"A Study of Current Inclinations and Practices in Online Marketing"

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Abstract – The Internet can be used to increase the frequency and depth of interactions with the brand, particularly for brand loyalists who are the advocates of these brands. The main objective of this paper is to study inclinations and practices in online marketing.

Keywords: Internet, Consumer, Organizations

INTRODUCTION

The media portrayal of the Internet often suggests that it is merely an alternative for traditional advertising or only of relevance for online purchases of books or CDs. In fact, the Internet can be readily applied to all aspects of marketing communications and can and will need to support the entire marketing process. The e-marketing imperative is also indicated by recent research in financial services, media and entertainment, consumer goods and retail organizations with a turnover of £25 million conducted for E-marketing. This showed that online marketing has become a significant part of the marketing mix in many organizations. The organizations in the study were increasing their online marketing spending to an average of around 8% of total marketing budget. Eighty percent of respondents had increased the amount they spend on online marketing during the last year and 75% expect to increase their spend again over the next year.

REVIEW OF LITERATURE:

Most of the literature which we have come across in the area of trends in internet marketing focuses on company perspective, consumer perspective and 3rd party perspective individually. I felt that there was a gap in these approaches. What companies feel about internet marketing trends need not be felt by consumers or 3rd party agencies. Consumer awareness could play an important role in their interests to pursue internet marketing. It would be useful for companies and 3rd party agencies to understand the minds of the consumers as consumers would be the ones who would eventually drive internet marketing in a big way. More buyers mean more products to sell and more products to sell means more

marketing to be done by 3rd party marketing agencies. This will help me understand whether all the 3rd entities understand trends in internet marketing in the same way or there are differences in their understanding. Instead of studying these entities in isolation I decided to pose the same set of questions to companies, consumers and 3rd party agencies. This will help me understand whether there are differences at all in their thinking and if there is, I can make suggestions to these entities to positively influence the internet marketing trend.

McKenna (1991) has professed a more strategic view by putting the customer first and shifting the role of marketing from manipulating the customer to genuine involvement with the customer. Berry (1995), in somewhat broader terms, also has a strategic viewpoint concerned with CRM. He has stressed that attracting new customers should be viewed only as an intermediate step in the marketing process and that developing closer relationship with these customers and turning them into loyal ones should be equally important aspects of marketing. Thus, he proposed that relationship marketing be seen as "attracting, maintaining, and - in multi-service organizations enhancing customer relationships" (p. 25). Berry's notion of customer relationship management resembles that of other scholars studying services marketing, like Gronroos (1990). Although each one of them has espoused the value of interactions in marketing and its consequent impact on customer relationships, Gronroos and Gummesson take a broader perspective and advocate that relationships with customers be the focus and dominant paradigm of marketing. For example, Gronroos (1990) states: "Marketing is to establish, maintain, and enhance relationships with customers and other partners, at a profit, so that the objectives of the parties involved are met. This is achieved by a mutual exchange and fulfillment of promises" (p. 138). The implication of Gronroos' definition is that forming relationships with customers is the "raison de etre" of the firm and marketing should be devoted to building and enhancing such relationships. Similarly, Morgan and Hunt (1994) draw upon the distinction made between transactional exchanges and relational exchanges by Dwyer, Schurr, and Oh (1987) to suggest that relationship marketing "refers to all marketing activities directed toward establishing, developing, and maintaining successful relationships."

ONLINE MARKETING:

Online marketing has emerged during the last decade; it requires that both the retailer and the consumer have computer and modem. A modem connects the computer to a telephone line so that the computer user can reach various online information services. There are two types of online channels:

- (1) commercial online channels-various companies have set up online information and marketing services that can be assessed by those who have signed up and paid a monthly fee, and
- (2) Internet-a global web of some 45,000 computer networks that is making instantaneous and decentralized global communication possible. Users can send e-mail, exchange views, shop for products, and access real-time news. Marketers can carryon online marketing in four ways:
- (i) Using e-mail;
- (ii) Participating in forums, newsgroups, and bulletin boards;
- (iii) Placing ads online; and
- (iv) Creating an electronic storefront.

CONCLUSION:

The complex mechanism of connecting the producer with the consumer is referred to as the channel of distribution. Five "flows" are suggested that reflect the channel members with other agencies in the distribution of goods and services. A channel performs three important functions:

- (1) Transactional functions,
- (2) Logistical functions, and
- (3) Facilitating functions. Channel strategies are

- evident for service products as well as for physical products. Options available for organizing the channel structure include:
- (1) Conventional channels,
- (2) Vertical marketing systems,
- (3) Horizontal channel systems, and
- (4) Multiple channel networks. Designing the optimal distribution channel depends on the objectives of the firm and the characteristics of available channel options.

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