ONLINE MARKET COMMUNICATION: CONTEMPORARY IMPACT, OPPORTUNITIES AND CHALLENGES

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Abstract- The present study aims to discuss the impact of online marketing on the audiences and marketers, and to discuss the recent opportunities, challenges and setbacks associated with this kind of marketing. The study focuses on qualitative data gathering through recent past literature i.e. journal, reports, conference papers, websites, articles. The major outcomes suggest that internet has opened a world of possibilities for the marketing industry and promised a brighter future for the likes. Just over a short span of time, internet has become one of the favorite mediums of marketing. The marketers, however, need to know and fully understand the many facets of this tool before realizing the benefits to full capacity. The decision of rapid adoption of new and latest technological tools should be based on key performance indicators.

Keywords- Online marketing, Business Communication, Internet, Target Audience, Design Opportunities and Challenges, Market Communication

I. INTRODUCTION

The online marketing is a combination of ways and practices used by the marketers for promoting their services and products using Internet as their medium. It has a broad scope of promotion since the internet is considered an important source of information and an interactive tool for communication providing various benefits as well as opportunities for the marketers (Cristian, 2011). There is insufficient literature on the impact of online market communication, though few marketers are fully able to comprehend it (Cristian, 2011; Rao, 1998). Based on this issue, the current study has a twofold aim: I) to discuss the impact of online market communication on the audiences and marketers, II) to discuss the recent opportunities, challenges and setbacks associated with this kind of marketing. Since this topic can be a Pandora's Box, the list of possibilities is not exhaustive. The covering extent deals with the main areas of interest, so that the reader(s) might have a precise understanding with the useful help of real life examples.

II. RESEARCH METHODOLOGY

To measure comprehensible study outcomes, a qualitative study was conducted. Although, to gather with such investigation, various primary approaches can generally be used (e.g. intensive interviews, group discussions and questionnaire examination), the present study focused on data gathering through recent past literature. For this reason, several study related materiel (i.e. journal, reports, conference papers, websites, articles) were evaluated. Saunders et al. (2007) suggested that through utilization of such approach, more accurate and reliable information can be obtained.

As the impact of online market communication (OMC) has come in many aspects, with wide ranging consequences, the researchers delved first in to knowing few of the recent online marketing tools. Their research review and outcomes are presented through the preceding section of this study.

III. RECENT TOOLS OF ONLINE MARKET COMMUNICATION

To promote or advertise the businesses and to influence target audience globally, the World Wide Web (WWW) is utilized as a dominant OMC apparatus at present. Many of the recent tools used by marketers for online communication are quite effective and simple. The current study discusses the main ones below:

A. Search Engine Marketing

SEM is where the businesses promote their web sites and products by increasing its visibility in the result pages of the search engines.

There are further strategies employed under this category, namely search engine optimization (SEO) and pay-per-click (PPC). SEO techniques make it more likely for the search engines to rank a specific website higher on the general result page increasing the chances of the target audience to notice. PPC is where advertisements are placed on the search engines for instance on Google and the company pays Google for every click on the advertisement.

B. Social Media Marketing

SMM is where the businesses use the help of social networking websites such as Facebook, Twitter or LinkedIn to gain significant attention and web traffic. The business pays the social networking sites to host ads and bring the business to notice.

C. Email Marketing

EM involves advertising the businesses by sending emails. Email marketing may vary from product offers, newsletters, discount coupons or other

updates. Since email has been around for a long time, this method has been used a lot and now the marketers choose other approaches more.

D. Affiliate Marketing

AM is where businesses pay online retail websites or blogs for each visit or sale made through them.

IV. IMPACT OF ONLINE MARKET COMMUNICATION: MARKETING STRATEGY FORMULATION

One of the most critical decisions a company has to make is deciding upon a marketing strategy for its business. This is a lengthy process which various steps and a well sought out strategy does wonders for a business whereas a failed strategy may lead to its termination. Most businesses have a designated marketing department where each step of the marketing process is given due significance and importance. Generally, with any strategic process, there is a defined way; strategy formulation, implementation and finally evaluation and monitoring. Nevertheless, the focus of this department has significantly changed with the arrival of online marketing. The Internet has reformed the procedure of formulating and executing a market strategy. Internet has affected all components of marketing including research, product management, pricing and distribution strategy, and promotion (Yannopoulos, 2011). Previous tools and strategies employed in traditional marketing cannot simply be reapplied to the concept of internet marketing. There is a need for people with expertise in this technological area to help the businesses better formulate and implement online marketing strategy. One direct impact of OMC on strategy formulation is the emergence of specialized services in this field providing appropriate and custom designed solutions to companies seeking online marketing strategies. Many businesses have now formed a specialized marketing team of their own to cater to their online marketing needs. The first step of the formulation of an online marketing strategy is evaluation of the characteristics of this strategy and identifying the opportunities available to them (Morozan Cristian, 2011). Which strategy is the best and would yield most results, is unique to each business, its mission and objectives. People with necessary expertise decided on the exact process and which techniques to employ. For instance, an educational institution would gain more attention through social media marketing where a greater percentage of young population is active. A luxury clothing line, for example would reap greater benefits through affiliate marketing where an online luxury retailer would advertise the product. Once the strategy is implemented, it is then evaluated and key performance indicators are drawn showing how effective the applied methods have been.

A. Impact of Online Market Communication: The Audience

The concept of OMC has also revolutionized the way people now shop for products or services. Most people with access to internet usually go online and search for the exact product they are looking for. The fast paced world and technological advances have given birth to online shopping which is gaining more attention by the day. This has led to a significant change in the targeted audience of marketing techniques. Although traditional marketing and its audience is not an obsolete concept, a major chunk of it however has shifted towards online marketing. Previously, where businesses just had a few target groups in the traditional sense, they now have more people to cater to. As seen in the previous section, a different strategy has to be employed for the audience of online marketing. To take an example, a new pizza joint in town will more probably be noticed by the residents though social media and email marketing rather than posting flyers individually to each of their homes.

B. The Impact of Online Market Communication: Industrial Competitiveness

Competition between the businesses within an industry has been a motivational factor and a driving force for them. OMC isn't but one strategy used by the businesses to help them gain a significant edge over the other. The concept of online marketing has brought new perspectives to the competitiveness. Internet has significantly increased competition where people now use the internet to shop and easily compare between numerous of sellers of the same product with little or no effort (Brown, 2000). This has led to greater need for online marketing. The businesses previously not using this forum now have to employ online marketing strategies to be able to compete with their opponents and gain a significant market share (Jones, n.d.). One obvious impact of OMC, thus, is increased pressure on the business to adequately bring about the necessary changes into its marketing strategies.

V. THE OPPORTUNITIES AND ADVANTAGES

OMC is an idea which keeps on getting more common in all industries. This is not only because it has become a need but it has many benefits attached. The main and most often cited advantage of OMC is the fact that it is cheap.

It is a low-cost model which helps large and small businesses alike. Normally, all major companies have a set budget for their marketing department which is usually quite a big amount.

Compared to traditional marketing communicational (TMC) methods, OMC saves the companies huge amounts of money which can be utilized elsewhere (Zahedifard, 2012).

Another major benefit is that large audiences can be targeted using the same marketing tool at the same time. Companies can gain a much larger consumer base without national boundaries. Traditional methods involved dividing the target audiences into focus groups and advertising separately, whereas now the online marketing has connected audience and helped save companies' time, money and effort.

Moreover, OMC provides flexibility and convenience. The users of internet can see the ads, check emails or visit the website anytime, it's a twenty four hour campaign. Then there are multiple marketing strategies employed at the same time. The PPC and social media marketing for instance can be used at the same time to advertise a product to make it more popular within a given time. Also, the audience can be demographically targeted in an easier fashion through online marketing (Janssen, 2014).

Internet has made communication and interaction between buyers and sellers very efficient. This channel is highly useful in getting critical information to and from the customers. Communicating through internet has made gathering of information and reviews effectual where collecting data, conducting surveys and analysis for the evaluation of marketing strategies. The distribution through online marketing and shopping is also much more efficient (Yannopoulos, 2011). The companies no longer need expensive shop rentals, massive inventories and storage facilities. Distribution is direct to the customer minimizing costs (Kianga, 2000).

OMC has opened doors for businesses for expansion through increased customer base. (Devi, 2013) Without huge capital investment, the business can achieve expansion in a short time and in an efficient manner. Also, the increased competition in the industry due to online marketing encourages businesses to perform well, innovate their products and employ modern and effective business strategies.

On the consumer end as well, the advantages are plenty. People no longer need to go out and physically look for products and services saving them a lot of effort and time and allowing to shop in the comfort of their homes. Everything now is just a simple click away. The people get to compare products online and choose the best deal suitable to them. It is best seen through the example of airlines or other such businesses where making a reservation and purchasing a ticket has never been easier than now. Consumers looking for a product are not just limited to their city or even country as many businesses abroad deliver nationwide.

As seen earlier, the increased competition leads to better performances by the businesses. The consumer, thus, gets the best product at the reasonable price. The costumers can more easily communicate with the company and rate their products and services. Feedback provided to the company is used to correct any errors and further improve their business ultimately benefitting the customer. In addition, there is no sales pressure on the customer; they can look around for a product for as long as they want without feeling the pressure to buy it (Linton, 2014).

It is also easier for the customers to avail special offers as most of them are frequently advertised and the brochures emailed. For instance, airlines advertise their special fares on their websites as well as send out emails to their members' general interested parties. The list of opportunities is a long one with many being interlinked and or interdependent. The benefits and opportunities may not be the same for every business but it has proved very advantageous on the whole.

VI. CHALLENGES

As with every other thing, OMC has its own set of negative factors too providing multiple challenges for the companies as well as consumers. OMC is dependent upon the availability of technology. Many people still do not have access to internet. This is especially the case in third world countries where many people who do form a part of target audience do not have the availability of internet; thus, limiting the usability of online marketing. Besides, slow internet connections also cause problems both for the companies and the customers. Another aspect of increased competition is the fact that competitive pricing leads to lower profits for companies. Competitive pricing is not an option but a necessity for any business online that has direct competition. The survival of some businesses is also an issue. Furthermore, businesses now have to formulate strategies for online marketing which did not exist before and for this purpose staff with appropriate expertise or a company providing the solution normally needs to be hired, adding to the cost. Businesses also have to continually update their online strategies and websites to keep up with the ever changing technology. This further adds costs and additional work for companies. From the user's perspective, there are drawbacks too. There still exists a major trust issue which has many facets. Firstly, many customers do not feel comfortable looking at products and deals online and buying them (Janssen, 2014). Old fashioned people still prefer going to the outlet to see the product and talk to a sales representative before spending their money. Secondly, many customers feel insecure about making payment online through a medium where they are not sure as to where the money is going. Since there is an increased chance of fraud online, for many people online marketing is ineffective. Moreover, there have been complaints of internet

users where they feel their emails spammed with promotional offers and new deals which irritate the users. The ads on websites, especially social networking sites, reduce the actual content on the webpage making room for the ads and at times are quite annoying for the users. The issues regarding OMC are quite serious and could be of greater significance for some businesses over the others (Rao, 1998). There are, however, steps a business can take to mitigate the negative effects, discussed next.

CONCLUSION

Clearly, it can be deduced that internet has opened gateways for advertising, sales and distribution (Yannopoulos, 2011). While analyzing the major pros and cons involved with the concept of OMC, this study concludes that with the changing times, the need for online marketing and its benefits outweighs the problems associated with it. The research, therefore, shows that the biggest challenge for the success of OMC lies in the appropriate use of it. The strategy has to be tailored for individual businesses not only deciding upon a medium but also what the advertised content contains. The research also brings out many trust issues that consumers normally have which significantly impact businesses. The companies need to come up with ways to circumvent the trust issues in the future. One way, through which many consumers agree on buying products online, is where generous return policies are used by the business. Also, payment upon delivery relieves some buyers of not spending money electronically. The businesses further need to develop a solid online reputation and employ techniques where customer is given due significance for example Amazon.com has developed a much trusted online reputation. For concluding remarks it is safe to say that in the future, it can be assumed, the integrated and comprehensive approach towards marketing, sales and distribution could mean excellent survival, market share, expansion and increased profits.

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