

A Comparative Study on Traditional Marketing and E-Marketing

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Abstract - Marketing as a subject of study is now attracting the attention from the business firms, companies, institutions and even all countries also. It does not mean that marketing is a new business concept; it is one of the oldest professions in the world. The businessmen have adjusted their business activities to secure maximum satisfaction of the consumers. All businessmen are trying to give their best to their customers, for that they should try to ascertain customer's reaction, their performance, their attitude, taste etc. His only aim is to earn profit by way of satisfying their consumers. For that, the businessman has adopted various techniques to push his product in the market; one of his recent techniques is to sell their product by way of e-marketing. Today this e-marketing overtake the sales of our traditional marketing because of so many reasons. This paper concentrates about the comparative study of both traditional marketing and e-marketing

Key Words: Marketing, customer satisfaction, traditional marketing, e-marketing, attention

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INTRODUCTION

Marketing is one of the oldest professions in the world. In the initial stage, trade was simply a barter system. The difficulties experienced under the barter system induced the people to think about a common medium of exchange, then various kinds of metals like gold, silver, copper, etc were introduced as a medium of exchange. The appearance of money quickened the phase of trade. In this context Phil Kotler has defined the term market as "an area of potential exchanges" The American Marketing Association defines, "Marketing is that part of economics which deals with the creation of time, place and possession utilities" Marketing is both consumer oriented and competitors oriented. It starts with consumer and ends at consumer by satisfying their needs. Marketing is the most important function of management. The long term objective of marketing is profit maximization through customer satisfaction. Marketing is an integrated process which is based on strategies and models. Marketing must deliver goods and services in exchange of money. In our

traditional marketing the promotion activities of a product and services are done through TV channels, Telephone, Printing, Broadcast, Direct mail etc. Now e-commerce plays an important role in the field of marketing. They are doing their promotion activities through the electronic medium like internet, social media sites, mobile application etc. The businessman can easily find out their target audience.

OBJECTIVES OF THE STUDY

1. To study the importance of traditional marketing and e-marketing
2. To compare traditional marketing and e-marketing
3. To analyze, if there is any significant relation between the age of consumers and the type of marketing they choose.
4. To analyze if there is any association between the literacy of the consumers and the type of marketing they choose.
5. To make suggestions based on the findings of this study.

STATEMENT OF THE PROBLEM

In the modern days many people prefer to purchase their product by way of e-marketing, because of time consuming. Compared to traditional marketing, digital marketing often produces higher return on their marketing investment. Digital marketing can reach and convert new customers efficiently. This is popular only in the urban area; the rural people are not trusted with this type of business. Many people prefer our traditional method marketing, as they think that they are not cheated by others.

They are unable to handle the smart phone and its working. They select the products by way, they go to the shop, and select their products and they think that this e-marketing business is always a cheating company and they are not able to hope up with the digital marketing. To attract all types of customers, the e-marketing businessmen use some business strategy of mixing their business with the traditional marketing.

COMPARATIVE STUDY ON TRADITIONAL MARKETING AND E-MARKETING

Traditional marketing

It consists of three functions- buying, assembling and selling. Buying can be classified into three kinds they are (1) Manufacturers and other businessmen who purchase raw materials, supplies, spare parts and equipments for their operations. (2) Middlemen like wholesalers and retailers who buy goods for resale. (3) Consumers who buy products for their own use, by way of inspection or sample or by description. Assembling refers to the keeping of the goods in a centrally located place for a shorter period of time, and it is not meant for selling direct to the consumer. Selling is most characteristic feature of the marketing system. Selling means the transfer of ownership of goods and services by the seller to the buyer in exchange for money. The promotional activity of traditional marketing includes print media (news paper and magazine, advertisements, newsletters, brochures and other printed materials). It includes broadcast media such as TV and radio ads, direct mail include fliers, post cards, catalogs, and also telemarketing. They prove the technique with high success rate; it has long standing which intimates that the public already understands about the brand. Benefits of traditional marketing are (1) the businessman can easily reach their target of local audience with the help of radio or mail box etc. (2) The audience can have a hard copy of materials of which they can read or browse through over and over again. (3) It can be easily understood by most of the people because they are already exposed to this kind of strategy.(4) The businessman maintain some branded item(quality products) for their customer satisfaction.

The downside of Traditional Marketing are (1) There is very little interaction between the medium used and the customers, because the brand exists with the hope of the people patronizing the brand.(2) Printing materials or radio advertisements can be very costly. (3) Results on this marketing strategy cannot be easily measured.

E-Marketing: E- marketing is a transaction of buying and selling on online. Its scope and opportunities will be elaborate in future. Due to an increasing role of internet in commerce, online marketing practice has gained more momentum. Companies, both large as well as small are rapidly integrating online marketing into their marketing strategies and policies, for cost effectiveness, increased accessibility, availability of real time information and increased interactivity. It overtakes our traditional style of marketing. Now a day, e-commerce plays an important role in the field of marketing. Youngsters, who are using smart phones used to purchase their goods on e-marketing rather than traditional marketing. They are not ready to spend their precious time to purchase things from outside, rather they believe in ordering whatever things they

needed on on-line. Most of them prefer this type of marketing to save their time from external shopping. Electronic commerce draws on technologies such as mobile commerce, electronic fund transfer, supply chain management, internet marketing, online transactions processing, electronic data interchange, Inventory Management System and automated data collection system. Many people prefer e-commerce, which helps them to buy anything at a click.

COMPARISON

1. E-Marketing is inexpensive; ads should be given by way of on-line basis while traditional marketing is expensive and requires huge investment.
2. The internet deal procedure is well thought of delivering goods. They are delivering the goods at a proper time. Traditional deal procedure, which is done as a real time deal and therefore a lack of product in the aspects of idle stock.
3. E-marketing is done through the modern communication technologies, proper communication should be given to their customers when and where it is to be supplied. Traditional marketing to be stagnant and they should not follow such communication with their customers.
4. The return of investment (ROI) from the e-marketing is very high than that of our ordinary traditional marketing.
5. E-marketing can reach out maximum number of customers or audience but in the case of traditional marketing only limited number of audience.
6. E-marketing is versatile i.e. they can make any changes in the advertisements, but traditional marketing is non-versatile i.e., they cannot be altered once published.
7. In the e-marketing, promotional activities are done through the electronic medium like internet, social media sites, mobile application etc, while in case of traditional marketing promotional activities are done through TV, news papers, newsletters, brochures, magazines, radio, direct mail etc.
8. E-marketing is cost effect but traditional marketing is not cost effect.
9. In e-marketing they easily find out the target audience because they reply immediately, but in case of traditional marketing businessman is very difficult to find out their actual audience.
10. In the case of e-marketing, selection of a product is done only through online, physical touch is not possible, but in case of traditional marketing physical touch is possible and select one product from the variety of products.

Analysis No.1

An interview schedule has been conducted from the 60 respondents between the age group of 15-55, about the type of marketing they choose; Chi-square test is used to test the significance of null hypothesis.

Null Hypothesis: There is no significant difference between the Age limit of the Consumers and their type of Marketing

Table 1

Relation between Type of Marketing and the Age limit of the Consumers

Type of Marketing	Age Limit				Total
	15-25	25-35	35-45	45-55	
Traditional Marketing	4	9	10	12	35
E-marketing	10	8	4	3	25
Total	14	17	14	15	60

Source: Primary Data

Table 2

Expected Frequencies

8.17	9.92	8.17	8.75	35.01
5.83	7.08	5.83	6.25	24.99
14	17	14	15	60

Table 3

Calculation of Chi-square Test

O	E	O-E	(O-E) ²	(O-E) ² /E
4	8.17	-4.17	17.3889	2.1284
9	9.92	-0.92	0.8464	0.0853
10	8.17	1.83	3.3489	0.4099
12	8.75	3.25	10.5625	1.2071
10	5.83	4.17	17.3889	2.9827
8	7.08	0.92	0.8464	0.1196
4	5.83	-1.83	3.3489	0.5744
3	6.25	-3.25	10.5625	1.6900
$\Sigma(O - E)^2/E$				9.1974

$$X^2 = \frac{\Sigma(O-E)^2}{E} = 9.1974 \quad v=(r-1)(c-1) = (2-1)(4-1) = 3$$

For $v=3 \quad X^2_{0.05} = 7.815$

Inference: The calculated value of X^2 is greater than the table value; hence the null hypothesis is rejected at 5% level of significance and concludes that there is significant difference between the Age of Respondents and the type of marketing they choose.

Analysis No. 2

An interview schedule has been conducted from the 200 respondents about, if there is any relation between their literacy level and their type of marketing. An analysis of Association of Attributes is used to find out the fact.

Table 4

Association between Literacy and Type of Marketing

Type of Marketing	Literacy		Total
	Literates	Illiterates	
Traditional Marketing	42	68	110
E-Marketing	63	27	90
Total	105	95	200

Source: Primary Data

	A	a	Total
B	42	68	110
β	63	27	90
Total	105	95	200

A = Literates **a** = illiterates **B** = Traditional marketing
β = E-marketing

AB denotes literates who purchase goods on traditional marketing

Aβ denotes literates who purchase goods on e-marketing

aB denotes illiterates who purchase goods on traditional marketing

aβ denotes illiterates who purchase goods on e-marketing

By applying Yule's Coefficient of Association

$$Q = \frac{(AB)(a\beta) - (A\beta)(aB)}{(AB)(a\beta) + (A\beta)(aB)} = \frac{(42)(27) - (63)(68)}{(42)(27) + (63)(68)}$$

$$= \frac{-3150}{5418} = -0.58$$

Inference: $Q = -0.58$, it indicates there is perfect negative association or perfect disassociation between the attributes of Types of Marketing and Literacy Level.

FINDINGS OF THE STUDY

1. By applying X^2 test it is proved that there is significant relation between the age of respondents and the preference of marketing. Youngsters mostly prefer e-marketing and middle age and old age people mostly prefer traditional marketing.
 2. By applying Yule's coefficient of association, there is disassociation between the literacy level and the type of marketing.
 3. In the e-marketing there is no guarantee for the product quality, sometimes they supply low quality product with high price.
 4. Many middle class people are not trusted with these online companies, and they feel that the life span of these companies will be very short and they are not always able to supply quality goods, they always prefer traditional way of marketing.
 5. Physical touch is not possible in case of e-marketing, therefore so many variations in the quality of a product.
 6. Promotional activities are done by the e-marketers with low price, get more audience, but the in the case of traditional marketing brand loyalty is necessary for the long standing.
 7. Some of the customers of e-marketing business feel that purchasing cosmetic products and leather items are better than that of textiles & readymade garments.
3. Some legal provisions like registrations, licenses, filing of annual return, submission of annual accounts are necessary for the existence of this type of on-line company.
 4. The scope of these on line businesses are extended not only in India but also in foreign countries also, the Government should regularize these type of businesses, it will improve our GDP and to foreign exchange.
 5. The government should take proper steps to control the bad sites of e-marketing.
 6. Some window shopping facilities are provided by the on-line companies at different places so as the customers make sure about the quality of the products.

CONCLUSION

In the modern era the growth and development of e-commerce is unavoidable, but it is the fact that majority of the rural people are not trusted with these companies, it is popular among the city people. It is the need of an hour to mix the e-marketing with our traditional marketing and to provide all facilities to the customers as they wanted.

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SUGGESTIONS

1. For the betterment of the business, our traditional marketing methods support e-marketing efforts. The two types of marketing combined together and to capture the market of both youngsters and middle & old age people, adequate show room should be provided by the business people all over the country.
2. On-line shoppers link with our traditional marketers to give branded goods to their customers.