

Marketing Online : A Descriptive Approach

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ABSTRACT

Online advertising is an increasing business at the Internet and it continuously grows together with expanding use of Internet services. Now-a-days consumer marketing is operated on mass marketing principles and business that has primarily concerned itself with how to build the best sales force. Marketing is especially tied to communication and transportation revolution. As the tools and reach of marketing increase, the job and responsibilities of marketers have evolved with them. The proposed research study provides various perception of customers in reference to the Internet market providing suggestions for increasing level of satisfaction of customer. The proposed research also provides a comparison of online with traditional marketing tools which are responsible for growing popularity of online marketing.

Keywords: ROI, IMC, Online Marketing

I. INTRODUCTION

When the world entered the 21st century, the scenario for Internet Advertising showed an upward trend with huge investment and incredible returns on investment. The internet now has become a large market for companies; some of the biggest companies today have grown by taking advantage of the efficient nature of low-cost advertising and commerce through the Internet. It is the fastest way to spread information to a vast amount of people simultaneously.

The new competition is not between what companies produce in their factories but between what they add to their factory output in the form of services, advertising, customer advertising, customer advice, financing, delivering arrangements, warehousing and other things that people value. Online marketing is becoming a hot topic in every business sector, and gradually plays a truly important role in any company's multi - channel marketing strategy. It uses the Internet to deliver promotional marketing messages to consumers. It includes email marketing, search engine marketing, social media marketing, many types of display

advertising (including web banner advertising), and mobile advertising.

Like other advertising media, online advertising frequently involves both a publisher, who integrates advertisements into its online content, and an advertiser, who provides the advertisements to be displayed on the publisher's content. Other potential participants include advertising agencies that help generate and place the ad copy, an ad server who technologically delivers the ad and tracks statistics, and advertising affiliates who do independent promotional work for the advertiser. Because of the Internet's versatility, it will give an organization the opportunity to reach and interact with its target market. Online campaigns will give organization new abilities to the organization due to reasons like reach, relevance and return on investment (ROI).

II. Literature review

The advances in technology has led to one of the most dynamic and revolutionary changes in the history of marketing, the dramatic changes in communication using interactive media such as Internet. Interactive media allows communication on a two way form

instead of one way communication. And a two way communication plays vital role in IMC. (Belch, Belch). Mohammed Bin Afif (2012) believes that the power of ideas; integration across all media: The P's of the marketing mix are argued by some to be the four C's, with communication replacing promotion. This article champions communication as an effective tool in marketing. Within the marketing sphere there are many mediums by which advertising messages can be conveyed to consumers. The marketing manager must utilize all of the mediums in their thinking in order to determine the right mix of mediums to use and in the right frequency in each to best convey their message to the selected target market. The marketing manager must be creative in their planning to not only differentiate their marketing from the clutter that exists in the advertising world but also to create the most effective and cost efficient marketing mix as possible. The brand must engage with the consumer to facilitate its success and one means of achieving this is to advertise in a setting or context that the brand can borrow the interest from or that compliments the brand.

Mohan Nair (2011) takes social media as a complex marriage of sociology and technology that cannot be underestimated in its impact to an organization marketing communication, choice as to when to engage, how to manage and measure, and whether to lead or to follow is complex but not an impossible task. These cannot be answered simply by one formula because the context and the market dynamics are strong variables in these decisions. Even though the interest for social media is huge, few companies understand what the term — social media can mean to their businesses. But how much it has been given importance, as an IMC tool, varies from region to region (PricewaterhouseCoopers (PwC), 2009; BuddeComm & Chiltern Magazine Services Ltd. (BCMSL), 2009). According to research conducted by Nielsen, we know that 92% of consumers report that “word – of - mouth and recommendations from people [they] know” are the leading influence on their purchase behavior. Only 37% trust search engine ads, and just 24% trust online banner ads. It is important to understand the relationship between digital communication and traditional communication in the old media; for example, TV, radio, newspapers, magazines and billboard ads, the communication model was and is one-to-many compared to one-to-one or many-to - many communication model in digital media like blogs,

social networks, wikis and other social media (Chaffey, 2003).

The increased fragmentation of media and customers, as well as the revolution in mass communication by the new communication channels – internet and mobile communication technologies –has created the need for a new approach to marketing communication that can ensure centralized management and a consistency of communication messages sent towards various audiences (McArthur and Griffin, 1997; Semenik, 2002; Smith). Foux (2006) suggests Social media is perceived by customers as a more trustworthy source of information regarding products and services than communication generated by organizations transmitted via the traditional elements of the promotion mix. Johns on and Greco (2003) explain that desires and different hopes from different clients can sometime require certain unique information and contact strategies. Communication channels and strategies now differ broadly from the ones in former times or offline times.

Online marketing is today seen by many practitioners as the new arena for market communication and on top of the list of users of the different mediums is Facebook, Blogs, Twitter, YouTube and LinkedIn (Steltzner, 2009). Kaplan and Haenlein (2010) define social media as —a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, which facilitates the creation and exchange of user - generated content. It consists of different Internet applications such as blogs, social networking sites, content communities, collaborative projects, virtual game worlds and social worlds. Russell S. Winer (2009) affirms that many companies today are using some or all of the new media to develop targeted campaigns that reach specific segments and engage their customers to a much greater extent than traditional media. Mangold & Faulds (2009) argue that marketing managers should comprise social media in the communication mix when developing and executing their Integrated Marketing Communication strategies and they presented the social media as a new hybrid element of promotion mix. Even as organizations realize the need to engage customers at as many touch points as possible, there is still a need to stay ahead of the rapidly shifting marketing and communication landscape by integrating social media into traditional strategies to reach out to B2B and B2C

audiences. Online opportunities and their future impact on traditional marketing are as expensive as your imagination can provide. (Pownall, 2011).

Quiroga & Kamila (2010) in their research - Marketing and Facebook, describe how fashion companies promote themselves on social media platforms such as Facebook. This study took 34 Swedish companies into consideration. Nida, Sadaf, Sanya & Umair (2010) in their research - Evolution of Digital Media as an IMC tool and its relevance for Pakistan aim to analyze the trends of digital media within IMC over the years in Pakistan, the factors that have contributed to the change and explore the importance of digital media in the marketing mix in future. Chen et al. (2007, pp.1047) notes that —from both theoretical and practical perspectives, it is worth studying what makes marketing communication introduce and promote products effectively, especially in high-tech industries.

III. Results and Discussion

In order to attain these objectives, the methodology uses descriptive research design. Descriptive research is usually a fact finding approach generalizing a cross-sectional study of present situation. The major goal of descriptive research is to describe events, phenomenon and situations on the basis of observation and other sources. Data is collected from secondary as well as primary sources. Secondary data provides necessary theoretical back up to the study which is collected from published or unpublished sources. Primary data is collected under Survey method using questionnaire as the main research instrument. Since “Customer’s inclination towards Online marketing” is the core focus of the study, a structured & closed ended questionnaire has been prepared for customers only. The questionnaire incorporated questions related to customers’ preference for online marketing and other traditional mediums for getting awareness on various brands and making purchase decision. The questionnaire is then distributed among the sample selected for this study. Stratified probability sampling is used with sample size as 500 from Srinagar, Jammu and Kashmir.

The present study has used stratified probability sampling with –
Sample size: 500 (Sample size is selected on the basis of discussion with the research expert)

Area covered –Mumbai suburbs
Sample frame –Educational institutions & corporate offices.

Figure 1 shows how important are marketing and promotion activities for the company of respondents. More than half of the respondents admit that marketing activities and advertising is highly valued in their company. It can be assumed that those companies answering either “crucial”, “important” or “average” may be potentially interested in such marketing campaigns which can considerably increase the marketing efficiency.

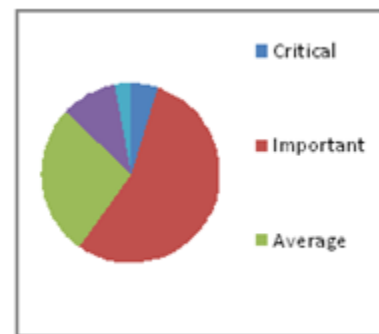


Figure 1. Marketing and Promotion Activities Important for the company

Figure 2 describes the style of the promotion of the company. More than 50% of the respondents state that the marketing activities and promotion of their companies is interesting and that it is different from their competition. Despite of the fact that these answers are subjective and depends highly on the position and role of the respondents within the company, certain conclusion may be identified. Those 60% percent of the companies and 11% percent of the respondents who describes their marketing activities like shocking and unexpected may be potentially interested in guerrilla marketing which may significantly increase the attractiveness of their promotion

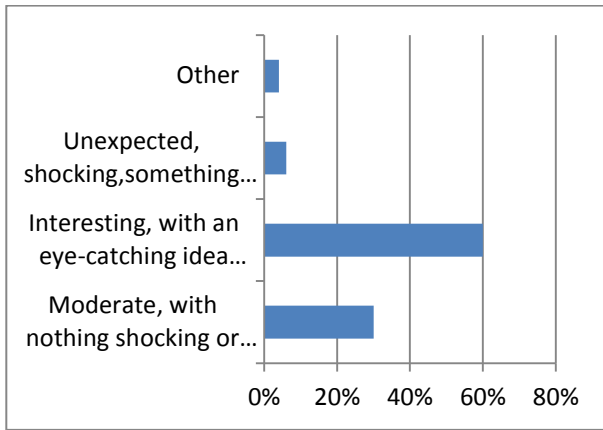


Figure 2. Style of Promotion of the Company

Figure 3 shows the belief of respondents that believe whether internet can be the medium that can help to bring you significant number of new customers. The usefulness of the Internet as the medium that helps to increase the number of new customers is revealed by those 56% of respondents who positively answered to the question.

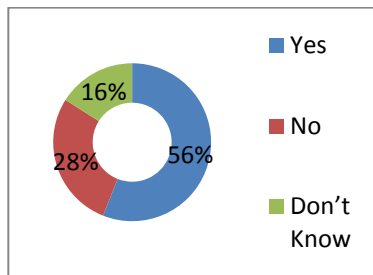


Figure 3. Internet used as medium to bring significantly number of new customers

Figure 4 shows the percentage of respondents that believe internet can be easily used to clearly differentiate his company from that of his competitors. In spite of the fact that significant number of company websites and product websites lacks creativity and uniqueness – definitions of these terms and their principles already provided in the literature review – 84% of the respondents admit that differentiation in Internet marketing is important in their companies.

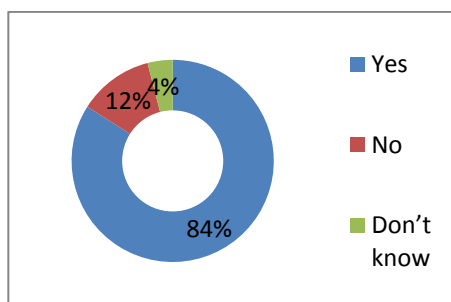


Figure 4. Internet Used to differentiate the company from others

Figure 5 shows the percentage of respondents that recommend using social media/ Internet to another organisation as a tool for marketing a product/ service. 74% of the respondents believed that social media/ Internet can be used as a marketing tool to survive in the market facing the competitors.

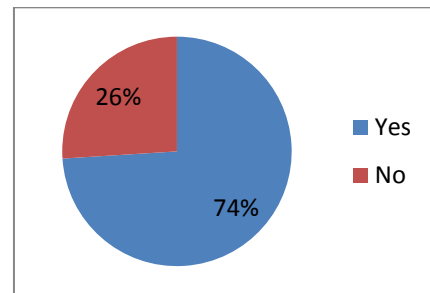


Figure 5. Recommending social media/ Internet for marketing

IV. Advantages of the Internet as Marketing Tool

The advantages of the Internet as seen from the point of view of the user as well as the marketer:

i. To the user

- Internet gives more control in choosing content. It offers customization of the content, the way the user wants to view it. It offers a variety of options for information and entertainment.
- It offers tremendous convenience to the user not only in the delivery of information, but also in allowing him to transact – often in a seamless manner.

ii. To the marketer

- The internet offers several options to a marketer trying to target a particular community.
- It serves not only as a channel of information, but also of product description.
- It offers a highly interactive medium that sometimes (e.g. chats, forums, VoIP) is almost equal to one-to-one interaction with the audience.
- It offers a higher level of identification of the user to the marketer.

- It allows the marketer to actually link his speeds to action, and pay only on action

V. Issues in Using Internet as a Marketing Tool

Internet is a catchy advertising medium. But there are quite a few issues that need to be sorted out:

1. Advertising on net is slowly catching on. In developed economics, advertising on the Net accounts for anything between seven and 7.5 percent of the total advertising cake. But the size of online advertising in India is between 24crore - 29crore, which is very much less than one percent of the total advertising cake.
2. The Cost Factor: Online advertising has to live with another hurdle. Many advertisers are not aware of the benefits online advertising can offer over the traditional media. The advertising industry should take efforts to educate potential Net advertisers about the advantages of advertising on the Net. Another reason why advertising on the Net is not really picking up is the perception that advertising on the Net is expensive. Whether advertising on the Net is cost-effective or not depends on the value per advertising Rupee.
3. The Wastage Factor: The other reason why advertising on the Net is not seen by advertisers as cost effective is the quality of desired responses. In many cases, sums spent on advertising on the Net have not been deployed properly. There are instances where advertisements have just been lifted and put on the banner. There could be wastages in online advertising, but one should not forget that interactivity is the hallmark of online advertising.
4. Targeting Imperatives: Accurate targeting is another strategy to eliminate wastages in online advertising. Currently, such targeting based on parameters such as location and keywords is possible. Another way wastages can be eliminated is by having advertisements based on the content of the site.

5. Online Constraints: As efforts to eliminate wastages in online advertising takes off, efforts are also needed to eliminate the attendant constraints. In online advertising, one can stream audio and video technologies together with faster bandwidths and delivery channels in a bid to present the same idea with the use of sound, music and visual imagery and make interactions with the banner possible.

VI. Limitations of Online marketing

1. Although, Internet marketing allows a wider reach, the start - up costs of a website can be high. This includes the cost of the required software and hardware, and maintenance costs.
2. There are still a lot of customers who use the Internet just for having more information about a product and prefer to buy it in person. For example, Internet marketing allows a customer to view how a phone looks like and its technical specifications, but customers prefer having a look at the phone in the store to get a hands-on experience.
3. There are a lot of customers who are not proficient in using the Internet and focusing solely on Internet marketing can cause you to lose these customers.
4. The rules of the trade change rapidly in Internet marketing, and it requires constant attention and monitoring to ensure that your marketing strategy does not look out-of-date.
5. The biggest disadvantage of Internet marketing is its vulnerability to fraudulent activities. There are a lot of illegitimate websites out there which look similar to original websites and rob the customers of their money. Spamming is also one of the biggest challenges for Internet marketing and confidential data can be easily stolen by hackers.
6. Internet marketing lacks the human touch that is involved when a customer buys a product from a salesperson. This hampers the prospects of relationship building which plays an important part in repeat sales and word -of mouth publicity.
7. Internet marketing depends heavily on technology, which is vulnerable to technical faults. For example, if a customer clicks on your advertisement but due to a technical glitch, is

unable to buy the product, he may easily become irate and take his business somewhere else.

Although, there are some challenges involved in Internet marketing, it can be safely said that Internet marketing has led to increased transparency and ease of buying products. The need of the hour is to counter the challenges so that Internet marketing proves to be truly beneficial for all.

VII. Suggestions

1. Companies should mix & match various mediums to reach their desired target audience. This will help to spread awareness among them and to influence buyers behavior thus companies must formulate an effective Integrated Marketing Communication plan where they can combine various tools to grasp maximum prospects.
2. It is also revealed that consumers have good enough knowledge about internet technology and they are in favor of using online marketing, therefore it is recommended that 160
3. Every company big or small should grab this advantage and include online marketing in their marketing efforts. Online marketing forms can be mainly web marketing, E-commerce, social media marketing.
4. Consumers find certain benefits in online marketing over traditional marketing; therefore, companies can spend more on online media rather than the traditional tools.
5. Limitations like possibility of fraudulent activities or privacy issues are beyond control. Cybercrime cannot be eradicated easily or completely therefore, it is recommended that
6. Companies should not rely entirely on online marketing; they must make it a part of Integrated Marketing Communication strategy. As a result of which limitations of online marketing will be covered as the other mediums will build the required credibility and positive image about the brand. This credibility will generate trust among consumers towards the brand.

VIII. CONCLUSION

As the Internet is now part of our daily life with many activities being performed online, it presents a lucrative opportunity for all kinds of businesses. With

innumerable visitors visiting the cyberspace to satisfy their varying requirement, online advertising of products or services has become indispensable these days. However, during the initial days, this form of advertising was targeted at the elite class of society only. At that time, it was a dream for many to maintain a computer system and an internet connection. Therefore, it was not considered a profitable option. The proposed study provides the detailed insight of Internet as Marketing tool discussing various issues advantages and suggestions for efficient implementation. The study also provides various limitations which provide a basic bottleneck in implementation of these tools. The proposed reach has been limited to Mumbai suburbs where sample frame pertains to Educational institutions & corporate offices. The proposed research study could be extended; so as to cover all the states of India as the researcher believes that consumer buying behavior w.r.t online marketing may be at the variance in different states.

IX. REFERENCES

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