

Online Marketing: An Overview

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ABSTRACT

Online marketing, which is also called internet marketing, involves use of interactive, virtual spaces for the sake of promoting and selling goods and services. The use of Internet has become increasingly popular in recent years, where the cost of accessing and building on Internet and web site is relatively low. Marketing is just one of numerous fields have been substantially revolutionized by internet-based technological innovations. Marketers and IT managers are challenged with the task of changing the online climate in order to gain retain online consumers. This has generated tremendous interest in learning about online trust and in developing new site designs to respond to the increased power of customers.

Keywords: Online Marketing, Internet

INTRODUCTION

American Marketing Association defines a brand as “a name, term, design, symbol, or any other feature that identifies one seller’s good or service as distinct from those of other sellers. The legal term of brand is trademark”. Brands are seen as complex social phenomena which have a huge value for companies and customers. A brands’ goal is identification of a product and its producer as to differentiate the offering in a valued way and command margin (Mooradian et al., 2012; Herget et al. 2015).

On the contrary, “customer journey” describes the “tour” a customer goes through before purchasing, ordering or asking for a certain product or service of a company. It shows what kind of touch points are responsible for a potential consumer to finally end up on a company’s website. This journey can last a few hours or even days (Mattscheck, n.d.). The so-called touch points are classy advertisements as TV or radio spots, banners but also online marketing measures or mouth-to-mouth advertisements where customers get the possibility to get in touch with a company (Mattscheck, n.d.).

The Internet and Information Revolution has created fundamental shifts in business and consumer behavior similar to the changes made by Industrial Revolution. The emergence of the Internet seems to be analogous to the advent of the printing press or the railroads, which changed monetary, communication and exchange platforms. Similar evolutions took place with the introduction of automobiles and telephones that reduced the need for channel immediacy.

The use of Internet has become increasingly popular in recent years, where the cost of accessing and building on Internet and web site is relatively low [Ranchhod et.al, 2000]. Companies employ the World Wide Web to gather and disseminate information to and from actual and potential customers and increasingly for end-consumer business transactions through electronic commerce [Romano, 2002].

WHAT IS MARKETING?

Marketing is a societal process, which discerns consumer’s wants, focusing on a product or service to fulfill those wants, attempting to mould the consumers toward the products or services offered. Indeed, marketing is fundamental to any businesses growth. The marketing teams (marketers) are tasked to create consumer awareness of the products or services through marketing techniques. Unless it pays due attention to its products and services and consumers’ demographics and desires, a business will not usually prosper over time.

Essentially, marketing is the process of creating or directing an organization to be successful in selling a product or service that people not only desire, but also are willing to buy.

Therefore good marketing must be able to create a "proposition" or set of benefits for the end-customer that delivers value through products or services.

ONLINE MARKETING STRATEGIES

1. Pay per click: If a customer clicks on the provided link or banner on the affiliate's website and buys a product of the merchant the affiliate receives a certain commission.

2. Pay per lead: Here the affiliate gets a commission for each person who fills out a web based form with his contact information (mostly e-mail address). Payments of commission can also depend on the price of the sold product or service which brings us to the third type:

3. Pay per sale: the affiliate earns a certain percentage of the products' price (Lemmenett, 2014). It is also very common to arrange mix types which means affiliates get a commission per click, for example 3 cents, and additionally 5% of the sale (Lemmenett, 2014).

E-MAIL MARKETING

This strategy means to contact customers directly with e-mails. It is a very popular strategy because of saving costs. This kind of e-mail is usually personalised and it consist of the company's brand, a message and a link which guides the customer to the website of the company. More common are e-mails which also show one or more pictures about the promoted product and a connection to the company's Facebook page to support social media marketing as well (Lemmenett, 2014).

There exist different main types of e-mail marketing as I will explain briefly now:

1. Stand-alone-campaign: It is also called E-mailing and the main character of it is that these e-mails normally have a certain retention period. It is used mostly to promote new products or products for one season.

2. Newsletter: The main reason behind a newsletter is to support customer loyalty. They consist of useful information for costumers and are sent to them at least once a month. A disadvantage about newsletters is the constant effort for a company because newsletters always have to be up-to-date so a company should initiate a professional e-mail marketing tool (Lemmenett, 2014).

Companies have to face the problem that because of the volume and frequency of solicitation e-mail users see no value in receiving these messages. Additional spam filters complicate e-mail marketing for companies because these filters cannot distinguish between requested and unrequested e-mails. This leads to a flooding of spam e-mails (Gopal et al., 2006). While 2002 worldwide 2.4 billion spam mails per day were counted in 2011 the number increased to 200 billion spam emails (Trend Micro, 2011).

KEYWORD-ADVERTISING

This strategy means to put paid banners on results pages of search engines. Goto.com was the first company which had used this strategy in the year 1998. 2002 Google copied it and created the foundation of its contemporary success (Lemmenett, 2014). Keyword-advertising became more meaningful in the world of online marketing for companies which was proven in 2008 by a survey from INTERNET WORLD Business which says that at this time 45.9% of all interviewees did find a new online shop while using a searching engine (Internet World Business, 2008).

ONLINE ADVERTISING

Online advertising is one of the oldest strategies in the online world. The first banner was placed in 1994. Today online advertising includes besides banners many different types of advertisements for example videos. It is said that in the year 2012 online advertising was the most used medium for advertising after TV spots. Because of the decreasing prices and increasing quality of videos this kind of online marketing gets more and more popular for companies. Also the fact that about 40% of internet users like watching online video advertisements encourages companies to present their brands via videos. Surveys also say that representing a company's brand in a video improves customers' apperception of brands (Lemmenett, 2014).

CHALLENGES OF ONLINE MARKETING

Problem of integrity

one of major problems with marketing campaigns is that they employ several offline and online promotions channels such as press, brochure, catalogue, TV, cell phone, e-mail, internet, social media etc, while lack a comprehensive, harmonizing marketing framework. Each item is used in isolation and accomplished as a different task not as a component of an integrated campaign aimed at realization of specified and particular objectives. This deficiency can be compensated for by taking a holistic approach which synchronizes different traditional and internet age modes of marketing communication as moments of an integrated structure.

Lack of face-to-face contact

Internet transactions involve no embodied, personal interaction and that is why some customers consider electronic modes of providing customer service impersonal and enjoy the experience of shopping in a bricks and mortar, physical store. They prefer to talk to store personnel in a face to face manner, touch the related product with their hands, and socialize with other customers. Virtual marketplace cannot provide for this function of offline shopping and lacks personal interaction.

Security and Privacy

Information privacy is among major topics to be taken into consideration in today's evolving electronic world. It is clear enough that nowadays customers' data can easily be shared with other companies without asking for their permission. Moreover their more crucial personal data such as usernames and passwords are not immune from hackers.

Lack of trust

Today despite the rapid growth of online transactions several people still mistrust electronic methods of paying and still have doubt whether the purchased items will be delivered or not. On the other hand prevalence of online fraud has made customers hold negative or doubtful attitudes towards online transactions.

CONCLUSION

Many businesses today are facing the challenges in marketing their business successfully online. You can have the best product or service in the world. You can have the best website ever developed. However, if there is no (or a poor) online strategy you will be the best business that no one has ever heard of. Typical marketing problems that affect many businesses are limited time, lack of resources, cutting corners, not targeting consumers effectively and the inability to measure what works and what needs fixing. You need to generate leads and sales online by out marketing your closest competition. The secret is, using the right channel correctly, to make your online marketing successful.

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