INTERNET MARKETING AS A BUSINESS NECESSITY

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ABSTRACT

The pace at which marketing discipline evolves each year is challenging for both individual marketing experts and companies as systems, which are permanently competing for global consumers. With the development of the Internet as the main channel and best opportunity for the implementation of the optimal “one-to-one” marketing model, Internet marketing as a new area of marketing theory and practice has emerged and is constantly improving. On the other side, the power and attractiveness of online surrounding have also transformed the way consumers behave, creating new patterns and lifestyle that have to be taken into account when creating appropriate Internet marketing strategies, far different from the traditional ones. Thus, the aim of this article is to examine fundamentals of Internet-based marketing, and to analyse challenges and opportunities that should be addressed by modern companies in their Internet marketing strategies, together with possible limitations and risks that emerged in the electronic marketplace. The method used in the article is secondary research, and implies a detailed analysis of researches and studies in the given field.

KEY WORDS
internet marketing, digital marketing, online marketing, online consumer

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INTRODUCTION

Globally, the number of web sites increased from 17 million in 2000 to 1 billion US$ in 2014 [1]. Worldwide business-to-consumer e-commerce sales increase by 20.1% in 2014 reaching 1500 trillion US$ [2]. There is an expansion of online and mobile users across the globe, especially from emerging markets, m-commerce sales is constantly rising, shipping and payment options have been simplified and major global brands have been pushed into new international markets [2]. The age of Internet and digitalization is here, and Internet economy is growing rapidly each day.

Following improvements in mobile and tablet technology, together with social media, marketing has set itself in a new, complex and challenging market environment. Internet has become the primary business playground and the most popular communication channel, creating new rules and new roles on both supply and demand side, and Internet marketing and e-commerce have emerged as a major preoccupations and business skills in all industrial branches. Marketing has become completely new discipline today compared with the one that was known a decade ago, making traditional marketing methods less effective and expensive [3].

Thus, the aim of this article is to examine fundamentals of Internet-based marketing, starting with pointing out its scope and terminology variety, since it is a widely used term and very popular subject of research. By analysing online customer behaviours and new models of interaction and communication among customers, authors point out all challenges and opportunities that should be addressed by modern companies in their Internet marketing strategies, together with limitations and risks that emerged in electronic marketplace. Relying on secondary research method, that implies detailed analysis of researches and studies in the given field, the article has made a contribution in modern discussion how Internet improvements are going to create even more dynamic and challenging business environment in just next few years, and point out that embracing digital marketplace rules and engaging in full range of Internet marketing activities is a necessity for companies across all industries.

INTERNET MARKETING – SCOPE AND TERMINOLOGY

Internet marketing is a term that is expanding its scope each day. Besides, communication with consumers through the Internet channel is getting various forms and names almost each day. Generally, this is the area that implies fast changes and new dimensions in all its segments. Thus, it is important to become familiar and follow the pace of all changes in Internet marketing, given that there is a whole new terminology connected with a variety of Internet-based marketing approaches and strategies that are fundamental for gaining sustainable competitive advantage.

The most common comparison is made between Digital and Internet marketing. These two terms are similar but not synonyms. Even though Digital marketing is also known as Internet marketing, online marketing, web marketing or data-driven marketing [4], it is the umbrella term for a group of marketing processes that exploit all available digital channels and Internet technologies with the aim of promotion of branded products and services. Its development is a direct result of the increased electronic data, digital media usage and its impact in business sphere globally. So, its development has primarily followed Internet improvements, which is the reason why it has so many manifestations.

Some authors claim that Digital marketing and Internet marketing are not the same things [5]. Accordingly, Digital marketing is wider term that includes both online and offline digital technologies and multiple channels under it, while Internet marketing bases its activities only on the Internet. Some of digital marketing channels are “sms marketing, digital print ads,
television marketing, radio advertising, etc.” [5; p.29]. This is not the case with Internet marketing, given that some of Digital marketing channels don’t necessarily require Internet connection. Furthermore, both Digital and Internet marketing cover web, search, social media, e-mail, digital advertising and media buying [6], and both are very effective in conducting, analysing and measuring total effects of marketing campaigns.

Internet marketing use modern technologies and Internet connection for reaching marketing objectives [7]. Some of the most common subjects that various authors addressed in their scientific papers are linked with marketing mix evolution because of wide Internet adoption [8]. Internet channels superiority over traditional channels and media, emergence of new marketing channels etc. [9, 10]. Further, in this article, authors will focus on Internet marketing analysis from the perspective of new consumer behaviour, Internet marketing channels strategy.

INTERNET CUSTOMERS INSIGHT

Internet and modern technology also transformed the way people behave, interact, communicate and purchase. Big data has become not only the business reality, but also the reality of each consumer, that has to adopt to the informational age and develop new patterns of behaviour. Entering the Internet market companies are actually taking the veil of a massive market and new age audience that cannot be ignored [11].

Internet customers are easy for tracking, especially because smartphones has become dominant medium for accessing Internet across all age groups [12]. They prefer digital channels for investigating, selecting and purchasing brands [13].

Internet customers are not passive observers of the market happenings; they are active participants of a dialog with companies, co-creators of marketing strategies and active judges of all companies’ activities and decisions. Their power is related to four sources [14; p.51]: (i) “technological – right to be heard; (ii) economic – right to choose; (iii) social – right to be informed, and (iv) legal – right to safety”.

Besides sharing information about products and services they use, they are highly attracted with multiple options for sharing information about themselves [15]. Yung [16] described online public as “discerning, fragmented and cynical”, indicating the amount of freedom, space and power they gained over the last few years. Online consumers are very demanding in terms of their satisfaction with marketing communication and experience with the products and services they use. Information without engagement and entertainment is not enough for reaching delight [15]. Consumers are looking for special, different and hyper-personalized content all the time that is in accordance with their lifestyle and ideal self-image. They use all online options to discover the best solution for their interests.

Phases that consumer passes through while engaging with brands in online environment are [11]: awareness, engagement, purchase, post purchase, advocacy, and brand evangelist. They expect the relevant and inspiring content at every point of their journey.

INTERNET MARKETING CHANNELS

Although, beginnings of Internet marketing are associated with advertising boom and first versions of search engine optimisation (SEO) in 1995 [17], today, it is an umbrella term for “email marketing, search engine optimization, social media marketing, pay per click, display ads on websites, gaming advertising, search engine marketing, call back or hold-on mobile ring tone, etc.” [5; p.30]. Internet marketing is a subset of Digital marketing, its main component, and it exploits dominantly Internet channel for the promotion of brands. Major channels of Internet marketing are the following [5]:

267
Web site is a starting point in Internet marketing campaign and communication with customers [18]. It is a “place” in digital space “owned” by a company, where all information about the company and its products can be found. This is also the final destination of all banners, social media profiles, texts and similar content that exist across the Internet about the company. Specific and very popular type of web site is blog, which generates its power to make an influence on consumers by providing information about particular subject (usually about products) in a form of personal opinion, usually given by an expert or just an ordinary consumer that is expressing his first impressions about the subject in a form of personal diary [19]. The idea that stands behind blogging is electronic word-of-mouth and encouraging communication about the product between consumers that has experience with it.

Search Engine Marketing (SEM) is a tool for increasing visibility of a company’s website and making online promotion of a company more effective. It uses paid advertisements links (pay per click platforms – e.g. Google Adwords) and Search Engine Optimization (e.g. Google, Bing, Yahoo) for acceleration of website traffic – specifically, the aim is to attract as many targeted users as possible and to increase visits to a website and awareness of company’s brands [18]. In this process, special attention should be put on the process of designing unique and attractive content for the targeted audience.

Social media marketing is “an innovative tool that organizations use for creating a very strong public relation with the customers on the virtual networks” [20]. Social media platforms (e.g. Facebook, Twitter, Instagram, LinkedIn etc.) consist of large and various communities of customers that are not that easily available and visible in traditional channels. Those groups have a great power in sharing information about the company and its products, expressing personal opinion, rating their experience that can be both positive and negative. Social media web sites help in enhancing the communication with all users, and each social media site demands different approaches, techniques and strategies of marketing. Conducting marketing through social media networks “is not about you getting your story out; it’s about your customers; it’s about being more transparent, earning trust, and building credibility” [21; p.36]. Social networks provide great opportunity for reaching maximum results with minimum investment [22].

Content marketing is “a strategic marketing approach focused on creating and distributing valuable, relevant, and consistent content to attract and retain a clearly defined audience and, ultimately, to drive profitable customer action” [23; p.8]. It is a “good story about the company that is described in hundred words, without mentioning company’s references, brands and all other superlatives, and that, even without these components, carry attributes authentic, focused, and relevant” [20]. The aim is driving and retaining customer action and interaction with company and its brands with authentic, original and inspiring content.

E-mail Marketing is the direct way for personal and customized communication with new and old customers. It helps in reaching more customers and conveying a wide variety of messages in creative forms with the possibility of getting direct feedback from customers’ and measuring its effectiveness easily [5]. E-mail marketing campaigns are cost effective, personalised, fast, massive but targeted, approved by consumers that are usually consciously registered on the companies e-mail list, easily tracked etc. However, it is very important to
avoid spamming consumers with lot of information that are not relevant but rather sent just to remember the consumers about the company’s presence.

Mobile marketing is about creating content or ads that is viewable and suitable for a mobile device [18]. It implies “any marketing activity conducted through a ubiquitous network to which consumers are constantly connected using a personal mobile device” [24; p.132]. Mobile marketing has become business necessity in the last few years, given that “the extent of mobile engagement by consumers is so pervasive that it can’t be ignored by any business”, and implying that “all marketing must be optimized for mobile, first” [15]. Smart phones are devices that are always “in the pocket” of its users, with constant connection to the Internet, so the opportunity mobile marketing provides for a company is creating fully customised information to customers, depending of their location, time, activities and other data about the person that could be tracked through mobile device and application installed on it.

Display Advertising is focused on the usage of visual elements like images, videos, animations, rather than text, in creating brand awareness and image, and finally sales [5].

Internet marketing channels, together with all possibilities and opportunities they give for growing business online, can also be presented as “The Internet marketing tree”. The main parts of the tree – deep roots, sturdy trunk and branches – demonstrate priority and order in conducting Internet marketing strategy [25].

INTERNET MARKETING STRATEGY

The creation of new positions like Chief Digital Officer (CDO), Chief Information Officer (CIO), Chief Technology Officer (CTO) and various others testify how important is for a company to keep up with trends in digital age, especially in terms of transformation of traditional organizational systems and cultures. Consulting firm Russell Reynolds Associates describes the CDO as “an individual who helps a company drive growth by converting traditional “analogue” businesses to digital ones, and by overseeing operations in the rapidly-changing digital sectors like mobile applications, social media and related applications, virtual goods, as well as “wild web-based information management and marketing” [26]. Accordingly, in the years ahead, whole marketing discipline must be adapted to the new business climate. Understanding Internet marketing postulates and all the possibilities of its channels is the essence of new age marketing strategy.

Successful Internet marketing strategy requires integrated campaign, collaboration and coordination of all actions and actors, in order to avoid generating duplicate or unadjusted content that is not aligned with the general marketing aim. Transparency is on the highest level, and each activity is recorded and can be tracked [15]. “Marketers must move from the reactionary (cost-centre) mentality but view themselves as growth strategists – and execute a digital plan around their member’s buying journey – including awareness, consideration, purchase, adoption and advocacy.” [15].

Sweetwood [6; p.5] explained that the basic marketing specialist’s skills today are associated with data management, analytics, data governance and reporting. Besides, he highlighted the role of Inbound marketing and the art of engaging with customers in every point of decision journey, by creating a “deeper and more intelligent conversation with potential customers”. Inbound marketing, as one of the basic Internet marketing strategies, refers to the preferred and highly effective approach in reaching consumers who are overloaded with information from different media, and refers to catching consumer attention by providing value that will firstly create a relationship, develop trust and finally lead to sales [27].

Guidance for effective Internet marketing strategy, given by Vaughan [3] emphasizes the following important ingredients of “inbound” approach:
- creating a keyword strategy and optimising website – in order to be easy found by customers through SEO,
- creating blog and marketing offers – driving the right people to your business and offering a value for them,
- promoting content through social media – using the “buzz” power of social media platforms and creating a group of advocates that will engage in sharing of the company’s content viral,
- converting web site traffic into leads – transforming visitors of a web site into potential consumers,
- nurturing leads with targeted messages – staying at the top-of-the-mind of potential customers and creating a desire for purchase,
- optimizing marketing for mobile viewing – making all content and offerings optimized for mobile devices,
- analysing and refining business and marketing strategies – conducting examination of marketing strategy from the beginning to the end and improving it in all points.

Given that customers are very attracted with making an impact among members of their online social community, influencer marketing together with content marketing has become very effective and creative tools in “reaching multiple micro-markets that company wouldn’t traditionally reach in online or TV advertising campaigns” [15].

Internet marketing demands a holistic strategy and engagement of all the channels that are available in online space, with constant evaluation and improvement of Internet marketing manager skills and expertise.

Riefenstahl [28; p.90] suggested that when planning Internet marketing strategy, companies should “focus on rational and emotional benefits for the company, products or services in each medium”. Besides, he gave the next tips that should be taken into account in making marketing plans [28]:
- each company should have its own web site,
- company’s web site must be optimized for desktop, iOS, Android phones and tablet usage,
- blogging is a great tool for keeping in touch with customers, and blog section on web site should be inspirational,
- communication should be crafted according to different interests of multiple target audiences,
- all marketing messages in each medium should be integrated carefully,
- public profiles of all employees should be in accordance with organizational image and interests,
- design of all messages is very important part of communication and driving attention,
- talking through videos and live streaming is effective in online communication,
- highlight and distinguish business from competition with a unique message,
- engaging with customers through social media is necessity,
- track customers interests and adapt permanently.

Generally, according to Jones et al. [17], there are three general cornerstone principles of Internet marketing that are crucial for success in virtual market: (i) immediacy with timely response to the audience, (ii) personalization, and (iii) relevance of information.

The power of marketing strategy in Internet environment, especially through social media platforms, is the fact that with investing less money a company can reach higher scores, and additionally, comparing with traditional marketplace, there are no geographical and time limitations [29].

**LIMITATIONS AND POSSIBLE RISKS OF INTERNET MARKETING**

On the other side, when planning optimal online strategy, it is very important to be aware of all limitations and possible risks of Internet marketing implementation.
Empowering customers to be informed, to say or write directly what they thing and what they want, mean demanding much more than a company maybe initially planned to give [30]. All stakeholders are looking for long-term relationships that are based on high value delivery, and business partners are necessary if a company want to keep the pace with innovation [31]. Additionally, the competition in electronic marketplace is tougher than ever, switching from one to another product is easier than ever, since diversity of supply is high, which makes the process of engaging customers and keeping their loyalty one of the most difficult tasks of a company.

In online world, content is everything. It is one of basic means of Internet marketing and social media that have become “new hybrid component of integrated marketing communications” that is a powerful weapon in engaging customers and create meaningful relationships [32; pp.357-360]. However, controlling content is not an easy task – it is rather a challenging issue that is in forefront of each successful Internet marketing strategy. The second dilemma in online business is weather a company should have both social media business page and website, or just the first one. The importance of professional company’s website is growing and it has become a standard in Internet marketing strategy, since it allow “better search engine marketing, full control of content and consequently better branding” [4].

Limitations and risks in Internet marketing content also depends on the level of development of a country. Primarily, they were linked with “connection costs, connection speeds, limited credit card availability and usage, lack of secure online payment methods, availability of local content, availability of own-language web sites, logistical barriers related to physical product delivery and fulfilment, etc.” [33]. Gregorio et al [34] summed all these restraints, on both developed and developing markets, in six important predictors of e-business activities: (i) English language capabilities, (ii) internet infrastructure, (iii) computer infrastructure, (iv) affordable telephone service, (v) literacy rates, and (vi) logistical infrastructure.

Server and data limitations, reaching specific groups of consumers, making backups and various other can also harm a strategy, so a company should always have a backup plan in case of their manifestation.

CONCLUSION

Internet technology has moved the boundaries in company-customer relationship, and completely transformed management and organizational processes. For marketing discipline, connected world has brought plethora of opportunities and challenges.

In this article, authors have examined Internet marketing from various perspectives. Since its grooving importance and popularity in business circles, it was important to point out its scope and terminology. Likewise, observation of online customer behaviours and new models of interaction and communication among customer in marketing generally, and now in Internet environment especially, is absolutely necessary for spotting right directions of marketing operations. In addition, authors point out all challenges and opportunities that should be addressed by modern companies in their Internet marketing strategies, together with limitations and risks that emerged in electronic marketplace. Finally, the article has given contribution in modern discussion how Internet improvements are going to create even more dynamic and challenging business environment in just next few years, and point out that embracing digital marketplace rules and engaging in full range of Internet marketing activities is a necessity for companies across all industries.

On the other side, besides numerous opportunities, implementation of Internet marketing and reaching success in this area is not an easy task. Online audience is “discerning, fragmented and cynical” more than ever [16]. Modern customers are highly demanding in terms of content and experience they get from companies and brands, and very interested and active in interaction
with the members of their online network through word-of-mouth communication that resonates across the whole market. For a company, this can be a chance as well as obstacle, which is the reason why crafting right marketing strategy in each phase of customer journey is crucial for converting potential consumers into advocates. With ever-changing products, services and technology, timely response and adoption to a new market reality (with reaching the highest level of consumer satisfaction), requires much skill and effort. Acquaintance of the essence of Internet marketing methods and manifestations is vital in competitive business landscape. It means dealing with a variety of online business options as well as mastering new rules of Internet marketing strategy and creating “digital relationship” with customers [35].

Keeping up with trends, innovations and new patterns of behaviour of both competitors and customers has become an important part of the process of creating distinctive competitive advantage and reaching targeted segments of customers in digital age. Virtual world provides a lot of room for improvements, creative strategic approaches and superior performance – it is up to a company how will take advantage of it.

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