A Study of Businessman's Perception towards Online Promotional Tools

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Abstract

The internet has dramatically changed the face of marketing. Also the advancement in information technologies has changed the way of communications between consumers and companies. So, emergence of internet technology has created a plenty of opportunities for marketer in virtual environment to carry on their businesses. Now a day's online promotional tools are becoming more and more popular among companies around the world, as they discovered the benefits of promoting their product or services online. These tools are not only convenient for customers but also convenient for businessmen. Online promotional tools are one of the emerging tools in virtual environment. This paper intends to study perception of businessmen towards various online promotional tools. This paper is based on primary data collected from a sample of 245 respondents from Delhi/NCR through a well-structured questionnaire. Exploratory Factor Analysis (EFA) is conducted using SPSS version 20 to study perception of businessmen towards various online promotional tools. Major findings of the study revealed that businessmen are appreciative of online promotional tools. They have overall positive attitude towards these tools. These promotional tools are perceived to be convenient, credible, appropriate and reliable by businessmen for promoting their product and services.

Introduction

Internet has shown the potential of growing explosively outside the national boundaries. So with the beginning of new millennium, marketers are experiencing the most dynamic and revolutionary changes in the history of marketing. These changes are being driven by advancement in technology and developments that have led to remarkable growth of communication through interactive media, mainly the internet. Interactive media allow for a back-and-forth flow of information where users can contribute and modify the form and content of the information they receive in real time. Information and services that are provided through online communication channels can be pulled by users as required rather than pushed too concerned and unconcerned stakeholders. Due to this characteristics and the large number of users, internet has become even more powerful than traditional communication channels such as TV, magazine and radio. While the internet is changing the ways companies design and implements their entire business and marketing strategies, it is also affecting their marketing communications programs. The emergence of internet technology has created a plenty of opportunities for marketer and all which are involved in vertical environment to carry on their business. With the rapid growth of the Internet and the globalization of the world, companies have accepted and adopted new information and communication technologies in performing their activities. In today's technological society, the use of the internet has become essential for companies functioning in highly complicated markets. Internet as a promotional tool provides important opportunities for companies to search and adopt pioneering practices in to address the increasing demands of customers.

So whether a company is just starting out or has been in business for years online promotion is one of the emerging tools in marketing. Several online promotional tools are used by companies to deliver the promotional message to target customers. Each online promotional tool put in a different way to reach customers and attain communication objectives. In the fiercely competitive world of marketing, the hard truth is that being good isn't good enough. So to make greater promotional impact businessmen have to maximize online promotion effectiveness. Every businessman has to use optimum mix of various online promotional tools and techniques to enhance the online experience of customers irrespective of type of business.

Review of Literature

One of the advantages of internet is that it enables businesses to reach a worldwide customer population, so that customers can search, select, and purchase products and services from businesses around the world (Kailani & Kumar, 2011). Internet

facilitated users to pay lower transaction costs and it provided an easy way of access on information and details. It also provided more alternatives and competitive prices about the products or services rather than traditional environment (Chun and Kim, 2005). All businesses need to communicate to the customers what they have to offer (Jobber and Lancaster, 2006). Internet is not only a space to promote the company and its products, but also an interactive communication tool to engage the customer, meet their needs and encourage them for repeat purchase (Constantinides, 2002). Promotion is one of the key factors in marketing mix and plays an important role in marketing success. Promotion is the way of communication between product and customers which influence their buying decision (Kotler& Armstrong, 2010). The astounding growth of the internet with its unique capabilities has gained the attention of the marketing community, Bush et al., (2000). Despite, being a new platform for buying and selling, internet has also become a new intermediary for the companies to promote their businesses. Khan and Mahapatra (2009) stated that technology plays a critical role in improving the quality of services provided by the business units. These technologies are a valuable complement to traditional marketing methods whatever the size of a company or business is. Thompson (2005) concluded that the growth of Internet technology has enormous potential as it reduces the costs of product and service delivery and extends geographical boundaries in bringing buyers and sellers together. Ruckman (2012) suggested that Internet research becomes an increasingly important tool during the purchasing process. Internet development has led to new changes in businesses and created an interactive and social communication platform for companies to interact with customers. Huang (2010) expressed that internet has changed the way of business and created new marketplace where companies and customers come together and create communication with each other more efficiently. Similar to this view, Pries et al., (2006) stated that internet facilitated easy access to a global marketplace where information of products, prices and distribution are equal for all. Internet is a vital medium of communication (Caride and Senra, 2005), but it should be

kept in mind that communication in digital environments has unique characteristics (Wind and Mahajan, 2001). Li and Bernoff (2008) discussed that new internet technological developments enabled new ways of marketing communication, to gather customer opinions and experiences about products and services. Shih and Hu (2008) observed that Internet is an important channel for companies and it should be properly used by marketing departments to attract new customers and retain the existing ones. They concluded that if companies expect to get good return from their e-commerce companies and online efforts, they must design their marketing activities in such a way that they should be able to reach new customers and retain existing ones by providing good online customer service. Similar to this view Furrer and Sudharsan (2001) analysed how internet can be used as a marketing tool and exposed that internet is a formidable tool for marketing which offers many opportunities to the marketer's. Hamid (2008) also affirmed that internet offers many opportunities for companies and it can be a useful platform for their marketing activities, such as spreading information, attracting new customers, retaining existing ones and improving relationship with existing customers by online customer relationship management. Therefore it is necessary for the companies to adopt internet as a part of their marketing communications programs in their marketing strategies.

Rationale of the study

After the internet came into existence, it had huge impact on the way organizations were doing their business. Also it has dramatically changed the face of marketing. With the beginning of World Wide Web (www), it has transformed the businesses and commercial organizations and new dimensions have begun in the online markets across the world. In today's technological environment, internet has become a new intermediary for companies to promote their businesses. Online promotional tools are one of the emerging tools in virtual environment. These tools allow businessmen to offer unlimited range of products and services to all consumers from around the world at any point of time. While online promotional tools strategies are used by many businesses, however the effectiveness of these methods being

used can be debated. Several online promotional tools are used by companies to deliver the promotional message to target customers. Each online promotional tool put in a different way to reach customers and attain communication objectives. Every businessman has to use optimum mix of various online promotional tools and techniques to enhance the online experience of customers irrespective of type of business. So the present study aims to study perception of businessmen towards different online promotional tools.

Objectives of the study

The present study intends to know about the perception of businessmen towards various online promotional tools.

Research methodology

Research Design: The present work is an exploratory study that aims to know businessmen's perception towards online promotional tools.

Sampling size and Design: The sampling frame comprises of online businessmen

from Delhi/NCR. Data was collected from a sample of 300 respondents, out of which 55 were rejected due to half-filled or unfilled responses.

Sources of Data Collection: Both primary and secondary data is used in present study. Primary data is collected through observation and a well-structured questionnaire. 5-point Likert scale is used to indicate responses where 1 stood for strongly disagree and 5 stood for strongly agree. Secondary data is collected from various search engines, websites, books and articles.

Tools of Data Analysis: The quantitative data was analyzed by using factor analysis through SPSS version 20.

Result and Discussions

To study the perception of customers towards online promotional tools 29 statements are used which are highlighted in table given below 5.1. 5-point Likert scale is used to indicate responses where 1 stands for strongly disagree and 5 stand for strongly agree.

Reliability of the construct: Reliability of test refers to the degree to which a test is consistent and stable in measuring what

it is intended to measure. The most widely used reliability coefficient is Cronbach's alpha which can range from 0 to 1, with higher figures indicating a better reliability. The reliability of this construct is 0.895 which indicates data is highly reliable. Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy is used to test the sampling adequacy for factor analysis. The value of KMO ranges from 0 to 1 and the values above 0.50 are acceptable (Hair et al., 2005). The value is 0.885, which is an excellent value and indicates that the sample is very good enough for sampling (KMO &Barlett's Test table given below). Barlett Test of Sphericity is used to test correlations among variables and overall significance of correlation matrices by providing support for the validity of factor analysis of the data. Results indicate that overall correlations are significant at the .01 level.

Table 1: KMO and Bartlett's test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.885
Bartlett's Test of Sphericity	Approx. Chi-Square	4159.855
	Df	406
	Sig.	.000

Source: Primary data

Exploratory factor analysis (EFA) is conducted to study the perception of businessmen towards of online promotional tools. Principal component method is used to find out the major factors of consideration. Factors with eigenvalues greater than one are considered significant and retained for analysis. Further, the varimax rotation method is used. In addition to this, factors are assigned ranking on the basis of the overall mean value of each factor. Five factors are extracted in the study which explains 63% of total variance. Table 2 reveals overall results of factor analysis.

1. Convenience
2. Credibility
3. Reliability
4. Appropriateness
5. Unpleasant/Annoyance

Factors	Statements	Loadings	Eigen values	Mean	SD	Factor Mean	Factor Rank
Convenience	Online promotional tools are informative	0.561		3.88	0.953		
	Online promotional tools are conveni ent to use	0.728	1.627	3.87	0.948	3.83	1
	Online promotional tools are useful	0.751		3.88	0.881		
	Online promotional tools are entertaining	0.621		3.69	0.975		
	Online promotional tools are time saving	0.615		3.84	0.974		
Credibility	Online promotional tools are credible	0.747		3.67	0.897		
	Online promotional tools are convincing	0.658	1.054	3.78	0.886	3.72	2
	Online promotional tools are believable	0.708		3.71	1.001		
Reliability	Online promotional tools are reliable	0.639		3.62	0.940		
	Online promotional tools are attractive	0.661		3.80	0.893		
	Online promotional tools are trustworthy	0.690	5.319	3.51	0.944	3.65	3
	Online promotional tools are valuable source of information	0.710		3.63	0.960		
	Online promotional tools are easy accessible	0.687		3.69	0.916		
	Online promotional tools provide real time benefits	0.591		3.62	0.940		
Appropriateness	Online promotional tools are easy to manage	0.610		3.60	0.994		
	Online promotional tools are creative	0.639		3.66	0.861		
	Online promotional tools are a reference for purchase	0.660	2.004	3.62	0.914	3.59	4
	Online promotional tools are best tool of promotion	0.767		3.68	0.909		
	Online promotional tools are appropriate according to needs	0.774		3.51	0.833		
	Online promotional tools are enjoyable	0.663		3.51	0.952		
Unpleasant/ Annoyance	Online promotional tools are annoying	0.700		3.08	1.055		
	Online promotional tools are disruptive	0.836		3.10	1.043		
	Online promotional tools are objectionable	0.824		3.14	1.155		
	Online promotional tools are easy to ignore	0.733		3.24	1.144		
	Online promotional tools are time consuming	0.821	8.316	3.24	1.227	3.11	5
	Online promotional tools are boring	0.850		3.09	1.243		
	Online promotional tools are deceptive	0.785		3.10	1.166		
	Online promotional tools are wastage of time	0.792		2.96	1.262		

Table 2 discloses the value of loading, mean and SDs of variables, value of mean of factors and ranking of factors on the basis of above discussed mean values. It is noticed that factor convenience having the highest mean value (3.83), falls in the first rank. The factors credibility and reliability obtained second and third rank with mean values of 3.72 and 3.65 respectively. Factor unpleasant with lowest mean (3.11) has obtained last rank. The above said rankings assigned to the factors are based on the concept that as the mean value of factors decreases, the corresponding values of their rank increases.

Conclusions and Suggestions

It is concluded from the study that businessmen are appreciative of online promotional tools. They have overall positive attitude towards these tools. In the era of internet technology, the online promotional tools are very effective in reaching out to the target audience. They are perceived to be credible, appropriate, reliable convenient and trustworthy by businessmen. These are one of the best tools of promotion in today's technological environment. No matter what type of business a businessmen have, online promotion is likely to be at the heart of their promotional strategy. The online promotion provides valuable information on the product purchased, special discounts and coupon available on other goods and services. Online promotional tools are useful for businessmen because these provide good quality of information for customer. With a good quality of promotional campaign, businessmen can tailor their online promotional tools techniques to their target audience, ensuring that their product or service will meet their eye in a timely and concentrated manner. Online promotional tools are considered as truthful and believable by businessmen. Easy accessibility of online promotional tools made these very popular with businessmen and customers. Businesses are open for business 24 hours a day, 7 days a week without the constraint of opening or closing hours. As these tools are easily accessible, so these tools provide real time benefits for businessmen. In today's technological environment it is nearly impossible for a business to be successful without using online promotional tools to compete against thousands of companies going online every day. Even though these tools are perceived as time saving by businessmen but sometimes these may be unpleasant. Though, users sometimes find the online promotional tools to be annoying, deceptive and boring, yet they are convincing.

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