

Internet Marketing: The Backbone of Ecommerce

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Abstract:

In the era of globalization internet plays a vital role in all spheres of life and industries. Internet is very famous nowadays for satisfying people with various services related to various different fields. It is a very versatile facility which can help you in completing many tasks easily and conveniently with few clicks. It can be any work of daily usage or any specific service which needs a lot of research and formalities to be done beforehand, as well as this marketing is not an exception either. In the current scenario internet marketing can be referred as the backbone of ecommerce.

Keywords: *Internet Marketing, Backbone, Ecommerce*

I. INTRODUCTION

Internet marketing or emarketing can be defined as the marketing methodology used to promote a brand, products or services over the Internet. Its broad scope includes email marketing, electronic customer relationship management and any promotional activities that are done via wireless media. Internet marketing is important because it aligns with the way consumers make purchasing decisions. Studies by analysts such as Gartner indicate that increasing numbers of consumers use social media and research on mobile Internet to carry out preliminary product and price research before making final decisions. Role of internet marketing has gradually increased over the period of time which is why it is termed as the backbone of the ecommerce business. It includes

A. *E-mail marketing*

using e-mail for sending promotional messages to internet users, has been considered one of the more effective methods of online marketing. Among its benefits point to "high response rates" and "low costs" of email marketing and believe that this advantages "are rapidly turning email marketing into an invaluable tool".

B. *Search Engine Optimization (SEO)*

Nowadays it is hardly possible to imagine a business which has not its own website. But having a well-designed website does not necessary result in an ideal amount of visits. In order for this goal to be accomplished another type of online marketing, called SEM should be adopted. In fact, one of major methods of conducting online marketing is search engine optimization, which is also called search engine marketing. Davis (2006) defines it in this way: "SEO - short for Search Engine Optimization - is the art, craft, and science of driving web traffic to web sites... web traffic is food, drink, and oxygen – in short, life itself – to any web-based business". Parikh and Deshmukh (2013) also offer this definition: "Search engine optimization can be described as a cluster of strategies and techniques used to increase the amount of visitors to a website by obtaining a high-ranking placement in the search results page of a search engine.

C. *Affiliate marketing*

is a major component of package of online marketing methods and refers to the process of gaining a commission by promoting products or services of another company. Also in this method two or more website owners can build relationship to increase mutual financial benefits. With respect to its definition, "affiliate marketing is simply defined as : A web-based marketing practice , often using automated systems or specialized software in which a business rewards their affiliate for each visitor, customer, or sale which is brought about as a result of affiliate's marketing efforts. In most cases, the reward is monetary in the form of a monthly check.

D. *Social media marketing*

can be easily defined as" a term used to describe the process of boosting website traffic, or brand awareness, through the use of social media networking sites...most social media marketing programs usually revolve around creating unique content that attracts attention and encourages the viewer to share it with their friends and contacts on social networks.

II. ADVANTAGES OF THE INTERNET MARKETING

Internet Marketing acts as a double edged sword as it is beneficial to both the customers as well as to the businesses. It is cost effective as businesses will not have to worry about any travel, postage, printing or any other costs which makes it cheaper compared to traditional marketing. Another advantage of internet marketing for customers is that they can shop anywhere and at any time of the day that they want as long as they have access to internet. It also provides customer with convenience as it is easy and simple to do, and they can shop whenever they want and they can purchase anything they

want to and this is at the comfort of their home. One of the greatest advantages for the customer is that they can compare products or services they wish to purchase from the comfort of their own homes. Instead of having to visit a number of different retail outlets, the user simply has to open different internet window tabs to compare prices or features of the product/service they wish to purchase. Many retailing websites offer the facility where different products they sell can now be easily compared. There is also price comparison websites that customers can use to get the best possible price for their products. Pricing online is very clear and transparent for the customer; customers can access pricing information from a range of sellers with a few internet clicks.

Everytime a customer transacts with the company online, that transaction is captured. The firm can use this data in a number of ways. Firstly information can be analysed to find out most popular products/services sold. Secondly the data can be used to assist in segmenting their customers, profiling them and sending customers promotional material based on past buying habits.

There has been much controversy over the amount of information that is being collected online by various companies in particular social networking sites and whether customers should be able to opt out of that information being shared to third party users. When customers log into their accounts businesses can make their web experience almost unique. From offering special offers to that particular customer, offering add on to their recent purchase, much like Amazon.com does, or by allowing the customer to personalise their own products, like Nike does with their trainers. Personalisation allows the firm to form stronger bonds online with customers and form long term online relationships ensuring customers come back regularly. The internet allows businesses to analyse their competitor's online strategy. A firm can keep abreast of new products that are released, react to price changes, or use the internet to discover secondary data on their competitors. The internet allows a firm to react quickly to a change in their competitors strategy, and try to provide a service that allows them to match or beat their competitors.

III. THE COST ELEMENT

There are three main ways of pricing online media as shown in Fig. 1

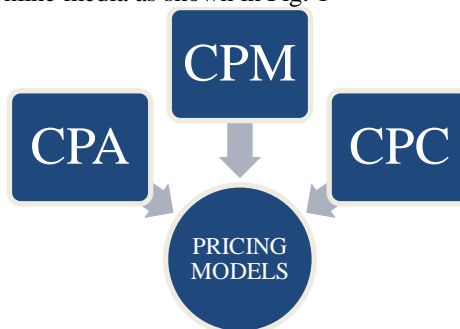


Fig.1 Ways of pricing online media

A. CPA, or Cost Per Action, or sometimes Cost Per Acquisition

is the best deal of all for Advertisers in terms of risk because they only pay for media when it results in a sale. At this level, Marketers can pick the most they're willing to spend for a sale and can basically set an unlimited budget and forget about it.

B. CPM, or Cost-Per-Mille

is when the price is based on 1,000 impressions. Almost all Publishers prefer to bill on impressions because it is an inventory based product, rather than a performance based product. In other words, publishers risk nothing on ad performance with a CPM system and get paid for every impression. For the largest and best-known Publishers, this is the pricing standard and in terms of overall cost, CPM priced media is almost always at the top of the food chain

C. CPC s or Cost-Per-Click

is a performance-based metric. This means the Publisher only gets paid when (and if) a user clicks on an ad, no matter how many impressions they serve trying to get the click. This pricing structure is much more favorable to Marketers, but can be difficult if not impossible to negotiate with any Publisher with a premium brand, especially with all the Ad Networks and Ad Exchanges out there today willing to pick up unsold inventory and pay by CPM, albeit a low CPM. Publishers don't like CPC pricing because it is difficult to plan inventory demand around a moving target like click-through-rate on an ad they've never seen or tested before.

It can be concluded that CPMs work best for the publisher because they provide a guaranteed and predictable stream of revenue over the course of the agreement. CPCs work better than CPMs for the advertisers because they pay only for results in the form of clicks. They represent a higher risk to the publisher. CPAs work best of all for advertisers because they pay for actual results in the form of either leads or transactions. They represent the highest risk to the publisher.

IV. SUCCESSFUL ECOMMERCE BUSINESSES IN INDIA

There are many successful ecommerce businesses in India today. Flipkart is a leading e-commerce company and grabs the first position after it acquired myntra in a deal of \$3.1 billion. Flipkart was started by Sachin Bansal and Binny Bansal in 2007 and within 5 years company has become the leading e-commerce player of Indian market. Flipkart started

with online booking stores and later on it has added gadgets, electron items and apparels. In these 5 years Flipkart is able to build bond of trust among buyers and because of this Flipkart has achieve stunning growth. **Fashionandyou** was started in 2009 by Harish Bahl with a motto to cater eminent designer's collections under one roof. Over the years it become a prominent brand in fashion & apparel industry and numerous top notch merchandise are associated with it. **Snapdeal** was started by alumnus of IIT Delhi in 2010 and within 3 years capture huge share of Indian e-commerce industry. Snapdeal has numerous product categories that include books, mobiles, electronic items, apparels etc. **Myntra** was established by IIT graduates in 2007 and has headquartered in Bangalore. Company works in niche market space of apparels. **Dealsandyou** is a deals website that brings discounted deals of numerous day to day products. Deals help consumers to get discount and also increase the sales of the sellers.

HomeShop18 is an online venture of Network 18 Group. It is an ecommerce website that sells Mobiles, clothing, footwear, jewellery, beauty, books and toys. **ShopClues** is another growing ecommerce company which act as a marketplace between seller and buyer. ShopClues provide delivery in more than 12,000 locations and offers payment options like Net Banking, Credit cards, Debit cards, and Cash Cards. In 2013 ShopClues awarded Best eRetailer of the Year by Indian eRetail Awards 2013 .

V. LINK TO REALITY

Marketers should be technology savvy to be able to make better market analysis, decision making and to better control and monitor their field . Competition must now be based on speed instead of size of corporations for development because product life cycles are too short to increase fast enough. Need of the hour is high quality information about the product, services and the consumers Since Internet is innovating in a really fast way, companies and marketers need to be dynamic. Internet Marketing is acting as a very crucial tool for any ecommerce business to achieve its target and objectives. It would not be wrong to mention that whether its traditional marketing or internet marketing consumer will continue to be the king of the market, so marketers should try to achieve their targets keeping in mind the customer satisfaction.

VI. CONCLUSION

The Internet network is a marketing channel use by advertisers, marketers, and society to find the right combination of marketing mix to best suit customer's needs. It is important for a company of this era to have access to the Internet to be more successful. Internet marketing does not only target consumers, but also Internet advertisements client marketers from companies. E-mail is as famous as direct marketing in supporting E-commerce activities. Most clients feel that this new media is a success in relation to traditional marketing advertising. But Internet should be used with other media for a more effective marketing tool. Internet marketing will become even more important in the future . As more companies will have access to the Internet, they will start doing business over the Internet . With a decrease in communication prices, more customers will shift to the Internet as well. Security will not be an issue anymore because software companies, banks and credit card institutions are working hand in hand to improve Internet security. Companies need to protect themselves in three areas: data integrity, confidentiality of data and authenticity by installing firewalls or routers.. This is the new era of innovation; where everyone will be interacting on the Web.

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