

A Study on the Usefulness of Online Advertising on Integrated Marketing Communication

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Abstract

Promotion is one of the four major elements of the marketing mix. Therefore, an integrated marketing communications (IMC) strategy consisting of a combination of promotional tools could be an essential element of the businesses' overall marketing strategy. Different promotional tools could foster an increased awareness of a company's products or services, inform people about features and benefits, and move them to make a purchase. In this light, this chapter examines these promotional tools, individually. It suggests that effective IMC plans promote the companies' products and services, by sending clear, consistent and complementary messages that are ultimately intended to turn prospects into customers. In conclusion, it posits that the marketing managers must consider the 6Ms (including the market, the mission, the message, the media, money and measurement) when they are preparing an IMC plan.

KEYWORDS: Integrated Marketing Communication, Impacts and global marketing.

Introduction to Integrated Marketing Communication

Integrated marketing communication (IMC) is an approach used by organizations to brand and coordinate their communication efforts. The American Association of Advertising Agencies defines IMC as "a concept that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines, and combines these disciplines to provide clarity, consistency and maximum communication impact." The primary idea behind an IMC strategy is to create a seamless experience for consumers across different aspects of the marketing mix. The brand's core image and messaging are reinforced as each marketing communication channel works together in unity, rather than in isolation.

History of IMC:

First defined by the American Association of Advertising Agencies in 1989, IMC was developed mainly to address the need for businesses to offer clients more than just standard advertising. The 4As originally coined the term the "new advertising", however this title did not appropriately incorporate many other aspects included in the term "IMC" - most notably, those beyond traditional advertising process aside from simply

advertising. Overall, an influx of new marketplace trends in the late 20th century spurred organizations to shift from the standard advertising approach to the IMC approach:

Decreasing message impact and credibility: The growing number of commercial messaging made it increasingly more difficult for a single message to have a noteworthy effect.

Decreasing costs of databases: The cost of storing and retrieving names, addresses and information from databases significantly declined. This decline allowed marketers to reach consumers more effectively.

Increasing client expertise: Clients of marketing and public relations firms became more educated regarding advertising policies, procedures and tactics. Clients began to realize that television advertising was not the only way to reach consumers.

Increasing mergers and acquisitions of agencies: Many top public relations firms and advertising agencies became partners or partnered with other communication firms. These mergers allowed for more creativity, and the expansion of communication from only advertising, to other disciplines such as event planning and promotion.

Increasing global marketing: There was a rapid influx in advertising competition from foreign countries. Companies quickly realized that even if they did not conduct business outside their own country, they were now competing in global marketing.

Increasing media and audience fragmentation: With the exception of the decline of newspapers, media outlets, such as magazines and television stations, increased from 1980 to 1990. Additionally, companies could use new technologies and computers to target specialized audiences based on factors such as ethnic background or place of residence.

Increasing number of overall products: Manufacturers flooded retailers with a plethora of new products, many of which were identical to products that already existed. Therefore, a unique marketing and branding approach was crucial to attract customer attention and increase sales.

The Shift from Fragmented to Integrated Marketing Communication Prior to the emergence of integrated marketing communication during the 1990s, mass communication – the practice of relaying information to large segments of the population through television, radio, and other media – dominated marketing strategy. Marketing was once used as a one-way feed. Advertisers broadcasted their offerings and value proposition with little regard for the diverse needs, tastes, and values of consumers.

Often, this "one size fits all" approach was costly and ineffective due to its general inability to measure results in terms of sales. As methods for collecting and analyzing consumer data through single-source technology such as store scanners improved, marketers were able to correlate promotional activities with consumer purchasing patterns. Companies also began downsizing their operations and expanding marketing tasks within their organizations. Advertising agencies were also expected to understand and provide all marketing functions – not just advertising – for their clients.

Today, corporate marketing budgets are allocated towards trade promotions, consumer promotions, branding, public relations, and advertising. The allocation of communication budgets away from mass media and traditional advertising has raised IMC's importance for effective marketing. Now, marketing is viewed more as a two-way conversation between marketers and consumers. This transition in the advertising and media industries can be summarized by the following market trends:

1. A shift from mass media advertising to multiple forms of communication.
2. The growing popularity of more specialized (niche) media, which considers individualized patterns of consumption and increased segmentation of consumer tastes and preferences.
3. The move from a manufacturer-dominated market to a retailer-dominated, consumer-controlled market.
4. The growing use of data-based marketing versus general-focus advertising and marketing. Greater business accountability, particularly in advertising.
5. Performance-based compensation within organizations, which helps increase sales and benefits in companies. Unlimited Internet access and greater availability of online goods and services.
6. A larger focus on developing marketing communication activities that produce value for target audiences, while raising benefits and reducing costs.

Benefits of IMC

- 1) IMC helps to create Top of Mind (TOM) awareness with the aid of various marketing tools.
- 2) IMC not only creates awareness, but, evokes the purchase action. IMC persuades the customers to buy the product or service through creative messages, free gifts, trial offers etc.
- 3) IMC helps to develop brand loyalty that results in repeat purchase and favourable recommendations to others by existing customers.
- 4) By using various techniques of promotion, IMC may help expanding the market from local to regional, regional to national, national to international.
- 5) Different marketing tools may be aggressively used to block the competitor's marketing efforts.
- 6) All the above benefits of IMC lead to develop the brand image as well as the corporate image in the mind of customers.

Limitations of IMC

- 1) Lack of coordination within various departments within the large agencies over areas such as sales promotion, advertising, public relation. This may also lead to internal conflict.
- 2) It limits client's ability to take advantage of specialists in various IMC areas.

3) Synergy and economies of scale are not achieved by a single agency handling all communication areas.

Future of IMC

The conception of integrated marketing communication (IMC) is fairly new. The IMC tools allows marketing manager to plan and then execute his marketing communication programs, which create and maintain mutually beneficial, long-term relationships with the target market by satisfying their needs and wants. This means that promotion tools are used to create loyalty.

What is online marketing?

Online Marketing is the art and science of selling products and/or services over digital networks, such as the Internet and cellular phone networks. The art of online marketing involves finding the right online marketing mix of strategies that appeals to your target market and will actually translate into sales. The science of online marketing is the research and analysis that goes into both choosing the online marketing strategies to use and measuring the success of those online marketing strategies.

Online marketing uses internet to deliver promotional marketing messages to consumers. It includes email marketing, search engine marketing, social media marketing, many types of display advertising (including web banner advertising), and mobile advertising. Like other advertising media, online advertising frequently involves both a publisher, who integrates advertisements into its online content, and an advertiser, who provides the advertisements to be displayed on the publisher's content. Other potential participants include advertising agencies that help generate and place the ad copy, an ad server who technologically delivers the ad and tracks statistics, and advertising affiliates who do independent promotional work for the advertiser.

Advantages of Online Marketing

One of the most important advantages is the fast availability of the information. The clients/users can easily get information, by navigating the internet, about the products that they wish to purchase, and besides that, they can check the information at anytime of the day.

1. It allows the companies to save money, an aspect that is really taken into account by the companies since the online marketing campaigns don't require a large amount of investment.
2. The previous mentioned aspect, gives less importance to the differences between large and small companies in some way, thus increasing the competition and giving that way advantages to the customers.
3. Presence on the Internet can help the expansion of the company from a local market to national and international markets at the same time, offering almost infinite expanding possibilities.

4. On the internet everything can be measured, thus it's easier for the companies to know almost instantly if their campaign is working or not, what company or user is interested in their products, from what cities or countries are they, etc.

Disadvantages of Online Marketing:

1. Slow internet connections can cause difficulties. If the companies build too complex or too large websites, it will take too long for users to check them or download them and they will get bored eventually.
2. The e-commerce doesn't allow the user "to touch" the merchandise before purchasing it. Because of this, some salesmen are starting to guarantee the possibility of returning the product. In Germany, where a law that regulates e-commerce and guarantees the customers the total refund of the money exists since 2000, the electronic commerce is very popular.
3. Other factor is the payment: many users still don't trust in the electronic methods of paying and give up buying online because of this.
4. One of the major disadvantages may be the lack of trust of the users because of the constant virtual promotions that appear to be frauds. This is an aspect that deteriorates the image and reputation of quality and honest companies.
5. Other disadvantage is the cash on delivery system, since it doesn't guarantee the 100% purchase of the product. This is also the case of thousands of users that dedicate themselves to daily mock big companies by ordering on the internet using false identities.

India E-Commerce Readiness

In the latest couple of years, there has been a quantum growth in the number of internet users and the awareness towards the World Wide Web has increased in India. The various opportunities that it presents have been recognized and companies have started making plans to include internet, ecommerce and e-business in their scheme of things.

The awareness and interest in the web related activities have been fueled by some factors, those are

1. Easy Access to the Internet. 2) Reduction in the cost of procuring a internet connection. 3) Reduction in the cost of Personal Computers. 4) Reduction in the cost of web site hosting. 5) Availability of tools that support the web site hosting effort.

Thus there has been a rapid jump in the number of internet users in India as well as the number of portals offering e-commerce facilities has also gone up. The portals have also launched massive advertising campaigns for their portals invariably spreading awareness towards the concept and the facilities offered by e-commerce.

Research objectives:

Based on the above research problems, the research objectives are as follows,

- i. To understand the importance of Integrated Marketing Communication.
- ii. To understand the importance of Online advertising in changing market scenario.
- iii. To understand the reasons for growing popularity of online marketing.
- iv. To analyze the effectiveness of online marketing as compared to traditional marketing tools.
- v. To identify the limitations of online marketing as IMC tool.

Survey Method:

The survey method is the technique of gathering data by asking questions from people who are thought to have the desired information. Every effort should be made to state the objectives in specific terms. The survey design can be defined as: “gathering information about a large number of people by interviewing a few of them.”(BACKSTROM & HURSH P3) The definition can be modified by stating that collecting information with other data collection alternatives available to survey researcher in addition to interviewing i.e. questionnaire, personal observation etc.

Surveys are conducted in case of descriptive research studies with the help of questionnaire techniques in most appropriate manner. Survey type of research studies usually have larger sample. It is concerned with conditions or relationships that exists, opinion that are held, processes that are going on effects that are evident or trends that are developing. Thus in surveys variables that exist or have already occurred are selected and observed. It is the example of field research.

Profile of Respondents

Survey for research work was conducted in the city of Mumbai keeping in mind that online marketing is still a metropolitan phenomenon in the developing country like India. Sample of 200 respondents was selected for survey. The questionnaire included a segment on customers profile as a classification of their demographic factors such as gender, age & occupation. During data collection phase, due care was taken in order to make sure that the given questionnaire is completely filled by the respondents.

Data Collection:

Data collection means to a purposive gathering of information relevant to the subject matter of the study from the units under research. Primary data are empirical observations gathered by the researcher or his associates for the first time for any research and used by them in statistical analysis. There are several methods of collecting primary data particularly in descriptive researches. Telephone enquiries, Postal/mail questionnaire, Personal interviewing, Panel research, Special survey techniques. Telephonic inquiries and mailing questionnaires are the best's method for gathering quickly needed information at the cheapest way.

Analysis and interpretation

- The study reveals that consumers reckon upon more than one medium to get knowledge of any brand. Due to unlimited brand choices & price sensitivity, they undertake a detailed evaluation of various brands by referring more number of sources of information. So they may be using combination of various mediums such print ads, television commercials, in-store promotion to know about different aspects of the brand.
- It means consumers do refer various mediums to get awareness but highest preference is being given to online media. Online media incorporates blogs, online PR, Window displays, banner ads etc. And consumers today are more exposed to these forms of online advertising as compared to advertising through other mediums.
- In this study majority of consumers require more information to take purchase decision but they do not like to spend much of their time for purchasing any commodity.
- It reveals that consumers do require plenty of information to take purchase decision. This information may increase their knowledge and assurance on brands' attributes & benefits consumers are likely to gain that will eliminate their confusion in choosing any particular brand. Once they obtain the required information on various brands, they take less time in the purchase of any commodity.
- This study shows that consumers try to gain more information before they make purchase. They receive this information through various mediums; so integration of these mediums is required so as to feed the necessary information to the customers for brand evaluation which in turns will save their time & efforts while making an actual purchase.
- In this study major percentage of respondents is very well knowledgeable about internet. They are well convergent with various usage, functions and benefits being offered by internet. While out of 200 respondents, only few i.e. 7% are not knowledgeable about internet. So it reveals that there is high degree of literacy for internet usage.
- The study shows majority of respondents i.e. 30% use internet with high frequency followed by 27.5 % respondents with very high frequency of using internet. So, due to its attribute of making life easier by allowing the users to have instant access with every informational, educational, interactive & entertaining material; Internet is heavily used medium today.
- The study shows that Social networking is the foremost purpose for which majority of respondents use internet. Certain social networking sites such as Facebook, Orkut, Linkedin etc. have become popular in recent times, used to share the personal & professional views with known and unknown people who can be found out through these sites. After Social networking, second preference given to the online shopping. It allows flexibility to the consumers to view a wide range of products & brands, evaluate them online by reading their features and making an online purchase. Media sharing is at third place. It allows them to share media material such as photos, music, video, news etc.

- In this study majority of respondents are motivated to use internet as it offers them products at discounted rates, gives access to exclusive content such as specific functional & emotional benefits of the brand and facilitates interaction about the brand directly with the company.

Conclusion

The study concludes that consumers rely upon more than one medium in order to enhance their brand related knowledge. It means that they use the combination of various sources for making final purchase decision. Along with the traditional sources, they heavily rely on modern marketing tool i.e. online advertising.

Consumers do require detailed information about the brand so as to evaluate its strengths & weaknesses; this ample amount of information then saves their time by allowing them to make the purchase decision quickly.

The study also reveals that main reason for growing importance of online marketing is the increasing literacy about internet among people. They have identified that internet is truly advantageous through which they can serve their various purposes mainly social networking, online shopping & media sharing (photo, music, video). This efficacy of internet has intensified their tendency of being online.

Today's consumers strongly feel that every company must use this efficacy to strengthen its marketing efforts. So that they will get motivated to use online marketing with the intent of getting access to exclusive content about the brand and getting discount and sharing their feedback about brand with the advertiser .

With the advent of internet technology, consumers' preference towards traditional marketing tools has decreased. Most popular traditional marketing tools are television & print media. The major benefits of online marketing are its capability of interaction between consumers and advertisers followed by availability of wide range of information & ease of shopping. These benefits make online marketing superior than traditional marketing.

But at the same time consumers are susceptible about the user-safety side of internet. They feel that online marketing is unsafe as it may lead to increase in frauds & privacy issue.

Recommendation

Conclusion given above reveals that consumers use more than one medium to make brand choice, therefore it is recommended that

- Companies should mix & match various mediums to reach their desired target audience. This will help to spread awareness among them and to influence buyers behavior thus companies must formulate an effective Integrated Marketing Communication plan where they can combine various tools to grasp maximum prospects. It is also revealed that consumers have good enough knowledge about internet technology and they are in favor of using online marketing, therefore it is recommended that 160
- Every company big or small should grab this advantage and include online marketing in their marketing efforts. Online marketing forms can be mainly web marketing, E-commerce, social media marketing.
- Consumers find certain benefits in online marketing over traditional marketing; therefore companies can spend more on online media rather than the traditional

tools. But along with its advantages, online marketing has certain limitations also, limitations like possibility of fraudulent activities or privacy issues are beyond control. Cyber crime can not be eradicated easily or completely therefore, it is recommended that

- □ Companies should not rely entirely on online marketing; they must make it a part of Integrated Marketing Communication strategy. As a result of which limitations of online marketing will be covered as the other mediums will build the required credibility and positive image about the brand. This credibility will generate trust among consumers towards the brand.

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