FUTURE PROSPECTS OF ONLINE MARKETING

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ABSTRACT

Internet marketing is an interesting topic especially for researchers in the marketing field. It is a new way of marketing a product/service globally to the targeted market around the world. This paper introduces a new approach concerning Internet marketing in electronic commerce; showing how advertisers need this innovation to be successful. This also relieves marketing managers for more value added tasks such as marketing plans for better development of the company. However, researchers who plan to develop research using the internet need to be aware of severe problem related to this new tool. In particular we show that the nature of internet creates different sampling problems.

KEYWORDS: Internet marketing, innovation, E-commerce, Advertisers.

INTRODUCTION

Internet marketing (IM) is also known as digital marketing, web marketing, online marketing, or e-marketing. As the name states, it is the advertising of products or services over the Internet. However, it also implies marketing through the wireless media and through e-mail. Electronic customer relationship management (ECRM) systems are also categorized under Internet marketing. IM can be creative, as well as, technical through its design, development, advertising,
and sales over the Internet. This paper is a secondary research regarding how E-commerce gradually forms part of our daily lives. It concerns different aspect of advertising in terms of electronic commerce.

In the past ten years, the Internet population varied a lot; an estimation of about 50 percent increase of the World Wide Web (WWW) per month and the numbers of websites double every 53 days. A 60 percent of large companies and 30 percent of midsize companies were estimated to make use of the Internet for marketing purposes by the year 2000. In 2003, the first generation of internet users was fresh graduates—fast to get the concepts of online commerce and shopping. Major investments in China were also made by international E-commerce companies at that time; escrow systems were made for better trust in buyers and sellers. The hotel industry now face market challenges and business travellers demand more for the Web in terms of information and booking of hotels. The WWW is an electronic technology which is an effective means for marketing hotels and it also develops customer relationship in the long-run. The Internet allows firms to open a Web site in an electronic mall, have their products available to millions of potential customers and only in a short time period. GE, IBM, Ford, Kraft, and Proctor & Gamble were the first to register “domain names”.

Internet marketing is using the Internet to do one or more of the following.

- Communicate a company's message about itself, its products, or its services.
- Conduct research as to the nature (demographics, preferences, and needs) of existing and potential customers.
- Sell goods, services, or advertising space over the Internet.

An Internet marketing strategy is necessary to effectively compete in today’s business environment.

It can help one to promote the business by:

- Allowing one to easily manage individual or mass communication
- Assisting one in managing one’s brand
- Creating and presenting one’s business identity
- Generating customer trust and loyalty

**TYPES OF INTERNET MARKETING**

Internet marketing is broadly divided into the following types:

- **DISPLAY ADVERTISING**: the use of web banners or banner ads placed on a third-party website to drive traffic to a company's own website and increase product awareness.
• **SEARCH ENGINE MARKETING (SEM):** a form of marketing that seeks to promote websites by increasing their visibility in search engine result pages (SERPs) through the use of either paid placement.

• **SOCIAL MEDIA MARKETING:** the process of gaining traffic or attention through social media sites.

• **EMAIL MARKETING:** involves directly marketing a commercial message to a group of people using electronic mail.

• **REFERRAL MARKETING:** a method of promoting products or services to new customers through referrals, usually word of mouth.

• **AFFILIATE MARKETING:** a marketing practice in which a business rewards one or more affiliates for each visitor or customer brought about by the affiliate's own marketing efforts.

• **CONTENT MARKETING:** involves creating and freely sharing informative content as a means of converting prospects into customers and customers into repeat buyers.

**LITERATURE REVIEW**

According to a report jointly published by the Internet and Mobile Association of India and IMRB International, the online advertising market is expected to reach Rs 2478 crore by March 2014 in the country. The online advertising market, comprising search, display, mobile, social media, email and video advertising, has grown by 29 per cent year-on-year to Rs 2,260 crore by March, 2013. The online advertising market on an average has expected to grow by 40 per cent annually in four years to 2013-14. Search and display advertising forms a large portion of the overall pie in 2011-2012. Their percentage share has, however, lowered somewhat in 2012-2013, owing to the rise in the mobile, social media and video advertising. Spends on mobile advertising have doubled from Rs 235 crore in 2011-12 to Rs 230 crore in 2012-13, primary reasons being the proliferation of mobile phones in India. Advertisements on mobile phones and tablets grew from a 7 per cent share in FY 2011-2012 to 10 per cent of the Indian online ad market in FY 2012-13, totalling to spend of around Rs 230 crore. Social media, email and video advertising constitute 13 per cent (Rs 300 crore), 3 per cent (Rs 68 crore) and 7 per cent (Rs 150 crore) of the online advertising market, respectively.

**RESEARCH METHODOLOGY**

The findings of the research paper have been arrived at by conducting primary and secondary research. The paper carries information for the Indian financial year 2012-13. Primary Research has been done with Internet Users, Industry and various local business owners and retailers. Structured Face to Face interviews were conducted with them. In Depth interviews were conducted with industry experts of the Internet Advertising Industry in India. Respondents for the depth Interviews also include local business owners, retailers and Advertisers. Secondary
Research was done to understand the structure and dynamics of Indian Internet Advertising industry. Information from various published resources has been used.

**HISTORY OF INTERNET MARKETING**

Considering the current volume of internet marketing business, it’s hard to believe how young the internet marketplace is. While the timeline of internet marketing has been short, the cumulative events leading up to where we are now have impacted the entire globe faster than any marketing revolution in history.

Internet marketing is the practice of using the Internet as a medium for a marketing campaign. An Internet marketing campaign can involve several different types of advertisements, including the banner bars that formed the core of online advertising efforts in the late 1990s, a newsletter distributed via e-mail, an interactive pop-up window, links to one World Wide Web site from another, and a Web site itself. Internet marketing efforts can be designed to push direct sales, build or solidify a brand, encourage repeat business, and garner customer information. Quite often, the Internet is just one of several mediums—including television, radio, and print—that companies use in their marketing campaigns.

**TABLE-1. INTERNET MARKETING- INNOVATIVE TRENDS**

<table>
<thead>
<tr>
<th>Innovative Trends</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet marketing using mobiles</td>
<td>Phones are soon overtaking computers as the primary method of accessing information on the internet</td>
</tr>
<tr>
<td>Web 2.0 and Social networking</td>
<td>Interaction, personal relationship, and multimedia have become the new marketing challenges, youtube, facebook are some of the most important new channels that marketers use to broadcast on.</td>
</tr>
<tr>
<td>Blogs, Niche Marketing , Affiliate Marketing, Pay Per Click Advertising</td>
<td>Blogs increased in number and created a web of links and using Niche marketing. Thousands of products were being put up for sale utilizing the concept of affiliate marketing.</td>
</tr>
<tr>
<td>Google.com</td>
<td>Dominant search engine and search engine optimization was born.</td>
</tr>
<tr>
<td>Newsletters and Online Articles</td>
<td>To generate interest and persuade the online websites visitors.</td>
</tr>
<tr>
<td>Websites and Emails</td>
<td>Made people aware about the existent of company and its products through mails, newsletter etc.</td>
</tr>
</tbody>
</table>
FUTURE SCOPE OF INTERNET MARKETING

- Most people worldwide can use the Web since it is affordable and easy to access. Internet is a fast and flexible means for marketing. Shopping on the Internet is convenient as there is no time restriction, it is comfortable since it is in a user friendly environment and there is also an instant satisfaction of ordering, paying and delivering.

- A one-to-one basis, as well as, a two way communication with customers through the Internet is possible. Enhancing brand image, creating awareness and providing customer service are more important than just selling the products or entertaining customers.

- Nowadays, people live a busy life and shopping online is time consuming for them. The company also saves time since whenever a customer uses his/her credit card to purchase a product, through the Web Trak software from Aurum Software, the company can access customers’ details. E-marketing is seen as a promotional.

- E-communities or moderated group chat -where customers with similar interests can interact-are strategies to build relations through Internet. This new era of commerce is beneficial for marketing logistics, a global presence, to establish and maintain a competitive edge, shorten components of supply chains, for cost savings and research advantage.

- Exporters using internet marketing also have the advantage of measuring statistics easily and inexpensively; almost all aspects of an Internet marketing campaign can be traced, measured, and tested, in many cases through the use of an ad server. The advertisers can use a variety of methods, such as pay per impression, pay per click, pay per play, and pay per action. Therefore, exporters can determine which messages or offerings are more appealing to the audience. The results of the campaigns can be measured and tracked immediately because online marketing initiatives usually require users to click on an advertisement, to visit a website, and to perform a targeted action.

SHORTCOMINGS OF INTERNET MARKETING

There is no actual face-to-face contact involved in the Internet communication. For the types of products that rely heavily on building personal relationship between buyers and sellers such as the selling of life insurance, and the type of products that requires physical examination, Internet marketing maybe less appropriate. While internet marketing cannot allow prospective buyers to touch, or smell or taste or 'try on' the products, However a survey of consumers of cosmetics products shows that email marketing can be used to interest a consumer to visit a store to try a product or to speak with sales representatives [Martin at el (2003)]. Some of the disadvantages of e-Marketing are dependability on technology, Security, privacy issues, Maintenance costs due to a constantly evolving environment, Higher transparency of pricing and increased price competition, and worldwide competition through globalization.

The notion of marketing one’s products or one’s services to its customers by interrupting them repeatedly through advertising isn’t enough anymore at least not in the current business climate.
Creating awareness about one’s company or one’s brand through mass media like newspaper advertising, magazine callouts, or any sort of broadcasting medium doesn’t go far enough. The same holds true for PR campaigns that beg reporters to pay attention to one’s products or to tell one’s company’s story. In the end, those strategies sell your brand short.

The advent of the Internet and, more specifically, the rise of Web-based tools and technologies, have given the customers a new voice. Suddenly, thanks to blogs, Facebook, Twitter, and other social and online networking technologies the customers are empowered to demand more of the companies they do business with. They are using their newfound voices to talk to businesses as well as to converse with each other. They will howl when you give something bad or wrong, they will praise you when you do well, and they will create their own version of the story of your business and what it sells.

Such a changed scenario of doing businesses today also creates enormous opportunity for businesses. Rather than being afraid of the newly empowered consumer, or blocking your ears to their voices, consider the ways your business can harness this change.

Businesses large and small are being confronted with a new communications paradigm known most familiarly as Web 2.0. A sea change has taken place with the advent of various channels and no longer can companies turn a deaf ear to the conversation that is taking place through these manifold channels.

Businesses must develop engagement strategies to counter negative perceptions about their brands, people, products, and services; reward those who speak well of them and use the same media as consumers to generate brand awareness, create positive brand impressions, and incite customer evangelism and word of mouth.

Further, the way businesses market themselves has changed. No longer do companies merely target audiences and broadcast messages through unidirectional mass media. In this new paradigm, ‘‘markets are conversations’’ and ‘‘participation is marketing.’’ As such, businesses must learn how to operate through these new channels to engage their customers and prospects and penetrate newly developed niche markets. The tools of social media are the means by which this is done.

The paper lists only some of the tools of internet marketing as new tools keep on developing while the old tools keep on disappearing as technology evolves from time to time. Every Business can use those tools which easily allow them to reach to their consumers or clients or end user etc without any much hardship.

INTERNET MARKETING IN INDIA – CHALLENGES

1. GOVERNANCE, LAWS AND REGULATIONS: When it comes to online businesses, there are stricter money transaction rules. Law enforcement and protection against cybercrime requires review. Widespread corruption is another big issue. Many people don’t want to set up online shops to escape taxes and do things unaccounted.
2. CULTURAL ISSUES: Most people believe that shopping online can prevent them from getting the best deals. This gives them excellent F2F opportunity to do maximum negotiation and receive other freebies.

3. ONLINE SHOPPING WORRIES: A lot of computer literate people are still hesitant to consume online shopping facilities that are available out there in India for the following reasons.

A. FEAR FACTOR: A lot of people still do not believe things that are not tangible.

B. UNRELIABLE DELIVERY MECHANISMS: Postal service or the most expensive courier companies may not be able to guarantee prompt delivery.

4. LACK OF TECHNICAL INFRASTRUCTURE: The backbone of any reliable online service or sales is a strong supply chain. In volume business, this has to be at its best and this is exactly what many online services in India lack.

5. MARKETING PHILOSOPHIES & CHANNELS: Television, hoardings and cinema ads are still way ahead of the Internet when it comes to preferred marketing channels. This also results in poor quality affiliate networks and online ad services. Moreover, there are a lot of inconsistencies and dishonesty prevailing with the networks as well. This has further decelerated the affiliate marketing penetration in India.

CONCLUSION

The Internet network is a marketing channel use by advertisers, marketers, and society to find the right combination of marketing mix to best suit customer’s needs. It is important for a company of this era to have access to the Internet to be more successful. Internet marketing does not only target consumers, but also Internet advertisements client marketers from companies. This is so because companies prefer to hire specialist in creating a Web site. People always find themselves under stress of working long hours and they do not have enough time for social activities or even shopping. They thus develop this new millennium where IM through E-commerce becomes an everyday thing and routine for them. E-mail is as famous as direct marketing in supporting E-commerce activities. Most clients feel that this new media is a success in relation to traditional marketing advertising. But Internet should be used with other media for a more effective marketing tool. Internet marketing will become even more important in the future. As more companies will have access to the Internet, they will start doing business over the Internet [3] [5].

China’s economy will be in another dimension with E-commerce where customer focus, responsible business practices and innovation are the determinants of success and not customer relationship [8]. With a decrease in communication prices, more customers will shift to the Internet as well. Security will not be an issue anymore because software companies, banks and credit card institutions are working hand in hand to improve Internet security. Companies need to protect themselves in three areas: data integrity, confidentiality of data and authenticity by installing firewalls or routers. Customers will look for a business on the Web since there are unique opportunities for marketing a company’s service, selling products and gathering information on the Net [3]. The marketing mix plays an important role in IM in E-commerce;
deciding what type of advertising best suit customers through the Web. This is the new era of innovation; where everyone interacts on the Web.

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