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Research Article

PROS AND CONS OF INTERNET MARKETING STRATEGIES FOR CONSUMERS

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A R T I C L E I N F O

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A B S T R A C T

With the fast growth of technology in India, internet played most important role in all the major areas of our life and organizations. With-in few clicks we can explore ample information which will help in conceptualizing many tasks in nanoseconds and realizing this power of internet, marketing is not far behind to use it as a driving channel to reach the global territory. Internet Marketing also known as digital marketing comprises the usage of virtual digital space with a scope of interaction, this digital space is been used by the marketer to promote and sell the products and services. This internet based marketing provides various benefits to consumers in improving their lives. However internet marketing has its own sets of barriers felt by consumers that provide scope of improvements. Through this research paper researcher tried to understand the different internet marketing strategies and tried to know various pros and cons of internet marketing from consumer's perspective.

INTRODUCTION

Internet marketing basically is the marketing of products or services using digital technologies, mainly on the Internet, but also including mobile phones, display advertising, and any other digital medium Internet marketing's development since the 1990s and 2000s has changed the way brands and businesses use technology for marketing. As digital platforms are increasingly incorporated into marketing plans and everyday life, and as people use digital devices instead of visiting physical shops, digital marketing campaigns are becoming more prevalent and efficient.

Internet marketing techniques such as search engine optimization (SEO), search engine marketing (SEM), content marketing, influencer marketing, content automation, campaign marketing, data-driven marketing and e-commerce marketing, social media marketing, social media optimization, e-mail direct marketing, display advertising, e–books, and optical disks and games are becoming more common in our advancing technology.

LITERATURE REVIEW

Websites first

The first marketing activity online started in the early 1990s with the creation of simple, text-based websites with basic information about a product or company. These were complemented with basic emails-often unsolicited spam-that shared information in a rudimentary way. As web tools evolved, so too did the websites, incorporating images, sounds, videos and more advanced formatting styles.

Advertising takes off

As regulations fell away in 1995, internet marketing-and especially advertising-boomed. To put the growth in perspective, US online advertising spend in 1994 was zero dollars, and leapt up to $301 million in 1996. Another year later, the market was worth $1 billion. Search engine optimisation (SEO) started tentatively in 1995, relying on luck and guesswork before hackers managed to crack the first algorithms in 1997. Companies began thinking about advert placement and started buying advertising space on related websites, with links back to their pages and often accompanied with data-gathering measures such as asking customers to enter their contact information. In 1998, Hotwired began selling banner advertising space to large corporate clients and achieved a remarkable 30% click-through rate.

Online search portal Yahoo capitalized on this trend and offered advertising space on its massively popular home page, quickly developing extra software for tracking user preferences so it could target the advertising more effectively; it became one of the few "dotcom" companies to earn a tidy profit from online advertising. Google took the idea, streamlined it and improved the advert-targeting algorithms. In 2000, it introduced Ad Words, an advertising service that allowed marketers to pay only for adverts that were clicked on by a customer. The strategy, which accounts for 95% of Google's current revenue, became phenomenally successful and is now the benchmark search engine advertising method.

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The dotcom phenomenon

The rapid improvement of online technology and the new business ideas that it inspired led to the "dotcom boom" of the late 1990s. The boom was a time when enthusiastic but inexperienced businesspeople conceptualised and financed-through loans, advertising and venture capital-radical and exciting new web based companies. Unfortunately, because the medium was so new and the strategies untested, many dissolved into nothing and a lot of investment money was lost (a well-known example is Boo.com, a fashion retailer that burned through R1,5 billion in just one year and then went bust) – the dotcom bubble had burst. This had a massive effect on online advertising spend, which fell 33% from 2000 to 2002 and made companies much more cautious of advertising online. The online advertising market was rescued by search engine advertising, a field led by Google.

The rise of the social web

Despite some failed marketing strategies-the annoying pop-up adverts that appeared in 2001 were quickly neutralised by pop-up blocker programs-online marketing recovered and grew rapidly in tandem with the rise of the social, sharing based web 2.0. The corresponding rise in online commerce – notably auction websites, online retailers (etailers) and banking – has added to the financial focus of the web. The last and most profound change to the marketing space was the rise of social media, which was gradual from 2004 and meteoric from 2006. Social media platforms, such as social networking sites, opened the space for user-filtered and recommended content – including marketing material. As the social media platforms grew and people created exponentially more connections with each other, the vision of viral marketing – the online equivalent of word of mouth – became real. On the other hand, it made the necessity for online reputation management clear, a lesson that computer company Dell learned the hard way during the infamous "Dell hell" scandal in 2005. Dell received a series of complaints after it had changed some of its products and services, and one disgruntled blogger, Jeff Jarvis, vented his frustration on his well-known blog. Other voices joined the online outcry, sharing stories and linking blog posts and articles. Dell ignored the issue completely and remained silent in response to complaints, but the mainstream media picked up on it and catapulted it into public view. What followed was a two-year assault on the reputation of Dell, which had reacted too slowly and unsatisfactorily to the negative online buzz. The situation led to extremely negative publicity, substantial losses in sales and plummeting long-term public perception

At this point we will consider five definitions that encompass the evolving Internet driven economy:

E-commerce

Commerce is generally acknowledged as the interchange of merchandise on large scale between nations or individuals. Rayport and Jaworski (2001) define e-commerce as 'technology mediated exchanges between parties (individuals or organisations) as well as the electronically based intra- or inter-organisational activities that facilitate such exchanges'. The emphasis in most e-commerce definitions has been on digital transactions facilitated at every stage (eg inventory, ordering and payment processing, etc) by technologies such as electronic data interchange (EDI). Standardisation of electronic data formats enables computers to speak to each other, speeds information exchanges and reduces transaction costs. Of course, not every organisation will use their site for online transactions; it may not be appropriate or part of their strategy. Some organisations may use their site to drive traffic to a physical showroom or perhaps for PR or brand building.

E-business

Turban *et al* (2002) suggest that the term 'e-commerce' is a rather narrow constricted definition with its emphasis on the transactional process and that it does not encompass the full range of applications and potential benefits of the Internet. Philips (2003) terms e-business as 'the application of information technologies for internal business processes as well as activities in which a company engages during commercial activity. These activities can include functional activities such as finance, marketing, human resources management and operations'.

Lou Gerstner of IBM cited in Turban *et al* extols the potential payback from e-business saying that it is 'all about time cycle, speed, globalisation, enhanced productivity, reaching new customers and sharing knowledge across institutions for competitive advantage'. To exploit such opportunities, requires the redesign of the corporate environment and the total integration of information and communications technologies across the business functions.

E-marketing

E-marketing is described by the Institute of Direct Marketing as 'the use of Internet and related digital information and communications technologies to achieve marketing objectives'. Mohammed *et al* (2001) define Internet marketing as 'the process of building and maintaining customer relationships through online activities to facilitate the exchange of ideas, products and services that satisfy the goals of both parties'. Strauss *et al* (2003) suggest that e-marketing covers a wide range of IT related applications with three main aims: transforming marketing strategies to create more customer value through more effective segmentation, targeting, differentiation and positioning strategies; more efficiently planning and executing the conception, distribution, promotion and pricing of goods, services and ideas; creating exchanges that satisfy individual consumer and organisational customers' objectives.

This appears to offer nothing startling at first glance but acknowledges that the Internet has been responsible for many organisations' refocussing their marketing strategies. It also recognises that one of the benefits of e-marketing is the increased efficiency that it can create for both parties in the exchange process. The applicability of such definitions should be taken in context as it will depend to what extent the business relies on online, offline or a multi-channel approach. Smith and Chaffey (2002) emphasise the importance of the database in e-marketing and the utilisation of a wide variety of 'e-tools' to generate a dynamic dialogue, which goes beyond a purely transactional process. Prominence is given to the role of technology in relationship building, customer retention, customisation and loyalty by means of effective two-way communications. The Internet enables more customer input to influence marketing decisions. The ideal outcomes are customer satisfaction, added value and improved company revenues. Philip Kotler (cited in Web Metrics paper, ‘Winning on the Web’ (2002)) sums up the changing shift in power and observes, Intelligent management of information and the use of technology-supported customer interactions are among the e-marketing rules for the new economy’. Marketers need to make creative and innovative use of information employing both technology and intuition to tease out trends and opportunities.

However, we must not overlook the important role that the Internet can play in communicating with our different ‘publics’ such as employees and shareholders. As competition intensifies across sectors, it becomes more important for employees to be well informed of corporate and marketing objectives and intranets have a key role to play in effective internal marketing. Furthermore, the Internet does have a significant non-selling function for both public sector and not-for-profit organisations especially in terms of information exchange, communications and online customer service.

M-commerce

M-commerce can be defined as ‘the buying and selling of goods and services through wireless handheld devices such as mobile phones and personal digital assistants’. M-Commerce enables users to access the Internet without needing to find a place to plug in providing anytime, anywhere communications. As Philips (2003: 11) observes, ‘the convergence of the two fastest growing communications technologies of all time – mobile phones and the Internet – will, they say, make possible all kinds of new services and create a vast new market’. The emerging technology underpinning m-commerce based on Wireless Application Protocol and third generation (3G) bandwidth technology has led many to believe that m-commerce with its flexibility does have greater potential than the Internet connected PC. So-called smart phones provide faster, personal and secure handheld communications content and payment abilities for a progressively mobile workforce. With the fat pipe or broadband slowly becoming more accessible in terms of connectivity and cost, the thirst for instant information by some is becoming a reality for individuals and a marketing challenge for organisations. Wireless Internet Access or Wi-fi enables users of handheld devices and laptops to access the Internet on the move without the need for any physical links or attachments via ‘hotspots’ without the need for any traditional dial up connections. Graeme Lowdon (2003) of Nomad Digital suggests that wi-fi has an advantage over many previously released technologies: ‘Whereas in the past, standards have been hyped and touted, hoping that people will adopt them, this technology has occurred the other way around – it’s become a de facto standard. A good comparison is something like text messaging. That was never pre-hyped, it was almost as a by-product on mobile phones. Then an awful lot of people used it and it became a mainstream technology. Wi-fi falls into this category’.

M-marketing (or mobile marketing)

Strauss *et al* (2003) paint an interesting scenario occurring in the next phase of e-business with a driver being notified by text message on the interstate that his 15,000-mile car service is due. The technology recognises that he is approaching the city and suggests that he may wish to exit and visit the dealership where a driver will be ready to take him on to his office. His car will be returned to him at his office. The customer just has to click and confirm and the chauffeur and service technicians will be ready and waiting. This vision of the connected customer-company relationship does not seem too far away. A Gartner research report in November 2005 claimed a 22% increase in worldwide mobile phone sales in the third quarter for that year with a further 10-15% increase expected for 2006.

Just like the distinctions made between e-commerce and e-marketing, we should recognize that similar differences apply in the mobile domain with the capability of using mobile devices for marketing functions other than buying and selling. For example, financial institutions already provide useful SMS (short messaging service) customer alerts on overdraft facilities. Other customer services can be permanently accessible. Alternatively, mobile devices could be used for instant marketing research or location based sales promotions. The mobile phone has been transformed into a multi-functional device incorporating phone, text, video and MP3 capability as standard on new phones and provides more marketing opportunities.

RESEARCH METHODOLOGY AND DATA ANALYSIS

As mentioned earlier, this paper aimed to understand the internet marketing strategy, which is done through review of extant literature in the above sections. For the second objective i.e. to understand the pros and cons of internet marketing for consumers, a questionnaire was developed. A survey was conducted with the customer to understand their view point on various internet marketing strategy and the various benefits and barriers for using internet technology the survey was conducted in the period of July- September’2017. Researcher had conducted online survey using Google forms survey, around 400 consumers had responded to our survey in four metro cities. The results so obtained are presented in the following section.

Research Findings

Table 1 The factors of online shopping influence decision of purchasing through internet instead of conventional retailers

Factors	Rank	Number of Respondent	Percentage of total respondent 400
Lack of time for shopping	1	389	97.25
Price variance online in compare to conventional retailer	2	361	90.25
Variety of products and Brands available online	3	339	84.75
Discounts and schemes available online	4	326	81.50
Convenience like exchange policy, cash on deliver etc.	5	289	72.25
Influenced from social media	6	286	71.50
Friend/Family Referral	7	262	65.50
Attractive offers available online	8	212	53.00
Superior selection /availability online	9	159	39.75

The factors affecting online marketing influence decision of purchasing through internet instead of conventional retailers explained in table 1 and figure 1 respectively. The table showed that maximum respondents said that they hadn’t time to purchase from retailers counter so easy to purchase from online and 97.25% respondents commented that due to lack of time for shopping online marketing preferred. The rank form analysis showed that lack of time for shopping is first reason of online purchasing than Price variance online in compare to conventional retailer; Variety of products and Brands available online; Discounts and schemes available online; Convenience like exchange policy, cash on deliver etc.; Influenced from social media; Friend/Family Referral; Attractive offers available online and Superior selection /availability online factory were respectively from 2 to 9 ranks formation. Minimum 39.75 respondents agreed that reasoned of superior selection/availability on website was a reason of marketing site,

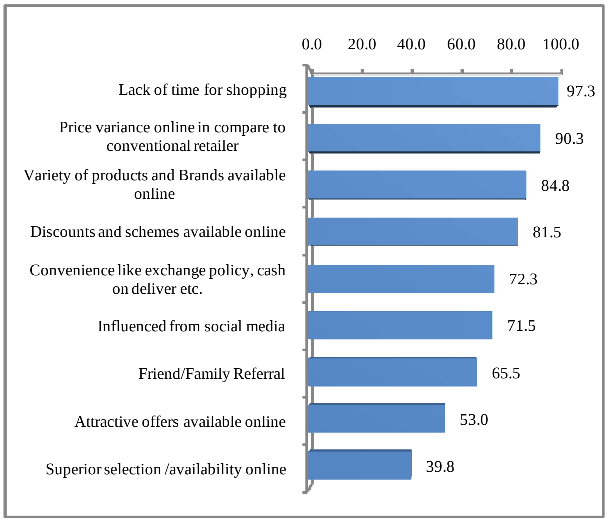

Figure 1 the factors of online shopping influence decision of purchasing through internet instead of conventional retailers

Table 2 The most important barriers to purchase online

Barriers	Rank	Number of Respondent	Percentage of total respondent 400
I don't like providing personal information/ Credit card information	1	384	96.00
I am worried about the cost/hassle of returning the product	2	380	95.25
I like to see/touch the product in person, before I buy it	3	376	94.00
I worry for a fraud during the delivery process	4	363	90.75
Experienced some Technical foul-ups prevent transactions from going through	5	321	80.25
Prices are high compare to traditional retailers	6	296	74.00
I enjoy going out to do my shopping	7	265	66.25
Internet is too slow / Pages take too long to load	8	224	56.00
Delivery costs are too high	9	99	24.75

The table 2 explained the barriers to purchase or occupied good and services from online marketing. Out of 400 respondents maximum 384 said that consumers didn't like to provide personal information / credit card information because of cybercrime. Most of time after filling information cyber experts just stole the information and looting with electronic transaction. Nearby this number total 380 said that they were worried about the cost hassle of returning the products. The rank formation analysis told that first barrier to online purchases reason was providing personal information regarding credit card, second worried about cost hassle, third can't touch the product before buying, fourth expected fraud in delivery process, fifth bad experience of technical follow-up to prevent the transactions from going through, sixth pricing policy tactics are varied than traditional retailers, seventh not enjoying outing if online marketing do, eight Indian scenario internet speed is too slow than others though its lengthy process when we use online marketing site. Lastly on ninth rank barriers was delivery cost of online products. The figure 2 explained the same.

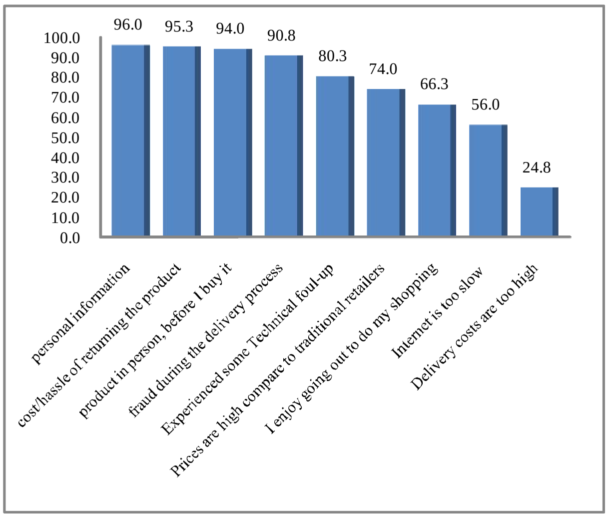

Figure 2 The most important barriers to purchase online

CONCLUSION

So we can conclude that in today's fast growing economy where everybody is busy and they don't have much time to even relax, this is obvious that consumers get more attracted to new strategies of marketing using internet that is e-commerce and other associated strategies, we can clearly see that on digital platform where companies are attracting consumer by using different strategy using internet like comparison of products and prices and discount schemes and spreading awareness and positive word of mouth on social media and other associated technology, because of which consumers are getting most benefited.

But if look at the cons or barriers why the consumers are still avoiding internet marketing; we can clearly understand that there is still much scope of improvements in those strategies.

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