The Importance and Limitation of Internet Marketing For Business Organisation in Nigeria

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Abstract

Internet marketing, also known as web marketing or online marketing is the marketing of products or services on the internet. For today's business owners, the shape of commerce is changing. No longer is the success of our businesses completely reliant on word-of-mouth and persuasive print advertising. Today's savvy entrepreneurs understand that in order to be truly successful in today's competitive environment, it is absolutely essential to conduct comprehensive internet marketing. However, this is not yet so for Nigeria's environment. For any business, you require marketing and it can be any type of marketing. Marketing helps in exposing your business brand and products to people and this could better be achieved through internet for instance through various websites, emails, forums, blogs and articles. It is true that you can reach the masses and have good exposure but it is not applicable to all businesses. Apart from the fact that there are limitations in the use of internet marketing, only those who have implemented the correct strategies and techniques can take its full benefits. The paper examines the advantages, limitation and effect of internet marketing on business organization. The secret of successful internet marketing and the internet marketing strategies i.e. internet marketing mix-Personalisation, Privacy, Customer Service, Community, Site, Security Sales Promotion are also examined. The significance of this paper is to expose Nigerian entrepreneurs to the benefits of in terms of cost reduction with better and effective management of business information and a better knowledge of consumer preferences.

Key words: E-commerce, Online marketing, Digital marketing, Web marketing.
1. INTRODUCTION

For any business, marketing is required simply because it helps in exposing the business brand and products to people. The advent of the internet has greatly increased the ability of companies to conduct their businesses faster, more accurately, over a wider range of time and space at reduced cost, and with the ability to customize and personalize customer offerings. Countless companies have set up websites to inform and promote their product and service (Kotter 2003).

The internet itself is free, though individual users need to pay a monthly fee to an Internet Service Provider (ISP) such as AOL, Earthlink or Scannet to be hooked up to it. Today, internet has become an indispensable part of every aspect of our life. One of the biggest benefits that internet users enjoy is communication. People living in completely different corners of the world can communicate with each other faster and smoothly through the internet every time.

The positive impact of internet has been largely felt by the business fraternity. Internet provides marketers and consumers with opportunities for much greater interaction and individualization. Company in the past would send standard media-magazines, newsletters, ads without any individualization or interaction (Kotter 2003) pg. 629. Today, visibility in the market is a bigger factor. Your brand should reach the global market, the product should be visible everywhere, people across the world should recognize your brand and for successful product promotion and campaigning, you need to improve. Communication and interaction with people; and with its modern tools, internet helps you to achieve that.

1.1 Internet Marketing

Internet marketing is the technique of marketing products and services using internet as its main medium. (Kurtz et al, 2006) The newest channels for direct marketing are electronic. E-business describes a wide variety of electronic platforms, such as the sending of purchase orders to suppliers via Electronic Data Interchange (EDI); the use of fax and e-mail to conduct transactions; the use of ATMs and smart cards to facilitate payment and obtain digital cash; and the use of the internal and on-line services. All of these involve doing business in a 'market space' as compared to a physical 'market place' (Kotter 2003).

E-commerce is more specific than e-business; it means that in addition to providing information to visitors about the company, its history, policies, products and job opportunities,
the company or site offers to transact or facilitate the selling of product and services online. Kurtz et al. (2006) defined e-commerce as targeting customers by collecting and analyzing business information, conducting customer transactions and maintaining on-line relationships with customers by means of computer networks.

A closely related but somewhat narrower term than internet marketing is online marketing. Online marketing refers to marketing activities that connect buyers and sellers electronically through interactive computer system. Just as e-commerce is a major function of the internet, internet marketing and on-line marketing are integral components of e-commerce. Kurtz et al. (2006).

2. THE IMPORTANCE OF INTERNET-MARKETING FOR BUSINESS ORGANIZATION

The Internet is considered to be a tool that enables organizations to operate more adequately and efficiently. Ching et al. (2004) state that the use of the internet for e-commerce has increasingly grown in relation to the increase in commercial web sites. Information can be requested and provided, orders placed and filled, products delivered and services performed.

Any e-business will increase its opportunities for cost reduction and will enable information to be managed more effectively provided the correct techniques are used. The adaptation of internet marketing sets up opportunities that include a lower cost channel to market and a better knowledge of consumer preferences. Internet marketing is used for B 2 B (Business to Business) and for B 2 C (Business to Consumer) marketing and sales.

Cost reduction is considered to be the major benefit in Internet marketing because it uses the internet as a platform that allows firms to adapt to the needs of customers, reduces transaction costs, and allows customers to move from time and location-based behaviours (Watson et al., 2002).

Marketers have found that internet marketing can markedly reduce the cost of starting and operating a business. Scott Smith, manager of inventory at Ace Hardware, says that since his company installed a web-enabled collaborative-commerce program, the cost of picking goods of
warehouse shelves has fallen to about 18%, and inventory receiving costs dropped by 20% (Anny Tsao, 2009).

In addition to cost reduction, Internet marketing helps in closing the gaps on distance. Watson et al., (2002) opine: 'the cost of an internet marketing platform is typically lower than other marketing platforms such as face-to-face sales people or middlemen/distributors'.

Furthermore, according to McCue (1999), Internet marketing has impacted on the barriers to export entry and has provided hope to a lot of organizations attempting to enter foreign markets by allowing them to communicate globally as any other physical business. In other words, internet marketing allows firms to reach customers that may not be accessible due to geographical limitations of existing distribution channels. Internet marketing platforms can provide unlimited information to customers without human interface.

Watson et al., (2002) adds that Internet marketing strategies bring out a hold on existing and emerging communication and data networks to break personalized and uninterrupted communication between the firm and its customers and to provide top level value above traditional patterns.

According to Kartz and Boon (2006) internet marketing provides the following benefits to contemporary marketers:

- **Global Reach**: The net eliminates the geographic protections of local business thereby enabling inexpensive communities with consumers in far away places.

- **One-to-One Marketing (personalization)**: Only a handful of Dell computers are waiting for customers at any one time. The production process begins when an order is received and a day or two later when the PC is shipped to the customer. Not only does this approach better satisfy customer needs, but it also sharply reduces the amount of inventory Dell has to carry. (Ron Insana, 2004).

- **Interactive Marketing**: Customers and suppliers negotiate prices online in much the same manner as they do of a local flea market or car dealership. The result is the creation of an ideal product of the right price that satisfies both parties.

- **Right-time Marketing**: Online retailers, such as Amazon.com and Buy.com can provide products when and where customers want them.

- **Integrated marketing**: The internet enables the coordination of all promotional activities
and communication to create a unified customer-oriented promotional message.

According to Cox et al., (2002), Internet marketing is also enhancing a more level playing field for business organization. Minority business owners believe that the anonymity provided by the internet has allowed them to succeed on their own merits in a world where discrimination still exists; neither black or white, rich nor poor, the business treatment on the internet is equal.

On the part of shoppers, many product cost less online. The web is an ideal place for savvy shoppers to compare prices from dozens even hundreds of sellers. Online shoppers can compare features and prices at their leisure without being pressurized by a sales person or having to conform to the company's hours of operation.

Another benefit of internet marketing is shopper convenience. With easy-to-use web site, Cybershoppers can order goods and services, from around the world at any hour of the day or night. Many e-retailers allow customers to register their credit card and shipping information for quick use in making future purchases.

Lastly, for large corporations and small businesses, sales made entirely through a web site typically generate much greater profit merging than sales from traditional channels such as catalogs, retail outlets, or phone centers. However, even if the sales does not close online, marketers who educate their customers online ultimately save money and increase sales productivity because sales people no longer have to spend their time answering routine questions.

3. INTERNET MARKETING STRATEGY

The internet marketing strategy is normally based on principles that govern the traditional, offline marketing i.e. the well known 4 P's (Product, Price, Promotion and Positioning) that form the classic marketing mix: when the extra 3P's (people, processes and proof) are added, the whole extended marketing mix is revealed.

This represents the real difference between internet marketing and the traditional marketing. The extended marketing mix is built around the concept of 'transactional' and its elements perform transactional functions defined by the exchange paradigm. What gives internet marketing its uniqueness is a series of specific functions, relational functions, that can be
synthesized in the 2P+2C+3S formula i.e. personalization, privacy, customer service, community, site, security, sales promotion.

These seven functions of the internet marketing stay of the base of any internet marketing strategy and they have a moderating character, unlike the classic marketing mix that comprises situational functions only.

* **Personalization**

The fundamental concept of personalization as a part of the internet marketing mix lies in the need of recognizing, identifying a certain customer in order to establish relations (establishing relations is a fundamental objective of Marketing). It is crucial to be able to identify our customers on individual level and gather all possible information about them, with the purpose of knowing our market and be able to develop customized, personalized products and services. Personalization can be applied to any component of the marketing mix; therefore, it is a moderating function.

* **Privacy**

Privacy is an element of the mix very much connected to the previous personalization. When we gather and store information about our customers and potential customers (therefore, when we perform the personalization part of the internet marketing mix) a crucial issue arises: that of the way this information will be used, and by whom. A major task to do when implementing an internet marketing strategy is that of creating and developing a policy upon access procedures to the collected information.

This is a duty and a must for any conscious marketer to consider all aspects of privacy, as long as data are collected and stored, data about individual persons.

Privacy is even more important when establishing the internet marketing mix since there are many regulations and legal aspects to be considered regarding collection and usage of such information.

* **Customer Service**

Customer service is one of the necessary and required activities among the support functions needed in transactional situations.
We will connect the apparition of the customer service processes to the inclusion of the "time" parameter in transactions. When switching from a situational perspective to a relational one, internet marketing is mostly based on a relational perspective, the marketer sees himself somehow forced into considering support and assistance on a non-temporal level, permanently, over time. For these reasons, we should consider the Customer Service function (in its fullest and largest definition) as an essential one within the internet marketing mix.

* Community

Internet Marketing is conditioned by the existence of this impressive network called internet. The mere existence of such a network implies that individuals as well as groups will eventually interact. A group of entities that interact for a common purpose is what is referred to as a "community". The Metcalf law (named after Robert Metcalf) states that the value of a network is given by the number of its components. We can apply this simple law to communities, since they are a network: we will then conclude that the value of a community rises with the number of its members.

The customers/clients of a business can be seen as part of a community where they interact (either independent or influenced by the marketer) -therefore developing a community is a task to be performed by any business, even though it is not always seen as essential. Interaction among members of such as community can address any of the other functions of internet marketing. So, it can be classified as moderating function.

* Site

In internet marketing, interactions take place on a digital media - the internet. But such interactions and relations also need a proper location, to be available at any moment and from any place - a digital location for digital interactions.

Such a location is called a "site", which is the most widespread name for it. It is now the time to mention that the "website" is merely a form of a "site" and should not be mistaken or seen as synonyms. This special location, accessible through all sort of digital technologies is moderating all other functions of the internet marketing. It is then a moderating function.
**Security**

The "security" function emerged as an essential function of internet marketing once transactions began to be performed through internet channels. What we need to keep in mind as marketers are: the following issues on security:

- security during transactions performed on our website, where we have to take all possible precautions that third parties will not be able to access any part of a developing transaction;
- security of data collected and stored, about our customers and visitors.

An honest marketer will have to consider these possible causes of further trouble and has to cooperate with the company's IT department in order to be able to formulate convincing (and true, honest!) messages towards the customers that their personal details are protected from unauthorized eyes.

**Sales Promotion**

Sales promotion is an excellent efficient strategy to achieve immediate sales goals in terms of volume. This function counts on the marketer's ability to think creatively: a lot of work and inspiration is required in order to find new possibilities and new approaches for developing an efficient promotion plan.

Internet marketing implies, new dimensions to be considered aside of those inherited from the traditional Marketing. These dimensions revolve around the concept of relational functions and they are a must to be included in any internet marketing strategy in order for it to be efficient and deliver results.
4. THE LIMITATION OF INTERNET MARKETING

Internet marketing is a business concept that requires one client to utilize modern technology in order to surpass the limitations of traditional marketing. This ever changing and excessively advanced technology requires not only a natural flair for marketing but some technical skills as well. Many large online marketers tend to assemble extremely complicated sites. Therefore, one of the main limitations of internet marketing is that prospective customers find it complicated to access some site. The complications may be in the form of error messenger popping up when trying to access a link or the website may consist of bugs that affect the general marketing campaign (Gilmore, A. et al., 2007).

For effective internet marketing, updating of the website content or any feature is very necessary. Otherwise, it will have negative effect on the business. There is neck to neck competition in the world of internet, hence, it is very difficult to survive and sustain the position. Internet marketing is not so easy, it requires lot of patience, hard work and a good investment. The services offered are not free; each and every aspect including website design, maintenance, online advertising etc. are all included in the cost of internet marketing.

Online shopping is popular, but there are still many people who do not prefer shopping through internet. Many people fear to have credit card purchase on the internet due to security issues. The issues relating to privacy and security are considered as impediments to the growth of e-commerce. Consumers worry that information about them will become available to others without their permission. Customers are also particular concerned about the safety of credit-card information and this has led to the use of secure payment systems. To add to these security systems, e-commerce sites require passwords as a form of authentication - that is to determine that the person using the site is actually the one authorized to have access to the account. Most consumers want assurances that an information they provide will not be sold to others without their permission (Gilmore, A. et al., 2007).
5. THE APPLICATION OF INTERNET MARKETING ON VARIOUS INDUSTRIES

Currently, almost any company or industry in the world has managed to incorporate strategic Internet marketing concepts in their future policies or plans for future development. In all these cases the radical steps have significantly diminished the operational cost, and meanwhile they have triggered a massive shift towards facilitation of the business processes. For instance, Airline industries have integrated various Internet marketing options on their web sites aiming to take advantage of the reduced indirect operation costs such as Reservation system costs. Sales offices cost, advertising and sales promotion cost, Agent fees and commissions, ticketing fees (Kotter, 2003).

Traditionally, the aviation sector pays between 3% - 20% commission on the travel agents who act as intermediaries in the supply chain. Instead of spending these huge financial resources the companies have decided to orientate and concentrate their attention on attracting the potential customers directly on their web pages avoiding the additional expenses for simple physical distribution and trade. Some airlines jointly set up on-line booking sites to offer Business-Business or Business-Customer, and other travel-related services. Travel websites such as Priceline and Internet booking engines such as Expedia also offer convenient on-line ways to book (Yang 2001).

Kotter, 2003 states that Internet marketing is indeed very influential to several types of industries. It has made a huge impact on industries that were once Retail-oriented. Examples of these industries are film, music, flea markets, banking, Pharmaceuticals and advertising that command higher market share than Radio. As for the music industry, Internet marketing has become a source for music files download. Ever heard of iTunes? In year 2008, iTunes Store became the leading music retailer in the whole of United States.

Aside from these, banks are now performing several tasks through the net. Numerous people find online banking more appealing than actual visits to the bank because of its convenience. Also, online auctions are fast becoming popular. The items that were previously sold only at flea markets are now sold on online auctions, with eBay.com being the most popular e.g. Access Bank's unveiling of online forex services to support corporate and individual client base.

It is also the basis for pricing of some specialized items. The impact of Internet marketing on the advertising industry has been deep as well. After a few years, online
advertisement grew to be worth billions of dollars every year. In fact, according to PricewaterhouseCoopers, an incredible amount of $16.9 billion was spent for Internet marketing in the U.S. alone for year 2006. Presidential candidates also recognized this, which is why they used the Internet for campaigns (Ching, H.L. et al, 2004). The new partnering of Petroleum Equalisation Fund Management Board with Conoil Plc for the implementation of its new electronic-loading of petroleum product (e-transaction) and payment device called "Project Aquila" for improved distribution efficiency is another example.

6. RECOMMENDATION FOR SUCCESSFUL INTERNET MARKETING

Conducting business successfully and profitably on the net requires more than creating website. State-of-the-art graphics, audio and video and pages of information do not spell success any more than fancy business cards or coping brochures do. A web site must provide a platform for communication between origins, customers and supplier. Business now hold auctions for utility suppliers, banks partner with computer companies and music group sell directly from their web sites to their fans (Kurtz 2006).

Kurtz (2006) opines to be effective, a firm's strategies must focus on building relationship through the use of company web sites and that. Because of the high costs associated with going online, marketers must get the highest possible return on their web site this involves thrice basic steps:

1. establishing a mission for the company's site
2. identifying the purpose of the site
3. satisfying customer needs and wants through a clear site design.

Once a site is up and running, it has to be managed effectively. Marketers must update the site frequently by flagging new merchandize and services and eliminate items that did not sell well and references to past events. Anny Tsao (2009) suggests that the following items must be noted if internet marketing will yield the desired result:

1. **Promoting your market**

After setting up your internet business, one core area of concern is getting market to the people who would buy what is on offer for sale. One of the things that should be done is to promote your business extensively through advertising on a number of media like Google, yahoo and others. Ways to do it include: free classified ads, pay per click or offline
ads - it will be well to let people know that your products are online. If any advert will be placed in a local newspaper, it is important to include the online site information. If flayers are going to be distributed, it is vital to include the online site information.

Networking and articles are also good ways to promote your products. Anny Tsao (2009).

2. Handling sales:
The following points must be noted.

- Clear payment information, for example: PayPal, cheque etc.
- Delivery: This includes postage or any other means of delivering the purchased good.
- Sales note: This should be included with the items at delivery stating what was bought, the quantity, amount paid etc.
- Complaints: The marketer should be competent in handling complaint. This is important in business.
- Feed back: Getting feedback is important. It helps in improving business and customer relations.
- Handling losses: Business involves profit and loss. Marketers should work to avoid losses but be courageous if it happens. The aim should be to minimize loses at all times. Anny Tsao (2009).

3. Overcoming Transition Time:

All businesses have maturation time, before this time, there could be lots of struggles and work. It depends on individuals, environment, economic situation and investments.

7. CONCLUSION

Although internet marketing consists of a few drawbacks in comparison with traditional marketing such as, the inability to touch, smell and taste or try on the product before purchase, internet marketing does however ensures some protection for the buyers by offering them return policy on certain items.

The importance of internet marketing have been extensively discussed and the submission is that the importance lies in the fact that it would lead to more enquiries and thereby improving the sales.
It has also been stated that, internet marketing would lead to the exposure of one's business to the world which may lead to the expansion of business opportunities, secure newer business opportunities at lesser cost and thus widening the scope and profit of the business.
8. REFERENCES


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With many thriving business opportunities in Nigeria, individuals are taking advantage of it to create wealth for themselves. Where are the business opportunities in Nigeria? A question asked by majority of us on a number of occasion. Also, ask majority of individuals what they want in life, they will tell you that they want financial freedom. In line with this, they look for ways and possible business ideas that will fast tract their dreams. That is the purpose of putting up this article. Let us look at it in this way – consultants provide solutions and these solutions in turn yield profitable result for business owners. Putting your expertise to practice as a consultant, you are getting into a lucrative business in Nigeria that can turn the table around in your favour. Make no mistake about it, information marketing business in Nigeria is probably the only business you can start with less than N10,000 now and be making good profit of over N200,000 weekly or monthly if you get it right. Trust me, this is a business I know very well. When I say very well I mean like the back of my palm. So, everything I am about to write is from personal experience! Information Marketing is probably the easiest means of making quick money on or off the Internet from any part of the world. Many acclaimed Internet Marketers allover the world have taken advantage of this unique b... Internet marketing is great for business as it gives consumers a better and more comfortable shopping experience. The convenience plays a very big role in making the buying decision. 2. Low Cost for Operations. One of the main advantages of online marketing for businesses is its low operating cost. Through this advantage of internet marketing, businesses can serve millions of customers with various items and products based on their personal interests. Thus, shoppers can easily get their desired products without having to comb through the internet all day. 10. Diversified Marketing and Advertising. What is the Importance of Branding in Marketing? Edkent Media August 9, 2020. Business Digital Marketing Marketing.