



Research Paper

A STUDY ON “IMPACT OF INTERNET MARKETING ON SELECTED MOBILE HANDSET BRANDS IN INDIA” WITH SPECIAL REFERENCE TO VARIABLES LIKE WEBSITE RANKING, FACEBOOK LIKES, TWITTER, GOOGLE+ FOLLOWERS, LINKERS AND YOUTUBE SUBSCRIPTION

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Abstract

The study covers how selected online marketing parameters affect the selected top ten mobile handset brands in India. It's a descriptive research method in which variables like Revenue, Market share, Website rank sourced from Alexa and Facebook likes, Twitter followers, YouTube subscriptions, Google+ followers compared to find the impact on mobile phone companies revenue and market share. This study is done to understand the effect of Internet marketing in India in case of Indian mobile phone brands. It also helps us to know whether consumers are communicated through Internet with its full potential to persuade them to purchase the mobile phones in India. For study purpose, ten different mobile handset brands are selected according to their revenue in India 2013.

1. INTRODUCTION

The foundation of the Internet has offered modern advanced business transactions and models for the world economy. Internet marketing is used to adapt to this rapid development of electronic business. Especially, online advertising has been achieving many milestones.

Internet marketing is defined as the application of the Internet and related digital technologies in conjunction with traditional communications to achieve marketing objectives (Chaffey, D., Ellis-Chadwick, F., Johnston, K. and Mayer, R. 2006, 8). In reality, there are some alternative terms for Internet marketing such as e-marketing (electronic marketing) or digital marketing even though they have a broader scope since they include electronic customer relationship management systems (e-CRM systems) as well.

How important is Internet marketing to the success of an organization? There are no exact answers for this question. It depends on the nature and type of a company business line. There are many companies currently using the Internet as their main business transaction such as DELL, Amazon, Air Asia, etc... However, companies such as UPM, the world's leading forest products producer only uses the Internet as a media to introduce the company and its products to customers via its website. Besides that, during the whole purchase decision making process, customers are not only use the Internet in isolation to search for products but other media such as print, TV, direct mail and outdoor as well. These media still play an extremely important role for the marketers to communicate with customers, for example, direct or face – to – face marketing more or less helps marketers build up the trust in customers and encourage them to purchase the products. Therefore, it is better to use the Internet as part of a multi-channel marketing strategy which “defines how different marketing channels should integrate and support each other in terms of their proposition development and communications based on their relative merits for the customer and the company.” (Chaffey et al. 2006, 5).

The benefits of using Internet marketing are for different company sizes. It is a new medium for advertising and PR (Public relationship) and a new product distribution channel. In addition to this, Internet marketing offers new opportunities for developing new international markets without the existence of representative or sales offices and agents. The Internet also provides new methods to improve customer services and is considered as the most cost-effective marketing tool as it reduces paper works and number of staff as well as by passes operating offices. Internet marketing is a business need for today because the Internet is a unstoppable trend. Even traditional "brick-and-mortar" business, lose valuable customers without an online presence. People routinely search for goods and services with their computers in lieu of the yellow pages. If your business isn't on the Web, customers will tend to choose another company with whom to do business. Also, online advertising is cost effective and



Research Paper

reasonable. Advertising in the phone book or a newspaper is expensive, especially if you want an ad that has a presence on the page. An ad in an Internet directory is generally free, and you can include links directing customers to your Web site for more information. And because you can provide customers with a wealth of information, they no longer have to pick up the phone to have their questions answered.

Although you don't need a Web site to register your site in an online directory, your marketing efforts will be much more effective if you have your own site. The first thing to do is to register a domain name. The name of your business is usually a good place to start, because it can help to build your brand and will be easy for customers to remember. If that's not available, you may have to settle for another name. Before you commit, give your domain name serious consideration; the name you choose will be your company's online identity for years to come.

Once you choose your domain name, you'll need to build a professional Web site. You can use templates provided by your Web host, hire a Web designer to develop your site, or use software to design it yourself. The difficult part is to rise above the crowd and differentiate yourself from your competition. This is where a well thought out Internet marketing plan can help. According to yahoo, the main components of any good online marketing plan are:

- Registering your site with search engines and directories
- Optimizing your site for search engines (Like increasing backlinks/Linkers for you website)
- Sponsoring search engine keywords
- Building a database of customer email addresses
- Sending email newsletters
- Buying online ads
- Social media marketing (Facebook, LinkedIn, Google plus)

The study covers how selected online marketing parameters affect the selected top ten mobile handset brands in India. It's a descriptive research method in which many variables like Revenue, Market share, Website rank sourced from Alexa and Facebook likes, Twitter followers, YouTube subscriptions, Google+ followers compared to find the impact on mobile phone companies revenue and market share. This study is done to understand the effect of Internet marketing in India in case of Indian mobile phone brands. It also helps us to know whether consumers are communicated through Internet with its full potential to persuade them to purchase the mobile phones in India. For study purpose, ten different mobile phone brands are selected according to their revenue in India 2013.

2. LITERATURE REVIEW

Thomson, MacInnis, and Park (2005): They identified a higher-order emotional attachment construct consisting of three factors: affection, passion, and connection. Thus, attachments reflect an emotional bond similar to love. Brand loyalty, brand satisfaction, brand trust and brand personality are branding concepts which have been investigated in association to consumer-brand relationship.

Shimp and Sharma (1987) Consumer ethnocentrism represents the beliefs held by consumers about the appropriateness, indeed morality, of purchasing foreign-made products. Ethnocentrism may be interpreted as that purchasing imports is wrong, not only because it is unpatriotic, but also because it is detrimental to the economy and results in loss of jobs in industries threatened by imports.

Lawson et al. 2001as cited by Mady(2011) Consumers' Sentiment toward Marketing (CSM) is a factor consider by researchers to measure how well consumers will perceive social media marketing. CSM is defined as a concept which refers to the general feelings that consumers have for marketing and the marketplace.

Boyd and Ellison (2008) One of the first definitions of OSN was developed by them using an activity based approach to define what they call social network sites, "social network sites are web- based services that allow



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individuals to construct a public or semi-public profile within a bounded system, articulate a list of other users with whom they share a connection, and view and traverse their list of connections and those made by others within the system. The nature and nomenclature of these connections may vary from site to site”

The reason why boyd et al choose for the word “network”, instead of “networking” is because the authors feel users are not primarily motivated to use OSN for networking. Not everybody agrees with this way of defining OSN, Beer states;“In short, the motivation to form expanding networks, the practice of ‘networking’ as described by boyd et al., that defines social networking sites should be the grounds for separating out different types of site (along with other established differences). It seems a shame to adjust our classifications so that they no longer account for this nuance”.

3. OBJECTIVES OF THE STUDY

1. To find the impact of Internet marketing on sales in India.
2. To find how internet marketing influences mobile handset brands
3. To compare US mobile market with Indian mobile market.

3.1 HYPOTHESIS

This hypothesis was formulated for the study:

- H0: Internet marketing is directly influencing revenue of Mobile handsets brands
- H1: Internet marketing is not influencing revenue of Mobile handsets brands

3.2 DATA COLLECTION

This study based on secondary data, collected from alexa.com, googleanalytics.com, facebook.com, twitter.com etc.

4. DATA ANALYSIS AND INTERPRETATION

TOP TEN INDIAN MOBILE BRANDS

RANK	BRAND	MARKET SHARE (%)	REVENUE(Rs.) in crore
1	SAMSUNG	31.5	11328
2	NOKIA	27.2	9780
3	MICROMAX	8.7	3138
4	KARBONN	6.4	2297
5	APPLE	3.6	1293
6	HTC	3.3	1180
7	BLACKBERRY	3.1	1123
8	LAVA	2.8	1001
9	LG	2.3	891
10	SONY	2.2	797

<http://www.rediff.com/business/slide-show/slide-show-1-tech-indias-top-10-mobile-phone-brands/20130823.htm>

RANKING AND NUMBER LINKERS

BRAND	INDIAN RANK	LINKERS
SAMSUNG	244	55231
NOKIA	303	34973
MICROMAX	399	1221
KARBONN	5179	460
APPLE	66	511874
HTC	1581	14815
BLACKBERRY	1122	41488
LAVA	1549	330
LG	889	18855
SONY	550	10422

<http://www.alexa.com>



SOCIAL MEDIA

Brand	Facebook Likes	Twitter followers	YouTube subscription	Google+ followers
SAMSUNG	11278349	166000	11011	1396
NOKIA	11212996	167000	25533	548541
MICROMAX	2155554	43400	17136	12918
KARBONN	440239	2042	-----	---
APPLE	11680042	2680000	1929012	1106
HTC	4869872	32900	298873	228988
BLACKBERRY	30070562	27000	181400	119504
LAVA	527563	5668	825	97
LG	2195994	23400	2367	212
SONY	4753753	22500	8244	1006395

CORRELATION BETWEEN FACEBOOK AND REVENUE IN INDIA

Brand	Facebook Likes	REVENUE(Rs.) in crore
SAMSUNG	11278349	11328
NOKIA	11212996	9780
MICROMAX	2155554	3138
KARBONN	440239	2297
APPLE	11680042	1293
HTC	4869872	1180
BLACKBERRY	30070562	1123
LAVA	527563	1001
LG	2195994	891
SONY	4753753	797

Interpretation

	Facebook likes	Revenue
Facebook likes	1	
revenue	0.074305858	1

Result which is obtained from the analysis is 0.074305858, there is weak correlation between Facebook likes and revenue.

CORRELATION BETWEEN GOOGLE+ AND REVENUE IN INDIA

Brand	Google+ followers	REVENUE(Rs.) in crore
SAMSUNG	1396	11328
NOKIA	548541	9780
MICROMAX	12918	3138
KARBONN	0	2297
APPLE	1106	1293
HTC	228988	1180
BLACKBERRY	119504	1123
LAVA	97	1001
LG	212	891
SONY	1006395	797

	Google+	revenue
Google+	1	
Revenue	0.253404	1



Interpretation

Result which is obtained from the analysis is 0.25340411, so there is weak correlation between Google+ and revenue.

CORRELATION BETWEEN INDIAN WEBSITE RANK AND REVENUE

BRAND	INDIAN WEBSITE RANK	REVENUE(Rs.) in crore
SAMSUNG	244	11328
NOKIA	303	9780
MICROMAX	399	3138
KARBONN	5179	2297
APPLE	66	1293
HTC	1581	1180
BLACKBERRY	1122	1123
LAVA	1549	1001
LG	889	891
SONY	550	797

	Indian website rank	Revenue
Indian website rank	1	
Revenue	-0.159548156	1

Interpretation

Result which is obtained from the analysis is -0.159548156, so there is weak correlation between Indian website rank and revenue.

CORRELATION BETWEEN LINKERS AND REVENUE IN INDIA

BRAND	REVENUE(Rs.) in crore	LINKERS
SAMSUNG	11328	55231
NOKIA	9780	34973
MICROMAX	3138	1221
KARBONN	2291	460
APPLE	1293	511874
HTC	1180	14815
BLACKBERRY	1123	41488
LAVA	1001	330
LG	891	18855
SONY	797	10422

	Revenue	Linkers
Revenue	1	
Linkers	-0.109	1

Interpretation

Result which is obtained from the analysis is -0.109039489, so there is weak correlation between linkers and revenue



CORRELATION BETWEEN TWITTER FOLLOWERS AND REVENUE IN INDIA

Brand	Twitter followers	REVENUE(Rs.) in crore
SAMSUNG	166000	11328
NOKIA	167000	9780
MICROMAX	43400	3138
KARBONN	2042	2297
APPLE	2680000	1293
HTC	32900	1180
BLACKBERRY	27000	1123
LAVA	5668	1001
LG	23400	891
SONY	22500	797

	Twitter followers	Revenue
Twitter followers	1	
Revenue	-0.089916794	1

Interpretation

Result which is obtained from the analysis is -0.089916794, so there is no or zero correlation between twitter followers and revenue.

CORRELATION BETWEEN US MARKET SHARE AND US WEBSITE RANK: WITH REFERNCE TOP US MOBILE BRANDS IN MARKET SHARE

Brand	US Rank	Market share (%)
APPLE	29	33.7
SAMSUNG	537	33.6
LG	2224	8.6
NOKIA	3840	4.1
MOTOROLA	3366	3.7

	US website rank	Market share
US website rank	1	
Market share	-0.94351828	1

Interpretation

Result which is obtained from the analysis is -0.94351828, so there is a strong negative correlation between US website rank and market share. It shows that there is an impact of Internet marketing in the mobile sales in developed country so in future there will be an impact of Internet marketing in sales of mobile phones in India also.

5. CONCLUSION

This study shows that there is a weak negative correlation between Indian website ranks and the revenue of the mobile brands in India and weak correlation between Facebook likes, Twitter followers, Google+ followers and YouTube subscription with revenue of the mobile brands in India. Hence we conclude that there is no significant impact of Internet marketing on mobile sales in India considering overall sales. The conventional marketing takes



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lead here in India. But the study says that there is strong impact of Internet marketing on mobile sales in US, so we assume that in future there will be an impact of Internet marketing in India.

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