

# Impeccable Role of Internet Marketing in E-Commerce

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**Abstract – This paper deals with the current and future aspect of E-commerce in Indian context and also Here, we will discuss how internet marketing plays a vital role aiming at promoting the ranking of websites in the search engine's search results page which can make a web site introduce into more web users and website traffic.in this paper we will also emphasis on various techniques of internet marketing eventually we will conclude on pros and cons of the bussiness on internet.**

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## 1. INTRODUCTION

Information technology plays a impeccable role in improving the quality of services provided by the various bussiness units. One of the technologies which really plays a vital role in the is Internet Technology and is rightly regarded as the third wave of revolution after agricultural and industrial revolution. The cutting edge for business today is e-Commerce. E-commerce is everywhere in all areas of business from new product design, manufacturing, selling, buying and customer service. It also facilitates new types of information based business processes for reaching and interacting with customers. Buyers and sellers both easily manage the orders and interacting with a wide range of suppliers and trading partners, areas that typically add significant overheads to the cost of products and services .These days internet is commercially used in wide range of business. Thompson introduced that the growth of Internet technology has enormous potential as it reduces the costs of product and service delivery and extends geographical boundaries in bringing buyers and sellers together.

Electronic commerce, commonly known as e-commerce or e Commerce, consists of the buying and selling of products or services over electronic system such as internet and other computer network. Intent is the technology for e-commerce as it offers easier ways to access companies and individuals at very low cost n order to carry out day-to-day business transactions. Internet Marketing is a form of web advertising that companies use to promote their products and services on various websites. Search Engine Marketing (SEM) is one of the type of internet marketing focused on the effective use of search engine advertisements (a.k.a., sponsored results, sponsored links) that appear on the Search Engine Result Pages. SEM which allows firms to target consumers by placing ads on search engines has proven to be an effective audience acquisition

strategy. Unlike traditional online advertising, advertisers pay only when users actually click on an ad when successfully implemented, SEM can generate steady traffic levels and tremendous return on investment. Companies that offer products and services through the Web clearly stand to gain from Internet advertising because their prospective customers are already online. Non web-based companies may choose online marketing in order to increase exposure and promote brand. SEM delivers ads to users who are already searching for the products or services that an advertiser is offering. Advertisers are charged based on the number of clicks they receive, not on the number of impressions (number of times an ad appears). Furthermore, many marketing campaigns place a great deal of importance on branding. PPC ads can be very effective in terms of driving home a brand name because they appear alongside search results for thousands of different search terms. SEM is a form of Internet marketing that involves the promotion of websites by increasing their visibility in SERP through optimization (both on-page and off-page) as well as through advertising (paid placements, contextual advertising, and paid inclusions).

## 2. TYPES OF E-COMMERCE: THE FOUR BASIC MODEL WE WILL DISCUSS ARE

- ◆ B2B (bussiness to bussiness) Model: B2B trasactions are those transactions which take place between two or more bussinesses, for example between a manufacturer and a wholesaler or between a whole seller and a retailer
- ◆ B2C (bussiness to consumer) model: B2 C model involves transactions between bussiness organisations and consumers.it applies to any bussiness organisation that

sells its products or services to consumers over the internet.

- ◆ C2B (consumer to business) Model: C2B model is similar to B2C model as it involves a transaction that is conducted between a consumer and a business organisation but unlike B2C model in C2B model the consumer is the seller and the business organization is the seller.
- ◆ C2C (Consumer to Consumer) Model: In C2C Model consumer directly sell goods or services to another consumer absence of any intermediary makes this model unique as consumers can directly interact and transact business by mere use of technology.

### 3. INTERNET MARKETING TECHNIQUES

- ◆ **Search Engine Marketing:** is an internet marketing model aiming at promoting the ranking of websites in the search engine's search results page which can make a web site introduce into more web users and website traffic.
- ◆ **Search Engine Optimization:** technology applied in internet marketing, Kesharwani and Tiwari (2011) studied the importance of website quality towards the success or failure of any e-vendor.
- ◆ **Page Rank:** PageRank is an algorithm used by Google search to rank websites in their search engine results. PageRank was named after Larry Page, one of the founders of Google. PageRank is a way of measuring the importance of website pages
- ◆ **Bloggng:-** A **blog** is a discussion or informational site published on the World Wide Web and consisting of discrete entries ("posts") typically displayed in reverse chronological order (the most recent post appears first). Until 2009 blogs were usually the work of a single individual occasionally of a small group, and often covered a single subject. More recently "multi-author blogs" (MABs) have developed, with posts written by large numbers of authors and professionally edited.

### 4. E-COMMERCE TRENDS IN INDIA

The success of Indian e-commerce has risen to such a degree that country is now reconsidering its ban on foreign investment in its e-commerce sector. Amazon and eBay, which are currently only allowed to function as third-party marketplaces, are anxious for a lift on the ban, which allow them to sell their own merchandise.

- I. India's e-commerce market grew by 88 percent in 2013 to us \$16.
- II. India's internet based, As of August 2013, was at 150 million users, representing about 10 percent of country's total population.
- III. Popular products sold in India include those in tech and fashion categories, such as mobile phones, i-pads, accessories, MP3 Players, digital cameras and jewelry.
- IV. Myntra.com has surpassed Flipkart.com as India's biggest online retailer with 13.17 million unique visitor in the month of June 2013.

Although opportunities are vast, doing business in India is still carries some challenges such as reluctance from some of the country's population to shop online." around 30% of people who buy from retail stores actually research about product online". said a reporter for Dazeinfo.com" However, 25% of people are still skeptical about online security and don't share their financial information online. 20% people, who blamed high shipping cost as main reason, follow this, while 15% are unsure about the handling of product during transit and receiving the product in a good condition."

### 5. GROWTH OF E-COMMERCE IN INDIA

The potential for e-commerce in India, owing to the rapid growth of the number of internet users. internet penetration in India has been increasing exponentially-in 2006 there are only 21 million active internet users. which rose to 243 million users by June 2014. Simultaneously, the number of active mobile users grew to 185 million. The Significant rise not only brought heavy data usage in form of social networking, but is also gave a trust to E-commerce in India. India's E-commerce market is estimated to have reached about \$10-16 billion last year, with an annual increase of 88% and analysis project that by 2020 it could be worth whopping \$60-80 billion. The rapid growth of e-commerce in India is being driven by greater customer choices and improved convenience. Having a strong business model coupled with a first class level of service is critical to success. The penetration of e-commerce is low compared to markets like the US and The UK but is growing at a much faster rate with the large number of new entrants.

Timeline	Achievement
2004-2007	EBay acquired bazee.com and entered the fledgling India market Flipkart and myntra were started around the same time
2010	Flipkart pioneered cash on delivery(cod) model, increase e-commerce reach dramatically. Myntra expanded its catalogue to retail fashion and lifestyle

	products
2011	Flipkart acquired mime360 Flipkart acquired chakpak.cm(a news site)
2012	Flipkart Acquired letsbuy.com Flipkart launched flyte digital music store, which was later shut down in 2013 due to lack of expected traction
2013	Myntra acquired san Francisco fitiquette (virtual fitting room) Myntra piloted a one hour delivery system in Delhi & Bangalore for delivery address within a 5 kilometers radius of their warehouse by process innovation and reducing lag time.
2014	Flipkart Acquired Myntra.Com For Undisclosed Sum Nad Shortly Thereafter Revealed That They Raised An Additional\$210 Million Led By Dst Global. That Was Followed By Flipkart Raising Another \$1 Billion At Enormous Valuation Of \$7 Billion.

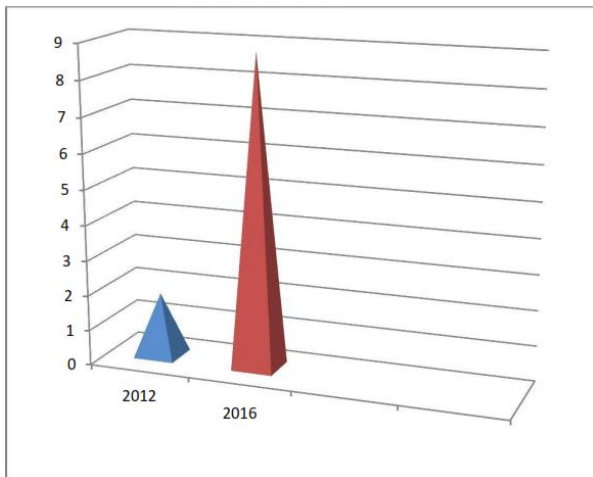


Fig.1.1 Milestones of online shopping

Forecast: India Online Retail Revenues

**Shoppers in Metropolitan India**

Currently, shoppers in metropolitan India are driving e-Commerce: These consumers are primarily buying travel, consumer electronics, and books online. And although spending per online buyer remains low, some 59% of online consumers in metropolitan India already make purchases online at least monthly.

**Shoppers in Non-Metropolitan India:** Consumers in nonmetropolitan areas will also help fuel growth; unlike online consumers in cities, they are more likely to shop online for goods that are unavailable at local stores. E-Commerce retailers in India are expanding their

offerings to the online population outside metropolitan India and are investing heavily in the infrastructure to support these cities.<sup>10</sup> Online apparel retailer Myntra.com is already seeing demand for its products outside metropolitan India: 50% of its sales are outside India's 10 biggest cities. To widen their reach, for example, multiple retailers are building warehouses outside central locations; testing shipping options that work in rural areas; offering payment options like cash on delivery (COD) that provide options for the unbanked.

**6. TOP MOTIVATORS FOR SHOPPING ONLINE**

Times of India (February 12, 2013) has published that top motivators for shopping online which include cash back guarantee, cash on delivery, fast delivery, substantial discounts compared to retail, and access to branded products, while barriers include inability to touch and try products before purchase, fear of faulty products, apprehension of posting personal and financial details online and inability to bargain (See Figure 1.3)



Figure 1.3 Top Motivating Factors of Online Shopping

**7. THE ADVANTAGES AND DISADVANTAGES OF INTERNET MARKETING**

Melody and Robert (2001) remarked that the Internet can provide timely information to customers because of its ability for instant communication, and its availability 24 hours a day, 7 days a week [Lane, 1996]. On-line marketing offers more choices and flexibility [Lamoureux, 1997] and, at the same time, eliminates huge inventories, storage costs, utilities, space rental, etc., [Avery, 1997]. People tend to associate Internet marketing with direct marketing

because companies participating in online marketing usually shortened the supply chain [Edwards, *et al.*, 1998] and reduced commission and operating costs. The ability to serve as both a transaction medium and a physical distribution medium for certain goods is a unique feature of Internet marketing. Such advantages can be best realized by companies that provide digital products/services such as software, music, news, consulting services, online ticketing and reservations, telemedicine, insurance, banking, stock brokerage, tax, and other financial service industries. Marketing departments are investing more into online marketing today because it's:

- ◆ Attractive to a significant segment of the demographics for most customer profiles. It can effectively reach the target customer.
- ◆ Faster and less expensive to conduct direct marketing campaigns
- ◆ Measurable, which means that successes are identifiable and repeatable
- ◆ Open 24-hours a day
- ◆ Cost-effective, in the long run.

#### Disadvantages:

There is no actual face-to-face contact involved in the Internet communication. For the types of products that rely heavily on building personal relationship between buyers and sellers such as the selling of life insurance, and the type of products that requires examination, Internet marketing maybe less appropriate. While internet marketing cannot allow prospective buyers to touch, or smell or taste or 'try on' the products, However a survey of consumers of cosmetics products shows that email marketing can be used to interest a consumer to visit a store to try a product or to speak with sales representatives [Martin *et al.* (2003)]. Some of the disadvantages of e-Marketing are dependability on technology, Security, privacy issues, Maintenance costs due to a constantly evolving environment, Higher transparency of pricing and increased price competition, and worldwide competition through globalization. There are technical issues related to E-commerce as well.

## 8. CONCLUSIONS AND RECOMMENDATIONS

This paper deals the conceptual knowledge of search engine marketing or e-commerce, literature review, current and future aspects of e-commerce in Indian context. This paper discussed about the top motivator factors of shopping online. The present development would be a valuable addition to researcher and academicians; and useful theory for practitioners, advertisers, and entrepreneurs. Some of the disadvantages of e-Marketing are dependability on technology, Security, privacy issues, Maintenance

costs due to a constantly evolving environment, Higher transparency of pricing and increased price competition, and worldwide competition through globalization. While considering the aforesaid limitations; advertisers and end-users can effectively use this modern platform to make life easier and faster. In the next 3 to 5 years, India will have 30 to 70 million Internet users which will equal, if not surpass, many of the developed countries. Internet economy will then become more meaningful in India. With the rapid expansion of internet, Ecommerce, is set to play a very important role in the 21st century, the new opportunities that will be thrown open, will be accessible to both large corporations and small companies [Waghmare (2012)]. Karoor (2012) explained that Ecommerce encapsulates many of the dynamics of 21st century of India. The potential huge and wit and energy of the entrepreneurs in the sector is impressive. Online commerce in India is destined to grow both in revenue and geographic reach. The further research areas in ecommerce are; the quality of sponsored ad text, ad position, Search Engine Optimization (SEO), PageRank, yellow pages, and bid management etc.

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