

How Marketing Acts In Digital Era

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Abstract

The Internet is growing at a rate of almost 50-100% per year; in India also this growth is mirrored. From being a medium for exchange of information and communication between the scientific research workers, it has opened a vast vista of entertainment and information (edutainment) for millions of people on the Internet. The Internet in the form of World Wide Web has opened the doors to a new technology in the communication media, which is even now relatively untapped for business purposes (all over the world and more so ever in India). In the present paper an effort is made to access the potential of Internet Marketing in India in consonance with the various environmental factors. Various techniques that can help the marketers to boost their business by harvesting the power of the Internet are explored. At the same time the study also focus on the various players involved in providing Internet service, their tariff structure, their infrastructure etc. the study also includes the growth of Internet in India, the features attracting most of the companies to be on the net and the present usage pattern in India.

Keywords: *Edutainment, Internet Marketing, Tariff structure, Technology, Usage pattern*

Introduction

Electronic marketing is rapidly transforming the way hospitality and travel organizations conduct business. Electronic marketing is normally associated with Internet marketing. Internet marketing captures data which feeds into the firm's database; the database is used to generate profiles and lists, which enable the firm to have effective direct marketing campaigns; and two of the media for direct marketing are the Internet using e-mails and CD-ROMs with hyperlinks to the Internet. Underlying electronic business are two phenomena: digitalization and connectivity. Digitalization consists of converting text, data, sounds, and image into a stream of bits that can be dispatched at incredible speeds from location to another. Connectivity involves building networks and expresses the fact that much of the World's business is carried over networks connecting people and companies. These networks are called intranets when they connect people within a company; extranets when they connect a company with its suppliers and customers; and the Internet when they connect users to an amazingly large information superhighway."

on the usage of internet that is anybody in this universe has the accessibility to the internet and can use it anytime, anywhere. The companies who are selling their products online are the one who are earning profit. Due to digital marketing, companies targets their potential customers and sell products online by customization and learning the attitude of the customers in order to gain the competitive advantage. Digitalization builds an interaction between the customers and the marketers so that they can learn about the buying patterns of the customers to create value and relationship. Mostly companies acquire their customers online and develop strategies to retain them smartly by understanding the needs and customizing the products accordingly and that's how relationships can be established. So far if we look at the relationship building it is the most difficult task

which hampers the growth of the organizations. Well if any company wants to build a good customer relationship then the marketer needs to understand what the customer is actually seeking for, which can only be identified by understanding the consumer behavior. Now a days in order to earn profit or to survive in the competitive edge one must go under the study of consumer behavior and their satisfaction level. The traditional approach which talks of marketer centric approach has now converted into customer centric approach which keeps customers and their needs in the Centre. Marketing is now centered on generating the engagement between the customer and the marketer in the virtual world. With the help of virtual world, marketers are approaching consumers directly and creating a network with them. It is crystal clear with the organizations that the online world has shaped the behavior of the consumers.

Basic Principles of Electronic Marketing

1. Build and actively manage a customer database.
2. Develop a clear concept on how the company should take advantage of the Internet.

Information Technology is the fastest growing segment of Indian industry both in terms of production and exports. In recent times, 'software development and IT enabled services' have emerged as a niche opportunity for India in the global context. The Government of India is taking all necessary steps to make India, a Global Information Technology Superpower and a front-runner in the age of Information Revolution. The Government of India has announced promotion of Information Technology as one of the five top priorities of the country and constituted a National Task Force on Information Technology and Software Development.

Information Technology Industry in India has the potential of tremendous growth as a global IT solutions provider. Increasingly, India is being regarded as the hub and the base for world-wide IT solutions development. In addition to the global market that the Indian IT industry is well placed to tap, there is also a huge market within India to transform conventional brick and mortar industry through IT solutions. Likely economic and industrial growth and a large consumer base are the additional and significant growth drivers for Indian IT industry.

Convergence of Information Technology, Communication, Entertainment, Content and Consumer Electronics and the increasing penetration of internet, PC, desktop sets, mobile phones, cable TV etc. should result in a massive surge in world-wide demand for IT solutions for internet based activities and e-commerce. India today is well placed to offer quality and competitive IT products and services.

India's IT industry ranks among the fastest growing sectors within the country's economy. Driven primarily by software exports, the industry has been logging in extremely impressive year on year growth. The software industry in fact has been growing well with a CAGR exceeding 50% over the last five years, and only in the last year, impacted by the worldwide economic downturn, has the momentum reduced marginally. The Government of India projects an export of US \$ 50 billion by the year 2008 for the Indian software industry.

India's international-class manpower that creates high quality software and services solutions is finding favor among overseas customers. The success story being played out by the IT industry at the global level is also being reflected on Indian soil, with more and more organizations embracing IT. The Government too is getting IT enabled and using state-of-the-art technology solutions to bring greater benefits to Indian citizens and improve its internal efficiencies.

MOVING “*TOWARDS E-BUSINESS.....*”

The statistics show that 90% of all new businesses fail. We believe that is a direct result of the failure to plan. Take the opportunity to plan and increase your chances of success. While preparing for this topic there were several examples as well as case studies that we reviewed. These like most others left us starry eyed. They seem to have this effect on most people our age. But E-Business is not only success stories. There are several stumbling blocks that young entrepreneurs have to face. There are several startups that do not meet the “eyeball”

There are 4 types of businesses that can be carried out over the Internet.

1. **B2B** : that is Business to Business transactions that take place on line. For example “dell.com”. This company sells computers to several other enterprises via the internet thus eliminating the middleman and reducing costs by a great deal.
2. **B2C** : that is Business to Consumer transactions that enable companies to get in touch with, service and make sales to their customers via the world wide web. For example “rediff.com” which sells everything right from music to books on the net.
3. **C2B** : that is Consumer to Business transactions where in the consumers specify their requirements and the business tries to meet them. Thus the consumer gets the best bargain and businesses face fair competition. Eg “priceline.com”
4. **C2C** : that is customer to Customer transactions where in customers trade within themselves through auctions. Eg.” Ebay.com”

With the changing times in the age of net ,e-business cannot be just restricted towards being merely a B2b and B2C but with time it has also grown and is clearly even developing as C2C and C2B.e.g. ebay.com and price line used by various airlines like delta.com . The prices of tickets are no longer fixed but depend upon the place, time of booking, destination etc. and not necessary that the price paid by the passenger boarding the flight will be the same as the rest of the passengers. Infact, now it is the customer who makes the offer and the organization has to make the counter offer.

Objective

The objective of this paper is to study the feasibility of e-commerce for a wide range of activities such as advertising, customer services etc. Exploring the cost aspects of marketing on the net. Past and future trends of e-commerce & internet marketing at a globalised level in terms of business volume, usage pattern and consumer inclination towards using e-commerce.

Methodology

The method of the study used is qualitative and descriptive research and it focuses on the online consumer behavior and the change in the behavior of the consumers in the past decades. The data has been collected from the secondary sources which includes various websites, books, research papers and discussions. The sources through which the relevant information has been extracted have thoroughly been analyzed to make this study more informative in order to develop an understanding about the scope of e marketing.

Literature review

In this modern age of internet almost every progressive business have web presence, some of people think that website is just a commercial requirement but others think that it is mandatory to run their company activities. These different theories about internet have been discussed a lot in recent marketing literature. In the past decade marketers have been arguing about the role of internet in marketing. In the start marketers used internet as communication tool but as time passed they realized the true potential of internet and the idea of Internet marketing evolved. Smith and Chaffey (2005) give a short and basic definition of Internet marketing as “Achieving marketing objectives through use of electronic communication technology”. According to Hoge (1993), Internet marketing is the transfer of goods or services from seller to buyer that involves one or more electronic methods or media. Internet Marketing began with the use of telegraphs in the nineteenth century. With the advent and mass acceptance of the telephone, radio, television, and then cable, electronic media have become the dominant marketing force. Hoge’s (1993) idea of Internet marketing is simple but it does not touch the important aspect of customer relationship. Strauss and Ansary (2006) defined Internet marketing in there latest book as the use of information technology in the process of creating, communicating, and delivering value to customers, and for managing customer relationships in ways that benefit the organization and its stake holders. This explanation tells that e-marketing is not only about selling products or providing services through IT but it is lot more than that. It is not just traditional marketing using the information technology tools but it’s a strategic model to achieve brand value and provide customer satisfaction. On the other hand, the review of the relevant literature revealed that one of the main obstacles in the literature is the unclear way of dealing with the concept and definition of E-Marketing. In this respect most of the researchers misused the term E-Marketing; the majority of researchers are using the terms: E-Marketing / Internet-marketing / E-commerce / E-business as equivalents or a deferent wording for the same meaning, which is incorrect because they are deferent. For example, E-Marketing has a broader scope than internet marketing since Internet Marketing (IM) refers only to the Internet, World Wide Web, e-mails. While E Marketing includes all of that plus all other E-Marketing tools like: Intranets, Extranets and mobile phones.

In contrast with that, E-commerce and E-business have a wider and broader scope than E-Marketing

Findings

1. The idea of buying through Net is catching up slowly. Around 88% of the people choose Brick and Mortar shop as their first preference for shopping, while it is only 8% for making purchase on the Net. Nevertheless 50% people have purchasing through Net as their second preference.
2. People at present on an average spend around 9 hours surfing the Net in a week. This figure is expected to rise to around 16 hours a week with falling Internet access prices, this is around 77% rise in the Internet access.
3. Of all the products Books and CDs emerge as favorite products to be bought on the Net with 40% people mandate, seconded by electronic goods and garments with 255 people mandate.
4. Presently 10% of the people use Net for buying things, and among the rest 90% of people 75% are willing to make purchase through net in the future.

5. Among various uses of net, generally around 90% of the people use Internet for e-mail/chat and 95% for gathering information where as only 10% of the people use Net for purchasing.
6. Around 56% of the people think that advertisements on Net don't give more insights of products and services than other media.
7. 66% of the people receive mail from business site, out of which 50% don't reply at all and the other 80% which reply, does it so only 20% of the time (i.e. reply 1 mail out of 5 mails).
8. 'Convenience', 'wide range of choices' and 'saving of time' have emerged as the main factors which motivate people for making a purchase through Net where as 'security' and 'lack of actually feeling the product' are the main factors which denominate people from making a purchase.
9. On an average people click only 7% of the time on advertisements.
10. All organizations feel that their presence on Net give them better opportunity to inform the customer interactively about their product/service and build strong customer relationship.
11. Around 70% of the sites are one year old, 20% are 1 to 2 years old and 10% more than 2 years old. Around 10% of the organisations have active e-commerce sight used for transaction, rest 90% are just for the sake of presence out of which 10% provide the service on-line but the payment is done off-line.

Conclusion

The Internet has been developing at an exponential pace over the past 4-5 years. It's difficult to estimate the number of users connected to the 'Net', but there are figures that suggest an audience of over 75 million users. Since the technology is so fast, it is difficult to predict where it will go. At the moment, you need a computer to connect to the Internet. Network computers were hailed as the new way of accessing the Internet. These have not taken off as predicted. Instead the next development is from television manufacturers who are providing new TV sets that can access the Internet and allow the viewer to browse the web or send e-mails. Internet service on Cellular (Mobile) phone will also increase its popularity.

Recommendations & suggestions:

1. Most e-marketing giants tend to concentrate a lot on the 15 – 20 % of their customers who constitute the highly adoptive customers who are willing to accept technology.
2. To maintain satisfaction in this segment it is necessary to adopt continuously innovative strategies that cater exclusively to the explorers and pioneers.
3. However it is also necessary to focus on the low end customers as well. Their loyalty can be earned because they were dissatisfied with the introduction of hi technology solutions.
4. Their ideology being that the e-marketer had failed to understand their requirements.
5. For this sector it becomes important to reinstate the personal over the counter marketing activities.
6. By balancing these to primary strategies they are likely to maintain their customer base and over time be able to attract more customers.

7. It is important to clearly segment customers into technology savvy or non technology savvy and accordingly cater to their specific needs.

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