



ONLINE MARKETING: EMERGING TRENDS AND ISSUES

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Abstract:

In this era of modern technological world, Internet plays a vital role in human life. Internet has become an essential part of offices and homes. The number of people spends their time online in all over the world. This demand is driving Marketing Researchers to develop new platforms for interactive and two way communication between Marketing firms and consumers. The Internet is a brilliant future among the favorite tools of Marketing Research.

Online Marketing refers to a set of powerful tools and methodologies used for promoting products and services through the Internet. Online Marketing is also known as Internet Marketing, Web Marketing, Digital Marketing and Search Engine Marketing (SEM). Online Marketing is the exchanging values between the seller and buyer and it is done online. Online Marketing has sub sold traditional advertising in recent years and continues to be a high growth industry. Online marketing refers to Advertising and Marketing efforts that use the Web and E-mail to drive direct sales via E-Commerce. Online Marketing consists of three specialized areas like E-mail, Web Marketing and Social Media Marketing. The paper focuses on Online Marketing, Methods of Online Marketing, Benefits and Limitations of Online Marketing and Recent Trends and Issues in Online Marketing.

Key Words: *Internet, Online Marketing, Social Media Marketing, Search Engine Marketing (SEM), Consumers.*

Introduction:

Marketing parallels other business functions such as production, research, management, human resources and accounting. As a business function, the goal of marketing is to connect the organization to its customer's .Marketing as a process of managing the flow of products from the point of conception to the point of consumption. Although the basic process of marketing has not changed. Much since then, the strategic and tactical issues involved in managing marketing activities certainly have changed. Recent trends in commerce and nature of business changing day by day as time passes. This has replaced the traditional marketing in to modern marketing and simultaneously gave rise to E-commerce. E- Commerce is a system that allows online movements of buying, selling goods, services and information. As technology to continue to grow rapidly,



online marketers are adopting new techniques to facilitate efficient online selling and buying. Online shopping trends are set to witness greater heights in the coming years. Although the euphoria over the dot – com bubble and its subsequent demise is long over, the facts remains that advance in computer, communication and information technology have forever changed the world and the world of marketing. Just a decades, few people knew the difference between a .com, and a .org, much less the names of today's power house companies such as amazon.com, eBay, oracle or Expedia .Changes in technology have made our society much more open than in the past. As a result, these changes have forced marketers to address, both offline as well as online.

Objectives of the paper: The study sets the following objectives:

1. To explain the concept and meaning of online marketing.
2. To study the methods of online marketing.
3. To state the benefits and limitations of online marketing.
4. To know the recent trends and issues in online marketing.

Research Methodology: The present research paper is based on the secondary data which is collected from reference books, textbooks, journals, websites etc.

Concept of Online Marketing:

Internet has become an essential part of offices, homes, institutions etc. The number of people spends their time online all over the world. Smart marketers keep on top of the scale of change and ensure their marketing strategies and touch point's mirror where the consumer is spending their time. Online marketing has sub sold traditional marketing in recent years and continues to be a high growth industry online marketing connects organizations with qualified potential customers and takes business development to a much higher level than traditional marketing online marketing synergistically combines the internet's creative and technical tools , including design development , sales and advertising . Web is now established as a mass market media channel for the wealthy. Whereas, E - mail has become a mass market media channel for various field. Online marketing is the exchanging values between the seller and buyer and it is done online. Online marketing is also known as Internet marketing, web marketing, digital marketing and search engine marketing (SEM). There are three broad approaches for using the internet to promote ones goods or services that is to provide information about ones product to the indented target market and build brand awareness and equity.

Definitions of online marketing:

“Online marketing refers to a set of powerful tools and methodologies used for promoting products and services through the internet”



"Online marketing refers to advertising and marketing efforts that use the web and e-mail to drive direct sales via electronic commerce "

Online marketing can be broken into three specialized areas such as:-

1. Web marketing- Web marketing includes e-commerce websites, affiliate marketing web sites, promotional or informative websites, online advertising on search engines and organic engine results via research engine optimization (SEO).
2. E-mail marketing – E-mail marketing Involves both advertising and promotional marketing efforts via e-mail messages to current and prospective customers.
3. Social media marketing- Social media marketing involves both advertising and marketing efforts via social marketing sites like face book, YouTube, Twitter and Digg.

Online marketing can deliver benefit such as;

1. Online marketing can be an effective tool that a company can use to experience higher revenues.
2. Online stores work 24 hours a day 7 days a week, 365 days a year, round the clock.
3. The cost of setting a website is very low.
4. It has more flexibility in a website to add and remove a product or products than in catalogues and broachers.
5. Being online, it potentially gives exposure to previously untapped market segments.
6. Customers can find products from all over the world, so the amount of offers is much more than in a local shopping center.
7. Buying and selling of items from any place is possible, if internet is available.
8. Online marketing helps to provide improved customer service.
9. Capacity to provide information on the most internet companies is unrestricted
10. Thus over the internet release wide range of advertising information ,regardless of time and geographical constraints is possible.

Limitations of online marketing:-

1. Online marketing involves to much competitions.
2. Online marketing is highly dependent on technology which can be prone to errors.
3. Inability to touch and feel the product, since the transaction is online.
4. EDI standards have to be in place before B2B, small businesses may find it difficult to conform to these standards.
5. Online fraught has made customers hold negative or doubtful attitude towards online marketing.



6. Hackers intercept (money) transactions and cause problems for both consumers and companies that operate on the internet.
7. One search nuisance called “denial of service” is there in which large number of frivolous enquiries are posted on to a portal, making it inaccessible to legitimate customers.

Recent trends in online marketing:

1. Massive increase in product selection – The variety and assortment of goods and services offered for sale on the internet is staggering. Increased transaction efficiency (e.g. 24/7 access, delivery to fulfill their needs more easily and conveniently than ever before. Increase in product selection and availability has exposed marketers to inroads by competitors from every corner of the globe.
2. Changing value propositions- The speed and efficiency of the internet has changed the way customers view value .For eg: customers today automatically turn to travel agents for assistance in booking airline tickets, cruises or hotel stays ,but now customers turn to travel sites like Expedia , Travelocity.com or Priceline .com for their travel need ,these services increase value through one –stop shopping and price comparisons.
3. Privacy, security and ethical concern –customers appreciate the convenience of online marketing, they get assurances that their information is safe and confidential.
4. Opportunities for growth- By the internet and other sectors of the new economy can transform old economy companies and provide compelling opportunities for growth.
5. The dot com retailers such as Amazon, web portals like Yahoo! and America online, companies Cisco and 3Com ,Wal-Mart etc are critical to their sourcing and selling ,and service businesses such as Kinko's the chain of print shops are all committed to the new economy in one way or another .
6. The growing penetration of broadband connections, which serve 23 percent of Internet users in Sweden, nearly 50 percent in the United States and stunning 94 percent in South Korea is viable example for online marketing.
7. In 2000 nearly 400 million people worldwide had online access, of which $\frac{1}{3}$ were in the US. By 2004 new technologies had made able to receive images and advertisements and provide users with mobile access to the web.
8. Online consumer spending also continues to grow. Books, music electronics and toys, online shopping accounted for as much as 23% of US retail sales in 2002 and online sales were growing at 30 to 40% per year compared to 4% in conventional offline retailing.



10. Online marketing has made the transactions easier, faster and cheaper than offline marketing.
11. Online marketing makes it possible for marketers to reach customers directly without expense or complication of distribution channels, a phenomenon known as disintermediation.
12. There is no extra cost entailed in marketing information, digital goods or services available anywhere one can gain access to the web-literally, global reach, making them available 24 hours per day, 7 days, 52 weeks per year and providing instantaneous delivery.
13. The number of users making online transactions has also grown exponentially and it is expected to increase from 11 million in 2011 to 38 million in 2015.
14. Online shoppers are expected to increase from 20 million in 2013 to 40 million in 2016.
15. The syndication of information , the increasing returns to scale of network products , the ability to efficiently personalize and customize market offerings ,the ability to disintermediate distribution ,global reach,round the clock access and the possibility of instantaneous delivery are the seven potentially attractive elements of online marketing .

Recent Issues in Online Marketing:

1. Power shift to customers: the growth of the internet and the worldwide web has shifted power to customers, not marketers; rather than business having ability to manipulate customers via technology, customers often manipulate businesses because of their access to information and ability to comparison shop.
2. Shifting demand patterns: Customers demand for certain product categories has shifted. The simple fact is that customers prefer to download music from the internet and create their own custom playlist on CD's or MP3 players. The industry claims it has lost millions of dollars in revenue due to the unauthorized downloading of copyrighted material.
3. New sources of competition" in the new economy some of the best competitive stem from partnership and alliances with other firms.
4. Violation of Standards: Many well known and respected companies including Mrs. Field cookies and Hershey Foods have been fined for violating the standards of The Children's Online Privacy Protection Act.
5. Burden of Sales Tax: One important issue involves the collection of Sales Tax for online transactions. In 2003 major retailers including Wal-Mart, Target, and Toys "R" Us-is an agreement with a consortium of 38 states and the district of Columbia agreed to collect online Sales Tax.



6. There is no international legal agreement that protects both buyers and sellers in online transactions across national borders.
7. Syndication of information: involves the sale of the same good typically an informational good too many customers who then combine it with information from other sources and distribute it.
8. 77% of internet users employ search engines more frequently as compare to others E-advertising media such as banner ads, Wweblinks en email links and the leading tool for discovering information about a product or service. 84% of internet users use search engines frequently to discover websites and final products or services and only 55% of internet users are likely to purchase online after searching search listings Vs 9% for banner advertising.
9. The fact is that there are few barriers to entry and many internet strategies are easily imitated. Numerous book retailers are challenging Amazon; e-Bays entry into European markets has made life difficult for QXL and other European online auction businesses.
10. One myth, some companies have bought into that the internet or online marketing is a self service medium.

Conclusion:

The growing number of web based/online marketing service applications offers the tantalizing combination of better service and significant cost saving but still the actual online buying customers are less due to the reasons such as delay delivery, issue of after sale service etc It is said “like it or not the new economy is here to stay notwithstanding the dot-com burst at the dawn of new millennium”. So the companies have to consider issues/challenges in online marketing and make it more effective. And last but not least never forget that the company, not the customer is in the driver's seat. The internet is an opportunity to communicate with customers globally and achieve the marketing goals.

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