

Internet Marketing Over Traditional Marketing

Author: Zenit Raval¹; Dushyant Tanna²; Dhvani Raval³

Affiliation: Marketing and Sales Engineer, Rajoo Engineering, India ¹; Assistant Professor, Dept. of Mathematics, Marwadi Engineering College, India ²; VIT university, India³

E-mail: zenith.raval@gmail.com¹; dtanna.vmgr@gmail.com²; r.dhwani@yahoo.com³

ABSTRACT

Online shopping trend has introduced new dimensions with the rapidly changing requirements of the people all over the globe. It has highlighted novel concepts with modernized tinge before the world and thrown a huge bunch of opportunities and facilities. India ranks on third position in terms of internet users all over the globe, which is equally giving a quick rise to the online shopping trend in India. We can see a huge scope in online shopping as it has a great potential to become big in India and of course all over the world too. It saves the wastage of time that is consumed when one goes for shopping in the store, meeting other different huddles on the way like traffic, vehicle issue, jams, and many others. A common man who hardly gets time to relax on weekends, online shopping would serve as the best option for him as he won't need to plan going out for the items that are easily available online with utmost gratification. The online shopping trend is popping up as a boon in disguise for many small and medium enterprises by giving them golden opportunities to expand and flourish their business and along with joining hands with major Indian online portals to display their products and advertise their services. We can term online shopping as 'A hunt of new world where all your searches ends at one destination.'

General Terms

E - Marketing, Purchasing Power, Chi - Square Test

Keywords

4Ps, Internet Marketing, Alternate Hypothesis, Data Collection, Null Hypothesis, Population Size, Sample Size

1. INTRODUCTION

The advent of the internet and the increasing sophistication of communication technology of the 21st century have made almost every aspect of our life easy and comfortable. The development of communication technology has pervaded almost every sector such as Education, governance, health,

commerce, Business, etc. Online shopping is a process whereby customers directly buy goods or services from a seller in real time, without an intermediary service, over the internet. It is a form of Electronic Commerce which is growing by leap and bounds.

More than half a dozen business to consumer (B2C) websites are running business to sell products online and organize home delivery services. Various categories of products such as grocery and vegetables, fish and meat, bakery and sweets, gifts, cloths, etc are available to buy from a B2C website called online store. Most of the products have been introduced with brand names.

Looking towards the current lifestyle of people which is growing hectic. However the situation is adverse in metro cities. They spend hours and hours on the street to reach their shopping mall or destination. Online shopping could be an alternative way to escape from this unpleasant situation. Everyone is familiar with supermarket or shopping mall. Shopping at these markets or stores is called traditional shopping in this study. Traditional shopping has a lot of advantages. Seeing, touching, and smelling products are important factors for many people when they buy things. Most of the people would not buy a piece of expensive jeweler or dress only on the basis of a picture on a website. Shopping is also viewed as an entertainment by many people and it is a place for get together with family and friends.

In spite of certain advantages of traditional shopping, increasing popularity of shopping online many customers in western countries are reluctant to face inconvenience and crowds, incompetent shopping assistants in the store, going all the way to the shop only to find the product they are looking for is rather inconvenient. The only extra expense is the delivery but this could be outweighed by travel expenses. A survey showed that people use online shopping for top three reasons: for convenience, to save time, and the ability to compare shops. Online shopping has also created better pricing and incentives in western

countries. There are several options for payment for example credit card, billing to mobile phone, cash on delivery etc.

2. COMPARISON BETWEEN E-MARKETING AND TRADITIONAL MARKETING

The comparison is made based on the marketing mix theory by Philips Kotler. The marketing mix theory of Philip Kotler, the 4Ps are presented here in the following order, Product, Price, Place and Promotion.

Marketing mix for traditional marketing

1. Product

- Product is the solution to customers wants or/and needs.
- There are different aspects of product that needs to be considered like design, function and quality of the product.
- The marketer needs to know what kind of appearance such as size, color and generally design of product is wanted or needed.
- Service is also a part of this P.
- It is the intangible good that a company can offer to its customers and it is difficult for satisfying customer's needs and expectations.

2. Price

- Pricing is an important part of the marketing strategy and it sends out a message about the product, company and the image.
- The decision of pricing is dependent on what goals the company wants to achieve
- Setting a price is a process and based on the marketing mix theory there are 6 steps in this process.
 - pricing objectives
 - Determination of demand
 - Estimation of costs
 - Analyzing competitors' costs
 - prices and offers
 - Selection of pricing method
 - Selection of final price

3. Place

- Place in marketing can be about location in the means of store, factory and storage.
- Also the decisions on distribution channels and transport are part of it.
- The company should act on the goals they want to achieve by the location they choose.
- Some examples of the factors that have an effect on this decision are the cost of the chosen location, the amount the company can spend in this area, the profitability of it and the space needed.
- The choice of place can be very radical for the success of the business.

4. Promotion

- Promotion is one of the important Ps of 4 Ps of marketing mix.
- The focus is mainly on how the company could reach its targeted customers and communicate its message to them.
- It mainly includes sales promotion, face to face selling, advertising, public relations, direct marketing, direct mailing, catalog marketing, telemarketing etc

Marketing mix for E- marketing

Internet marketing is often presented as a new theory of marketing but the basics of marketing mix are still applicable and Internet offers new opportunities to adapt them

1. Product

- "The Internet leads to faster discovery of customer needs, greater customization of the products to the customer needs, faster product testing, and shorter product life cycles."
- Internet offers the opportunity of developing new products or services.
- Internet provides the opportunity of offering a core product that satisfies the customers' fundamental needs, but it also enables the companies to offer additional services such as interactivity or more information about the company's core product.
- On Internet, a picture or description will replace the physical product offered in the traditional marketplace or in stores.
- Providing complete and relevant product information is crucial in order for the customers to get a realistic picture of the product and to make the product offered more attractive.

2. Price

- Compared to the other elements of the marketing mix, Price is the most flexible element since it can be adapted quickly to the market's demand than other elements.
- Price on the Internet has become very competitive.
- There are two reasons for that :-
- one is price transparency on the Internet as it is much quicker and easier to compare prices

3. Place

- The Place element of the marketing mix traditionally refers to where the product is distributed to customers.
- Internet offers a new way for distributing products through online selling.
- The Internet has the greatest implications for Place in the marketing Mix because it has a large market place.

- People can make a purchase decision anywhere they are thanks to online selling.
- With Internet, companies can expand from local market to both national and international markets.
- Companies can gain the advantage of the low cost of advertising internationally without the necessity of a supporting sales infrastructure in different countries.

4. Promotion

- The Promotion element of the marketing mix refers to how marketing communications are used to inform customers about an organization and its products.
- Internet can be used to review new ways of applying each of the elements of the communications mix which are advertising, sales promotions, PR and direct marketing by using new media such as the web and e-mail.
- Promotional tools on the Internet such as online offers, frequently updated information and direct e-mail reminders, companies can encourage customers to visit their sites.
- Internet Advertising is a form of advertising that uses the Internet to deliver messages about a company and attract customers.
- Internet is a new medium for Public Relations (PR) it offers companies the opportunity to publish the news directly.
- They can use Blogs, Podcasts / Internet radio shows, online newsrooms and media kits.
- Internet provides companies with a new tool for direct marketing and Advertising that may be cost effective and provide maximum delivery to targeted customers.

3. ADVANTAGES / DISADVANTAGES OF E - MARKETING AND TRADITIONAL MARKETING

3.1 Traditional Marketing

Advantages:

- Broad Reach – TV and radio still remains the highest household media transmission device.
- Creative Possibilities – variety of media choice allowing animation and audio, or brilliant full-color prints which offer possibilities for innovative promotion approach.
- High Intrusion Value – visual and audio have the capability of interrupting a viewer. Geographic Selection – provide possibility for highly effective market segmentation.
- Rich shopping experience - Shopping is viewed as an entertainment by many people and it is a place for get together with family and friends.

Disadvantages:

- High Cost – cost for developing TVC, magazine advertising, or direct-mail still
- Remain much higher in comparison with internet promotion.
- Long Lead Time – turn-around time for updating an advertisement will require troublesome procedures and lengthy time.
- Short Exposure Time – due to the high cost of the media, most advertisement are only broadcasted for a short period of time.
- Low Flexibility – troublesome updating procedures and limitation on media control resulting in low flexibility for creativity.

3.2 E-Marketing

Advantages:

- Low Cost – charges for production are less costly and cost such as printing is totally eliminated.
- Short Lead Time – updating procedures are simple and can be done over the Internet.
- High Market Segmentation - provide possibility for highly effective market segmentation. It can leverage on technology to locate specific interest Groups of customers.
- Interactive – two-way response which catches the interest and attention of the audience.
- High Flexibility – the media can be customized, modified in a short period of time.
- Content Architecture-Content architecture is the presentation of the contents and design of the webpage to make the online store user friendly and achieve goals of the electronic business.
- Clarity of Product Information-Clarity of product information means providing accurate and reliable product information. A range of products are listed under each product category and each item is introduced with required information
- Order Placement-The online store provides step by step short instructions for making order of products. It covers registration/sign up process, selecting items, selection of delivery area with date and time, and payment procedure.
- Delivery of Products-The online store charges delivery fees on the basis of the locations

Disadvantages:

- Low Intrusion Value – the Internet is a passive media and difficult to initiate the attention of viewers.
- High Clutter – due to the cluttered advertising environment on the internet, it is very difficult to catch the attention of the viewer.
- Hard to retain Interest – web-banners and online advertising are simple in their design. Also, multiple messages are presented on a single page resulting in low retention of interest.

If we use Hypothesis we can find relation between income and their purchase behavior

Please use a 9-point Cambria (Headings) font, or other as close as possible in appearance to Cambria (Headings) in which these guidelines have been set. The goal is to have a 9-point text, as you see here. Please use sans-serif or non-proportional fonts only for special purposes, such as distinguishing source code text. Right margins should be justified, not ragged.

3.3 Arguments in favor for growth of E-marketing in India

- E - Marketing not only enables you to satisfy your needs in terms of clothing, electronics, ticketing and other items where you can view wide range of products and buy them with a complete satisfaction of the services ensuring their originality, safety and security.
- Another great benefit of Online shopping over the globe is that one can often find great deals online that are not available when you visit the stores.
- One can make money every time while shopping at any online store through different schemes, exciting offers and free prizes or gift coupons that the sites, brands or online stores offer when you purchase online.
- Online shopping trend in India is increasing with good pace because India is also developing and changing with the change of trends.

3.4 Arguments against the growth of E-marketing in India

- Online shopping has had a rather slow and tumultuous journey in India, it has not picked up as much as it should have primarily due to the fact that internet penetration itself is quite low and secondly (and importantly) the online shopping experience has been bad to say the least.
- Although there are grass root problems, I still believe that Online Shopping in India is evolving fast and has the potential to grow exponentially in the times to come, as the internet penetration reaches far and wide across the rural area.
- Traditionally, Indians are conservative in their approach to shopping. They want to touch and feel the products and test its features before buying anything.

4. DATA ANALYSIS WITH CHI - SQUARE TESTS

Hypothesis Test-1

| Income | Security | | | |
|--------|-------------------|-----------|----------------|-----|
| | Strongly Disagree | Can't say | Strongly Agree | |
| 0-10k | 12 | 7 | 25 | 44 |
| 11-20k | 11 | 8 | 6 | 25 |
| >21k | 10 | 5 | 16 | 31 |
| | 33 | 20 | 47 | 100 |

Hypothesis

- Step-1 Hypothesis follows
 - ⊙ Ho: Income is an independent of online security aspect of purchasing
 - ⊙ Ha: Income is a dependent of online security aspect of purchasing

Step-2 Statistical test is Chi Square non parametric

$$\chi^2 = \frac{(O_{ij} - E_{ij})^2}{E_{ij}}$$

- Step-3 the value of α is 0.05
- Step-4 Degree of freedom $D_f = (3 - 1)(3 - 1) = 4$
- Step-5 Calculated value

| Income | O _{ij} | E _{ij} | O _{ij} -E _{ij} | (O _{ij} -E _{ij}) ² | (O _{ij} -E _{ij}) ² /E _{ij} |
|--------|-----------------|-----------------|----------------------------------|--|---|
| | | | | | |
| 0-10k | 12 | 14.5 | -2.52 | 6.3504 | 0.4374 |
| | 7 | 8.8 | -1.8 | 3.24 | 0.3682 |
| | 25 | 20.6 | 4.32 | 18.6624 | 0.9024 |
| 11-20k | 11 | 8.25 | 2.75 | 7.5625 | 0.9167 |
| | 8 | 5 | 3 | 9 | 1.8 |
| | 6 | 11.7 | -5.75 | 33.0625 | 2.8138 |
| >21k | 10 | 10.2 | -0.23 | 0.0529 | 0.0052 |
| | 5 | 6.2 | -1.2 | 1.44 | 0.2323 |
| | 16 | 14.5 | 1.43 | 2.0449 | 0.1404 |

| | |
|---------------------|--------|
| $X^2(\text{Cal}) =$ | 7.6162 |
|---------------------|--------|

Calculate value $X^2 = 7.6162$

Step-6 Table Value $X^2 = 9.488$

Step-7 $X^2(\text{Cal}) < X^2(\text{Tab})$

So null hypothesis is accepted

Interpretation

As the hypothesis is accepted there is a no relation between Income and their purchase behavior via E-purchasing.

Hypothesis Test-2

If we use Hypothesis we can find relation between Gender and their purchase behavior

| Gender | Happy with Traditional | | | |
|--------|------------------------|-----------|-------|-----|
| | Disagree | Can't Say | Agree | |
| Male | 29 | 6 | 18 | 53 |
| Female | 23 | 10 | 14 | 47 |
| | 52 | 16 | 32 | 100 |

Hypothesis

- Step-1 Hypothesis follows
 - ⊙ Ho: Gender is an independent of more preference E-purchasing
 - ⊙ Ha: Gender is a dependent of more preference E-purchasing
- Step-2 Statistical test is Chi Square non parametric

5. SECTIONS

The heading of a section should be in Cambria 12-point bold in all-capitals flush left with an additional 6-point of white space above the section head. Sections and subsequent subsections should be numbered and flush left. For a section head and a subsection head together (such as Section 3 and subsection 3.1), use no additional space above the subsection head.

5.1 Subsections

The heading of subsections should be in Cambria 12-point bold with only the initial letters capitalized. (Note: For

$$X^2 = \frac{(O_{ij} - E_{ij})^2}{E_{ij}}$$

- Step-3 the value of α is 0.05
- Step-4 Degree of freedom $D_f = (2 - 1)(3 - 1) = 2$
- Step-5 Calculated value

| Gender | O _i j | E _{ij} | O _{ij} - E _{ij} | (O _{ij} - E _{ij}) ² | (O _{ij} - E _{ij}) ² /E _{ij} |
|---------------------|---------------------|-----------------|--------------------------------------|--|---|
| Male | 2 | 27.5 | | | |
| | 9 | 6 | 1.44 | 2.0736 | 0.0752 |
| | 6 | 8.48 | -2.48 | 6.1504 | 0.7253 |
| Female | 1 | 16.9 | | | |
| | 8 | 6 | 1.04 | 1.0816 | 0.0638 |
| | 2 | 24.4 | | | |
| Female | 3 | 4 | -1.44 | 2.0736 | 0.0848 |
| | 1 | 0 | 7.52 | 6.1504 | 0.8179 |
| | 1 | 15.0 | | | |
| | 4 | 4 | -1.04 | 1.0816 | 0.0719 |
| $X^2(\text{Cal}) =$ | | | | | 1.8389 |

Calculate value $X^2 = 1.8389$

- Step-6 Table Value $X^2 = 5.991$
- Step-7 $X^2(\text{Cal}) < X^2(\text{Tab})$

So null hypothesis is accepted

Interpretation

As the hypothesis is accepted there is a no relation between Gender and their purchase preference of E-purchasing.

subsections and subsections, a word like *the ora* is not capitalized unless it is the first word of the header.

5.1.1 Subsubsections

The heading for subsections should be in Cambria 11-point italic with initial letters capitalized and 6-points of white space above the subsection head.

5.1.1.1 Subsubsections

The heading for subsubsections should be in Cambria 11-point italic with initial letters capitalized.

5.1.1.2 Subsubsections

The heading for subsubsections should be in Cambria 11-point italic with initial letters capitalized.

6. ACKNOWLEDGMENTS

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