

UNIT 94 – UPSC - Internet Marketing (Marketing Management)

Internet marketing or online marketing or web marketing, is a revolutionary process for all types business operations. It is a modern topic in every business sector, and steadily plays an important role in any company's multi-channel marketing strategy. The base of the Internet has provided advanced business transactions and models for the international financial system. Internet marketing adapts to rapid development of online business. In the field of internet marketing, online advertising has accomplished great success. Companies must have to select carefully suitable internet marketing strategy as it is never certain that the strategy that works for one organization might not be effectual for the other. At present, Internet is extensively used by organizations to encourage the business and online promotion is one of the most successful and economical techniques of marketing for businesses. Main advantage of all strategies of internet marketing is that companies can conquer the barriers or boundaries of distance and management team can not only promote their products and services al over the world but sell them and generate huge revenues. Online marketing is reasonably priced in contrast with other traditional methods, and there are numerous creative and efficient ways in this marketing that companies can use in advertising or promoting products, brand, services. Online marketing also facilitates business, companies or individuals take advantage of the growing importance of social media sites such as Facebook, Twitter, LinkedIn, MySpace.

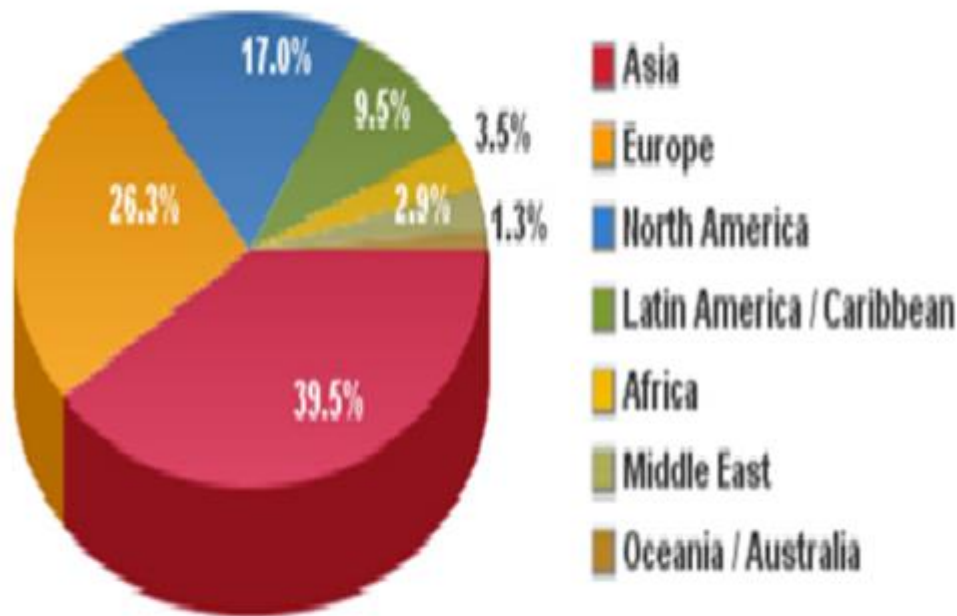


Concept of Internet Marketing

Internet marketing is described as the application of the Internet and associated digital technologies in combination with traditional communications to accomplish marketing objectives (Chaffey, Det, al.,. 2006). Internet marketing has many synonyms which are used in business such as e marketing (electronic marketing) or digital marketing even though they have a broader scope since they include electronic customer relationship management systems (e-CRM systems) as well. The conception of Internet marketing has developed and brought more opportunities for organizations to increase number of consumers at global level. Earlier, the Internet was only used

as a tool to contact customers and it was a part of direct marketing. Currently, the Internet, principally websites are becoming a popular media for any company to introduce its products and services. The Internet is considered as a sovereign and effectual marketing device. During 2000 to 2008, the number of Internet users has increased by 4 times (<http://www.internetworldstats.com/stats.htm>). Records indicated that in Asia, there were biggest population of 39.5% of World internet users.

Figure: World's Internet users:



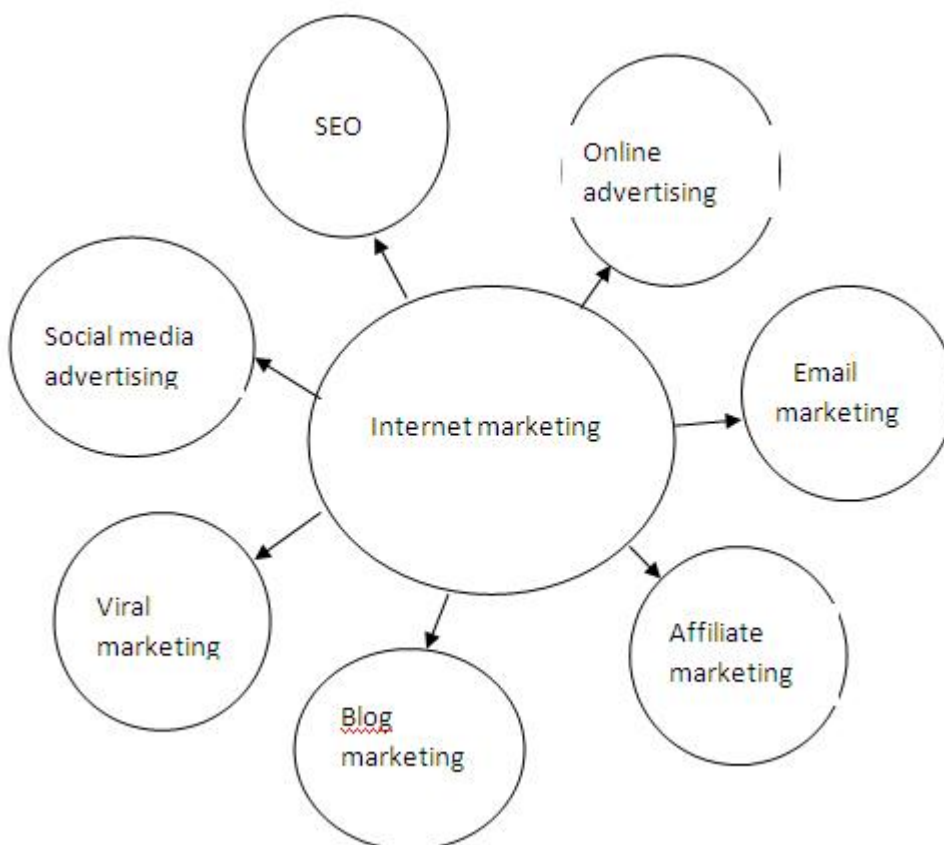
Source: www.internetworldstats.com/stats.htm

Online marketing enable various organizations to track their customers and develop relations with them easily. Major creative mechanism of internet marketing include social Media Marketing, Email Marketing, Affiliate Marketing, Content Marketing and Online Video Marketing which are available for online businesses to incorporate their overall Internet Marketing crusade. Some of the other successful Internet Marketing Tools are Blogs, Keywords, New updates, and Domain name. The feature of internet marketing is that it is growing at rapid rate and always changes with time. Consequently, it is recommended to companies, who adopt internet marketing strategies, must always update themselves with new technology as well as forthcoming, and use the latest technology or software's to take more advantages of online marketing. Major internet marketing activity is directed toward driving customers to an organization's website, where they are motivated to purchase online or through another channel. But internet marketing includes array of strategies to interact online with customers and with other stakeholders. The most common internet marketing activities include developing website for company, placing advertisements on the web, sending email messages, and engaging in search engine marketing efforts to put company's name in top list when a customer searches the Internet for a particular product or service. Additionally, Internet marketing can include other activities, such as marketing through online games, mobile phones, or direct response television broadcasts. Internet marketing is dissimilar than traditional

marketing as it offers novel ways of interacting with customers and other stakeholders. Huge information and services can be provided through online formats, which can be "taken by users as needed, rather than pushed to interested and uninterested stakeholders through conventional offline formats.

The advantages of adopting internet marketing strategies depend on company sizes. It is a new medium for advertising and PR (Public relationship) and a new product distribution channel. Internet marketing also provides new opportunities to develop new international markets without the continuation of representative or sales offices and agents. The Internet offers new methods to develop customer services and is considered as the most gainful marketing device as it reduces paper works and number of employees as well as by passes operating offices. Internet marketing can be targeted to specific cultural groups because different groups may respond differently to the presence of the same stimulus. Additionally, manifestations of culture, such as values, heroes, rituals and symbols, offer insight in the way Internet marketers organize effective Internet advertising crusades. In such cases, efficiency is enhanced by Internet marketing, making these campaigns harmonious with consumers' culture and ensuring that proper symbols are used (Luna, Peracchio and de Juan, 2002).

There are different Techniques Of Internet Marketing



Search Engine Optimisation

This can be regarded as a division of search engine marketing. This is used to enhance the quality of the traffic which arrives at a website from search engines. Whenever users search for a specific key word and find a match, they notice a few sites which are observable on the first page of search engine result. The aim of SEO is to give appropriate link of website to users. They want their client websites to be listed higher in search engine results. This way they give their clients i.e. companies a better chance to be noticed by consumers. SEO's can target various searches such as image searching, local searching or vertical search engines. People involved in search engine optimization are called search engine optimizers. They could be either company workers trained in search engine optimization or 3rd party agencies who take the responsibility for the company. In general SEO employees have to recognize how search engines actually rank pages. This could be done through gaining knowledge in search engine algorithms, widespread knowledge of search engines through the mechanism of patents. SEO employees are required to amend their client web pages by adding exclusive information. Since they have to change web pages related with companies, some companies may be hesitant to provide information as it could be private and there are security risks related to this. Companies must recruit SEO personnel to educate their workforce. There are two types of SEO personnel white and black. White hat SEO people utilize techniques which search engines find satisfactory. Black hat SEO personnel use methods which could cause link spams. The objective is to improve page ranking. Z.Gyongyi et al 2015 argued how link spams are formed such as by interconnecting web pages in a spam form to optimize ranks. They have also explained how page ranks can be maximized in spam farms.

Social Networking and Social Media Based Advertising

Internet marketing campaigns not only produce product awareness, but also reveal a generation of advertising with benefits such as self-selectiveness, interactivity, full integration of various media and marketing capabilities targeted towards specific individuals, countries or cultures (Wehling, 1996). Several websites of company have been responsible to create social networks where people post their information and also connect to each other either for business networking or dating. Major web-sites are tribe.net, myspace.com, orkut.com, linkedin.com. Originally they all started as sites which unite people. Some of them have generated profit through marketing. LinkedIn.com provides banner based advertising which focuses on specific targets. Youtube.com can be considered as social media based advertising trendsetter. Fernando Angelo, (2007) describes how social media marketing schemes became popular among people at global scale. He emphasizes that consumer based content has importance which can be exploited by marketing personnel. He viewed social media as a means of intersection of software marketing, media, information and entertainment. For example, Youtube.com allows users to capture their videos and put it up on the site for sharing with others. Unregistered users can watch most videos on the site. It provides features to rate videos and also keep users can upload an unrestricted number of videos. Naim Moises, 2004 asserted that Youtube.com has great impact on the mind of people. Social media marketing companies can create interactions by customizing information for individual customers that permit customers to design products and services that meet their specific requirements. Social media can allow transactions between customers and firms that would usually require human contact (Watson et al. 2002).

Blog Based Marketing

A blog is a website that details personal views of individuals on a particular topic. Some of the blogs act as personal diaries. A typical blog comprises of text, images, and links to other blogs, web pages, and other media related to its topic. Some of the blogs include photos, video, audio, podcasts. Blog is more effective through its content. Dawson Ron et al 2007 demonstrated the trend of blogging and their report revealed that 39% of American adults (57 million) are blog readers. The outcomes of blog marketing are excellent as these boost website search engine ranking and popularity, drawing in customers. But the time and need for top-quality appeal is vital to effective blog marketing and most business owners need to focus on their own company. Through blogs, businesses can promote brand awareness by sharing insider information, updating customers on new products, as well as providing links to the main sales channels. Blogs also make easy the posting of comments and feedbacks, allowing admirers and detractors to post opinions and questions to producers. This encourages the exchange of ideas between peers and can also promote honest discussion between individuals and companies to improve their defaults (Hafele, 2011).

Email marketing:

This type of marketing use the power of electronic mail. Emails are sent mainly to develop strong relationship with the old and new consumers. Emails include advertisements/newsletters which are intended to entice new or older consumers to make purchases or inform them of new products/services.

There are several benefits of adopting email marketing techniques:

- Email marketing campaigns are lucrative when compared to campaigns such postal campaigns or printed newsletters.
- Email can be sent quicker as compared to normal post. The companies can do mass mailing with the help of mailing list. This facilitates distribute quality information to a specific range of consumers/customers.
- Companies can effortlessly track their returns when they use this system. They can also track how many campaigns were winning or how many unsuccessful with the help of read receipt, un-subscribed or messages that bounced on failure.
- Advertisers are able "push" the message to consumers whereas website marketing has to attract customers to come to the advertiser.
- Companies that use html based email can provide other links which can create further leads for them.
- Companies can also recognize the preferences of customers by sending emails which ask for opinions from consumers.
- Companies can target based on consumers interest that is only after taking consumers interest when he signs up for a particular email service.
- Email marketing does not take up paper so it is environmental friendly.

Though e mail marketing offer range of benefits to companies as well as customers, it also has some drawbacks. Spamming is major problems and it is very difficult to differentiate between authentic email marketing and spamming. Most of the companies establish spam filters but filters end up preventing even genuine emails from reaching. Companies are taking all efforts to stop Spam. Email marketing needs to be done cautiously so that it cannot be sent to spam.

Viral Marketing

Viral marketing is a type of marketing techniques which use already existing social networks to enhance brand image with help computer virus like techniques. It is also known as word of mouth marketing. This method persuades consumers to transmit on marketing message in chosen way. Viral promotions could involve video clips, interactive flash, images, or even mobile messaging such as SMS. It works on the principle that customers who are impressed with company's message would tell people what they like and also communicate other people what they would not like. Dobele Angela et al stated that there is great role of emotions such as joy, surprize, sadness, anger, fear and disgust in making viral marketing a success (2007). Gender's role in viral marketing campaigns also has importance. It is found in their study that companies cannot rely on emotions alone in their viral marketing campaigns. Their campaigns should be effectual in capturing the imagination of the beneficiary in order to make it triumphant. Viral marketing campaigns which consider brand, product or service can succeed to persuade the customers. When entering an Internet marketing zone, a company should know some important issues such as different target customers, another way to contact customers, Internet security, and new competitors. Chaffey et al. stated that in order to get success in Internet marketing, a strategic approach is necessary to manage the risks and deliver the opportunities available from online channels (2006). To implement Internet marketing, various steps include defining the online opportunity, selecting of the strategic approach and delivery result online. The key strategic decisions for e-marketing are the same as strategic decisions for conventional marketing which include selecting target customer groups, specifying how to deliver value to these groups. Segmentation, targeting, differentiation and positioning are all keys to effective digital marketing.

Drivers for Internet Marketing

There are several factors that drive companies to follow internet marketing effectively. Maria Bengtsson et al provide valuable information in her periodical regarding the factors that would drive companies to implement to internet marketing (2007). They have categorized companies into different sizes depending upon the number of employees. Their study revealed that different factors drive companies of different sizes to pursue internet marketing. The drivers are willingness to cannibalize, entrepreneurial drivers, management support, and market pressure. Internet marketing acceptance depends on its perceived usefulness which entails the user's assessment of the ability of specific information technology to increase his or her performance at some task or activity (Pearson & Grandon, 2004).

Internet marketing include Web application such as website, good quality content, user interface, live chat application, secure transaction support. Success factors of internet marketing are density, proximity, saturation and depth.

Problems of Internet Marketing In India

Today majority of nations are adopting Internet Marketing to promote products and services. In the campaign of internet marketing, countries face some issues. One of the major problems is a gap of prosperity between developed, developing and under-developed countries. Developed countries such as United States of America, Canada and Australia have considerably venture the world of Internet Marketing and their investments have given huge profit. Additionally research and development activities have taken place for several times that enables them to furnish marketing activities through electronic channels with the newest and the most advanced information communication technology. Meanwhile, the developing countries such as South East Asia have begun their information technology evolution in many areas including business transactions. Education system has been modernized by incorporating the studies of ICT, introducing incentives for entrepreneurs to go online and improving facilities. Another aspect of Internet Marketing is trust and confidence, which are extensively attributed to safety. Lack of security is the important barrier to pervasive commerce on the Internet due to the intrinsic openness of the web (Wen, 2001). The lack of security is experienced in numerous ways such as unauthorized use of corporate network, packet sniffing, data modification, unregistered transactions, eavesdropping, and repudiation and spoofing. The threats and attacks to Internet based enterprises have included such Yahoo, E-trade and Amazon.com (Sussan and Kassira, 2003). These threats and attacks weakened the three main aspects of security that are confidentiality, integrity and availability of data. The absence of these three elements causes lack of confidence for consumers who involve in online business.

To summarize, Internet marketing use advanced technology of the Internet to market and trade goods or services. It enhances the brand image of the company or products or both, internet marketing is a means of generating profit through online business. Trustworthiness of the country is vital for success of internet marketing. Internet marketing can give exposure to out side corporate world. It has been observed that some of the 3rd party internet marketing provides only junk traffic which has a negative impact on the expansion of internet marketing. Internet marketing offers an opportunity for the company to expand its market nationally, even globally. Online shopping is very competitive, as consumers have access to comparison before buying. In addition to reaching new markets, online marketing can also improve relationships with active clientele.