

***E-MARKETING: CHALLENGES AND OPPORTUNITIES***

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**Abstract**

Internet marketing essentially is defined in simple terms as “Using the digital medium or route to sell your goods and services”. Marketing as a concept is primarily concerned with the selling of goods and services that one has to offer. E-marketing is not new. It is akin to marketing. However, E-marketing in itself provides a different dimension to marketing. Many businesses are resorting to e-marketing to market their products by reaching out to potential customers. Hence, E-marketing has unleashed a whole new world for the businesses to sell their products. The first part of the paper presents the available tools and techniques of e-marketing. The second part of the paper briefly discusses the opportunities and challenges that marketers of businesses have to face while e-marketing their goods and services.

**Introduction**

The development of e-marketing has been one of the most important and influential trends in the field of business, marketing and Information Technology over the past decade. E-marketing has completely revolutionized the way in which people sell their products or services. It has completely transitioned the way in which people now even buy products. Though the traditional ways of marketing are still effective, e-marketing has completely transcended

traditional marketing in its own unique manner. The paper aims to highlight the possible challenges and opportunities the e-marketers face. The conclusion will argue that despite the many impediments the businesses face while e-marketing their goods, there is still a huge potential and in this form of marketing and that it also offers whole new opportunities for business growth and expansion.

**E-marketing:**

Internet marketing, or online marketing, refers to advertising and marketing efforts that use the Web and email to drive direct sales via electronic commerce, in addition to sales leads from Web sites or emails. Internet marketing and online advertising efforts are typically used in conjunction with traditional types of advertising like radio, television, newspapers and magazines. Many businesses are producing great results with e-marketing and its flexible and cost-effective nature makes it particularly suitable for small businesses. E-marketing is the simple of transition of what one has experienced or seen in traditional form of marketing.

**Objectives of e-marketing:**

The objective of Internet marketing is to create clear value for the profit organization. With this focus the value proposition of the Internet is not limited to profitable transactions; partially it might be rather sufficient to raise awareness for new product launches or to support offline events with additional Internet activities.

**1 – Awareness**

Market awareness enables people to select from a larger range of vendors and unleashes an array of products or services to choose from. By scanning the available sources, the person searches for the best offer from the internet . No matter if the transaction itself is performed via the Internet the profit organization has to create awareness for its products and services. For medium

online shops with price inflexible commodity products awareness is the key success factor. The existing Internet marketing environment largely concentrates on the generation of targeted Web site traffic.

If awareness could be created without targeted traffic, an alternative approach would be totally feasible.

- Company establishment or product introduction
- Generic products or competitive markets
- Services / Consultation
- No offline representation

## **2 - Create Desire / Attraction:**

The awareness of a company's brand, product, or service is a key factor of a successful marketing endeavor. Creating and instigating a "desire" in the minds and psyche of consumer's works leaps and bounds for the product or service being marketed.

Efforts spent to generate awareness might be completely useless for established company, brands or products and services, e.g. fast food chains. Enhancing the opinion about the brands, products and services of the sales organization has a large impact on customer satisfaction. Improving customer service is determined by perception of potential new or existing customer.

Some examples are mentioned below:

- Market unknown product types
- Build brand image
- Change bad reputation
- Promote private products
- Support offline sales
- Establish public relation channel
- Enhance customer service

### **3 - Motivate Transaction**

A marketer always will look for ways and means of propelling the transaction to the public or his potential consumers; hence motivation of transaction is the crux of e-marketing. A profit organization which wants to direct and analyze their customer interaction maybe considers an entry in an online forum as a valuable transaction. A platform for dating or email-services maybe seeks for registrations.

Hence, Awareness and attracting masses and consumers to one's products and services is a key factor of a successful marketing done using digital media. The business value of motivate transaction covers many aspects from generating revenues, enhancing the margin or enforcing customer relationship management.

The following are some more examples-

- Generate direct revenues.
- Avoid intermediates.
- Gain flexibility in sales volumes.
- Limit distribution channels.
- Reduce service desk requests.
- Facilitate customer feedback.

#### **Advantages of E-marketing:**

In the digital age, Internet marketing is more important than ever before. Many small businesses believe that they don't need to market on the Internet because the majority of their customers are drawn by location.

#### **Reaching more customers:**

If you have an Internet presence, it will allow you to reach more customers. If you are a small business, you want to reach customers in your area. You can do this through Internet marketing

by creating local places listings on popular sites such as Yelp, Yahoo Local, and Google Places.

Your business will then appear in search results when a consumer uses search for you.

Having an online presence will first bring your business to the potential customer's attention. If your online presence is complete with positive reviews and a professional, customers will see that you are reputable and will be more likely to choose you for the products.

**Developing a Social Media Presence:**

Internet marketing is also very advantageous because of the prominence of social media networking. With a good online marketing strategy, you should primarily focus not only on your website but also on social media such as Facebook, Twitter, Google +, Pinterest, etc. Hence, developing social media presence is the strongest way of improving one's own outreach of products and services.

**Creating Brand Recognition:**

While large corporations attract and retain customers because their logos are consistently recognized and trusted. Once you commence e-marketing your products and services, your brand automatically becomes recognized and the talk of the town if and only if the marketing is carried out in an impactful manner.

**Cost-Effective Advertising:**

Traditional marketing strategies can be quite costly. By harnessing an effective E-marketing campaign you can reach out to the wider audience using free tools such as Twitter, Facebook, Blogs, or E-mailing. Advertising on the web and maintaining your online presence is one of the most cost-effective ways of reaching customers, which in turn increases sales for very little investment. One can also sell products online in addition to marketing one's product online.

**Advantages of E-marketing:**

**• Extensive reach:**

Internet marketing is less expensive when examining the ratio of cost to the reach of the target

audience. Businesses can reach a wide audience for a small fraction of traditional advertising budgets. The nature of the medium allows consumers to research and to purchase products and services conveniently.

**• Higher customer appeal:**

The businesses have the advantage of appealing to consumers in a medium that can bring results quickly. Internet marketing gives them a range of choices to market their business to the selected audience. Thus the strategy and overall effectiveness of marketing campaigns depend on business goals and the amount the business wish to invest in internet based marketing.

**• Easy to measure the results:**

Internet marketing also has the added advantage of measuring statistics easily and inexpensively. There are tools and techniques that can be used to test and trace almost all aspects of internet marketing. Apart from the basic pay per click advertising, the monthly reports generated through the analytics technique will display the related web traffic from a variety of angles.

**Limitations of E-marketing:**

**• Not having a physical presence:**

The main disadvantage in internet marketing is that buyers don't get a chance to physically feel the product as in a store. This applies especially to businesses dealing with e commerce. For most products that physical sight and feel is important. Some customers still prefer the old way of shopping.

**• Concern on internet security:**

Internet security is important both to companies and consumers that participate in online business. Many consumers are hesitant to purchase items over the internet because they do not believe that their personal information will remain private. However, some companies do offer the option of safeguarding consumer's personal information and not saving it on their database. But most of the consumers are still not aware of this particular option and still have this

traditional belief of their personal data being stolen by companies.

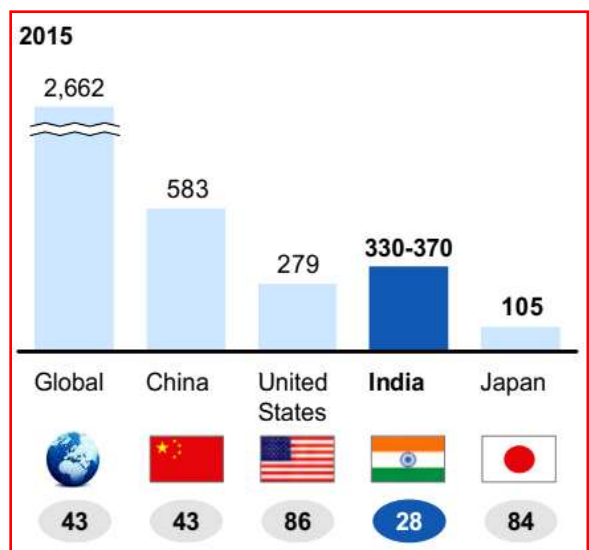
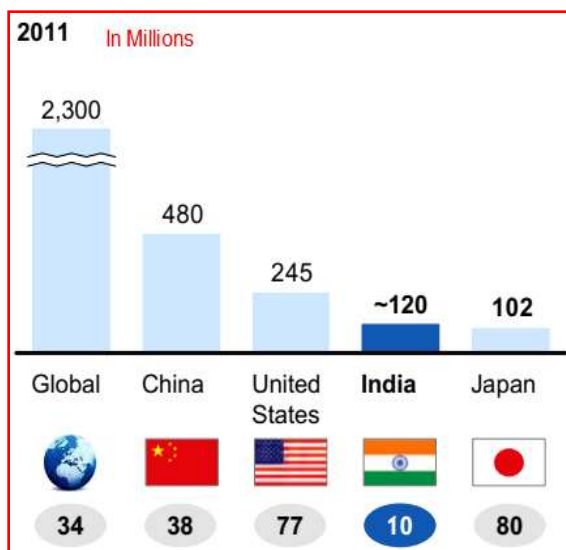
**• Mismatch in the products ordered and delivered:**

This is the kind of discrepancy that is usually seen in online shopping websites and companies. Many a times this discrepancy is experienced by the consumers who purchase any goods online and then there is always a kind of suspension in their heads with regard to the products that will be delivered. Another major concern that consumers have with e-commerce merchants is whether they will receive exactly what they purchased. This can be heavily experienced in the fast moving goods that are being sold on e commerce stores.

**OPPORTUNITIES IN E-MARKETING IN INDIA:**

India currently has more than 120 million internet users (3rd Largest in the world) and the number is expected to be tripled by 2016.

And, in India, these stats are even more surprising. Influence of internet in purchasing decisions is almost double of the influence of family and friends. The main reason behind this is the internet adoption rate in India; it is growing at a year on year rate of 26%.



Below are some facts and figures why small Indian businesses now really need to harness the power of internet marketing.

- More than 40% of net users in India rely go online for product research and price comparison before buying.
- The current internet penetration in India is only 10%, so there are even bigger opportunities in the near future.
- Only 1% of internet users in India have the broadband subscription which too is expected to grow with the help of several government initiatives.

The current contribution of Internet to Indian GDP is 1.6% or \$30 billion which is also expected to be \$100 billion by 2015.

- 71% people agree that online consumer reviews of products/services make them more comfortable that they are buying the right product.
- 86% of people skip TV advertising but internet advertising cannot be skipped if done the right way.
- Internet marketing costs at least 70% less compared to the traditional outdoor and print advertising.

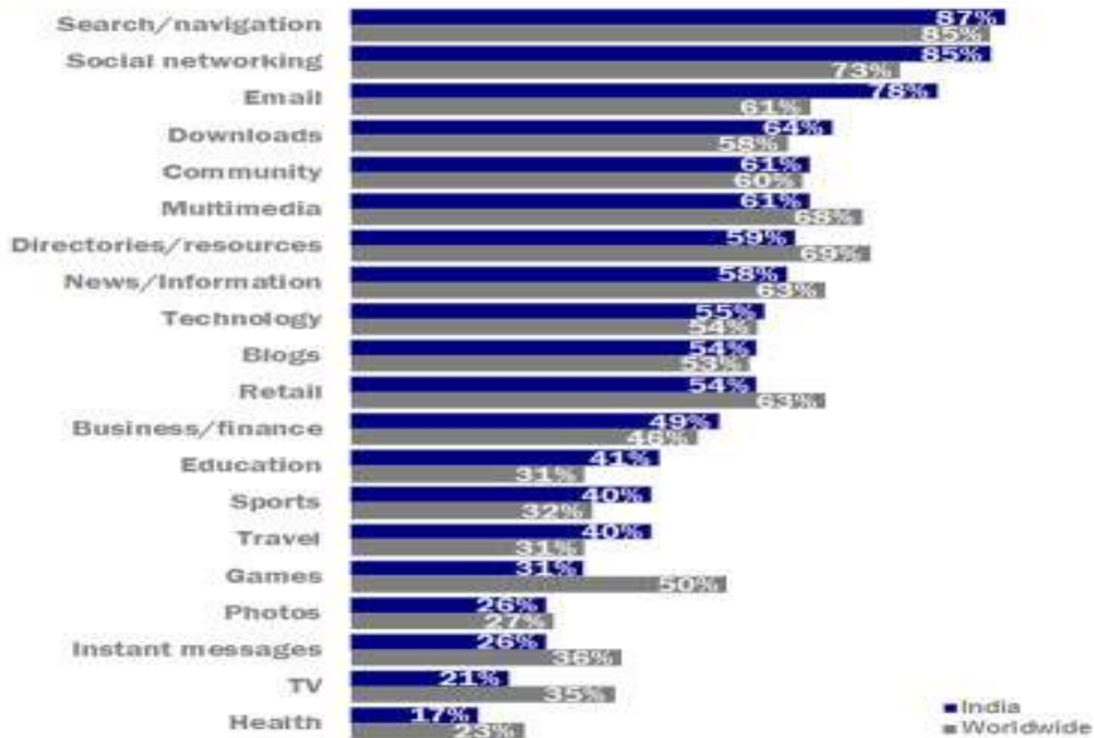
Almost 61% percent of global internet users search engines to research products online.

- The average daily number of searches on Google is more than 500 million and 15% of those are unique searches which are never seen before.
- Internet users spend 3X more time on blogs & social networks than on email.
- 1 out of every 7 minutes online is spent on Facebook.



### Reach of key online categories: India vs Worldwide

Search, social networking and e-mail are the top three key online categories for online communities in India, with social networking and email being significantly more popular categories in India than the rest of the world.



www.DigitalStrategyConsulting.com

Source: comScore Media Metrix, March 2011

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Notes: Internet audience aged 15+ accessing the internet from home or work

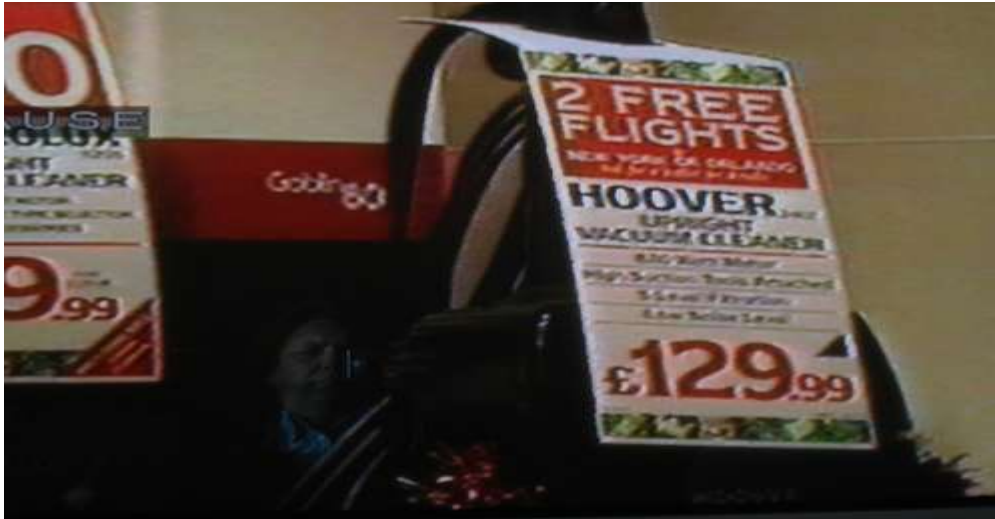
### Challenges and impediments faced by e-marketers:

The following are some of the e-marketing disasters, which were intended to market their product and thereby increase sales, but it proved to be a disaster.

#### 1. When your irresistible offer really is.

In the early 90s Hoover UK offered two free flights with every new vacuum cleaner. It didn't take long for consumer's to realize the cost of the vacuum cleaner was lower than the cost of the

flight. Just remember to throw the unwanted vacuum away on the way to the airport. Almost sounds funny until you realize the promotion cost 50 million pounds and sent Hoover UK broke.



## 2. When your timing is out by just a fraction.

In a desperate attempt to get into social media Qantas launched the hashtag #qantasluxury. Unfortunately there was a massive airline workers strike about the same time so you got tweets like "[#qantasluxury](#). Getting a pilot, a plane, engineers and baggage handlers.”

### Top E-mail marketing disasters:

#### 1. The Idea

To make their mark, companies are constantly pushing out the (digital) envelope, seeking new and innovative ways to engage with their customers. But sometimes what seems like a good idea when burning the midnight oil can fall into sharp relief in the cold light of day.

In 2009, Toyota US dabbled in ‘terror marketing to promote their youth market-oriented

Matrix vehicle that asked customers to nominate a friend who would be ‘pranked’ via direct e-mail – the idea being that the hapless recipient wouldn’t initially know they were actually part of an email campaign...

### **The Mistake**

Thousands of people found themselves nominated and received several bizarre emails before it was revealed that they were simply the victim of a prank. Alas, the campaign proved to be too effective, allegedly terrorizing one woman in particular.

### **The Fallout**

A lawsuit was filed on behalf of Amber Druick in September 2009 claiming that she had been so terrified by the nine unsolicited e-mails from a supposed British football fan and rioter Sebastian Bowler (Toyota’s fictional character who was also demanding money from her) that she “slept with a machete next to her bed and slept with mace. Druick could barely sleep or eat normally” and was, according to the lawsuit, convinced that “a disturbed and aggressive” stranger was soon to arrive on her doorstep.

### **The Idea**

‘Newsjacking’ sees companies riding on the coattails of news events, hoping to strike a chord with potential customers. It’s a risky art as marketers can end up being accused of gross cynicism as they seemingly try to exploit what is already a bad situation.

For instance, Hurricane Sandy in 2012 saw American Apparel email blasting customers with: “In case you’re bored during the storm ... 20% off everything for the next 36 hours” available to those living in the affected areas plus the message: “Just Enter SANDYSALE at Checkout”.

### **The Mistake**

The message was just plain wrong – making light of a natural event that would ultimately claim the lives of nearly 300 people wasn’t, well, something to make light of.

### **The Fallout**

The resulting Twitter storm caused by the email burst was instant with consumers decrying the campaign and threatening to boycott the brand.

Newsjacking can be incredibly successful, but you have to be sure you have chosen the right news for your brand. And you have to be quick; the famous Oreo Twitter News jacking was successful because it was fast, it was witty and it was fun. More importantly, it wasn't controversial and tied back to the brand message.

### **Some other challenges that are faced by e-marketers:**

#### **1. Dealing with the IT Department-**

It's been IT vs. marketing in many circles for too long. It's time we understood that we need to partner with our IT friends to implement our marketing programs. It's simple, we need them and they need us.

#### **2. Continuing Education–**

Marketers of the 21st century need to be constantly learning. Knowledge in marketing comes with an expiration date, and continuing professional development is a necessity. Take a class, get a certification, read a book, attend a seminar or conference whatever works for you, but keep learning.

**3. Blasting out too many ads —** Social networks like Facebook and Twitter are not merely for plastering advertising and marketing messages across followers' news feeds.

To avoid overwhelming customers with promotions, set aside some time to consider the content you're providing. If you sell backpacks, offer tips on the best backpack models for different needs or include information on activities related to backpacks, such as travel.

If you're catering to a particular city or region, weave local flavor into the content. These efforts may lead to a group of followers who are open to the occasional promotion.

**4. Generating high traffic but low sales.** If you have a large online following, but few customers who make purchases, you may need to fine-tune your efforts. Start by evaluating your goals. For instance, if you want blog readers to sign up for your email newsletter, make it easy to do so. Mention the newsletter in your posts, and keep the sign-up box displayed in a visible area.

If you want visitors to your website to call your company, list the phone number in an easy-to-spot place. To get followers to come to your store, consider offering online contests or sales for social media followers. This can help grow the audience and bring customers to the bricks-and-mortar location.

Hence, there are innumerable number of challenges while marketing online is concerned, there is a huge dilemma that is faced by the marketers while knowing who their customer prototype is and how should be their ad campaign in sync with their own and customer's profile.

The following highlights the dilemma faced by the companies and businesses who market their products and services to their prospective consumers online.

**The dilemma:**

An online marketing campaign's mission should solely be to not only formulate a right content for the ad but also target the right kind of consumers or customers. Therefore, content creation must not be made just for the sake of generating content and formulating ads for the products and services they have to offer.

Simple Aim: To win customers online and offline. Give them what they want. An ad should not deceive the consumers and give them layers and layers of content only to bewilder them further. The product or service should be communicated in a right and perfect manner such as the product is rightly positioned in the minds of the consumers.

Among the many mistakes businesses make is the over reliance of assumptions of their target market. Many a times one tends to assume their target market and the right kind of content is not put forth to the customers. The path to gaining clear and accurate insights requires engagement with buyers and data-driven analysis, constant tweaking and testing, and essentially developing buyer profiles or buyer personas.

With online media continuously evolving, marketers are constantly challenged to accomplish this. With the growth seen in local and social, there are many new avenues to explore content broadcasting, engagement and conversions.

What outcome do you want to attain from your audience engaging with your content? Or what content strategy and tactics should I use to engage my audience and to also drive new and repeat customers?

**The solution:**

Since there is huge amount of bewilderment on part of the businesses to correctly identify their customer type as mentioned above, it is very important for the businesses for effective integration of the promotion methodology used and the content that was used in the promotion.

A study by Forrester indicates that 83% are likely to tell a friend about a company that uses sales promotions, such as special offers, discounts or coupons. This means your promos are published and shared on major social networks. This result in social media exposure, extended brand reach and engagement, as well as improved SEO through natural back links. The same study revealed that 76% say they have a positive feeling toward a company that offers online sales and promotions, potentially leading to positive reviews found on local searches.

Creating content around promotions does work. Yes, provide non-sales, compelling content that your audience will use, love and share and also let them know that you are throwing in a promotion. Consumers love a promotion, they will use it, they will love it, and they will share it.

There is huge potential and success rate of Indian social media usage in marketing one's products and services.

- Taxi Driver Devesh Mishra in Banaras does great amount of business (including lots of foreigners as his customers) by leveraging his video on YouTube.
- Ching's Secret is considered one of the most successful Indian case studies on Social Media. They have a range of Chinese Soups, Sauces, Sauce mixes, Hakka and Instant Noodles that they promote through Facebook. It has 108,642 Fans.
- TED India leveraged Social Media (especially Twitter) to fill 800 seats. Their event cost was more than Rs 100,000.
- An auto driver Samson in Chennai doing great amount of business using his own website. We posted a detailed blog on him. He may not fit directly in 'Social Media' but virality of the concept is the winner here.
- Cocoberry Frozen Yoghurt Ice-cream parlors facebook fan page has more than 35,613 fans with a high degree of engagement. They provide their fans the latest of happenings in the parlor.

Hence, these success stories only tell us that planning your entire ad campaign and promotional strategy of your products and services in such a way that it is not only in sync with the content of the promotion but also with the entire customer base.

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