

Study of Prospects and Problems for Internet Marketing

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Abstract - The Internet provides businesses with a new means of conducting business, fundamental principles of doing business remain unchanged. The present study has designed to examine how incorporating internet technology into marketing strategies can help businesses gain an edge over their competitors. This article explains the Ps of Internet Marketing: Product, Price, Promotion, Place, and Personalization. The concept of marketing has changed much in the past few decades due to the use of the Internet as a new marketing medium. This is because online advertising and email campaigns can reach a large audience quickly and cheaply. In addition, internet marketing includes all activities aimed at creating targeted niches for businesses- such as segmenting customers based on their interests, differentiation between products or services, etc.- that would otherwise be difficult or impossible to do using traditional methods

Keywords: Internet marketing, Segmentation, Ps of Internet marketing, Models of Internet marketing

I. Introduction:

Internet marketing, also called digital marketing or online marketing, involves promoting a brand and its products or services to online audiences using the Internet and digital media.

Internet marketing is important because:

- It drives a better return on investment (ROI): Internet marketing strategies are more cost-effective than traditional marketing strategies. These strategies have a better ROI because you target more interested leads, making them more likely to convert.
- It allows you to reach more interested audiences: Online marketing enables you to reach audiences interested in your products or services. Using Internet marketing, you can reach these audiences interested in your business, whether they're local or international.
- It allows you to interact with audiences regardless of the time: With automation and other techniques available with Internet marketing, you can stay in contact with your audience 24/7, so you can be there right when they're ready to convert, no matter the time, no matter the time zone.
- It can be tailored to any industry and any size business: No matter what industry or size your business is, Internet marketing can adjust perfectly to provide the results you want because your audience is guaranteed to be online.
- It provides easy and convenient ways for audiences to convert: The Internet makes it easy for your audience to convert. All it takes is the push of a button to buy, sign-up, download, or contact.

Why is Internet marketing important? Internet marketing is important because it expands a business's reach and allows them to connect with more leads interested in their business. The importance of Internet marketing lies in that it best aligns with the way consumers prefer to discover and purchase products and services.

Seven ways to use Internet marketing

1. Build brand awareness
2. Generate website traffic
3. Attract qualified leads
4. Nurture leads
5. Convert leads (or drive sales)
6. Reduce churn
7. Improve customer satisfaction

With Internet marketing, you use a combination of online strategies to help you build better relationships with your audience and attract more interested leads. Internet marketing uses several techniques and strategies to drive online traffic, leads, and sales. Online marketing involves using these major strategies:

II. Review of the Literature

Internet marketing allows you to communicate your brand's message to your audience, so when building your Internet marketing strategy, it's essential to keep your audience and brand in mind.

Steps to help you build your Internet marketing strategy:

1. Identify your Internet marketing goals

The best Internet marketing plan is built around and continuously works towards a set goal. Without something to work towards, your Internet marketing strategies will fail to produce the results you want.

When building an Internet marketing strategy, identify what you want to achieve with your online marketing. Possible goals you could choose from are:

- Driving traffic to your site
- Boosting engagement
- Earning calls
- Encouraging downloads
- Gaining subscribers
- Netting sales
- Growing followers on social media
- And more

2. Define your audience

To create a proper Internet marketing strategy, you need to identify your audience first. You want to identify who is interested in your products or services. You can document information like:

- Demographics
- Socioeconomic status
- Interests
- Hobbies
- Occupation
- Buying habits
- And more

Without researching your audience, you run the risk of improperly targeting your audience. You'll drive less than satisfactory results with your campaigns if you don't target the right people.

3. Identify the strategies

After you have identified your Internet marketing goal as well as your audience, the next step is to determine which Internet marketing strategies would work best for your business. You'll want to use strategies that enable you to reach your target audience. Where is your audience likely to engage with your business? You'll want to consider what keywords they're searching or what social platforms they use. It's also important to consider your budget, too. You want to ensure you're investing in strategies that fit within your budget, so you don't overspend.

4. Monitor your strategies

For Internet marketing strategies to drive the best results, you need to analyze the data from your campaigns. Online data tracking tools such as Google Analytics can help you keep track of data from your Internet marketing strategy in real-time. This platform is great for SEO and PPC strategies. You can track:

- How many people visit your site
- How long they stay on your pages
- How many people click your ad
- How many conversions you receive
- And more

The metrics these tools pull in will help you determine how well your Internet marketing strategy performs. This data will help you optimize your Internet marketing strategy. By monitoring your campaigns' performance, you can see what's working and not working for your business. As a result, you can optimize your tactics to drive better results for your business.

1. Search engine optimization (SEO)

It is the process of optimizing your website to rank higher in search results. This strategy helps you appear in more relevant search results, so you can drive more qualified traffic to your site.

- Much of SEO involves increasing your rank in search by using techniques to: that your target audience uses into your content
- Generate high-quality content that provides your audience with relevant answers to the questions they make
- Improve user experience by improving web design
- Earn backlinks from authoritative sources in your industry to gain online reputation

2. Content marketing

Content marketing strategy focuses on sharing valuable, industry-relevant information with your audience. With quality, relevant content, you can build up an attentive audience and get them to check out your business. Content comes in numerous forms including:

- Blog posts
- Infographics
- Videos
- eBooks
- Podcasts
- And more

The important thing to remember with your content marketing strategy is to create content often. Content marketing is all about consistency. The more that you post online, the more people that your content marketing will reach. For your content marketing to produce the best results, your content needs to be high-quality, which means your content:

- Easy to read: The vocabulary is around an 8th-grade reading level
- Researched: It integrates your target keywords and answers your audience's question clearly and accurately
- Unique: It adds relevant information to the discussion in your own style
- Interesting: It generates a good experience for your reader
- Error-free: It's grammatically correct
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3. Pay-per-click (PPC) advertising

Online paid advertising generally involves paid search ads and display ads. Most online paid advertising functions on a pay-per-click basis, where businesses pay for the ad only when users click. Much of the benefit of online ads comes from the fact that most online ads are less intrusive than their traditional ad counterparts like billboards or cold calling. Pay is one of the best Internet marketing strategies to drive

traffic to your site quickly at a low cost. With PPC advertising, you can easily appear high in search results, and the return is high since you only pay when someone clicks on your ad.

4. Social media advertising

Social media advertising is also another cost-effective Internet marketing strategy to start generating an online presence. If you want to use social media advertising, you'll need to choose which platforms you want to use to reach your audience. Popular social media advertising platforms include:

- Facebook
- Instagram
- Twitter
- LinkedIn
- YouTube

Social media platforms gather a plethora of information on users that you can use to target your ideal audiences — the ones that are most interested in what you have to offer. Pulling in these audiences with a wide variety of engaging social media ad types will boost your traffic and engagement, as well as your sales and conversions.

5. Social media marketing

Social media networks provide a great opportunity to market online because of how easy it is to use the networks to share information. That's why social media marketing is a great option for your business. With social media, you can:

- Increase brand awareness: social media lets you have a larger online presence. You can build up your brand identity and show up as a relevant interest for your audiences. When your audience sees your presence on social media, they'll get more familiar with your brand.
- Interact with audience members: social media provides useful platforms for interacting with your audience one-on-one. Whenever your audience has questions, concerns, or thoughts they want to share, you can be there to provide quality interaction right when they do. Your engagement with your audience on social media can help set you apart from your competition and show that you care for your audience.
- Build your brand voice: social media is one of the best places to show off what makes you unique. You can showcase how your quality products and services improve your audience's life. You can also show off the relevant content that you produce.

Social media provides an essential means of engaging with your customers, building your brand voice and identity, and providing people with great customer service.

6. Email marketing

Email marketing enables you to connect one-on-one with leads interested in your products or services. There are several different types of emails you can send, but some of the most popular ones are:

- Newsletters
- Customer service
- Follow up
- Loyalty/rewards
- Recommendations
- Promotions

You can also take advantage of the advanced targeting and personalization options that come with email Internet marketing strategies. With emails, you want to hit users with reminders and deals when they're most likely ready to convert. Use email personalization to send emails to your audience when:

- You publish new content they might like: You can show off your new content and get your audience to interact with your brand. Show that you have something in common with them.
- They look at your products and services: You can send promotions on those products or services, or recommend similar ones they might be interested in.
- They abandon a cart of products: You can remind them of items in their cart to increase the chance that they'll make a purchase.
- It's their birthday or another special event: Discounts and coupons sent on these days work great for getting your audience to convert.

When you personalize an email, be sure to include the subscriber's name. It makes them feel connected to you and that you care about them enough to get to know them. Adding their name makes them more likely to engage because they'll know the email content is specific to their interests.

7. Web design

The web design of your site is vital for online marketing. Your website acts as your business's central hub. Your presence and activities on other online platforms most often lead your customers to your website where they can convert. A good portion of website marketing focuses on building websites that appeal to your audience and gets them to continue engaging on your page.

- Creating a modern design unique to your business
- Implementing easy-to-use navigation and layout
- Making design responsive on any device
- Securing user data
- Providing fast load times

With Internet marketing, you can connect with customers using their preferred communication channels. The Internet also allows you to build strong and long-lasting relationships with your customer base

III. Research Framework

We are currently witnessing a fundamental shift in the world economy, which is leading to increasingly interconnected and interdependent global economic systems. Businesses are moving away from an era where national economics were separate and isolated from each other due to barriers to cross-border trade and investment; distance, time zones, and languages; as well as differences in government regulation, culture, and business system. National economies are now merging into a more interdependent global economic system

The rapidly emerging global economy has created a number of challenges for businesses both large and small. It enables businesses to generate more revenue, reduce their costs, and boost their profits. In addition, the emergence of the global economy has given new entrepreneurs opportunities as well as posed threats to established companies that were not faced before.

A powerful force is propelling the world towards a convergent community. That power is technology. It proletarianized communication, transport and travel. The result is a new commercial reality. In the former commercial reality, a global market for standardized consumer products has emerged. A global market for standardized consumer products has emerged on a scale previously unimaginable. Multinational companies are producing on an unprecedented scale.

Technology has played a key role in driving the world towards commonality. Communications, transportation and travel have been democratized, facilitating cross-border trade in goods and services. This new commercial reality of global product availability is due to the unprecedented growth of multinational corporations.

Internet marketing is not merely transforming traditional activities of commerce from non-electronic world to an electronics platform. But e-commerce demands radical changes

a. Pricing strategy on the Internet

Price is the most important factor of on-line business.

An on-line supplier can't raise prices indiscriminately. Poorly justified price changes can be cause of long – term damage to a company's price proposition. Internet gives companies greater precision in setting and announcing prices, more flexibility in changing prices, and better information, which can lead to improved customer segmentation.

Companies can use the Internet to make pricing more precise, to be more adaptable in responding to fluctuations in supply and demand, and to segment customers more effectively. There are three important factors of pricing on Internet (Walter Baker, Mike Marn, Craig Zawada, 2001):

- Precision
- Adaptability
- Segmentation

All products have a “pricing in difference band”, a range of possible prices within which

	Source of value from the Internet	Conditions for Selection	B2C Examples	B2B Examples
Precision	-Greater precision in setting optimal price -Better understanding of zone of price indifference	-Testing needs to be run on at least 200 transactions to be significant.	- Toys - Books - CDs	- Maintenance repair and operation (MRO) products.
Adaptability	-Speed of price change -Ease of response to external shocks to the system (changes in costs or competitive moves for example)	- Inventory of capacity is perishable ^Demand fluctuates over time	-Consumer electronics -Luxury cars	-Chemicals -Raw materials

price changes have little or no impact on customers purchase decisions. These can range different for different product. For example, 17 percentages for FMCG product, 10 percentages for engineered industrial components, 2 percentage for some financial products. Being at the top rather than the middle or the bottom of this band can have a huge impact on profits. Determining the borders of these indifference bands in the off-line business is difficult, expensive and time-consuming. But on the internet, however prices can be tested continually in real time and customer’s responses can be instantly received.

Adaptability:

In Off-line business changing in prices may take several months to a year to communicate changes to distributors, to print and send out new price lists, and to reprogram their computers. Conversely On-line pricing is far more adaptable, allowing companies to make adjustments in a fraction of the time. This pricing flexibility gives opportunities for companies to accurately assess and respond to the overall balance between supply and demand in their industry.

-Segmentation :

Perception of consumers regarding value of product benefits will be differently, some are willing to pay more for it than other. But in the physical business, it is difficult to charging different prices for different segment of consumers. But On-line business can segment their customers quickly using personalized of consumer. After identification on-line customer segment, company can offer a segment-specific price or promotion immediately.

Segmentation	^Ability to choose Creative, accurate segmentation dimensions. ^ Ease in identifying which segment a buyer belongs ^ Ability to create barriers between segments	^ Different customers value your products benefits differently. ^ Customer profitability varies widely.	^ Credit Cards ^ Mortgages ^ Automobiles	^ Industrial components ^ Business services
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PERSONALIZATION

It is the process of tailoring pages to individual user characteristics or preference. It is means of meeting the customers, needs more effectively and efficiently, making interaction faster and easiest and consequently, increasing customer satisfaction and the likelihood of repeat visits. It can be classified into two broad categories: User driven personalization: In this type of personalization, user can personalize their home page with their personal interest. Uses are not required to open a account to do so on the web site.

Marketer driven personalization: In this type of personalization, marketer uses its knowledge of consumer to suggest product they might like, on' the basis on personal information of user, Marketers learn consumer's preferences in on what they really like. Internet is making a fundamental shift from mass marketing to personalized marketing. Databases, cookies and telecommunications technology make it very easy and cost –efficient to mass market personalized services, because personalization is automated and it is at the core of many internet marketing methods.

MODELS OF INTERNET ADVERTISING: Over the past few years several advertising models have evolved over the Internet, these can classify (Kalakoda & Winston, 2002), into Active or push based advertising and passive or pull-based advertising.

Active of Push based advertising -The Broadcast Model

Broadcasting messages provides a means for reaching a great number of people in a short period of time. Broadcast models typically use direct mail, spot television, or cable television. A spot television can runs on one station in one market. The number of viewers of particular advertisement depends on the penetration and channel/program viewer ship in a given market. The main advantage of this advertisement model is big number of viewer ship; an additional advantage is its ability to convey the message with sight, sound and motion. The disadvantages of this advertising are relatively high cost of production; limited exposure time; short airtime, which making it difficult to present a complex or detailed message.

-The Junk Mail Model

Direct mail advertisers targeted to reach highly specialized audiences. In addition to low waste in ad exposure, direct mail provides and advertiser with great flexibility in the message presentation. Disadvantages of direct mail include relatively high cost per contact, the need to obtain updated and accurate mailing lists, the difficulty in getting the audience's attention, and the possible cost to customers who pay for e-mail.

But Junk mail is the most intrusive of all forms of Internet advertising, because it is easily implemented using electronic mail. Some people pay usage fees based on time on-line, or storage charges for mailboxes, and probably would not want to receive unsolicited junk mail.

Passive or Pull-Based Advertising

Push-based advertising has not adaptability, flexibility and responsiveness. Effective marketing requires a feedback loop leading back into the organization. Pull bases advertising provide a feedback loop, connecting company and customer. Pull based model of advertising is essential for a truly market-driven company; a company that adapts in a timely way to the changing needs of the customer.

-World Wide Web (WWW) Model

WWW model refers to information placed where it will come to the attention of customer is the course of other activities and does not require active search. This advertising is often used to reinforce or remind the consumer of the advertising messages communicated through other media. This is not so easy to implement without cooperation from others who link into your content and make you part of the World Wide Web. The advantages of this advertising are ability to completely cover a market and maintain high levels of viewing frequency. The advantage of this model lies in its having no cost to customers.

The disadvantages of this advertising are related to viewing time. Because target consumers are typically surfing or moving and advertising must communicate with a minimum of words. Messages must be simple, direct and easily understood.

Endorsements :

Endorsements often come in the context of a question answered or an experience shared mode. Endorsements are among the most effective advertisement on the Internet, because they are offered publicity in an interactive medium. Anyone can post his or her own opinions, and such debates provide the best and most unbiased analyses of products and services.

Issues in Internet Marketing

As most of the countries today gradually entering Internet Marketing environment, there are some issues remain elusive. One of the major problems is a gap of richness between developed, developing and underdeveloped countries. Developed countries like United States of America, Canada and Australia have significantly venture the world of Internet Marketing and their investments have yielded greater revenue. Furthermore research and development activities have taken place for several times that enable them to equip marketing activities through electronic channels with the latest and the most advanced information communication technology (ICT).

Meanwhile, the developing countries such as the national in South East Asia region have begun their information technology evolution in numerous areas including business transactions. Education system has been upgraded by incorporating the studies of ICT, introducing incentives for entrepreneurs to go online and improving facilities.

However, the situation does not that encouraging in under developed countries. They are lack of fund, expertise, technology and exposure on the importance of venturing Internet Marketing. This widen gap among the countries must vigorously be eradicated if the entire world would like to flourish and share the wealth generated from doing business through electronic channels such as Internet. Therefore, world bodies like World Bank and United Nations for Development Program (UNDP) have uphill tasks to improve these conditions.

The next critical aspect of Internet Marketing is trust and confidence, which are significantly attributed to security. Lack of security is the leading barrier to widespread commerce on the Internet due to the inherent openness of the web (Wen, 2001). The lack of security is experienced in several ways such as unauthorized use of corporate network, packet sniffing data modification, un-registration transactions, eavesdropping, repudiation and spoofing. The threats and attacks to internet-based enterprises have included such Yahoo, E-trade and Amazon.com (Sussan and Kassira, 2003). These threats and attacks deteriorated the three main aspects of security that are confidentiality integrity and availability of data. The absence of these three elements causes lack of confidence for wider customers doing business electronically.

However, some necessary actions have been taken to cushion the lack of security in e-commerce like the introduction of new protocol version 6 (ipv6), a \$100 million initiative by USA government. The new protocol will address the areas of confidentiality, data integrity, non-repudiation and selective application of services. A number of multinational companies like NTT (Japan), Sun, Nortel, 3 Com have already got

the new version of Ipv6, whereas Cisco and Microsoft have it in prototype. The limitations of the new protocol vary from the need of higher bandwidth and some current wireless providers do not support Ipv6.

CONCLUSION

The application of Internet in today's business has resulted in interactive marketing. It refers to buyer seller communications in which the customer controls the amount and type of information received from a marketer through Internet. The interactive marketing offers immediate access to major product information when the consumer needs it. It also frees communications between marketers and their customers from the limits of the traditional linear, one-way messages to passive audiences using broadcast of print advertisement (Boone and Kurtz, 1999.) In addition, the application of internet in marketing creates many to many exchanges; where consumers can interact with one another using e-mail, chat room, electronic bulletin boards and virtual reality kiosks. These electronics interactions establish innovative relationships between users (consumers, marketers and suppliers) and the technology. It provides customized information based on users interests and levels of understanding as well as supports almost unlimited exchanges of information. In short, customers become active participants in the interactive marketplace, controlling the amount and type of information they receive with the click of a mouse.

The Internet has made a fundamental change in business transactions. Internet serves as a backbone and connecting different business process and persons such as customers and suppliers. While a new means of conducting business has become available, the fundamentals of competition remain unchanged. Only by integrating the Internet into overall strategy, this powerful new technology becomes an equally powerful force for competitive advantage.

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