

eBusiness / Kmart Analysis

Online Marketing

Marketing businesses, products and services has become much more complex with the introduction of the internet. In this paper I will attempt to describe the effect of e-business on marketing strategies today, as well as describe the e-business marketing strategies utilized by Kmart, Inc.

The internet is an enormous environment that is advancing and developing at a very erratic pace, and only companies able to adapt will survive. The World Wide Web provides a medium that breaks through geographical boundaries, allows the customer much more control, and has no time restrictions as it is always “open”. According to an article by Dr. Ralph F. Wilson, Niche Marketing on the Web, there are three important steps to marketing on the internet; (1) profile your customers, (2) decide where they congregate, and (3) communicate the message where they congregate in a net-acceptable manner (Wilson, 1996).

Bluelight.com, Kmart’s e-commerce site launched in 1999, is a shining example of this philosophy, having accumulated over 3.5 million customers in less than one year. Although Kmart had an obvious advantage with a n existing strong customer base, these shoppers were not internet customers. In an effort to establish a web based customer segment, they targeted these existing customers by placing Bluelight.com CD ROM’s which provided information, special offers, and Blue Light specials on-line, throughout all of their stores. According to Mark Goldstein, CEO of Bluelight.com, “When people were checking out they’d get a CD ROM thrown into their bags...our access strategy was important because we already knew what people were accustomed to and preferred to buy at Kmart (America Goes On-Line).

According to Goldstein, Bluelight’s core initiative was to “insure that Kmart shoppers (were)...on-line, once we’re convenient to them, or we know where they are, we start thinking about commerce” (America Goes On-Line). Through Bluelight.com customers are able purchase the items normally purchased in one of their nationwide locations in the convenience of their own home. The site is treated as a vehicle to deliver an advantage to their customers, not publicity or branding content, and looks to “enable both e-commerce and real world buying behavior” (America Goes On-Line).

Goldstein stated, “We want to integrate the store and the web very tightly...so the web is simply an extension of the store” (America Goes On-Line).

In the past three years Kmart has accumulated a vast amount of information about it’s customers through surveys and other various methods, in an effort to formulate a strategic plan geared to customize each individual shopper’s relationship with the retailer, through individual discounts and promotions. These plans include affinity cards, a personalized membership card for use in Kmart stores only, which will allow for customer profiling, automatically fed coupons, and individual specials and discounts geared towards each customer based on their individual buying habits.

The introduction of the internet has presented marketers with an array of opportunities and challenges to bring brands to consumers and companies quick in learning and adapting will survive. Bluelight.com’s success can be attributed to this, and is emulated in their motto, which states “give...customers what they want and make it easy to get. That is something any business can do - and that is what will win your customers who will visit, return, and most of all, buy” (America Goes On-Line). Through utilization of today’s technology, Kmart plans to take their marketing strategy one step further, from reaching a general target audience, to the individual customer themselves.

Bibliography

Wilson, Dr. Ralph F. (1996) Niche Marketing on the Web. . Available:
<http://www.wilsoninternet.com>.

America Goes On-Line. . Available: <http://interviews.strategyweek.com>.