NEAR EAST UNIVERSITY

FACULTY OF ECONOMICS & ADMINISTRATIVE SCIENCES

DEPARTMENT OF BUSINESS ADMINISTRATION

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Title:
Benefits of the Internet As a Tool in Marketing

ADVISOR: AHMET ERTUGAN

SEBAHATTİN YILDIZ ... 990541

To people that I share my love, "KOÇ"<Z.Ç.>

Ayşe Eylem
Serhat

Serhat Yaşar Merter Hande Emine Semra

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ABSTRACT

The internet offers marketers a lot of benefits as a new communication and distribution channel and also as markets themselves.

Consumer are also increasingly interested in an easy and convenient way of shopping. However, few commercial success stories have been heard of.

This paper discusses internet marketing reviewing literature related to core concepts and the recent trends of marketing, demands for changes in marketing thinking and also the frameworks suggested for understanding internet marketing.

The main focus is to test the using of internet marketing concept with some authors' assumptions on the identified marketing characteristics, described marketing objectives, and proposed marketing mix strategies.

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INTRODUCTION

The tremendous growth of the Internet has created opportunities for consumers and firms to participate in an online global marketplace. The Internet has provided a rare opportunity especially for small to medium sized enterprises (SMEs). It moves organizations beyond the physical constraints of their traditional distribution channels and creates a world wide virtual community in which SMEs can compete with large enterprises. The potential of the Internet as a commercial medium and market has been widely documented in a variety of publications (Haffman et al., 1995; Jarvenpaa & Todd 1997). However, the literature to date on electronic commerce is by and large anecdotal. Both successful and unsuccessful cases of Internet marketing have been reported. There are no proven successful models that can help the management to determine the benefits that Internet marketing could provide for their business. A Web site gives direct contact between the organization and consumer. The rapid developments of online computing technology, some especially targeted at SMEs (Asian Business 2000), make it inevitable for businesses not to seriously consider the Internet as an alternative distribution channel to avoid losing competitive advantage.

Since 1993, the Internet has been used to support conventional sales and marketing activities; it matches buyers and sellers in a more cost-effective manner compared with traditional advertising and marketing. While transactions are taking place on the Internet, the current level of commerce is small relative to overall commerce in the United States. The phenomenal growth of the Internet community has begun to alter the way buyers and sellers exchange information and the structure of distribution. It breaks through the physical barriers traditionally placed on commerce and moves firms to a new commercial marketplace. In addition, the opportunity for buyers to examine or test the product or service and interact with the seller to receive additional information or support can be provided through the online service.

While many successful cases of the online marketing approach have been recorded in electronic commerce literature, a handful of failed cases have also been reported.

Internet as a virtual storefront, we believe lessons can be learned from previous Although the history of electronic commerce is not long, especially the use of the

1.1. Purpose of the Study

cases.

years 1994-2003. concepts, the latest trends in marketing and also of Internet marketing from the marketing by reviewing and analysing literature related to the roots and core The purpose of the study is to provide understanding of the concept of Internet

Marketing could be defined generally as value creation in exchange relationships.

sellers (created, delivered and communicated) through the Internet. Internet marketing, accordingly, means the values exchanged between buyers and

1.2. Questions

The research questions for this study are the following:

What are the roots and core concepts for marketing in general?

- What kinds of frameworks are suggested for Internet marketing?
- What benefits they bring to customers, and where they are weak?
- What benefits it brings to companies and its limitations?

1.3. Methodology

Internet marketing.

Literature survey into core concepts of marketing. I have done some studies for this project as the following:

- Literature survey into the definition, frameworks, uses and limitations of
- A newspaper that uses Internet marketing and investigate to understand the Internet marketing.
- benefits (if any) gained by it.
- A sample of targeted readers of that newspaper and carry out interviews to
- Review the findings from the observations and understand the efficacy of understand the benefits (if any) gained by the readers.

II. MARKETING & THE INTERNET

2.1. Marketing Theory

Marketing theories can be classified in many ways. Möller and Halinen-Kaila (1998, 190-192) emphasise the use of multiple marketing modes, which means that we always need several theories in order to reach a comprehensive understanding of the marketing activities of most firms. In practice, it seems as if every marketeer should have his/her own "theory of marketing", and "tools" for practical marketing management accordingly. Each approach provides a partial view of the phenomenon.

Sheth, Gardner and Garrett (1988) analyse the roots of marketing, its origin, and its early thinkers. They developed a typology of different schools of marketing thought, which discovers the underlying shifts in the substantive and methodological perspectives in marketing. Although marketing's origins are in economics and in the viewpoint of the seller, marketing has evolved more and more toward non-economic explanations for marketing practice and has increasingly adopted the viewpoint of the buyer. These six metatheory criteria were used to form a typology: structure, specification, testability, empirical support, richness, and simplicity. They discuss twelve schools of thought: commodity, functional, regional, buyer behaviour, activist, macromarketing, institutional, functionalist, managerial, organizational dynamics, systems and social exchange, along with the dimensions of interactive-noninteractive and economic-noneconomic. managerial school of thought gets the highest scores, and it has its merits in generating several unique concepts for marketing, such as, product life cycle, marketing myopia, marketing mix, marketing concept itself, market segmentation, product differentiation, and market differentiation. Sheth et al. (1988, 191) consider marketing as the study of market behaviour. To that extent, marketing is broader than any one school of marketing thought. It has subdivisions, including services marketing, industrial marketing, international marketing, direct marketing, nonprofit marketing, and so on. They believe that we need "a theory of marketing that identifies what values are or can be created by marketing, who creates them, and how they are distributed so that all parties benefit from market behaviour".

2.2. Latest Trends in Marketing

Customers' increasing role in marketing, the information technology and postmodern perspectives to marketing research are discussed.

Wikström (1996) understands and explains company-consumer interaction theoretically and empiricially from management perspective by analyzing the value creating process in interaction on company-consumer level, and draws theories from industrial marketing, services marketing, (inter)organizational theory (interaction school), theory of learning, and relationship marketing. The aim of his research is to understand a customer as a co-producer, and value creation to be implemented by company-consumer interaction. The company's role is designing a system of activities within which customers can create their own value. With the support of IT companies are also becoming capable of interacting with many consumers on an individual basis. Prahalad and Ramaswamy (2000) also point out that in the new economy companies must incorporate customer experience into their business models.

Möller and Halinen-Kaila (1998) propose that the current relationship marketing discussion is primarily deriving its contents from the four sources, services marketing, data-base marketing and marketing channel and business marketing. They also argue that the rapidly developing information technology has been creating a primarily practice-based and consult-deriven literature on managing customer relationships through data bases and direct marketing activities with the buzz words 'mass customization' and 'one-on-one marketing'. The 'information technology' approach has a heavy emphasis on marketing communications, and is often also referred to as the integrated marketing communications 'school'.

Laurent and Pras (1999) argue that research in marketing has changed and will change in depth resulting from better data and alternative approaches. Better data is available, for example, through scanners. They give a much more precise view of real purchase behaviour and of many causes of that behaviour. There is also a tendency towards direct marketing, the development of extensive databases on individual customers, which allow a retailer to have a full perspective on each

customer's history. This leads to a longer-term view of customer relationships and therefore to the accumulation of better data on each customer.

The implications for the marketing of consumer goods and services under conditions of postmodernity are that many assumptions about the consumer, consumption and marketing research methodology require fundamental reassessment. Central to postmodern theory is the proposition that consumers no longer consume products for their material utilities but consume the symbolic meaning of those products as portrayed in their images. The meanings of consumer goods are grounded in their social context and the demand for goods derives more from their role in cultural practices than from the satisfaction of simple human needs. Consumption is one way of participating in social life and establishing social relationships. Elliott (1999, 13) defines marketing to be "a social practice located at the centre of the construction of symbolic capital and thus involved in the development of the meaning of consumer culture". Marketing is "the ascribing of a meaning in a society" (Cova (1999, 80).

Kotler's (1997, 14) definition of marketing is as follows: "Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating, offering, and exchanging products of value with others". More emphasis is put on providing value within customer relationships and the value creation process itself (Anderson and Narus 1999; Storbacka et al. 1999). It is believed, as Kotler (1997, 38) argues, that customers estimate which offer will deliver the most value. Customers are believed to be value-maximizers, within the bounds of search costs and limited knowledge, mobility and income. It is believed that buyers will buy from the firm that they perceive to offer the highest customer delivered value. Customer delivered value is the difference between the total customer value and total customer costs. The total customer value is the bundle of benefits customers expect from a given product or service (product value, services value, personnel value and image value). Total customer cost is the bundle of costs customers expect to incur in evaluating, obtaining, and using the product or service (monetary cost, time cost, energy cost and psychic cost).

2.3. Internet Marketing

The Internet (the net) and the World Wide Web (the Web) offer a new distribution and a communication channel for marketing and markets themselves. According to Ahola (2000) electronic shopping has become more popular, and marketeers are increasingly interested in Web technologies. So far, experiences of Web retailing and shopping show that the Web has not offered the customers and the marketeers the benefits that are expected. (Palmer 1997; Alba et al. 1997; Wigand 1996, 13).

Ahola (2000) states that marketing is a study of market behaviour, the purpose of which is understanding, creating and managing exchange (customer) relationships within which value is created, provided and communicated. The purpose of marketing is to create long-term interaction with relational bonds of attraction, trust and commitment. Many concepts are used to describe Internet marketing. However, conventional methods and tools are still needed in marketing, although the Internet or the Web is the context and the environment of marketing. The basic tools and techniques of Internet marketing are the e-mail and the Web. Interactivity, customer relationships, and customization are emphasized as elements of Internet marketing due to the tools available. Therefore, demands on changes in marketing paradigm have been suggested (for example; Brannback 1997, Deighton 1996, Dutta et al. 1997; Hoffman and Novak 1996), and it seems evident, as the context of marketing changes.

The issue is how to make customers buy on the Web. That is a fundamental problem of marketeers. It is therefore necessary to do an extensive literature search on Internet marketing in order to derive from the views of the majority of researchers. These views will be debated by this proposal study.

2.4. Benefits & Limitations

The Internet with its unique features of globality, independence of time and place, and low costs offers several benefits both for marketeers (sellers) and also for consumers (buyers).

Technology applied with the set of design principles makes it possible for companies to mass-customize at a low cost. Peterson et al. (1997, 333) emphasize the fact that the Internet as a marketing channel has unique characteristics which are:

- 1. The ability to store, to provide, to search, to organize and disseminate a vast amount of information,
- 2. The ability to serve as a transaction medium and as a physical distribution medium for certain products and,
- 3. The ability to provide perceptual experiences that are far superior to a printed catalog, and
- 4. Relatively low entry and establishment costs for sellers. Using the Web it is possible to create easily updated virtual catalogs, on-screen order forms, online customer support, worldwide distribution of product announcements, customer feedback, surveys etc.

Electronic commerce also offers opportunities to suppliers, such as global presence, improved competitiveness, mass customization, shortened supply chains, substantial cost savings and new business opportunities. Examples of specific business benefits of electronic commerce are, among other things, reduced advertising, delivery, design and manufacturing costs, improved market intelligence and strategic planning, opportunities for niche marketing, equal access to markets, access to new markets and customer involvement in product and service innovation. As a promotional channel it is cheaper and more information can be transmitted globally. The Web pages provide viewers with interesting images and intangible benefits such as entertainment, fun, and useful up-to-date information, which is yet another value-added service for customers. As a distribution channel, the Web could offer cheaper products for some segment of the market offering convenience in Web shopping.

Values for buyers offered by the Internet and the Web are, among other things, global choice, quality of service, personalized products and services, rapid response to needs, substantial price reductions and new products and services. One important consumer benefit associated with marketing is the access to greater amounts of

shopping. The Internet offers a new communication model where consumers can actively choose whether to approach firms through their Web sites and exercise control over the management of the content with which they interact.

There are several commonly discussed barriers for electronic commerce such as legal, cultural and technical problems, lack of common trust, security and privacy concerns, credibility and reliability of Web vendors and a more limited variety of offerings than off-line vendors. Jarvenpaa and Todd (1997) conclude from their surveys consumers to be disappointed not being able to easily compare prices across retailers. They also find the Web shopping to be more cumbersome than catalog shopping, and the Web to be hard to navigate, as consumers were disappointed with the outcomes of their goal-directed shopping. They also had concerns related to the timing and handling the deliveries, because they might be inconvenient, perishable items might spoil or melt in transit. Many people reluctant to try new technologies (Burke 1997; Jones and Biasiotto 1999). Sheth and Sisodia (1997) argue that the future success of marketeers will depend on their ability to deliver total customer convenience.

Experiences of marketing in Internet retailing context were gained through a case study of a pilot e-shop, which was carried out within the VRFlow project (Ahola et al. 2000). The project is interested in the enhancement of Web-based electronic commerce systems through hypertext functionality and virtual reality technology, and their effect on navigational behaviour and customer purchasing behaviour (Oinas-Kukkonen 1998). The case study proved to be useful in demonstrating the difficulties encountered in a practical situation when creating and delivering value.

2.5. Marketing Theory & Internet Marketing

Because of this new marketing environment or new medium, it has also been proposed that marketing thinking and practice, the marketing paradigm itself, will and has to change towards more interactive, one-to-one or relationship marketing (Brannback 1997; Deighton 1996; Hoffman & Novak 1996; Peterson et al. 1997; Rayport & Sviokla 1994, 1995; Wigand 1996; Wikstrom 1996).

marketing will change in the Web context. Especially location centric concepts will be "fundamentally altered by the evaluation of the Internet" and new theories and lawlike generalizations on disintermediation or reintermediation are needed as the Internet enables content (information, transactions) on-demand, immediate and free communication and transactions. Thus they call for further research to discover new insights and paradigms for marketing.

Hoffman and Novak (1996) argue that successful Web marketing efforts will require an evoluation in the marketing concept, in which the firm also engages in marketing activities that contribute positively to the development of the medium itself. They call this an "extended marketing concept".

Rayport and Sviokla (1994) suggest a model of new ways of adding value in marketspace and a theory of marketspace transaction. Form the traditional marketing mix theory with four Ps marketplace interaction between physical seller physical buyer has been eliminated. Information-defined transactions are creating new ways of thinking about making money. Both marketplace and marketspace transactions are occuring. The authors suggest how in the marketspace content, context and infrastructure can be disaggregated to create new ways of adding value, lowering costs, forging relationships with nontraditional partners and rethinking ownership issues. The implications and difficulties of managing in the marketspace become increasingly relevant as more and more products and services. Marketing management processes and even market themselves move from place to space. For executives it is important to pay attention to how their companies create value in both the physical world and the virtual world. Rayport and Sviokla (1995, 78-79) describe the process of building the virtual value chain as an integration of the information the companies capture during stages of the value chain when constructing an information underlay of the business. The processes for creating value are not the same in the two worlds. By understanding the differences and the interplay between the value-adding processes of the physical world and those of the information world, managers can see more clearly and comprehensively the strategic issues facing their organizations.

transformed in the marketspace. They used a model comprising of the four Ps – Product, Price, Promotion and Placement- and one C –Customer Relationship, and study how these four P's and one C are being transformed by the fundamental characteristics of real-time interactivity and global connectivity in the marketspace. They found out that few organizations are exploiting the unique business potential of the marketspace. Most organizations are simply taking their existing business models and transporting (instead of transforming) them to the marketspace with different degrees of effectiveness. Later on Dutta and Segev (1999) studied how the firm's approaches to the marketspace had changed within one year, and observed that almost all leading corporations had a presence in the marketspace, but most firms were increasingly using their Web sites for customer service and for building customer relationships. In addition, firms in the top positions were moving towards technologically simpler sites.

Hoffman and Novak (1996) propose a new communication model, a process model of network navigation, and also models of Web-based business. They draw theories from psychology, communications, media studies, organizational behaviour and human-computer interaction. The aim is to develop a framework to formally model flow construct and reconstruct/transform marketing for the new media.

Pitt et al. (1996, 9-13) introduce a conceptual framework for analyzing Web site marketing strategies and for measuring the efficiency of a Web site, the Internet and the Web for business. They suggest a model of the conversion process on the Web. The hierarchy of effects, as well as the communications tasks required, and the relative effectiveness of advertising and personal selling are also broadly indicated. They present a conceptual framework to relate the most likely objectives of Web site establishment to measures of performance associated with Web site traffic flow.

Electronic commerce can provide a direct linkage, an electronic marketing and information channel, between target customers and the firm (Wigand 1996). He

suggests a new term "liquid marketing" to be suitable descriptor of this evolving setting. "It denotes the disintermediated, frictionless, personalized, individually accessible, customer-centric, immediate, cooperative, dynamic, rapid, fluid, computer-to-computer or –person, on-line, and interactive nature of this new form of relationship marketing", which allows for customized, almost interpersonal –like interaction. This is made possible by interactive multimedia, cooperative and feedback capabilities of the Web, coupled with the application of such features as agents, avatars, network dynamics functions, cookies, cacheing, and the customers' willingness to complete profile information forms.

When we look at marketing towards a model for Internet marketing, we described marketing that is a study of market behaviour, the purpose of which is understanding, creating and managing exchange (customer) relationships within which value is created, provided and communicated. The purpose of marketing is to create long-term interaction with relational bonds of attraction, trust and commitment. Many concepts are used to describe Internet marketing. However, conventional methods and tools are still needed in marketing, although the Internet or the Web is the context and the environment of marketing. The basic tools and techniques of Internet marketing are the e-mail and the Web. Interactivity, customer relationships, and customization are emphasized as elements of Internet marketing due to the tools available. Therefore, demands on changes in marketing paradigm have been suggested (for example Rayport and Sviokla 1994, 1995; Sheth and Sisodia 1999; Wigand 1996), and it seems evident, as the context of marketing changes.

Marketing theories are useful in understanding and explaining why do customers buy or do not buy through the Web, which is an issue in the discussion related to the Internet. As no explicit theories of marketing in a Web context exist, several theories are needed for a comprehensive understanding of marketing activities in most Web contexts. As Anderson and Narus (1999, 13) point out that segmenting, targeting and positioning are the fundamental building blocks of marketing. That will probably be the case also within Internet marketing.

The Internet in a marketing context can be understandable from a marketing perspective as the values were analyzed. The Web can be conceptualized as a versatile hybrid media, a channel, an environment or a tool for marketing. A virtual reality or a physical reality could also be considered as the ends of a continuum on which companies utilize the Web.

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III. MİLLİYET NEWSPAPER (SELECTED CASE COMPANY)

3.1. Company Background (see Appendix A)

- 3 May 1950 ... Foundation of Milliyet Newspaper. Address: Nuri Akça Printing House, Türbedar Street, No:18 Nuruosmaniye / İSTANBUL.
- 26 May 1950 ... First Promotion: Milliyet Newspaper gives skoda automobile to 2000 Milliyet Newspaper readers for 45 coupon.
- 1 October 1954 ... First logo changing.
- 27 April 1962 ... Publishing tourism supplement the first time.
- 1 January 1963 ... Milliyet gave to its readers "Small World Encyclopedia" the first time.
- 1 November 1963 ... Atatürk Statue Campaign.
- 1 April 1970 ... Milliyet Gediz Earthquake Houses Help Campaign.
- 18 November 1970 ... "Hey" Youth and Music Magazine publishing life commences.
- 1972 ... Milliyet 4 colours off-set printing facilities.
- 29 September 1972 ... Milliyet Art Magazine publishing life commences.
- 7 October 1972 ... Milliyet Child Magazine publishing life commences.
- 24 November 1976 ... Milliyet Help Campaign for Van Earthquake.
- 6 October 1980 ... Aydın DOĞAN, owner of Milliyet Newspaper.
- 1 May 1985 ... Milliyet rewards started.
- 28 May 1993 ... Foundation of Media D.
- 5 November 1994 ... Final version of Milliyet logo designed.
- 6 May 1996 ... Milliyet The Wall Street Journal publishing life commences.
- 26-27 November 1996 ... Milliyet Newspaper is on Internet the first time.
- 8 November 1997 ... Milliyet received ISO 9001 Quality Guaranty Certificate.

When we look at the market, we see that there are 35 National Newspaper in Turkey(see appendix B). Total circulation(dailly average) is 4.228.179 in Turkey.

met leader is Hürriyet Newspaper which has 419.103 circulation(about 10% met share), second newspaper is PostaNewspaper which has 390.212 mulation(about 9% market share), third is Star Newspaper which has 349.129 mulation(about 8% market share), fourth is Sabah Newspaper which has 327.442 mulation(about 8% market share), fifth is Zaman Newspaper which has 325.008 mulation(about 8% market share), and sixth is MILLIYET Newspaper which has 253.068 circulation(about 6% market share).

3.2. Use of Internet

- When?
- For what?
- Current uses
- 1. Milliyet Newspaper, the first time on the date of 26 November 1996, publishing life commences on the Internet.
- 2. Through the Internet, you can reach to:
 - Newspaper and writers easily.
 - All issues which you want.
 - Specific topics through news index easily and you can also get news as written. (see appendix C)

3.3. Benefits of Internet Marketing for Milliyet Newspaper

Benefits of marketing through the internet stem from the ability of a company's product information to reach a wide audience in a relatively low cost manner. The benefits also arise from the ability to revise Internet site information quickly compared with other media, such as printed materials. The benefits include:

- 1. The Internet facilitiates direct marketing by newspapers.
- 2. Information that would be prohibitevely expensive to produce and distribute in print can be placed on the Internet at least cost.
- 3. Changes in news and new developments can be made available quickly on-line.
- 4. A large number of readers across wide geographic distances can access the information at the same time.
- 5. Readers information and feedback about newspaper can be gathered on-line.

- 5 Reader questions can be answered or resolved immediately by personnel within the newspaper.
- It may generate higher levels of brand awareness than TV or print advertising.

For the newspapers, which are giving information fast, the Internet provides a medium through which news can be added and modified quickly. The Internet provides a mechanism for direct marketing or marketing to specific audience across a wide geographic area.

Concerns of Using Internet Marketing

A number of concerns may limit adoption of Internet use for marketing purposes:

- 1. Currently the Internet reaches only certain segments of the population and, therefore, only certain potential readers.
- 2. Slow download times for sites may also discourage potential readers.

A potential concern is lengthy download times for Internet marketing sites (Twency, 1998). Given the availability of a large number of sites to be visited, readers are able to search through many sites, and back out of sites with slow download times. If server capabilities are limited and cause delays in downloading web-pages, readers may become frustrated and leave the site to find another site.

3.4. Benefits of Internet for Milliyet Readers

Marketing activity occurs through three types of channels: communication, transaction, and distribution channels (Peterson 1997).

Communication: Exchange information between newspaper and readers. The Internet is an extremely effective medium for accessing, organizing, and communicating information. Peterson, et al. (1997) have identified several unique characteristics of the Internet regarding communications:

- The ability to store vast amounts of information that can be searched and disseminated in a cost-effective manner which is accessible by readers on the Net.
- 2. Interactivity and the ability to provide information on demand.

3 Printed catalog.

Milliyet Newspaper Web site provides timely information (usually news) to readers because of its ability for instant communication, and its availability 24 hours a day.

This means more interaction, better services to readers and quicker responses.

Benefits of Internet for Milliyet Newspaper readers are:

the first part of the first of

- Last minute news
- Availability 24 hours a day
- Availability of past issues
- Lower cost of communication
- Quick response of inquiries

 etc. (see appendix D)

IV. CONCLUSIONS

4.1. Limitations of This Study

This study aims to explore the underlying Internet marketing with the objective of exablishing what the use and practical value of Internet marketing is. The following aspects, however, were noted:

- The study on Internet marketing as exposed in the literature review was investigated.
- The fieldwork of this study has focused on the use and application of Internet marketing in practice in selected sector and product(service).
- The investigation has focused on the Internet marketing assumptions derived from the literature, namely characteristic of the market, suggested company marketing objectives and marketing strategies at Internet marketing. These assumptions are based on the literature review.

4.2. Conclusions on Internet Marketing

Use of the Internet for business marketers is a reality. Television, print, newspaper, and other traditional marketing avenues will continue to be used but those who ignore the Internet will lose the race for competitive advantage. On the other hand, those who have embraced the Internet have demonstrated its power and are innovators. Many believe that we have only seen the beginning of a technological leap.

Marketing on the Internet is a new business channel, yet in many ways it remains the same as traditional marketing. But companies need to learn what works on Web sites, how to communicate their message and how to differentiate their Web sites.

As I examined a company(Milliyet Newspaper) who uses its Web site as a promotional tool, for brand image building, as a distribution channel, for customer service.

Milliyet Newspaper uses the Internet as a marketing channel which has unique characteristics. These characteristics are:

- The ability to store, to provide, to search, to organize and disseminate a vast amount of information. As we saw from the case, we can reach to all issues of Milliyet Newspaper which we want. Because all issues are available on Milliyet Newspaper Web site. We can get all issues of Milliyet Newspaper from date of 26 November 1996 up to today.
- The ability to serve as a transaction medium and as a physical distribution medium for certain products. Milliyet Newspaper gives us information (usually news). Its Web site also provides some advertisements and direct sales. We can get these products or services through Milliyet Newspaper Web site.
- Relatively low entry and establishment costs for sellers. Using the Web it is possible to create easily updated virtual catalogs, on-screen order forms, online customer support, worldwide distribution of product announcements, customer feedback, surveys ... etc. Milliyet Newspaper also uses Internet as a survey, reader feedback (e-mail), product and service announcements. They benefit from its low cost.

There are some concerns of using Internet marketing. These are (for the present):

- Currently the Internet reaches only certain segments of the population and, therefore, only certain potential readers for Milliyet Newspaper. Circulation of Milliyet Newspaper as print media is higher than on the Internet.
- Slow download times for Web site of Milliyet Newspaper may also discourage potential readers.

The Internet gives business a better way to do the things they do. The Internet has the capability to cut costs for selling and buying organizations. Automated functions and instant data information can cut purchasing cycle times, reduce human resources costs, and lower transaction costs for suppliers.

Further to cost reductions, there is increased efficiency. Online functions for customer service, product information, product ordering and order-tracking functions are available to customers 24 hour a day of the year. These are value-added services that serve to differentiate the products they compliment.

Increasingly through innovative outside relationships, organizations are aggressively reshaping themselves and fundamentally changing the way they do business.

Today's corporations better serve their customers and their bottom line by functioning more as a focus of resources than as an owner of resources.

Global competition has intensified with the introduction of new technologies. Those who can exploit the opportunities of this new technology will win. Internet marketing enables a large company to be responsive, innovative, and fast and a small company to compete internationally with the "big boys." Information technology changes on a month-to-month basis and sometimes week to week. The pace of change is accelerating. To remain competitive, companies must position themselves and commence marketing on the Internet.

4.3. Suggestions for Further Research

Referring to Tuunainen (1999) research effort may be fruitfully directed also at different marketing contexts, as totally different problems will be encountered, for example, software business struggles with copyright problems. It would be useful to find the common factors contributing to the success or failure of them or the specific context-dependent factors by analyzing values and costs in different contexts. This could help marketers to find the practical tools for value creation, delivering and communicating in each context. To increase our understanding of the customers' value creation process within a Web context, further research should be directed to a more detailed description and definition of the value creation process itself, to recognizing and analyzing and moving away the worries of the customers and making buying convenient. This means according to Storbacka et al. (1999) and Anderson and Narus (1999) further translating what the benefits are worth in the customer's own situation. The adequate depth of the research might best be achieved through qualitative, ethnographic methods. This kind of research could help companies to find the relevant values, which then finally could be created and delivered by actors contributing to or supporting the customer's value creation process. In a value-based thinking a critical issue is whether the values to the customers exceed the costs.

Interesting in buying daily consumer goods was on a longer term that daily routines appeared to be relevant obstacles for Web shopping. If also monetary costs are taken into account, then the whole value chain should be looked upon from a new broader perspective than from the retailer's. What are then the relevant context and the relevant actors? Kim and Mauborgne (1999) suggest a value innovation approach by looking across the conventionally defined boundaries of competition, which means across substitute industries, strategic groups, buyer groups, complementary service offerings, the functional-emotional orientation of an industry, and even across time. From the marketers' point of view it is interesting to know, what kind of business models are able to deliver value and for whom? What kind of changes in buying habits and in daily routines take place within those households, which keep buying within the e-shop? What kind of effects does this have on the structure of the trade, wholesalers and retailers in a given context? Which are more relevant, relationships or transactions or both? What kind of values and for whom by developing technologies, for example, mobile shopping and developing Web site design could be created? Web site technologies might also add the seller's ways to deliver value to buyers by using marketing and promotional tools to offer shopping experiences and other also intangible values. How much added value could be provided by developing only the Web site and to what extent the content of the site is crucial? Further research is also suggested on a social dimension of shopping as an added value or cost.

There is a challenge of heightening the awareness of marketing perspective to create a dialogue between information technologists and marketers. It could lead to improvements in marketing practice in the Web context, and create opportunities for success stories businesswise and technologically. Determining how to create, deliver, and communicate value is the key marketing issue also in a virtual environment. The value-added Web site, if only understood from a technological perspective, is not enough to provide the total customer value. For example, the Web site, which is technically open 24 h/day, does not really mean the availability of goods and services 24 h/day. Therefore, a generic framework for marketing in different Web contexts is needed.

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APPENDICES

Historical Background of Milliyet Newspaper

VPPENDIX A

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MARTESÍ

ETUR & SANAT SEEL ILAN

Genel Yayın Yönetmeni

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Yayın Koordinatörü

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MURAT KÖKSAL

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Haber Müdürü

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E-POSTA

YAZARLAR

AKYOL Taha ASIK Melih BILA Fikret **CEMAL Hasan** CIVAOĞLU Güneri **CONGAR Yasemin** GÜCLÜ Abbas GÜRELİ Nail DÜNDAR Can **HEPER Tamer KOHEN Sami** KOLOĞLU Sina OKUR Meliha **PULUR Hasan** SAZAK Derya TAMER Meral TEMELKURAN Ece **ULAGAY** Osman **URAS** Güngör YILMAZ Y. Mchmet YILMAZ Serpil

t.akyol@milliyet.com.tr m.asik@milliyet.com.tr fbila@milliyet.com.tr h.cemal@milliyet.com.tr g.civaoglu@milliyet.com.tr ycongar@erols.com aguclu@milliyet.com.tr ngureli@milliyet.com.tr can.dundar@e-kolay.net tamerheper@post.com.tr skohen@milliyet.com.tr s.kologlu@milliyet.com.tr melihao@cnnturk.com.tr h.pulur@milliyet.com.tr dsazak@milliyet.com.tr mtamer@milliyet.com.tr ecetem@hotmail.com oulagay@milliyet.com.tr guras@milliyet.com.tr mehmet.yilmaz@milliyet.com.tr syilmaz@milliyet.com.tr

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SPOR YAZARLARI

GÖKÇE Attila GÜVEN Ercan MEŞE Bilal ŞENAY Erdoğan agokce@milliyet.com.tr eguven@milliyet.com.tr bmese@milliyet.com.tr esenay@milliyet.com.tr

PROMOSYON HİZMETLERİ

Promosyon Servisi

promosyon@milliyet.com.tr

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NEAR EAST UNIVERSITY

FACULTY OF ECONOMICS & ADMINISTRATIVE SCIENCES

DEPARTMENT OF BUSINESS ADMINISTRATION

MAN 400

Title:
Benefits of the Internet As a Tool in Marketing

ADVISOR: AHMET ERTUGAN

SEBAHATTİN YILDIZ ... 990541

To people that I share my love, "KOÇ"<Z.Ç.>
Ayşe Eylem
Serhat

Serhat Yaşar Merter Hande Emine Semra

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ABSTRACT

The internet offers marketers a lot of benefits as a new communication and distribution channel and also as markets themselves.

Consumer are also increasingly interested in an easy and convenient way of shopping. However, few commercial success stories have been heard of.

This paper discusses internet marketing reviewing literature related to core concepts and the recent trends of marketing, demands for changes in marketing thinking and also the frameworks suggested for understanding internet marketing.

The main focus is to test the using of internet marketing concept with some authors' assumptions on the identified marketing characteristics, described marketing objectives, and proposed marketing mix strategies.

ACKNOWLEDGMENTS

No project is the work only of its authors. I owe much to the pioneers of marketing who first identified its major issues and developed its concepts and techniques.

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INTRODUCTION

The tremendous growth of the Internet has created opportunities for consumers and firms to participate in an online global marketplace. The Internet has provided a rare opportunity especially for small to medium sized enterprises (SMEs). It moves organizations beyond the physical constraints of their traditional distribution channels and creates a world wide virtual community in which SMEs can compete with large enterprises. The potential of the Internet as a commercial medium and market has been widely documented in a variety of publications (Haffman et al., 1995; Jarvenpaa & Todd 1997). However, the literature to date on electronic commerce is by and large anecdotal. Both successful and unsuccessful cases of Internet marketing have been reported. There are no proven successful models that can help the management to determine the benefits that Internet marketing could provide for their business. A Web site gives direct contact between the organization and consumer. The rapid developments of online computing technology, some especially targeted at SMEs (Asian Business 2000), make it inevitable for businesses not to seriously consider the Internet as an alternative distribution channel to avoid losing competitive advantage.

Since 1993, the Internet has been used to support conventional sales and marketing activities; it matches buyers and sellers in a more cost-effective manner compared with traditional advertising and marketing. While transactions are taking place on the Internet, the current level of commerce is small relative to overall commerce in the United States. The phenomenal growth of the Internet community has begun to alter the way buyers and sellers exchange information and the structure of distribution. It breaks through the physical barriers traditionally placed on commerce and moves firms to a new commercial marketplace. In addition, the opportunity for buyers to examine or test the product or service and interact with the seller to receive additional information or support can be provided through the online service.

While many successful cases of the online marketing approach have been recorded in electronic commerce literature, a handful of failed cases have also been reported.

Internet as a virtual storefront, we believe lessons can be learned from previous Although the history of electronic commerce is not long, especially the use of the

1.1. Purpose of the Study

cases.

years 1994-2003. concepts, the latest trends in marketing and also of Internet marketing from the marketing by reviewing and analysing literature related to the roots and core The purpose of the study is to provide understanding of the concept of Internet

Marketing could be defined generally as value creation in exchange relationships.

sellers (created, delivered and communicated) through the Internet. Internet marketing, accordingly, means the values exchanged between buyers and

1.2. Questions

The research questions for this study are the following:

What are the roots and core concepts for marketing in general?

- What kinds of frameworks are suggested for Internet marketing?
- What benefits they bring to customers, and where they are weak?
- What benefits it brings to companies and its limitations?

1.3. Methodology

Internet marketing.

Literature survey into core concepts of marketing. I have done some studies for this project as the following:

- Literature survey into the definition, frameworks, uses and limitations of
- A newspaper that uses Internet marketing and investigate to understand the Internet marketing.
- benefits (if any) gained by it.
- A sample of targeted readers of that newspaper and carry out interviews to
- Review the findings from the observations and understand the efficacy of understand the benefits (if any) gained by the readers.

II. MARKETING & THE INTERNET

2.1. Marketing Theory

Marketing theories can be classified in many ways. Möller and Halinen-Kaila (1998, 190-192) emphasise the use of multiple marketing modes, which means that we always need several theories in order to reach a comprehensive understanding of the marketing activities of most firms. In practice, it seems as if every marketeer should have his/her own "theory of marketing", and "tools" for practical marketing management accordingly. Each approach provides a partial view of the phenomenon.

Sheth, Gardner and Garrett (1988) analyse the roots of marketing, its origin, and its early thinkers. They developed a typology of different schools of marketing thought, which discovers the underlying shifts in the substantive and methodological perspectives in marketing. Although marketing's origins are in economics and in the viewpoint of the seller, marketing has evolved more and more toward non-economic explanations for marketing practice and has increasingly adopted the viewpoint of the buyer. These six metatheory criteria were used to form a typology: structure, specification, testability, empirical support, richness, and simplicity. They discuss twelve schools of thought: commodity, functional, regional, buyer behaviour, activist, macromarketing, institutional, functionalist, managerial, organizational dynamics, systems and social exchange, along with the dimensions of interactive-noninteractive and economic-noneconomic. managerial school of thought gets the highest scores, and it has its merits in generating several unique concepts for marketing, such as, product life cycle, marketing myopia, marketing mix, marketing concept itself, market segmentation, product differentiation, and market differentiation. Sheth et al. (1988, 191) consider marketing as the study of market behaviour. To that extent, marketing is broader than any one school of marketing thought. It has subdivisions, including services marketing, industrial marketing, international marketing, direct marketing, nonprofit marketing, and so on. They believe that we need "a theory of marketing that identifies what values are or can be created by marketing, who creates them, and how they are distributed so that all parties benefit from market behaviour".

2.2. Latest Trends in Marketing

Customers' increasing role in marketing, the information technology and postmodern perspectives to marketing research are discussed.

Wikström (1996) understands and explains company-consumer interaction theoretically and empiricially from management perspective by analyzing the value creating process in interaction on company-consumer level, and draws theories from industrial marketing, services marketing, (inter)organizational theory (interaction school), theory of learning, and relationship marketing. The aim of his research is to understand a customer as a co-producer, and value creation to be implemented by company-consumer interaction. The company's role is designing a system of activities within which customers can create their own value. With the support of IT companies are also becoming capable of interacting with many consumers on an individual basis. Prahalad and Ramaswamy (2000) also point out that in the new economy companies must incorporate customer experience into their business models.

Möller and Halinen-Kaila (1998) propose that the current relationship marketing discussion is primarily deriving its contents from the four sources, services marketing, data-base marketing and marketing channel and business marketing. They also argue that the rapidly developing information technology has been creating a primarily practice-based and consult-deriven literature on managing customer relationships through data bases and direct marketing activities with the buzz words 'mass customization' and 'one-on-one marketing'. The 'information technology' approach has a heavy emphasis on marketing communications, and is often also referred to as the integrated marketing communications 'school'.

Laurent and Pras (1999) argue that research in marketing has changed and will change in depth resulting from better data and alternative approaches. Better data is available, for example, through scanners. They give a much more precise view of real purchase behaviour and of many causes of that behaviour. There is also a tendency towards direct marketing, the development of extensive databases on individual customers, which allow a retailer to have a full perspective on each

customer's history. This leads to a longer-term view of customer relationships and therefore to the accumulation of better data on each customer.

The implications for the marketing of consumer goods and services under conditions of postmodernity are that many assumptions about the consumer, consumption and marketing research methodology require fundamental reassessment. Central to postmodern theory is the proposition that consumers no longer consume products for their material utilities but consume the symbolic meaning of those products as portrayed in their images. The meanings of consumer goods are grounded in their social context and the demand for goods derives more from their role in cultural practices than from the satisfaction of simple human needs. Consumption is one way of participating in social life and establishing social relationships. Elliott (1999, 13) defines marketing to be "a social practice located at the centre of the construction of symbolic capital and thus involved in the development of the meaning of consumer culture". Marketing is "the ascribing of a meaning in a society" (Cova (1999, 80).

Kotler's (1997, 14) definition of marketing is as follows: "Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating, offering, and exchanging products of value with others". More emphasis is put on providing value within customer relationships and the value creation process itself (Anderson and Narus 1999; Storbacka et al. 1999). It is believed, as Kotler (1997, 38) argues, that customers estimate which offer will deliver the most value. Customers are believed to be value-maximizers, within the bounds of search costs and limited knowledge, mobility and income. It is believed that buyers will buy from the firm that they perceive to offer the highest customer delivered value. Customer delivered value is the difference between the total customer value and total customer costs. The total customer value is the bundle of benefits customers expect from a given product or service (product value, services value, personnel value and image value). Total customer cost is the bundle of costs customers expect to incur in evaluating, obtaining, and using the product or service (monetary cost, time cost, energy cost and psychic cost).

2.3. Internet Marketing

The Internet (the net) and the World Wide Web (the Web) offer a new distribution and a communication channel for marketing and markets themselves. According to Ahola (2000) electronic shopping has become more popular, and marketeers are increasingly interested in Web technologies. So far, experiences of Web retailing and shopping show that the Web has not offered the customers and the marketeers the benefits that are expected. (Palmer 1997; Alba et al. 1997; Wigand 1996, 13).

Ahola (2000) states that marketing is a study of market behaviour, the purpose of which is understanding, creating and managing exchange (customer) relationships within which value is created, provided and communicated. The purpose of marketing is to create long-term interaction with relational bonds of attraction, trust and commitment. Many concepts are used to describe Internet marketing. However, conventional methods and tools are still needed in marketing, although the Internet or the Web is the context and the environment of marketing. The basic tools and techniques of Internet marketing are the e-mail and the Web. Interactivity, customer relationships, and customization are emphasized as elements of Internet marketing due to the tools available. Therefore, demands on changes in marketing paradigm have been suggested (for example; Brannback 1997, Deighton 1996, Dutta et al. 1997; Hoffman and Novak 1996), and it seems evident, as the context of marketing changes.

The issue is how to make customers buy on the Web. That is a fundamental problem of marketeers. It is therefore necessary to do an extensive literature search on Internet marketing in order to derive from the views of the majority of researchers. These views will be debated by this proposal study.

2.4. Benefits & Limitations

The Internet with its unique features of globality, independence of time and place, and low costs offers several benefits both for marketeers (sellers) and also for consumers (buyers).

Technology applied with the set of design principles makes it possible for companies to mass-customize at a low cost. Peterson et al. (1997, 333) emphasize the fact that the Internet as a marketing channel has unique characteristics which are:

- 1. The ability to store, to provide, to search, to organize and disseminate a vast amount of information,
- 2. The ability to serve as a transaction medium and as a physical distribution medium for certain products and,
- 3. The ability to provide perceptual experiences that are far superior to a printed catalog, and
- 4. Relatively low entry and establishment costs for sellers. Using the Web it is possible to create easily updated virtual catalogs, on-screen order forms, online customer support, worldwide distribution of product announcements, customer feedback, surveys etc.

Electronic commerce also offers opportunities to suppliers, such as global presence, improved competitiveness, mass customization, shortened supply chains, substantial cost savings and new business opportunities. Examples of specific business benefits of electronic commerce are, among other things, reduced advertising, delivery, design and manufacturing costs, improved market intelligence and strategic planning, opportunities for niche marketing, equal access to markets, access to new markets and customer involvement in product and service innovation. As a promotional channel it is cheaper and more information can be transmitted globally. The Web pages provide viewers with interesting images and intangible benefits such as entertainment, fun, and useful up-to-date information, which is yet another value-added service for customers. As a distribution channel, the Web could offer cheaper products for some segment of the market offering convenience in Web shopping.

Values for buyers offered by the Internet and the Web are, among other things, global choice, quality of service, personalized products and services, rapid response to needs, substantial price reductions and new products and services. One important consumer benefit associated with marketing is the access to greater amounts of

shopping. The Internet offers a new communication model where consumers can actively choose whether to approach firms through their Web sites and exercise control over the management of the content with which they interact.

There are several commonly discussed barriers for electronic commerce such as legal, cultural and technical problems, lack of common trust, security and privacy concerns, credibility and reliability of Web vendors and a more limited variety of offerings than off-line vendors. Jarvenpaa and Todd (1997) conclude from their surveys consumers to be disappointed not being able to easily compare prices across retailers. They also find the Web shopping to be more cumbersome than catalog shopping, and the Web to be hard to navigate, as consumers were disappointed with the outcomes of their goal-directed shopping. They also had concerns related to the timing and handling the deliveries, because they might be inconvenient, perishable items might spoil or melt in transit. Many people reluctant to try new technologies (Burke 1997; Jones and Biasiotto 1999). Sheth and Sisodia (1997) argue that the future success of marketeers will depend on their ability to deliver total customer convenience.

Experiences of marketing in Internet retailing context were gained through a case study of a pilot e-shop, which was carried out within the VRFlow project (Ahola et al. 2000). The project is interested in the enhancement of Web-based electronic commerce systems through hypertext functionality and virtual reality technology, and their effect on navigational behaviour and customer purchasing behaviour (Oinas-Kukkonen 1998). The case study proved to be useful in demonstrating the difficulties encountered in a practical situation when creating and delivering value.

2.5. Marketing Theory & Internet Marketing

Because of this new marketing environment or new medium, it has also been proposed that marketing thinking and practice, the marketing paradigm itself, will and has to change towards more interactive, one-to-one or relationship marketing (Brannback 1997; Deighton 1996; Hoffman & Novak 1996; Peterson et al. 1997; Rayport & Sviokla 1994, 1995; Wigand 1996; Wikstrom 1996).

marketing will change in the Web context. Especially location centric concepts will be "fundamentally altered by the evaluation of the Internet" and new theories and lawlike generalizations on disintermediation or reintermediation are needed as the Internet enables content (information, transactions) on-demand, immediate and free communication and transactions. Thus they call for further research to discover new insights and paradigms for marketing.

Hoffman and Novak (1996) argue that successful Web marketing efforts will require an evoluation in the marketing concept, in which the firm also engages in marketing activities that contribute positively to the development of the medium itself. They call this an "extended marketing concept".

Rayport and Sviokla (1994) suggest a model of new ways of adding value in marketspace and a theory of marketspace transaction. Form the traditional marketing mix theory with four Ps marketplace interaction between physical seller physical buyer has been eliminated. Information-defined transactions are creating new ways of thinking about making money. Both marketplace and marketspace transactions are occuring. The authors suggest how in the marketspace content, context and infrastructure can be disaggregated to create new ways of adding value, lowering costs, forging relationships with nontraditional partners and rethinking ownership issues. The implications and difficulties of managing in the marketspace become increasingly relevant as more and more products and services. Marketing management processes and even market themselves move from place to space. For executives it is important to pay attention to how their companies create value in both the physical world and the virtual world. Rayport and Sviokla (1995, 78-79) describe the process of building the virtual value chain as an integration of the information the companies capture during stages of the value chain when constructing an information underlay of the business. The processes for creating value are not the same in the two worlds. By understanding the differences and the interplay between the value-adding processes of the physical world and those of the information world, managers can see more clearly and comprehensively the strategic issues facing their organizations.

transformed in the marketspace. They used a model comprising of the four Ps – Product, Price, Promotion and Placement- and one C –Customer Relationship, and study how these four P's and one C are being transformed by the fundamental characteristics of real-time interactivity and global connectivity in the marketspace. They found out that few organizations are exploiting the unique business potential of the marketspace. Most organizations are simply taking their existing business models and transporting (instead of transforming) them to the marketspace with different degrees of effectiveness. Later on Dutta and Segev (1999) studied how the firm's approaches to the marketspace had changed within one year, and observed that almost all leading corporations had a presence in the marketspace, but most firms were increasingly using their Web sites for customer service and for building customer relationships. In addition, firms in the top positions were moving towards technologically simpler sites.

Hoffman and Novak (1996) propose a new communication model, a process model of network navigation, and also models of Web-based business. They draw theories from psychology, communications, media studies, organizational behaviour and human-computer interaction. The aim is to develop a framework to formally model flow construct and reconstruct/transform marketing for the new media.

Pitt et al. (1996, 9-13) introduce a conceptual framework for analyzing Web site marketing strategies and for measuring the efficiency of a Web site, the Internet and the Web for business. They suggest a model of the conversion process on the Web. The hierarchy of effects, as well as the communications tasks required, and the relative effectiveness of advertising and personal selling are also broadly indicated. They present a conceptual framework to relate the most likely objectives of Web site establishment to measures of performance associated with Web site traffic flow.

Electronic commerce can provide a direct linkage, an electronic marketing and information channel, between target customers and the firm (Wigand 1996). He

suggests a new term "liquid marketing" to be suitable descriptor of this evolving setting. "It denotes the disintermediated, frictionless, personalized, individually accessible, customer-centric, immediate, cooperative, dynamic, rapid, fluid, computer-to-computer or –person, on-line, and interactive nature of this new form of relationship marketing", which allows for customized, almost interpersonal –like interaction. This is made possible by interactive multimedia, cooperative and feedback capabilities of the Web, coupled with the application of such features as agents, avatars, network dynamics functions, cookies, cacheing, and the customers' willingness to complete profile information forms.

When we look at marketing towards a model for Internet marketing, we described marketing that is a study of market behaviour, the purpose of which is understanding, creating and managing exchange (customer) relationships within which value is created, provided and communicated. The purpose of marketing is to create long-term interaction with relational bonds of attraction, trust and commitment. Many concepts are used to describe Internet marketing. However, conventional methods and tools are still needed in marketing, although the Internet or the Web is the context and the environment of marketing. The basic tools and techniques of Internet marketing are the e-mail and the Web. Interactivity, customer relationships, and customization are emphasized as elements of Internet marketing due to the tools available. Therefore, demands on changes in marketing paradigm have been suggested (for example Rayport and Sviokla 1994, 1995; Sheth and Sisodia 1999; Wigand 1996), and it seems evident, as the context of marketing changes.

Marketing theories are useful in understanding and explaining why do customers buy or do not buy through the Web, which is an issue in the discussion related to the Internet. As no explicit theories of marketing in a Web context exist, several theories are needed for a comprehensive understanding of marketing activities in most Web contexts. As Anderson and Narus (1999, 13) point out that segmenting, targeting and positioning are the fundamental building blocks of marketing. That will probably be the case also within Internet marketing.

The Internet in a marketing context can be understandable from a marketing perspective as the values were analyzed. The Web can be conceptualized as a versatile hybrid media, a channel, an environment or a tool for marketing. A virtual reality or a physical reality could also be considered as the ends of a continuum on which companies utilize the Web.

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III. MİLLİYET NEWSPAPER (SELECTED CASE COMPANY)

3.1. Company Background (see Appendix A)

- 3 May 1950 ... Foundation of Milliyet Newspaper. Address: Nuri Akça Printing House, Türbedar Street, No:18 Nuruosmaniye / İSTANBUL.
- 26 May 1950 ... First Promotion: Milliyet Newspaper gives skoda automobile to 2000 Milliyet Newspaper readers for 45 coupon.
- 1 October 1954 ... First logo changing.
- 27 April 1962 ... Publishing tourism supplement the first time.
- 1 January 1963 ... Milliyet gave to its readers "Small World Encyclopedia" the first time.
- 1 November 1963 ... Atatürk Statue Campaign.
- 1 April 1970 ... Milliyet Gediz Earthquake Houses Help Campaign.
- 18 November 1970 ... "Hey" Youth and Music Magazine publishing life commences.
- 1972 ... Milliyet 4 colours off-set printing facilities.
- 29 September 1972 ... Milliyet Art Magazine publishing life commences.
- 7 October 1972 ... Milliyet Child Magazine publishing life commences.
- 24 November 1976 ... Milliyet Help Campaign for Van Earthquake.
- 6 October 1980 ... Aydın DOĞAN, owner of Milliyet Newspaper.
- 1 May 1985 ... Milliyet rewards started.
- 28 May 1993 ... Foundation of Media D.
- 5 November 1994 ... Final version of Milliyet logo designed.
- 6 May 1996 ... Milliyet The Wall Street Journal publishing life commences.
- 26-27 November 1996 ... Milliyet Newspaper is on Internet the first time.
- 8 November 1997 ... Milliyet received ISO 9001 Quality Guaranty Certificate.

When we look at the market, we see that there are 35 National Newspaper in Turkey(see appendix B). Total circulation(dailly average) is 4.228.179 in Turkey.

met leader is Hürriyet Newspaper which has 419.103 circulation(about 10% met share), second newspaper is PostaNewspaper which has 390.212 mulation(about 9% market share), third is Star Newspaper which has 349.129 mulation(about 8% market share), fourth is Sabah Newspaper which has 327.442 mulation(about 8% market share), fifth is Zaman Newspaper which has 325.008 mulation(about 8% market share), and sixth is MILLIYET Newspaper which has 253.068 circulation(about 6% market share).

3.2. Use of Internet

- When?
- For what?
- Current uses
- 1. Milliyet Newspaper, the first time on the date of 26 November 1996, publishing life commences on the Internet.
- 2. Through the Internet, you can reach to:
 - Newspaper and writers easily.
 - All issues which you want.
 - Specific topics through news index easily and you can also get news as written. (see appendix C)

3.3. Benefits of Internet Marketing for Milliyet Newspaper

Benefits of marketing through the internet stem from the ability of a company's product information to reach a wide audience in a relatively low cost manner. The benefits also arise from the ability to revise Internet site information quickly compared with other media, such as printed materials. The benefits include:

- 1. The Internet facilitiates direct marketing by newspapers.
- 2. Information that would be prohibitevely expensive to produce and distribute in print can be placed on the Internet at least cost.
- 3. Changes in news and new developments can be made available quickly on-line.
- 4. A large number of readers across wide geographic distances can access the information at the same time.
- 5. Readers information and feedback about newspaper can be gathered on-line.

- 5 Reader questions can be answered or resolved immediately by personnel within the newspaper.
- It may generate higher levels of brand awareness than TV or print advertising.

For the newspapers, which are giving information fast, the Internet provides a medium through which news can be added and modified quickly. The Internet provides a mechanism for direct marketing or marketing to specific audience across a wide geographic area.

Concerns of Using Internet Marketing

A number of concerns may limit adoption of Internet use for marketing purposes:

- 1. Currently the Internet reaches only certain segments of the population and, therefore, only certain potential readers.
- 2. Slow download times for sites may also discourage potential readers.

A potential concern is lengthy download times for Internet marketing sites (Twency, 1998). Given the availability of a large number of sites to be visited, readers are able to search through many sites, and back out of sites with slow download times. If server capabilities are limited and cause delays in downloading web-pages, readers may become frustrated and leave the site to find another site.

3.4. Benefits of Internet for Milliyet Readers

Marketing activity occurs through three types of channels: communication, transaction, and distribution channels (Peterson 1997).

Communication: Exchange information between newspaper and readers. The Internet is an extremely effective medium for accessing, organizing, and communicating information. Peterson, et al. (1997) have identified several unique characteristics of the Internet regarding communications:

- The ability to store vast amounts of information that can be searched and disseminated in a cost-effective manner which is accessible by readers on the Net.
- 2. Interactivity and the ability to provide information on demand.

3 Printed catalog.

Milliyet Newspaper Web site provides timely information (usually news) to readers because of its ability for instant communication, and its availability 24 hours a day.

This means more interaction, better services to readers and quicker responses.

Benefits of Internet for Milliyet Newspaper readers are:

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- Last minute news
- Availability 24 hours a day
- Availability of past issues
- Lower cost of communication
- Quick response of inquiries

 etc. (see appendix D)

IV. CONCLUSIONS

4.1. Limitations of This Study

This study aims to explore the underlying Internet marketing with the objective of exablishing what the use and practical value of Internet marketing is. The following aspects, however, were noted:

- The study on Internet marketing as exposed in the literature review was investigated.
- The fieldwork of this study has focused on the use and application of Internet marketing in practice in selected sector and product(service).
- The investigation has focused on the Internet marketing assumptions derived from the literature, namely characteristic of the market, suggested company marketing objectives and marketing strategies at Internet marketing. These assumptions are based on the literature review.

4.2. Conclusions on Internet Marketing

Use of the Internet for business marketers is a reality. Television, print, newspaper, and other traditional marketing avenues will continue to be used but those who ignore the Internet will lose the race for competitive advantage. On the other hand, those who have embraced the Internet have demonstrated its power and are innovators. Many believe that we have only seen the beginning of a technological leap.

Marketing on the Internet is a new business channel, yet in many ways it remains the same as traditional marketing. But companies need to learn what works on Web sites, how to communicate their message and how to differentiate their Web sites.

As I examined a company(Milliyet Newspaper) who uses its Web site as a promotional tool, for brand image building, as a distribution channel, for customer service.

Milliyet Newspaper uses the Internet as a marketing channel which has unique characteristics. These characteristics are:

- The ability to store, to provide, to search, to organize and disseminate a vast amount of information. As we saw from the case, we can reach to all issues of Milliyet Newspaper which we want. Because all issues are available on Milliyet Newspaper Web site. We can get all issues of Milliyet Newspaper from date of 26 November 1996 up to today.
- The ability to serve as a transaction medium and as a physical distribution medium for certain products. Milliyet Newspaper gives us information (usually news). Its Web site also provides some advertisements and direct sales. We can get these products or services through Milliyet Newspaper Web site.
- Relatively low entry and establishment costs for sellers. Using the Web it is possible to create easily updated virtual catalogs, on-screen order forms, online customer support, worldwide distribution of product announcements, customer feedback, surveys ... etc. Milliyet Newspaper also uses Internet as a survey, reader feedback (e-mail), product and service announcements. They benefit from its low cost.

There are some concerns of using Internet marketing. These are (for the present):

- Currently the Internet reaches only certain segments of the population and, therefore, only certain potential readers for Milliyet Newspaper. Circulation of Milliyet Newspaper as print media is higher than on the Internet.
- Slow download times for Web site of Milliyet Newspaper may also discourage potential readers.

The Internet gives business a better way to do the things they do. The Internet has the capability to cut costs for selling and buying organizations. Automated functions and instant data information can cut purchasing cycle times, reduce human resources costs, and lower transaction costs for suppliers.

Further to cost reductions, there is increased efficiency. Online functions for customer service, product information, product ordering and order-tracking functions are available to customers 24 hour a day of the year. These are value-added services that serve to differentiate the products they compliment.

Increasingly through innovative outside relationships, organizations are aggressively reshaping themselves and fundamentally changing the way they do business.

Today's corporations better serve their customers and their bottom line by functioning more as a focus of resources than as an owner of resources.

Global competition has intensified with the introduction of new technologies. Those who can exploit the opportunities of this new technology will win. Internet marketing enables a large company to be responsive, innovative, and fast and a small company to compete internationally with the "big boys." Information technology changes on a month-to-month basis and sometimes week to week. The pace of change is accelerating. To remain competitive, companies must position themselves and commence marketing on the Internet.

4.3. Suggestions for Further Research

Referring to Tuunainen (1999) research effort may be fruitfully directed also at different marketing contexts, as totally different problems will be encountered, for example, software business struggles with copyright problems. It would be useful to find the common factors contributing to the success or failure of them or the specific context-dependent factors by analyzing values and costs in different contexts. This could help marketers to find the practical tools for value creation, delivering and communicating in each context. To increase our understanding of the customers' value creation process within a Web context, further research should be directed to a more detailed description and definition of the value creation process itself, to recognizing and analyzing and moving away the worries of the customers and making buying convenient. This means according to Storbacka et al. (1999) and Anderson and Narus (1999) further translating what the benefits are worth in the customer's own situation. The adequate depth of the research might best be achieved through qualitative, ethnographic methods. This kind of research could help companies to find the relevant values, which then finally could be created and delivered by actors contributing to or supporting the customer's value creation process. In a value-based thinking a critical issue is whether the values to the customers exceed the costs.

Interesting in buying daily consumer goods was on a longer term that daily routines appeared to be relevant obstacles for Web shopping. If also monetary costs are taken into account, then the whole value chain should be looked upon from a new broader perspective than from the retailer's. What are then the relevant context and the relevant actors? Kim and Mauborgne (1999) suggest a value innovation approach by looking across the conventionally defined boundaries of competition, which means across substitute industries, strategic groups, buyer groups, complementary service offerings, the functional-emotional orientation of an industry, and even across time. From the marketers' point of view it is interesting to know, what kind of business models are able to deliver value and for whom? What kind of changes in buying habits and in daily routines take place within those households, which keep buying within the e-shop? What kind of effects does this have on the structure of the trade, wholesalers and retailers in a given context? Which are more relevant, relationships or transactions or both? What kind of values and for whom by developing technologies, for example, mobile shopping and developing Web site design could be created? Web site technologies might also add the seller's ways to deliver value to buyers by using marketing and promotional tools to offer shopping experiences and other also intangible values. How much added value could be provided by developing only the Web site and to what extent the content of the site is crucial? Further research is also suggested on a social dimension of shopping as an added value or cost.

There is a challenge of heightening the awareness of marketing perspective to create a dialogue between information technologists and marketers. It could lead to improvements in marketing practice in the Web context, and create opportunities for success stories businesswise and technologically. Determining how to create, deliver, and communicate value is the key marketing issue also in a virtual environment. The value-added Web site, if only understood from a technological perspective, is not enough to provide the total customer value. For example, the Web site, which is technically open 24 h/day, does not really mean the availability of goods and services 24 h/day. Therefore, a generic framework for marketing in different Web contexts is needed.

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APPENDICES

Historical Background of Milliyet Newspaper

VPPENDIX A

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BAKİKA SAYFA

SEAZIN

EN & MODA TOLOJÍ

DMOBİL FRIFR

LIM & TEKNİK BUGÜN

= FASAMI - SUDSMAN

DURUMU

ETUR & SANAT SEEL ILAN

Genel Yayın Yönetmeni

Başkan Yardımcısı

DİNÇ ÜNER Reklam Grup Başkanı VİKİ HABİF

Mali İşler Grup Başkanı

BİLEN BÖKE

Mali İşler Koordinatörü **ASİL ALPTEKİN**

MEDYA D

Reklam Grup Bşk. Yard.

ARZU K. ARULAD

Reklam Grup Koord. **FUNDA T. SIDALI**

RİMA ERDEMİR

Reklam Koord.

KADRİYE F. ÜNLÜ **SERAP YAKIN**

Tek, ve Rez, Koord,

GÜVEN ÖNEMLİ

DPC Genel Müdürü HAMİL ALNIAÇIK

Milliyet Gazetecilik A.Ş. adına sahibi: AYDIN DOĞAN

MEHMET Y. YILMAZ

Yayın Koordinatörü

EMRE ORAL

Sorumlu Müdür

Görsel Yönetmen

ALÍ ACAR

EREN GÜVENER

Yazı İşleri Müdürleri

TAHİR ÖZYURTSEVEN

MURAT KÖKSAL

CENK ÖZ

CEM DİZDAR

NECİL ÜLGEN (Spor)

Haber Müdürü

DOĞAN AKIN Haber-Araştırma

TUNCA BENGÍN

BÖLÜM ŞEFLERİ

Ankara

SERPİL CEVİKCAN

Ekonomi

MURAT SABUNCU Eğitim **ABBAS GÜÇLÜ**

Dış Haberler

KADRİ GÜRSEL

Magazin

ALİ EYÜBOĞLU

Fotoğraf

YALCIN CINAR

Gece

UMUT ALPHAN

MILLIYET CUMARTESI/PAZAR

Yazı İşleri **ILKE GÜRSOY MEHMET KENAN KAYA** TUBA KÖSEOĞLU

Yayın Yönetmeni D.DENIZ ALPHAN

Görsel Yönetmen **AYLA DÜNDAR** Teknik Uygulama **EMÍN AYYILDIZ**

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BENTA SEVEA

ME MODA

TEKNÍK

EBUGÜN

CSMAN

DURUMU

LTUR & SANAT

SAMI

METEST

ESE ILAN

ILOJOE

CBİL



E-POSTA

YAZARLAR

AKYOL Taha ASIK Melih BILA Fikret **CEMAL Hasan** CIVAOĞLU Güneri **CONGAR Yasemin** GÜCLÜ Abbas GÜRELİ Nail DÜNDAR Can **HEPER Tamer KOHEN Sami** KOLOĞLU Sina OKUR Meliha **PULUR Hasan** SAZAK Derya TAMER Meral TEMELKURAN Ece **ULAGAY** Osman **URAS** Güngör YILMAZ Y. Mchmet YILMAZ Serpil

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EDİTÖRLER

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Ankara
İstanbul
Dış Haberler
Ekonomi
Okur Temsilcisi
Televizyon
Sanat
Otomobil
Arşiv

webadmin@milliyet.com.tr ankmil@milliyet.com.tr tbengin@milliyet.com.tr kgursel@milliyet.com.tr msabuncu@milliyet.com.tr okur@milliyet.com.tr s.kologlu@milliyet.com.tr milsanat@milliyet.com.tr syuce@milliyet.com.tr bagaoglu@milliyet.com.tr

SPOR YAZARLARI

GÖKÇE Attila GÜVEN Ercan MEŞE Bilal ŞENAY Erdoğan agokce@milliyet.com.tr eguven@milliyet.com.tr bmese@milliyet.com.tr esenay@milliyet.com.tr

PROMOSYON HİZMETLERİ

Promosyon Servisi

promosyon@milliyet.com.tr

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🔤 ULAŞIN | ARŞIV | KÜNYE | HABER İNDEKSİ | 🗉 SIK KULLANILANLARA EKLE | 🛭 AÇILIŞ SAYFASI YAP







SON DAKİKA

ANA SAYFA

SÜNCEL

SİYASET

EXCITORIZ

YAZARLAR

SPOR

DÜNYA

MAGAZİN

SAĞLIK

KADIN & MODA

45TROLOJÍ

OTOMOBİL

CIZERLER BILIM & TEKNÍK

TV'DE BUGÜN

IS YAŞAMI

OMBUDSMAN

HAVA DURUMU

CUMARTESI

PAZAR

TÜLTÜR & SANAT

SERÍ İLAN

Milliyet'in geçmiş sayfalarına ulaşmak artık daha hızlı ve kolay...

- Milliyet'in internette yayınlanmaya başladığı 26 Kasım 1996'dan itibaren tüm sayılarımıza gün/ay/yıl yazarak ulaşabilirsiniz.
- * Örneğin 26 Mart 1998 tarihli Milliyet sayfalarına ulaşmak için 26 / 03 / 1998 yazmanız yeterli olacaktır.

GÜN AY YIL Gönder Temizie HAZIRLAYAN: SEBAHATTİN YILDIZ



Kurşun geri tepti

MILLIYET INTERNET

INTERNET EDITÖRÜ :

ERCÜMENT İŞLEYEN

WEBMASTER:

İ. SEDAT ÖZKAN

WEB EDITÖRLERÎ :

ERİNÇ ERÖZ KEREM KAYHAN ÖNDER YILDIRIM

EDITÖR:

MEHMET ÖZEN

YASEMİN KAPTANBAŞ





Kurşun geri tepti

DYP lideri Çiller'in "Kurşun atan da bizim için şereflidir" açıklaması büyük şok yarattı. Mufalefet bu sözlere isyan etti...
DSP, Çiller'in sözleri için soru önergesi verdi. Önergede, "Devlet için kurşun atan kişiler arasında Çiller ve eşinin görevlendirdiği kimse var mı?" dendi. ANAP'lı Eyüp Aşık "Biz para için kurşun sıkanların peşindeyiz derken Yaşar Okuyan "Hukuk devletinde böyle şey olmaz" diye tepki gösterdi.

CHP'li Sağlar da "Ya ne dediğini bilmiyor ya da bilinçli konuşuyor" diye eleştirdiği Çiller'i açıklamaya davet etti: "Çatlı'yla kimlerin ne ilişkisi olduğunun belgelerini sunmak zorunda. Çatlı şerefli ise bu şerefi, devlet için çalışan polise, askere, memura, öğrenciye, bilim adamına, sanatçıya, vatandaşa nasıl açıklayacak?"

Haberi Siyaset'te



Ne güzel ortaklık?

Ikisi de kazanıyor TEDAŞ Komisyonu'nda

Refahlı üyelerin oylarıyla Yüce Divan'a gitmekten kurtulan Çiller, koalisyon ortağı Erbakan'a 4 milyar lira ödeyecek. 22. Asliye Hukuk Mahkemesi, Çiller'i "kişilik haklarına hakaret ettiği" gerekçesiyle Erbakan'a tazminat ödemeye mahkum etti.

Faizsiz 4 milyar

DYP lideri Çiller, seçim kampanyasında RP lideri Erbakan hakkında "Bosna paralarını zimmetine geçirdiği ve eroin kaçakçılığı yaparak para sağladığı" yolunda iddialar ortaya atmıştı. Erbakan talepte bulunmadığı için 4 milyarlık tazminata faiz uygulanmayacak.

Haberi Siyaset'te

Dünya Milliyet Okuyor

Bir yeniliğe daha imza atan Milliyet'in internet'teki ilk nüshası sadece yurttan değil dünyadan da ses getirdi. Dünyanın dört bir yanında yaşayan ve Türk gazetelerine ulaşma imkanı olmayan Türkler, Internet'ten Milliyet'e teşekkür mesajları yağdırıyor.

Türk basın tarihine geçecek bu girişim herkes tarafından "heyecan verici" olarak karşılandı. Internet'teki ilk günümüzde milliyet.com.tr adresini 100 bine yakın okur ziyaret etti. Sanal ortama aktardığımız doğru, yansız, kaliteli bilgi ve güncel haberlerle, sınırları aştık, zaman kavramını ortadan kaldırdık... Internet'ten Sayfası'nda

'Saldırı planı Koçkaya'nın'

Yılmaz, yumruklama olayının perde arkasındaki ismi açıkladı



ANAP lideri Mesut Yılmaz, Budapeşte'de kendisine saldıran kişinin dün gazetemizde fotoğrafi yayınlanan Veysel Özerdem olabileceğini söyledi: "Tabii kesin bir şey söylemek zor. Ama fotoğraf çok benziyor. Anladığım kadarıyla da saldırıyı örgütleyen İsmail Koçkaya."

Berna Yılmaz ise saldırgan konusunda daha kesine yakın konuşuyor: "Yüzde 90 ihtimalle saldırgan, fotoğrafi çıkan kişi. Tabii bir boy fotoğrafi olsa daha emin olurdum." Bayan Yılmaz, saldırının planlı olduğunu vurguluyor: "Biz istesek daha da ileri gidebiliriz, demek istediler." Fikret Bila'nın Köşeyazısı Yazarlar'da

'Burnu daha yakıştı'

Gerginliğini atan Berna Yılmaz esprili anlatıyor: "Mesut'a operasyondan sonra, takıldım. Burnun daha estetik oldu, dedim. O da, 'fazla ümitlenme, bir gün sonra yine eski haline döner' diye karşılık verdi. (Fotoğraf: Burhan Eliş)



'Yılmaz'a ben vurdum'

Veysel Özerdem, "ANAP lideri Mesut Yılmaz'ı ben yumrukladım" dedi. Özerdem, Yılmaz'ı Susurluk olayı ardından, yaptığı açıklamalarda Abdullah Çatlı aleyhinde söylediği sözlerden dolayı yulrukladığını bildirdi.

Haberi Siyaset'te

APPENDIX B

Total Circulation of Market &
Circulation of Milliyet Newspaper

Total Circulation of Market & Circulation of Milliyet Newspaper

Weekly Average Newspaper Sales (26 May – 1 June)			
Newspapers	W.A.Net Sales	Previous Week	Price (TL)
Hürriyet	419.103	417.617	300.000
Posta	390.212	387.775	200.000
Star	349.129	340.616	200.000
Sabah	327.442	327.731	300.000
Zaman	325.008	323.907	300.000
MİLLİYET	253.068	249.722	200.000
Vatan	229.368	238.981	200.000
Fanatik	224.933	199.707	200,000
Habertürk Yarın	194.448	158.581	100.000
Akşam	192.149	195.686	200.000
Pas Fotomaç	146.067	134.534	200.000
Takvim	138.345	137.534	200.000
Güneş	129.390	131.500	150.000
Türkiye	113.094	111.008	300.000
Gözcü	109.652	109.174	150.000
Yeni Şafak	109.387	108.913	300.000
Şok	108.539	105.549	150.000
D.B. Tercüman	103.007	105.189	150.000
A. Vakit	80.860	78.095	300.000
Cumhuriyet	47.541	47.929	500.000
Radikal	42.302	42.077	300.000
Bulvar	41.685	40.733	150.000
Dünya	42.100	41.508	500.000
H.O. Tercüman	28.895	29.517	150.000
Yeniçağ	28.167	28.453	250.000
Milli Gazete	13.248	13.343	300.000
F. Forum	8.617	8.582	500.000
Yeni Asya	7.382	7.374	350.000
Y. Özgür Gündem	6.954	6.935	350.000
G. Evrensel	5.751	5.653	400.000
Önce Vatan	3.440	3.395	150.000
Ortadoğu	2.701	2.990	250.000
Y. Mesaj	2.789	2.789	300.000
T. Daily News	1.849	1.768	1.000.000
Hürses	1.582	1.570	50.000
TOTAL	4.228.179	4.146.435	
	Resource : Yay-Sat, BB		ors

APPENDIX C

Interview with Milliyet Newspaper

a 11 - Thomas about auction as

Interview with Milliyet Newspaper

Question: When did you start to use of Internet?

We started publishing of Milliyet on Internet on 26 November 1996 the first time.

Question: For what do you use the Internet?

- To reach a wide reader in a relatively low cost.
- To revise Internet site information quickly compared with other media.

Question: What are current uses on Internet for Milliyet Newspaper?

There is main page when it is opened. On this page; there are links and you can reach through these links to what you want. For instance; last minute news, economy news, sport news, life and automobile informations, TV programs ... etc.

There are also some e-mail addresses and through these addresses, readers can easily reach to Milliyet Newspaper and writers.

Question: What are benefits of Internet Marketing for Milliyet Newspaper?

Benefits which are:

- It facilitiates direct marketing
- On the Internet at least cost
- Changes can be made available quickly on-line
- A wide geographic distances
- Feedback can be provided on-line
- It provides higher levels of brand awareness
- It gives information fast

Question: Do you think, are there concerns of using Internet Marketing?

Yes, we as Milliyet Newspaper, have some concerns about using Internet marketing. These are slow download times and for the present, Internet reaches only certain segments of population.

VPPENDIX D

Questionnaire Form

QUESTIONNAIRE FORM

Our aim is to research using and benefits of Milliyet Newspaper on the Internet. Results will be used for graduation project which is about benefits of Internet as a tool marketing. It is not necessary to write your name on this questionnaire form.

Age:	
Sex:	
1-) Do you us	se the Internet?
a-) YES	b-) NO
2-) Do you re	ead Milliyet Newspaper on the Internet?
a-) YES	b-) NO
3-) Do you ro	ead Milliyet Newspaper orderly on the Internet?
a-) YES	b-) NO
4-) How do y	ou comment Milliyet Newspaper Web site?
a-) UNSUCCE	ESSFUL
b-) SATISFAC	CTORY
c-) SUCCESS	FUL
5-) Do you b	enefit from its Web site?
a-) YES	b-) NO
6-) Do you t	hink, is there some problems with its Web site?
a-) YES	b-) NO

Prepared by : Sebahattin YILDIZ