

Internet has changed
the world we live in
marketing essay



“ There is no doubt about it – the Internet has changed the world we live in”.

Indeed, the advent of the Internet and the World Wide Web has changed the way people do research, communicate and share articles, videos, photos, etc. together all over the world. In addition, the development of Internet usage has made traditional media decline. Today people do not have to wait a long time for delivering a mail anymore; they can send many emails in only few minutes and can receive replies immediately. Moreover, people can constantly update the latest news in the world and they can easily access information, download videos, songs or photos they like because over one billion people all over the globe are sharing data together via the Internet.

The Internet and the World Wide Web do not only change the way of people’s communication, but also change the way they shop and do business. The Internet has been a huge economic boom to our countries and the world.[2]Corporations and businesses have taken an opportunity to reach worldwide customers by offering their products and services through the Internet, so the concept of “ e-business” was established. This has created a global marketplace, no longer local markets. In addition, the Internet has become a useful tool for corporations and businesses to do marketing. E-marketing is popular today and is a part of marketing strategies of many businesses because cost is lower than traditional marketing through prints, newspapers or televisions. Moreover, the interactive nature of e-marketing is a reason why corporations choose as a method to develop and promote their businesses, i. e. it can receive replies directly from consumers who are sent messages, so corporations can follow and estimate whether consumers are satisfied with their products, services, prices and quality...

Doing marketing via internet also helps businesses access to larger markets as well as develop into the global market.[3]

Nowadays, when the number of Internet users all over the world has increased to 1.9 billion people[4], e-business and e-marketing develop more and more in many countries. They are also applied in Vietnam, which is a developing country in Southeast Asia. Although Internet users in Vietnam are a lot, how is the current of e-marketing in the country? Is it any potential in the future? In addition, what is popular e-business models, e-marketing process, and different types of e-marketing strategies in Vietnam? Finally, what are contemporary strategic e-marketing issues in Vietnam? The report will concern and discuss about these issues.

THE BACKGROUND OF E-MARKETING IN VIETNAM

The Internet service formally appeared in Vietnam in 1997. At first, the Internet infrastructure was 64Kbps speed for the international connection, capacity was only enough for about 300 users, and cost was expensive. [5]Therefore, the Internet was only used by senior officials. However, the Internet has constantly developed during over 10 years. Nowadays, the Internet network has enlarged and improved much: the speed and the capacity increase, the cost decreases and it may be cheaper than other Asian countries. In addition, Vietnamese people are interested in digital media more and more. Thus, the number of the Internet users in Vietnam grew to over 24 million people in June 2010[6], and Vietnam has been listed among the top 20 countries in the world with the highest number of Internet users[7]. For the large number of the Internet users, it is an opportunity for

enterprises in the country to develop e-marketing which is supposedly a part of marketing strategies today. However, how is the current e-marketing in Vietnam? And what is the potential of e-marketing in the country?

The Current of E-marketing in Vietnam

“ E-marketing is a big chance, it is very cheap, but Vietnam’s marketers have not met demand of the market yet”, said Ian Fenwick in the workshop “ E-marketing - The new Media Trend”.[8]Indeed, the Internet is so popular in Vietnam and people can access through many different methods such as dial-up, broadband, ADSL, wireless and 3G, but enterprises in Vietnam do not take full advantage of this to do e-marketing. They still advertise and do marketing through the traditional media that includes television, newspapers, and magazines although costs are very expensive. In addition, many corporations started to implement e-marketing through their websites, yet the effect is very low because expression of form and content are not enough attractive and unique to take customers’ attention. For example, almost businesses in Vietnam do e-marketing simply by putting banners/pop-ups on websites or buying key words of search engines while there are more attractive and effective forms such as in-text advertisement, text link and rich media.

However, the difficulty of economy strongly motivated e-marketing activities in Vietnam in the recent years. Many corporations which target on young customers and office workers have promoted e-marketing strategies quickly because almost Internet users are young people who are under 30 year-old.

Moreover, many new and small businesses implement marketing via internet in order to decrease costs. Although the rate of e-marketing growth in <https://assignbuster.com/internet-has-changed-the-world-we-live-in-marketing-essay/>

Vietnam increases every year, following the report of Asia Digital Marketing Association, total revenue of online advertisement in Vietnam in 2008 was only about 2% over total revenue of advertisement industry.[9]The rate was very low compared with developed countries such as 27% in England and 20% in America.[10]

The Future Potential of E-marketing in Vietnam

Despite e-marketing in Vietnam is slowly growing, it has potentials in the future. The boom of blogs and social networks is an advantage for businesses because their advertising costs are lower than traditional marketing but they have high effect. Marketing via internet is also easier to access the number of Internet users in the country. In addition, along with 55 million mobile subscribers and the investment of big telecommunication companies in Vietnam to develop 3G networks, there will be more and more marketing strategies on mobile phone.[11]In general, depending on marketers' interesting level for e-marketing as well as enterprises' trend about moving marketing budget to Internet more, there is still hope for the development of advertisement industry in Vietnam.

E-BUSINESS MODELS IN VIETNAM

Nowadays, e-business more and more is popular and develops in many countries. However, in Vietnam it has not grown yet although Internet users are a lot. One of the reasons may be the habit of consumers. Consumers in Vietnam like to buy products they can see and touch while e-business companies sell and provide products through websites with pictures.

Although recently, consumers in Vietnam started to concern about buying

products via internet more, they still reserve to decide buying products because they do not know their real products.

There are many different e-business models, yet in Vietnam market, only some is popular such as e-commerce, e-shop, virtual communities, or e-procurement.[12]The most successful e-commerce model in Vietnam may be vatgia. com, which was ranked at 894 about the number of visitors following the statistic of Doubleclick Ad Planner.[13]Vatgia. com, which provides helpful information about many kinds of products to consumers, started public to the community in 2007. Vatgia. com also provides services for enterprises such as store for rent, publishing buying and selling, questions and answers about consumption. Its special function is to list all products that have suitable price with consumers' requirement. Vatgia. com provides three forms to pay when buying products via internet including pay cash on delivery, pay through bank account, and pay by credit card. In addition, to help consumers feel secure when making payments, Vatgia. com deployed the feature “ introducing reliable partners”. Therefore, consumers should only deal with enterprises that Vatgia. com already authenticated and secured. For over 3 years of operation, Vatgia. com continues developing and holds 30% market share of e-business in Vietnam along with the number of visitors is 600. 000times/day. Vatgia. com has nearly 10. 000 stores and 700. 000 products from housewares to luxury automobiles.[14]Beside Vatgia. com, Vietnam have other e-business models such as muaban. net, 123mua. com, etc.

E-MARKETING PROCESS IN VIETNAM

In order to manage a e-marketing plan effectively, enterprises in Vietnam should implement the following process:

Step 1: Determine the objective

The enterprises need to determine that they advertise for which purposes such as promoting the enterprise's image or launching a new product.

Step 2: Establish e-marketing plan

The marketers need to establish an e-marketing plan in detail. This is useful for managing the plan.

Step 3: Choose the form of advertisement

Depending on some criteria such as the ability of classifying customers, the Click-through rate and the way of charging fees, the enterprises should choose advertising forms (banner, text link, inline-text, rich media...) which is suitable with the objective.

Step 4: Sign a advertising agreement

Following the trend in Vietnam, the enterprises should choose a professional online advertising service supplier for implementing their e-marketing strategy. It means the enterprises will be given advices better if they do not have ability to conduct by themselves.

Step 5: Monitor and estimate the effect

The enterprises can monitor and change the content of messages, time and date to run advertisement quickly because of the flexibility of e-marketing. In the present, vietad.vn provides management tools including report statistic, change website and key words, norm and monitor costs. The enterprises can use the website's services to monitor and estimate the effect of their e-marketing strategies.

Step 6: Report the effect

Depending on available data, collecting and reporting about the effectiveness of the strategies are simple. From reports, the enterprises can draw experience for the next e-marketing strategies.[15]

Although the e-marketing process for business in Vietnam was recommended, there are not many enterprises applying it to conduct and enhance the effect of their e-marketing strategies.

DIFFERENT TYPES OF E-MARKETING STRATEGIES

McCarthy's four Ps including Product, Price, Placement and Promotion in the traditional marketing[16] has been effectively applied in e-marketing today when technology is developing every day. The 4Ps has become the following forms:

E-product Strategies

E-price Strategies

E-placement Strategies

E-promotion Strategies

Besides that, some other strategies are also added to enhance the effect of e-marketing strategies such as:

Marketing Communication Strategies

Relationship Management Strategies

In Vietnam, these strategies are applied more in businesses today. However, marketers in Vietnam have not used them the most effectively.

E-product Strategies: products are offered on websites to customers.

Information about products including price, features and facts are added beside the products' pictures so that customers can learn about the products more before making decision to buy. In Vietnam, some businesses offer products on their websites such as thegioididong.com. The website offer many kinds of mobile phone, and it provides a function which helps customers can compare price, features between two mobile phones customers are interested to buy most.

E-price Strategies: products are sold through the Internet are cheaper than in stores because store costs, staff costs have disappeared. In Vietnam, most e-shops that sell clothes or other products on blogs or social networks have applied the strategy. For example, many individuals use their Facebook accounts to sell products in Vietnam, this help them reduce many costs including costs for establishing websites.

E-placement Strategies: the Internet gives businesses access to a global market.[17]With efficient delivery and shipping channels, products access to customers all over the world easily.[18]Customers may be charged shipping fees depending on where products will be delivered. Sometimes businesses charge free shipping towards customers who buy mass amount. In Vietnam, it is popular to deliver directly products to customers in delivery areas of the business, or deliver through post offices for customers in further areas. For example, nguyenkim. com does not charge any fees towards customers who live in Ho Chi Minh City.

E-promotion Strategies: the strategy helps businesses enhance their brand name and image. In Vietnam, it is popular for businesses to place advertisements on social websites and online newspapers, and the common form is banners.

Marketing communication strategies and relationship management strategies are not popular. Few corporations apply the strategies for keeping customer relationship. NinoMaxx that is well-known fashion brand name in Vietnam has maintained customer relationship by sending e-mail to membership in order to inform about its promotion programmes.

CONTEMPORARY STRATEGIC

E-MARKETING ISSUES IN VIETNAM

In the present, e-marketing cannot develop more in Vietnam because of many issues. Firstly, “ Vietnam businesses still hesitate in exploitation of e-marketing because they have not realized its opportunities yet. In the

awareness of many enterprises, the market through the Internet is still vague and unreal”, said Mr. Truong Van Quy who is the Director of the Development of Technology and Telecommunication joint-stock company in Vietnam.[19]In addition, the lack of knowledge about information technology and the lack of human resource for implementing e-marketing create hesitation for the businesses when making decision to do e-marketing. The fear psychology with technology is a common barrier of enterprises, and this leads a series of ineffective e-marketing activities later.

Secondly, the Internet users in Vietnam are so young: about 80% users are under 30 year-old and 70% in there are under 24 year-old.[20]In fact, they are not potential customers of many businesses. In addition, the age of Vietnam enterprises’ owners or managers is higher, so they cannot understand online activities of young people. This makes them hesitate to decide allocation of budget for e-marketing.

Finally, the issue involves to Advertisement Companies in Vietnam. In the present, the companies do not have enough experience in this field because they acquainted with traditional marketing. Thus, they cannot adequately give advices to enterprises which want to do e-marketing.

CONCLUSION

The large number of Internet users and low costs are one of the important components for businesses in Vietnam doing e-marketing. Marketing via the Internet has many advantages for enterprises, which want to enhance their image and brand name to consumers. However, e-marketing and e-business have not been applied in many enterprises in Vietnam because some

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reasons. The important reasons may be the awareness of managers and owners about the potential of e-marketing and e-business, as well as marketers lack of knowledge and skills to exploit the Internet for marketing strategies. Therefore, in order to improve the e-marketing issues in Vietnam, there should change the awareness of managers and owners as well as consolidate internet skills for marketers. In addition, improving infrastructure and establishing an efficient e-marketing strategy are important components in order to develop e-marketing in Vietnam. Consequently, e-marketing and e-business still have many opportunities to grow in the future.