

Internet-Marketing (Online Marketing): A New Trend in Marketing in India – Scope and Development

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Abstract: The technological development with respect to internet has given a new dimension to marketing. Online customers are increasing and the virtual marketers realize the importance of customer oriented approach. This online facility benefits the users to gain in-depth information about the products and to compare and evaluate the products offered by various suppliers. This paper helps to understand the trend of Internet Marketing in India, its Scope and Development.

Introduction

At the beginning of the century, social life was mostly local. It was followed by a period in which commodities were produced on a mass scale. Consumer marketing opened on mass marketing principals and business primarily concerned itself with how to build the best sales force. At the end of the century, there is a emerging global culture. the major driver of these changes is technology. Technological change has moved steadily back focusing on the individual. These changes shape the possibility and conduct of business. Marketing is specially tied to communication and transportation revolution. As the tool and research of marketing increases the job and responsibilities of marketers have evolved with them. Meanwhile internet used as a big tool for market the products. At a glance this paper evaluates the emerging trends and the future of internet marketing. In today technology driven world, a new fast paced digital economy is emerging. In the near future, it would not be surprising to see that there are companies that exist only inside computer network.

To understand the Internet Marketing we need to examine the basic concept of marketing and the types of marketing.

Marketing

Marketing is defined by the AMA as "the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large." It can also be defined for business to consumer marketing as "the process by which companies create value for customers and build strong customer relationships, in order to capture value from customers in return". For business to business marketing, it can be defined as creating value, solutions, and relationships either short term or long term with a company or brand.

Types of Marketing

B2B: Business is the seller, Business is the buyer

B2C: Business is the seller, Consumer the buyer

C2B: Consumer is seller, Business is the buyer

C2C: Consumer is the buyer, Consumer is the seller

Business-to-business (B2B)

In Business-to-business Business is the seller, Business is the buyer. (B2B) describes commerce transactions between businesses, such as between a manufacturer and a wholesaler, or between a wholesaler and a retailer. Contrasting terms are business-to-consumer(B2C)and business-to-government(B2G).The volume of B2B (Business-to-Business) transactions is much higher than the volume of B2Ctransactions.The primary reason for this is that in a typical supply chain there will be many B2Btransactions involving sub components or raw materials, and only one B2C transaction, specifically sale of the finished product to the end customer. For example, an automobile manufacturer makes several B2B transactions such as buying tires, glass for windscreens, and rubber hoses for its vehicles. The final transaction, a finished vehicle sold to the consumer, is a single (B2C)transaction.B2B is also used in the context of communication and collaboration. Many businesses are now using social media to connect with their consumers (B2C); however, they are now using similar tools within the business so employees can connect with one another. When communication is taking place amongst employees, this can be referred to as "B2B" communication.

Business-to-Customer (B2B)

Retail or by mall, in small or individual lots for direct consumption by the purchaser. Retailing may include subordinated services, such as delivery. Purchasers maybe individual or businesses. In commerce, a "retailer" buys goods or products in large quantities from manufacturer or directly or through a wholesaler, and then sells smaller quantities to the end-user. Retail establishments are often called shops or stores. Retailers are at the end of the supply chain. Manufacturing marketers see the process of retailing as a necessary part of their overall distribution strategy. The term "retailer" is also applied where a service provider services the needs of a large number of individuals, such as a public utility, like electric power. Shops may be on residential streets, shopping streets with few or no houses or in a shopping mall. Shopping streets may be for pedestrians only. Sometimes a shopping street has a partial or full roof to protect customers from precipitation. Online retailing is a type of electronic commerce used for business-to-consumer (B2C) transactions and mail order, are forms of non-shop retailing. Shopping generally refers to the act of buying products. Sometimes this is done to obtain necessities such as food and clothing; sometimes it is done as a recreational activity. Recreational shopping often involves window shopping (just looking, not buying) and browsing and does not always result in a purchase.

What is Business-to-Consumer?

To define Business-to-Consumer (B2C), often referred to as B2C, we need to understand electronic commerce. E-commerce or e-business is trade that occurs over the Internet. E-commerce is often used when referring to consumer trade, whereas e-business is reserved for business trade. Trade can occur either between businesses (B2B), between consumers (C2C), between businesses and consumers (B2C) or consumers and businesses (C2B). Thus, when we discuss Business-to-consumer we are referring to a type of e-commerce that occurs between a business and the consumer.

Benefits to B2C

B2C type of marketing reduces Intermediaries, Labor Costs, has Shorter Transaction Times, Improved Customer Service and Expanded Market

Challenges

It is costly, requires organization wide commitment, continuous change, new intermediaries, scaleable & flexible supply chain. The b2c customer is empowered by technology. The issues like consumer concerns,

privacy, security, consumer frustrations are difficult to handle and limitations like lengthy web forms, complicated sites, minimal assistance, and undisclosed expenses could be unavoidable.

Internet marketing (Online Marketing)

Internet marketing, also known as web marketing, online marketing, webvertising, or e-marketing, is referred to as the marketing (generally promotion) of products or services over the Internet. It is essentially any marketing activity that is conducted online through the use of internet technologies. It comprises not only advertising that is shown on websites, but also other kinds of online activities like email and social networking. Every aspect of internet marketing is digital, meaning that it is electronic information that is transmitted on a computer or similar device, though naturally it can tie in with traditional offline advertising and sales too. Internet marketing is considered to be broad in scope because it not only refers to marketing on the Internet, but also includes marketing done via e-mail and wireless media. Digital customer data and electronic customer relationship management (ECRM) systems are also often grouped together under internet marketing. Internet marketing ties together the creative and technical aspects of the Internet, including design, development, advertising and sales. Internet marketing also refers to the placement of media along many different stages of the customer engagement cycle through search engine marketing (SEM), search engine optimization (SEO), banner ads on specific websites, email marketing, mobile advertising, and Web 2.0 strategies.

Online marketing involves the marketing of products or services on the internet. Successful online marketing requires good search engine marketing strategies. Good online marketing strategies keep the web user returning to the website. Such strategies prevent the build-up of unsold inventory. They guarantee good monetary rewards for any individual who has channeled his or her efforts into internet marketing.

The Purpose of Online Marketing

The primary purpose of marketing an online business is the promotion of a good or service. Online marketing makes extensive use of the available tools for getting web users to purchase a product or service from a website. The website owner who wants to become acquainted with those tools should consider contacting an online marketing agency. Such an agency understands the purpose of online marketing and appreciates the value of an online marketing promotion. It can prepare the website owner for lucrative participation in online marketing activities.

Examples of Online Marketing Activities

In marketing an online business one needs to use good online search marketing activities. A wise website owner places priority on one particular activity, the creation of strong advertising copy. The website owner learns how to write or pays someone else to write, a strong advertising copy. Such strong advertising copy should contain lots of action verbs and should also appeal to the emotions of the potential buyer. Copy that achieves inclusion of these two elements represents the promotional value of powerful marketing activities. The use of online marketing activities unleashes the power of online marketing strategies. One very powerful activity allows the website owner to strategize by making skillful use of the resources on the internet. Use of the reverse search engine can be an important marketing activity. By using the reverse search engine, the website owner can estimate the demand for the product or service offered on the website. The reverse search engine also provides the keywords that the customer would be apt to use when searching for a particular product or service. The wise website owner then places those words in the content available on the website. Information that can help with the location of a reverse search engine might be obtained from an online marketing service. Such service could also assist with the identification of the target markets. Efforts directed at that identification would explain the utilization of the most useful marketing activities. The identification of target markets also creates a sure route to optimization of other

marketing activities. Identification of target markets adds strength to the use of e-mail. In addition, it assists with the identification of locations where a link would help to bring in more customers.

Internet use in India:

Internet access growth started accelerating in 2002 and both the web and email have now mainstreamed as both a consumer and business tool. Use is skewed massively towards specific up-market demographics and professional classes that have access as part of their working lives. The twenty something professionals are graduating college with internet access part of their personal landscape so a clear cohort effect is in play – as this group ages they replace the older generation where internet access is more patchy and the behavior, on the whole, less engrained. Email has become an important business tool for both domestic and international firms, and the ability to overcome the geographic challenges of such a large country have made it a quick replacement for fax services. However it's not just about work, the web is proving itself as both an entertainment and business media platform with many strong entertainment sites in sport and news traceable back to origins in the mid nineties. The strong home-grown content industry in India, complemented by a strong IT sectors in Bangalore, Mumbai and Delhi have fuelled internet development. In terms of international access, there is strong use of UK and US websites as well as international sports websites.

Mobile marketing in India:

While ownership of Internet-connected PCs might still be relatively low across the country – and reserved mainly for the more affluent city-dweller – mobile phone ownership is more wide spread and growing rapidly. The mobile device offers a great way for marketers to bridge the gap between the physical and digital world and you don't have to rely on the latest most sophisticated smart-phones to engage your audience. Why not think about the options that can be offered by short codes text back response, SMS, Interactive Voice Response and automated outbound dialing?

Social marketing in India:

As more and more people connect to the internet in India, time spent social networking is exploding (on sites like Facebook and Orkut). It's one of the primary motivations for going online. As they do, marketers have the opportunity to reach and engage an interconnected audience and build brand reputation through the spread of positive word of mouth. But in order to be successful in social marketing you need to listen first, and then plan before jumping into the conversation. Once you are engaged in a dialogue, manage the responses carefully so you can maximize the benefits of brand advocates and minimize the risk of negative PR.

Online advertising in India:

The internet advertising industry remains young in India and behaves in a similar way to the Western European internet advertising industry 5-8 years earlier. The sector is dominated by financial services, IT/mobile and recruitment, with consumer package goods and motoring accounting for only small shares of the national online advertising market. However Indian consumers have experienced web advertising from the start of their use of the web so there is greater acceptance than in some of the Western European markets at a similar stage in their growth. The market is nationally driven with extra campaigns coming from global brands, but most of the budget confined to national businesses. However, negative perceptions about advertising remain and on the whole national media have been sluggish to provide online services comparable in quality to those in the UK and USA.

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 or blog 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, contextual advertising, and paid inclusion, or through the use of free search engine optimization techniques.

Search engine optimization (SEO): the process of improving the visibility of a website or a web page in search engines via the "natural" or un-paid ("organic" or "algorithmic") search results.

Social media marketing: the process of gaining traffic or attention through social media websites such as Facebook, Twitter and LinkedIn.

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.

Inbound marketing: involves creating and freely sharing informative content as a means of converting prospects into customers and customers into repeat buyers.

Advantages and limitations of Internet marketing

Internet marketing is inexpensive when examining the ratio of cost to the reach of the target audience. Companies can reach a wide audience for a small fraction of traditional advertising budgets. The nature of the medium allows consumers to research and to purchase products and services conveniently. Therefore, businesses have the advantage of appealing to consumers in a medium that can bring results quickly. The strategy and overall effectiveness of marketing campaigns depend on business goals and cost-volume-profit (CVP) analysis. Internet marketers 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, marketers can determine which messages or offerings are more appealing to the audience. The results of 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. Unlike an expensive advertisement on TV or in a magazine, much online marketing costs nothing. The website owner only needs to create a headline that will catch the attention of someone who is surfing the internet. With online marketing the website owner has total control over the content on the website. Thus the website owner has greater control over the information that is provided by the potential customers. Moreover, it is easy to watch for customer feedback and to change any information posted on the website.

Limitations

One of the challenges that internet markets face (as does the general public) is that many internet products are outright scams or promoted with deception making it difficult to know what one is buying. This is especially the case with products that are supposed to train or aid internet marketers in making money. While the quality of products has improved in the past few years, ethics is still often missing in internet

marketing. Many so-called money making products are "empty boxes" in which there is essentially nothing there yet a buyer is to make money by reselling this empty box to others. Pyramid schemes are also still prevalent.

Marketer will not be able to use the x-factor/personal touch factor/human touch factor to influence the audience as the marketing is completely based on the advertisement and the information that the advertisement might lead to [websites, blogs and other channels].

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