

Empirical Analysis on e-Marketing and Profitability

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Abstract

This paper attempts to study how e-marketing do the profitability by using **internet** has led to an increasingly connected environment, E-commerce is now surging in India. Covid-19 has devastated the country in the past year with high numbers of hospitalizations and deaths. Consumers stayed home and learned to shop online. Marketing strategy depends on the business goals – remain on the market, increase profits or take dominant position on the market. Company’s market share, the needs of customers and the necessity to regulate them are inherent in the choice of marketing strategy. The choice of marketing strategy also includes market segmentation, i. e. the target market segment which should be focused on when developing marketing plan and its actions. SEM helps in increasing Website Visibility in the Search Engine Page Results (SERPs). It includes Paid ads Particularly Include use PPC or CPC, the most used form of PPC is Google Adwords and there are many channels where you can use paid ad campaign to promote your product/service online like Bing Ads, and Sponsored Contents that is available. Many Company is using various method to be engaged with customers by running the contest by offering some added benefits to customers which in turn help in interaction for the same

Key words: internet marketing strategies, business, internet, SEO, market

Introduction

A strategy is a long-term plan of action aimed at achieving a particular outcome. Tactics refer to the immediate actions taken to execute a strategy. While most of the chapters in this textbook refer to the tactics that the Internet has afforded to marketing, the essential first step to executing any online campaign is in the planning: strategy.

“Strategy” comes from the Greek *strategos*, which itself is derived from two words:

- **Stratos** for “army”
- **Ago** for “leading”

“Tactic” also comes from Greek: *taktika* for deploying or arranging.

In wars and business, a strategy usually intends the same outcome: winning.

Treatises on strategy abound. *The Art of War* was written by Sun Tsu in the sixth century B.C., and this ancient Chinese text on military strategy often forms the foundation of business strategy today. Move forward a few millennia, and a course in marketing will include Porter’s five forces, McCarthy’s four Ps, and Humphrey’s SWOT analysis. At the time that the framework for the Internet was being researched and developed, economists and academics were laying the foundation for principles still leading marketing thought today. *Concentrated marketing*. This is a marketing strategy when company’s efforts are focused on only one market segment and to master it specially customised marketing mix is used. This strategy

is usually implemented by companies with scarce resources and facing fierce competition. It is risky because when serving one consumer segment, competitors may appear and an intensive competitive struggle may be initiated.

- *Differentiated marketing.* It is a marketing strategy, when a company to master separate market segments uses different, specially tailored marketing mixes. Main principles – several products or service supply options are applied to each segment. This strategy is used when the market is well-established, the needs are well-known; when adapting to its customers the company has a bigger market and is less vulnerable. Drawback – higher costs.
- *Undifferentiated marketing.* It is a marketing strategy when a company to master the whole market uses a single universal marketing mix. Principles – the same products or services are provided to all segments; it is suitable for introducing new products or services to the market; main task – to deliver products or services properly, inform about it as many customers as possible; limitation of the strategy appear when the customers' needs change.

The Internet has had a far greater impact on marketing and business than the ubiquitous e-mail newsletter and the need for search engine optimization (SEO). It is not just the way in which products and services can be marketed that has changed, but new products and services are being developed as well. Changes in Indians' purchasing behavior as a result of Covid-19 include:

- New demand for low-value products.
- A boost in first-time online customers.
- A large increase in online grocery shopping.

New ecommerce consumers in Tier 2 and Tier 3 cities (roughly, populations of 50,000 to 90,000 and 20,000 to 49,999, respectively) accounted for much of the growth in Q4 2019 with a 90% year-over-year increase in sales stemming from better internet penetration, increased awareness, and adoption of cashless payments. The Internet has changed the types of products that can be sold, has changed the market for products in terms of geography, has had a huge impact in the way products are sold and marketed, and has seen a significant shift in the balance of power between businesses and consumers. Where marketing once was seen as a one-way broadcast channel, with customer wants and needs driven by focus groups, today effective marketing is based on a two-way conversation that happens person to person. However, the Internet does not necessarily mean throwing out the rule book of marketing and business foundations and principles. Instead, the Internet provides a new environment in which to build on these principles. Profit is still revenue less cost. The Internet does not change that.

Objective:

This paper intends to explore and analyze **e- marketing strategies** for a specific improvement opportunities within the particular organizations

An e-marketing plan is needed in addition to a broader e-business strategy to detail how the sell side specific objectives of the e-business strategy will be achieved through marketing activities such as marketing research and marketing

communications. ii. Since e-marketing plan is based on the objectives of e-business or business strategy, there is overlap between the elements of each approach particularly for environment analysis, objective setting and strategic analysis.

2 .Stages:

i. Objective:

- Effective e-marketing plans are based on clearly defined objectives since these will inform the strategies, tactics and help in communicating the strategic aims to the workforce and investors.
- The value of the objectives can be tested using the widely used SMART mnemonic, i.e. are they specific, Measureable, Achievable, Realistic and time constrained.
- Examples of SMART e-marketing objectives are as follows:
 - Reduce cost of routine customer service by 10% to enable focus on delivery of specialized customer service.
 - Established business-to-business engineering company- increase overall revenue by 5%, through trading sales in new international market.
 - Establish mobile phone operator-increase customer retention by reducing churn from 25% to 20%.

ii. Situation analysis:

- The aim of situation analysis is to understand the current and future environment in which the company operates in order that strategic objectives are realistic in light of what is happening in the market.
- The above diagram shows the inputs from situation analysis that inform the e-marketing plan. .
- These mainly refer to company's external environment.

iii. Strategy:

- The strategy element of an e-marketing plan defines how e-marketing objectives will be achieved.
- Strategy definition has to be tightly integrated into the e-marketing planning process from situation analysis to objective setting to strategy definition.
- The amount invested on Internet should be based on the anticipated contribution the Internet will make to business.
- Thus, it basically involves the framing of strategy for the development of supply chain strategies to achieve these goals.

iv. Tactics

- Marketing tactics to implement strategies and objectives are traditionally based around the elements of marketing mix.

- There are various other approaches such as customer-driven tactics that affect both the design and services provided by an e-commerce site.
- The marketing mix- the 4Ps of Product, Price, Place and Promotion is an essential part of implementing marketing strategy by many practitioners.
- The 4Ps have been extended to 7Ps by including three further elements that better reflect service delivery: People, Process and Physical evidence.
- The marketing mix is frequently applied when developing marketing strategies since it provides a simple framework for varying different elements of the product offering to influence the demand for products within target market.

v. Actions:

- The actions component of e-marketing planning refers to activities conducted by managers to execute the plan.
- Questions that need to be resolved when specifying actions include:
 - What level of investment in the Internet Channel is sufficient to deliver these services? What will be the payback?
 - What training of staff is required?
 - What new responsibilities are required for effective Internet marketing?
 - Are changes in organizational structure required to deliver Internet based services?
 - What activities are involved in creating and maintaining the website?
- At this stage, the e-marketing plan will be finalized to summarize actions that need to occur.

vi. Control:

- The control element of an e-marketing plan can be achieved through a combination of traditional techniques such as marketing research to obtain customer views, opinions and novel techniques such as analysis of web-server log files that use technology to monitor whether objectives are achieved.
- Intranets can be used to share in information among marketers and consultants within an organization.
- Thus, it basically deals with measuring the outcome.
- Also, base lining is done to maintain pressure for performance delivery.

Specific: always formulate specific objectives and not general ones. A specific objective is clear about what, where, when, and how the situation will be changed. Measurable: an objective must be measurable in units (physical, monetary or otherwise), meaning the target and the benefits must be quantifiable. Attainable: make sure your objective can be reached with the resources at your disposal. Realistic: the organization must be able to obtain the objectives. For example, becoming market leader overnight is rarely a realistic objective.

Timed: specify the timeframe the objective refers to and be clear about it. Otherwise, we will not be able to check if the objective was reached or not. When we establish objectives for the organizational activities, we must ensure they are SMART objectives. No, the meaning is not to be “clever” objectives (though that is a must as well!) but the acronym stands for the following qualities an objective must have: Smith and Chaffey (2001) suggest there are five broad benefits, reasons

or objectives of e-marketing. They are the 5 S's from below: Sell – Grow sales (through wider distribution to customers you can't service offline or perhaps through a wider product range than in-store, or better prices);

Serve – Add value (give customers extra benefits online: or inform product development through online dialogue and feedback);

Speak – Get closer to customers by tracking them, asking them questions, conducting online interviews, creating a dialogue, monitoring chat rooms, learning about them;

Save – Save costs - of service, sales transactions and administration, print and post. Can you reduce transaction costs and therefore either make online sales more profitable? Or use cost-savings to enable you to cut prices, which in turn could enable you to generate greater market share?

Sizzle – Extend the brand online. Reinforce brand values in a totally new medium. The Web scores very highly as a medium for creating brand awareness, recognition and involvement.

Specific objectives should be created for each of the 5 S's. Example of sales objective: "Obtain 250,000 USD revenue from online sales in the next three months". This is clearly a SMART objective.

These objectives can be further broken down according to CRM objectives of acquisition, conversion and retention, e.g. to achieve USD 100,000 of online sales means you have to generate 1,000 online customers spending on average USD 100 in the time period. If, say, your conversion rate of visitors to customers was 1% then this means you have to generate 100,000 visitors to your site. Achieving repeat visits and sales would form further objectives.

The online revenue contribution is a distinct key objective for e-marketing. It expresses the contribution of the online activity to the total revenue of an organization. If the organization is internet-based, we would clearly establish a high-percentage for the online revenue contribution, but we need to consider the budgeting issue as well (the higher the online revenue contribution, the bigger budget it takes).

Conclusion

The pandemic-induced lockdown and movement curbs marked an inflection point for e-commerce in India, pushing demand to record highs, nudging new buyers as well as sellers onto digital platforms, and holding out the promise of lasting growth for players. Marketing strategy – set of coherent and consistent marketing actions aimed to achieve its long-term marketing goals. Finding the balance between different and often mutually conflicting forces and factors influencing the company and transforming them into a long-term benefit is the most important task of marketing strategy. The distinctive features of marketing management are that marketing decisions should be based on knowledge of the market and purposeful response to changes. Organisation of overall strategy and marketing strategy has many elements in common. In choosing marketing strategy it is important to pay attention to customer needs, company's capacity to meet them, occupied market share and market growth.

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