

Opportunities and Challenges of Internet Marketing

Reena Kumari
Assistant Professor, Faculty of Commerce
Gandhi Adarsh College, Samalkha

ABSTRACT

Marketers have been using electronic tools for many years, but the internet and other information technologies created a flood of interesting and innovative ways to provide customer value. The more the Internet settles into mainstream business, the more it spawns innovation and more change. Electronic marketing is the youngest of the membership growth devices and has grown tremendously since mainstreaming a little more than two decades ago. E-marketing is traditional marketing using information technology but with some twists. The marketing transformation results in new business models that add customer value, build customer relationships, or increase company profitability. This in turn created a virtual market for actual products globally. The paper discuss the opportunities and challenges of E-marketing in India, a systematic review on the present changes, the strategies implemented by marketers with the development of electronic environment in India, discussing about the drawbacks. Finally some suggestions are made to the Indian marketing companies for the improvement of E – marketing.

Keywords: Online marketing, offline marketing, Internet, Opportunities, Challenges.

INTRODUCTION

Internet or Online marketing is defined as the main founding of monitoring tools and performance that are used for endorsing product and services with the help of Internet. It comprises a broader variety of promoting components than customary trade advertising due to the additional networks and marketing machinery accessible on the Internet. These are the appreciated accompaniment to traditional marketing approaches whatsoever the scope of your corporation or your commercial model. However companies will remain to make use of traditional marketing approaches, such as promotion, direct mailing, and Personal Relations, Internet-marketing enhances an entirely new component to the marketing mixture. Many

industries are making great outcomes with Internet-marketing and its elastic and cost effective environment create it predominantly appropriate for small organizations. Internet-Marketing rises due to the claiming of marketing philosophies and methods through electronic media and more precisely the Internet. The terms, Internet marketing, E-Marketing Digital marketing, Online marketing Web marketing and Search engine marketing are often swapped, and can frequently be measured identical. Internet Marketing is a process in which a company advertises the product on the internet. It comprises a broader range of advertising essentials than traditional commercial advertising due to the additional networks and marketing tools that are available on the Internet. Internet-Marketing includes all the actions a business conducts with the help of worldwide web and to the aim of drawing attention to the new business, holding current business and evolving its product identity. Internet-marketing objectives outline what you want to attain from your Internet-marketing campaign. It setup the reasons why your business should go online and let you approximate and display the improvement of your online marketing actions. They also deliver an encouragement to motivation on serious areas and express plans to help attain planned goals. Different companies may progress with different e-marketing aims to depend on their specific conditions. A valuable outline for developing operative Internet-marketing aims is the five outlines, (Hamill & Gregory, 1997) which includes:

- To Sell Products or Services with the use of Internet
- To Serve The customer by using the internet
- To use the Internet to communicate with the customer(existing customer and potential customer)
- To use the internet to save or to reduce the cost
- To use the internet to build the identity of a brand.

LITERATURE REVIEW

India has an internet user base of about 137 million as of June 2012. The access of e-business is low as compared to markets like the United States and the United Kingdom but is growing at a much faster rate with a large number of new entrants. Cash on delivery is a unique thing to India and is a preferred payment method. India has a vibrant cash economy as a result of which around 80% of Indian e-business tends to be Cash on Delivery. E-business in India is still in burgeoning stage but it offers extensive opportunity in developing countries like India. Highly intended urban areas with very high literacy rates, huge rural population with fast increasing literacy rate, a rapidly growing internet user base, technology advancement and

adoption and such other factors make India a dream destination for e-business players. Moreover, squat cost of personal computers, an emergent installed base for Internet use and a progressively more competitive Internet Service Provider (ISP) market has added fuel to the fire in augmenting e-commerce growth in Asia's second most populous nation. India's e business industry is on the growth curve and experiencing a surge in growth.

The Online Travel Industry is the biggest segment in e business and is flourishing largely due to the Internet-savvy urban population. The other segments, categorized under online non-travel industry, include e-Tailing (online retail), online classifieds and Digital Downloads (still in a blossoming stage). The online travel industry has some private companies such as Make my trip, Cleartrip and Yatra as well as a strong government presence in terms of IRCTC, which is a successful Indian Railways initiative. The online classifieds segment is broadly divided into three sectors; Jobs, Matrimonial and Real Estate. A description by the Internet and Mobile Association of India has exposed that India's ebusiness market is mounting at an average rate of 70 percent annually and has grown over 500 percent since 2007. The current estimate of US\$ 6.79 billion for year 2010 is way ahead of the market size in the year 2007 at \$1.75 billion. Apparently, more online users in India are willing to make purchases through the Internet. Overall e-commerce industry is on the edge to experience a high growth in the next couple of years. The e-commerce market in India was largely dominated by the online travel industry with 80% market share while electronic retail (E-Tailing) held second place with 6.48% market share.

As per "India Goes Digital", a report by Avendus Capital, a leading Indian Investment Bank specializing in digital media and technology sector, the Indian e-commerce market was estimated at Rs 28,500 Crore (\$6.3 billion) for the year 2011. Online travel constitutes a sizable portion (87%) of this market today. Online travel market in India is expected to reach Rs 54,800 Crore (\$12.2 billion) in size by 2015. Indian e-tailing industry is estimated to grow to Rs 53,000 Crore (\$11.8 billion) in 2015.

OBJECTIVES OF THE STUDY

There are the following objectives of the study:

- To explain the concept of E-Commerce
- To review the present scenario of E-Marketing in India
- To review the latest E-Marketing trends in India
- To Identify the Opportunities and Challenges of E-Marketing, in India

RESEARCH METHODOLOGY

The process used to collect information & data for the purpose of making business decisions. The methodology may include publication research, interview, surveys and other research techniques & could include both present & historical information. The researcher has used only secondary data that has been collected from various articles, journals, books, websites etc. This has been used to study the conceptual framework, definition, present trends and some of the challenges and opportunities of e-commerce in India. All the data included is the secondary base and proper references have been given wherever necessary.

IMPORTANCE OF E-MARKETING

E-marketing gives businesses of any size access to the mass market at an affordable price and, unlike TV or print advertising, it allows truly personalized marketing. Specific benefits of e-marketing include:

- 1. Global reach** – a website can reach anyone in the world who has internet access. This allows you to find new markets and compete globally for only a small investment.
- 2. Lower cost** – a properly planned and effectively targeted e-marketing campaign can reach the right customers at a much lower cost than traditional marketing methods.
- 3. Track able, measurable results** – marketing by email or banner advertising makes it easier to establish how effective your campaign has been. You can obtain detailed information about customers' responses to your advertising.
- 4. 24-hour marketing** – with a website your customers can find out about your products even if your office is closed.
- 5. Personalization** – if your customer database is linked to your website, then whenever someone visits the site, you can greet them with targeted offers. The more they buy from you, the more you can refine your customer profile and market effectively to them.
- 6. One-to-one marketing** – e-marketing lets you reach people who want to know about your products and services instantly. For example, many people take mobile phones and PDAs wherever they go. Combine this with the personalized aspect of e-marketing, and you can create very powerful, targeted campaigns.
- 7. More interesting campaigns** – e-marketing lets you create interactive campaigns using music, graphics and videos. You could send your customers a game or a quiz – whatever you think will interest them.
- 8. Better conversion rate** – if you have a website, then your customers are only ever a few clicks away from completing a purchase. Unlike other media which require people to get up and make a phone call, post a letter or go to a shop, e-marketing is seamless.

OPPORTUNITIES OF E- MARKETING

1. Empowering Effect: One of advantages of online marketing is related with its enabling effect especially on small businesses since "internets can extent market reach and operational efficiency of small and medium enterprises (SMEs)". In fact internet creates a kind of democratized environment in which marketing has been restructured in such a way that even small businesses are given a good chance to promote and brand their products on a much more larger scale.

2. Elimination of Geographic Barriers: One of the key advantages of online marketing is that it removes all geographical limitation from the practice of buying and selling. So internet allows an unlimited global reach at on outstandingly lower cost. Due to massive cost of traditional media, global reach was once the exclusionary realm of huge Multinational Corporation, but the advent of cost-effective internet technologies has enabled smaller businesses to enjoy this kind of reach. Overcoming the geographic barriers, marketers are now able to present products and services to different groups of costumers across the universe with the simple condition that they have access to internet.

3. 24 Hours / Seven Days Availability: Internet now can provide customers with timely information due to its availability 24 hours a day, 7 days a week. So, due to the establishment of online shops, customers are now able to acquire information and shop online any time of day or night they wish and prefer. So there remain no time limitations in this regard because online businesses have no special closing and opening times. People may visit physical markets after searching internet or the other way round they can surf internet for competitive prices after visiting physical stores.

4. Cost-Effectively: It goes without saying that, compared with traditional advertising media channels, which are very resource consuming, online marketing via internet is clearly cost-effective and can accomplished its objectives at a fraction of the cost. For instance it is obvious that the cost of launching an ad online is far less than placing an ad in a magazine or on a billboard. The cost of establishing one's virtual presence, networking with other institutions and communication with consumers is significantly low.

5. Trackability: Another aspect of the online marketing is its possibility of tracking. In fact "the track-ability of Internet Marketing is one of its greatest assets". Internet enables measurement of everything taking place on it. So, the number of clicks that a particular promotional piece receives and amount of website traffic is easily measured. In this way the marketer is enabled to track the visitors to her/his website and understand their behavior.

Internet also allows the companies to find out whether their campaigns are working or not, what kind of customers are interested in their products, from where?

6. Personalization: Personalization which comes with customization is another important aspect peculiar to marketing online through internet. So online marketing is a personalized marketing which is also called marketing to the Segment of One or "one-to-one marketing". In fact "since electronic interaction with customers allows the gathering of detailed information on the needs of each individual customer, firms can automatically tailor products and services to those individual needs". This process results in offering customized products to customers. In this way customers are send personalized messages which produces much greater impact compared with impersonalized, generic messages send indiscriminately to mailbox of customers. Personalization results in formation of sustainable relationship with customers.

CHALLENGES OF E-MARKETING

Since the boom of the Internet in the late 1990s, Web-based companies have been starting up every day. What is more, new opportunities for growth emerge daily, expanding the reach and capabilities of the cyberspace. However, for all its benefits and advantages, e-marketing faces some problems that are unique to the industry. That is, Web-based enterprises have a special set of challenges that traditional brick-and-mortar businesses do not have. Some of the challenges faced by the businesses and the ways to overcome them are presented below:

1. Marketing Integration: Most major marketing efforts utilize multiple channels, on- and offline. Email, Web advertising, and viral Internet marketing should serve concrete, measurable objectives as part of an integrated campaign. The problem with these is that they are often handled as different parts of the work when they are supposed to serve a concrete and measurable goal as part of an integrated campaign.

2. Security and Privacy: Most people do not completely trust Web companies and thus are careful about offering information about them on the cyberspace. This is especially true when companies that collect data are exposed to spammers and scammers. To address this, it is imperative for e-businesses to adopt a sound policy and implement a fool-proof security measure. Encryption systems, in particular, are a tool that online companies should seriously consider investing in.

3. Impersonal Service: Businesses operating online often use electronic methods of providing customer service, such as emailing and posting information on the website to answer possible user questions. This may be perceived by customers as just too impersonal or

uncaring. To address this problem, merchants must develop efficient checkout procedures for selling goods via the Web. They may also consider hiring call handling services, so that customers can talk to real people when they have inquiries or problems that need instant answer.

4. Improving Brand Awareness: This is particularly a big challenge for companies that primarily use the Internet to sell their products and services. This is because unlike traditional advertising (such as television, radio, billboard, and print) in which the campaign's message can be reinforced and repeatedly introduced to consumers at the marketers' will, online adverts can be shut off by users—they are more averse to it, too. Web companies are therefore challenged to be more innovative in their advertising strategies.

5. Other Challenges: Other challenges are as

- Low percentage of computer penetration
- Internet connectivity.
- Low percentage of surfers entering into online transactions.
- Cyber crime.
- Dealing with the IT Department
- Intellectual Property
- Bad Marketing
- Lack of Trust

TOP DIGITAL MARKETING COMPANIES IN INDIA

Pinstorm: This Company Pinstorm, focuses on integrated digital marketing and provides services like Search marketing, Social Media marketing, Search engine marketing, campaigns, bids, ads, prospects.

Client list: Café Coffee Day, ICICI Bank, Sharekhan, HSBC, ET Now, GQ, Open, NIIT, Jet Airways, Idea, Hindusthan Times, Taj, Sony, Tanishq, Lee, Greenpeace, Yahoo, Canon, etc

Techshu: This social media marketing company has a team of over 60 members including skilled leaders and Google Certified Team individuals who take care of all the aspects of Digital Marketing for the companies that are targeting the US, UK, Australia, Canada, New Zealand market or the entire globe. PPC, SEO, SMO, affiliate marketing, and conversion optimization are some of its significant services.

Client list: Hewlett – Packard, Aditya Birla Nuvo LTD, ABP (Ananda Bazar Patrika Group), Nasscom, Turtle, mJunction (JV of TATA Steel & SAIL), SREI, Rupa (Macroman),

Bharatiya Janta Party (BJP West Bengal), Greenply Industries Ltd, SRMB Steel, GKB Optical and many more.

Reprise Media: The Company Founded in 2003, Reprise Media is an excellent digital advertising agency focused on connecting brands with customers that seek them out online. The services offered include paid search marketing, social media marketing, and SEO.

Client list: Verizon, American Airlines, Hyundai, Honda, Cathay Pacific, Raymour & Flanigan, Sharp, United States Postal Service, Metro PCS, Sharp, and more.

Ogilvy PR: Ogilvy Public Relations Worldwide has a strong presence in the Asia-Pacific region for over two decades. It provides services like, consumer marketing, public affairs, media relations, product marketing, and media relations.

Client list: American Express, NIDDK, XEROX, DuPont, BP, Ford, LG Electronics as well as local companies in 85 offices around the world.

Location: Bangalore, Chennai, Hyderabad, Kolkata, Mumbai, and New Delhi in India, The America, Europe, Africa & Middle East, Belgium, France, Germany, Spain, United Kingdom, Asia Pacific.

iStrat: Company is a member of National Association of Software and Services Companies (NASSCOM) that deals with brand management and marketing. Founded in 2003, the company has a wide range of services including digital communications services, search engine optimization, social media, ecommerce services, web solutions, online marketing, relationship marketing, interactive kiosks and digital films.

Client list: Maruti Suzuki, Nestle, Alpha Corp, Pepsico, Redtape, DSCL, Max India Limited, Ericsson India, Pfizer India, Apesma India, CII, Hero Honda, Ranbaxy, Google, MSN, Yahoo,

Location: Gurgaon, New Delhi, Australia, and USA

K Web Maker: This is a full service digital marketing agency offering ecommerce, websites, portals, and online marketing services since 1998. Client list: Mumbai Indians, APM Terminal, Vedanta Foundation, Kingfisher training academy, Mahindraa, Hypercity, Tata, Fortis, and many more.

Awards: The agency has won many awards including the BEST E-Commerce Site of the Year 2013 in the Social Media Summit 2013, Best Portal of the Year 2013, and nominations in the best portal, ecommerce website and digital agency in 2012, and best portal of the year award in the WAT awards in 2011.

Location: Mumbai in India, Denmark, US.

Webchutney: Webchutney works with leading companies in India by developing award winning and memorable experiences for brands to connect, engage with and build sustained relationships with their consumers online. Services include website design, online advertising, social media, and mobile marketing. This is a firm which looks promising and a must watch out for in 2015.

Client list: Airtel, Microsoft, Unilever, Marico, Titan, MasterCard, Barclays, Proctor & Gamble, Budweiser, Wipro, HDFC among others

Awards: Has won the DMAI awards for its projects in Remit2India, Standard Chartered, and Cle

Location: New Delhi, Bangalore, and Mumbai.

JWT: This Company has six offices in major cities all over India. The digital media services offered by the company have been awarded many times at Cannes India festival. Part of WPP group of companies, it provides a wide range of communication services worldwide. Based in New York the company has 200 offices in more than 90 countries.

Client list: Goodnight, Teach for India, Listerine, and many others.

Location: India, Asia Pacific, North America, Europe, Middle East, and Africa.

PRESENT SITUATION OF E-MARKETING IN INDIA

According to the research done by OCTANR RESEARCH:

- 1. Digital India:** State of Online Marketing in India 2016
- 2. Customer Acquisition:** The primary focus for marketing activities to be carried out in 2016 for majority (58%) of India Marketers is Customer Acquisition.
- 3. For 50% India Marketers, e-Marketing revenue contribution is above 10%:** 85% of the Marketers are tracking revenues generated through e-Marketing activities for their business. 50% of Respondents report that e-Marketing activities are contributing more than 10% of share of their revenues.
- 4. Integrated Campaigns increase Conversion Rates:** 80% of India Marketers believe that integrated campaigns (Email, Social and Mobile) can result in moderate to significant increase in conversion rates.
- 5. Maximum Customer Engagement is achieved through Social Media updates:** For achieving maximum customer engagement (46%) followed by email campaigns (28%) Social Media updates were the top choice.

6. Top Marketing Activities for 2016: As being planned for 2016 Social Media (66%) tops the list of marketing activities. Email marketing is voted by 53% of India Marketers. More than 50% of the Marketers are planning to increase investment in marketing activities.

7. Online Budget for Email Marketing: India Consumers where 45%, respond positively to email offers (which are 3x of US Consumer). For 2016, we see a jump of almost 50% of India Marketers who will be increasing their investments by 31%-50% in Email Channel.

8. Influences of Social Media on Email Marketing: In 2016, India Marketers are expecting a considerable impact of Social Media on Email Programs. The acceleration in growth of subscribers is expected by 31% of marketers, a 500% increase from 2015.

9. Email Marketing Segmentation Techniques: For Email Marketing Segmentation, India Marketers show an increasing preference for Purchase History to be axis.

CONCLUSION

Internet marketing affects businesses in some vital ways. When used efficiently, Internet-marketing promotions and plans tend to reach clients in a very quick and little cost route and can provide advancement for an extensive variety of products and services. Internet marketing also compromises businesses the chance to gather data about their customer base to the degree that has previously been very problematic to attain via traditional advertising approaches. The progress of Internet advertising and social media marketing has commanded to models of businesses in current years that seem too little more than classes and filter info connecting to products and services present on the Internet, compelling a small cut from any contract that may happen as a result. Nevertheless, despite the global spread, speed and the level of info that can be added from internet marketing, there are some significant drawbacks to this type of advertising that companies must accept. The skill driven method of Internet advertisement leaves certain companies helpless and excessively reliant on upon skill. It also enables frustrated clients to a far superior degree than ever before and can result in bad evaluations that have the prospective to weaken certain Internet marketing movements and processes greatly. However, even though these difficulties it is sensible to accomplish that Internet advertising is, on the whole, an encouraging growth for industries and that even with firm hazards its influence upon companies has been mainly constructive.

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