



## 4. Marketing Strategy on the Internet

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### **ABSTRACT**

*This paper focuses on the growing importance of online marketing, including state-of-the-art research based on data from numerous surveys. It also includes a brief description of online marketing and basic internet marketing strategies. This paper tries to cover various aspects of Internet Marketing strategies used by marketers. Different types of tools are recommended in various situations to optimise content and increase return on investment. This article provides a conceptual framework for defining the drivers and outcomes of marketing strategy in the context of competing in a larger, evolving marketplace.*

### **KEYWORDS**

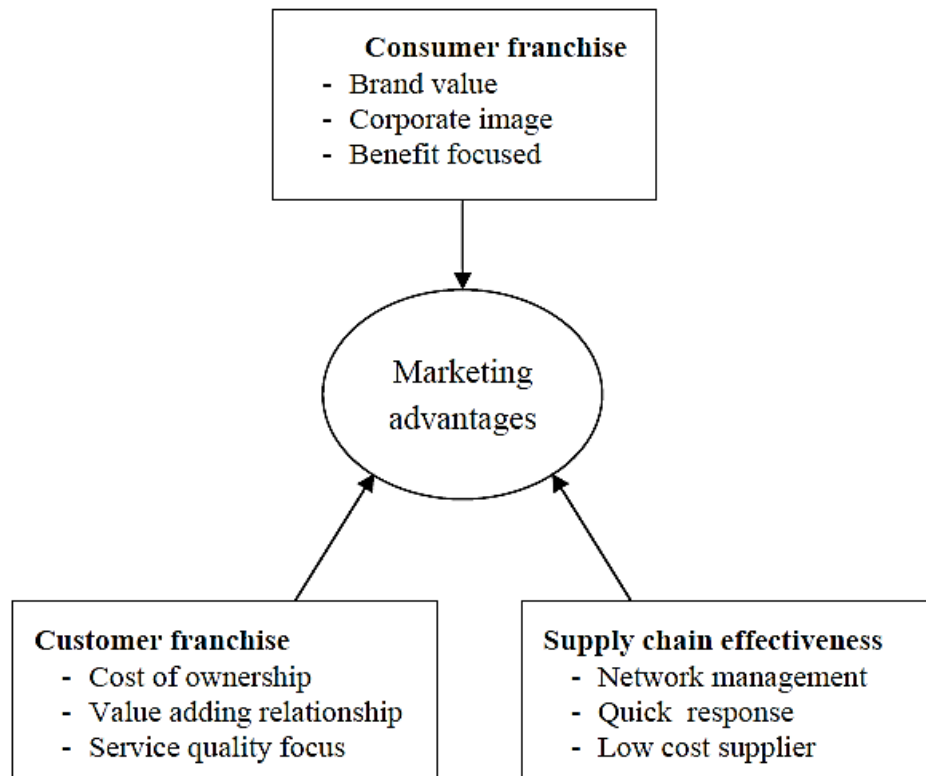
*Marketing, online marketing, customer behaviour, E-Commerce, Internet Marketing, Marketing Strategy.*

### **Introduction:**

The Internet and Information Revolution have caused fundamental shifts in business and consumer behaviour that are comparable to the changes brought about by the Industrial Revolution. The rise of the Internet appears to be analogous to the rise of the printing press or railroads, both of which altered monetary, communication, and exchange platforms. Similar changes occurred with the introduction of automobiles and telephones, which reduced the requirement for channel immediacy.

Internet marketing is distinct from traditional forms of advertising and marketing. There are two significant differences between the two. The first is measurability, and the second is targetability. Measurability is higher in the case of internet marketing because metrics are available and responses to any marketing campaign can be tracked very easily and quickly. Traditional forms of advertising, on the other hand, make measuring the impact of advertising difficult. For example, the effect of billboards on highways in influencing consumer purchasing decisions is difficult to quantify. People driving on highways may not even notice billboards, which can be annoying if they are particularly catchy or attention-seeking. The second consideration is targetability. Targetability is high because the type of

content that reaches a specific segment of people can be controlled by age, geography, hobby, and other forms of segmentation variables. Individual ads shown to different groups can be tracked.



**Figure 1: Three Sources of Marketing Advantage**

The Internet possesses two primary characteristics: timely, vast, and rapid information exchanges, as well as borderless, effective, and long-term interactions and ties. Based on these features, an enterprise can develop two types of competencies using the Internet: informational and relational competencies.

#### **A. Relational Competency:**

The use of Internet technology to establish, maintain, and manage customer relationships. Long-term relationships, customer loyalty, branding, customer relationship management (CRM), and other activities can help you gain this competency. The emergence of "relationship marketing" as a dominant focus of both marketing theorists and practitioners demonstrates the importance of such relationships to the practise of marketing. Because these relational assets are based on factors such as trust and reputation, any organisation has the potential to develop intimate relationships with customers that are relatively rare and difficult for competitors to replicate. Relational resources are intangible, difficult to quantify, and thus underutilised. They exist outside of the firm, are frequently "available" to the firm, and are not "owned."

## **B. Informational Competency:**

refers to the use of the Internet to gather information about customer behaviour, create customer profiles and databases, and manage customer knowledge. Informational competency is a type of knowledge that a company gains when it is aware of its competitive environment. Firms face a significant strategic and informational challenge (and opportunity) as a result of market heterogeneities in demand (customer preferences) and product supply. Market orientation, which advocates systematic acquisition, dissemination, and use of information to guide strategy development and implementation, facilitates such opportunism. Business strategy entails, at a minimum, identifying and selecting market segments, developing appropriate offerings, and assembling the resources needed to produce and deliver the offerings. As a result, organisations must invest more time, energy, and money into developing deep and insightful customer knowledge. An enterprise can select and formulate its Internet marketing strategies based on the degree to which these two competencies are possessed (now or in the future). As illustrated in Figure 3, we classified these strategies into five categories:

- Transactional
- Profile-based
- Relational
- Knowledge-based
- Customer-oriented

### **1. Transactional Strategies:**

A company employs this strategy when it uses Internet and Information Technology tools to reduce costs or improve product quality. As a result, this type of strategy encompasses Porter's generic strategies [cost leadership and differentiation].

### **2. Relational Strategies:**

In this quadrant, a company attempts to achieve relational competency through the use of the Internet. A company will be able to form long-term mutually beneficial relationships with its customers based on this type of e-competency.

### **3. Profile- Based Strategies:**

Many businesses use e-tools such as data mining, cookies, and so on to create customer profiles. They use customer profiles to conduct flexible marketing activities, respond to customer needs, and effectively satisfy them.

### **4. Knowledge-Based Strategies:**

The profile-based and knowledge-based strategies are not interchangeable. In the former, a company attempts to act in response and reaction to changing customer needs, whereas in the latter, companies are not reactors; they are very proactive and build long-term relationships with their customers. It should be noted, however, that developing knowledge-based strategies necessitates the development of customer profiles.

## **5. Customer-Oriented Strategies:**

Depending on their circumstances, different companies may choose and implement various types of strategies. In some cases, an integrated category of them appears to be useful. Customer-oriented strategies are an integrated combination of four strategy categories [Transactional, Relational, Profile-based, and Knowledge-based strategies].

### **Conclusion:**

We used strategic management theories to develop a contingent approach to building and introducing Internet marketing strategies. Then, as a contingent approach, we classified newly developed Internet marketing strategies based on the competency approach of strategic management. We identified two types of competencies in the Internet using the competency approach. Internet competencies are classified as relational and informational. We can divide Internet marketing strategies into five categories based on these two Internet competencies: transactional, relational, profile-based, customer-oriented, and knowledge-based strategies.

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