

An Assessment of Internet Marketing on Sales in Faisalabad, Pakistan

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ABSTRACT

Internet advertising is a multi-faceted phenomenon. True, the same could be said of many other kinds of advertising. Print advertising comes in many colours, shapes, and sizes; television advertising might range from a simple 10-second message to a long-format infomercial. Internet advertising has all those kinds of variations, too. But it also spans time and space (unlike print which is space bound and broadcast which is time bound) and seems different in other fundamental ways as well. What about corporate Websites – are they advertising? They are definitely designed to communicate. They are often filled with information that may not be directly targeted at immediate persuasion to act, but that might be intended to improve the overall reputation of the company or some similar goal.

Keywords: Cost Effectiveness, Quick Response, Consumer Loyalty, Online Marketing, Sales

INTRODUCTION

Perhaps the most perplexing question is whether sites that facilitate online buying are advertising. In traditional terms, they are more like retail stores where we might find some on-site messages, packaging, presentation, and other tools that help sell products. But because the Internet is also somewhat like other communication media, definitions get a bit fuzzy when the consumer sees a site at the top of a search engine list (because it has been optimized to appear early in that listing), clicks on the link, reviews a wealth of information about the

company and the product, and makes a purchase – all at the same computer screen and within a matter of minutes or even seconds.

Clearly, Internet advertising is different in some fundamental ways from other forms of advertising. Researchers and practitioners seem to have identified four key differences. First, it “compresses” the hierarchy of effects. Traditionally, marketers have talked about the need for setting different kinds of objectives for advertising and marketing based on the notion that advertising works on the communication aspects of the hierarchy (e.g. awareness, attitude) while marketing works on the higher-level behavioral goals (e.g. purchase, brand loyalty). Advertising traditionally took place in the media while the retail environment was the place to focus on changing behaviors.

Of course, there have always been messages that exist in the “cracks” of this definition. For example, direct mail does not use a traditional mass medium and is very much focused on achieving a behavioral result. Nevertheless, it is often thought of as form of advertising – though a very specialized one that uses different techniques than magazine or television advertising. But on the Internet all the lines blur and compress. Banner ads might build awareness of a brand, but they are most often also designed to encourage “click-through” to a Website that often sells the products or services presented on the banner.

Researchers have also examined intrusiveness, or lack thereof, as a unique characteristic of Internet advertising. As Internet advertising was first

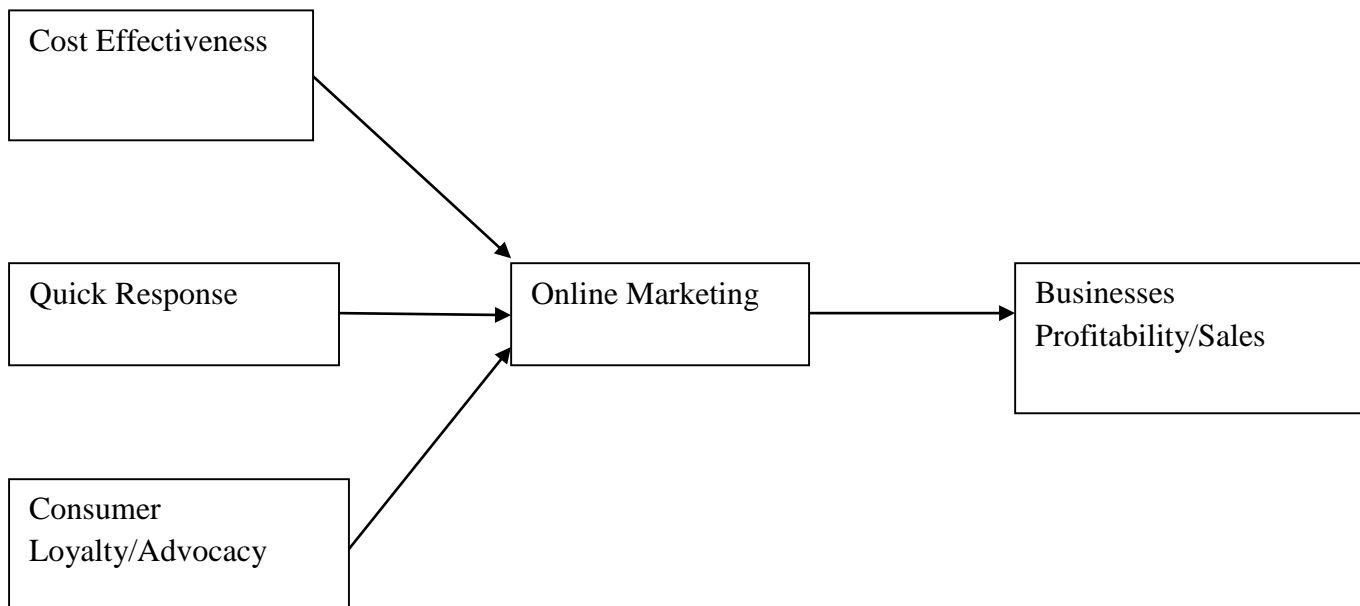
developing, some felt that it lacked enough intrusiveness to be effective. For example, McDonald (1997) noted that most advertising appears during the breaks of television watching or as an intrusion into the reading flow of a magazine. But the Internet message that is intended to persuade often is positioned at least one click away from the banner, hyperlink, or other Internet advertising. In essence, the consumer has to request the ad rather than having it intrude upon his or her life. But advertisers have become clever at making their ads intrusive with tools such as pop-up ads that appear on top of a message, pop-under ads that stay on a screen after the target Website is closed, interstitial ads that “take over” the screen and so forth. Recent research suggests that these more intrusive forms can lead to irritation and ad avoidance (Edwards, Li, & Lee, 2002). Thus the medium offers advertisers the interesting challenge of how to

lure customers to a selling message or purchasing opportunity without encouraging them to invest in tools such as pop-up blockers that can make advertising completely invisible.

Research Question/ Importance of Study with Respect to Pakistan

I would be looking into the newly emerging internet opportunities for businesses' advertisement and selling platforms, with particular emphasises on social media. Later we will evaluate the effectiveness of each of the social media opportunities for various businesses and will recommend them feasible promotional strategies. Lack of online marketing literature in Pakistani context requires much needed research to see applicability of previous research for Pakistani market.

Theoretical Framework





LITERATURE REVIEW

Olivier Furrerand D. Sudharshan (2010) conducted a research on internet marketing in which they have explained the opportunities created for the researchers by the internet along with the problems that researchers may face. They discovered that the internet facilities ensure a brilliant future as a tool for marketers. In this study, they developed typology of internet marketing surveys showing the existence of eight different designs than can be used by the marketers. However, they may face some problem using this fascinating tool. Olivier Furrerand D. Sudharshan showed the nature of problems by developing a seven step procedure which involves the proposed sampling process. They have also discussed the potential practical problems.

Jianwei Houa and César Rego(2006) conducted that faculty members of University of Mississippi, wrote an article named Internet Marketing An Overview in which they discussed the emerging opportunities for marketers. They reviewed the existing findings on this topic ranging from the internet being a marketing channels, an advertising channel, and a communication medium, to the effect of the internet on traditional marketers. They discussed the kinds of products and marketing strategies suitable for internet marketing and showed that internet has increased the market competition converting the global economy into almost perfectly competitive economy. They have also developed strategies for customer relationship management through this new channel.

Kiang, Raghu and Shang (2000) conducted a research in which they have discussed the potential usage of internet as a marketing tool and its benefits. Its abstract includes the primary question of interest and their findings on the

topic. Using previous studies they have established that, four major channel functions, namely, product customization, availability, logistics, and transaction complexity are considered relevant in understanding the implications for Internet marketing. By building upon previous research in the area of channel selection, they provide a means of classifying Internet marketing initiatives based on product characteristics. The classification scheme based on product characteristics can help analyse the significance of each factor on the success of a firm's online marketing approach"

Chiang and Yim(2004) conducted that The Rank and upcoming of Internet Marketing written by an anonymous writer discussed, how internet marketing has become a vital tool of marketing and marketing research and its fate in near future. This article discussed that in prevailing fierce competition, an organization has to become globally competitive and internet marketing provides the way to achieve this objective. It has removed the barriers in regards to location. According to the article "Internet Marketing not only transformed the conservative marketing ideas but also has expanded the chances to marketers Finally, this article explained how the rapid adoption of internet has caused firms to experiment innovative marketing strategies.

Avlonitis, Despina and Karayanni (2005) conducted a research on Impact of internet on marketing and published it in an article. They explained that conventional marketing and sale strategies are undergoing unprecedented transformation because of the adoption of new technology especially internet. They argued that internet has completely shifted the marketing into a new era which is the era of digital marketing. They used econometrical analysis for their research. Their key findings suggested that the



internet has not only enhanced the business performance, efficiency and productivity but also reduced the selling, administrative, marketing and advertising expenses which collectively has increased the bottom line of profit and loss statement, net profit. It has also increased the sales performance along with the reduction of sales force.

Ragu, kiung and Chang(2001) argued that internet has opened new markets to developing Asia and has accelerated the diffusion of knowledge throughout the region and it has also contributed towards exacerbated current inequalities. It has been argued that Asian Governments and companies must make fundamental changes in their policies of doing businesses. They should incorporate technology in their businesses to not only increase effectiveness and productivity of the firm but also to reduce cost and to change conventional cost structure of the company. This publication has discussed different policies and its implication regarding role of internet in industry to incorporate technology.

METHODOLOGY

This research paper intends to identify determinants of online shopping for Pakistani university students. Similar studies have been extensively done across various parts of the world

but (as can be expected) they all have ended up with varying results. Different characteristics of various markets have substantial impact upon research findings. Pakistani universities students are a completely unique market and therefore their reasons for online shopping might vary significantly from another population where heterogeneous elements (from that of Pakistani market) are present.

Various expected determinants of online shopping have been identified using literature of previous research papers and based upon this knowledge a theoretical framework has been prepared that is given at the end. Later to execute such a research study for Pakistani market we have extracted and modified previous published research papers' questionnaires.

The nature of data is qualitative that highlights varying factors that motivates or de-motivates Pakistani consumers to buy from online virtual shops. Primary data is being collected for analysis of our research question.

Information was gathered from different sources, for example, Journal of Marketing, published papers etc. Some other journals that were being used for the purpose are JSTOR, Science Direct and Journal of Economics and Marketing. Literature review concerning our research question was gathered from these marketing journals and was thoroughly studied so that this research question can be replicated in the context of Pakistani markets.

Table 1: Instrument Description

Instrument	Creators	Year	No. Of Items
Consumer Loyalty	Yan Li	2011	3
Consumer Advocacy	Alan D.Smith	2012	2
ISO standards	Brian Slack	2001	4
Regulatory Pressure	TarigKhidir	2009	3
Environmentalist Pressure	Vasco Sanchez	2006	2

Data Analysis

Given the nature of our data I plan to apply non-parametric tests for my research findings. For this the Statistical Package for Social Scientists (SPSS) is expected to be used. The empirical aim of my research question is as to which of my

independent variables are statistically significant in explaining our target market's online shopping behavior. For this I intend to apply Cho-Square test to evaluate various independent variables statistical significance. Independent factors that will be found to be significant will be claimed to be the real determinants of Pakistani students' online shopping behavior.

RESULTS AND ANALYSIS

Reliability Statistics

Dependent variable	Independent variable	Cronbach's alpha
Availability of product	Time Price Quality Payment Credibility	0.711

Individual Cronbach's Alphas

Variables	Chronbach's Alpha

price	0.7115
time	0.689
payment	0.695
Credibility	0.699
Avaialbilty	0.710

Correlation testing

		price	credibility	availability	payement	time	quality
price	Pearson Correlation	1	.018	.248*	.640**	-.108	.088
	Sig. (2-tailed)		.861	.013	.000	.286	.387
	N	99	99	99	99	99	99
credibility	Pearson Correlation	.018	1	.309**	.275**	.320**	.302**
	Sig. (2-tailed)	.861		.002	.006	.001	.002
	N	99	99	99	99	99	99
availability	Pearson Correlation	.248*	.309**	1	.387**	.472**	-.134
	Sig. (2-tailed)	.013	.002		.000	.000	.185
	N	99	99	99	99	99	99
payement	Pearson Correlation	.640**	.275**	.387**	1	.416**	.309**
	Sig. (2-tailed)	.000	.006	.000		.000	.002
	N	99	99	99	99	99	99
time	Pearson Correlation	-.108	.320**	.472**	.416**	1	.302**

	Sig. (2-tailed)	.286	.001	.000	.000		.002
	N	99	99	99	99	99	99
	Pearson Correlation	.088	.302**	-.134	.309**	.302**	1
quality	Sig. (2-tailed)	.387	.002	.185	.002	.002	
	N	99	99	99	99	99	99

*. Correlation is significant at the 0.05 level (2-tailed).

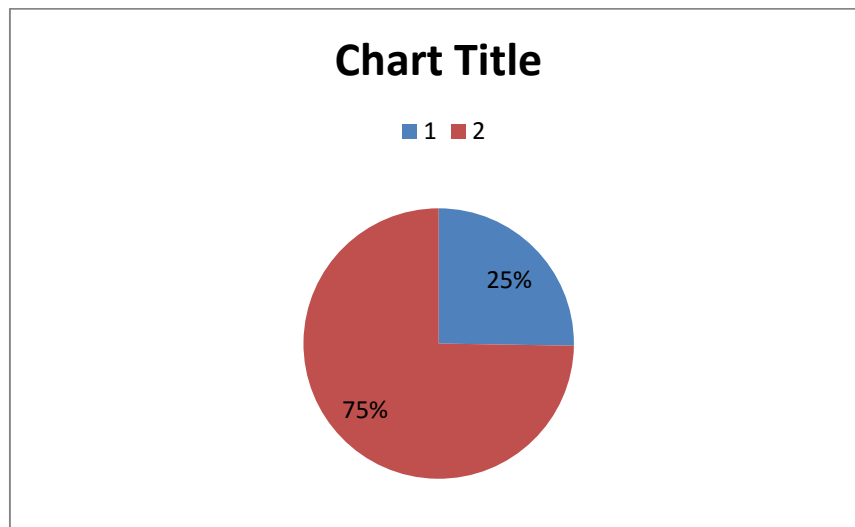
** . Correlation is significant at the 0.01 level (2-tailed).

The result of cronbach's is 7.11 which is the reliability part and then we have to see the correlation of the data and have to see which one is accepted and which one is rejected. All the significant values are accepted instead of quality of the product

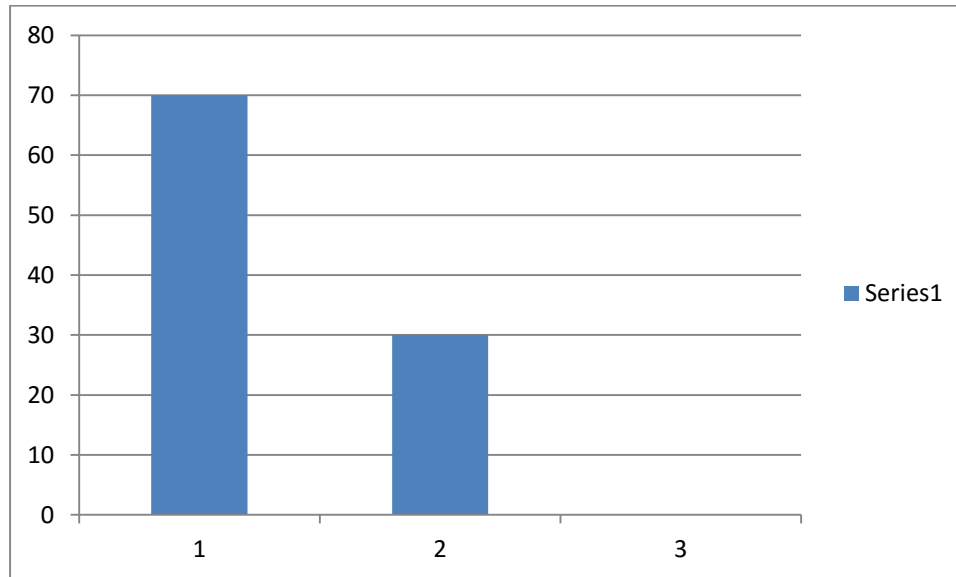
The correlation analysis shows the weak relationship against price and credibility whereas availability shows a positive strong relationship and while quality have a low negative relationship.

Graphical Illustrations

Following is the graphical illustration of the proportion of gender selected to fill the questionnaires of the research, it states that 75of the total sampled population were male and 25% were females.



Following is the graphical illustration of the proportion of age brackets of people selected to fill the questionnaires of the research, 70% were between the age of 18-25, 30% were between the age of 26-31



Conclusions and Recommendations

The purpose of this research is to identify the role of internet in marketing that how it effects the purchasing pattern of the consumers and how they see the new way of advertising and its impact on them so we conduct the research to find out the role of internet and this is the different way of advertising as compared to the other tools such as newspaper ,television and different other ways to advertise and second major difference between Internet advertising and other forms of advertising is that the Internet was the first widely available consumer medium that enabled the sometimes- elusive properties of interactivity In the methodology part we used different techniques and sources to collect data i- e for example, Journal of Marketing, published papers etc. Some other journals that were being used for the purpose are JSTOR, Science Direct and Journal of Economics and Marketing. Literature review concerning our research

question was gathered from these marketing journals and was thoroughly studied so that this research question can be replicated in the context of Pakistani markets. And then the population of the research i-e the Lahore universities from where we collect the data and fill the questionnaires and the reason to choose these universities of Lahore are because the online trend to make purchases are oftenly found in the youngsters in Lahore and we find out that how it affects the behavior of new consumers and we find the relations of dependent and independent variable by using cronbach,s correlation analysis and availability is the dependent variable and we compare it with the all variables and only 2 variables are not significant or they are rejected and we discussed the relation above which shows the true figure of the research .

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