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Take-off of online marketing: casting the next generation strategies

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Introduction

The purpose of the old module of marketing was to dictate a message to the mass market. With changes in time, requirements, technology and expectations of the customers, the field of marketing itself has experienced significant changes. It is noteworthy to mention that marketing dynamics shifted from “farm centric” to “consumer centric” perspectives. With evolution in the market dynamics, it is becoming a difficult issue to choose the correct channel to reach the consumer within a specific target group. The “dotcom era” in the history of marketing will probably be remembered exclusively for its contribution towards innovation based marketing. The development of internet technology has impacted us by changing our behavior, decision making process, relation with one another and the way of doing business. The internet has decreased the distance between places, crossing geographical borders and allowing us to build and bring all the necessary things we require, and discarding all the old communication techniques.

Highly intense information based market is forcing marketers to look at the world with new perspectives at the new opportunities. Diverse culture, social restrictions are no longer able to hinder the information flow.

At this transitional phase as the world is moving towards “super globalization”, it is better to be ready to market our products in the best possible ways to reach the maximum target customers.

A new era-new demand-exclusive marketing strategy

It would have been easy for marketers if and only if, there were a few products, few competitors, slow changes and less demand. But unfortunately that has not happened. We, at the doorstep of new era of Super globalization, are exposed to a marketing war. Most importantly consumers are demanding new products, as a result of which competition for innovative products followed by tactical marketing strategy are increasing. With a view to meet the new demand and to provide the access to all types of information before purchasing products, internet marketing is gaining tremendous importance. Emerging economies like India and China are demanding new marketing strategies to reach their market. The development of data intensive instruments, transformation of societal and relationship management, optimization of Search engine marketing, exclusive networking and other online resources are eliminating the traditional form of marketing.

Growing importance of online marketing

Besides issues like increasing disposable income, lack of free time or comfort, other factors are increasing the importance of online marketing. Increased reach, reduction in planning time, lower cost, flexible payments models (online billing, payment option, and booking

options), improved targeting, better technology, reduction of sales point etc. are leading online marketing towards better implementation.

Literature review

After 1991, an unprecedented growth has been observed in online marketing. The number of web sites and number of search engines have increased. Globally, the number of web sites increased from 23,000 in 1995 to more than 55 million in 2005. Internet shopping offers a vast array of alternative products with full information about their configuration thus helping customer to quantify the need and then purchase. Consumers generally click multiple websites to compare the configuration and price of the desired products. There is lots of variation in the way the online marketing is perceived. Many consumers want to buy in the physical store but want to get information from internet. In many cases consumers go for better deals on the internet after physical verifications. Reduction in search costs and easy accessibility are also the reasons behind the move towards online shopping.

Several studies conclude that the basic reason for increased popularity of the online marketing are that the consumers can purchase any time (24 × 7) and at any place. Even without spending time on moving to physical store and ability to pay and order at time, are pushing the online marketing to a much higher degree.

Internet users and their attitude towards online marketing

Although many internet users click on a particular link to see what it is, the majority do not proceed further. Many internet user survey reports say that Internet shopping is still considered a big issue. Traditional mentality has a strong impact in diverting people away from internet shopping. The area of concern is that people do not find internet marketing very persuasive. Furthermore, internet users perceive internet advertising and marketing to be intrusive and distracting. In most cases people associated with certain activities don't want to deviate to see a given link. Thus, all these factors generally affect the success of the internet marketing. Thus future strategists need to pay attention to this issue.

Overview: strategic implementation

Presently, online marketers are using tools like search engine optimization, search engine maximization, pay per click (PPC), e-mail advertisement, banner advertisement and interactive advertisement etc. These tools and processes are moving towards extreme saturation and probably in the next decade, these will become completely obsolete. Thus new approach and strategies to reach to potential customers should be innovative, informative, and involving (3 Is).

Challenges before online marketers

Prior to building the next generation strategies it is very important to identify potential obstacles. Although we claim to have advanced technology, mature culture, still we have problems in accessing the higher vision on many levels.

- *Lack of confidence on internet.* Even in the twenty-first century people still find it very difficult to believe the online marketing process especially the rural people who do not have access to the internet. This is a very big challenge for online marketers in developing countries.
- *Delivery issue.* Most people in developing countries feel insecure while buying online. Their fear of on time delivery plus secured delivery without damage is another major challenge, online marketers face in the real world.
- *Pricing issue.* Developing nations' customers seem satisfied with the process of bargaining. Even if sellers quote the lowest price, people never leave without bargaining. Since internet marketing does not offer direct bargaining options, customers are reluctant to interact in the online environment.

- *Feeling the products.* Developing nations' customers always want to touch the product before buying. Specifically in case of the perishable items, people never go for online shopping since people think that they may be provided with defective products.
- *Online fraud and future of online marketing.* Developing nations' customers are afraid of online fraud. Detection techniques of online fraud are typically after the fact and cyber laws are not adequate. Thus online fraud has pulled large number of customers away from the internet. There are certain startups like "wallet 365" which are trying very hard to change it through high security system but are still non-manageable.

Why do we need next generation strategies?

The scope for online marketing is substantial provided one learns the tricks and intricacies of online marketing. With changing technology, increasing competitiveness, changes in strategies have become necessary. Changes in dynamics which can be caught when the market is moving from push to pull strategy, turbulent competitive environment, single contextual to multi-contextual and "one to one" or from "one to many" to "many to many" structure, we need to adopt competitive strategies that resonate with customers. The way our life style has been changing, nobody can say how massively our technology will grow and how our demand will increase. So, our focus should be to pull the customers with the optimal benefits of both the party. Developing countries are no longer an exception to online marketing though in nascent stage in these countries. The pace of globalization will make these countries a hub space for online marketing. In order to serve these markets next generation strategies will be needed.

Most exclusive for the next decade

The answer to the question why business should engage in social media, explains the need of social media for online marketing. Increased reach, influence, platform and possibility to have mass buying are some of the reasons why marketing via social media becomes increasingly important. Although social media marketing is still in its infancy, the increasing development in technology will help to speed up adoption. It is observed that many firms have already started to market in social space to remain competent in the market.

Adopting strategy for the ensuing marketing war

Marketing managers should be ready with the competent strategies to remain competitive. The basic philosophy here is to think out of box and to get ready with strategies directed at the shifting dynamics. Few things that need to be done regularly to get continuous response from the marketing campaign are as follows:

- *Be dynamic.* Online marketers should remain dynamic all time. Simply producing a campaign or advertisement or any marketing campaign will not be so effective in the near future. These should be fresh, innovative and flexible based on the taste of the customers and orientation of the market. This is a crucial task requiring substantial investment.
- *Proactive "T" strategy.* Organizations should understand their target. The wrong target creates the wrong image of the brand. It decreases the sales and impacts the overall image of the organization negatively. Well-versed research is important to find the correct target segments. Maximum failure of the products in the online space is due to the wrong targeting strategy.
- *Selecting correct path.* It is important to utilize an appropriate media vehicle. In the case of advertisement, one should know where to advertise because placing the banner on the wrong site may dilute the brand image.
- *Configuration of words.* It is important to know that consumers click on a banner or a link only when something interesting is provided. Not only interesting words, but also the destination after clicking is of utmost importance. The commitment should be consistent in order to get exposure derived from an experiment observed by the author in the preparation of this article. It was found that 92 percent of the samples do not want to click

on the banner available with social sites and search engine. For example in Facebook, one banner with a picture of a girl (informing “find single girl”) leads to match.com, a web site for finding a soul mate. The configuration may be wrong in that it may cause a negative image for match.com.

- *Right direction.* When an organization uses a search engine or a social or relational media site, it is very important to direct the visitors in right direction. The link should be appropriate and it should lead to the product being advertised. In many cases especially travel sites, the linking direction is not appropriate. As a result very few customers visit those links and hence the low demand. Casting the right direction saves the customer's time resulting in loyalty towards the organization.

What managers need to do?

It is time to define a new marketing model for organizations. Either by breaking the old one or by adding to the tradition model, rectification is required. Managing social data portability can be beneficial as well as understanding the personal commitment, trends, likes/dislikes, family living style, thinking process, background and ambition. Most importantly, since the market is becoming competitive, it is very important to attract customers and retain them for long time. The reasons why these things are important are that the target should be the one time strategy. Wrong target in online marketing produces suboptimal results. Customers may be segmented on the based on factors, which may vary from industry to industry. In this author's view, the segmentation strategy should consider subscription date if any (if not then organization need to form such system), history of purchase, demographic portfolio, click history, preferences and interest.

Strength of relevance

“Strength of relevance” is the most deciding factor for the success of online marketing. An online campaign will only exist and do well if it is relevant to the targeted audience. It is presumed that marketers send only relevant message if they want to be noticed. However studies show that 90 percent of the practicing organizations and consultancies fail to perform the most relevant marketing. Research on American online customers found that that response and respect increases with strength of relevance. Current online customers are technologically knowledgeable and smart enough to avoid the irrelevant promotions. Once the promotion of a certain organization is negatively viewed, it is bound that they will have a hard time to achieve the reputation. In this case managers should take care of the message and content. It is vital that the message be neutral and be professional. This strength of relevance strategy needs to be developed especially for the very sensitive and repeat customers. Too many messages can create bad impression and in many cases clutter can have negative consequences for marketers. In this context it was found that 34 percent of the sample decided not to purchase because of irrelevant message or for over messaging. Irrelevant buzz mails and messaging strategy can push the customers to disconnect the relationship with the organization.

Marketing timings and increased influence

Most marketers do not follow this crucial element of online marketing. Sending a message or a mail anytime loses the potential business. More studies are required to define suitable timings for marketing. A very good marketing campaign loses its effectiveness and potential to pull the customers due to odd timings. In this regard a new model is important so that the time factor can be determined. Organizations need to create two types of customer portfolios: customers that can be reached through mass marketing and customers who need individual attention.

Tactics for the marketers

Tactics need to be adapted from industry to industry, customer-to-customer, infrastructure, reach, vision and mission. Since every brand has its own ways to reach people, it is difficult

to read the common tactics. Social marketing, multi channel campaign management, individual customer reporting and relationship, social media monitoring, extensive engagement through websites and ability to diagnose the need through behavioral traits and supplementing those, can be the better strategy. It is appropriate to have conducted extensive R&D before going online or for existing players before opening new products for online sales. In the process of crafting target strategies, managers should look at time targeting, behavioral data (having intention to purchase), behavioral in the context of sequential, retargeting, remessaging data, log in data etc.

Tools to mobilize the online marketing

Direct marketing, online advertising, e-mail marketing, SEO are some of the methods to address online marketing. Creating a social site or a social online movement can be one option. Virtual discussions, internet forums can be other mediums. The recently developed web analytics techniques can be an important measure in this regard. Blogs, twitter, podcasts, web site sponsorship are some of the techniques recently developed. It is important that, while marketing, the idea should be unique. If there is a chance for being copied, the concept should be made IP Protected. Creating some online competition can be one of the options that marketers can adopt.

Strategic valuation

One may use social media for personal brand building as an upfront strategy. Marketing through social media can sometimes create havoc if it goes wrong. A back up strategy should always be ready for deployment. In the process of formulating and executing strategy, a process must be in place to incorporate feed back from existing and potential customers.

Model selections and its implementation

After determining the marketing objectives for the organization, the most important part of strategic formation is to determine the model through which the strategy will be implemented in the market. It may be a new model or it may be a modification of an existing model. It is cost effective to adopt an existing model since the effectiveness is already evident. In the case of a new business, or in case of a very innovative product launch, a new model may be required. A next step is to compare the models (if two or more models are applied). Even if a single model is in application, the options need to be evaluated. The valuation of the model is very must important.

Reviewing strategy

Online strategy building requires a series of steps. Consistency in reviewing can bring more effectiveness in this context. Adwords, Networks analysis like right media exchange, third party web marketing, social marketing (Facebook, orkut, LinkedIn etc) need consistent review. This review of the implemented model will offer a chance to modify effectiveness. Feedback from related customers are very important.

Measuring the marketing ROI

Success of the marketing campaign is limited to two factors: ROI and increased customer base. Marketers should use web analytics for calculating ROI. Web analytics can help to measure potential customers logging onto the site, what they are doing on the site (on site analytics) and what are they communicating out of the web to other people (off site analytics). Analytics can also help the marketers improve the site content. For projections one can look at Google analytics, Omniture, etc for help and reference. Web analytics is just slowly gaining popularity in India due to its complex nature.

What new can be done: innovation management?

Disruptive innovation can play a role in this context. More importantly, a tracking system needs to be developed to keep track of the customers who visit the site and through this personality and psychological traits can be understood. Thereafter, specific products or service as per demand should be provided. Optimizing landing pages on how people are searching for a particular site/content must be better understood and deployed. Another innovation may be on the advertisement languages. Display systems need to develop in such a way that shows the advertisement in the language as expected by the customers.

When all fails . . .

If marketers find that the applied strategies fail to a great extent or not delivering the encouraging result or that the conversion rate is not satisfactory, a further incentive mechanism should be deployed. Generally an online marketing model does not include extra facilities. It only tries to maximize the customer base. But when an online marketing strategy does not work, free shipping, free returns, free installation (for electronics and software goods), chat facilities, in-store pick-up and return option, technical advice and pure CRM can help to increase the effectiveness. These incentives can also influence future purchasing decisions by customers.

At the end

Research on the next generation strategy for online marketing continues to evolve. The future of online marketing remains promising. Online marketing provides proper brand value and brand awareness for a particular brand. Online marketing also helps in the successful implementation of customer relationship management (CRM), supply chain management, Brand management, line stretching, line modernization, etc. Continued development of technology, understanding the needs and demand of customers, focusing on best possible service, advertisement design, suitable relationship management etc. will feed the strategic initiatives of online marketers in the future.

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