# **Online Marketing and Consumer Psychology**

# Areema Pandey

**ABSTRACT**: Online Marketing is big relief in todays busy life but there are type of consumer and their psychology. In this paper study is done on consumer psychology and their attitude towards online marketing. Consumers want security, quality, ontime delivery and proper after sales services. Today if a company is to be successful it should run both online and offline. Different type of consumers are there so one should target their market for better result.

## I. ONLINE MARKETING AND CONSUMER PSYCHOLOGY

The Internet has grown very popular over the years and offers a lot of opportunities to both individuals and companies. During a marketing campaign, a company aims to reach as many consumers as possible, and given the huge number of people who access the Internet, the latter has become a very popular marketing and business avenue. One of the companies that had attained a lot of success through the Internet is Amazon. Amazon operates both as an online and offline retail store, and it is among the most popular websites and shopping places in the United States and across the globe. While technology and the Internet look like the focus of Amazon, the company ensures that traditional business practices and consumer preferences are not left behind. In this study, we examine how a company can attain success by running both online and offline stores like Amazon. We focus on target market, technology, marketing techniques and consumer psychology.

## II. THE TARGET MARKET

The target market is the consumer group that a business wishes to address its needs. Therefore, the company expects revenue entirely from the target market, and if it does not understand the target market adequately, then it will be a bit difficult to succeed in selling its commodities or services. Another market-related issue that is important is segmentation. In order to address the needs of the target market effectively, the business has to understand consumer preferences and profiles. Splitting the target market into different groups based on profile can be referred to as segmentation. Therefore, the need of each segment is addressed in a different way (Goetsch & Davis 2009, p. 41). Segmentation is aimed at enhancing consumer convenience and making sure that each and every member of the target market is satisfied and his needs adequately catered for. Having both online and offline shopping stores is a technique that Amazon used to reach its different market segments. Therefore, in order to successfully operate an offline and online store, it is important to make sure that you know the different groups that either type of store is targeting (Stacey 2009, p. 59).

Amazon came into play in the wake of vast technological changes, and the Internet became an ultimate business and marketing tool. More and more people access the Internet, and its popularity throughout the globe is undisputed. Therefore, Amazon tapped into this opportunity and offered an online trading store. An online trading store was a good idea given the fact that people from different parts of the United States wished to sell their products both second-hand and new, and a medium was necessary for its success. Therefore, the Amazon online store addressed a need that emerged as a result of technological transformations (Moe 2013, p. 5). Furthermore, it targeted Internet users. Amazon has substantially grown over the years, and its online stores are accessible worldwide. The key to Amazon's success is that it created a demand and it had a target market. Therefore, the success of an online shopping store will always depend on the need that the business seeks to address. Therefore, even before thinking of having that second type of store either online or offline, it is important to understand the need that you are going to address. Having a concise idea of this gives the entrepreneur an opportunity to craft the product or service in a way that consumers will not have to go and seek satisfaction from elsewhere (Spector 2000, p. 27).

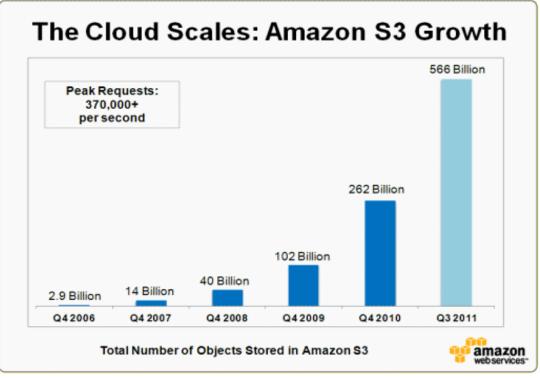
Other than utilizing the powers of the Internet, Amazon took its second-hand products idea to offline shopping. Therefore, the company effectively runs two types of businesses without much trouble. There is much that we can learn from using both online and offline stores. First, not everybody has access to the Internet. Therefore, there is need to reach out to those individuals who have no Internet access or would like to do business in the 'real' world rather than 'virtual' world. These are consumers who maintain status quo and still operate within traditional bounds. Therefore, the company has segmented its target market into two, those who access the Internet and those who do not. This is an important aspect when it comes to creating a business that

serves people of different preferences and definition of convenience. Such is a major challenge for companies that wish to run both offline and online stores. The two market segments require attention and clear understanding of their preferences. With offline stores, you will require employees to organize the place; you will require electricity and other complementary issues in order to run the store effectively. Amazon does a lot just to make sure that the offline stores offer top notch service and that consumers spread good news about their business premises. Therefore, apart from having a target market, the company ensures that consumers are entirely satisfied (Spector 2000, p. 32).

#### **III. CONSUMER ATTITUDE**

This is something that is engraved in the consumers' psychology and plays a very important part in determining whether or not a consumer would be associated with a particular business. This attitude is entirely controlled by the business, and it is up to the entrepreneur to make sure that consumers have a positive attitude towards the business. For example, if a business wants consumers to perceive it as a quality and quick service provider, it will have to take the necessary measures to make sure that this perception is created in the mind of consumers. The business will have to recruit high-end employees and make sure that they are motivated and at the same time acquire technology necessary to supplement high quality and quick service delivery. With this, the business will be able to offer consumers services in a way that they appreciate and command a positive attitude. However, without the required measures and individuals in place, consumers are likely to develop a wrong attitude that will be detrimental to the business. When such an attitude is created throughout the target, market expansion and consumer loyalty will be an issue for the organization (Goetsch & Davis 2009, p. 36).

However, the opposite ensures loyalty and helps build a strong brand name that associates the business with quality and convenience. When such a business expands its market share or product line, it is likely to be successful since consumers know that whatever they have in store is quality driven. Such consumer attitude is important to all businesses. Looking at Amazon, the company has established consumer loyalty and the attitude towards the company is good too. In an article that involved consumer reactions towards the company, a couple described Amazon stores as well organized and the employees are welcoming and do their job quite well compared to other stores (Creators 2013, p. 1). Such an attitude is necessary whenever a company kicks off and when it decides to expand. This attitude gives them a marketing advantage over other companies. Furthermore, it is quite difficult to operate two product lines when consumers do not trust your primary product. Amazon started off as an online store, and the good will associated with its online stores has largely spread to its offline stores. The graph below shows the growth of Amazon web services for the past six years:



Marketing techniques

The main aim of marketing is making sure that consumers have enough information about products and the business. Without enough marketing, it is very difficult to reach out to consumers or even do business. Looking at Amazon, the success of its online store is as a result of high-end marketing initiatives that have ensured that consumers know enough about the services it offers. However, it is crucial to understand that the company employs different marketing techniques for both its online and offline stores. This ensures that all consumer groups have enough information about the company and the services offered (Goetsch & Davis 2009, p. 36). For example, Amazon uses online affiliate programs to reach consumers in different parts of the world through the Internet. Through these programs, it is not a must for someone to access the Amazon store directly to purchase something, but they can also do so through affiliate sites and blogs. This ensures that the online store is adequately marketed throughout its consumer groups. On the other hand, the company ensures that people know of their physical offline store through their website and on street banners that signify store locations. From this, we see that the marketing techniques applied for online stores are different from the ones the company uses to market their offline stores. Therefore, a company willing to start both an offline and online store should understand that the two require different marketing techniques. However, the two stores can be used to offer information to consumers about each other.

#### **IV. TECHNOLOGY**

This is a very important element in modern business. When indulging in business, it is important to make sure that all elements of the business that relate to technology are well catered for. Consumers are used to the convenience associated with technology, and it is very easy for a consumer to switch sides and access services from a competitor if a business does not operate as per the desired standards. This becomes a greater challenge when a company uses technological tools and fails to stay in sync with the emerging trends. Making sure that everything is top notch technological wise is a major stronghold for Amazon (Spector 2000, p. 28). First, we look at the online store. Amazon.com ensures that every transaction that the user gets involved in undergoes adequate security checks and the payment method is convenient. For example, the company uses PayPal which is a popular and widely accepted payment method.

The website has the required technology to ensure that supports the payment method and ensures user security when they use their cards online. Without these features, it is very easy for the company to succumb to competition given the presence of companies such as eBay. Therefore, for online stores, it is crucial to keep up with the latest technology in order to support user activities. Furthermore, technology is not only paramount when it comes to online stores but also offline stores. The Internet offers a lot of marketing avenues where the company can market its offline stores. This ensures that those who access online Amazon stores also know enough about their offline stores. On the other hand, technology is not only crucial when it comes to marketing but also service delivery at the stores. Modern technology has been on the forefront in ensuring that consumers are served quickly and more conveniently. Therefore, the success of offline stores will largely depend on how far a company goes in making sure that consumer convenience is paramount most of the time (Moe 2013, p. 9).

#### V. CONCLUSION

From the above, it is quite evident that there is a lot that needs to be done if a company is to successfully run both an online and offline store. First, one should establish a target market. The company needs to know the kind of need it is going to address and the part of the market where it should dedicate all its marketing efforts. This is followed by a proper segmenting strategy that will help the company establish the market segment that will be targeted by online stores and the one that will be targeted by offline stores. Proper marketing techniques should be followed that suite either segment. This should be accompanied by proper technology and endeavours to make sure that high quality service is offered at the consumer's convenience. Quality service and consumer convenience is important in building a good brand name and increasing consumer loyalty. With this, the business is able to operate on different fronts and exploit more opportunities without much trouble.

#### BIBLIOGRAPHY

- Creators 2013, Amazon and the Offline Shopping Experience, viewed 15 January 2014, <a href="http://www.creators.com/lifestylefeatures/business-and-finance/taking-stock/amazon-and-the-offline-shopping-experience.html">http://www.creators.com/lifestylefeatures/business-and-finance/taking-stock/amazon-and-the-offline-shopping-experience.html</a>>
- [2] Goetsch, D & Davis, S 2009, Quality Management for Organizational Excellence, 6<sup>th</sup> edn, Pearson Prentice Hall.
- [3] Moe, W 2013, Targeting Display Advertising. Advanced Database Marketing: Innovative Methodologies & Applications for Managing Customer Relationships, Gower Publishing, London.
- [4] Spector, R 2000, Amazon.com Get Big Fast: Inside the Revolutionary Business Model That Changed the World, HarperCollins Publishers.
- [5] Stacey, R 2009, Organisational Dynamics and Strategic Management, 2<sup>nd</sup> edn, Pitman, London.