



IGNITED MINDS
Journals

*International Journal of
Information Technology
and Management*

*Vol. V, Issue No. 1, August-
2013, ISSN 2249-4510*

**SIGNIFICANCE OF INTERNET MARKETING TO
BUSINESSES**

AN
INTERNATIONALLY
INDEXED PEER
REVIEWED &
REFEREED JOURNAL

Significance of Internet Marketing To Businesses

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Abstract – For the past few decades, businesses are eyewitness the strength of rapid changes in practice of information technologies (IT), for the business decision-making purposes. The main objective of this paper examines the impact of the Internet in marketing and its implications on the business and marketing processes.

Keywords: Marketing, Business, Internet, Customer

INTRODUCTION

In the 1990s, businesses used to perceive the Internet mostly as a communication tool - referring to the e-mail and multimedia capabilities, sending or downloading documents, etc. (Poon, Swatman, 1997 [2]), or to fulfill some primary commercial functions, such as gathering information by exploring other Web sites; providing customer support and conducting on line transactions. Therefore, the major perception referred to services that are not provided in some other ways, such as by telephone or fax, which can create certain myopia, leaving the Internet potential uncovered. When analyzing the newer data regarding the usage of the market information, it seems that the Internet has still not been fully recognized as a vital source of marketing intelligence. Results of the research applied on the banking systems showed that there is an opportunity for exploiting the Internet as a marketing research tool, although unused due to inclination toward the on line transactions (Lymperopoulos, Chaniotakis, 2005 [3]). However, one should compare the Internet, as a research tool, to the more traditional means of conducting market research. This has been done by Furrer and Sudharshan, (2001 [4]), who have analyzed whether the Internet poses a serious threat to the traditional ways of conducting research. Their studies showed that, although there were numerous valuable insights which could be obtained via Web-based analyses, the Internet-based research is often used as a special type of study applied exclusively for the Web evaluation [5].

REVIEW OF LITERATURE:

The potential of the Internet as a commercial medium and market has been documented in a variety of publications [8, 9]. Despite overwhelming w x statistics regarding Internet development, both successful and

unsuccessful cases of Internet marketing have been reported [6, 7]. There is no proven successful method that can help management evaluate how beneficial Internet marketing could be before they commit substantial capital investment on Internet marketing and risk the possibility of interfering with their current channels. In this research, we focus on the use of the Internet as a virtual storefront where products are sold directly to customers. We contend that product characteristics play a major role in the successful marketing of a product on the Internet. We build a product characteristics based classification framework to study the implications of using the Internet as a marketing channel.

Significance of internet marketing to businesses:

The benefits of internet marketing to customers

Benefits to customers: opportunities to evaluate and select providers; enlarged bargaining power; accessibility of more inclusive and up-to-date product information; opportunities for lower costs via 'dynamic pricing' e.g. internet auctions; greater supply convenience through accessibility of responsive business facilities e.g. airline ticketing; instantaneous online sales and customer service without travel or indecisive sales experiences, accessibility of digital complaints services; no sales pressure, easier to cancel as no person-to-person issues, more leisure time, flexibility.

Admittance: more frequent individualized communications to build relationships; use of communications to promote e.g. special offers, product launches; new services; use of purchase history to tailor offers to individuals, easier and cheaper to alter adverts, quicker response times to

changing market needs, better information to guide stock holding [1].

Accessibility: increased range of customized buyer menus resulting in more accurate responses to customer needs and wants; use of internet information to identify product development opportunities; opportunities for immediate sales of products e.g. banking, insurance policies; possibilities of substitute online forms of products e.g. music, films, radio and TV programmes; podcasts; market development, ability to expand markets more cost-effectively; lower entry costs for small businesses; opportunities to offer services 'virtually' eg virtual tours by estate agents; operating 24/7 e.g. internet banking; ability to link traditional methods with online marketing ('bricks and clicks'); market diversification opportunities [1].

Business effectiveness: use of internet to manage supply chain; use of electronic communications to reduce staff costs; opportunities for increased sales from existing customers; opportunities to monitor competitor activity; internet business opportunities e.g. use of paid-for promotion on websites, through search engines, portals and links [1].

CONCLUSION:

In this paper we found that the quick development of internet and online computing technology makes it very important for businesses to consider the Internet to keep away from losing competitive advantage. A Web site gives direct contact between the organization and the consumer. We analyzed that product characteristics play a significant role in whether the association benefits from exploiting the Web as a means of direct sales.

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