



Impact of internet marketing on business: A study on businessmen of Udaipur city

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Abstract

Internet Marketing is undoubtedly a future trend of the market. Internet Marketing is growing in the field of apparels and clothing, mobile phones and accessories, household goods and fashion accessories in India. Although this trend is still in the early stage of the development in our country but has immense potential for the growth in near future. The objective of this study is to identify the most preferred internet marketing technique, to study the importance of internet marketing in business and to determine whether the business firms prefer internet marketing to traditional marketing. Responses of 100 businessmen were collected through a survey. The outcomes of the study reveals that businessmen are very much aware of this new marketing medium and majority of them even use these tools to promote their goods or services. Social Media Marketing and E-mail marketing are the most preferred internet marketing techniques that are being used by these businessmen and these internet marketing techniques are proving advantageous to their business growth and therefore they prefer internet marketing to traditional marketing.

Keywords: internet marketing, internet marketing techniques

Introduction

Internet marketing is any activity conducted online through internet technologies and comprises not only website advertising but also other types of online activities like Social Media marketing, Affiliate Marketing, Email etc. According to Ngai (2003) ^[3], internet marketing is the process of building and maintaining customer relationships through online activities to facilitate the exchange of ideas, products, and services that satisfy the goals of both buyers and sellers. Schlosser *et al.* (1999) ^[1] defined internet advertising as every form of commercial content, available through the internet and designed by a company, in order to inform consumers of a good or a service. It is an interactive media, has the ability to deliver a huge amount of information to end users and is not bound by time and geographic limitations.

Literature Review

Internet marketing revolutionized all aspects of life including both economy and marketing. New internet-based communication technologies have helped in restructuring of major economic sectors together with marketing. Internet marketing is flexible, fast, and cost effective with wider global reach offering incredible gains to different businesses. Internet marketing is playing a key role in all components of the marketing mix and also recognizing the significance of communication in the interface between an organization and its customers. It has brought a complete and drastic shift to a new business model which would result in an unavoidable re-conceptualization of the general nature of marketing. Internet marketing has changed the old market-oriented, unilateral and top-to-bottom approach to a customer-oriented, reciprocal and downward-to-upward process.

Yannopoulos (2011) ^[7] discussed how the internet is influencing the company's marketing strategy by studying in detail its impact on firm's product and marketing strategy, pricing strategy and distribution and promotion strategy. From consumer's point of view, internet facilitates easy, quick and relatively low cost search for the desired product having lowest cost with interactive shopping agents. These agents are introduced to make shopping easier on-line by checking product availability and company prices of the same product at different stores operating on-line. They provide one-click-access to such information. Online shopping offers great convenience as consumers can shop easily and quickly at home by placing an order online without visiting the company's outlet, it also lowers search and transaction costs and is open 24 hours a day. They concluded that, in this era internet is becoming a vital tool, without this a business cannot survive or grow. It is a powerful and pervasive tool that a firm can employ to have a competitive advantage over its competitors.

Jaeki song *et al.* (2006) ^[4] in their study differentiated between the traditional and internet based marketing channels. They observed that there exist various factors that motivate companies to make selection between both the channels which includes price information, market access, competition, pricing policies etc. They developed a conceptual model based on micro-economic theory for selection of channels of marketing and defined two strategies; pure and mixed to operate on the web. Their research suggested that internet could be a serious alternate of traditional marketing channels and better pricing policies on internet could be one of the critical factors that may attract a large audience at global platform.

Biyalogorsky and Naik (2003) ^[2] conducted an experimental study by building a model to assess the impact of online

activities on off-line sales of the business. They observed that, in early stage of emergence of internet, retailers were reluctant to expand their business activities in the internet environment because they fear that online activities could negatively impact off-line sales and profits. Now, since the explosion of online marketing activities, they are ready to employ online marketing channels for unlimited customer access. The intern *et al.* lows firms to track readily available customer’s individual-level and aggregate-level online data to gather more information on customer’s online behavior and to assess the impacts of this behavior on both on-line and off-line sales.

Ng, Pan and Wilson (1998) [6] investigated in the paper, “Business use of the World Wide Web: a report on further investigations” how useful is web for businesses. Survey was done on 300 randomly selected companies’ websites. Electronic questionnaires were sent to these sample companies. The research result indicated that this new age of e-commerce is very beneficial for marketing logistics. Its global presence, shorten components of distribution and supply chains, research advantage, cost saving features enables a firm to maintain a competitive advantage over other competitors in the digital market. This paper reports on benefits of WWW to both business and customers and also emphasized the various barriers that hinder future development opportunities of electronic commerce.

Michalski (1995) [5] has observed that businesses are getting various benefits through indulging its marketing operations with internet marketing. It has provided advantages in various aspects. Distribution cost is getting lower and distribution channel is becoming more efficient as buyers and sellers became capable to access and approach each other directly which eliminates the marketing cost involved in physical distribution in the terrestrial world. it also reduce the time involved in the business transactions as more of the selling function has been transferred to the customers via online ordering, the use of fill-out forms, online payment transactions. This online process helps in capturing customer information which provides an opportunity to monitor consumer choices and gather market intelligence through consumer’s buying behavior during online purchasing.

Research Methodology

1. Sources of Data Collection

a. Tools of Primary Data: In this study a market survey was carried out interviewing people running any business and customers in Udaipur city.

b. Tools of Secondary Data: Data from various journals, articles, newspapers, and websites have been gathered to provide the information regarding how different consumers make use internet marketing to purchase goods and services online. Various published data was collected through books, Survey reports, historical records etc.

2. Research method used in present study

The method used in present study is Survey method. Survey method is a descriptive and non-experimental research method. It is a technique of collecting data and information through asking questions to people who are assumed as desired information provider. It is a research method which is used for primary data collection based on written or verbal communication with a representative sample of respondents from the target population.

3. Research Tool

In present research, Questionnaire has been used to collect primary data. The questionnaire for customers was prepared with the aim to know their reactions to internet marketing, their buying behavior and effect of internet marketing on their buying trends. The respondents were requested to fill the structured questionnaire by self after explaining the various facets mentioned in it. The final questionnaire contains both close and open ended questions in a structured format. The questionnaire was administered personally to elicit relevant information.

4. Sample Size

The total sample size for this research study is 100 respondents who were businessmen and indulged in online marketing activities. Convenience and purposive sampling method is used to collect the data. The sample size is fair enough to achieve reliable results for the research purpose.

5. Research Objectives

This research study is done to determine the importance of internet marketing techniques for businessmen in today’s competitive scenario and influence of these activities on business growth and performance. The research objectives are as follows:

1. To identify the most preferred Internet Marketing techniques.
2. To study the importance of Internet marketing in Business.
3. To determine whether business firms prefer Internet Marketing to traditional Marketing.

Data Analysis and Findings

Objective 1: To identify the most preferred Internet Marketing techniques.

Q.1. Which tool do you use for your Internet Marketing efforts?

Table 1: Use of different tools for Internet marketing efforts

S. No.	Particulars	No. of Responses	% of Responses
1	Pop-Up Advertising	18	12.5 %
2	Banner Advertising	21	14.58 %
3	Affiliate Marketing	13	9.03 %
4	Social Media Marketing	37	25.7 %
5	Email Marketing	28	19.44 %
6	Mobile Marketing	16	11.11 %
7	Others	11	7.64 %
	Total	144*	100 %

* The Number of responses exceeded 100 as the respondents were asked to select as many tools as they use.

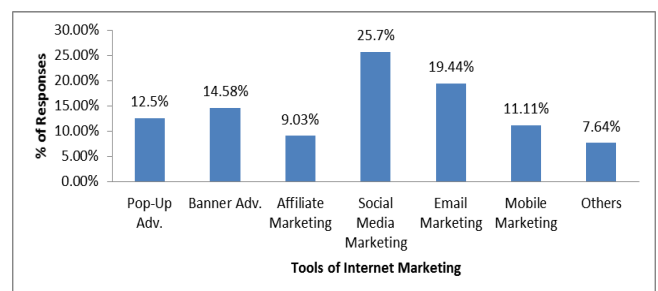


Fig 1: Use of different tools for Internet marketing efforts

Interpretation

As the business firms enter into the field of internet marketing, they have to bring in numerous marketing tools to attract the consumers as well as to achieve success in internet marketing. With reference to many marketing techniques, the respondents were asked to rank their preferences according to the importance of each technique. It is clear from the above table that Social Media Marketing was found to be the most preferred marketing technique and the most effective to achieve the success in internet marketing. Approx. 25% of all the respondents gave first preference to Social Media Marketing; Email marketing ranked second with approx. 19%, Banner advertising which was ranked third is acceptable to 14% of the respondents. Another tool; Pop-Up advertising was found to be useful for approx. 12% of the respondents and ranked fourth. Mobile marketing and Affiliate marketing are ranked fifth and sixth with 11% and 9% respectively. Other techniques like Blog marketing, Viral marketing etc. are ranked 7th with only 7% of all the responses. This leads to conclude that Social Media Marketing is the most preferred internet marketing technique as compared to other types of internet marketing techniques.

Objective: 2 To study the importance of Internet marketing in Business.

Q.1. State the objective of your online marketing media engagement.

Table 2: Objectives of Online Marketing Media Engagement

S. No.	Objectives	No. of Responses	% of Responses
1	Sell a Product or service	14	14 %
2	Generate more customers	27	27 %
3	Increase Brand Awareness	11	11 %
4	Increase Web Traffic	22	22 %
5	Customer Service	07	07 %
6	Market research	06	06 %
7	Platform to Differentiate company on internet	09	09 %
8	Others	04	04 %
	Total	100	100 %

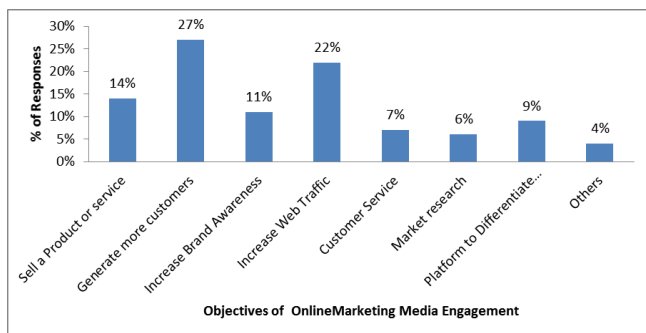


Fig 2: Objectives of Online Marketing Media Engagement

Interpretation

It can be assumed that each firm makes the strategy to adopt this new trend of internet marketing to be at par with its competitors. There may be many reasons behind this adoption like to increase web traffic, to generate more

consumers, to increase brand awareness. In this regard the respondents were asked to state their preferences. On analysis it was found that majority of the respondents (27%) given preference to the “Generate more customers” as a reason, wherein the reason “Increase Web Traffic” ranked 2nd accounted for 22%, “Sell a Product or Services” ranked 3rd with 14%, “Increase Brand Awareness” ranked 4th accounted for 11%, “Platform to differentiate company on internet from competitors” ranked 5th with 9%, “Customer Service” comes on 6th position with 7%, “Market Research” on 7th rank with lowest 6% of all the responses obtained.

Q.2. Have you seen any increase in revenue from your online marketing practices?

Table 3: Increase in revenue from Online Marketing Practices

S. No.	Particulars	No. of Responses	% of Responses
1	Not Measured	05	5 %
2	No	08	8 %
3	10-25 %	27	27 %
4	26-50 %	42	42 %
5	51-75 %	10	10 %
6	More than 75 %	08	8 %
	Total	100	100 %

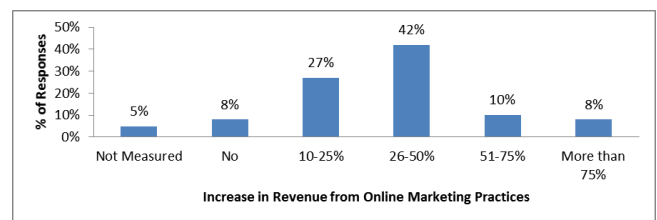


Fig 3: Increase in revenue from Online Marketing Practices

Interpretation

Majority of the respondents agreed that internet marketing has increased their revenue. From the table, it can be seen that 42% of the respondents said that internet marketing has increased the revenue from 26-50%, 27% of the respondents said that that their revenue has raised 10-25%, 10% of the respondents agreed that that their revenue has raised 51-75%, 8% of the respondents said that that their revenue has raised more than 75% whereas only 8% of the respondents disagreed with this statement and remaining 5% haven't measured the difference of revenue from both the mediums of marketing.

Q.3. Does the number of customer visiting online increasing due to integration of Internet Marketing practices with traditional marketing?

Table 4: Increase in number of customer visiting online due to integration of Internet Marketing practices with traditional marketing

S.No.	Particulars	No. of Responses	% of Responses
1	Yes	70	70 %
2	No	13	13 %
3	Not certain	17	17 %
	Total	100	100 %

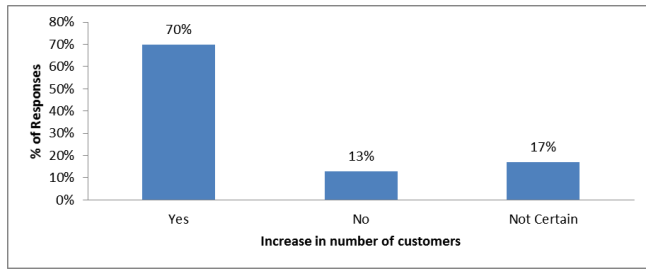


Fig 4: Increase in number of customer visiting online due to integration of Internet Marketing practices with traditional marketing

Interpretation

Businessmen were asked to provide their responses regarding the increase in number of customers visiting online after integration of internet marketing with conventional marketing. Maximum businessmen have given positive response regarding the increase in number of total customers, 70% of them agreed that after indulging internet marketing tools with traditional marketing methods the total number of their customers has raised certainly, 17% agreed at certain extent and remaining 13% disagreed with the statement given.

Q.4. Do you wish to integrate online marketing resources more in order to expand your business?

Table 5: Integration of online marketing resources to expand business

S.No.	Particulars	No. of Responses	% of Responses
1	Yes	73	73 %
2	No	11	11 %
3	Haven't thought of it	16	16 %
	Total	100	100 %

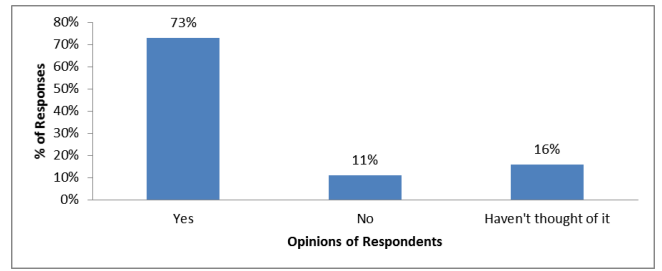


Fig 5: Integration of online marketing resources to expand business

Interpretation

Businessmen were asked to give their opinion on whether they want to integrate online marketing resources more to expand their business and it is clear from the table that maximum number of respondents (73) are in favor of this statement and they understand the importance of it in near future, whereas 16% of the total businessmen said that they haven't thought of it yet and only 11% denied the above statement.

Objective 3: To determine whether business firms prefer Internet marketing to traditional marketing.

Q.1. Does Internet marketing more successful than traditional marketing in meeting organization's social objectives?

Table 6: Success of Internet Marketing in meeting organization's Social Objectives

S.No.	Particular	No. of Responses	% of Responses
1	Below Average	24	24 %
2	Average	33	33 %
3	Good	43	43 %
	Total	100	100 %

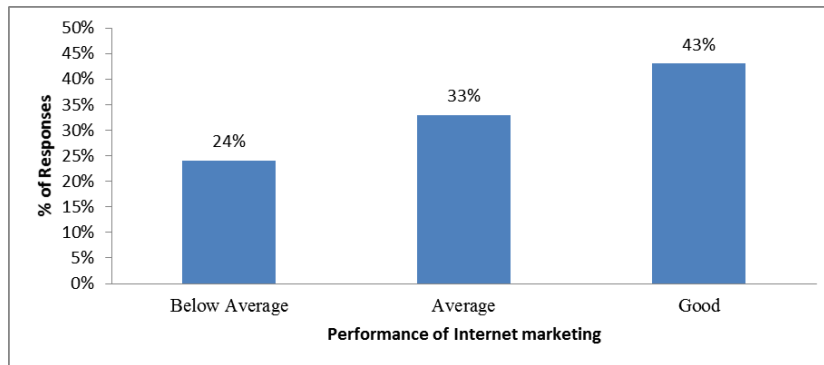


Fig 6: Success of Internet Marketing in meeting organization's Social Objectives

Interpretation

The above table shows that 43% of the total companies believe that internet marketing has been very successful in meeting the social objectives by imparting educative and

informative advertisements for the welfare of the society, whereas 33% ranked its performance average and remaining 24% ranked it below average.

Q.2. Please indicate the degree of your agreement against each statement given below.

(A: Agree, N: Neutral, D: Disagree)

Table 7: Contribution of Internet marketing to the Organization

S. No.	Particulars	No. of Responses			Total
		A	N	D	
1	Internet marketing supports the retention of organization's customers and clients and increase their satisfaction. (A)	67 (67%)	20 (20%)	13 (13%)	100 (100%)

2	Organization gets benefit from Internet marketing in decreasing the number of intermediaries and distributors of organization, hence decreases their cost. (B)	74 (74%)	15 (15%)	11 (11%)	100 (100%)
3	Internet marketing contributes in decreasing the marketing problems of the organization. (C)	69 (69%)	17 (17%)	14 (14%)	100 (100%)
4	Internet marketing constitutes good marketing channel for the organization's Goods and services. (D)	72 (72%)	18 (18%)	10 (10%)	100 (100%)
5	Advertising using Internet contributes to increase the sales of organization and Quality of services delivery. (E)	73 (73%)	14 (14%)	13 (13%)	100 (100%)

*The particulars of the above table are represented as A, B, C, D, and E in Fig-5.4 on horizontal axis.

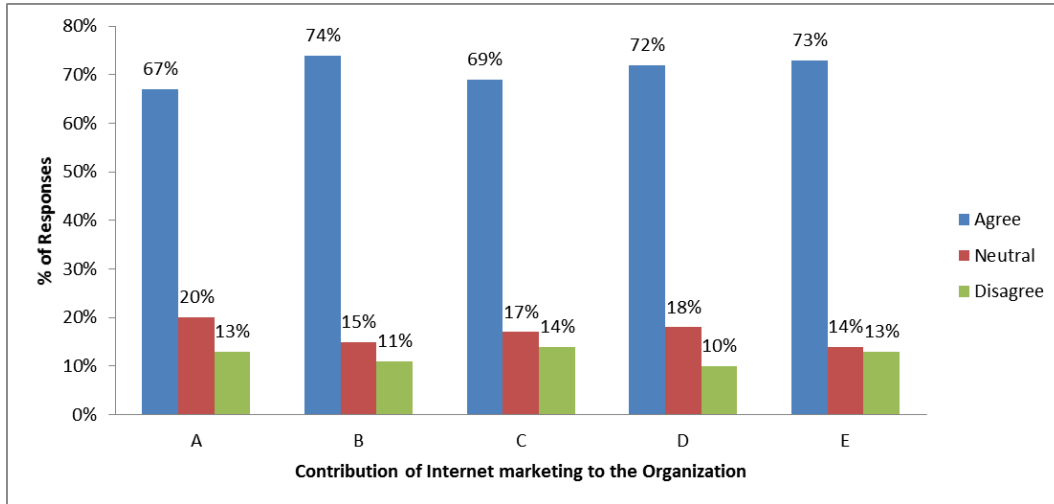


Fig 7: Contribution of Internet marketing to the Organization

Interpretation

Businessmen were asked to show their degree of agreement against some statements regarding Internet marketing. Maximum 67% of the businessmen agreed with the statement that Internet marketing supports the retention of organization's customers and clients and increases their satisfaction and only 13% disagreed with it. Maximum 74% of the respondents agreed that Organizations get benefitted from Internet marketing in decreasing the number of intermediaries and distributors of organization for marketing of goods and services and hence decreases the overall cost and only 11% denied the statement. Further 69% of the respondents agreed that Internet marketing contributes in decreasing the marketing problems of the organization and only 14% disagreed. Maximum 72% of the respondents agreed that Internet marketing constitutes a good marketing channel for marketing the organization's goods & services and only 10% denied the statement. 73% of the businessmen are in the favor that Advertising using Internet contributes in increasing the sales of organization and Quality of services delivery and only 13% were against this statement. The overall analysis shows that most of the businessmen are in favor of the given statements that internet marketing is providing many benefits to their business and proving very helpful.

Conclusions

Objective 1: To identify the most preferred Internet Marketing techniques.

Conclusion: As the objective was to identify the most preferred internet marketing techniques, the opinions were taken from the businessmen and analysis revealed that 90% of the total respondents are aware of this new marketing medium and majority of them even use these tools to promote their goods or services. Social Media Marketing

and E-mail marketing are the most preferred internet marketing techniques that are being used by these businessmen and Banner advertising; Pop-up advertising and Mobile Marketing are also popular among these techniques.

Objective 2: To study the importance of Internet marketing in Business.

Conclusion: As the objective was to study the importance of internet marketing in business, the opinions were taken from the businessmen regarding their objectives of online media engagement, reasons of going online, changes after indulging into internet marketing. Maximum business person opt for internet marketing to generate more customers, increase their web traffic through online websites, to increase their selling and they also agreed that internet marketing has raised their revenue from 25-50% and it has proved very beneficial in providing social benefits to the mass consumers. Therefore, a general conclusion can be drawn that internet marketing is playing a vital role in today's marketing scenario and most of the businessmen wish to integraet alte internet marketing resources to expand their business in near future. Thus, it can be said that internet marketing is very important for business growth today and tomorrow.

Objective 3: To determine whether business firms prefer Internet Marketing to traditional Marketing.

Conclusion: As the objective was to find out whether business firms prefer new internet marketing techniques to conventional marketing methods; responses are taken from businessmen regarding their current online marketing mediums and the analysis shows that out of 100, 86% of the business person i.e. majority of them already have specific online marketing plan and 42% of them spend more than

15% of their total marketing budget on their internet marketing initiatives. This reveals that marketers are putting more resources into internet marketing efforts and making strategic plans to compete the global competition. When these businessmen requested to show their degree of agreement against various statements relating to advantages offered by internet marketing to an organization, maximum people agreed with the given statement, which suggests that internet marketing is proving advantageous to their business growth and therefore they prefer internet marketing to traditional marketing.

Limitations

1. The sample size is relatively small; therefore the generalization of the result should be cautioned.
2. Convenience sampling was done in this study, therefore selection of a truly random sample is recommended for more generalization of findings.
3. Time and resource constraints.
4. Individual responses may be biased at times.
5. The research is not been carried out for the long period of time.

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