AN EMPIRICAL STUDY OF ONLINE MARKETING IN INDIA - PERSPECTIVES AND CHALLENGES

A SUMMARY

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INTRODUCTION

Online marketing refers to the use of Internet technologies, combined with traditional media, to achieve marketing objectives. Online marketing or digital marketing or E-marketing have a broader perspective and imply the use of other technologies such as data-bases and approaches such as customer relationship management (e-CRM). A customer-centric approach to online marketing considers the needs of a range of customers using techniques such as persona and customer scenarios to understand customer needs in a multi-channel buying process. Tailoring to individual customers may be practical using Individualization techniques. Electronic commerce refers to both electronically mediated financial and informational transactions.

Sell-side e-commerce involves all electronic business transactions between an organization and its customers, while buy-side e-commerce involves transactions between an organization and its suppliers. ‘Electronic business’ is a broader term referring to how technology can benefit all internal business processes and interactions with third parties. This includes buy-side and sell-side e-commerce and the internal value chain.

E-commerce transactions include business-to-business (B2B), business-to-consumer (B2C), consumer-to-consumer (C2C) and consumer-to-business (C2B) transactions. The Internet is used to develop existing markets through enabling an additional communications and/or sales channel with potential customers. It can be used to develop new international markets with a reduced need for new sales offices and agents. Companies can provide new services and possibly products using the Internet. The Internet can support the full range of marketing functions and in doing so can help reduce costs, facilitate communication within and between organizations and improve customer service. Interaction with customers, suppliers and
distributors occurs across the Internet. The web and e-mail are particularly powerful if they can be used to create relevant, individualized communications. These communications are also interactive. If access is restricted to favored third parties this is known as an extranet. If Internet technologies are used to facilitate internal company communications this is known as an intranet – a private company internet. The marketing benefits the Internet confers are advantageous both to the large corporation and to the small or medium-sized enterprise. These include; a new medium for advertising and PR; a new channel for distributing products; opportunities for expansion into new markets; new ways of enhancing customer service; new ways of reducing costs by reducing the number of staff in order fulfillment.

Internet marketing is the process of building and maintaining customer relationships through online activities to facilitate the exchange of idea, products, and services that satisfy the goals of both parties. The narrow view holds that Internet marketing focuses specifically on online marketing efforts, and that sales revenue is realized online as well. The broad view notes that revenue for the overall firm would not be realized if cross channel marketing efforts did not occur, and therefore that these cross channel impacts should be considered part of Internet marketing. There are seven stages of Internet marketing namely setting corporate and business unit strategy, framing the market opportunity, formulating the marketing strategy, designing the customer interface, designing the marketing program, crafting the customer interface and evaluating results of the marketing program.

Commerce has evolved over the centuries. Prior to the evolution of money it was a simple “barter process” where things could be exchanged, say milk for grains. The evolution of money brought with it, the concept of a “marketplace.” In a marketplace, Commerce is function of 4 P’s. Product, Price, Place and promotions. All these four components play a vital role in a
transaction to take place. Different combinations of 4Ps determine different forms of Commerce.

Once the marketplace came into existence, a few pioneers realized that people would be ready to pay extra if they could deliver products at customer’s doorsteps. A slight modification on Price and Place led to the convenience of getting products at their homes. This concept delighted the customers and thus, the concept of “Street Vendors” was born.

When the Postal System came into being the sellers decided to cash in on the new opportunity and started using mailers giving description of their products. It led to the concept of “Mail Order Cataloguing.” From here, the evolution of the “Tele shopping” networks was inevitable with the development of media vehicles.

The latest generation of commerce is one that can be done over the internet. Internet provides a virtual platform where sellers and buyers can come in contact for sale and purchase of goods and services. They can be thousands of miles apart, may belong to different parts of the world, might speak different languages, “E-Commerce” emerged as the boundary-less trade medium in the era of globalization.

As far as the current situation of Internet marketing is concerned consumers have bought several items as indicated by the a survey conducted by Internet and online association of India (IOAI) in the year 2005 for online marketing in India in respect of 21 products and services. Moreover consumers have also bought the following products online perfumes and deodorants products, astrological products car Accessories, cricket match tickets, Internet Packages, Video Games CD etc.

The above items represent the wide range of products that are being sold online. They can be used in tandem with promoting a product as well.
The demographic profiles of top 5 categories of products and services have been selected which will help fine tune e-commerce strategy for new as well as existing e-commerce players. Age, gender & marital status details would give indicative directions on target audiences that are currently buying a specific product or service online; city details will help a new player to plan distribution and logistics better whilst existing ecommerce merchants can use it as a guideline to either expand in multiple cities & plan their distribution strategy. It has been observed that the consumers who bought specific category of product online also bought other categories of products. This is an indicative measure to cross sell affiliate or plan online advertisement.

**OBJECTIVES OF THE STUDY**

The broad objectives of the present study are enumerated as follows:

1. To study the present scenario of online marketing in India and distinction between online and offline marketing approach of customers.
2. To investigate the online marketing opportunities in India and marketing research technology in this regard
3. To formulate marketing strategy in internet marketing.
4. To assess customer relationship in online marketing industry.
5. To examine the product development and pricing policy in online marketing process.
6. To view how communication is effective in enhancing online marketing business and to develop good customer relationship.
7. To investigate the channels of distribution in online marketing.
8. To examine the power of brand for enhancing online customers.
9. To suggest measures for enhancement of online marketing business in present era.
RESEARCH METHODOLOGY

Coverage of the Study

The universe of the present study shall be the companies engaged in online marketing like Tele shoppers Planet Earth, Homeshop18 (TV 18) etc.; matrimonial moderators like shaddi.com, bharatmatrimony.com etc.; employment providers like naukri.com, monster.com etc. will be taken into consideration. It will further be assessed that the online marketing is in the age of childhood in India how it can be promoted in a significant manner among the buyer who are most busy in their affairs & have no time to purchase their essentials.

Data Collection

In this present study both primary & secondary data have been used in order to achieve various objectives of the study. Primary data have been collected through personal enquiries from the companies who are engaged in online marketing and search of Internet to examine the online marketing giants in the world. The secondary data have been collected from various surveys & studies conducted by internet and mobile association of India (IAMAI) who is the premiere institution to have a close look on the whole online marketing in India. Various newspapers like Economic Times, Times of India & the publications of ministry of Information Technology & ministry of commerce and various business magazines & journals like Business world, Business Today, Business Standards etc. have been consulted. On the other hand various libraries have also been visited to collect relevant data in this regard.

Framing the market opportunity and research is an essential tool for both entrepreneurs and senior managers who plan to launch business. While it does not guarantee a startup’s success. Thinking through the conditions
that define opportunity attractiveness increases the likelihood of pursuing a solid idea. Not doing opportunity analysis, or doing it poorly, increases a venture’s chance of failure. But companies clarify their business models early in the business development process via indulging in some brainstorming i.e. make big bucks, gain credibility & attention and turn an interest into a source of income.

Company needs to identify the customers it will serve and the competitors it will face. A company’s defined market-space may change as both the company and the market evolve, but a clear initial definition is necessary to develop the business model. After this the strategic decision is choosing a market arena, which covers; taking competitive advantage, trying to be different, performing different set of activities and connected activities. The first choice confronting Naukri.com is the market in which it will compete. In a sense, the company has already decided to compete in the market of job providers; thus its industry choice is largely determined. However, there remains a number of scope decisions related to :how many services-such as interviewing the candidates on behalf of the client and providing training to them i.e. to offer in this arena (often called horizontal scope), promotional activities of their clients (often referred to as vertical markets) and geographic expansion into international markets.

The choice of the market arena is a function of both the internal capabilities of the firm and market-place opportunities. It is perhaps obvious that the firm should have capabilities, resources, assets, and skills related to the arena. However, a firm that lacks the necessary capabilities may observe a market opportunity that is so great (in terms of market’s size and growth rates) that opts to acquire this expertise in the open market or partner with other players who have the desired capabilities. This process can be further enhanced by taking competitive advantage, performing activities in different ways, identifies and marking tradeoffs and performing interlocking activities.
The market opportunity analysis framework consists of five main investigative stages, a final assessment of the opportunity, and a final go/no go decision. The five stages are as follows: seed opportunities in the existing or new value system, uncover the opportunity nucleus, identify the target customers, declare the company’s resource-based opportunity for advantage and assess competitive, technological, and financial attractiveness. Market opportunity analysis is distinctive in the following areas: competition occurs across industry boundaries rather than within industry boundaries, competitive developments and responses are occurring at and a company can be grouped into two categories complementors and traditional partners.

There are following factors in four areas that marketing teams can assess to determine the character and magnitude of the opportunity: competitive intensity with a map of direct and indirect competitors; customer dynamics with levels of unconstrained opportunity, segment interaction, the penetration of enabling technologies, new technologies on the value proposition and microeconomics with an estimate of the size/volume of the market and level of profitability.

Marketing research is a tool that helps companies understand and meet consumer wants and needs. It provides information about the quality and usefulness of products and services so companies can determine if consumers will accept a product or service. Marketing research is crucial as it helps to eliminate the introduction of products or services that have a high likelihood of failure. Failure is extremely costly to both companies and consumers, as companies ultimately attempt to pass on losses to consumers.

The market researcher must follow a series of steps before undertaking a study. These steps include defining the opportunity or problem and determining the type of research design necessary, what population to
sample, and how to collect and enter data. The type of data analysis that will be required must also be determined, along with plans to validate the data. Finally, the marketing researcher must present the results of the study in the form of a final report.

Marketing research data collection can be done offline or online, using either secondary or primary research methods. With offline secondary research, researchers visit libraries and similar institutions and search the available material for information about a selected topic. If the search yields no results, a researcher can use offline primary research organize a focus group, draft a survey or directly observe the subjects. Primary research, particularly offline, is very resource intensive. Thus, a researcher might first consider online secondary research, if nothing else is readily available. With online secondary research, the researcher surfs the Internet looking for data on the study topic. Researcher also can conduct primary research online using an online focus group, online survey, or click data. Finally, researchers can always combine offline and online methods. Although no fixed rules exist on which method is best, the researcher can apply a set of guidelines, together with common sense, to determine which data collection method is best for a specific project. Offline and online methods each have advantages and disadvantages. Offline methods are expensive and labor intensive, but may be more reliable. Online methods reduce the turnaround time and the cost of a project. The primary drawback of the online method is the difficulty of drawing a random and representative sample, thus avoiding sample selection bias.

Marketing strategy has three main components: segmentation or identifying relevant market segments with specific needs; targeting or choosing attractive segment consistent with a firm’s resources and goals; positioning or strategically communicating the product’s benefits to the target
segment. For a segment to be effective, it must be; meaningful (it must describe and explain why customers currently behave in a specific way); actionable (segmentation must allow for feasible execution, in terms of targeting and positioning to that segment); and financially attractive (segment must be describable and attractive in terms of their monetary growth, size and profile, so that they are large and profitable enough to serve).

Online segmentation can yield four different scenarios for BAMs moving online: no change (segment characteristics and size stay the same); change in size (segment size, financially or otherwise changes); change in characteristics (segment characteristics change, such that online consumer segments have distinctly different needs and tastes); and change in both size and characteristics. While evaluating segment attractiveness a firm should consider few factors as size of segment, its growth and structure as well as the firm’s objectives and resources. When applying traditional targeting to BAMs going online, the firm could any one of the targeting strategies out of the following four strategies i.e. blanket target or target the entire old offline segment; beachhead target or target part of the old offline segment; bleed-over target or target part of the offline segment and part of a new segment; be different target or target an entirely different segment.

Strategies for positioning combine strategies for product, distribution channel, price, and promotion. Such strategies entail differentiation as well as public awareness of such differentiation. For the positioning to cause significant impact in the market, the differentiation has to be meaningful in other words; it must be valued by customers, communicable clearly understood, and financial attractive. For BAMs moving online, positioning and targeting follow a similar scenario. When the target market does not change, positioning repeats the offline strategies with some additional pluses, such as convenience and access of the Internet (blanket positioning). When
the target segment is a subsection, positioning should stress the value added advantages of the Internet (beachhead positioning). If the target market consists of both old and new customers, another possible positioning strategy should be devised to attract this new group; the positioning could be a variation of the offline strategy (bleed over positioning). Lastly, if the target market is entirely new, a completely new positioning strategy could potentially be used (“be different” positioning).

The Internet affects new economy firms through fine segmentation; faster development of marketing strategy through faster information gathering; increased tracking and accountability of marketing efforts; and increased integration with business strategy and operations.

Customer experience can be defined as the interpretation of one’s complete encounter with the site, from the initial look at the homepage through the purchase experience, including decisions such as abandoning a shopping cart. The seven dimensions of customer experience are: objective experience, perceived experience, encounter experience, reaction to stimuli experience, sensory experience, cognitive and emotional experience and relative experience. Moreover there is a customer experience hierarchy. The four stages in the customer experience hierarchy functionality, Intimacy, Internalization and evangelism.

A product is defined as “anything that is created expressly for exchange from one party to another and typically involves some type of reciprocity in terms of money, goods, attention or services. A product is generally offered to a market for attention, acquisition, use or consumption in order to satisfy a customer’s want or need”. There are two general types of products: Physical goods and services. The 2Is should have a dramatic impact on product development and are the foundation on which all Internet
based product development levers are based. In particular, the 2Is allow a company to learn about its customer, personalize a product to meet customer preferences, and offer CRM tools to provide more value for customers and cut costs for product sellers.

The basic product development levers include packaging, attributes and features, customer specified attributes and features, and mass customization, as well as product development levers that exist at the augmented product level. These levers include customer service programs, loyalty programs, availability of complementary products, customer experience, upgrades, community features, and enhanced functionalities. Prior to making the decision to develop a new product, managers must consider customer needs and understand production needs and capabilities.

A manager must also evaluate research data and consider the firm’s competitive position. Firms must consider each new product opportunity in a broad context considering the overall business, industry dynamics, and the activities of individual teams within the organization. A product development portfolio should be managed much like an investment fund, striking a balance within the portfolio across dimensions such as risk profile, time horizon, potential payout, investment requirements, and incremental developments or true innovations. A strong product development portfolio generally includes the following: new product development, enhancements and line extensions of current products and services, development of existing products and support of current products and services.

Once the decision to go ahead has been made, the process of product development can be divided into: idea generation, idea screening, product design, prototype development, business analyses, test marketing and commercialization. Marketing research plays a key role in answering
important questions throughout the development process. For example, marketing research includes gathering data on customer needs and wants, evaluating production capabilities and judging the firm’s competitive position.

As far as product enable customer relationship is concerned there are two primary techniques by which a product offering can help enable a customer relationship: by deploying the product development levers that are appropriate for the existing relationship and by emphasizing the elements that value proposition that are most relevant at a given stage of the relationship. A customer informed approach to product development can create strategic advantages by securing a market position that matches up with customer needs, wants and expectations.

As the objective of every firm is to grow its profits, for this purpose they often turn their focus toward decreasing production costs or increasing product demand. In doing so, firms tend to neglect one of the most important strategic areas involved with growing profits: pricing. The two important method of pricing are traditional and new economy pricing levers. The discussion further leads towards two new pricing process frameworks: A framework for firms to use when selecting which pricing strategy best suits their product under the current market conditions and a framework that highlights which pricing levers are best suited to guide consumers through the four relationship stages. The discussion further the focuses on how the 2Is (Individualization and Interactivity) have affected pricing strategy i.e. easy to convey prices, Cheaper and easy to conduct targeted price promotions, Easy to adopt dynamic pricing, easier to reach wider audiences, easier and cheaper to implement dynamic pricing strategies, easier and Cheaper to change prices, cheaper for consumers to investigate prices, easier to understand and measure consumers’ reactions to price promotions, and
easier to receive customer feedback on price, understand customer willingness to pay for a product, and implement price-discrimination strategies.

Most of goods exhibit an inverse relationship between price and demand. Consumers set internal reservation prices for products, and they will purchase a product as long as the price is less than or equal to their reservation price. Within a limited price range for any good, there will be a set number of product units demanded at a price point. As price increases, demand will decrease because fewer consumers will have a reservation price that is greater than or equal to that price. For example, fewer consumers will purchase a product if it is priced at Rs. 1000/- than if it is priced at Rs.10/-. At the point at which marginal cost equals marginal revenue, it is not profit maximizing for the firm to change its price. If marginal cost is less than marginal revenue, it would make sense for the firm to sell an extra unit because the additional revenue would be greater than the additional cost. Similarly, if marginal cost is greater than marginal revenue, the additional cost of selling one unit is greater than the revenue derived from selling that additional unit. The few variables that affect the downward sloping demand curve, as well as its position, shape and slope are price, substitute offerings, complimentary offerings, income, market and taste.

While various forms of dynamic pricing have been in existence for centuries, the Internet has made dynamic pricing more viable because it has enabled a larger community of buyers and sellers to participate in dynamic pricing. This enhanced community of buyers and sellers has made auctions more viable and efficient. Additionally, the 2Is have encouraged dynamic pricing. Buyers and sellers utilize the interactivity component of the Internet to easily post new products, new information, and new bids. These strategies
involve auctions i.e. english auction, reverse english auction, dutch and first price sealed bid, group buying and exchanges.

Price discrimination involves a firm selling the same or similar product to different customer segments at different prices. Many different customer segments are interested in purchasing most products. Each segment has a different demand structure; it is often profit maximizing to set different prices for each segment. For instance, the optimal price for the Business Standard (Business Paper) is higher for general customers than it is for the B-school students. By setting different prices, firms can profit maximize in each segment. The two important characteristics of a price discrimination strategy are as follows: It must be difficult, or not worth it, for customers who receive the product at the lower price to resell the product to customers who are paying higher prices and it should be easy to distinguish members of one segment from members of another. If it is difficult to identify customers in different segments, it will be difficult to charge them different prices. Moreover there are also other advanced pricing strategies as volume discount pricing, two part pricing, bundling, price discrimination over time, and frenzy pricing.

Static markets assume that markets are fixed in other words, that they do not change or react due to the actions of a firm or outside forces. Dynamic markets assume a changing market. The market will shift and react to any movement by competitors or outside forces. It is important for firms to assume that the markets that they are operating in are dynamic. The implication of operating in a dynamic market is that firms should assume and anticipate that competitors will react to a firm’s actions. Thus, if a firm decided to embark on an aggressive pricing strategy, it should anticipate a response from its competitors. The final market equilibrium that results after a firm sets a new price is dependent on how competitors act and then how
consumers react to the final set of market prices. There are few motives for price cut as financial trouble, to be market leader, to punish the competitors. 

If the firm is showing displeasure over the competitor’s strategy then it would adopt any one of the options i.e. enhance the value proposition, justify the price differential or battle. In case of battle the firm would adopt the policy of general price cut, cross parry, targeted price cut, or fighter brand.

The Internet is definitely a distribution channel because it is part of the process of making a product or service available for consumption or use. The Internet facilitates the exchange of goods and services between buyers and sellers. It has emerged as a way of serving needs that exist in the market. At a very basic level, the Internet is a substitute for other forms of communication between channel intermediaries. Instead of visiting, phoning, or sending a letter to customers or suppliers, firms can now contact them via e-mail. The Internet is much more than a new communication channel. The interactivity and individualization i.e. 2Is of the Internet have changed distribution relationships in a variety of ways as the Internet has thoroughly changed Buyer-Seller Relationships, the Internet has changed the customer shopping experience, and the Internet has increased the power of consumers as for individualization; it matches distribution channel with segment needs on a real time basis and customer service is tailored across channels; for interactivity; tight linkages between firm-supplier and firm-buyer facilitate a collaborative relationship that results in benefits related to logistics, inventory planning and market responsiveness.

Channel intermediaries have two objectives: efficiency and effectiveness. Adding channel intermediary increase channel efficiency by reducing the number of interactions that a channel member must undertake. Also, efficiency is increased to the extent that one intermediary can carry out a series of functions at a lower cost that other intermediaries. Channels play
an even more important role in increasing effectiveness, defined as the ability of the channel to perform functions that create value for customers. For example, a retailer might provide salespeople who have product knowledge, increase convenience with a nearby retail location, sell complementary product lines and offer easy returns, credit and delivery service.

The selection of intermediary type is important because different channel members carry out different combinations of functions that affect the value configuration provided to customers. Internet firms have a variety of choices for channel intermediaries. Some of the key options are as; direct, traditional retailers, virtual shopping malls and Internet exchange. Another strategic decision is the amount of intermediaries the firm desires at each level of the channel. The three basic choices are exclusive, selective, or intensive distribution.

Distribution channels are one component of the firm’s entire marketing strategy. As a consequence, basic decisions about target marketing and positioning need to be made before designing the distribution channel strategy. The process a firm might use to develop a distribution channel or redesign an existing system because of changes in customer needs or the competitive environment may includes; Identify & Evaluate Consumer Preferences by segments, design a customer based channel system, modify channel strategy based on firm objectives and constraints, implement and manage the channel system and develop channel feedback system. The distribution levers are activities that affect buyer-seller relationships through the type of intermediary, number of intermediary, intermediary functions and responsibilities, number of channels, and degree of channel integration. The levers affect buyer-seller relationships by stimulating customers become aware of, explore, or commit to the firm. The levers can also be used to weaken or dissolve relationship.
Branding seems to be a concept that is difficult to grasp since it is often used in a narrow sense. Many think of branding only in terms of aspects of the brand identity such as the name or logo associated with a company or products, but branding gurus seem agreed that it is much more than that. A brand is described by Chernatony and McDonald as:

“An identifiable product or service augmented in such a way that the buyer or user perceives relevant unique added values which match their needs most closely. Furthermore, its success results from being able to sustain these added values in the face of competition.”

This definition highlights three essential characteristics of a successful brand i.e. Brand is dependent on customer perception; perception is influenced by the added-value characteristics of the product; the added-value characteristics need to be sustainable. There are many different types of brands. One simple way to distinguish between brands is in terms of where they originated, that is, online or offline. Classic offline brands include the Pantaloons, Jet Airways, and ICICI Bank. New to the world, or online brands include naukri.com, baazee.com, shaddi.com, and 99acre.com.

Branding is fundamentally changed by the interactivity and individualization of the internet. As the relationship require interactive and individualized communication.

The Internet has affected branding by enabling 2I communication with literally millions of customers simultaneously. As far as individualization feature of Internet is concerned; brand is tailored to the individual customer, customers gain a sense of control with respect to the nature and timing of their interactions with the brand and there is a danger that the brand will stray from its core personality; while interactivity make the responsiveness a key brand attribute as customers recognize that their concerns are heard and
responded to across multiple channels, the frequency of interaction is increased leading to the need to freshen content and target messages to specific usage occasions and customers expect the brand to evolve in response to their needs and desires.

Brand equity refers to the marketing effects or outcomes that accrue to a product with its brand name compared with those that would accrue if the same product did not have the brand name and, at the root of these marketing effects is consumers' knowledge. In other words, consumers' knowledge about a brand makes manufacturers/advertisers respond differently or adopt appropriately adept measures for the marketing of the brand. The study of brand equity is increasingly popular as some marketing researchers have concluded that brands are one of the most valuable assets that a company has. Brand equity has a wide variety of definitions in the academic literature. According to David Aaker, brand equity is a combination of assets that can be viewed from both the firm’s and the customer’s perspectives. Thus brand equity indicates the value provided to a company, or its customers through a brand.

Measuring brand equity is not as simple as counting the number of people who recognize a brand name or symbol. It is also dangerous to assume that simply because its brand is well-known, a company enjoys strong or growing brand equity. In fact, the most powerful brands can easily be diluted by company missteps or inconsistent marketing messages. Mitchell explained the best way to measure brand equity depends on the particular company and its industry. For example, in some cases assessing consumer perceptions of product quality may provide the best indication of brand equity. In other cases, more traditional business measures such as customer satisfaction or market share may be more closely correlated with brand equity. There are many ways to measure brand equity. Some
measurements approaches are at the firm level, some at the product level and still others are at the consumer level.

Assessing brand equity on the web needs to address the unique characteristics of computer-mediated environments as Christodoulides and de Chernatony (2004) have pointed out. These researchers set out to explore whether additional measures of brand equity were required online. Based on expert interviews they have identified the additional measures of brand equity which are important online, as summarized in table 1.1.

**Table 1.1**

*Traditional measures of brand equity and online measures of brand equity*

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Very broadly, brand perceptions are affected by all interactions between the firm and its customers. The firm has the potential to enhance brand equity through website design, the brand name and logo, the types of services that are offered, co-branding arrangements etc. The key issues faced by a firm to create strong brands in an increasingly online world are price, product, performance, features, reliability, conformance, durability, serviceability, aesthetics, promotion and distribution strategies that affect brand equity.

The brand interacts with the other marketing levers to affect customer relationship. If used properly, brand equity can enhance the effects of all other marketing levers on buyer-seller relationships. The fundamental point is that high equity brands increase consumers’ responsiveness to price, product, promotion, and distribution programs.

As a result, firms with high equity brands create customer awareness, exploration, commitment and dissolution with lower investments than their low equity competitors. The awareness tool of the firm are; use offline advertising, web price discount, increased number of channel intermediaries and online bill boards; for exploration tools are direct mail, targeted price promotion and efficient site structure; for commitment tools are volume discount, personalize pages and customer recognition; for dissolution tools are identify the departing customers, discontinue price discounts, reduce advertising expenditure and reduce customer care. The presence of a strong brand enhances positive marketing activities and minimizes negative occurrences in the environment or marketing mistakes.

The final focus is on customer metrics - the performance indicators that can reflect a customer’s experience and, more important, whether the marketing program is on or off course. The most obvious set of indicators
are either customer’s psychological responses their behavioral responses such as number of store visits or frequency of purchase. Firstly traditional offline customer metrics are reviewed. The seven stages of the offline model or hierarchy of effect model are: awareness stage, knowledge stage, attitudes stage, pre-purchase intent stage, purchase behavior stage, post-purchase stage and loyalty stage. The hierarchy of effects model appears to be simple, straightforward, and easy to implement. Yet, the problem is that most of the measures in the model rely upon questioning target customers about their behavior, rather than on direct observation of their behavior. The five stages of online purchasing model are: visits stage, shopping behavior stage, purchase stage, post-purchase stage and loyalty stage.

Combining the two alternative purchase hierarchies the offline and online stages in a customer’s purchase cycle results a new process i.e. awareness stage, knowledge stage, attitudes stage, pre-purchase intent stage, visits stage, shopping behavior stage, purchase stage, post-purchase stage and loyalty stage. There are five additional dimensions in assessing an integrated customer experience i.e. customer transparency, database integration, cross platform knowledge of staff, cross platform sales, up-sell, and cross sell and cross platform look and feel similarity.

It is clear that there can be metrics that illustrate the integration of physical and online stores. However, in developing and deploying this integrative customer experience strategy, a number of challenges can arise. Some most common challenges are as follows: how does one channel drive the sales of a second channel, how does one account for situation based consumption, what happens when observed click stream or retail data do not reflect intent, how does one capture the one time buyer more effectively, who is the advocate for the integrative customer experience.
To understand the success and performance of marketing interventions, the link from customer metrics to the company’s financial metrics must be examined. Following are three important considerations to be taken in assessing both customer and financial metrics; customer and Financial Metrics are just one piece of a broader picture, customer performance can have a direct impact on financial performance, marketing spending can destroy company profitability if not managed carefully.

CONCLUSIONS

Since its inception, Online Marketing has been debated on its future and prospects in India. It would be as successful as it is in other developed countries or not. As the players in the online marketplace are still struggling to settle with a successful business model. Most of them are still struggling for break-even. Customers on the other hand, have become choice-spoilt. There is no dearth of offerings for them. They skip from one seller to other in search of best deals in the standardized products market.

The adoption and usage of E-Commerce in the country is a function of the overall environment for Internet usage in a country. To correctly understand the likely growth path for E-Commerce in India it is imperative to understand the internet ecosystem in the country.

Some of the key variables that need to be understood are the proportion of computer literates, internet penetration, frequency of access to the internet, purpose of internet access etc. A correct mapping of these would help in understanding the overall framework of E-Commerce in the country.

India’s online population currently stands at around 100 million. The Internet user represents every facet of society and transcends any bias. Changing lifestyles and shopping habits coupled with superior options and selections make this interactive medium most attractive to this e-generation. The opportunities of the medium to business include advertising space to
strengthen brand equity coupled with lower infrastructure costs, unlimited shelf space, a global audience that can be catered to without the restrictions of time zones and working hours.

This study identifies the perspectives of the shopping habits of a growing demographic that has embraced ‘consumerism’ in its e-form and to highlight a realization amongst ‘enterprise’ that an online presence along with e-commerce and marketing models would go a long way in strengthening their economic goals. Moreover, deals with information to start online business or improve online shop or enterprise in the core competitive area.

The study can be concluded on two main points i.e. Company’s Web site must be easily found by those who are searching on the major search engines and once it is found; it must include a solid call to action that gets the new visitor to take an action and respond. But it is amazing how companies sometimes don't really think about their call to action. Sometimes companies assume people will just automatically know what to do next. The main findings of the study can be concluded in the following points.
THE MAIN FINDINGS OF THE STUDY

<table>
<thead>
<tr>
<th>Activities of the Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical Issues</td>
</tr>
<tr>
<td>Interactivity of the Site</td>
</tr>
<tr>
<td>Visibility of the Site</td>
</tr>
<tr>
<td>Brand Marketing for Search</td>
</tr>
<tr>
<td>Search Engine Optimization</td>
</tr>
<tr>
<td>Newsletter Marketing</td>
</tr>
<tr>
<td>Building Relationship</td>
</tr>
<tr>
<td>Non-functional Site/Pages</td>
</tr>
</tbody>
</table>

SUGGESTIONS:

A common suggestion is that the site must tell the customers in plain simple language exactly what it want them to do right on the page so they understand. Once company identifies the call to action, here are few suggestions for the companies to keep in mind:

1. Give people a non-threatening reason to take action right now.
2. Write the companies call to action so that the copy focuses on the visitor and does not focus on company.
3. Learn how to write the companies call to action.
4. One of the things companies can easily do is consider checking the Web statistics for busy pages that are already getting traffic in the Web site. Then review each of these individual pages to see if there are ways to enhance or improve the current call to action or if there is none, consider adding one in.
5. Remember to read the Web copy out loud to see how well it flows. Does it flow like dialogue or does it sound more like sales pitch trying to sell you something.
6. Work on the tone of the dialogue so that it reads warmly, nearly like a friend speaking directly to the company.

7. Have you added in some "trust building" factors. If you have a guarantee, be sure you add it in.

8. If your "call to action" is to get the visitor to make a phone call, try describing the action you want them to take.

   **Example:**
   
   Here's all you need to do. Walk over to the phone and give us a Toll Free call right now at 1-800 XXXXXXXX try make it real easy to read.

9. Sometimes company may want to include a few testimonials in with the call to action (depending on what it is.) Some customers may never visit a separate testimonial page, but sometimes a testimonial well placed near a call to action will help.

10. Is company working with all of the benefits in the dialogue? Make sure site is properly describing those benefits so that the emphasis is on the true value of what the reader will get for taking the action.

    The above suggestions are for new comers whether they are pure play firms or BAMs, the firms already engaged in online marketing either pure play or BAMs; the suggestions to improve their online performance can be divided into following steps:
LIST OF SUGGESTIONS TO IMPROVE ONLINE MARKETING

Analysis of the activities of the customers

Technical Check

Usability and Sales

Typography and Style

Search Marketing

Search Engine Optimization

E-mail Marketing

The Order Process

Responses of site when thing go wrong