A CONCEPTUAL STUDY ON ONLINE PROMOTIONS AND ITS EFFECTIVENESS

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Abstract

Internet has become essential and people will not be able to imagine the world without internet. Consumers started searching for what they want through online and getting their products from online, it is very important that all the firms should adopt digital marketing. In this paper, a short history of digital marketing is discussed and also how internet helps in promoting the products and services. Also, the type of internet or online marketing clearly explained with the effectiveness with literature support. They include social media marketing, search marketing, digital advertising, content marketing, eWOM and online reviews.

Keywords: consumer, internet, online promotions, sales, brand, visibility.

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INTRODUCTION

Internet has become essential nowadays for both individual and organizations. It is one easy way to promote the products and services sitting in a place wherein the only thing we have to know is how to reach consumers. An average American spends approximately six hours per week surfing the Internet(The Economists, 2010).

The Internet has different characteristics (**Peterson et al., 1997**), such as:
- The ability to inexpensively store vast amounts of information at different virtual locations (cost effective)
- The availability of powerful and inexpensive means of searching, organizing, and disseminating such information
- Interactivity and the ability to provide information on demand
- The ability to serve as a transaction medium
- The ability to serve as a physical distribution medium for certain goods (e.g. software)
- Relatively low entry and establishment costs for sellers.

Digital marketing is much more powerful than merely communication through the Internet. Digital marketing also includes a wide range of digital channels, including the Internet, mobile, and wireless communications, as well as digital television (**Wymbs, 2011**). The most important thing is where to invest because there are lots of ways to promote the product through internet and you have to choose which way is effective to reach consumers. The current and the future decades to come, reaching consumers through digital media is one of the most promising fields of development in the field of marketing (**Okazaki, Katsukura, and Nishiyama 2007**). With the larger chunk of population spending a lot of their time online, focus on marketing by most businesses is shifting from traditional advertising techniques like print advertisements, TV commercials, etc., to online marketing**(Tapan K Panda,2013)**.And also retaining is far more important because once you start promoting your products the next step is retention. Bringing back the customers to your website and keep them engaged and updated about your products.

For the marketers, the old methods adopted for running a business are now becoming ineffective and unsustainable. The latest sales and communication channels are mostly uses internet and electronic in nature. Internet has provided a platform to consumers and marketers to have more

interactions and has made customization of services possible. It is possible for companies to send customized messages which enhance customer engagement as their individual requirements are catered to. As a result, in the current marketing scenario, digital marketing is given more importance than traditional marketing. The advantage of using digital marketing is that it helps organisations in the promotion of products and services in a very cost effective manner. Digital marketing not only includes Internet marketing but also other channels such as mobile phones, SMS and MMS, display and banner ads, digital outdoor. Digital marketing covers traditional marketing areas such as direct marketing but also provides the same communication in a digital manner **(Edelman, 2010).**

As per customers, four primary underlying motives drive internet use: acquisition of information (searching); communication; exploration (general browsing); and acquisition of goods (shopping) (**Rodgers and Sheldon, 2002**). Majority of consumers use the internet regularly, they use it for multiple, various divergent purposes (**Kau et al., (2003), Mathwick(2001) and PewInternet and American Life Project(2010)**). Whereas organisations can be reliably classified according to internet use as follows: e-merchants; information seekers; e-purchasers; e-transaction adopters; and internet experimentalists (Papastathopoulou and Avlonitis,2009). Business managers face great challenges in incorporating the Internet in their marketing efforts and devising effective online marketing strategies to create a successful online brand. In fact, online retailer branding and trust play an important role in internet markets **(Smith et al.,1999)**

According to **Garder's survey (2013),** the top priority in digital marketing investment will be to improve commerce experiences through social marketing, content creation and management and mobile marketing. Key findings also revealed that a companies' marketing success relies mostly on their website, social marketing, and digital advertising, which are all parts of digital marketing.

Marketers are reaching out to consumers by joining them online through social networks, search engines, and other platforms. Online recommendations are one way to personalize a relationship (**Simmons, 2008**).

Digital Marketing

- Internet Marketing
  - ✓ Search Marketing
  - ✓ Digital Advertising
  - ✓ Social Media marketing
  - ✓ Email marketing
  - ✓ Digital Advertising
  - ✓ Content Marketing
- TV, SMS, Radio, Billboards
- Mobile Marketing
- E-WOM

These are the subsets of digital marketing, through these mediums we will be able to promote and reach the consumers. Internet marketing includes promoting products or services through websites, social media, content marketing, e-mail marketing, Search Engine Marketing, online advertising. Reaching customers through social media like Facebook, twitter, blogs, etc called Social Media Marketing.

Effectiveness of online promotion

➢ **Social Media Marketing**

Digital technologies are also transforming the structure of social relationships in both the consumer and the enterprise space with social media and social networking (**Susarla and Tan,2012**). Social media marketing, in other words, provides meaning and connection between brands and consumers and offers a personal channel and currency for user-centered networking and social interaction (**Russell,2009).** Social media websites provide an opportunity for companies to engage and interact with potential and current consumers, to encourage an increased sense of intimacy of the customer relationship, and build all important meaningful relationships with consumers especially in today's business environment when consumer loyalty can vanish at the smallest mistake, which can additionally have online propagation of their unfortunate encounter with a particular product, service, brand or company (**Mersey, Malthouse, & Calder,2010).**

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The growing popularity of social media leads advertisers to invest more effort into communicating with consumers through online social networking. Social media, especially social networking sites (SNS), helps users to present themselves, establish and maintain social connections with others, and helps to articulate their own social networks**(Ellison, Steinfield, and Lampe,2007).** Every time SNS users share or comment on a brand page, they potentially expose first-circle friends to that brand via the newsfeed**(Lipsman, Mudd, Rich, and Bruich 2012)**

➢ **Content Marketing**

Content displayed in the website and blogs is given more importance nowadays and it should be relevant to the customers search. **Koiso-Kanttila (2004)** introduces the concept of digital content marketing, or the marketing of products in which both the entity and the delivery of the product are digital; such digital content is an increasingly important part of the commercial landscape. **(Pulizzi and Barrett,2008)** came up with the first definitions of content marketing: "the creation and distribution of educational and/or compelling content in multiple formats to attract and/or retain customers".

(**Halvorson and Rach ,2012**) suggest that content is "what the user came (to your website) to read, learn, see or experience", and (**Wuebben ,2012**) sees content as the key component to telling a brand's story, "the story of your product or service and propels your brand into the hearts and minds of your prospect, customers and others".

It will be important to acknowledge that the value of digital content is contextual and such that its value in use by different users on specific occasions is difficult to predict in advance(**Rowley,2008**). The importance of creating "great" content, defined as content that helps customers to do something better or to solve a problem. Great content is seen as content that is interesting and of value to customers. These notions align to some extent with the notions of web-based information quality, that suggest, for instance, that information quality has the five facets of usefulness, goodness, accuracy, currency and importance (**Rieh, 2002**).

➢ **Online Advertising:**

People are spending more time in online by browsing, information search and other purposes. Online advertising is one way to reach the consumers and get notified by them and get response quickly. An advertising banner on the Internet has the capacity to create a level playing field for competitors irrespective of whether they are large or small in size **(Smith,2009)**. The most online

advertising campaigns have two main objectives: brand development and direct response **(Boughton,2005).**

Past research has shown some forms of online advertising to be effective and influences consumer behaviour. The exposure to banner advertising was found to increase the probability of a consumer purchase. The old pushed advertising approach is not highly effective with digital media. Marketers are trying to find ways to pull consumers to their websites and into a relationship. One of the successful methods is the development of a brand community. (**Goh & Chintagunta ,2006).** Some research suggests that pop-up ads can create high levels of ad perception, recall, and intent to purchase (**Chatterjee, 2008).**

➢ **Email Marketing**

E-mail marketing is also one of the effective ways to promote the products and services by sending mails to the targeted groups. It is also the easy way to reach the customers especially when you know the target audience. It makes customers to get updated with the products and services. **Econsultancy (2010)** has analysed the capability of e-mail marketing among companies, and found that more sophisticated e-mail marketing techniques such as customer event triggered e-mails and dynamic content insertion to deliver more targeted e-mails are still not widespread.

In recent research **DMA (Direct Marketing Association) (2009)** showed that less than half of marketers have a strategy concerning maximum e-mail contact frequency, only a quarter of marketers are able to calculate the value of an e-mail address, and 12% of respondents not aware of how many e-mails an address should receive each month.

➢ **Search Marketing**

When the customers search for a product which your company offers, they start typing the keyword in search box in search engines like Google, Yahoo, etc. and when your website appears to be in the first page in SERP(search engine results page) is called Search Marketing. The main aim of search engine marketing is to increase the visibility of your website and web traffic. According to **iProspect(2008),** SEM(Search Engine Marketing) is an internet marketing model aiming at promoting the ranking of websites in the search engine's search results page which can make a web site introduce into more web users and website traffic. There is a deep involvement of customers in information search on online platform, hence researching about products and services promoted through SEM has become inevitable**(Lecinski,2012)**.

Search placement marketing, popularly known as SEO(Search Engine Optimization), is a method of creating or altering a web page so that it will appear more relevant than other pages in the search engine **(Boughton,2007)**. It is also observed that almost twenty per cent of advertisers are shifting their advertising budgets to SEM from traditional print and other forms of mass media due to its effectiveness. It is also found that 68% of search engine users view only the top-10 search results and 92% of web users view just three search pages or 30 search results. **(SEMPO,2007)**

The more an advertiser pays for an ad, the higher the ads will be placed in search results, resulting in higher level of traffic. A search engine like Google determines the rank of advertiser not only on the bid price of keywords, but also on the CTR. It moves the more relevant ads higher in the rank and gives an incentive to vendors to write targeted ads and bid on only relevant keywords(**Boughton,2007).**

➢ **eWOM**

The term 'Viral Marketing', was coined by the Harvard Business School professor, **Rayport (1996).** Electronic Word Of Mouth (eWOM) is spreading the information through the internet and experiences of one consumer being shared with others and also, sometimes it is known as Viral Marketing. When used offline, it is referred to as Word-of-Mouth (WOM) communication, and when it is used online, it is called "viral marketing"(**Juvertson ,2000)**.WOM has become the most influential and effective communication channel. WOM that travels via internet maybe referred to as electronic word of mouth (eWOM) **(Keller,2007).**

According to a 2008 survey, 70 percent of Americans say they regularly consult online consumer reviews or product ratings before making an important purchase, and many popular sites have come in existence to cater to this information need(Ante, 2009). It is very important because positive E-WOM enhances both brand evaluation and purchase decision making. Digitally connected consumers search online for market information and brand to make purchase decisions. They do strongly believe in E-WOM recommendations.

Advantages of using online promotions

- One of the best ways to increase brand awareness and high visibility in a cost effective manner.

- People use search engines to know about the product information and quality. When your website appear to be in SERP would be an added advantage.

- Satisfied consumers help increase sales through positive eWOM brand managers fear that negative eWOM will be more salient and potent and it has the power to damage the entire positive image and brand name.

- Online review not only helps to increase the sales but also reduces price sensitivity, increases post purchase satisfaction and brand reputation.

- One study found consumer reviews to be trusted twelve times more often than descriptions that come from a manufacturer**(BazaarVoice,2011).**

- Experience with social networking sites influences user responses to online shopping and advertising. **Cha (2009), Hoy and Milne (2009), Kelly, Kerr, and Drennan(2010) and McMahan, Hovland, and McMillan (2009).**

- According to **Garder's survey (2013),** Normally, companies spend 10 percent of their revenue on marketing and 2.4 percent on digital marketing, which will increase to 9 percent in the future.

CONCLUSION

Every industry either it is large or small, should use internet and mobile marketing to increase their sales. They have to utilize the resource available and make use of it in a effective way. This is one of the best ways to promote your products as people are spending more time in internet. It also helps in increasing brand awareness and customer loyalty. Through the visibility and brand reputation you can also increase the eWOM and create positive brand image. In traditional media we will not be able to measure the visibility and reach whereas in online marketing, it is very easy to measure the reach using various tools like Google analytics. Not only Google analytics but lot of other tools available for social media, search, email, etc. separately.

Limitations and future scope of the study

This study explains the use of internet and its effectiveness in terms of marketing. The limitation is the study is purely conceptual. The future research could be exploratory study, because there are no practical implications in this study. We can do separate study for each subset of internet marketing using empirical method.

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