

Effectiveness of E-Marketing in the success of Digital Entrepreneurship: A Conceptual Model

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Abstract

E-marketing, Online marketing, Internet marketing - all refer to the advertisement and marketing techniques which use emails, messages, web-resources etc. as their strategy for business. This paper describes about how the trend has changed from traditional entrepreneurship to digital entrepreneurship. Implementation of E-marketing and its strategies have boosted the business of every entrepreneur and which have become the need of Digital entrepreneur.

There is a decent increase in the growth of the e-market in last several years which have attracted the attention of both academicians and corporate practitioners. There have been many studies related to E-marketing. But most of the studies have mainly been focusing on and about the big giants (entrepreneurs), a very little attention has been paid to how this new technology can be used to benefit the small and newly established entrepreneurs. The scope of this research is to shed light on how and what new digital entrepreneurs predict and perceive about e-market usage. The results and findings of this conceptual model will help in bridging the gap in the existing literature and will provide the researches and practitioners the valuable insights about the importance of E-marketing for new entrepreneurs.

Keywords: E-marketing, Digital marketing, Digital entrepreneurship, entrepreneurship, e-market, new business.

INTRODUCTION

DIGITAL ENTREPRENEUR

Digital Entrepreneurship basically means the combination of traditional entrepreneurship with an emphasis on new digital technologies, which adds value to entrepreneurship.

According to the **Digital Entrepreneurship Scoreboard 2015**, there are **5 pillars** that can foster digital entrepreneurship:

- The Digital **knowledge base**.
- Digital business **Environment**.
- Digital **skills**.
- **Taxation** and Financial Environment.
- Digital Entrepreneurial **Mind set**.

IMPORTANCE OF DIGITAL ENTREPRENEURSHIP

In the olden days, entrepreneurs could open local business and with their hard work, dedication, and financial management skills there used to be good returns in terms of profit. Today for an entrepreneur, along with hard work and dedication, it is a must to implement the concept of E-marketing to their business not only for the growth but also for their survival. In today's world it is the need of the hour for all the businesses to be enabled with digital platform and also to learn how to be a marketer in the digital space.

STEPS IN DIGITAL ENTREPRENEURSHIP

In the digital age, it has become very easy for all to get the desired knowledge and information. One way it is an ease to all wherein entrepreneurs have started facing real and healthy completion because this ease and comfort. So, to be a successful digital entrepreneur one need to follow these steps:

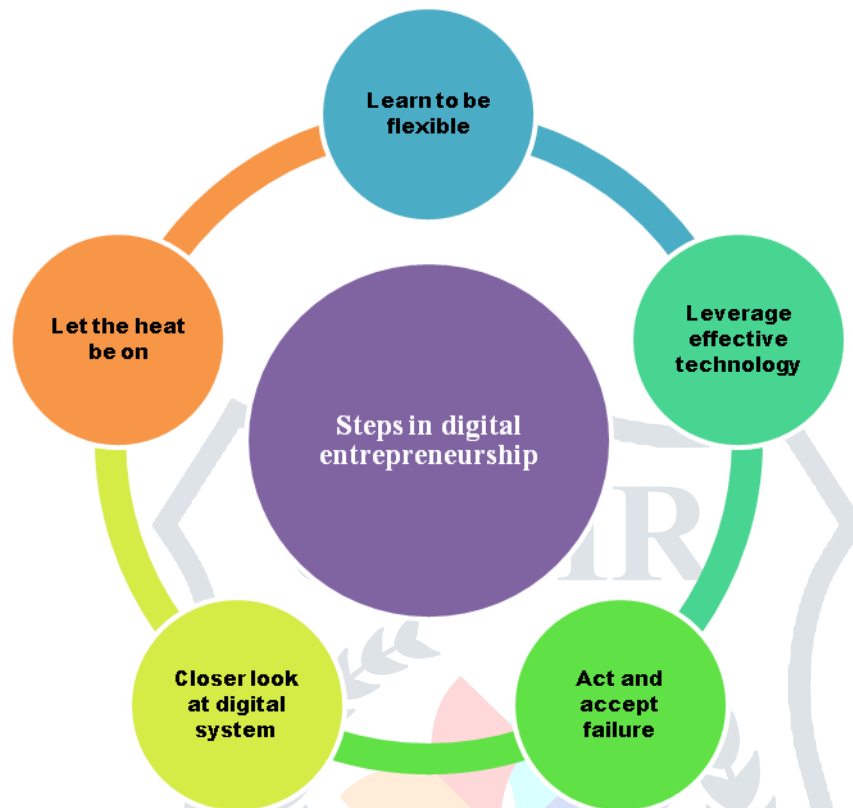


Figure 1: Steps in digital entrepreneurship

- **Learn to be flexible:** In today's era times moves quickly so nothing is permanent. Whether one has got a revolutionary idea which can change the world, an entrepreneur needs to possess and practise this characteristic to be open to adapt, accept change and practice flexibility.
- **Leverage effective technology:** Irrespective of type of business, the very first and important step for any entrepreneur is to leverage effective technology. Once firm has fixed its vision, it is very important to set target customer (ideal audience) and the very next and key step comes adopting technology that can boost the bottom line of the business and make it look more professional.
- **Act and accept failure:** Entrepreneurs should always be ready to start, do and accept the failure. Failure is inevitable but it always can teach what not to be done. A successful entrepreneur need to accept failure, learn from it, re-model the business plan and act positive all the time and allow the dream to promote actions.
- **Take a closer look at your digital system:** The success of digital entrepreneurs always depends on how closely one has inspected the digital business operations and processes. Digital entrepreneurship mainly depends on use of e-commerce and modern technology; hence it becomes important that a company monitors its digital system very closely and very frequently. With the help of e-marketing techniques, company need to focus on different areas where business can be improved. Steps should be taken towards being more nimble so that business can progress, be innovative and stay relevant to the client.
- **Let the heat be on:** Digital entrepreneur can never rest or settle down being successful. Digital entrepreneurship gets its success only because of uniqueness, hence it is the need of the business to be unique for which one need to innovate and add value to your offering. In case of digital entrepreneurship one need to keep updating the technology so that customers feel it more and more convenient to access your product or services. Having more completion, businesses also need to offer the best offerings at a minimal cost which need innovation in all possible manners, at all steps.

DIGITAL ENTREPRENEUR

A digital entrepreneur is a person who has good and effective digital strategy. Mostly a digital entrepreneur thinks, evaluates, starts and runs a small/big digital business accepting all the risks and rewards of the business. Digital entrepreneur is commonly an innovator, a source of new ideas, goods, services and business/or procedures having digital creativity, willingness to change (flexibility) according to technology, leads from the front, and possesses digital goal and risk taking ability.

FUNTIONS OF DIGITAL ENTREPRENEUR

The functions of a digital entrepreneur include:

- Setting **Main Goal**
- Identify required **digital tools**
- **Prioritize** the initiatives
- Measure the **results**
- **Be updated** with market and trend



Figure 2: Functions of digital entrepreneurship

While digital entrepreneur focuses on digital products and services that are to be marketed, delivered and supported completely online, there comes a pre-requisite for digital entrepreneurship i.e. a good website and a process called e-marketing.

E-MARKETING

E-Marketing (Electronic Marketing), also known as Internet Marketing, Web Marketing, Digital Marketing, or Online Marketing is the process of marketing a product or service using the Internet. E-marketing not only includes marketing on the Internet, but also includes marketing done via e-mail and wireless media. It uses a range of technologies to help connect businesses to their customers.

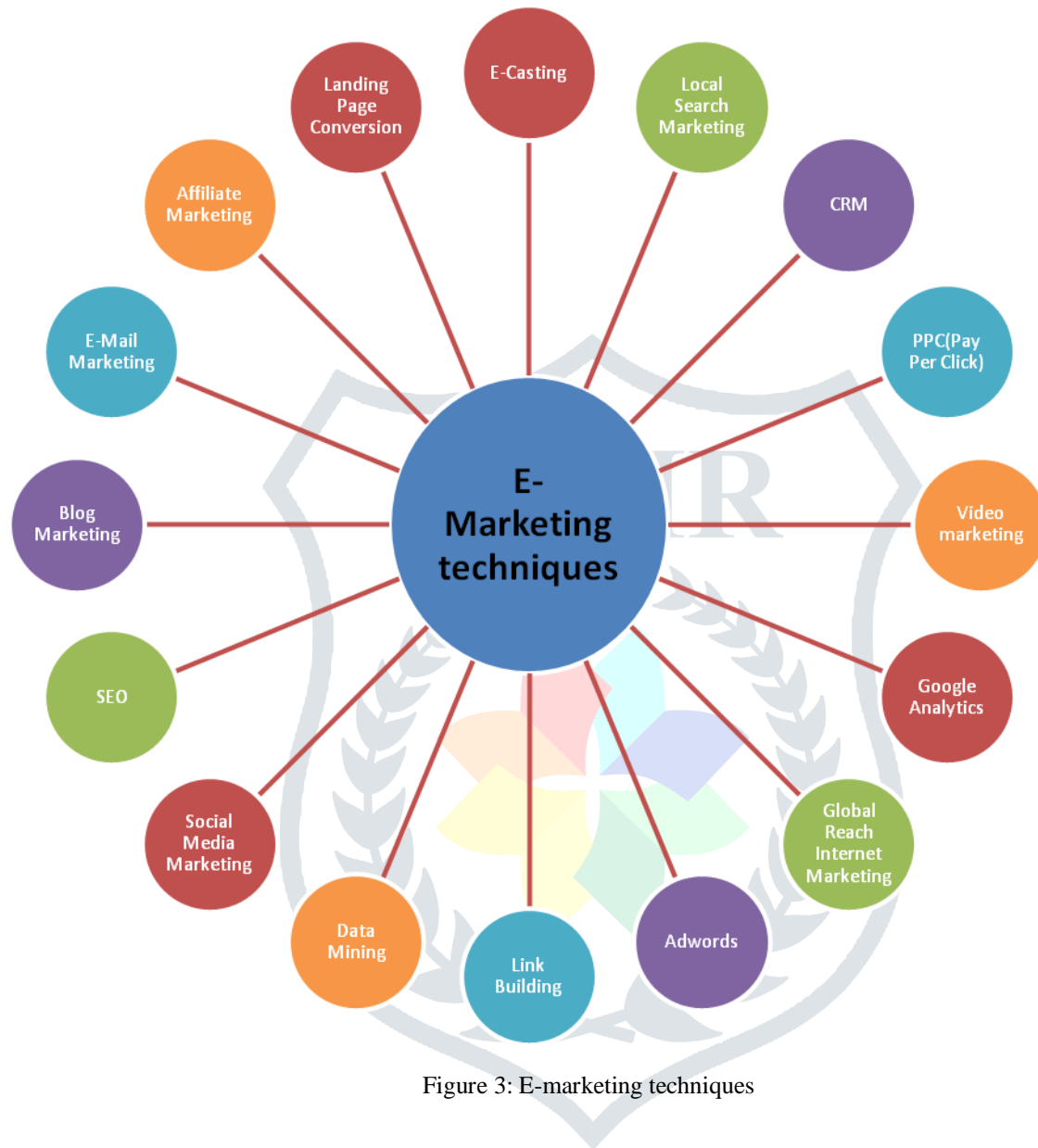


Figure 3: E-marketing techniques

OBJECTIVES OF THE STUDY

- To explore the concept of Digital Entrepreneurship
- To study the factors influencing Digital Entrepreneurship.
- To spotlight the effectiveness of E-Marketing in Digital Entrepreneurship
- To find out the challenges faced by Digital entrepreneurs in digital business scenario.

SOURCE OF DATA

The study is conceptual in nature. The secondary source of the study has been retrieved from conference papers, research thesis, journals, web-resources and magazines.

REVIEW OF LITERATURE

Davidson et al. (2010) posited that the digital entrepreneurship is made of three interrelated opportunities: business, knowledge, and institutional. Along with that the authors also highlighted that the socio-material practices between and within each form of opportunity, can provide a useful platform which can will boost the emerging growth in the digital economy.

Pawar (2014) reveals that the key reason behind the growth of online marketing is increase in internet-literacy among the population. Customers have understood and accepted that internet has the potential to serve their social and non-social needs.

Rzemieniak (2015) state that in this digital world, entrepreneurs mostly rely on use of E-Marketing tools for advertisement rather than tradition advertisement techniques. Among all the available tools, search engine and sponsored links advertisements are widely used.

Murphy et al. (2006) observed that the main reason behind the increase in the per capita income in the Western countries over the past 200-300 years is primarily entrepreneurship.

Hendrickson et al. (2015) highlight about the importance of entrepreneurship in Australia and states that during the Global Financial Crisis that occurred in Australia, the increase in employment was attributable to entrepreneurship.

Khan and Mahapatra (2009) explain that in the modern era, modern technologies play a key role in the improvement of the quality of service provided by the entrepreneurs. Because of the use of internet technology (IT) there has been information revolution in the market. Hence in the 20th century, after agricultural and industrial revolution, IT has been regarded as the third wave of revolution. Use of E-marketing and E-commerce in today's business has shown its positive effect in all areas of business: easy of sale, ease of marketing, reduction of marketing cost, greater reach, customer service, new product design, customer satisfaction etc.

Rajiv Rastogi (2003) found that e-commerce can reduce the cost of managing orders, buying and selling goods and services and also provides better customer satisfaction. By use of e-commerce, one gets a wide range of trading partners and suppliers who can supply best raw materials at reasonable cost which in turn reduces the cost of product and services.

Through his paper D. K. Gangeshwer (2013) discussed about the motivating factors of shopping online including: cash-back, cash on delivery, substantial discounts, faster delivery, ease of use of websites and apps. The study also reveals the concept of search engine marketing or e-commerce, e-marketing, current and future aspects of e-commerce in context of India. E-commerce through E-marketing in India is destined to grow both in terms of revenue and geographic reach. In the paper it is concluded that in the next few year (close to decade) India will have around 70 million internet users which will be greater than and/or equal to many developed countries.

Rowley J (2001) stresses about the ubiquitous nature of the internet and also focuses on its global access. Paper also explains, because of its global access, internet has become an effective mode of communication between businesses and businesses; business and customers. Entrepreneurs have actively started using the internet and E-Market for commercial activities.

Thompson (2005) addressed about the potential of the growth of internet technology in the modern era. Introduction of IT reduces the cost of delivery of the products and services and also extends geographical boundaries in bringing buyers and sellers together.

Soni Vandana and Pandey B. B. (2016) concluded that digital empowerment can extend the benefits to the people with special needs. Having digitally enabled people will be able to participate in all aspects of life. They can exercise their duties; enjoy their rights and benefits as members of the society. Digitization also provides entrepreneurs or practitioners an opportunity to collect real time information later digital entrepreneurs can utilise it for the success of their business in this competitive environment.

Eid et al. (2013) found that by allocating sufficient budget to the E-Marketing, companies have been able to provide better and customised services to the customer. The paper also demonstrates that both: pre-sales and post-sales marketing activities have a catalytic influence in the success of marketing in the digital world.

Conceptual model of role of E-marketing in Digital Entrepreneurship

E-marketing has a big role to play in the success of digital entrepreneurship. For the success of any digital entrepreneur it is required to have: good product/service, digital platform to showcase your product/service, good digital marketing strategy, online customers and finally a good digital CRM model. As marketing is the heart of any business, e-marketing is the heart of any digital business. One can succeed well in digital entrepreneurship only if the best e-marketing plan has been framed and executed. By introduction of good e-marketing model, business gets to communicate about the offering to mass at lesser cost thus getting better returns.

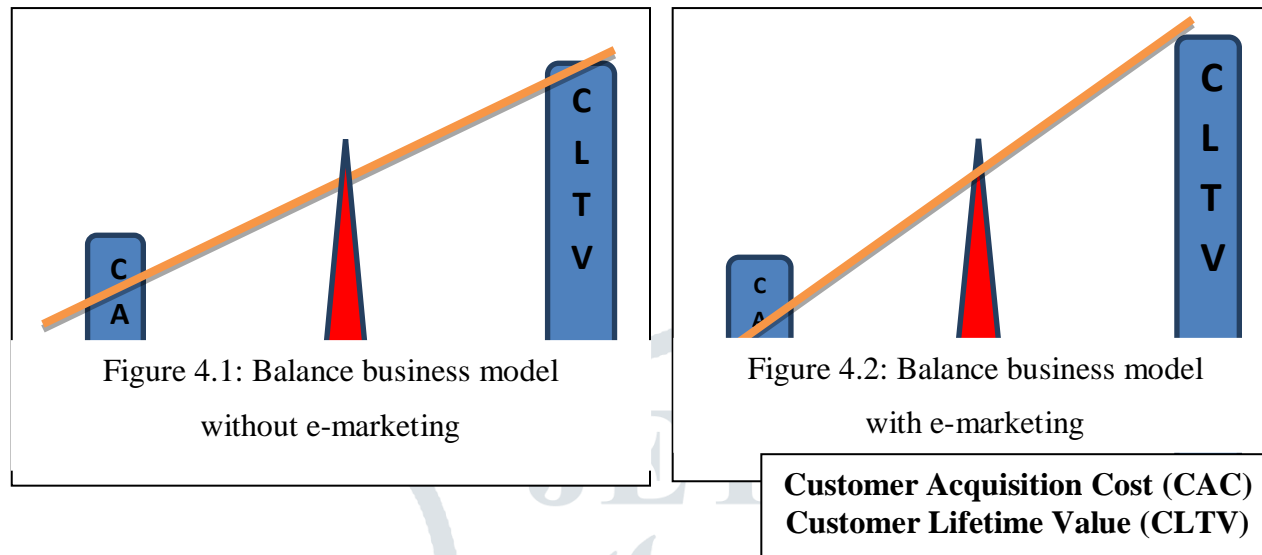


Figure 4.1 shows, in case of balanced business model (where $CAC < CLTV$) without introducing e-marketing technique, the slope between Customer Acquisition Cost and Customer Lifetime Value has comparatively lesser slope than as compared to the balanced business model with e-marketing. This is because by using e-marketing techniques, business reaches more number of customers at lesser cost. Even the time spend in reaching the customer also reduces by introduction of various social media campaigning. At the same time you see better customer conversion in terms of increase in sale of products and services which in turn results in better slope as shown in Figure 4.2. Also by introducing E-marketing techniques, the level of customer satisfaction increases which finally increases the Customer Lifetime Value.

RESULTS AND DISCUSSION

Digital entrepreneurship has grown rapidly in the past few years and is expected to grow exponentially in another decade. E-marketing and e-commerce has a big role to play in the success of digital entrepreneurship. For the success of digital entrepreneurship there needs to have complete digital ecosystem which include: digital platform to showcase product/service, good digital marketing strategy, digital customers and digital customer relationship management tool. Modern business cannot run without e-marketing implication.

By introducing e-marketing techniques to e-business, firms can reach the goal easily and at a better pace. Digital entrepreneurs have seen more satisfied customers hence repetitive customers if the digital platform is properly taken care of hence increasing the profitability and brand image of the digital business.

CONCLUSION AND IMPLICATIONS OF THE STUDY

Digital entrepreneurship and E-marketing are of great importance in the current marketing world. Specially in case of developing country, it can become industrialized and modernized if it can extensively apply digital techniques like Digital marketing, E-commerce to enhance productivity and international competitiveness. A complete digital eco-system is possible only if all the stakeholders of the business understands and accept the power of IT. A digital ecosystem is composed of digital entrepreneur, digital strategy, digital platform (website), technology, digital advertisement techniques (E-marketing), People-digital customer (customer having digital power/internet and handheld device).

Digital entrepreneurs in various countries of Asia are taking advantage of e-commerce to market their product and services which is very essential in the growing competition added due to diffusion of Internet technologies. The Internet is boosting efficiency and enhancing market integration in developing countries. Taking all these key factors into account, there is a need to recognise digital entrepreneurship as area of scholarship and research. In this regard, the present study paves the way for future research into this important and yet under-explored study field.

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