreed and 49.1% agreed. 12.9% remained neutral whilst 8.1% disagreed and 75 strongly disagreed. It is widely know that one of the factors that entice customers in a business is price and quality hence it was easily forecasted that lower prices would attract more customers in a business.

**Table 4.23: It is easy and dynamic to set prices under e-marketing**

It is easy and dynamic to set prices under e-marketing					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	99	36.5	36.5	36.5
	Agree	120	44.3	44.3	80.8
	Neutral	26	9.6	9.6	90.4
	Disagree	18	6.6	6.6	97.0
	Strongly Disagree	8	3.0	3.0	100.0
	Total	271	100.0	100.0	

**It is easy and dynamic to set prices under e-marketing**



**Figure 4.23: It is easy and dynamic to set prices under e-marketing**

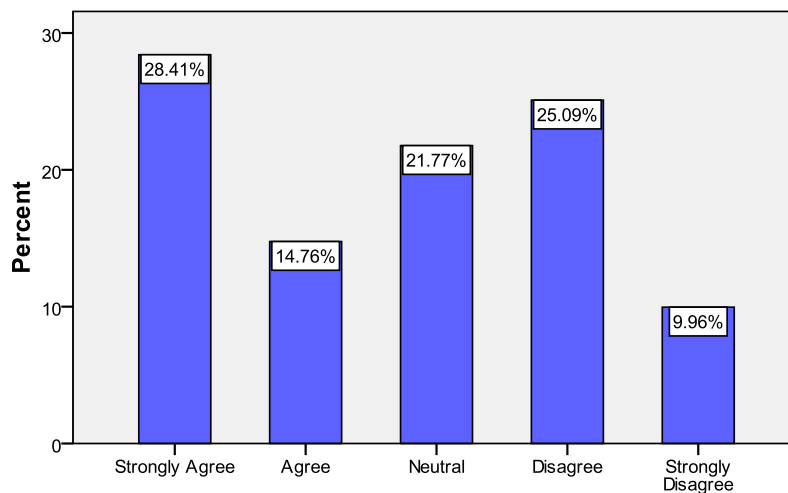
As shown by figure 5.8 above, majority of the participants at 80.81% agreed that it was easy and dynamic to set prices under e-marketing whereas, 44.28% of the respondents agreed, 36.53% strongly agreed, while 9.59% were neutral. 6.645 disagreed while 2.95% strongly disagreed. Since e-marketing is enabled by software designed for business it is easy to alter them as one admires. Moreover, one is guided by other

competitors whose prices are available online hence competition becomes fair and prices differ minimally.

**Table 4.24: The customers involved determines the price of products required**

The customers involved determines the price of products required					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	77	28.4	28.4	28.4
	Agree	40	14.8	14.8	43.2
	Neutral	59	21.8	21.8	64.9
	Disagree	68	25.1	25.1	90.0
	Strongly Disagree	27	10.0	10.0	100.0
	Total	271	100.0	100.0	

**The customers involved determines the price of products required**



**Figure 4.24: The customers involved determines the price of products required**

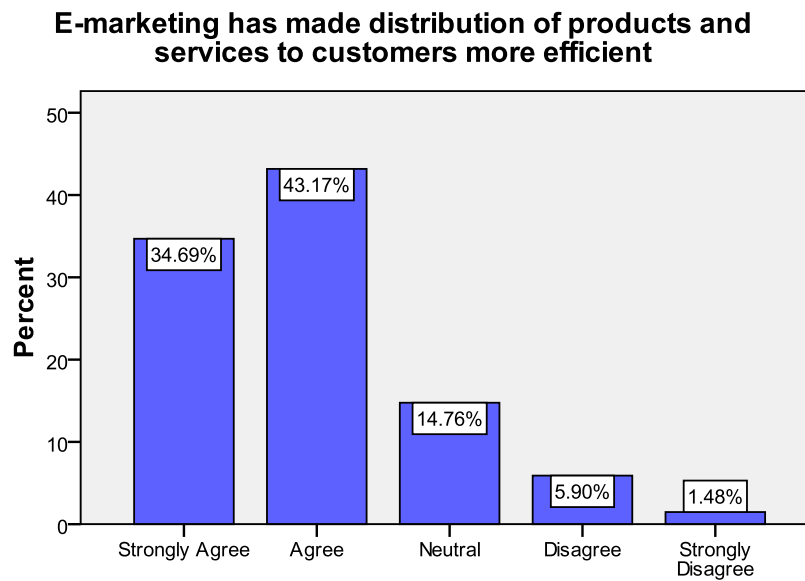
The figure 5.9 above deduces that 28.41% of the respondents strongly agreed that customers involved in transaction determined the price of products they needed, 14.76% just agreed. 21.77% remained neutral on the issue, 25.09% disagreed while

9.96% strongly disagreed saying that the customers were at mercies of the entrepreneurs. Nonetheless, it has been found out that in e-marketing a customer chooses the price to buy a product he/she is presented with many similar products and his only remains to choose the one that satisfy him/her. Secondly, some services are timed hence the more the customer stay online the more he/she pays then he/she has the power to control what and how much to consume.

#### 4.3.4: Electronic Distribution

**Table 4.25: E-marketing has made distribution of products and services to customers more efficient**

E-marketing has made distribution of products and services to customers more efficient					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	94	34.7	34.7	34.7
	Agree	117	43.2	43.2	77.9
	Neutral	40	14.8	14.8	92.6
	Disagree	16	5.9	5.9	98.5
	Strongly Disagree	4	1.5	1.5	100.0
Total		271	100.0	100.0	



**Figure 4.25: E-marketing has made distribution of products and services to customers more efficient.**

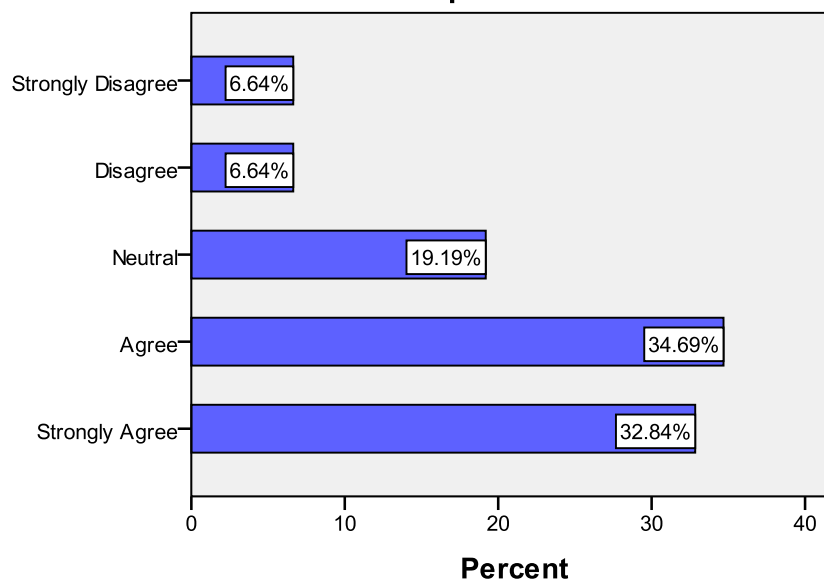
Asked whether e-marketing had made distribution of products and services to customers more efficient, 34.69% of the participants strongly agreed, 43.17% agreed while 14.76% remained neutral as displayed above by figure 6.0. This was a stronger indication that more than half of the respondents agreed that streamlined efficiency in service delivery. Only a minimal number of respondents at 5.9% and 1.48% who disagreed and strongly disagreed respectively.

**Table 4.26: Benefit by reducing the number of brokers and intermediaries during the distribution process**

**The company has benefited from the e-distribution by reducing the number of brokers and intermediaries during the distribution process**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	89	32.8	32.8	32.8
Agree	94	34.7	34.7	67.5
Neutral	52	19.2	19.2	86.7
Disagree	18	6.6	6.6	93.4
Strongly Disagree	18	6.6	6.6	100.0
Total	271	100.0	100.0	

**The company has benefited from the e-distribution by reducing the number of brokers and intermediaries during the distribution process**



**Figure 4.26: Benefit by reducing the number of brokers and intermediaries during the distribution process**

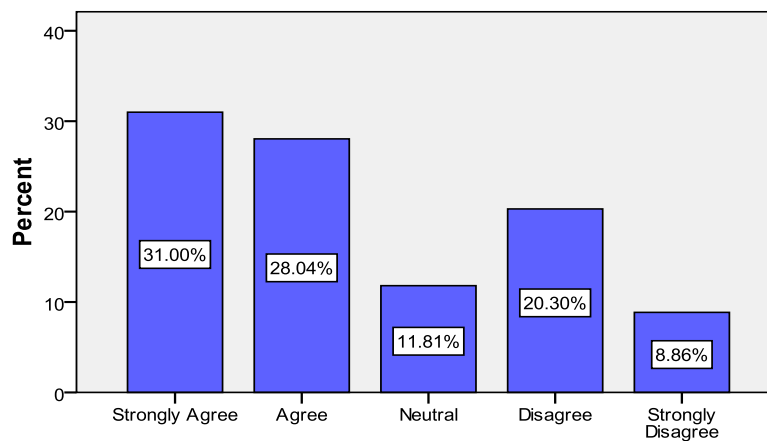
As shown by the table 5.1 above, 32.8% of the respondents strongly agreed that their company had benefited from e-distribution as there was reduction of the number of brokers and intermediaries during the distribution process. 34.7% agreed while 19.2% were neutral. However, those who strongly disagreed tied with those that disagreed at 6.6%.

**Table 4.27: E-distribution has assisted in reducing the cost of distribution of goods and services to the end consumer**

**E-distribution has assisted in reducing the cost of distribution of goods and services to the end consumer**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	84	31.0	31.0	31.0
	Agree	76	28.0	28.0	59.0
	Neutral	32	11.8	11.8	70.8
	Disagree	55	20.3	20.3	91.1
	Strongly Disagree	24	8.9	8.9	100.0
	Total	271	100.0	100.0	

**E-distribution has assisted in reducing the cost of distribution of goods and services to the end consumer**



**Figure 4.27: E-distribution has assisted in reducing the cost of distribution of goods and services to the end consumer.**



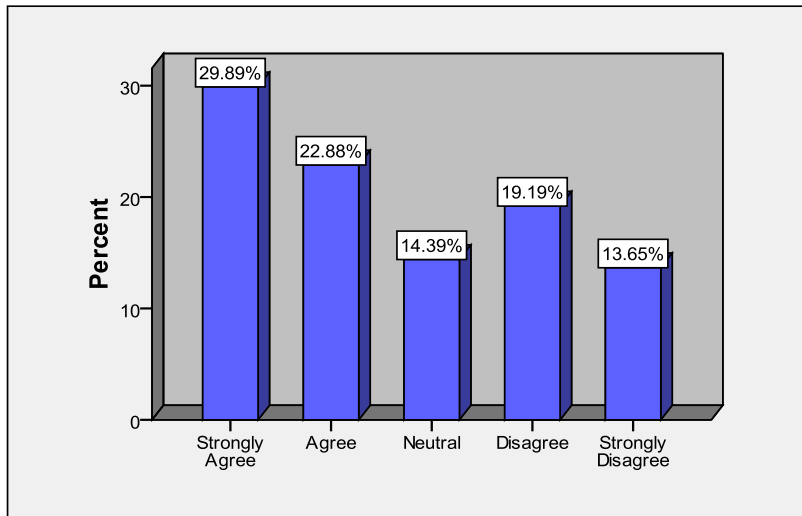
As shown by figure 6.1 above, 31% of the respondents strongly agreed and 28.04% agreed that e-distribution has assisted in reduction distribution cost of goods and services to consumers. 11.81% were neutral while 20.3% disagreed and 8.86% strongly disagreed. It is true that e-distribution generally reduces transportation cost and as confirmed by these findings, consumers have little to worry about as through e-distribution they can organize with their shops on where to collect their goods and services.

**Table 4.28: The quality of distribution of goods and services has improved through the adoption of e-distribution**

**The quality of distribution of goods and services has improved through the adoption of e-distribution**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	81	29.9	29.9	29.9
	Agree	62	22.9	22.9	52.8
	Neutral	39	14.4	14.4	67.2
	Disagree	52	19.2	19.2	86.3
	Strongly Disagree	37	13.7	13.7	100.0
Total		271	100.0	100.0	

**The quality of distribution of goods and services has improved through the adoption of e-distribution**



**Figure 4.28: The quality of distribution of goods and services has improved through the adoption of e-distribution**

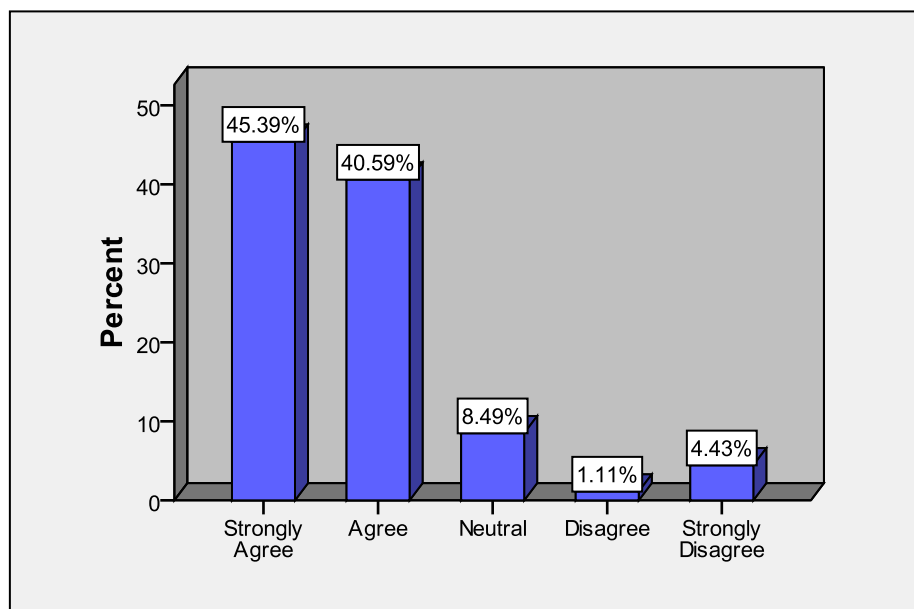
Asked whether the quality of distribution of goods and services had improved through the adoption of e-distribution, 29.89% of the interviewees strongly agreed, 22.88% agreed while 14.39% remained neutral. 19.19% disagreed together with 13.65% who strongly disagreed. E-distribution had made it easier to effectively and efficiently distribute goods and services to customers worldwide as businesses had been able to link together to fulfill their customers' requirements.

#### 4.3.5: Electronic Promotion

**Table 4.29: It is easier to use e-marketing tools such as emails and the internet in the business**

It is easier to use e-marketing tools such as emails and the internet in the business					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	123	45.4	45.4	45.4
	Agree	110	40.6	40.6	86.0
	Neutral	23	8.5	8.5	94.5
	Disagree	3	1.1	1.1	95.6
	Strongly Disagree	12	4.4	4.4	100.0
Total		271	100.0	100.0	

**It is easier to use e-marketing tools such as emails and the internet in the business**



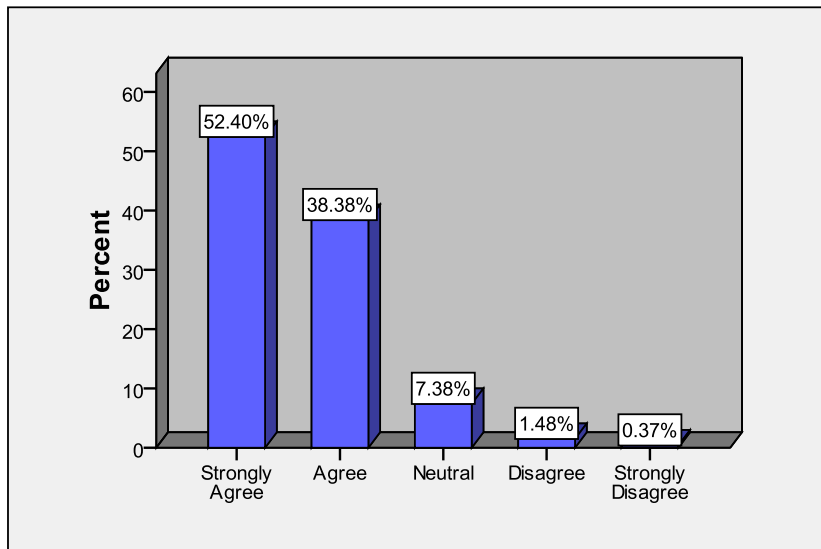
**Figure 4.29: It is easier to use e-marketing tools such as emails and the internet in the business**

As indicated by figure 6.3 above, 85.98% of the respondents said yes that it was easier to use emails and internet as e-marketing tools to advance once business, of these participants 45.39 strongly agreed while 40.59% agreed. 8.49% were neutral while 1.115 disagreed together with 4.43% who disagreed. This number that disagreed could be attributable to the small number of the old people in business who found it hard to integrate and learn technological devices in their day today running of their enterprises.

**Table 4.30: E-promotion helps in connecting a wide range of customers to the business**

E-promotion helps in connecting a wide range of customers to the business					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	142	52.4	52.4	52.4
	Agree	104	38.4	38.4	90.8
	Neutral	20	7.4	7.4	98.2
	Disagree	4	1.5	1.5	99.6
	Strongly Disagree	1	.4	.4	100.0
Total		271	100.0	100.0	

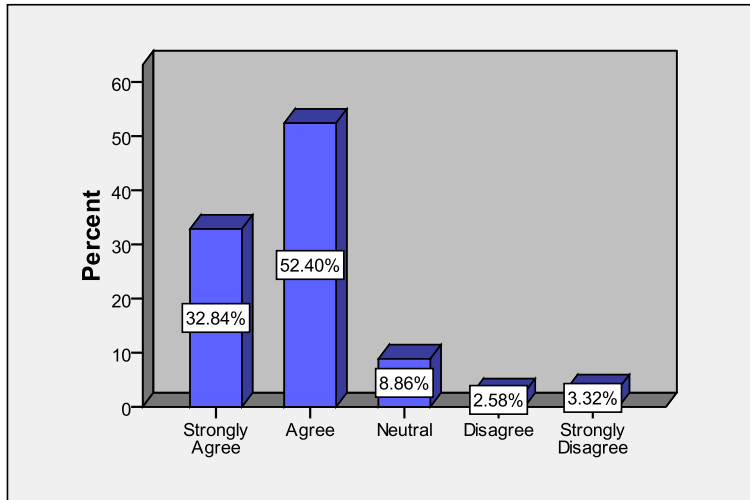
**E-promotion helps in connecting a wide range of customers to the business?**



**Figure 4.30: E-promotion helps in connecting a wide range of customers to the business**

As shown by figure 6.4, 52.4% of the participants strongly agreed that e-promotion had helped in connecting a large number of customers to the business, 38.38% agreed making a total of 90.78%. Only an insignificant number of respondents at 1.48% and 0.37% disagreed and strongly disagreed. By promotion once products well on the internet or through fixed line or mobile phone text messages a business person is able to attract more customers in his/her business.

#### **E-promotion is cheaper than traditional tools of promotion**



**Figure 4.31: E-promotion is cheaper than traditional tools of promotion**

Asked whether e-promotion is cheaper than the traditional tools of promotion, most of the respondents said yes with 32.84% strongly agreeing and 52.40% agreeing meaning that more than half of the participants supported the onion. Only 2.58% and 3.32% disagreed and strongly disagreed respectively as can be seen on this figure above.

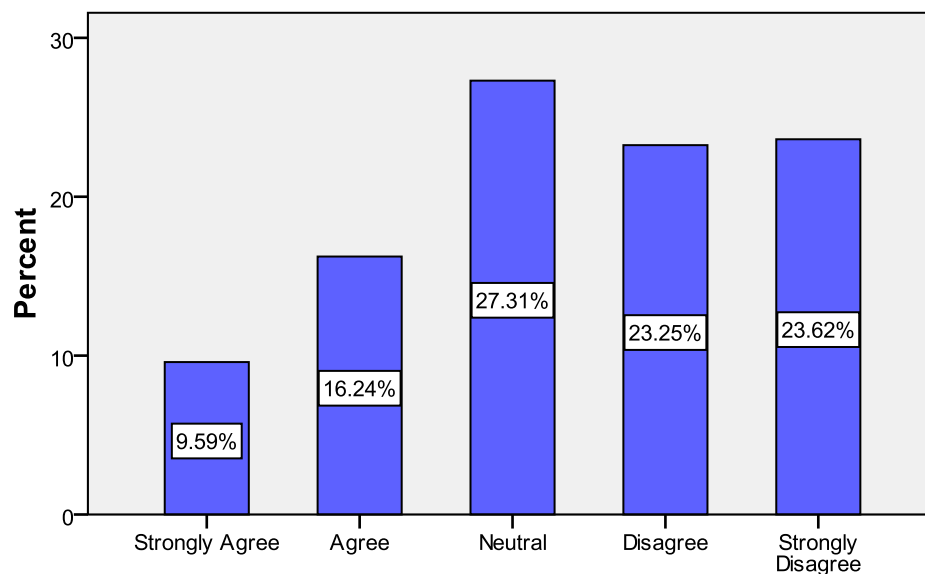
**Table 4.31: E-promotion tools like the internet and emails are not trusted by our customers**

**E-promotion tools like the internet and emails are not trusted by our customers**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	34	12.5	12.5	12.5
Agree	37	13.7	13.7	26.2
Neutral	99	36.5	36.5	62.7
Disagree	59	21.8	21.8	84.5
Strongly Disagree	42	15.5	15.5	100.0
Total	271	100.0	100.0	

As deduced from table 5.2 above, 12.5% of the respondents strongly agreed with the statement as well as 13.7% who agreed. However, 36.5% of the interviewees remained neutral while the others at 21.8% disagreed together with 15.5% who strongly disagreed saying that those e-promotion tools were very trusted by their customers. Hence the results indicate that e-promotion tools such as emails and internet are trusted by customers.

**E-promotion requires a lot time and commitment which may be a problem in our company**



**Figure 4.32: E-promotion requires a lot of time and commitment which may be a problem in our company.**

Asked whether e-promotion requires a lot of time and commitment which may be a problem in their companies, 9.59% strongly agreed together with 16.24% who agreed that it was problematic. However, 27.31% of the respondents remained neutral while 23.25% disagreed with the statement together with 23.62% who strongly disagreed as indicated by figure 6.6 above. The result found out that majority of those who carried those that disagreed with the statement at 46.87% in total as had been proved earlier that e-promotion such mobile phone use and internet marketing such as use of social media like Facebook was easier compared to traditional method of using Radios, posters and so on.



## 4.4 Normality

### 4.4.1 Reliability

Reliability may be considered as the amount of measurement error that has been deemed acceptable for the effective practical use of a measurement tool (Atkinson & Nevill, 1998); Cronbach's alpha is an index of reliability associated with the variation accounted for by the true score of the "underlying construct." Construct is the hypothetical variable that is being measured (Hatcher, 1994).

#### 4.4.1.i Reliability Statistics of all Items

As shown in Table 4.50, the relationships between the questionnaire items, in the table the value of Cronbach's Alpha indicates how the questionnaire items are related to each other.

The Alpha for the items was **.973**, which is acceptable and indicates that the items form a scale that has reasonable internal consistency reliability.

**Table 4.32: Shows Reliability Descriptive Statistics for the questionnaire items**

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.973	.973	28

#### 4.4.1.ii Reliability Statistics of Competitiveness

The Alpha for management items was .969, which indicates that the competitiveness items form a scale that has reasonable internal consistency.

**Table 4.33: Shows Competitiveness Reliability Descriptive Statistics**

Reliability Statistics	
Cronbach's Alpha	N of Items
.969	9

#### **4.4.1.iii Reliability Statistics of Electronic Techniques of Product Development**

Electronic Techniques of Product Development also showed a reliable measure with alpha .813 which indicates that the electronic techniques of product development items form a scale that has reasonable internal consistency.

**Table 4.34: Shows Electronic Techniques of Product Development Reliability Descriptive Statistics**

Reliability Statistics	
Cronbach's Alpha	N of Items
.813	6

#### **4.4.1.iv Reliability Statistics of Pricing Policies**

Pricing policies items also showed a reliable measure with alpha .884 which indicates that the pricing policies form a scale that has reasonable internal consistency.

**Table 4.35: Shows pricing policies Reliability Descriptive Statistics**

Reliability Statistics	
Cronbach's Alpha	N of Items
.884	4

#### **4.4.1.v Reliability Statistics of Electronic Distribution**

Electronic Distribution **also** showed a reliable measure with alpha .858 which indicates that the electronic distribution items form a scale that has reasonable internal consistency.

**Table 4.36: Shows electronic distribution Reliability Descriptive Statistics**

Reliability Statistics	
Cronbach's Alpha	N of Items
.858	4

#### **4.4.1.vi Reliability Statistics of Objectives of Electronic Promotion**

Electronic Promotion items also showed a reliable measure with alpha .835 which indicates that the Electronic Promotion form a scale that has reasonable internal consistency.

**Table 4.37: Shows Electronic Promotion Reliability Descriptive Statistics**

Reliability Statistics	
Cronbach's Alpha	N of Items
.835	5

## 4.5 Hypotheses Testing

Hypothesis testing is an inferential procedure that uses sample data to evaluate the credibility of a hypothesis about a population. Hypothesis testing or significance testing is a method for testing a claim or hypothesis about a parameter in a population, using data measured in a sample. In this method, we test some hypothesis by determining the likelihood that a sample statistic could have been selected, if the hypothesis regarding the population parameter were true.

**4.5.1: H<sub>1</sub>- There is a relationship with a direct effect of a statistical significant correlation between product development techniques and enhancing competitiveness of small businesses and medium-sized enterprises**

**Table 4.38 Model Summary Regression**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.844 <sup>a</sup>	.713	.712	4.605	.713	668.200	1	269	.000

a. Predictors: (Constant), Production

**Table 4.39 ANOVA**

**ANOVA<sup>b</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	14167.884	1	14167.884	668.200	.000 <sup>a</sup>
Residual	5703.622	269	21.203		
Total	19871.506	270			

a. Predictors: (Constant), Production

b. Dependent Variable: Competitiveness

**Table 4.40 Coefficients****Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.146	1.392		-.105	.917
Production	1.565	.061	.844	25.850	.000

a. Dependent Variable: Competitiveness

This result where  $R=0.844$  which is almost positive one indicate that there is strong positive relationship between direct product development techniques and enhancing competitiveness of small businesses and medium-sized enterprises. Furthermore, the ANOVA table shows that the correlation between the two variable is statistically significant as our  $\text{sig}=0.000$ . Therefore we accept the null hypothesis and reject the alternative one. Moreover, the strong relationship is reinforced by the coefficient table which shows that we fail to reject the null the hypothesis as  $\text{sig.}=0.000$ .

**4.4.2: H2: There is a relationship with a direct effect of a statistical significant correlation between electronic pricing policies and enhancing competitiveness of small businesses and medium-sized enterprises.**

**Table 4.41 Model Summary Regression****Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.832 <sup>a</sup>	.693	.691	4.766	.693	605.859	1	269	.000

a. Predictors: (Constant), E-Price

**Table 4.42 ANOVA****ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13761.455	1	13761.455	605.859	.000 <sup>a</sup>
	Residual	6110.050	269	22.714		
	Total	19871.506	270			

a. Predictors: (Constant), E-Price

b. Dependent Variable: Competitiveness

**Table 4.43 Coefficients****Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.500	1.316		2.660	.008
	E-Price	2.173	.088	.832	24.614	.000

a. Dependent Variable: Competitiveness

According to our R value = **.832** in the model summary table we get to know that there exist robust positive correlation between electronic pricing policies and enhancing competitiveness of small businesses and medium-sized enterprises. Moreover, the ANOVA table above confirm that the hypothesis is statistically significant just as is indicated by the Coefficient table with significance value=0.000. Therefore, we do not reject the hypothesis that states that there is a close relationship with a direct effect of a statistical significant correlation between electronic pricing policies and enhancing competitiveness of small businesses and medium-sized enterprises.

**4.5.3: H<sub>3</sub>: There is a relationship with a direct effect of a statistical significant correlation between e-distribution policies and enhancing the competitiveness of small businesses and medium-sized enterprises.**

**Table 4.44 Model Summary Regression**

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.859 <sup>a</sup>	.738	.737	4.399	.738	757.999	1	269	.000

a. Predictors: (Constant), E-distribution

**Table 4.45 ANOVA**

ANOVA <sup>b</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14666.596	1	14666.596	757.999	.000 <sup>a</sup>
	Residual	5204.910	269	19.349		
	Total	19871.506	270			

a. Predictors: (Constant), E-distribution

b. Dependent Variable: Competitiveness

**Table 4.46 Coefficients**

Coefficients <sup>a</sup>					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	5.238	1.117		4.689	.000
E-Distribution	2.028	.074	.859	27.532	.000

a. Dependent Variable: Competitiveness

The R value above **0.859** shows presence of strong positive relationship between e-distribution policies and enhancing the competitiveness of small businesses and medium-sized enterprises. This relationship is further evident in ANOVA table where the significance value 0.000 indicates that there is a close relationship with a direct effect of a statistical significant correlation between e-distribution policies and enhancing the competitiveness of small businesses and medium-sized enterprises, we accept the null



hypothesis. This results show that electronic distribution methods used by small and medium sized enterprises raise the standards for doing business for users hence the businesses that are electronically connected have a higher competitive edge compared to those still in analogue stage.

**4.5.4: H<sub>4</sub>: There is a relationship with a direct effect of a statistical significant correlation between electronic promotion tools and enhancing the competitiveness of small businesses and medium-sized enterprises.**

**Table 4.47 Model Summary Regression**

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.798 <sup>a</sup>	.637	.635	5.181	.637	471.407	1	269	.000

a. Predictors: (Constant), E-Promotion

**Table 4.48 ANOVA**

ANOVA <sup>b</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12651.919	1	12651.919	471.407	.000 <sup>a</sup>
	Residual	7219.586	269	26.839		
	Total	19871.506	270			

a. Predictors: (Constant), E-Promotion

b. Dependent Variable: Competitiveness

**Table 4.49 Coefficients****Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	4.977	1.422		3.499	.001
E-Promotion	1.653	.076	.798	21.712	.000

a. Dependent Variable: Competitiveness

This model table above indicates that there is positive relationship between electronic promotion tools and enhancing the competitiveness of small businesses and medium-sized enterprises as the value of R is **0.798** is closer to positive one. Again, the ANOVA table above shows that the relationship of the two variables is statistically significant as its significant value is 0.000. There as coefficient table shows the value of sig. 0.000 we do not reject the hypothesis that states there is a close relationship with a direct effect of a statistical significant correlation between electronic promotion tools and enhancing the competitiveness of small businesses and medium-sized enterprises.

**4.5.5: H<sub>5</sub>. There is a relationship with a direct effect of a statistical significant correlation between e-distribution policies and product development techniques.**

**Table 4.50 Model Summary Regression**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.768 <sup>a</sup>	.590	.588	2.333	.590	386.343	1	269	.000

a. Predictors: (Constant), Production

**Table 4.51 ANOVA****ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2102.401	1	2102.401	386.343	.000 <sup>a</sup>
	Residual	1463.842	269	5.442		
	Total	3566.244	270			

a. Predictors: (Constant), Production

b. Dependent Variable: E-distribution

**Table 4.52 Coefficients****Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.148	.705		1.628	.105
	Production	.603	.031	.768	19.656	.000

a. Dependent Variable: E-distribution

In relation to this value of  $R=0.768$  we learn of the existence of the positive robust correlation between e-distribution and product development techniques. Furthermore, the ANOVA table above reinforces the analysis with its significant value of 0.000 which shows that the close relationship with a direct effect of a statistical significant correlation between e-distribution policies and product development techniques is statistically significant.

**4.5.6: H<sub>6</sub>. There is a relationship with a direct effect of a statistical significant correlation between e-distribution policies and electronic pricing policies.**

**Table 4.53 Model Summary Regression**

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.832 <sup>a</sup>	.693	.692	2.018	.693	606.496	1	269	.000

a. Predictors: (Constant), E-Price

**Table 4.54 ANOVA**

ANOVA <sup>b</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2470.499	1	2470.499	606.496	.000 <sup>a</sup>
	Residual	1095.744	269	4.073		
	Total	3566.244	270			

a. Predictors: (Constant), E-Price

b. Dependent Variable: E-distribution

**Table 4.55 Coefficients**

Coefficients <sup>a</sup>					
Model		Unstandardized Coefficients		Standardized Coefficients	
		B	Std. Error	Beta	
1	(Constant)	1.336	.557		.017
	E-Price	.921	.037	.832	.000

a. Dependent Variable: E-distribution

As shown by this model summary table above,  $R=0.832$  indicate presence of very strong positive correlation as the value is closer to one. Thus we realize that there is exists a strong close relationship with a direct effect of a statistical significant correlation between e-distribution policies and electronic pricing policies. The ANOVA analysis significant level 0.000 indicates that the relationship of the variables is statistically significant hence we accept the null hypothesis.

**4.5.7:  $H_7$ : There is a relationship with a direct effect of a statistical significant correlation between E-distribution policies and electronic promotion tools.**

**Table 4.56 Model Summary Regression**

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.792 <sup>a</sup>	.627	.625	2.225	.627	451.257	1	269	.000

a. Predictors: (Constant), E-Promotion

**Table 4.57 ANOVA**

ANOVA <sup>b</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2234.330	1	2234.330	451.257	.000 <sup>a</sup>
	Residual	1331.913	269	4.951		
	Total	3566.244	270			

a. Predictors: (Constant), E-Promotion

b. Dependent Variable: E-distribution

**Table 4.58 Coefficients****Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.066	.611		3.382	.001
E-Promotion	.695	.033	.792	21.243	.000

a. Dependent Variable: E-distribution

The table above indicates that there is a strong positive correlation between E-distribution policies and electronic promotion tools as value of  $R=0.792$  shows presence positive relationship as it is closer to one. This relationship is further supported by the ANOVA analysis above on the ANOVA table where the analysis shows that the relationship between the variables is statistically significant therefore; accept the hypothesis that states that there is a close relationship with a direct effect of a statistical significant correlation between E-distribution policies and electronic promotion tools.

## 4.6 Correlations

### 4.6.1 Correlations between the Independent Variables and Dependent Variables

**Table 4.59: Shows Correlations between the independent Variables and Dependent Variables**

		Total	Competitiveness	Production	E-Price	E-Promotion
Total	Pearson Correlation	1	.888**	.731**	.735**	.739**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	271	271	271	271	271
Competitiveness	Pearson Correlation	.888**	1	.844**	.832**	.798**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	271	271	271	271	271
Production	Pearson Correlation	.731**	.844**	1	.752**	.722**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	271	271	271	271	271
E-Price	Pearson Correlation	.735**	.832**	.752**	1	.778**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	271	271	271	271	271
E-Promotion	Pearson Correlation	.739**	.798**	.722**	.778**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	271	271	271	271	271

#### 4.6.2 Correlations between the Moderator Variables and Dependent Variables

**Table 4.60: Shows Correlations between the Moderator Variables and Dependent Variables**

		Total	Competitiveness	E-distribution
Total	Pearson Correlation	1	.888**	.783**
	Sig. (2-tailed)		.000	.000
	N	271	271	271
Competitiveness	Pearson Correlation	.888**	1	.859**
	Sig. (2-tailed)	.000		.000
	N	271	271	271
E-distribution	Pearson Correlation	.783**	.859**	1
	Sig. (2-tailed)	.000	.000	
	N	271	271	271



#### 4.6.3 Correlations between the Independent & Moderator Variables and Dependent Variables

**Table 4.61: Shows Correlations between the Independent & Moderator Variables and Dependent Variables**

		Total	Competitiveness	Production	E-Price	E-distribution	E-Promotion
Total	Pearson Correlation	1	.888**	.731**	.735**	.783**	.739**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	271	271	271	271	271	271
Competitiveness	Pearson Correlation	.888**	1	.844**	.832**	.859**	.798**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	271	271	271	271	271	271
Production	Pearson Correlation	.731**	.844**	1	.752**	.768**	.722**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	271	271	271	271	271	271
E-Price	Pearson Correlation	.735**	.832**	.752**	1	.832**	.778**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	271	271	271	271	271	271
E-distribution	Pearson Correlation	.783**	.859**	.768**	.832**	1	.792**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	271	271	271	271	271	271
E-Promotion	Pearson Correlation	.739**	.798**	.722**	.778**	.792**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	271	271	271	271	271	271

\*\* . Correlation is significant at the 0.01 level (2-tailed).

#### **4.7: Summary**

In this research it is found that majority of the business person in Egypt are males. Furthermore, it was noted that those business person who had embraced technology in their operation were aged below 45 years. It is also important to note that except education level of the participant all the other demographic factors had an influence on competitiveness of successive factors of e-marketing. It was noted that non-demographic factors which were competitiveness, electronic techniques of product development, pricing policies and electronic promotion tools had significantly influenced day to day learning of business through boosting businesses that adopted e-marketing. However, pricing policy more so the low price was noted not to have influence on competitiveness as many of the customers preferred quality rather than price. In addition, it was found that there was a close relationship between e-distribution policies and product development techniques. Besides, a close relationship with a direct effect of a statistical significant correlation between e-distribution policies and electronic pricing policies was found. And finally there was discovered to have been a close relationship between E-distribution policies and electronic promotion tools.

## CHAPTER 5: DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

### 5.1 Introduction

The aim of this Research was to find out the effects of E-marketing Mix on competitiveness in small and medium sized enterprises in Egypt. This chapter will show a summary of the major results, conclusions, limitations, recommendations and the suggestions for further research to address the gaps in this particular field of study.

### 5.2 Discussion of Results

It can be concluded that the critical factors that influence e-marketing on businesses are competitiveness, electronic techniques of product development, pricing policies, E-distribution methods and electronic promotion tools. It has been confirmed by the analysis that competitiveness in business has been moved to another level as more commercial entities seek modern methods which are integrated with e-marketing to broaden their customer bases. Many of the entrepreneurs are going a mile ahead by even seeking consultation from market research firms to have an informed marketing idea such as knowing the most common way of using e-marketing to reach as many potential customers as possible. This has been driven by the current stiff competition among all types of businesses that tries to do whatever is possible to them to keep afloat with the current dynamic trends. Just as Pearce and Robinson (1997) noted that the increased competition posed by large and multinational companies in the global market, small and medium sized enterprises have been pressurized to be very competitive in order for them to survive and succeed in the same market.

The study was **successful** in meeting the main **objective** which was to explore the effect of e-marketing mix on competitiveness in small and medium sized enterprises in Egypt .E-marketing is essential in all most of SMEs in Egypt it helps reaching more customers at any time with low cost and Provide a variety of products and services ,The

research also sought to examine the factors that affect the competitiveness in small and medium sized enterprises in Egypt as a major objective by many key factors among them electronic techniques of product development, pricing policies, E-distribution methods and electronic promotion tools.

Competitiveness being one of the factors tested to verify its influence on e-marketing was revealed to have a positive and robust relationship with e-marketing as many entrepreneurs had made great stride in terms of profits through use of e-marketing. Some of the businesses had been pushed to stock different products and modern services to sustain their new found customers. Other entrepreneurs stated that they had improved quality of their products as they had started trading with global customers.

Moreover, it was noted that e-marketing had led some businesses to develop new products and diversity of the commodities to create a large pool of customers. It was not only the new products that had been developed but also customers were availed a chance to determine the price of products they would purchase as there were many multiple pricing levels.

Additionally, it was revealed that there existed correlation between effect of product development techniques and enhancing competitiveness of small businesses and medium-sized enterprises. It was noted that most of the companies that had adopted e-marketing had introduced new brands and modern methods of serving their clients. These enterprises that had initiated e-marketing had been able to meet needs and customer preferences. Further, a close relationship with a direct effect of a statistical significant relationship was found to be between electronic pricing policies and enhancing competitiveness of small businesses and medium-sized enterprises. Prices of

products on e-marketing had flexible dynamic rate as the clients had an opportunity to choose how much they were to be charged based on the time they stayed on the internet or email. As well, a correlation between e-distribution policies and enhancing the competitiveness of small businesses and medium-sized enterprises emerged from the analysis. The entrepreneurs confirmed that they were pressured by circumstances to adopt e-marketing as they were losing their market share to competitors who had already taken the intrepid steps toward adoption of e-marketing. Truly it was revealed that those entrepreneurs who had e-marketing technology in their enterprises were doing much better compared to their other counterpart who still using the traditional ways. Also, a close relationship with a direct effect of a statistically significant correlation between electronic promotion tools and enhancing the competitiveness of small businesses and medium-sized enterprises was present. The other correlation present was a close relationship with a direct effect of a statistically significant correlation between e-distribution policies and product development techniques and a close relationship between e-distribution policies and electronic pricing policies. And finally, a relationship between e-distribution policies and electronic promotion tools existed as most of business used emails and internet to reach to far living potential consumers who had already shown interest in their products. This trend of marketing made the enterprises to look for new ways of delivery the much needed services and products to their customers to maintain a healthy relationship.

In this research, we have **Four** questions, it is necessary to answer this question to achieve research objectives and we tried to answer them through testing the hypotheses:-

**RQ1: How product development techniques under e-marketing influence the level of competitiveness of small and medium sized enterprises in Egypt?**

According to our analysis of hypotheses No 1, we found there is a relationship with a direct effect of a statistical significant correlation between product development techniques and enhancing competitiveness of small businesses and medium-sized enterprises

Product characteristics play a major role in the successful marketing of a product on the Internet (Kiang et al., 2000) the form of some products is modified with the use of the internet. Electronic books, etickets, digital photographs, and online bill paying are examples of changes in the form of traditional products. Some consumers find the new forms more satisfying while others prefer the products in their original forms. (Kleindle and Burrow, 2005).

Researcher finds that the use of advanced modern techniques in marketing operations will provide the organizations that work in the field of marketing a competitive strategic advantage "strategy of Excellence "in dealings with customers and in providing services through methods better in development, efficiency and effectiveness, speed and flexibility .This helps with raising the levels of the overall quality of business organizations.

One of the advantages of E-marketing is that it depends on technology and modern electronic services. Therefore, these fields are renewable .They provide the new every day .So this field is characterized by innovation, development and research for the new away from the monotony and boredom and routine processes.

**RQ2: How e-marketing helps in improving pricing priorities and the level of competitiveness of small and medium sized enterprises in Egypt?**

According to our analysis of hypotheses No 2, we found there is a relationship with a direct effect of a statistical significant correlation between E-pricing and enhancing competitiveness of small businesses and medium-sized enterprises

According to Nezamabad (2011) E-Marketing makes is that pricing and competitor information is faster and more transparent, meaning that market forces also tend to act faster and perhaps more efficiently. There is thus a tendency for prices to converge at lower levels. Harris and Dennis, (2002).

E-marketing provide an opportunity for clients and consumers to know about the prices of the products .At the same time it provides an opportunity for producers to compare the cost of their products with the cost of competitive products .Producers can know the modern developments in e-pricing strategy like the use of digital currency .At this strategy clients insert their account number and allow certain money, internet-related marketing can result in extreme price competition when products or services are incapable of significant differentiation. (Kiang et al., 2000)

**RQ3: How e-marketing influence distribution methods and the competitiveness of small and medium sized enterprises in Egypt?**

According to our analysis of hypotheses No 3, we found there is a relationship with a direct effect of a statistical significant correlation between E-distribution methods and enhancing competitiveness of small businesses and medium-sized enterprises.

According to Nezamabad (2011) Distribution is a vital decision area for the e-business for three reasons. **First**, relatively small local companies can widen their market and even export. **Second**, many e-businesses aim to gain competitive advantage by using e-systems to de-layer the distribution chain. For example, Dell supplies customers directly, rather than through distributors, wholesalers or retailers. **Third**, distribution is an area where some e-businesses have been severally criticized for failing to deliver customer service. Harris and Dennis, (2002), according to Stroud (1998). E-distribution enhances the competitiveness advantages in many ways. One way for companies to differentiate their products from rival companies is faster and more efficient delivery of products to their customers. The Internet allows companies to jump over parts of the traditional supply channel. Direct sellers like Dell Computer do not rely on wholesalers and retailers to deliver their products to consumers. Instead they contract with third-party providers such as FedEx and UPS, which provide fast (shin, 2001).

**RQ4: What are the effects of e-marketing on promotion as well as the level of competitiveness of small and medium sized enterprises in Egypt?**

According to our analysis of hypotheses No 4, we found there is a relationship with a direct effect of a statistical significant correlation between E-promotion tools and enhancing competitiveness of small businesses and medium-sized enterprises

E-marketing Provides the feature of facilitated easy marketing .A consumer does not need to make an effort or move in crowded places .E-marketing provides big market for goods .This market can't be compared any other traditional market .E- markets are open permanently (all day without any holiday) and customers do not need to travel or waiting a queue to buy a particular product, and do not have to transport this product to the house. The purchase of a product does not require more than clicking on the product



and entering some information about your credit card. In addition to credit cards, there are many appropriate payment systems, such as the use of e- money.

According to Sealey (1999), the Internet also provides customers with an unprecedented degree of control over the entire marketing process. As consumers become proficient at using the Internet, they will only buy products that precisely match their needs. Thus, companies must formulate customer-centric promotion strategies that respond to this new customer power. Allen and Fjermestad (2000) suggest that brand management will be successful only when it is associated with beliefs and experiences such as feelings, associations, and memories. Thus, Internet promotion must also focus on presenting information about the experiences and beliefs of consumers associated with each brand (shin, 2001).

Electronic promotion tools a business has employed to advertise itself matters a lot as it depend whether the targeted clients are able to access the intended message or products in their platforms. For example in this research, it was noted that since majority of customers from small and medium sized enterprises were locals, mobile phone usage as a marketing tool was the most popular for almost everyone in that locality had a mobile phone that was used to lead the message or ads sent by an entrepreneur. However, this is not to say that it was the best method for larger companies such as telecommunication companies and financial institution constantly used internet as more graphics were supported. It was revealed that the most common e-distribution tools were mobile, internet or E-mails.

### 5.3: Conclusions

E-marketing is easy to use for any aspiring business person and has opened many opportunity to the global business person at large. Furthermore, e-marketing has enhanced competitiveness in the global arena as every business is trying to keep at par with their competitors in these stiff markets. The adoption of e-marketing has brought up new young entrepreneurs on board who are able to compete with the seasoned business moguls. Demographic factors such age, experience services being used and gender were found to matter in Egypt in running a successful business. The non-demographic factors such as competitiveness, electronic techniques of product development, pricing policies, E-distribution means and electronic promotion tools were found to have a strong relationship and effect with adoption of e-marketing on small and medium sized enterprises in Egypt.

### 5.4 Limitations of the study

This research has four types of limits as follows:

- 1 –**Location Limitations:** This research will be applied on small and medium sized enterprises in The Arab Republic of Egypt.
- 2 -**Timeline Limitations:** From September 2011 to March 2014 along the research duration.
- 3 –**Human resources Limitations:** a sample of marketing managers, marketing supervisors and salesmen (Middle Management) in small and medium sized enterprises will be selected.
- 4 -**Scientific limits:** we will study the effect of E-marketing mix (Product development techniques, E-Pricing Policies, E-promotion Tools, E-distribution policies)only on Competitiveness.

## 5.5: Recommendations

**First**, it is recommended that businesses that have adopted e-marketing should attempt to look for further potential business, either nationally or internationally, to increase their competitiveness. This can be achieved by employing the two main advertising tools: email and the internet for international customers and mobile phone for local customers. Doing this will boost their customer base and generate higher revenues. Since new marketing methods are always being developed, it is both prudent and resourceful for entrepreneurs to keep up to date with current research by attending seminars that teach new business promotion skills. Businesses should also employ website designers and content writers to help them advertise their goods and services.

**Second**, it is recommended that small and medium sized enterprises should support and retain new customers by introducing the products that they are asking for. A business that sustains its customers in this way can be seen to be performing well. Its customers become loyal, and enable it, from an informed business position, to purchase in and move its products and services.

**In addition**, it is recommend that the following actions be implemented: -

- 1- Particular attention should be paid to the teaching of E-commerce and E-marketing in the early stages of undergraduate and postgraduate courses.
- 2- Increase professional training courses in the fields of technology and marketing strategy that are linked to the practical realities of business.
- 3- Efforts should be made to reduce the cost of internet connections. This may be by means of tax cuts or exemptions for small and medium-sized enterprises, particularly those with experience in the field of e-marketing.

- 4- Development of online banking services, especially electronic paying technologies, is also recommended, besides providing electronic cards that permit urban residents to make online purchases.
- 5- The national interest in information technology education should be expanded through the establishment of technical colleges and institutes.
- 6- Annual conferences should facilitate discussion surrounding the marketing strategies, transfer issues, and benefits that arise from pioneering experiments in the field of e-marketing.
- 7-The country should encourage business entrepreneurs to learn foreign languages as these can be used to spread their goods and services through e-marketing.
- 8- The government should also update legislation in line with modern technological changes.
- 9-Business alliances in the field of e-marketing, between local institutions and the leading technology companies, should be encouraged to allow entrepreneurs to benefit from them.

### **5.6 Suggestions for further Study**

Since e-marketing is broad topic that keeps on developing day by day, not a single research can test it entirely. This study like others had its fair set of limitations, **first** it was limited by the small number of variables utilized which are electronic techniques of product development, pricing policies, electronic distribution and electronic promotion. **Second** The study was also limited by the time factor which it was short hence not enough to have studied every small and medium sized shop. To carry out comprehensive and through study, future studies ought to use more variables related with electronic marketing as Total quality management (TQM ) and Supply

chain to have a clear picture of what encompasses online marketing and advertising. In addition, this research study capitalized on cities within Egypt which was limitation to know what rural entrepreneurs are doing, therefore it is recommend that this research be extended to all areas both urban and rural and other companies such as banks, telecommunication firm, international organizations and governmental bodies so as to have broad understanding of a international view on impacts of electronic adoption and its competitiveness globally.

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## APPENDIX 1

### SURVEY QUESTIONNAIRE

#### **A QUESTIONNAIRE ON THE EFFECT OF E-MARKETING MIX ON COMPETITIVENESS - AN EMPIRICAL STUDY OF SMALL AND MEDIUM SIZED ENTERPRISES IN EGYPT**

**Dear Participant,**

I am a PhD student of Al-Madinah International University presently pursuing my doctoral Degree on E-Marketing. I am currently conducting a research project entitled — **The Effects of E-Marketing MIX on Competitiveness: An Empirical Study of Small and Medium Sized enterprises in Egypt**. The purpose of this research is to explore the factors that directly influence the success of e-marketing among small and medium sized enterprises in Egypt. This research will help future researcher and small and medium sized enterprises to understand what factors improve the success of e-marketing. Thank you for your cooperation and participation. If you have any queries, please do not hesitate to contact me.

**Thank you for your willing participation in completing this survey.**

Best Regards

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**PART (A) : DEMOGRAPHIC INFORMATION**

*The following are demographics information about you and your firm. Please answer by tick (✓) in the appropriate bracket below:*

<b>Gender :</b>	<input type="checkbox"/> Male <input type="checkbox"/> Female
<b>Age Group :</b>	<input type="checkbox"/> 18yrs-30yrs old <input type="checkbox"/> 31yrs-43 yrs old <input type="checkbox"/> >=44 yrs old
<b>Education</b>	<input type="checkbox"/> Bachelor degree <input type="checkbox"/> Master Degree PhD <input type="checkbox"/> Other (specify): .....
<b>Services Received</b>	<input type="checkbox"/> Mobile <input type="checkbox"/> fix line <input type="checkbox"/> Internet <input type="checkbox"/> Other (specify): .....
<b>Experience</b>	<input type="checkbox"/> 1 yr- 5 yrs <input type="checkbox"/> 6yrs- 10 yrs <input type="checkbox"/> > 11

**PART(B): Dependent Variable “DV”**

*Please indicate whether you are agree or disagree on how the following factor can affect customer retention in your organization [SD-Strongly Disagree=1, D-; Disagree=2; N-Neutral=3; A- Agree=4; SA-Strongly Agree=5]:*

**IV1- Competitiveness**

Status	Please tick (✓)				
	SD	D	N	A	SA
C1- Our staff members are much aware of e-marketing adoption.					
C2- We are more competitive in the market because of our qualified and skilled employees					
C3- The degree of technological advancement in our company improves our competitiveness					
C4- We have adequate financial support in the company to compete effectively in the market					
C5- The adoption of e-marketing in the company has proved usefulness in the national and international business					
C6- The adoption of E-marketing in the company is adequately supported by legal acts					
C7- E-marketing was adopted in the company as a result of the dynamic market trends					
C8- The use of e-marketing has improved the organizational performance					
C9- E-marketing has enabled in the increase in sales, profits, attraction of new customers, greater customization of products, and reduction of costs					

### PART(C): Independent Variables “IVs”

*Please indicate whether you agree or disagree on how the following factor can affect customer retention in your organization [SD-Strongly Disagree=1, D-Disagree=2; N-Neutral=3; A- Agree=4; SA-Strongly Agree=5]:*

#### IV2- Electronic Techniques of Product Development

Status	Please tick (✓)				
	SD	D	N	A	SA
ETPD1- The types of products produced in our company contributed to our adoption of the E-marketing					
ETPD2-The implementation of E-marketing in the company has resulted in effective product development					
ETPD3-Through e-marketing the company has been able to offer diverse products in the market.					
ETPD4-E-marketing has enabled the company to effectively satisfy customers' needs, tastes and preferences.					
ETPD5-The adoption of e-marketing has led to production of new and modern products					
ETPD6-The quality of products and services offered by our company has improved due to the implementation of e-marketing					

### IV3- Pricing Policies

Status	Please tick (✓)				
	SD	D	N	A	SA
PP1-Adoption of e-marketing has led to reduction of product prices in the company.					
PP2-Lower prices of products and services have attracted new customers.					
PP3-It is easy and dynamic to set prices under e-marketing.					
PP4-The customers involved determine the price of products required.					

### IV4- Electronic Distribution

Status	Please tick (✓)				
	SD	D	N	A	SA
ED1-E-marketing has made distribution of products and services to customers more efficient.					
ED2-The company has benefited from the e-distribution by reducing the number of brokers and intermediaries during the distribution process.					
ED3-E-distribution has assisted in reducing the cost of distribution of goods and services to the end consumer.					
ED4-The quality of distribution of goods and services has improved through the adoption of e-distribution.					

#### IV5- Electronic Promotion

Status	Please tick (✓)				
	SD	D	N	A	SA
EP1- It is easier to use e-marketing tools such as emails and the internet in the business.					
EP2-E-promotion helps in connecting a wide range of customers to the business.					
EP3-E-promotion is cheaper than traditional tools of promotion					
EP4-E-promotion tools like the internet and emails are not trusted by our customers					
EP5-E-promotion requires a lot time and commitment which may be a problem in our company					

**Comments on factors influencing competitiveness in small and medium sized enterprises in Egypt (if any): .....**

Thank You Very Much for Your Co-operation

End of Survey

Thank You for Your Time! Your views will contribute to investigate the factors influencing competitiveness in small and medium sized enterprises in Egypt.