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## **Online Marketing: A Swot Analysis**

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### **Abstract:**

*Internet increasingly has integrated into people's everyday life. The amount of time that Indian internet users are spending to surfing the net is increasing continuously. Today internet is not only a platform for communication, entertainment, information but also for buying and selling of goods and services. Indian people are using internet irrespective of their ages, incomes, education levels and occupations. The Indian marketers need to focus on their marketing strategy to capture this available opportunity. They need to track and segment the customers to deliver personalized services and build customer loyalty at their physical or virtual store via internet marketing. Internet marketing includes advertisement on search engines, blogs, social network advertising, online classified advertising etc. Internet marketing has its advantages as well as disadvantages. Sometimes it gives opportunities to new entrants and sometimes it is threats to those who are following traditional marketing tools. This paper aims to do the SWOT analysis of internet marketing. It also describes the various trends of online marketing.*

**Keywords:** *internet marketing/ online marketing, swot analysis*

### **1. Introduction**

Marketing is an essential function of any business entity. Marketing plays an important role in selling of products and services. Previously off line marketing channels such as TV, radio, newspaper, magazine, pamphlets and hoarding etc were used. With the passage of time internet came in to existence which makes easier flow of information. Internet gave various online marketing medium such as e-mail, websites, and social networking sites etc. With the introduction of online marketing it becomes cheaper, faster and easier to spread the information about products and services. Consumers always want to know more information about the product they are going to purchase. And it is very crucial for a business that its products are being able to research. Customers can easily find out the information about product which gives them sense of security of purchasing right product. The advertisement on internet can move, have sound and can even have more depth compare to magazine or newspaper. The structure that is contained on an internet website allows user to search out the product much easier than doing research from books or going to store to enquire about the product. Online marketing offers more choice and flexibility to customers. Customer tends to associate online marketing with direct marketing as it cuts the mediator in supply chain system. Online marketing also reduces various operating costs and commission. Such advantages can be best realized by the businesses who deal in software, books, music, news, medicine, banking, online ticket and reservation etc. With the help of online marketing not only distribution cost is minimized but also it ensures the timely delivery of products and services.

The internet came in 1960 as a military based system called ARPAnet and this was used as the exchanges of information and research between scientists. The adoption of internet by user was too fast as compare to other technologies such as Radio and TV. Television took thirteen years to be followed by fifty million people. On the other hand internet crossed that figure in four years only. The increasing popularity of internet made the business organization to use it for marketing purpose. They started to use it for marketing purpose in many ways such as company websites, social networking sites, and e-mails and through games etc.

Today, smart phone has taken the place of computer and laptop. Now the users are more dependent on their mobile phones instead of PCs. They spent most of their time in surfing the internet on their mobile phones. Mobile phones are new shopping tools today. To avail this opportunity the internet marketers are designing such apps which are run on mobile phones to give information about their goods and services. Users are getting new shopping experience with book my show, make my trip app etc. This paper will define the

online marketing and its various trends or forms which are used by the sellers to attract customers. It will also focus on the importance of online marketing and its strengths, weakness, opportunity and threats.

## 2. Objectives of the Study

1. To describe the concept of online marketing.
2. To find out various trends of online marketing.
3. To make the SWOT analysis of online marketing.

## 3. Significance of the Study

The use of internet has become an essential tool of life for people of every age group. And in the field of marketing it is beneficial for both, customers as well as sellers. Through internet marketing products can be sold within few seconds. So it is also necessary for businesses to do SWOT analysis of internet marketing at their own level. Before starting online marketing, every business must know about; what resources are needed to start it, what can be the weak points of online marketing, where it can avail opportunities and how to attract more and more customers. In this paper, we have highlighted all these factors. With the help of these factors business organization can launch a suitable online marketing campaign.

## 4. Research Methodology

- Research type: current study is descriptive research in nature.
- Data collection method: secondary sources of data are used for this study. Information is derived from various journals, newspaper, and websites.

## 5. Limitation of the Study

The research is limited to secondary data only. No primary data was collected. Time constraint remained the major limitation of the study.

### 5.1. Online Marketing

Online marketing or internet marketing refers to the application of marketing principles and techniques via electronic media and more specifically the internet. In other words E-marketing means using digital technologies to help in selling goods and services. The term E-marketing, internet marketing and online marketing are frequently interchanged and often considered as synonyms. The basics of marketing remain the same- creating a strategy to deliver the information about products to existing and prospective customers. Changes come only in channel of transmission of information which adds the use of internet in traditional way of marketing such as advertising, direct mail, public relation etc. E-marketing includes all activities a business conducts via the worldwide web to attract new business, maintain existing business and to develop its brand identity.

### 5.2. Trends of Online Marketing

Various techniques are used for online marketing, some of them are user friendly and some are very aggressive techniques. Examples of these techniques are as follows:

1. User friendly web design: web sites are designed in such a way that it is easy to operate from any browser or devices such as laptop, smart phones and tablets etc. More the advertisement is user friendly, more the chances of success.
2. Easy navigation: by easy navigation user can reach to any page or any site from any other page or site. It will be helpful in saving the time of users too.
3. Social media marketing: youth of today is very social. Today's youth spent most of his time on social networking sites. Various social media sites such as Facebook, Twitter, LinkedIn, WhatsApp etc are used as a tool of internet marketing for promoting goods and services.
4. Video aids: it shows what a business is doing, what are its products or services. With the help of a video of 2-5 minutes on YouTube a company can explain its strategies, products and promotional schemes to its customers.
5. E-mail marketing: sending e-mail to customers is also a part of today's internet marketing. List of current and prospective customers is maintained by the analysis of market. Customized mails can be sent to customers according to their taste, preferences and buying behavior.
6. Search engine optimization: the purpose of search engine optimization is to get web site to rank well for some specific keywords on search engines, so as to get more traffic on the site from search engines.
7. Spawning: in this case a new window is opened automatically while entering a web site, while exit or on delay. Here customers are forced to at least watch the advertisement on window before closing it.
8. Mouse trapping: it makes customer disable to go back to the previous page, exit or close the web site.
9. Unauthorized software download: this aggressive approach allowed downloading the software (enriched with lots of advertisements) without permission and awareness of user.
10. Changing home pages: this approach includes the unauthorized replacement of a home page setting and adding a web site address to the user's favorites list.

11. Framing: keeping the customer on original web site while viewing the contents of another websites through that original website. And customer is convinced that he/she has left the website.

### 5.3. Importance of Online Marketing

Electronic marketing provides large access of market to a business for implementing its marketing strategies. Basic importance of electronic marketing can be described as follows:

1. Global reach: with the help of online marketing business can make access to anyone, anywhere irrespective of boundaries of any area. Customers of any country can be approached while sitting anywhere. It is helpful to approach the customers sitting anywhere with a little investment.
2. Economical: internet marketing is very cheaper than traditional ways of marketing such as newspaper, radio and TV advertisements. For example by an internet advertisement a business can approach to all customers at very minimal cost, who are using internet.
3. 24\*7 hours marketing: gone are the days when your customers have to wait for open the office. E-marketing has made it possible that customer can be access you or can get information about products or services irrespective of office timings. He can access 24\*7 hours to a business and its products.
4. Personalized services: if a business has database of its customers, then with the help of e-marketing personal services, offers can be given to him. With the help of a database sellers can come to know the interest, shopping behavior and consuming habits of their customers and can approach them with customized plans and services.
5. Measurable results: by e-marketing business can measure how much effective was the marketing strategy? Responses of customers can be taken by providing online feedback. Customers can provide these feedback while surfing websites or watching the advertisements with a little effort and time. Then necessary corrective decisions can be taken on marketing advertisements, if it seems necessary.
6. One to one marketing: e-marketing makes it enable to do one to one communication. With the help of smart phones, tablets customers can be approached where they are. Existing and prospective customers can be approached with the help of personalized e-mails. Birthday anniversary and other greetings can be sent to customers with the help of maintained database, which make feel special to the customers.
7. More interesting advertisements: recorded and written advertisements are difficult to remember comparatively audio-visual advertisements. E-marketing can make a marketing campaign more and more effective and interesting by introducing audio-video effects in it. And this is helpful to recall the customers about the products for a long a time.
8. Make it easy to shop: e-marketing has a better conversion rate than traditional marketing means. Earlier customers have to make a call, to post or to go to market to shop, but today the customer is just a few clicks away from completing the shopping process. Customers only see the advertisement and ordered the products within a few seconds.

### 5.4. SWOT Analysis of Online Marketing

Whenever a new technology is introduced it has various effects. It may strengthen the business as well as it has some weakness too. It can give opportunity as well as some threats to the existing business. Online marketing too have its merits and demerits. It saves cost, time and makes easy functions but it is also responsible for makes us internet dependent. In SWOT analysis (strength, weakness, opportunity and threat) we are try to find out the positive and negative sides of online marketing.

### 5.5. Strengths of Online Marketing

It is no doubt that online marketing has competitive advantage over offline marketing. We can illustrate the strengths of online marketing as follows-

1. Business: e-marketing helps to both existing and new entrants. Existing business can enhance its area, customer, and sale with e-marketing. On the other hand for new entrants, e-marketing reduce entry cost, makes new sales channels, new service opportunities. It makes easy to communicate with existing and prospective customers.
2. Customers: e-marketing provide unlimited information about products, services or sellers at any time and at any place. With the help of few clicks customers can do shopping at home. It saves money, time and provides lots of varieties of products at reasonable price.
3. Suppliers and traders: it helps in cost reduction and quick response.
4. Competitive advantage: it helps in enhance the effectiveness and efficiency of marketing planning process with the help of digital technology.

### 5.6. Weakness of Online Marketing

Everything has its advantages as well as disadvantages. Online marketing also has some drawbacks; some of them are:

1. Need of internet connection: the main requirement of online marketing is that it needs its customers to have an internet connection. But it is not necessary that every prospective customer is a internet user. In such a case seller has to bear the loss of not approaching those prospective customers.
2. Slow internet connection: major disadvantage of E-marketing is slow internet connection. If a websites is too large or complex, it will take lots of time to check or to download. Thus it makes user bored, and sometimes urged to leave the website.

3. Can't feel the product: customers can't touch and feel the products over online marketing. This is the main reason that makes a customer uncomfortable to buy a product online. In India shopping pattern is that customers want to touch, feel the product before purchasing it. Because of this many online companies are providing sales return policy to their customers.
4. Payments issue: another weakness of online marketing is the payment method. Many customers don't believe on online payment methods. They do not feel secured while giving information about their credit, debit cards and banks.
5. Privacy: while doing online shopping personal information is also used. Again the customers feel uncomfortable while sharing their name, address and phone numbers. They feel that this information can be misused.
6. Cash on delivery: cash on delivery system doesn't give 100% purchase of the product. Many customers don't accept the product when it comes to his door. So here the seller has to face the problem.
7. Limited to some class only: it is true that customers can be approached anywhere with the online marketing but this is also true that this access is limited. Reasons behind it are the illiteracy, poverty and rural areas where people don't know how to use a mobile, to see an advertisement and to give an order over a mobile or laptop.

#### 5.7. Opportunities of Online Marketing

1. Target: every business first decides its targeted audience to whom the message will be conveyed. E-marketing allows companies to target specific groups and reach a defined, engaged audience.
2. Penetration: earlier, access to any market was a major problem. Existing business player made it very difficult for a new comer to enter in a new market with their advanced or different product. But online marketing overcomes geographical parameters that exist with other communication channel. It makes easier to enter in to a new market.
3. Efficient: on line marketing is well organized and competent. It makes able for the business to spread the information in efficient manner. Now information can be distributed to multiple recipients through one click.
4. Cost: this mode of marketing is very economical compare to off line modes of marketing such as newspaper, TV, radio, pamphlets and others. It requires minimal investment to set up an appropriate technical system. And then within a few seconds the information can be sent to lots of customers.
5. Speed: online marketing has the highest speed of transmitting the information all across the world. Earlier sellers had to face a long procedure for delivering their information. But now information is delivered to recipients within few seconds without doing any delay.
6. Affordable: in the off line marketing sometimes the seller could not afford the marketing channels. But computers and internet connectivity are affordable today, which attract more and more customers.

#### 5.8. Challenges of Online Marketing

E-marketing faces some problems that are unique to the industry. Web based companies have a special set of challenges that traditional businesses don't have.

1. Marketing integration: mostly sales efforts include multiple channels, both online and offline, e.g. email advertising, social advertising and so on. The problem is that many times these are taken secondary work when they are supposed to serve as a concrete and measurable goal as part of an integrated campaign.
2. Security and privacy: most people do not completely trust web companies and are concerned about offering information about them on cyberspace. This is especially true when companies that collect data are exposed to spam.
3. Impersonal service: web based companies often use electronic methods of providing customer service such as emailing and posting information on the websites to answer possible user questions. This may be taken as too impersonal or uncaring.
4. Improving brand awareness: this is a big challenge for business to sell their products and services. This is because unlike traditional advertising (radio, TV, billboard and print) in which the message of campaign can be reinforced and repeatedly introduced to consumers at the marketer's will. But online advertisements can be shut off by users; therefore web companies are challenged to design more attractive and appealing advertisements.
5. Control on website: many times it is found that there is no special department handles the website of company. Here the entire departments like HR, Finance, and IT etc are running the website. Despite of it this is a work of marketing department. It is good to take advice of other departments but final decision should be of marketing department. Only then a good marketing plan can be framed and achieved.
6. Continuous learning: market is a place where today's product will expire tomorrow because of competition. So the marketers are needed to be updated. They should do continuous learning about new products, customers' changing behavior, buying pattern, taste and preferences and their motivational factors to buy a product. If one wants to sustain in the market he/she have to be aware about the competitors' policy also.

#### 6. Conclusion

In conclusion this paper clearly shown that online marketing is affecting the business in both ways, positively as well as negatively. No doubt when we use technology in positive ways it gives better results. But over dependency upon technology sometimes creates negativity too. Same situation is found with the online marketing. With the help of online marketing sellers are able to increase the sale, can attract more and more customers, can take instant online feedback from customers, can maintain them with customized schemes. But as we know every coin has two sides. Online marketing too has some weakness and threats. It is helpful only for online

users. What about the customers who don't use internet, who live in remote and rural areas, where no access of internet is found. Companies that are not using online marketing with traditional marketing are getting loss in business. As this is an era of internet and those who will not adopt it will become outdated. So, today the seller must use a marketing mix with a combination of both offline and online marketing channels. Because despite the weakness of online marketing; it is reasonable to say that online marketing is shifting the business to development phase and no doubt it is affecting the sellers and buyers in positive way.

### 7. Future of Online Marketing

As we all know that today is the era of internet. People who use the internet are increasing day by day. Youth spent most of the time in surfing the websites of different companies to avail the best offer to meet his requirements. Businesses are also gaining popularity, which are doing online marketing. So we can predict that there is a bright future of online marketing. It is increasing with very fast rate. And the businesses doing only offline marketing will have to face problem in market.

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