

**WORLD WIDE WEB MARKETING EFFECT ON VALUE
CREATION IN TOGOLESE ORGANIZATIONS: A STUDY
OF MARKETERS' PERCEPTIONS**

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Abstract

The astonishing growth of internet coupled with its unique capabilities has captured the attention of marketing activities of organizations across a wide range of industries. While the opportunities and numerous advantages afforded by this phenomenon seem readily apparent, there is still much debate and speculation on exactly what is the effect of internet marketing on the organization's value creation and how companies are utilizing it to improve their marketing practice and performance. This research investigates the Togolese marketers' perceptions of the impact of internet marketing on the organization's value creation. It employs a cross sectional research design involving self-administered, delivery and collection surveys to Togolese marketing decision makers. Quantitative methodological approach based on a descriptive survey is used. First a multiple regression relationships is conducted using SPSS to predict organization's value creation from changing in marketing definition and changing in conceptualization of marketing activities. Secondly, the structural equation modeling-modeling will be expressed as path diagrams using AMOS to highlight how the predictor variables are correlated and show how these observed and unobserved variables are inter-related in the model. Findings suggest that the World Wide Web marketing model adoption is a better ways to identify unmet customer needs, to develop products faster, to serve more customers more quickly, to make buying easier and to increase the organization value creation. Findings suggest that changing in marketing functions afford greater opportunities to create organization's value. In conclusion, managerial implications and future research directions are outlined.

Key words: *World Wide Web, Internet marketing, marketing functions, value creation, Togo*

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1. Introduction

The World Wide Web is playing an increasingly important role in the marketing activities of organizations across a wide range of industries. Then, supported by an ever-increasing body of literature, it is clear that the internet has the potential to have a profound effect on marketing activities. Companies have stopped thinking of the internet as an information channel or a sales channel. The internet requires a complete rethinking of a company's marketing strategy and models on which it builds its business. Today, the information and communication technologies change the way to live, work and consume as profoundly as the industrial age that preceded it.

1.1 Research objectives

The objective of this research is to investigate the Togolese marketers' perception of the effect of www marketing on value creation.

1.2 Research questions

To that investigation, the subsequent the following research questions have been formulated:

- Do the adoption of internet marketing and related technologies afford greater opportunities to create organization's value?
- Does changing in market definitions afford greater opportunities to create organization's value?
- Does changing in conceptualization of marketing activities afford greater opportunities to create organization's value?
- Does changing in marketing functions afford greater opportunities to create organization's value?

1.3 Research hypotheses

In order to reach the objectives of our research and assisting in answering the research problems, the following hypotheses are therefore formulated:

H01: The adoption of internet marketing and related technologies do not afford greater opportunities to create organization's value.

H11: The adoption of internet marketing and related technologies afford greater opportunities to create organization's value.

H02: Changing in market definitions does not afford greater opportunities to create organization's value.

H1.2: Changing in market definitions afford greater opportunities to create organization's value.

H0.3: Changing in conceptualization of marketing activities does not afford greater opportunities to create organization's value.

H1.3: Changing in conceptualization of marketing activities afford greater opportunities to create organization's value.

H0.4: Changing in marketing functions does not afford greater opportunities to create organization's value.

H1.4: Changing in marketing functions afford greater opportunities to create organization's value.

2. Literature review

The internet entered the lexicon of daily conversation and, almost overnight, became a dominating and ubiquitous presence on the business landscape. Companies became household brand names. In these seemingly myriad manifestations, the World Wide Web marketing began to transform and global markets by shaping and reshaping relationships in the supply chain and by creating systemic changes in the way consumers shop, organizations buy, prospects are reached, transactions are completed, customers are serviced, and business is conducted. The research developed the conceptual the world wide web marketing model (figure 1).

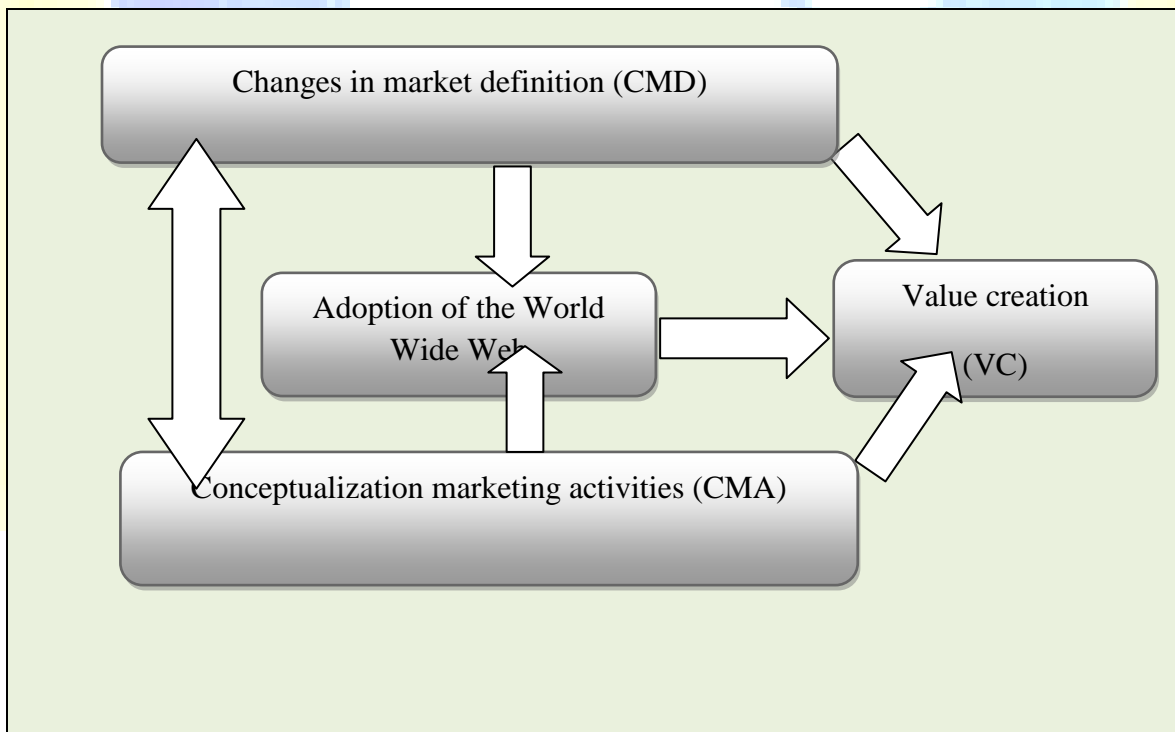


Figure 1: The conceptual World Wide Web marketing model developed in the research

This model argues that adoption of the web marketing is an independent variable influencing two aspects of marketing function (the organization's conceptualization of marketing activity and the definition of the organization's markets) which are related to the value creation of an organization.

2.1 Adoption of the internet marketing

Since 2004, researchers have discussed the models of internet marketing adoption. Taking into account an organization's internet strategy and its Web site's functional characteristics. The internet marketing is a "new product", an analysis of the pattern of its spread world wide and within a given country from the perspective of innovation diffusion and adoption literature could provide valuable insights into the factors driving the diffusion dynamics (Takacs and Freiden 2008).

According to the adoption of the internet marketing in the developing countries, the internet penetration and usage in Africa's countries has started been phenomenal and booming growth. While , some countries have achieved a high penetration of internet host computers ,there are some which still be in the stages of adoption. Togo is a developing country belong to Africa. The internet marketing development in Togo has attracted interest and attention from industry, academia and policy makers. A study by research scholars shows that there are a lot of hundred Togolese hosts on internet under the .tg top level domain. Many Togolese companies and entities have connected to internet with direct internet access and with local IP.

2.2 Changing in marketing functions

2.2.1 Changing in market definition

According to the World Wide Web marketing of Morris et al., changing in marketing definition imply new target customers and compete more effectively globally, eliminate less profitable customers and market segments.

Target customers and compete more effectively globally

Electronic media introduce the possibility to increase the reach of company communications to the global markets. This gives opportunities to sell into international markets that may not have been previously possible; to sell to a country without a local sales or customer service force. The adoption of internet marketing competes more effectively. According to Pallab 2006 , internet marketing facilities the ease by which organizations can conduct global marketing campaigns, with particular redevance to smaller organizations that previously have been unable to compete on a global scale. With the growth in its user

base and its inability to be constrained by either time or location, the internet marketing has the potential for mass communication and advertising with negligible variable cost per customer (Deighton 2007).

Eliminate less profitable customers and market segments

Not all customers are equally valuable to the firm. In an industrial context, managers often refer to the 80/20 rule of profitability. That is, 20 % of customers provide 80% of the profit. Firms should segment their most valuable and less valuable customers. The most valuable customers may be identified based on profit, revenue and or strategic significance. Then, before taking any action, including pricing with unprofitable customers, companies should expand the customer profitability measurement to encompass all the relationships that each customer has with the company (Kaplan and Narayanam 2008).

2.2.2 Changing in marketing activities

Changing conceptualization of the marketing activity refers to the likely changes in the way in which the organization conducts its e-marketing to improve an effective vehicle for market segmentation and to influence the promotional market strategies.

Improve an effective vehicle for market segmentation

The e-marketing advertising offers advertisers an advantage not available from other mass media and a ability to track individual consumer responses. Internet marketing advertisers can tell exactly where responding readers saw their adverts. These help advertisers to avoid wasting money advertising on websites that do not attract profitable users. The e-marketing advertising holds the promise of being able to provide users demographics. These help advertisers to improve their market segmentation.

Influence the promotional market strategies.

The promotion element of the marketing mix refers to how marketing communications are used to inform customers and other stakeholders about an organization and its products. (Chaffey et al. 2009) considered the main elements of the promotional or communications mix could be advertising, sales promotion, personal selling, public relations and direct marketing.

2.3 Value creation

Value creation is associated with better way to understand the customer's buying process and to inform consumers on their buying decision making process.

Better understand the customer's buying process

There are no responsible limits on variety and quantity of information as long as the Website is easy to navigate for all steps of the buying process. As well, it is perhaps the lowest cost tool that can bring a buyer through all stages (Lichtenthal and Eliaz 2008).

Better inform consumers on their buying decision making process

The e-marketing enable to better inform consumers on their buying decision making process. Customers become smarter, and exercise this choice by shopping around, making price comparisons and seeking greatest value in more assertive way. (Chaffey et al. 2009) noted that the internet marketing can be used to support the buying decision even if the purchase does not occur via the Web site.

2.4 Changing in marketing functions and Value creation

As it was mentioned, changing in marketing functions has related to the organization value creation. Then, changing in conceptualization of the marketing activity and changing in market definition are implicated in the ability to create value in organization.

2.4.1 Market definition and Value creation

According to (Rayport and Svikla 2003), the value creating process is not the same in the virtual world and the physical world. The market space is realism of the virtual value chain, while the marketplace deals with the physical value chain. Managers must be able to exploit both value chains. In the academic, virtual and practitioner literature has been implied that changing in marketing definition drive new way in which value can be created by strengthening relationships.

2.4.2 Marketing activities and Value creation

Changing in conceptualization of the marketing activity provides the Web marketer the opportunity to add value to customers in new ways. According to Blattberg and Deighton (2003), information technologies such as web enable marketers to alter the marketing activity and interact new ways in which to create value because:

- Customers will have a far greater say in the shape of companies that save them, since they will be engaged.
- Marketing will become tied to the asset value of a company's customer base; that is, loyal customers who repeat purchase will remain loyal only to the extent that marketing effort remains efficient and thus adds value for them.
- Value chain intermediaries will be under threat as manufacturers are able to market to the end consumer much more direct.

3. Research methodology

This research is used a five-point Likert-type scale to pull the opinion of marketers and the large number of statistical analyses have been employed. The research philosophy considered

positivism with a deductive approach. It is employed a cross sectional research design involving self-administered, delivery and collection surveys to Togolese marketing decision makers.

Population and sampling frame

The target population and the sampling frame in this research consist of all Togolese marketing managers whose company has a presence in the World Wide Web.

Sampling technique

Sampling techniques may be broadly classified as nonprobability and probability. As a mail survey method will be applied in this research, a probability sample and a multi-stage cluster sampling technique are used to overcome problems associated with a geographically dispersed population.

Determining sample size

This statistical approach determining sample size is based on confidence intervals which will be smaller. These approaches may involve the estimation of mean or proportion. When estimating the mean, determination of sample size using the confidence interval approach requires the specification of precision level, confidence level, and the population standard deviation. In the case of proportion, the precision level, confidence level, and an estimate of the population proportion must be specified. That is, in this research the final or net sample size is determined proportion approach using the maximum possible population variation in Table 1.

Table 1: determining sample size

Steps	Determination
1. Specify the level (D)	$D = p - \pi = \pm 0.05$
2. Specify the confidence level (CL)	CL = 95%
3. Determine the z value associate with the CL	Z = 1.96
4. Estimate the population proportion (π)	$\pi = 0.12$

5. Determine the sample size

$$n = \frac{\pi (1 - \pi.) (z)^2}{(D)^2}$$

$$n = \frac{0.12 (1 - 0.12)(1.96)^2}{(0.05)^2}$$

$$n = 162.269184$$

$$n = 163$$

Source: Developed for this research to the field of data analysis

Response rate

The decision on sample size was based on a minimum amount for data analysis using SPSS suggested a sample size of 150 to 500 should be adequate for the data analysis technique (Hair et al. 1998; Sudman 1976). In order to achieve this final sample size, a much greater number of potential respondents have to be contacted to account for reduction in response due to incidence rates and completion rates. Due to budget constraints and practicalities of the sample frame, 800 questionnaires will be mailed to all medical and paramedical workers selected through the above sampling method. A sample size of 163 respondents is expected for this research from return mails. Therefore for having 163 usable questionnaires back for a postal survey, sending 815 questionnaires are estimated.

4. Data analysis and results.

4.1 Statistical analyze method

In this quantitative methodological approach based on a descriptive survey first a multiple regression relationships is conducted using SPSS to predict organization's value creation from changing in marketing definition and changing in conceptualization of marketing activities. Secondly, the structural equation modeling-modeling will be expressed as path diagrams using AMOS to highlight how the predictor variables are correlated and show how these observed and unobserved variables are inter-related in the model. Then; the equivalent model fit in AMOS graphics environment is the initial step and the specification of the regression model as a path diagram see in the Figure 2.

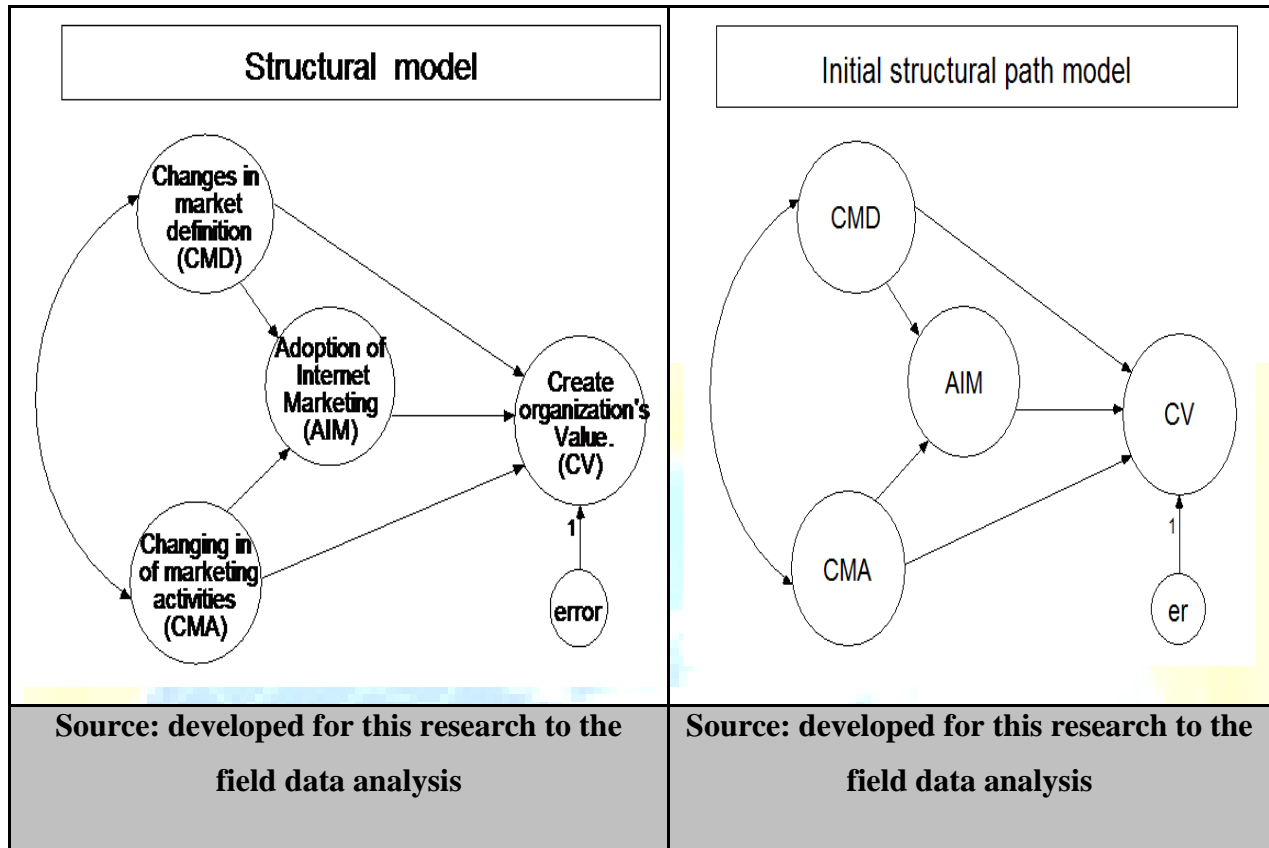


Figure 2: The initial path diagram for this relationship

4.2 Testing of hypotheses and Interpretation of Results

The four hypotheses raised for this research are tested at 0.05 significant levels.

H₀₁: The adoption of internet marketing (AIM) and related technologies do not afford greater opportunities to create organization's value (CV).

In this model summary table 2, the Pearson correlation testing, that is conducted, rejected the H₀₁ at the significant value $p < 0.05$. The R Square (0.752) tells us how AIM variable and CV variable are related. The positive value of Pearson correlation, r , indicates that the relationship between AIM and CV is positive.

Table 2: Model summary

Model	R	R Square	Adjusted R square	Std. Error of the Estimate	Results
1	0.867**	0.752	0.733	0.32848	Ho2 Rejected

**Correlation is significant at the 0.05 level

a. Predictors (Constant), AIM b. Dependent variable : CV

Ho2: Changing in market definition (CMD) does not afford greater opportunities to create organization's value (CV).

Table 3: Model summary

Model	R	R Square	Adjusted R square	Std. Error of the Estimate	Results
1	0.774**	0.600	0.578	0.248849	Ho2 Rejected

**Correlation is significant at the 0.05 level

a. Predictors (Constant), CMD b. Dependent variable : CV

In this model summary table 3, the Ho2 is rejected at the significant value $p < 0.05$. The R Square (0.774) tells us how CMD variable and CV variable are significantly related. The positive value of Pearson correlation, r, indicates that there is a great relationship between AIM and CV.

Ho.3: Changing in conceptualization of marketing activities (CMA) does not afford greater opportunities to create organization's value (CV)

In this model summary table 3, the Ho3 is rejected at the significant value $p < 0.05$. The R Square (0.518) tells us how CMA variable and CV variable are related. The positive value of Pearson correlation, r, indicates also a great relationship between CMA and CV.

Table 4: Model summary

Model	R	R Square	Adjusted R square	Std. Error of the Estimate	Results
1	0.572**	0.518	0.399	0.174458	Ho2 Rejected

**Correlation is significant at the 0.05 level

a. Predictors (Constant), CMA b. Dependent variable : CV

H0.4: Changing in marketing functions (AIM, CMA, CMD) do not afford greater opportunities to create organization's value (CV).

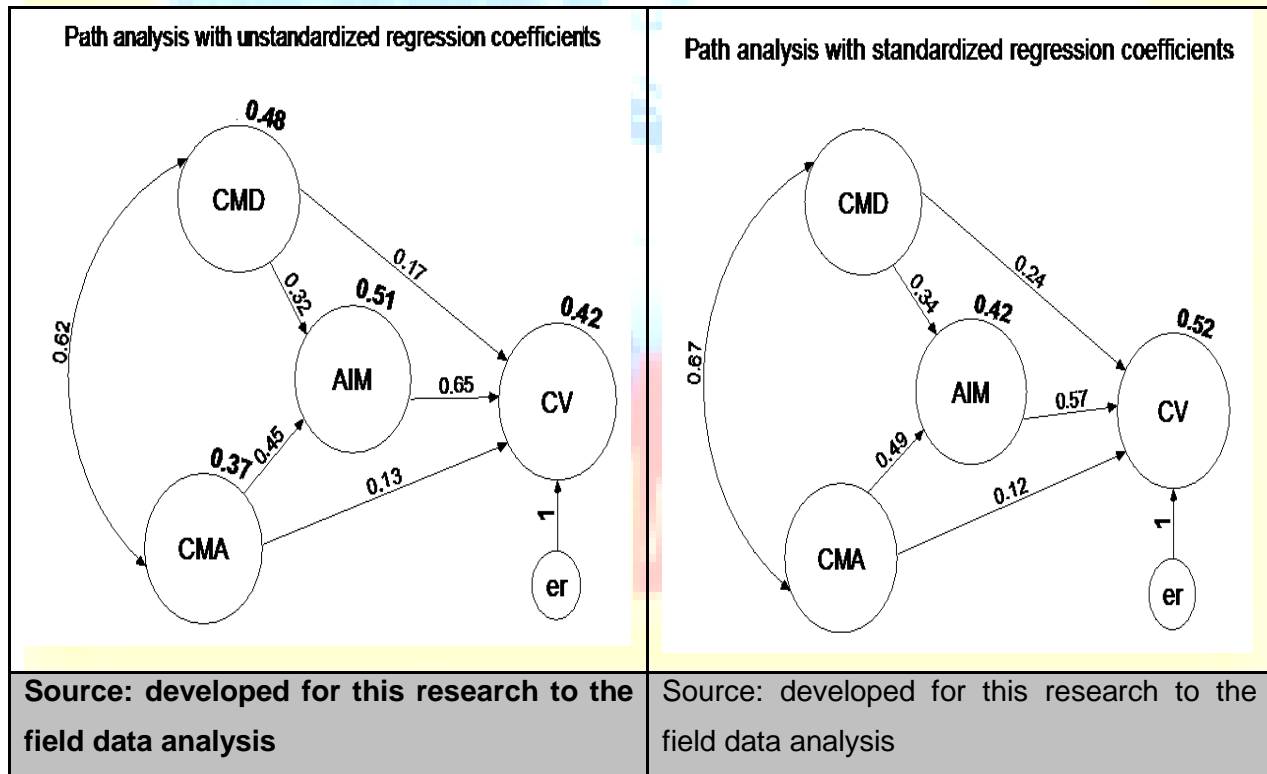


Figure 2: path analysis with unstandardized and standardized regression coefficients

The table 5 presents the unstandardized regression weights, standardized regression weights, covariance, variances and Squared Multiple Correlations for the hypothesis (H04) direct path model. For the coefficients associated with the direct paths linking the model's exogenous and

endogenous variables, three (3) are significant by the critical ratio test ($> 1.96, p < 0.05$) and two (2) are nonsignificant by the critical ratio test with the direct paths linking CMA to CV and AIM to CV.

The standardized path coefficient that is incorporated in the direct model show that CMD and CMA are related indirectly to the support for CV and are being mediated by the assessment of AIM. Thus, the greater the CMA and CMA (Beta = 0.34 and Beta = 0.49 respectively) are, the greater is the assessment of AIM (Beta = 0.42). The greater AIM (Beta = 0.42) is, the greater is CV (B= 0.57).

The covariance between CMA and CMD are highly significant by the CR test (CR $> 1.96, p < 0.05$) and the variances are also significant by standard variance by the CR test (CR $> 1.96, p < 0.05$). The Squared Multiple Correlations (R^2) of the two variables AIM and CV are respectively ($R^2 = 0.42$ and $R^2 = 0.52$). It shows that, the greater the explanatory power of the regression model, and the better the predictor of the dependent variable. So, the predictor variables CMA and CMD that are accounted for 42% of AIM presented a positive correlation. The predictor variable AIM that is accounted for 52% of CV is also presented a positive correlation.

Table 5: Unstandardized regression weights, standardized regression weights, covariance, variances and Squared Multiple Correlations

Maximum Likelihood Estimates

Regression Weights: (Group number 1 - Direct model)

			Estimate	S.E.	C.R.	P	Label
AIM	<----	CMA	.448	.056	7.561	***	
AIM	<----	CMD	.324	.072	5.297	***	
CV	<----	CMA	.127	.064	1.789	.074	
CV	<----	AIM	.645	.073	8.335	***	
CV	<----	CMD	.169	0.76	.646	.518	

Covariance: (Group number 1 - Direct model)

			Estimate	S.E.	C.R.	P	Label
CMA	<-->	CMD	.617	.108	5.711	***	

Variances: (Group number 1 - Direct model)

	Estimate	S.E.	C.R.	P	Label
CMA	.367	.069	5.445	***	
CMD	.482	.052	6.45	***	
AIM	.512	.043	2.345	***	
CV	.423	.010	7.345	***	

Standardized Regression Weights: (Group number 1 - Direct model)

			. Estimate
AIM	←----	CMA	.489
AIM	←----	CMD	.340
CV	←----	CMA	.123
CV	←----	AIM	.572
CV	←----	CMA	.241

Correlations: (Group number 1 - Direct model)

			Estimate
CMA	<--	CMD	.666

Squared Multiple Correlations: (Group number 1 - Direct model)

	Estimate
AIM	.421
CV	.524

5. Conclusion

5.1 World Wide Web modify model adopted

Based on the findings, the conceptual World Wide Web model developed in this research is in more appropriate for the developing countries that actually have grown with e-marketing. Modify conceptual of World Wide Web model in Togolese context showed in the figure 3 is convinced the previously research model developed and in the rigorous sense, the acceptance of the hypotheses underlying the model are confirmed (figure 3).

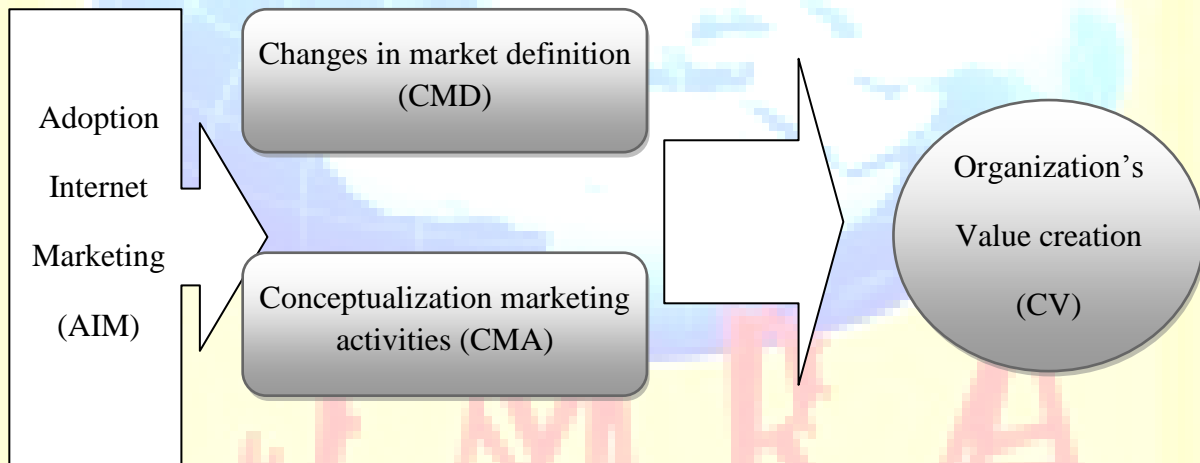


Figure 3: World Wide Web modify model adopted in Togolese context developed for this research.

World Wide Web modify model adopted in Togo

Findings suggest that:

- Changing in market definition (CMD) afforded greater opportunities to create organization's value (CV).
- Changing in conceptualization of marketing activities (CMA) afforded greater opportunities to create organization's value (CV).

- Changing in marketing functions (CMA, CMD) afforded greater opportunities to create organization's value (CV).

5.2 Managerial implications

The managerial implications that can be derived from this research was simple; make changes in marketing activities and market definition and try to reach the way to create value through the adoption of World Wide Web marketing.

Then, as managerial implications, the government should forget the social-cultural, political, economic, technical issues and help companies that adopted e-marketing to achieve their marketing competitiveness. It should:

- Encourage the companies which develop their commercial activities using e-marketing.
- Help companies to acquire the business intelligence needed to build competitive advantage in the marketplace.
- Inform, make public and private enterprises aware of the policy action implementation for the piloting structure of their marketing activities.
- Improve the quality and the cost of the services of telecommunications, take care of the quality of international connection and define the rules and the quality of supplier's access.
- Review the cost of internet's connection.

Companies also have an important role to do when they use internet to enhance their marketing activities. They should:

- Display or demonstrate their products
- Give customers the opportunity to ask for more information or order directly through electronic connection.

5.3 Future research

It is hoped that findings will stimulate further research in order parts of the world, especially other developing countries, in order to not only to understand this phenomenal business application, but also to better comprehend the way in which it will forge marketing and conceptualize markets. Then, further research should go through a longitudinal method to measure the effect of the adoption of internet marketing on value creation in Togolese's organization.

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