

USE OF ACADEMIC RESEARCH TO DERIVE COST EFFECTIVE ONLINE MARKETING APPROACH FOR SMALL BUSINESSES

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ABSTRACT

This study is a thematic exploration of academic research in the field of digital marketing, post the great recession era i.e. 2008-2009. The Research would try to assess the key academic findings of various National and International academic journals post the year 2008 and understand the general perspective on digital marketing, social media optimization, and managing online presence.

The key theme of the research would be to explore the possibility of using various digital marketing medium to

- 1) Share information about small business*
- 2) Use digital media as a decision support tool*
- 3) Develop social media as a lead generation tool.*

Keywords: digital marketing, social media, user generated content, customer review, paid media marketing practice

I. RESEARCH GAP

Academic research published post the recession era focuses on promoting digital marketing as alternate to traditional media and moves on to a more elaborate analysis of various digital marketing platforms such as social media, mobile marketing and most recent application based marketing.

Preliminary research investigation reveals the need to do a comprehensive backward evaluation of academic literature. Application of the findings to the operations of small and medium enterprises is warranted.

These findings would help promote digital advertising decisions in the era of 'Make in India' and develop a rigorous and relevant perspective for research.

II. RESEARCH QUESTION

The purpose of this study is to identify possible disconnect between academia and small business marketing practice. In the light of these findings, the key implications of academic research can be applied to assess how the marketing issues of small and medium enterprises can be addressed.

III. PROPOSITION

Digital marketing can indeed be a game changer for future marketing of Small and Mid Sized enterprises in India. While many are excited about the Digital India Initiative, SMES are finding it difficult to compete with large players due to the backing of global balance sheets. Today India has a measurable consumer surplus of \$9 per user per month, which is on a much lower side than other developed countries.

Companies such as Flipkart, Snap Deal and Ola which saw strong growth in the last few years, are faltering out

today at the hands of intense competition from deep pockets such as Amazon and Uber, which are able to deploy cash and technology from US to India. Similarly India's advertising economy is dominated by Google and Facebook, which jointly captures more than 75% of digital advertising revenue.

Through our literature review and research analysis it is clear that SMES could reduce expenses on call centre, business shows and even offline media with the correct usage of digital advertising methods.

The future research for SMES needs to focus on adoption of internet as means of improving competitiveness.

Consistent efforts need to be made to develop affordable yet powerful audience metrics for SMES.

Pertaining to academics there is an urgent call for scholars to theorize the impact of digital advertising for small and mid-sized business operations in India. Consistent with recent international studies and research, new ways of understanding the marketing dynamics, actions and outcomes are called for.

At present even when we are yet to conduct an extensive meta analysis of data collected, it is clear from preliminary investigation that academic literature lacks comprehensive answers on the following research questions -

IV. DATA AND METHODOLOGY

- 1) Identify reputed academic journals and articles, to conduct a keyword and citation analysis using EBSCO and research tool QSR NVIVO 11.
- 2) Classification of relevant articles and data collection
- 3) Link Building and citation analysis
- 4) Deriving research patterns through keyword and citation analysis
- 5) Integrating insights and practice

V. DISCUSSION

There is a great deal of opportunity in moving forward with academic research. Digital marketing is a field of study in itself. Small businesses now have to embrace digital aspect of marketing to survive. The expected outcome of this research would be able to provide

- 1) Thematic exploration of digital marketing as a field of study
- 2) Application of suggestions provided in marketing academics to the functioning of small businesses.
- 3) Providing cost effective marketing solutions for small businesses and entrepreneurs, thus creating a level playing field for all.

VI. DEVELOPMENT OF PROPOSITION

P1 : Blogger Narratives and Online Communities

In 2010, an article titled Networked Narratives: Understanding Word-of-Mouth Marketing in Online Communities :(Robert. V.Kozinets, Kristine de Valck, Andrea C. Wojnicki, & Sarah J.S. Wilner published in the Journal of Marketing focused on how internet's accessibility has transformed the influence and monitoring of Word of Mouth marketing, like never before.

The article talks about effective blogger communication strategies and how marketer should leverage on online campaigns.

The study kept 'blogs' as a highly relevant context for evaluation. The investigation focused on blog based

campaigns in 6 American cities. The experiment focused on creating online content around a newly launched mobile device and participants were encouraged to blog about the phone. In order to effectively grasp the effect of Word of Mouth strategies through blog the phenomenon of ‘Online Netnography’ was adopted. In order to develop relevant theory an in dept data was analyzed and represented in form of codes.

A networked Coproduction model of Word of Mouth marketing was simultaneously developed.

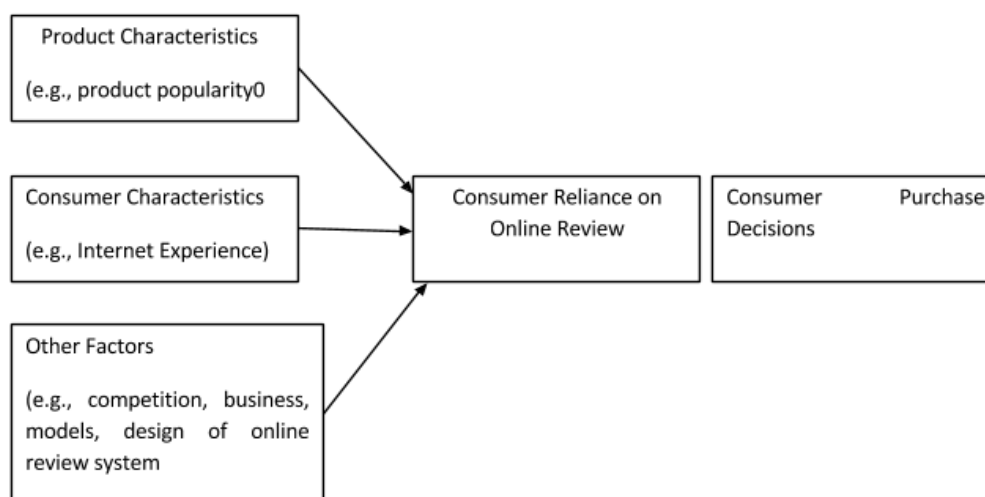
- 1) The research offers practical suggestions on integrating internet and word of mouth marketing strategies.
- 2) Prior to this study any online community activity was viewed as a mere amplification of marketing message
- 3) However this study determines the importance of understand the context and content of marketing message.

The theory draws direct managerial attention to measurement and classification of different types of character narratives and communication forums available to every marketing professional.

P2: Online Consumer Reviews

Consumers are constantly in search for quality information. Online reviews are the new age marketing tool which the new age consumers inevitably use to understand product and service characteristics.

The article titled Impact of Online Consumer Reviews on Sales: The Moderating Role of Product and Consumer Characteristics, Feng Zhu & Xiaoquan Zang, focuses on examining the contextual factors that moderate the relationship between online reviews and product sales. As quoted in the article “the conceptual framework of the study depicts that online reviews are expected to influence product sales only when consumers reliance on online reviews in sufficiently high when they make purchase decisions. In turn the degree of reliance depends on product and consumer specific characters.



The competing Hypothesis presented in the study were

- 1) The popularity of the product is generally measured by sales, the author’s hypothesis that an increase in online reviews would lead to high sales volume for a popular product as well as a less popular product.
- 2) If we consider the consumer confidence in internet as positive, there is going to be a more likely influence of the same on incremental sales.
- 3) An increase in online reviews results in higher incremental sales for products targeting consumers with less internet experience.

For the purpose of testing the hypothesis researchers gather data from different gaming review sites and the data of review is one for each game in each month between March 2003 and October 2005. The scope is limited

to 3 key review variables: the average rating, the coefficient of variation ratings and total number of reviews posted. Customer satisfaction with different games is reflected through average ratings, coefficient of variation measures the level of disagreement amongst the consumers and total number of reviews measures the volume of discussion.

The authors adopt a difference in differences approach to take the difference between sales of the same game titles for two consoles.

The results of the study suggested that all key aspects of reviews – the average ratings, the variation of ratings and number of reviews, affirmatively affect the sales of less popular online games.

P3: Online Ad Positioning and Search Engine Behavior

There have been very few empirical evidences and ad studies to assess the impact of ad positioning in sponsored search behavior. There have been studies wanting to assess the impact of placement of search engine ad and conversion rate. But there are very few evidences to assess the relation of the same with clicks and conversion rate.

Ashish Agarwal, Kartik Hosanagar and Michael D. Smith published an extensive study titled 'Location, Location, and Location: An Analysis of Profitability of Position in Online Advertising Markets in the year 2011'. The study uses field experiments to assess the how ad position in sponsored search influences affects an advertiser's revenues and overall profits. The researchers generate a unique panel data set of daily clicks, orders and cost for multiple keywords in sponsored search ad campaign of an online retailer and apply Bayesian model to analyses the probabilities of clicking and ordering in this environment.

Key findings of the research are

- 1) Advertisement click through rates decreases with positions, but the conversion rates increases with position.
- 2) For specific keywords, revenue increases for ad positions, however costs are invariably higher in top positions.

The study makes significant managerial contribution by providing evidence for the fact that a click from advertisement at a top position may lead to lower revenue than click for advertisement at same position. Top ad positions are not the only remedy to get good clicks. Click through Rates are not in itself a sufficient metrics to determine ad ordering.

Buying consumers with specific queries and more consumer knowledge are likely to visit online ads with lower placements. Buying consumers have also said to exhibit 'Recency Bias' in their search behavior, as they prefer to visit familiar advertisements.

P4: User Generate Content

Effective content optimization plays a crucial role in increasing popularity of a brand. As suggested by a study conducted by Jacob Goldenberg, Gal Oestreicher- Singer and Shachar Reichman online content and products are presented as product networks in which nodes are product ages linked by hyperlinks. With the increasing influence of internet, a dual network structure has developed which includes social networks. The authors have presented a detailed analysis in their article titled, 'The Quest for Content: How User Generated Links Can facilitates Online Exploration'. An assessment of seven internet studies, define different conditions of network exposure, when exposed to dual networks, results are more desirable outcomes in the form of average product

ratings and overall satisfaction. The next set of studies is an extension of previous one, in which network changes as a function of time or in terms of participant's satisfaction.

This research aims to guide the consumer exploration process and understand the influence in consumer behavior to certain types of content.

P5: Social Earned Media

The evolution and Acceptance of Digital Platform for Marketing

As discussed in the American Journal of Marketing (MA/MSI Special issue November 2016) an extensive study was conducted to analyze key articles and topics, reflecting on the evolution of core Digital, Mobile and Social Media themes from the year 2000 to year 2015. For the purpose of detailed understanding the article throws light on interesting shift in priorities from the year 2000 to 2015 in this particular field of study.

The key findings

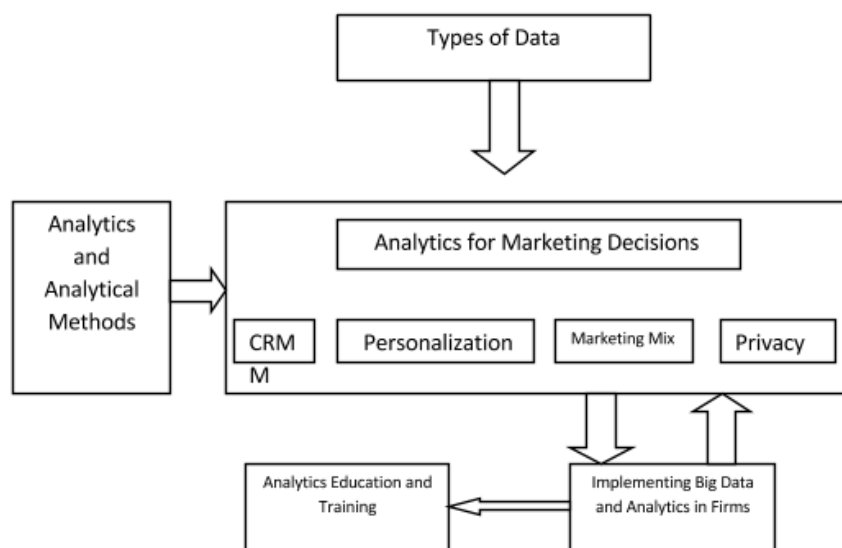
- 1) Academic researchers started focusing on developing a body of literature dedicated to Digital Media, post the year 2000. The internet was accepted widely as the new medium of communication. The research was influenced by adoption of the Hoffman and Novak (1996) model of consumer behavior in hypermedia CMES and the Netvertising Image Communication Model, that mapped the stages through which marketer generated images are converted into consumer responses. After the burst of the "dot-com" bubble, need to study the marketing dynamics of the newly networked business environment was accepted. This led to establishment of dedicated journals for the study of dynamics of new age interactive marketing communication. This era of academic research focused on understanding the benefits to consumers by augmenting offline life, sharing opinions and narratives and advantages of viral transmission and content creation.
- 2) The second Era (2005-2010), as suggested in the study, highlighted the role of mainstream consumers taking a keen interest in developing online social interactions through online communities and social networking. Here the stakeholders saw internet as a key medium to raise choice quality, ability to understand consumers through knowledge gained from network position. Internet now evolved as a "search and decision support tool". This paved way of observing internet as a "marketing intelligence tool", which could successfully anticipate consumer choices and internet became the new digital source of research and data.
- 3) "Connected Consumer" became the research priority for academicians around the world, in the third phase termed as the "Age of Social Media- 2011-2014". It was widely acknowledged now that the consumers action have the ultimate potential to influence and the social media platforms have now given the consumers the ultimate power to use self expression as a means of amplifying of dulling any marketing activity.

P6: Online Data for Marketing Analytics

In a very recent study published in the special issue of American Marketing Association in 2016, Michel Wedel & P.K.Kannan have provided a critical examination of development of marketing analytics as a field of study and . Article has put light on recent developments in the areas of marketing mix, personalization and privacy and works toward identifying key potential barriers in implementation of successful analytics of rich marketing data in companies.

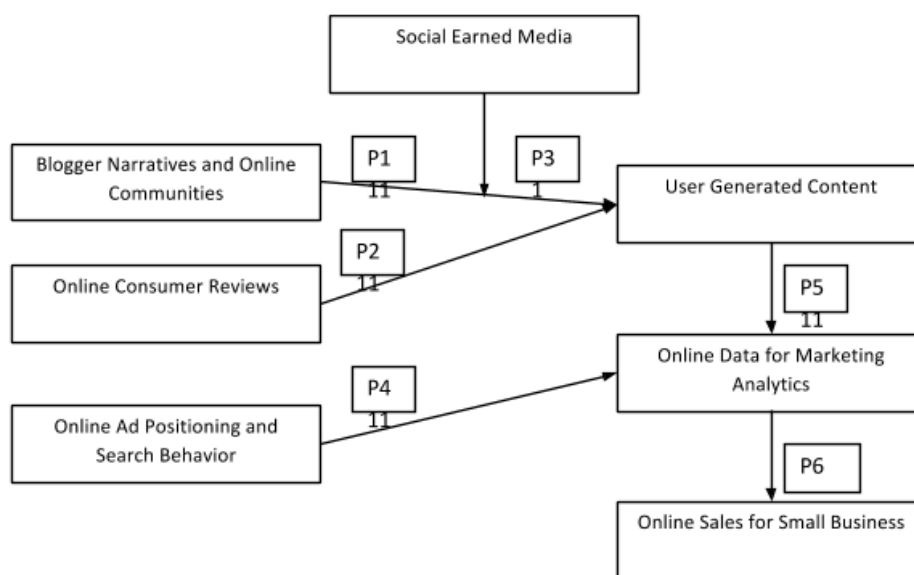
This forward looking research is an exploratory study to highlight the trends that will shape marketing analytics in future. As seen in Figure 3, the author has identified directions of new analytical research methods answering the following questions (Marketing Analytics for Data –Rich Environments, Michel Wedel & P.K.Kannan)

- 1) Analytics for optimizing marketing mix spending in a data rich environment
- 2) Analytics for personalization
- 3) Analytics in context of customer privacy and data security



The article has exhaustively reviewed the history of data analytics and gives suggestions that one size fit all model for marketing analytics would soon be obsolete. In the era of big data, analytics dimensions need to be very broad and deep, and Big Data would act as a bridge between marketing managers and information technology personnel. Expert analyst’s advice would be needed at every step for predicting response through marketing modeling techniques, marketing mix optimization and personalization.

Research Model: Based on the proposition made above, the conceptual research model has been proposed.



Managerial Implications

The proposed model aims to highlight the role of various digital marketing parameters on small businesses

online sales volume. The presented framework broadens the definition and implication of complex tasks that need to be acknowledged, apart from cost related benefits. This model helps lays down the criteria small business owners need to evaluate before they plan to go online. The mechanism through which sustainable competitive advantage can be achieved using digital sales channel is based on the above propositions and relations.

Limitation of the Study and Scope for Future Research

The main motive of the paper was to gather insights on the existing business models and influencers of the digital sales channel. The framework however is generic as the literature reviewed is generally from free websites, which may have excluded relevant studies available in other mediums.

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