Research Paper

# Online Businesses and Influence of E-Marketing on Customer Satisfaction

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**Abstract**

The purpose of this article is to uncover the major factors that organizations consider when opting to add Internet Marketing as a part of their marketing communication mix found in the research. Especially now in Pakistan marketing tools and techniques are becoming either too expensive or just plain monotonous. The Internet as a new media is a perfect opportunity for Multinational and Local Consumer Organizations to exploit this type of tool for reaching their customers. This article will try to understand what exact role Internet Marketing has in affecting the processes, image, and brands of a company learned from the research. We will determine the various aspects that can be measured to see the success or failure of Pakistani Consumer Goods Industry in utilizing this new technique.

**Keywords:** Internet Marketing, Promotion, Consumer Goods, online marketing, internet

## 1. Introduction

Web pages, banner ads, interactive messaging, and active personalization are all common words that we hear regarding the internet. But what really is the question is that has Internet Marketing (IM) really created an impact in Pakistan? If traditional marketing is about creating exchanges that simultaneously satisfy the firm and customers, what is Internet marketing? Internet marketing is the process of building and maintaining customer relationships through online activities to facilitate the exchange of ideas, products, and services that satisfy the goals of both parties (Rafi, Robert, Bernard and Aileen, 2001).

Levinson (1984) presented the idea of guerrilla marketing, which incorporates an unconventional methods of performing promotional and marketing activities with very low advertising budget. Another author like Patalas (2006) described the term "guerrilla marketing" as unconventional marketing campaigns or strategies which should have a significant promotional effect – this at a fraction of

the budget that "traditional" marketing campaigns would spend for the same goal. The perception and identification of a brand is highly influenced by its visual presentation. A brand's visual identity is the overall look of its communications.

Effective visual brand identity is achieved by the consistent use of particular visual elements to create distinction, such as specific fonts, colors, and graphic elements. (Soomro et al, 2012). Soomro, kaimKhani, Hameed and Shakoor (2012) studied and conducted an empirical investigation of effect of guerrilla marketing strategies on consumer brand preference. The findings of research paper discovered that guerilla marketing has an effect on consumer brand preference. Hypothesis was accepted and hence it was clear that guerilla marketing strategy is being favorably accepted by consumer and it leads to brand preference. Companies must look into the product and then decide which guerilla strategy to go for. If product is edible product than firm has different options to opt from and if its telecommunication brand than

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SMS or online marketing strategies will be more effective (Soomro et al, 2012).

As per Soomro et al. Guerrilla marketing strategies (online marketing, POS, street signs, sms, event sponsorship and parties) on consumer brand preference. The findings of this research study revealed that guerilla marketing has an effect on consumer brand preference. Hypothesis was accepted and hence it was clear that guerrilla marketing strategy is being favorably accepted by consumer and it leads to brand preference. As this guerrilla marketing strategy is cost effective strategy and the result has also revealed that it has an effect, so companies tend to prefer this strategy in this credit crunch situation in the global world (Soomro et al, 2012). Foxall (1980) stated that customer perception is very crucial in the overall decision-making process. In real market place where branding and various other advertising techniques are used, consumer products/ goods are not only bought for their functional distinctiveness, but primary focus is given to social or in few circumstances, psychological identity revealed (Soomro and Shakoor, 2011) Advertising budget of the company does also depend on the economic indicators of the country. Whenever the monetary policy of the country would be expansionary; companies would spend more on expansive medium for advertisements (Hameed and Ume-Amen, 2011).

## 2. Results

The research indicates that just how immature the internet marketing concept is in Pakistan right now. 3 of the large consumer goods companies were approached to figure just how much is being done in this regard right now. The following analysis seeks to answer the research problems and the sub-problem it contains:

| Awareness tools | Co. A | Co. B | Co. C |
|---|---|---|---|
| Website | ✓ | ✓ | ✓ |
| Newsletters | ✓ | | |
| Customers Surveys | ✓ | | ✓ |
| Affiliate Programs | | | |
| Banner Ads | ✓ | | |
| Email Mgmt System | | | ✓ |
| Links | | | ✓ |
| FAQs | | | |
| Call Centers | ✓ | | |

Websites are the major tool that consumer goods organizations are using mainly. The concept of affiliate programs is not used at all. Customer surveys too are widely used to increase the awareness level and induce trial and repurchase. Newsletters and Banner Ads are used but not that much currently. The companies in the tables have been not disclosed so that the privacy of the organization is maintained during this research.

| Effect of IM | Co. A | Co. B | Co. C |
|---|---|---|---|
| Market Share | N/A | Increase | |
| Profitability | N/A | | Increase |
| Brand Image/Equity | Increase | | |
| Company Image /Equity | Increase | | Increase |

Data is being tracked by all companies as to what pages the visitors click on, in what order and how much time they are spending on each page. Click through Ratio is the main technique used. The data however; is only being gathered at this stage, it is not being analyzed by many companies yet. Unilever however is one company which is ahead of others in this regard and is using other methods like Cost per Click and other CRM data and is analyzing it as well.

The only models used are brochure ware and incentive sites. These are only the basic models. In order to apply any of the more sophisticated models. Companies would have to actually start selling online and have payment systems as well. Consumer goods companies provide a wide variety of services online. However, voiceovers and sounds are not used.

Some companies in Pakistan are developing their websites in-house. However, a majority are outsourcing this function and hire agencies (like BITS for example) to develop the website. Regular product managers at companies communicate with these agencies and tell what the requirements are and give them information about themselves, their product features, benefits, etc to incorporate in the site.

However, a CRM manager is required to handle inquiries and complaints which is a main feature a website has nowadays.

wider age bracket is being catered to online as compared to offline. The consumer targeted online is more educated, can read and understand English and has high knowledge and awareness. Other psychographic characteristics are similar to those of offline customers nationally. Internationally a lot of diverse potential customers visit their websites. National Foods is a company which has a commercial website (not a corporate one). They like many other Pakistani companies are right now only gathering data and have not utilized it to a great extent. Only after proper utilization is underway we will be able to differentiate these customers and see how exactly those targeted offline differ from those online.

Organizations are marketing themselves mainly and have descriptions and benefits of all the products they offer. Special sites and emphasis has not been given to individual brands in the consumer goods industry as of yet. This figure of the percentage of the advertising budget that is allocate by the organizations for marketing on the Internet was deemed confidential.

Dedicated servers are not under usage right now. They might come in handy when website actually become online stores, have a proper payment system and customers start spending much more time online, browsing and making purchases.

Mainly, company image and equity have increased. Improvement in profitability is also visible. To measure whether market share is increasing or not, consumer goods companies in Pakistan with an online presence will need to analyze gathered data. That currently is being done by few.

| Revenue Expansion | Co. A | Co. B | Co. C |
|---|---|---|---|
| Increase Revenue | | ✓ | ✓ |
| Reach more potential customers | | | ✓ |
| Sell a larger variety of products | | ✓ | |
| Advertise in new markets | ✓ | | ✓ |
| Offer new products | | | ✓ |

Increase in Revenue due to the use of the Internet was the main concern and two out of the three companies actually found it helpful.

### 3. Discussion

By looking at the findings which have been indicated by the research, Pakistani consumer goods have yet to be successful with the use in Internet Marketing.

As the present situation indicates, internet marketing is only in its crib right now. Though the use of Internet marketing is becoming widespread, it is not being utilized effectively to market themselves to consumers in the best way possible. It is underutilized right now and companies are choosing to go online because their competitors are or only because many international company websites that they have come across. They do not want to be behind (instead of trying to get ahead be leaders of internet marketing in Pakistan). Many data is being collected about customers online but is not being utilized to differentiate themselves than those with only a brick presence. The customer data gathered can enable organizations to base new products and improve existing products upon them and thus be able to meet the customers' needs and satisfy them better than anybody else.

The role Internet Marketing that can affect the Pakistani market can be tremendous. But the level of usage and creativity has not been able to break this gap. Companies such as Habib Bank Limited and Citibank are the only few companies that really involve the customer and induce them to keep on coming back for further service. This however is in the Banking Industry. But this just shows how Consumer Companies can also catch up with this trend and *REALLY UNDERSTAND THE ONLINE CONSUMER* who can be the next potential customer. The research has given a good insight into the overall trend of this novel medium in this market. We believe through more integration of Internet Technology and Marketing Activities, Pakistani Consumer Good companies can definitely benefit from this new dimension. *Internet Marketing is the next way to break the clutter and to create a new online culture for Pakistani consumers*

### 4. Interpretation

Everybody knows that the Web allows you to build one-to-one relationships with your customers.

What is more important is the quality of those relationships. Your Web site's ability to engage your customers and facilitate an ongoing relationship with them is the real key to successful branding on the Web. We all have, at one time or another, been affected by both successful and unsuccessful Web branding efforts. In short, if it isn't done correctly, it hurts a company's ability to gain and retain business through this channel. Here are a few points to keep in mind when thinking about the proper way to establish a strong brand identity on the Web: Know your target audience. It's critical that a Web business conducts the right up-front assessments to determine who their best prospects are. Make your online brand usable, or they won't come (back). Creating an online brand isn't just about the design, overall look and feel, and a pretty logo. It is very much connected to and enhanced by a positive user experience and an intuitive navigation scheme. In most circumstances, users want to get in, find what they want (information, items to buy, informal chats and community-related interaction) and then get out, on their terms, whether that means two minutes or two hours.

Deploy technology that creates a strong, unique brand definition. There is an ever increasing array of Web applications that e-businesses can buy (or build, depending on your needs) to add "critical" functionality to a site. However, just because someone else may offer a "hot" service or feature on a site does not mean that you should. Always relate your technology purchase decisions to your overall business drivers. The most important thing to understand is that a Web "brand" is

multidimensional. It is more than just a messaging and identity effort; it is also the degree to which you ensure a positive user experience, optimize usability, and incorporate technology that addresses key user needs and leapfrogs the competition. By taking all of these dimensions into account you will cement long-term relationships with your users, and profit as a result

The online branding question is a touchy one, given how fast the Internet is growing, how relatively unacquainted the ad industry still seems with the Net, and how heavily advertisers have come to rely on television to deliver that all-important conventional "brand equity." Brand advertising is, without a doubt, the most complicated and expensive of all the advertising disciplines. Trouble is, we usually won't find much of it done well anywhere online. Today, the elusive concept of "brand-building" is now at the top of the list (Pierce, 2000). The World Wide Web is a hybrid medium, which shares characteristics with mass communication as well as interpersonal communication.

The medium combines the ability of the mass media to disperse a message to a wider audience with some of interpersonal communication's possibilities of feed-back and interaction. From a marketing view point, one of the implications of this is that exposure and action advertising and transactions can be integrated. Since the medium is interactive, users of the World Wide Web play a much more active role in the communication process than users of traditional mass media. 216 Where traditional mass media are characterized by an information push, the communication processes on the Web are driven by a basic information pull, meaning that the control balance of the communication process has shifted in favor of the user. The immense body of information available to the individual user further pushes the control of the communication process towards the user, and has lead to a highly fragmented content structure that allows the individual user to pursue his specific interests (Pierce, 2000).

## 4. Recommendations

The research not only to discover the present situation but to also give Local and Multinational Companies operating in Pakistan recommendation on how to improve their IM Strategies for the future. Some of the recommendations are as follows:

Use voiceover and sounds to attract attention and keep customers coming back to their site. Many international companies that have undertaken Internet marketing use many eye-catching and mind-boggling ways to attract and retain customers'

attention. All or many should be carefully studied and should be customized to suit needs of the Pakistani customers.

Use other means of promoting their Internet marketing efforts offline like newsletters, direct mails, etc in order to reach more people nationally and internationally. The same tools can be used to promote not only the website but the company as a whole at the same time based on data gathered about customers online.

Conduct online promotion using banner ads, e-newsletters, e-zines, etc. Since internet marketing is a new concept in Pakistan, those Pakistanis who do go online may not be aware of exactly which companies have websites now. Therefore, it would be a really effective idea right now to start placing banner ads on other Pakistani companies' websites and desi search portals, etc.

Start utilizing collected data in order to better understand the customers and provide customized solutions to them. The data collected is rich and must be utilized as soon as companies can manage to do so.

There should in an overall increase in awareness of the use of Websites to interact with their customers online. We believe that the postal system is not very reliable but with the usage of Internet Marketing can increase the interactivity and understanding of consumers and become more personalized.

It is very important to Advertise the URLs of the companies so that consumer become more aware and knowledgeable of this new medium. Currently, only National Foods advertises visually on hoarding regarding their new website. We believe that kids, teenagers and young women and men can become a vital segment, who spend most of their time online, to target their new schemes and promotional interactivity.

*To conclude, Pakistan definitely has a lot of potential in the IM arena. Most of the companies can exploit its benefits and compete with other international brands. This is another medium for understanding and maintaining a closer relationship with consumers so that the offer can be as personalized as possible. Many Pakistani consumers are ready for this and this must begin to capitalize on the every changing market opportunities.*

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