

# Online Marketing: Challenges, Opportunities, and Effective Strategies

## OPEN ACCESS

Volume: 6

Special Issue: 1

Month: October

Year: 2018

ISSN: 2321-4643

Impact Factor: 3.122

Citation:

Muthu Perumal, V. P., and T. Susma. "Online Marketing: Challenges, Opportunities and Effective Strategies." *Shanlax International Journal of Management*, vol. 6, no. S1, 2018, pp. 67–69.

DOI:

<https://doi.org/10.5281/zenodo.1461274>

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### Abstract

*The Indian Online Retail is a rich segment waiting to be exploited. The Internet is a potent medium that can serve as a unique platform for the growth of retail brands in India. The medium holds many virtues favorable for the retail industry including a higher customer penetration, increased visibility, and convenient operations. The current web-based models for e-tailing are part of an embryonic phase preceding an era of rapid transformation, challenge, and opportunity in the Indian retail market. In a short space of time, internet retailing or e-tailing has firmly established itself as a viable alternative to store based shopping. This paper attempts to provide a clear picture of the e-tailing in India and its various issues, opportunities. It also attempts to draw an effective e-tailing strategy in India based on the detailed survey of e-tailing companies.*

**Keywords: Retailing, E-tailing Challenges, and Opportunities, B2C transactions.**

### Introduction

With the rapid growth of the Internet and the globalization of the market, the retail sector has become an increasingly competitive and dynamic business environment. Business and marketing activities are affected by the invent of Internet technologies, and the Internet is revolutionizing commerce, marketing, retailing, shopping and advertising activities of products and service as the promotion of products or services through the Internet whereas; e-tailing can be defined as selling products and services by using the Internet. E-tailing by defining it as the selling of goods and services to the consumer market via the internet. In general, the activities of e-tailing encompass three main activities. They are: (i) a product search facility (often referred to as a product evaluation or information gathering facility), (ii) an on-line purchase function and (iii) a product delivery capability. General marketing activities of an organization, e-tailers have also stick to the same 4P's of marketing activities. They are Product, Price, Promotion and, Place. About the right products, e-stores can offer a larger spectrum of product

offering like traditional retailers in categories ranging from electronics to shoes. The e-store is the Internet version of stores that set up electronic storefronts on the Internet. It provides all kinds of products and renders service to the e-customer at the click of a mouse button and makes money by selling products directly to e-customers. When it comes to the right price, The e-stores can be operated with a low-profit-margin because of the lower cost and higher sales volume. As for the right promotion, e-stores have unlimited direct marketing, advertising, and selling opportunities. E-commerce offered an increased market activity for retailers in the form of growing market access and information and decreased operating and procurement costs. The consumers can gain better prices due to the competition and also can enrich their knowledge of goods and services. The new wave of consumerism coupled with increasing urbanization and burgeoning middle class with paradigm shifts in their demographic and psychographic dynamics have driven consumers frequently to use retail websites to search for product information and make a purchase of products. The top E-tailers in India are [indiatimes.com](http://indiatimes.com), [fabmart.com](http://fabmart.com), [rediffshopping.com](http://rediffshopping.com). They have managed to retain their lead due to innovative business strategies, supply chain model and changing urban lifestyles.

### **Challenges and Opportunities in Online Marketing in India**

India has identified several impediments for the growth of online marketing. They are: (i) consumers cannot touch and feel products, (ii) orders can take several days to be delivered, (iii) shipping costs are often excessive and (iv) customer service is often poor and (v) Returns can be difficult. India has identified some consumer characteristics as potential obstacles to Internet growth, including consumer Traditional shopping experiences, an aversion or lack of access to the required technology and the perceived risks of electronic shopping.

The opportunities of the online marketing industry in India are as follows:

#### **(i) Convenience**

Normally, online stores are usually available 24 hours a day, and many consumers have internet access both at work and at home.

#### **(ii) Price and Selection**

One of the biggest advantages of online shopping is to find out quickly deals for items at services with many different vendors. Search engines, on-line price comparison services and discovering shopping items can be used to find out sellers for particular products or services. Some retailers also offer free shipping for their products.

#### **(iii) Market Research**

Retailers can use their online presence as a tool to gain valuable customer information to forecast future customer demand. Baker (2005) has pointed out that online market research has some powerful advantages, such as monitoring real-time buying decisions. Also, online customers have the knowledge and experience necessary to answer the questions, which produces more accurate and reliable data.

#### **(iv) Online Customer Service**

In India, websites are becoming new channels for conducting customer service; therefore their general acceptance level will increase, due to the benefits provided to customers. For example, a customer could ask for a product introduction or a personalized product in the pre-purchase stage, and could also check the delivery status online. All such services can be available uninterrupted online, which is almost impossible in the physical world, due to the cost.

#### **(v) Promotional Tool**

A website can be used as a medium to conduct promotional experiments, due to the wide reach of the internet, and the low cost. Therefore, it will be a great opportunity for Indian companies to promote their businesses.

## Effective Strategies of Online Marketing

Online marketing in India is focusing on producing sustainable and profitable business strategies for their Internet-based operations. Online marketing in India has rapidly emerged, emulating non-store-based operations. To develop the right e-tailing strategy has addressed five points. They are (i) prompt delivery, (ii) supply chain, (iii) demand nature, (iv) reverse logistics, and (v) accuracy.

### (I) Prompt Delivery

The first major challenge faced by e-retailers was high expectations for prompt delivery of Web orders by customers.

### (II) Supply Chain

E-retailers must have reliable supply-chain partners with the support of a back-end supply-chain management systems. Supply chain management system to oversee the activities like order sorting, packing, and final bar coding for shipment.

### (III) Demand Nature

Popular items and may need to be assessed on its future demand to avoid processing delays. Successful e-retailing companies will have to assess the supply and demand condition so that they can meet unpredictable demand.

### (IV) Reverse Logistics

In any retail business, some products are returned from the point of consumption. Therefore, the challenge is setting up infrastructure and procedures for reverse logistics.

### (V) Accuracy

To achieve high levels of accuracy in e-tailing business, the firm must consider the right equipment to increase accuracy.

## Conclusion

Online shopping has become part and parcel of people all over the world. Online shopping sites give a wide range of products and more stuff to choose based on one's needs. Online shopping always has the advantage of price, many of the products will be discounted to a lower price. Customers will also be given online coupons, gift certificates, promotional codes based on special offers to buy the products. Online shopping at these sites is quick and easy as the wide range of products is categorized in a very convenient and user-friendly manner. The retail scene is changing fast. Retaining the e-customer is a tough challenge. The e-tailers of India need to improve convenience and value for consumers and assist them in overcoming their fears around security. Customer care should be a top priority as with leading online companies. Online customers are more aware, more sensitive and therefore more difficult to retain.

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