

## **A study on E- Promotional strategies for e-marketing**

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### **ABSTRACT**

The key to greater promotional impact for retailers and manufacturers today is knowledge and insight. In order to maximize promotional effectiveness, organizations need to know what categories and what brands are being promoted, by whom, at what price points and how often they are changing. Since online Web site promotions will only continue to grow; successful businesses need to be strategic and informed in their approach. To help retailers and manufacturers successfully implement strategically aligned online and offline promotions. So, this study focuses on e-promotional strategies needed for effective e-marketing.

**Keywords:** e-marketing, e-promotional strategies, online promotional components

### **1.1 INTRODUCTION**

Promotion is all about companies communicating with customers. A business's total Marketing communication program is called "Promotional Mix" and it consists a blend of Advertising, Personal selling, sales promotion, Public relation tools & Direct mailing. The Internet, as an information and entertainment medium, naturally lends itself to being used to promote products. The online promotional mix is an extension of the offline, but with some significant differences. Online promotion can be tracked, measured and targeted in a far more sophisticated way. Advertising, personal sales, promotions based marketing and public Relations can all be conducted through the online medium.

The two prime objectives of using e-Marketing channels in 2010 are "promotional

communications" and "Newsletters". With newer developments in e-Marketing technology, marketers today have a plethora of options in which to use e-Marketing as a method of customer engagement and tracking the same. Some of them are purely information based like transaction-based communication (order confirmation, delivery confirmation) and periodic communications (newsletters) while others are revenue generation methods (event promotion, alerts, behavioral triggers, etc.)

### **1.2 IMPORTANCE AND OBJECTIVES OF THE STUDY**

The key to greater promotional impact for retailers and manufacturers today is knowledge and insight. In order to maximize promotional effectiveness, organizations need to know what categories and what brands are being promoted,

by whom, at what price points and how often they are changing. Since online Web site promotions will only continue to grow; successful businesses need to be strategic and informed in their approach. To help retailers and manufacturers successfully implement strategically aligned online and offline promotions. In this context, the following objectives are laid for studying the role of e-promotional strategies in successful e-marketing strategy:

- ◆ To present the various common e-marketing components
- ◆ To give different e-marketing promotion medium
- ◆ To know about the e-marketing promotional strategies
- ◆ To offer valid suggestions and conclusion for effective e-promotional strategies

### 1.3 METHODOLOGY

The study is descriptive in nature. Secondary data used for this present study through various published sources from online and offline.

### 1.4 REVIEW OF LITERATURE

1. Evans and Wurster (1999) discuss the advantages in relation to the richness of information they can provide consumers. The Internet provides a low cost way for the manufacturer to build a direct link with the consumer. Incumbents can use their traditional sources of consumer information (e.g. product testing, focus groups) in addition to the information that is easily collected from e-commerce sites (e.g. sales information, customer demographics). Using data mining they can build

customer profiles that allow them to offer distinct promotions that are tailored to their customers.

2. *Eric Allen and Jerry Fjermestad (2001)* in their study on "**E-commerce marketing strategies: an integrated framework and case analysis**" demonstrates the usefulness of the traditional marketing model in developing e-commerce marketing strategies and discusses four e-commerce frameworks and integrates them with the traditional marketing model (product, price, promotion, and distribution) to develop a complete framework. Discusses how the e-commerce strategies could be applied to a real company using the integrated model.

3. *Dr. Mahalaxmi Krishnan and Usha Bhandare (2010)* in their research paper on "**Retail Advertising and Promotional Strategies in Growing Consumer Market 2010**" explains the advertisement and promotional strategies adopted by retailers and their effectiveness. Field surveys using structured questionnaires were used to collect primary data from retailers and customers in the city of Mumbai. Retailers adopt a mix of marketing and promotional strategies to withstand competition. Consumers however make informed purchase decisions by sifting through various advertisements and promotional offers.. Indian consumers are maturing and therefore the retailers find it increasingly difficult to influence the purchase decisions of customers merely with promotional offers. Innovations in sales promotion techniques are required to acquire new customers and to retain existing customers, especially the youth, who have no qualms switching brands and or shops.

4. Stanley George (2010) in his study on “Occasion Based Promotional Strategies of Consumer Durable Segment in Kerala” explains Occasion Based Marketing is an approach to connect when and why consumers use the product with how they shop for the product. Kerala is highly developed market for consumer products. National as well as International brands have been trying to have a fair share of this market. The study is focused mainly on the promotional strategies of consumer durable companies and retailers during festival season. The results of this study would mean that the consumer durable companies and retailers are adapting various promotional strategies to attract deal prone, promotion liking customers

### 1.5 COMMON ONLINE MARKETING COMPONENTS

There are some of the more common and latest marketing vehicles available to advertisers. While this list provides a brief introduction to each opportunity, it does not represent the hundreds of marketing placements that could be used in an interactive marketing campaign.

#### a. Banner Advertising

Perhaps the most common and well-known form of online advertising, banner advertising or banner ads allow the marketer to purchase ‘online billboards’ on popular or relevant sites in order to show a promotional message. The ads are typically a standard size, contain text and images and are presented in a jpeg, gif or Flash format. The main challenge associated with banner advertising is a low response rate to the

advertisement. Because the majority of sites feature several banner ads on a single page, attracting a consumer’s attention and initiating a click can be a difficult process. Recently, enhanced targeting methods have begun to improve the low click thru rates (CTRs) typical of banner ads.

#### b. SEM

Search engine marketing or SEM, is another popular form of online advertising that involves purchasing sponsored links for certain search engine keywords. As a user searches for a purchased keyword or phrase, an additional listing displaying a marketing message is displayed above or to the side of the regular or natural search results. While a SEM advertising campaign does feature several benefits, it can be an expensive and time-consuming project for a small marketing budget. Additionally, businesses should focus on optimizing their search engine optimization (SEO) campaign to enhance rankings in natural search results, rather than rely solely on SEM.

#### c. Email Marketing

An email marketing campaign is a cost-effective and direct way to market and communicate with consumers who have already shown an interest in product or location. Building an email database including users who have agreed and expressly consented to receiving marketing messages is not only a solid approach, but it is also a requirement of federal law under the CAN-SPAM act. When creating an email marketing campaign pay close attention to the

design, distribution and effectiveness of each email.

#### **d.Sponsorships**

Similar to, and in most cases including, banner advertising, online sponsorships commonly offer the ability to integrate content or marketing message into another website. A typical sponsorship package could include several banners, locations for copy inclusion and links to the marketer's website.

### **1.5. ADVANCED ONLINE MARKETING COMPONENTS**

#### **a. Blogs**

Since blogs are also a different form of websites, they do offer some of the same basic advertising opportunities as most websites, including banner advertising and sponsorships. Beyond basic advertising, marketers can also create blogs to further enhance SEO programs, public relations initiatives, email databases and communication outlets. Some companies, including Southwest Airlines and General Motors have begun to use blogs to not only promote their products and services, but also to open a new line of communication (a new way to listen) with the consumer. However, the same openness and communication that make blogs so beneficial is also the same challenges that many companies grapple with while running a blog. Upset consumers and instant communication do make blogs very labor intensive marketing vehicle.

#### **b.Podcasting**

A commonly misused marketing term, podcasting (in the truest sense of the word) refers to the distribution of audio or video shows via Apple's iTunes store which are available for

viewing on a portable media player (mp3 player) or iPod. In most cases, podcasting offers the producer(s) a cost-effective way to distribute information to a large audience. Typically, podcasts are structured in a form similar to a traditional television or radio show. Using podcasting as marketing vehicles does

present some challenges, including a limited audience, content creation and delivering a relevant message.

#### **c.Widgets**

Widgets, or gadgets, are split into two types: desktop widgets and web widgets. In either case, widgets are usually a small application that displays a form of content to a user. Common widgets could show the local weather forecast, news, images or a snapshot of email inbox.

The difference between desktop widgets and web widgets is simply the location where they are being displayed. Desktop widgets usually require the download of a special application to run the widgets on desktop; Due to the distribution of widgets, many marketers face the challenge of creating compelling content that users want to see on a daily basis. Successful widgets usually offer a service or content that the user wants, rather than a standard marketing message or commercial.

#### **d.Social Networking**

Websites such as MySpace, Facebook and TripAdvisor have created communities of users with common interests and relationships. These social networking sites not only offer banner advertising and sponsorship opportunities, but also the ability to harness the collective power of

these relationships to promote and inform consumers about your product.

#### **e. retargeting**

While the internet has offered marketers several ways to target specific consumers, for example by advertising on a website with related content to a product, recent advancements in technology have enhanced the targeting of online advertising. Two of the more well-known online targeting methods are contextual and behavioral targeting. Commonly used in conjunction with banner advertisements, contextual targeting ensures that a banner ad is only shown on pages With related content.

#### **f.Offline Activation**

Including steps to promote interactive marketing plan offline may seem ironic; however offline activation is another important piece of creating a successful campaign. Using a call to action with a specific URL or web address in print ads, radio ads and television spots is a common way to increase traffic to your interactive campaign. Be sure to also consider the other offline locations that could benefit your online campaign such as including a URL or web address on business cards, letterhead, collateral materials and promotional materials.

### **1.6 E-MARKETING PROMOTION MEDIUMS**

To discuss online promotion, it is important to first define it clearly. Market Track categorizes online promotion in three broad mediums:

**1. Retail Web Site Promotion:** Defined as a retailer (or manufacturer's e-commerce site operating as a retailer) using its online Website as

a promotional vehicle. This is considered by many to be the online shopping influencer with the greatest influence today.

**2. Third-party Promotion:** Probably the most common form of online promotion in which an advertiser promotes its brand or products via third-party Web sites, portals and social media sites. Promotions include banner ads, pop ups, interstitial ads, etc. These ads may be free, paid for based on viewership of the site or based on click-through rates.

**3. E-mail or Push Promotion:** E-mail or text-based promotions pushed to consumers. This is commonly linked to retailer affinity programs or clubs where the consumer has "opted-in" to receive such messages. Many times these promotions feature offers that are further defined with links back to the promoter's Web site.

In this perspective, analysis to the first category, Retail Web Site Promotion has made. This is the promotional medium that is best correlated to print circular advertising and, the online vehicle with the greatest impact on today's retail sales. It is also the online promotional medium most likely to create brand conflict due to the extent of promotional activity and the ease of referential comparison back to the print circular.

### **1.7 THREE STRATEGIES FOR IMPROVING E-MARKETING SUCCESS**

To help retailers and manufacturers successfully implement strategically aligned online and print promotions, Market Track offers three strategies:

**1. Don't Drive blind:** The retailer and manufacturers understand the evolving competitive environment; it is difficult to have a

winning strategy. The numbers don't lie, online is an important shopping and research avenue for consumers today, and it is a global reality. Online promotions need to have the same strategic planning, competitive analysis and measurement that print promotions do.

If you find your business is taking an informal or ad hoc approach to online promotions, it is time to regroup and start monitoring and planning.

## **2. Coordinate Efforts across Promotional Channels:**

Greater coordination among the various teams managing promotions will help businesses better maximize the impact of their online and print promotions. Understanding that the retailer's online organization has distinct objectives from those of the brick and mortar organization, strategies should still be compared to optimize and avoid what could be potential brand incongruence. In addition, a more strategic approach to promotional strategies across this marketing mix, including online elements, will help both retailers and manufacturers take full advantage of their investments and trade funds.

**3. Measure Your Work:** Ensure the measuring the effectiveness and return on investment (ROI) of online efforts. Ensure e-marketing well-informed decisions by analyzing year-over-year comparisons, monitoring emerging trends and tracking the competitive landscape with quantitative data. Businesses should be well equipped to measure lifts and dips that are due to their print promotions and have an understanding of how their online promotions impact those efforts.

In addition, understanding how an online promotion from a competitor or supplier can

potentially undermine a well-planned print circular is the key to maximizing effectiveness. Monitoring and measuring are essential to understanding the true impact of online promotions and their enhancement to existing print campaigns. Without it, a business is simply spending money and hoping for the best.

### **1.7.2 E-marketing promotional strategies**

- Online and offline e-business *promotions*
  - Attract visitors to sites and may influence purchasing
  - Be sure customers are loyal to company, not reward program
  - Give away items that display company logo
- *Frequent-flyer miles*
  - Offered to consumers for making online purchases
  - Increase brand loyalty, offers a reason return visits
  - *ClickRewards* allows customers to accumulate *ClickMiles*
- *Points-based promotion*
  - Customer performs a prespecified action and receives points to be redeemed for products, services, rebates, discounts, etc.
- Offer discounts when purchases are made online
- Offer free trials
- *Online coupons* for online shopping
  - Place coupons on sites to bring visitors to the site
  - Sites that advertise coupons include DirectCoupons,



- Offer free promotional items: free.com, free2try.com and freeshop.com
- Online promotional tutorial containing information on ways to promote the site found at Promotion World

There are several promotional strategies for internet marketing; five of them are studied here.

i. Promoting your own site is a promotional tool. It can encourage people to remain on your site for a longer period of time, thus allowing reinforcing the company name and increasing perceived value. In addition, it can encourage repeat visits, gradually building a relationship with self-qualified prospects and prepare them to buy from you.

ii. Promoting your site on the web: on-the-web promotion is another way let customer find you and look you. Thinking of all the sites that interest the audience, where does your customer go when they surf the Web? Negotiate a cross link with their owner.

iii. Advertising on the other sites: on-line advertising is equivalent of every form of advertising and promotion that exists off-line: classifieds, display ads, event sponsorships, product placement in movies, and logos. There are paid advertising and free banner ads, which are generally handle through an exchange services.

iv. Promoting your site elsewhere on the internet: Although establishing a web site gets the most commercial attention, there are many other ways to take advantage of the internet for marketing purposes: email, newsgroups, mailing lists, and classified ads, these are less-

risky, less-expensive alternatives. Use these tools can promote recognition and repeat visit for the web site. Newsgroups and mailing lists offer a unique opportunity to reach a high targeted, computer-savvy audience with information about your web site.

v. Promoting your site off-line: Tradition media such as television commercials, newspaper and their classified ads, magazines, business cards, customer mailing, letter heads, Yellow pages ads and other media can publicize business and attract people go to Web site, put URL on these traditional media. Take advantage of all existing off-line promotional methods to tell people about your web site, and describe the benefits of visiting your site. Attending conference, running workshops is also good opportunity to publicize web site.

## 1.8 SUGGESTIONS FOR EFFECTIVE E-PROMOTIONAL STRATEGIES

The various suggestions for effective e-promotional strategies are as follows

- Offer downloadable e-books and guides in exchange for their email addresses. People love a free piece of information, especially when the website is known to offer great content.
- Strategically market special offers on your store with intelligent site placement (e.g. banners, navigation stickers, Deal of the Day, etc.

- Get higher conversion rates by providing visually pleasing banners for any category or subcategory on the website to showcase promotions, special offers, best deals, sales, etc.
- Create promotional banners can click straight into the items or categories being promoted and update dynamically
- Use design-friendly UI tools to set up banners on your site. Drag and drop features to dynamically modify the layout of the web store
- Advertise various special offers using promotional stickers in different areas of the storefront, such as in the navigation section or as floating cart
- Set up product recommendations on best sellers, featured products, most popular and new arrivals to facilitate further item searching by the customer
- Offer gift-wrapping or gift messages to customers for purchases
- Sell gift certificates and gift cards of any denomination to customers with appropriate revenue recognition in your accounting system
- Email coupons/promotions that link to a specific page to drive potential and existing customers to other inventory
- Create email marketing campaigns with segmented customers, and measure the results

## 1.9 CONCLUSIONS

The road to greater promotional consistency and better results should not be a terribly long one. However, it does require visibility and coordination between retailers and manufacturers, the online and print promotional teams, and the brick and mortar and online merchandising and sales organizations. For retailers and manufacturers that take the time to plan, coordinate and measure online and print promotions today, the ongoing growth of e-commerce will bring greater Opportunity and sales results.

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