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## **Editorial: Internet marketing and advertising**

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**Biographical notes:** Dr. Eldon Y. Li is Professor and Dean at the College of Informatics, Yuan Ze University, Taiwan. He is on leave from the Orfalea College of Business, California Polytechnic State University, San Luis Obispo, California, USA. He holds MS and PhD degrees from Texas Tech University. He has published over 100 papers in the areas of human factors in information technology (IT), strategic IT planning, software engineering, quality assurance, information management, and business management. His papers have appeared in numerous international journals. He is the Founding Editor for the *International Journal of Electronic Business*, the *International Journal of Internet and Enterprise Management*, and the *International Journal of Internet Marketing and Advertising*. He is currently the Founding Executive Director of the International Consortium for Electronic Business (ICEB) and the Secretary General of the Asia Pacific Decision Sciences Institute (APDSI).

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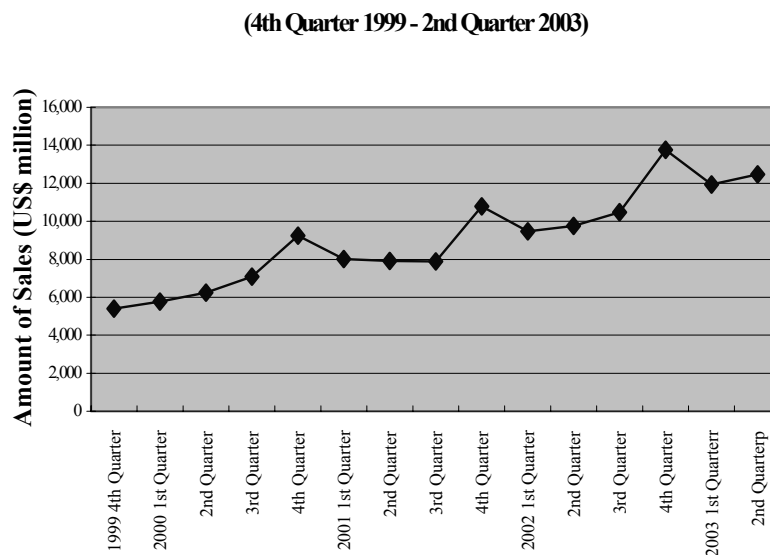
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Before the advent of the internet, marketing and advertising were primarily based on one-way monologue communications. The media were mostly through telephone, fax, or television. Consumers in this environment relied heavily on the cues provided by the marketers and advertisers. Therefore, large name brand merchandises received the most attention from consumers because their sponsors usually identified the segments of

consumers (based on demographics, psychological profiles, etc.), created a name brand product to meet their needs, and deployed much expense in getting the product information across to these consumers. This style of brand management is no longer the primary marketing strategy in the new era of the internet. Today's communications are interactive in nature. Consumers are able to surf the internet and retrieve all kinds of information about a particular product or service. They can even get word of mouth from the user community to make more informed purchasing decisions. They are much more powerful as they not only have very low searching and switching costs, but are also able to influence other consumers' purchasing decisions. This in turn affects the merchandisers' marketing decisions. As consumers become more and more powerful, customer management (encompassing customer managed communications, customer relationships, customer service, customer experience) is vital for future marketers and advertisers.

Despite the crash of dotcoms in the late 1990s, e-commerce sales in the USA overall have been rising (see Figure 1). The Census Bureau of the US Department of Commerce estimated the US retail e-commerce sales for the second quarter of 2003 (not adjusted for seasonal, holiday, and trading-day differences) to be \$12.477 billion. This was an increase of 27.8% ( $\pm 4.3\%$ ) from the second quarter of 2002 and 4.6% ( $\pm 1.1\%$ ) from the first quarter of 2003. As e-commerce sales continue to grow and business competition intensifies, internet marketing and advertising emerge as important corporate practice for achieving business excellence. Taking the fight between Amazon.com and BN.com for example, Barnes and Noble responded to Amazon's cannibalising of the market share by launching its own website in Spring 1997, two years after Amazon went online. In the same year of 1995, Charles Schwab joined Amazon.com and introduced e.Schwab on the World Wide Web, forcing many trading companies to go online in order to stay competitive.

**Figure 1** Estimated e-commerce sales



Source: US Census Bureau, 2003

The ubiquity of the internet supposes to enable today's businesses to reach their customers worldwide. However, many companies utilising the internet have reached their customers only domestically. The success of penetrating the global market has rarely been seen due to language barriers, cultural differences, and legal matters, etc. Yahoo.com has created domestic portals in the People's Republic of China, Hong Kong, and Taiwan using Chinese language interfaces in order to penetrate the Greater China market. Nevertheless, the majority of the users on these sites are not bilingual, thus they cannot utilise the information provided by Yahoo in other languages. This prevents the company from taking full advantage of the internet – breaking the boundaries of time zone and physical distance. This is an emerging issue for internet marketing and advertising and calls for further research. There are other issues that remain to be resolved, such as personalisation versus privacy, relationship marketing in the internet context, the process and effect of consumer to consumer communications, and the performance metrics for internet marketing and advertising, etc.

The mission of the *International Journal of Internet Marketing and Advertising (IJIMA)* is to provide an intermediary for professionals and academicians to share thoughts and knowledge regarding the advances of internet marketing and advertising. It focuses on the innovative theories, strategies, and management methods of marketing and advertising, brought about by the internet and information technology applications, and their implications for associated processes, products, and services. The Journal publishes original and review papers, technical reports, case studies, conference reports, management reports, book reviews, notes, commentaries and news related to social, political and economic issues as well as emerging issues of interest to professionals and academicians. The international dimension is also emphasised in order to overcome cultural and national barriers and to meet the needs of accelerating technological change and changes in the global economy. We invite articles representing synergy between academia and business, theory and practice to help executives to manage transformations and improve the profitability of their enterprises.

In closing, we would like to express our gratitude to Inderscience's staff for their high-quality professional assistance during the pre-publication process and to our editorial team and board members for their continuous support during the journal's planning phase. Our most sincere thanks go to all the authors who share their knowledge and research outcomes with the readers of this inaugural issue. Without them, the debut of this journal would not be possible. Finally, to our readers around the world, we thank you very much for using this journal as your source of information and hope you find it helpful in your research endeavours.