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E-Commerce or Internet Marketing: A Business Review from Indian Context

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Abstract: *This paper deals the conceptual knowledge of search engine marketing (SEM) or e-commerce, literature review, current and future aspects of e-commerce in India in context. This paper discussed about the top motivator factors of shopping online. The present development would be a valuable addition to researcher and academicians; and useful theory for practitioners, advertisers, and entrepreneurs.*

Keywords: *SEM, Online Marketing or E-commerce, Pay per click (PPC).*

I. INTRODUCTION

Khan and Mahapatra (2009) remarked that technology plays a vital role in improving the quality of services provided by the business units. One of the technologies which really brought information revolution in the society is Internet Technology and is rightly regarded as the third wave of revolution after agricultural and industrial revolution. The cutting edge for business today is e-Commerce. The effects of e-commerce are already appearing in all areas of business, from customer service to new product design. It facilitates new types of information based business processes for reaching and interacting with customers like online advertising and marketing, online order taking and online customer service etc. It can also reduce cost in managing orders and interacting with a wide range of suppliers and trading partners, areas that typically add significant overheads to the cost of products and services [Rajiv Rastogi].

Businesses are increasingly using the Internet for commercial activities. The ubiquitous nature of the Internet and its wide global access has made it an extremely effective mode of communication between businesses and customers [Rowley (2001)] Thompson (2005) introduced that the growth of Internet technology has enormous potential as it reduces the costs of product and service delivery and extends geographical boundaries in bringing buyers and sellers together. Devendra et al (2012) defined that electronic commerce, commonly known as e-commerce or e Commerce, consists of the buying and selling of products or services over electronic system such as internet and other computer network. Intent is the technology for e-commerce as it offers easier ways to access companies and individuals at very low cost in order to carry out day-to-day business transactions. Search engine marketing (SEM) is a form of web advertising that companies use to promote their products and services on search engine results pages (SERPs). SEM is focused on the effective use of search engine advertisements (a.k.a., sponsored results, sponsored links) that appear on the SERP.

SEM which allows firms to target consumers by placing ads on search engines has proven to be an effective audience acquisition strategy. Unlike traditional online advertising, advertisers pay only when users actually click on an ad when successfully implemented, SEM can generate steady traffic levels and tremendous return on investment (ROI)

Boughton (2005) remarked that most online advertising campaigns have two main objectives: brand development and direct response. Selecting an appropriate marketing channel ultimately depends on which strategies will provide the greatest ROI. Firms that offer products and services through the Web clearly stand to gain from Internet advertising because their prospective customers are already online. Non web-based companies may choose online marketing in order to increase exposure and promote brand. SEM allows companies to closely track their ROI from an audience acquisition standpoint. SEM delivers ads to users who are already searching for the products or services that an advertiser is offering, meaning that theoretically, they are only receiving qualified traffic. Unlike traditional banner ads, advertisers are charged based on the number of clicks they receive, not on the number of impressions (number of times an ad appears). Furthermore, many marketing campaigns place a great deal of importance on branding. PPC ads can be very effective in terms of driving home a brand name because they appear alongside search results for thousands of different search terms.

SEM is a form of Internet marketing that involves the promotion of websites by increasing their visibility in SERP through optimization (both on-page and off-page) as well as through advertising (paid placements, contextual advertising, and paid inclusions) [Search Engine Land 2007]. This paper deals the conceptual knowledge of search engine marketing or e-commerce, literature review, current and future aspects of e-commerce in Indian context. This paper discussed about the top motivator factors of shopping online. The present development would be a valuable addition to researcher and academicians; and useful theory for practitioners, advertisers, and entrepreneurs. The further research areas are; the quality of sponsored ad text, ad position, Search Engine Optimization (SEO), Page Rank, yellow pages, bid management etc.

II. LITERATURE REVIEW

Literature on web theory is scant because it is a relatively a new area and the technologists at the forefront of Web design are typically not sufficiently academically inclined to formulate the relevant theories (Day, 1997). While previous research has examined Internet usage (Teo, Lim, & Lai, 1999), commercial websites (Gonzalez and Palacios, 2004), website design (Kim, Shaw, & Schneider, 2003), website effectiveness from the consumers' perspective (Bell & Tang, 1998), pricing paid placements on search engine (Sen et al., 2008), and bidding (Bernard and Simone, 2011).

This form of online advertising emerged in 1998 [Fain and Pedersen 2006], rapidly has become the central business model of the major search engines [Jansen and Mullen 2008], and is one of the most rapidly growing segments of the online marketing area [SEMPO Research 2009]. Search engine has become a necessity for people to surf the web [Hsien-Tsung Chang, 2011]. It is a simple user interface is designed. Any user simply fills in several fields and the system makes the decision about what to find, where to search and how to look at. The threshold of search is lowered. SEM is an internet marketing model aiming at promoting the ranking of websites in the search engine's search results page which can make a web site introduce into more web users and website traffic [iProspect 2008]. Li-Hsing HO et. al., (2011) explained about exploration of SEO technology applied in internet marketing, Kesharwani and Tiwari (2011) studied the importance of website quality towards the success or failure of any e-vendor. Khan and Mahapatra (2009) studied that the quality of internet banking (i-banking) services in India from customer's perspective. Malhotra and Singh (2007) carried out a research to find the i-banking adoption by the banks in India. Thus, it is high time that India should act fast and decisively in order to use the growing electronic trade to our advantage.

III. MAJOR SEARCH ENGINES IN THE MARKETS

By distinct search engines, means that search engines, portals, and websites who have alliances and who solicit bids for paid placements from a single source are treated as one search engine. For instance, by successfully bidding for a paid link with Overture exposes a seller to traffic from several websites, including MSN, Yahoo!, AltaVista, Info Space, All the Web and NetZero. There are various search engines by content/topic such as Baidu (Chinese, Japanese), Bing, Blekko, Google, Sogou (Chinese), Soso.com (Chinese), Volunia, WireDoo, Yahoo!, Yandex (Russian), Yebol, and Yodao (Chinese) Among PPC

providers, Google Ad Words, Yahoo! Search Marketing, and Microsoft adCenter are the three largest network operators, and all three operate under a bid-based model.

IV. THE ADVANTAGES AND DISADVANTAGE OF INTERNET MARKETING

Melody and Robert (2001) remarked that the Internet can provide timely information to customers because of its ability for instant communication, and its availability 24 hours a day, 7 days a week [Lane, 1996]. On-line marketing offers more choices and flexibility [Lamoureux, 1997] and, at the same time, eliminates huge inventories, storage costs, utilities, space rental, etc., [Avery, 1997]. People tend to associate Internet marketing with direct marketing because companies participating in online marketing usually shortened the supply chain [Edwards, et al., 1998] and reduced commission and operating costs. The ability to serve as both a transaction medium and a physical distribution medium for certain goods is a unique feature of Internet marketing. Such advantages can be best realized by companies that provide digital products/services such as software, music, news, consulting services, online ticketing and reservations, telemedicine, insurance, banking, stock brokerage, tax, and other financial service industries. Using the Internet as the distribution channel can reduce not only the delivery cost substantially, but also ensures instant delivery of products/services.

Moreover, Ruckman (2012) suggested that Internet research becomes an increasingly important tool during the purchasing process; More marketers are seeing the advantages too. It's a win-win situation. Marketing departments are investing more into online marketing today because it's:

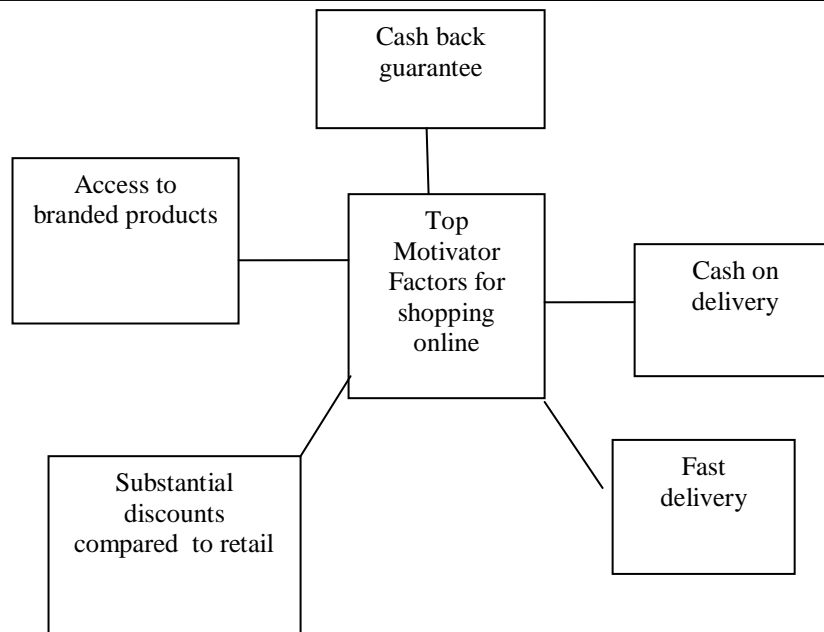
- Attractive to a significant segment of the demographics for most customer profiles. It can effectively reach the target customer.
- Faster and less expensive to conduct direct marketing campaigns
- Measurable, which means that successes are identifiable and repeatable
- Open 24-hours a day
- Cost-effective, in the long run.

Disadvantages:

There is no actual face-to-face contact involved in the Internet communication. For the types of products that rely heavily on building personal relationship between buyers and sellers such as the selling of life insurance, and the type of products that requires physical examination, Internet marketing maybe less appropriate. While internet marketing cannot allow prospective buyers to touch, or smell or taste or 'try on' the products, However a survey of consumers of cosmetics products shows that email marketing can be used to interest a consumer to visit a store to try a product or to speak with sales representatives [Martin et al (2003)]. Some of the disadvantages of e-Marketing are dependability on technology, Security, privacy issues, Maintenance costs due to a constantly evolving environment, Higher transparency of pricing and increased price competition, and worldwide competition through globalization.

Top Motivators for Shopping Online

Times of India (February 12, 2013) has published that top motivators for shopping online which include cash back guarantee, cash on delivery, fast delivery, substantial discounts compared to retail, and access to branded products, while barriers include inability to touch and try products before purchase, fear of faulty products, apprehension of posting personal and financial details online and inability to bargain (See Figure).



V. CONCLUSION AND RECOMMENDATIONS

This paper deals the conceptual knowledge of search engine marketing or e-commerce, literature review, current and future aspects of e-commerce in Indian context. This paper discussed about the top motivator factors of shopping online. The present development would be a valuable addition to researcher and academicians; and useful theory for practitioners, advertisers, and entrepreneurs. Some of the disadvantages of e-Marketing are dependability on technology, Security, privacy issues, Maintenance costs due to a constantly evolving environment, Higher transparency of pricing and increased price competition, and worldwide competition through globalization. While considering the aforesaid limitations; advertisers and end-users can effectively use this modern platform to make life easier and faster In the next 3 to 5 years, India will have 30 to 70 million Internet users which will equal, if not surpass, many of the developed countries. Internet economy will then become more meaningful in India. With the rapid expansion of internet, Ecommerce, is set to play a very important role in the 21st century, the new opportunities that will be thrown open, will be accessible to both large corporations and small companies [Waghmare (2012). Karoor (2012) explained that Ecommerce encapsulates many of the dynamics of 21st century of India. The potential huge and wit and energy of the entrepreneurs in the sector is impressive. Online commerce in India is destined to grow both in revenue and geographic reach. The research areas in ecommerce are; the quality of sponsored ad text, ad position, Search Engine Optimization (SEO), Page Rank, yellow pages, and bid management etc.

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