

## **Role of Online Marketing in Car Purchase**

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### **INTRODUCTION**

Internet has changed the way consumers search and buy product. Many companies have started using the online marketing as a platform with an aim of reducing marketing cost, the benefit of which is transferred to consumers by reducing the price of their products in order to stay ahead in highly competitive market. Companies also use internet in marketing communication to the consumers. Online marketing has emerged as a new and effective method of selling products, taking feedback and also to conduct customer satisfaction survey.

Internet marketing or online marketing refers to advertising and marketing efforts that use websites and emails to drive the direct sales via electronic commerce. Internet marketing and online advertising is typically used together with the traditional types of advertising such as Radios televisions, newspapers and magazines.

Buyer use the internet not only to buy the product online, but also to compare, product features, price and after sales service facilities they will receive if they purchase the product from any particular online store. The prospect of online business looks promising as ever. In addition to the remarkable potential of E-commerce market, the internet provides a unique opportunity for companies to more efficiently reach out to the existing and potential purchaser. It has been more than a decade since B2C E-commerce first evolved. Scholars and practitioners of electronic commerce constantly strive to gain an improved insight into the online buying behaviour of consumers. Today's consumers have so many new sources of information it's much easier for them to assess the absolute value of things, in other words, to know their likely experience with a product or service. Consumers today take advantage of three trends:

The rise of reviews from other users

Unprecedented access to expert opinions  
Easy access to internet & social media.

### **Objectives**

The objectives of this paper are as follows

- Reasons for any business to invest in online marketing for their brands.
- To study the factors influencing online buying.
- To find impact of photos on sale of car
- To study the impact of online information on purchase.

Online buying behaviour explains the psychological framework of an individual when he/ she buy any product using internet. The Online Marketing has developed into a "new" distribution channel (Hollensen, 2004) and the evolution of this channel, e-commerce, has been identified by Smith and Rupp (2003) to be the most significant contribution of the information revolution.

Using the Internet to shop online has become one of the primary reasons to use the Internet, combined with searching for products and finding information about them (Joinset al., 2003). Smith 2 and Rupp (2003) also state that the consumers have never had access to so many suppliers and product/service opinions. Just as restaurants cater to customers when they're ready to eat, auto marketers need to target car shoppers when they're ready to buy. That's why it's important to note that online sources are more influential earlier in the shopping process while offline sources, such as visiting the dealership, become more important later in the

process. And when it comes to go-to resources, in-market shoppers tend to focus more on online sources than purchasers, proving online to be a critical channel to capture buyers when they are in the consideration stage. Automotive has consistently been a top sector when it comes to interactive advertising spending. According to the study, new car buyers spend 16.9 hours in total shopping, with 70 percent of that time spent online. While online, 66 percent of new car buyers use third party sites, 61 percent use dealer sites. Third-party sites are seen as the most useful websites. Online consumer behavior has become an emerging research area. Online Marketing has provided comfort, convenience, choice and cheaper products to the consumers. In spite of lack of buyer confidence in online shopping the market is growing at a fast rate. Once consumer starts using this channel then he does not look back.

### **Importance of Online marketing for Business Sustainability**

Sustainability is being able to endure and survive in an environment into the future. In terms of business, sustainability management is about incorporating social, economic and environmental factors into your business decisions. It involves placing an emphasis on future, long term goals for your business rather than focusing on short term profits.

Being a sustainable business doesn't mean you need to sacrifice your bottom line. In the long term, sustainable businesses prove to be more profitable as they adapt and grow with the changing market. It can provide you with a competitive advantage and allow you to differentiate your business from the competition.

There are many advantages that result from incorporating social, economic and environmental factors into the decision making process in your business. It can help you to identify and avoid future costs associated with unsustainable business practices, such as dumping industrial waste into the environment. It can also help you to plan for changes in consumer expectations and allow you to capitalize on emerging markets and industries.

Sustainable management includes concepts such as corporate social responsibility and business ethics. A socially responsible business is one that aims to reduce its negative impact on society and increase its positive influence. Business ethics are especially important as failing to adhere to them can have a catastrophic impact on the viability of a business.

Currently, the focus of sustainability management has been placed on the importance of environmental sustainability there is no stopping the internet and so is the online marketing because the internet has become part of many people's lives and many are foregoing the traditional media for the internet. Online marketing as a way of advertising is very important to ones business.

Developing your understanding of sustainability and applying it to the way you operate your small business will help you to remain successful into the future.

### **Research Methodology**

The current research paper is mainly based on secondary data collected from various research magazines, research journals and research articles which were available on internet. Further secondary data was also collected through various web sites.

### **Scope of study**

Changing lifestyles and shopping habits coupled with superior options and selections make this interactive medium most attractive to customers. They are the regular users of Internet and are aware of the recent trends and applications emerging on the Internet. The population of Active Internet Users is growing consistently. As these Internet Users mature with respect to exposure and awareness of internet, they tend to spend more time online; access internet more frequently and surf non-communication based applications and advanced online applications like gaming, online marketing, etc. The current paper emphasizes the key influence of online marketing on the purchase of car.

### **Why companies should go for Online Marketing:**

Below are some of the reasons why it is absolutely important for any business to invest in online marketing for their brands.

**a. Online marketing is Cost effective**

Online marketing is one of the most cost effective ways of advertising because marketing products on the internet is less expensive as compared to marketing them on a physical outlet. This is because the costs used on starting a website and the use of marketing articles or social media in establishing an online presence is minimal.

**b. Convenient**

Online marketing will enable company to be open for business around the clock without worrying about the opening and closing hours of your store. It's also convenient for your customers because they can browse your online store at any time and place their orders at their own convenient time.

**c. Increase website traffic**

The use of articles or social media as a marketing strategy will help increase traffic to a business website. The more people visiting the site the more likely hood to closing more sells and generating more interests in the products.

**d. Reach**

Online marketing overcomes barriers of distance because you can sell goods in any parts of the country without setting up a local outlet thus widening up your target market.

Improves customer seller relationship

The Online provides a better platform to build relationships with customer's thus increasing customer retention level

**e. Personalization**

Online marketing as a way of marketing will help a business personalize offers to customers by building a profile of their purchasing history and preferences.

**f. Increases sales**

Online marketing will increase sales because it provides the consumers with the opportunity to purchase the products online rather than physically going to a place or sending an order form by mail.

### **Impact of Online Marketing on Car Purchase**

**1. Customer mostly research Online:**

People may not be buying new cars online but they surely spend a lot of time and energy researching their future purchases online. The new cars salesman is the guy with the most positive online reviews, a stellar social media presence, hired by the friendliest dealership in town and quick to respond to his customers' questions. Car buyers are in the market for 5.3 months. Mostly researching online. They research new vehicles, view more pages and spend time on-site than used-car shoppers by 10%

According to Cars.com research. Customers who are looking into buying a new car are in the market for roughly 5.3 months. During these months they check out:

- information regarding manufacturers
- information on car models
- dealership information

When it comes to dealerships by the time a customer sets foot in a dealers showroom he has probably read everything available online on:

- company website
- social media profiles
- online reviews

Sometimes potential customers don't even bother visiting their local dealerships if online reviews are not good enough. An online presence can do miracles for dealers as long as their service matches their marketing. Good service and reliability are still the most important factors when deciding what and where to buy. Recent online developments just make it easy for customers to find out the good and the bad about dealers and cars.

**2. Photos on Online Market Sell Cars.**

According to research conducted by Mike Dragan in Netonomy.com It was observed that almost 63% of customers gave much importance to the photos exhibited on the website .they were stimulated by the different photos of the model of car displayed in on the website. Further 52% of customers were affected by the ratings of the vehicle .However, no dealer is going to make them pay unless esthetics are backed up by great reviews on reliability .it was observed that 51% of customers showed keen interest towards features/colors available for

specific vehicles.49% of customers gave much importance to safety information .and 48% were attracted towards information on rebates and special offers.

### **3. Mobile is used before, while and after purchasing a car:**

As mobile is quickly revolutionizing every aspect of our lives .customers use them on the spot, in dealerships, when making final decisions. Most of them use smart phone during the purchase. 43% of customers visiting dealers use their mobile device. The information gathered by the customers through internet during dealership visits are targeted at:

- Pricing information
- General information
- Vehicle information

The customers understand that every dealer will try to maximize his margin. But it becomes harder and harder with ever consumers are using online information. Customers are influenced by the third party automotive blog or discussion forum, they consider and follow Manufacturers social media sites ,dealers social media sites .to a very large extend they are influenced by online videos and professional social networking sites .while forming an opinion they make it sure that these sites are well set up and properly maintained.

### **4. Internet Connected Cars:**

The internet connected car has been a great concept for quite some time now. As 3G connections become more and more popular and 3G coverage extends to even the most remote areas car manufacturers have seriously taken into account adding internet to car. In coming years almost all the major branded cars would to be internet connected in the next 5 years. Changes in auto industry in-car entertainment are expected to be as great as changes in entertainment post and pre dial-up internet connections.

### **5. Role played by Women in Online purchases:**

A big shift in car buying, especially when it comes to online-related purchases is the fact that women seem to be more and more engaged. What has been looked at as a traditionally male influenced industry is shifting by the day and internet plays a large part in this shift. Women are big spenders when it comes to auto They also influence over 80% of all new car purchases and account for almost 65% of all car service work done on dealerships. These are some really big numbers and they just keep on increasing as women feel empowered to negotiate their prices behind a computer screen. Once a somewhat biased industry, the auto dealerships are leveled fields for both men and women and purchasing can now be fun and engaging for women.

### **Conclusion:**

It's clear that digital sources have a big impact on vehicle consideration. The information provided from independent research sites, manufacturer websites, dealer websites and review sites give shoppers the information they want, when they want it, without having to visit a dealership to do their homework. Most shoppers are influenced by at least three online sources

of consumers refer to an online source as one of their go-to resources. Online Marketing play complementary but distinct roles in the consumer research ecosystem, and shoppers decide what role each site plays for them. This is a particularly important consideration because many auto marketers believe that by beefing up their own websites, they can bypass the influence of independent research sites and attract consumers directly. However, doing so only removes a marketer's presence from a source on which consumers place a high value. Furthermore, it assumes that once you've driven traffic to your site that you've earned a customer. The fact is that consumers continue to rely on independent digital sources throughout the entire the shopping journey. One reason consumer's value independent research sites during the early stages of the buying process is that they offer side-by-side comparisons of vehicles and dealerships. Such sites feature inventories of millions of vehicles from thousands of dealerships, helping consumers build confidence early in the shopping process. There's an important distinction between helpful and trustworthy. Shoppers consider dealership sites helpful .in fact, when it comes to trust, shoppers find independent research sites to be among the most trustworthy of all sources. This makes it essential for auto marketers to maintain a consistent presence across these channels to build shoppers' confidence as they encounter various bits of information across platforms at various stages of their online research.

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