
New Horizon of Marketing (E-Marketing)

Dr. Gajendra Singh¹, Prof. S.P.Kala², Shailendra Singh³

Abstract

We are quickly moving in to a new world - a 'wireless world' sporting trendy Internet-enabled, handheld devices, and interactive television. New marketing methods are emerging, forcing companies to change the way they search out and connect with their customers. The revolutionary element of 'trackable digital delivery' is helping marketers measure their efforts and gain real-time intelligence about their customer base. Today's businesses are looking for economical ways to stretch their marketing dollars. Many companies have already turned to more cost effective methods such as e-mail marketing to reach their customers. Although a relatively new marketing channel, more than \$6.8 billion will be invested in e-mail marketing resources by 2006. This article take a look at what is e-marketing, how e-marketing works, technique of e-marketing, e-marketing in developing countries, benefits and problems of e-marketing.

NEW HORIZON OF MARKETING (E-MARKETING)

Introduction:

E-marketing techniques can help professional services marketers and their firms effectively manage company knowledge to save time and money, minimize the amount of "grunt" work in their marketing efforts and maximize the "thought" work, the higher-level skills required to focus on effective messages and marketing strategies targeted at meeting corporate goals and objectives. This will not only improve a firm's bottom line, but it will also increase its marketing value to the firm by moving the marketing staff beyond "proposal-writers" to valuable strategic assets.

Marketing practice is now busy integrating the potential of information and communication technologies through the utilization of databases and Internet marketing. Billions of potential consumers can now be reached this way. Nevertheless, a brief observation of the practices of marketing on the Internet show that some firms implement aggressive actions such as pop-ups,

deceiving banners and hyperlinks and other forms of intrusive mechanisms which impinge on personal privacy.

E-marketing is essentially utilizing the technology tools that are available right now to:

- Increase the information exchange between you and your marketplace;
- Capture data that can be mined for opportunities;
- Customize marketing messages to specific individuals;
- Deliver customized messages in a more cost-effective fashion;
- Deliver a firm's services to its clients;

*Dr. Gajendra Singh, Lecturer, Department of Business Management
Post Box No 89, HNB Garhwal University, Srinagar (Garhwal)
Uttaranchal, India, Phone. +911352753198, Mobile:
+919412029869
E-mail: gajendra_kashyap@rediffmail.com*

*Prof. S.P.Kala, Department of Business Management
HNB Garhwal University, Srinagar (Garhwal), Uttaranchal, India*

*Shailendra Singh, Punjab School of Management
Punjabi University, Patiala*

- Effectively maintain stronger client relationships (customer relationship management).

E-Marketing Techniques :

Methods of e-marketing are evolving as rapidly as new technologies are developed, but many firms are still struggling with the basics of even getting started. An effective e-marketing program should consist of, at a minimum :

- Company website
- Email application capable of maintaining lists and groups
- Email application capable of sending and receiving HTML-formatted messages
- Shared company project, personnel and contact databases
- Adobe Acrobat software for producing universal-format electronic documents (PDF)

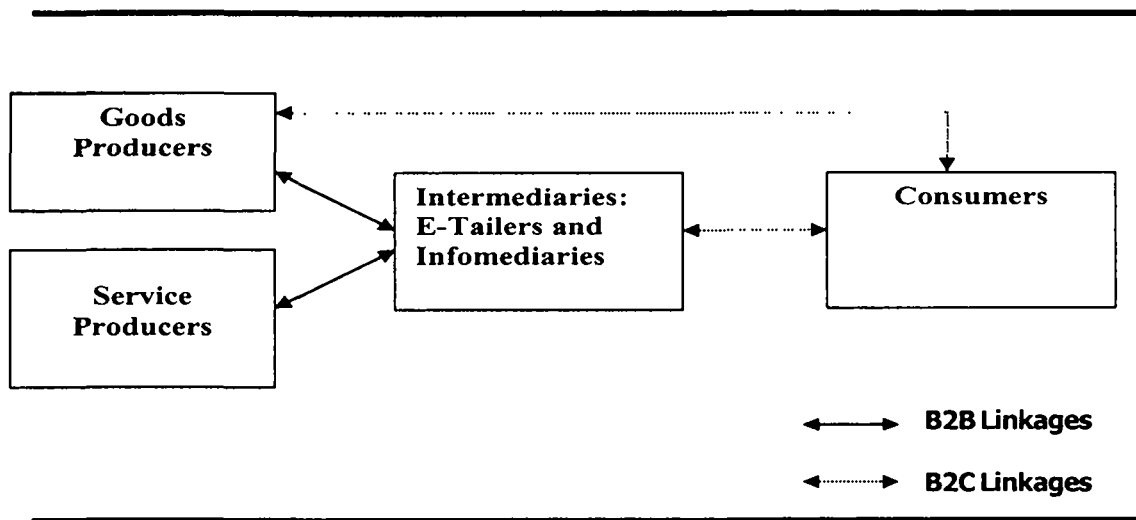
The proliferation of and rapid advances in technology based systems, especially those related to the Internet, are leading to fundamental changes in how companies interact with one another (business-to-business [B2B] marketing) and with consumers (business-to-consumer [B2C] marketing). The content of most business-related periodicals in the popular

press is being increasingly dominated by case studies related to e-Marketing and the Internet. In contrast, the extant marketing literature contains no more than a handful of papers based on systematic, scholarly investigations pertaining to the technology-induced transformations that are revolutionizing the marketplace. A considerable knowledge gap exists between the practice of Internet-based marketing and the availability of sound, research-based insights and principles for guiding that practice.

Conceptual Framework :

Figure 1, which is an adaptation of a framework proposed by Parasuraman and Grewal (2000), shows a variety of business-to-business and business-to-consumer linkages that are-or can be-affected by the Internet. Each of these linkages represents a variety of "flows" that can occur between sellers and buyers (Parasuraman and Grewal 2000)-for example, promotional communications and product/service delivery from sellers to buyers, as well as market research/intelligence and money transfers from buyers to sellers. Except for the delivery of physical products, all such flows or exchanges can be accomplished through the Internet.

FIGURE 1
Market Linkages Affected by the Internet



SOURCE: Adapted from Parasuraman and Grewal (2000).
NOTE: B2B = business to business; B2C = business to consumer.

E-Marketing in Developing Countries :

As shown in Figure 2 on the following page, businesses have many processes where e-Marketing techniques might be applied. It is important to consider the full business cycle for possibilities as an e-readiness initiative is developed. Fundamentally, businesses' gains can come from two sources: adding more value for customers, hence increasing revenue, and reducing production and operational costs. (A third benefit may be to reduce risks by diversifying a business's customer base or product lines.) On the revenue or value side, a business can provide value to more customers or it can increase the value provided to each customer. Businesses may realize gains from using e-Marketing techniques in only one or many of these processes. It is important not to assume that e-Marketing need be a holistic approach, embracing all processes. In many cases, for example, large industries in developing countries will face constraints making it too costly to tackle several processes. Even large industries in developed countries have to figure out which processes are worth tackling first or at all. Further, the Figure illustrates that a large industries might consider e-Marketing techniques in many processes, even if its product or service cannot be delivered electronically. One further point, the last two business processes,

"production" and "back-office," would be included in our broad definition of electronic marketing (any use of information and communications technology by a business that helps it improve its interactions with customers or suppliers) because these processes often involve interactions with suppliers.

These processes may also simply fall into the broader category of "e-business." The government context for e-Marketing is as important for the development professional to understand as the business context. Firstly addresses how the government itself uses e-Marketing and secondly it addresses how government services, laws and regulations affect businesses trying to use e-Marketing techniques. First, in most countries, the government is one of the largest buyers of goods and services. Many governments also make sure to buy a share of their goods and services from domestic large industries. If a government begins using e-procurement techniques to do so, it can provide an important incentive, an example, and training to these large industries. (Several governments in developing countries are now implementing — or planning — e-Marketing projects of their own for public procurements, e.g., Romania, the Philippines, Chile and Russia.)

Figure 2 :
Examples of e-Marketing Techniques Across Business Processes

| Business Process | Sample Sub-Processes | Examples of e-Commerce Techniques |
|---------------------|--|--|
| Marketing and Sales | Market research — learn more about potential customers and Competitors | Web searches; examination of competitors' sites regarding pricing, problems, hiring, press releases, news articles, key management; information gathering from your Website Visitors |
| | Various marketing techniques - reach more customers (or partners) | Website; email follow up to website visits; prospect database. Web-based trade lead services. Links with other sites. Joining, creating e-marketplace. Web events. One-to-one marketing techniques. Registering in directories; alliances with intermediaries, including re-sellers. |
| | Generating a sale – customer ready to buy | The Web or email: advertisements; product catalogs; descriptions of services, credentials, current customers |
| | Order placement | Electronic transaction processing |
| Payment | Set up | Electronic transaction processing |
| | | Electronic settlement technique; third-party service |

| | | |
|---------------------------------|--|---|
| Product/ Service Delivery | | Electronic mail, electronic transaction. Shipment notification. Directly or via third party service or partner. |
| | | For electronic goods and services, electronic transmission |
| Customer service | | Web-based FAQs (Frequently Asked Questions) and database; Web-form; email. |
| Production | | For documents or electronic goods, Web-based collaboration, document sharing; email. Computer-aided design or remote production services. |
| | | Variety of e-procurement techniques including catalog orders; auctions, Requests for Information; tenders |
| Back-office | | Variety of e-procurement techniques including catalog orders; auctions, Requests for Information; tenders] |
| | | |
| | | Web-based computer application, either in-house or via a third party provider |

Second, businesses turn to the government for a wide variety of services, from customs clearances to business licenses. Today the length of time needed to obtain these services and, in some cases, the lack of transparency in the process (and hence chance of corruption) can and often does thwart large industries efforts to compete internationally.

To the extent that governments in developing countries can improve the efficiency and transparency of these business services, the better its large industries can compete in global economy. Various "e-government" techniques can be used to achieve these ends by making services more easily accessible to large businesses via the Internet coupled with more transparent and efficient processing. Third, governments are beginning to focus on the many policy, regulatory and legal constraints facing businesses as they try to use e-Marketing. For example, most laws governing commerce did not anticipate electronic transactions. Governments also have to clarify when and how electronic transactions and electronic signatures can be recognized as legal. Governments must also clarify legal jurisdiction in any disputes over electronic transactions: what laws govern such

disputes? What jurisdiction has authority over them? Laws and regulations are also needed to address issues regarding data privacy, cyber taxation and how customs duties will be handled with such transactions.

Benefits of E-Marketing:

E-Marketing has many advantages for most organizations that choose to use this means of operation. One of the biggest advantages is that it allows reduced warehousing and inventory cost due to automation. E-Marketing is also independent of size, for the most part; any organization can operate over the Internet. The Internet also reduces the advantage of large companies over small companies, because it somewhat levels the playing field (Wilder, 1998). Organizations can reach global areas that would have been otherwise difficult. This is good because it allows global communication and products to people who can't purchase your product in their home region. E-Marketing companies will also increase their accessibility, it creates a twenty-four-hour operation, and this allows people to shop when it's convenient to them (Pallab, 1996). E-Marketing also increases advertising and it allows a broader scope of segments.

It also is self-selective, meaning people who are on your site are interested; they want to learn about your organization or product (Wehling, 1996). Maybe the biggest advantage of E-Marketing is its one to one marketing (Wehling, 1996). E-Marketing also allows organizations to gather information on its customers or potential customers. It's also a unique form of marketing research that is fairly inexpensive (Pa llab,1996).

Problems of E-Marketing :

With such rapid growth of the Internet, distribution has become a difficult task for companies to manage. With such an increase in demand, many companies are not able to handle the number of orders efficiently. The demand is putting a burden on the inventory handling process, packaging, and residential delivery functions. Some of the distribution problems are not the fault of e-Marketing companies, but the delivery service they choose. The delivery companies are not handling the increase in demand efficiently, but their customers blame the e-Marketing company. This problem is vital for an organization to overcome; customers will evaluate the total experience of the online purchasing as a whole. For example, if a product is purchased, and the e-Marketing company does every thing correctly but the shipper doesn't perform their task properly, it will affect the technical outcome of the satisfaction level. Customers will rate the transaction as a whole, so choosing the correct shipper is vital. Many transactions are done via the Internet, which can take an especially long time. Customers will at some point forget the transaction if they are required to wait extended periods, especially if the product is accessible at local retail vendors. Managing the time required for a customer to complete a transaction affects potential sales (Harvard Business Review, 2000). Many times why customers don't finish the transaction is due to extended wait of finalizing the transaction (Harvard Business Review, 2000). The lack of automated inventory and shipping systems are problems for e-Marketing companies. This lack of technology really stresses the ability of a firm to meet the demands of customers in a concise time period. According to a Federal Express executive, many companies will crash before they upgrade to automation logistic systems (Wilson, 1999). Many of the early e-Marketing companies outsource their order checking and distribution functions (Haywood, 1989).

This is proved to be a problem for some companies because of shipping cost has proved to be a big deterrent of customers buying online and ware house and distribution systems were not set up to handle e-Marketing business. Internet sites can also be hard to find for some patrons, which can deter potential customers from buying online. Even if the potential customer knows what they want, finding the web site that offers the best price can be a lengthy task. Using search engines such as Yahoo or Excite can help, but they search in a very broad manner, sometimes it takes too long to find the web site. This may cause buyers to buy the Lee product at local retail vendor (Mardesich, 1999). According to Resource Marketing, their research confirms this problem. In their recent study of 45 search sites, only one third proved to generate relevant sites (Mardesich, 1999). When a customer does find a product that they want, it is difficult to get a physical grasp of the product (Mardesich, 1999). There is a lot of intangibility when purchasing online, such as buying items that are sold in sizes. Not being able to try on products is a barrier that e-Marketing must overcome to increase sales to compete with local retail outlets. Although e-Marketing separates itself from the traditional retail outlet, it still must compete with them. For example, when purchasing an item online, the price of the actual good offered is often cheaper online, but the high cost of shipping decreases the advantage for buying online. If a compact disk cost five dollars on line and then cost six dollars to ship, it ends up costing about the same amount as priced in local retail outlets (Wilson, 1999). Customer service online is a current drawback of e-Marketing. Many companies have poor online service. According to Resource Marketing, their results show that only 10 out of 45 sites offered fair warranty and return services (Mardesich, 1999). E-Marketing companies also must deal with seasonal changes; their inability to handle high demand periods, such as Christmas is an important challenge. Not handling the demand increase effectively reduces the confidence of online buyers or potential online buyers. Some e-Marketing companies have been involved in unethical marketing tactics. E-Marketing company, Buy.com has been under fire for false advertising (Foster, 1999). With Buy.com using tactics such as, bait-and-switch, it reduces the image of e-Marketing as a whole. Buy.com is also known to post really low prices to lure customers into the site, and then tell the customers that the promotion has expired (Foster, 1999). Some

companies are also selling their customer list, creating dissatisfaction among current online buyers. External factors are something that affects the entire industry.

Conclusion :

The most important thing to remember with e-marketing is the human being element (one-to-one). With the benefit and revolutionary methods of e-marketing demonstration, we can now see why e-marketing is taking its rightful place in the marketing mix of every company, now and in the future.

Marketing practice is now busy integrating the potential of information and communication technologies through the utilization of databases and Internet marketing. Billions of potential consumers can now be reached this way. The proliferation of and rapid advances in technology based systems, especially those related to the Internet, are leading to fundamental changes in how companies interact with one another (business-to-business [B2B] marketing) and with consumers (business-to-consumer [B2C] marketing). There are merits and demerits that also play a major role for an organization.

Implementing an effective e-marketing communications platform involves multiple tasks, such as gathering a list of recipients, defining content and format, delivering the message and evaluating the results of your marketing campaign. With successful e-marketing practices, companies will experience the return on investment required to justify expenditures.

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