

# Effects of Internet Marketing Strategies on Sale of Communication Services. A Case Study of Telkom Kenya-Eldoret Branch

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**Abstract-** Internet marketing, or online marketing, is evolving into a broader mix of components a company can use as a means of increasing sales - even if your business is done completely online, partly online, or completely offline. The objectives of the study included identifying the effects of internet marketing on sales at TELKOM Kenya in Eldoret; identifying Challenges of internet marketing, establishing the Internet Marketing Environment at TELKOM Kenya in Eldoret and identifying the Product Characteristics of TELKOM Kenya in Eldoret. They used the findings to evaluate the effects internet marketing has on sales and how to apply new marketing strategies also to find out suggested areas to be researched on or make a comparative study. The study used a descriptive study design which was considered ideal due to its indebt and holistic approach of effects of internet marketing. It targeted a population of 171 It used stratified sampling technique to sample a sample size of 57 which is 30% of the targeted population. Questionnaires and interview schedule were used to collect data from the respondents. The research had a response rate of 100% with the demographic information of the respondent being stable in administration workforce. The research also focused on the gender of the employees, level of education, marital status, job position, work experience and the impact of internet marketing which were all analyzed. The study also focused on analyzing the challenges faced by marketing strategies. Data collection was done using questionnaires which was then captured on excel worksheet for tabulation and presentation. Descriptive statistics approach was adopted in analyzing and presentation of the data collected. The findings were then presented using charts, percentage and frequency tables. Frequency tables and percentage were used in presenting open ended questionnaires as it conveyed meaning to the data. The data analysis was also done by descriptive and statistical approach such as percentage and frequency tables. The key findings were that both managers and employees of the various departments sampled were aware of the implications of internet marketing strategies on sales. There were more male than female, there were no employee of age below 20 years or above 40 years.

The level of education varied across board, some were primary school leavers while others had not attended school at all. The majority had between 11 and 15 years job experience. The major recommendations from the study were that product customization, site design and usability on customer satisfaction and loyalty was very important on internet marketing and strategies. There was also correlation between product value, service quality, effective service, site design and usability,

product customization, customer service and customer satisfaction. Age and Education showed the difference and effect on internet Marketing strategies. Gender and marital status were not included into this demographic factors analysis because there was no much significance difference between gender and marital status in Internet Marketing Strategies in computer related products purchaser.

**Index Terms-** Online Marketing, Search Engine Marketing , Search Engine, Optimization, Return on Investment

## I. INTRODUCTION

According to Lewis, Internet marketing, also known as web marketing, web advertising, or e-marketing, is referred to as the [marketing](#) (generally promotion) of products or services over the [Internet](#) Marketing. IM is used as an abbreviated form for Internet Marketing. Internet offers numerous features (capacity, speed, precision and convenience) that help firms attract a large number of potential customers (Khanh and Kandampully, 2002). Consumers use the Internet for different reasons ranging from only gathering information to purchasing products internet. Buying over the Internet was more fun, safer, and quicker and they were more confident about their ability to buy internet (Goldsmith, 2002). The dramatic increase in internet and the detonation of its usage had facilitated the development of electronic commerce, which was described as the movement of buying and selling, or the trading of products, service and information between and among the organizations and individuals all the way through computer networks including the internet (Laudon and Traver, 2001). When investing in internet/internet marketing, strategic thinking would bring to the best rewards (David Scanlon, 2009).

Establishing and maintaining made to order communication with customers during the transaction could be expensive. Such as this kind of communication channels could be used to gather important customer feedback and to measure customer satisfaction, either they are satisfied or not. However, most consumers gather information on products, make cost comparisons and then go or visit a local store to make a purchase. Internet marketing is becoming a more and more significant strategy for the company to promote, advertise and interact with more customers over the internet. This is especially true in the environment where internet shopping or internet purchasing was still new and consumers are less familiar and

often more skeptical towards internet shopping, but slight is known about them. Therefore, in order to know and understand consumers' needs and wants, it is very important for us to have a survey and study to find out the impact of the internet marketing in computer industry towards customer satisfaction (Ahasanul and Ali Khatibi, 2007). Connectivity has increased quickly in both developed and developing countries; with one of the greatest growing regions being Asia. Malaysia is currently spending \$5 billion on building a Multimedia Super/great Corridor. In Malaysia, the development of Multimedia Super Corridor (MSC) has concerned much attention on the development and accomplishment of Multimedia. In this regard, the use of multimedia in marketing products and services had improved in the local business activities. It is highly assumed that internet marketing services can support retailers in expanding new markets as well offering real time dealings and processing feedback. Despite this though, internet sales or internet marketing continue to develop as internet-based businesses become more complicated; indeed many users stay involved in internet shopping. Understanding possible markets is thus important for businesses investing in electronic commerce. Amichai-Hamburger (2002) indicated that the behavior of internet users plays a significant role in their internet behavior. Although, purchasing over the internet is still a small portion of Internet usages, most analysts expect it to increase dramatically once consumer feel satisfied and safe about their purchases and protection of their privacy. Establishing and maintaining personalized communication with customers throughout the transaction can be expensive. Such communication channels can be used to gather important customer feedback and to measure customer satisfaction (Khanh and Kandampully, 2002).

The advent and development of Internet has created new opportunities for marketing professional to make better current marketing practices (Kalakota et al., 2001; Pires and Aisbett, 2001). Internet for marketing to consumers depends to a large extent on the characteristics of the products and services being marketed (Peterson, *et al.*, ). Moreover, Internet marketing can be a time and cost-saving supplement to marketer overall marketing strategy. Since, Internet marketing is the component of marketing that deals with the planning, pricing, promotion, and distribution of products and services over the internet (Pan-Western E-Business Team, 2005). A good Internet marketing strategy clearly communicates a firm's unique selling proposition, or the unique collection of benefits that creates value for its customers. Products that are being marketed over the Internet can be classified into two groups (Legard, 1998). The first group of products contain items that consumers do not need to see personally before purchasing. These products include computer to compact disc to scanned goods, and can be evaluated using just text, pictures and other digitally communicable information. This group of products is ideally suited to Internet shopping whereby the Internet could serve significant transaction and communication functions

In a fast-paced society, everything has to be done in an instant. Everything costs more. Everything moves faster. The good thing is that we can have anything we want in just one click. We have the different technological advances right within our reach – time efficient and cost effective- which make our way of life more convenient. All of these realities of modern

society have been in the name of progress. One of the most popular, most obvious technological advances at present is the Internet, which provides the users convenience from entertainment to education and from personal concerns to business matters. Indeed, the Internet introduces many unique benefits to marketing including low costs in distributing information and media to a global audience. Internet marketing, as of 2007, is growing faster than other types of media. Since exposure, response and overall efficiency of Internet media is easier to track than traditional "off-line" media, through the use of [web analytics](#) for instance, Internet marketing can offer a greater sense of accountability for advertisers. Increasingly, however, marketers and their clients are becoming aware of the need to measure the collaborative effects of marketing, that is, how the Internet affects in-store sales.

### Statement of the Problem

Today, Internet marketing, or online marketing, is evolving into a broader mix of components a company can use as a means of increasing sales - even if your business is done completely online, partly online, or completely offline. The decision to use Internet marketing as part of a company's overall [marketing strategy](#) is strictly up to the company of course, but as a rule, Internet marketing is becoming an increasingly important part of nearly every company's [marketing mix](#). For some [online businesses](#), it is the only form of marketing being practiced

Internet marketing is a business imperative because the Internet is an irrevocable and unstoppable trend. Viruses can pose a very serious threat to the privacy of internet businesses and their customers. They can enter the computer through various sources, such as downloading or even just clicking emails that contain viruses. This can lead to a loss of business information or any number of virus-related issues. Hackers and other illicit folk accessing private information of a business, both personal and private, can create numerous problems for businesses and its customers, along with identity theft. There are many legal issues an internet business needs to consider. For examples, electronic copyright, e-commerce cash and credit policies, international trade rules, tariffs, privacy policies, and security issues. Internet marketers must be prepared to deal with the issues related to copyright, intellectual property and other legal matters. Even if you have a traditional "brick-and-mortar" business, you'll lose valuable customers without an internet 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 likely choose another company with whom to do business. Most of the business organizations have not very much aware with the fact that internet marketing strategies play a significant role to acquire customers from globally

The main purpose of this study is to explore the importance of web shopping programs for retail industry that allows the companies to offer products and services 24 hours as per the needs and requirements of the customers. In addition, this study also provides evidences to the retail companies that how internet marketing strategies promote the firms at international level to acquire customers. The intended problem was to find out effects of internet marketing on sales. Therefore the researcher

considered to come up with the ways internet business can be protected.

### Objective

The main objective of the study is to establish the effects of Internet marketing strategies on sales of communication services at TELKOM Kenya Eldoret. The specific objectives include:

- i. To establish the effects of Website Marketing Strategies at TELKOM Kenya in Eldoret.
- ii. To establish the effects of Mobile Marketing strategies on sales at TELKOM Kenya in Eldoret.
- iii. To establish the effects of Social media Marketing Strategies on sales at TELKOM Kenya in Eldoret.

## II. RELATED LITERATURE

Online advertisement of any service, product, business etc. is all about internet marketing and that marketing is a necessity of any business which is online. Every online business is in the form of website. Having a website about a particular business is not a big thing. The main work starts after this that how to make a website well known among the people who are using internet and have interest in that you have. Online web site promotion is called internet marketing. Well there are many factors involves in promotion of any website.

One way is mouth to mouth marketing. In this you advertise your business's website by telling everyone that is around you. That community of people is very short. If a person is not in that community and he is fully interested in your service at that time you are helpless.

Second is email marketing that you send "Electronic mail" to people around internet. But that method is good but not very useful. For example many people block that kind of mails as a spam. So the emails got deleted by their spam filter. Third is that you enter your website into the online directories or search engines. Well there is not much difference between search engines and online directories. Directory is about the collection of many websites. People come to the directories in searching of their desired service. On the other hand search engine is also about a huge collection of websites. Now a day's search engines are more familiar than directories. Experts say that 85% to 90% websites are visited through search engines. Internet Marketing, however, requires customers to use newer technologies than traditional media, the reason why not all people may get the message. Low speed Internet connections were one barrier. If companies build overly large or complicated web pages, some Internet users struggle to download the information on dial up connections or mobile devices. From the buyer's perspective, another limitation is the inability of shoppers to touch, smell, and taste or try-on tangible goods before making an internet purchase. However, it is industry standards for e-commerce vendors to have liberal return policies and in store pick up services to reassure customers.

Also, internet advertising is cheap. Advertising in the phone book or a newspaper is expensive, especially if you want an ad that has a presence on the page (Godes and Mayzlin 2004). An advert 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 internet directory, your marketing efforts was 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 was 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 was your company's internet 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. Here are the main components of any good Internet marketing plan: Registering your site with search engines and directories; Optimizing your site for search engines; Sponsoring search engine keywords; Building a database of customer email addresses; Sending email newsletters and Buying internet advertisements.

In a fast-paced society, everything has to be done in an instant. Everything costs more. Everything moves faster. The good thing is that we can have anything we want in just one click. We have the different technological advances right within our reach – time efficient and cost effective- which make our way of life more convenient. All of these realities of modern society have been in the name of progress. One of the most popular, most obvious technological advances at present is the Internet, which provides the users convenience from entertainment to education and from personal concerns to business matters (Godes and Mayzlin 2004). Indeed, the Internet introduces many unique benefits to marketing including low costs in distributing information and media to a global audience. Internet marketing, as of 2007, is growing faster than other types of media. Since exposure, response and overall efficiency of Internet media is easier to track than traditional "off-line" media, through the use of [web analytics](#) for instance, Internet marketing can offer a greater sense of accountability for advertisers. Increasingly, however, marketers and their clients are becoming aware of the need to measure the collaborative effects of marketing, that is, how the Internet affects in-store sales.

One of the benefits associated with Internet marketing is the availability of great amounts of information. Compared to traditional media, such as print, radio and TV, Internet marketing can have a relatively low cost of entry. Consumers can access the Internet and research products, as well as purchase them at any hour of any day. Companies that use Internet marketing can also save money because of a reduced need for a sales force. Overall, Internet marketing can help a business' expansion from a local market to a national or international one faster (Peterson et al., 1997). It continues to grow in its importance as most companies have been making substantial commitments to [add Internet marketing to their marketing mix](#). Other benefits are measurability, flexibility, and affordability. Internet marketing has over other traditional marketing outlets, and these benefits

are especially attractive to home based businesses. An Internet Marketing strategy should express your aims in terms of ROI

### Internet Marketing Business Model

When it comes to becoming financially free through Internet marketing, there are actually many different channels you can choose from.

Below is an Internet Marketing model (Tjostheim, I. & Aanonsen K.) adopted by the Norwegian Tourist Industry that outlines how a good strategy can translate into bottom line ROI.

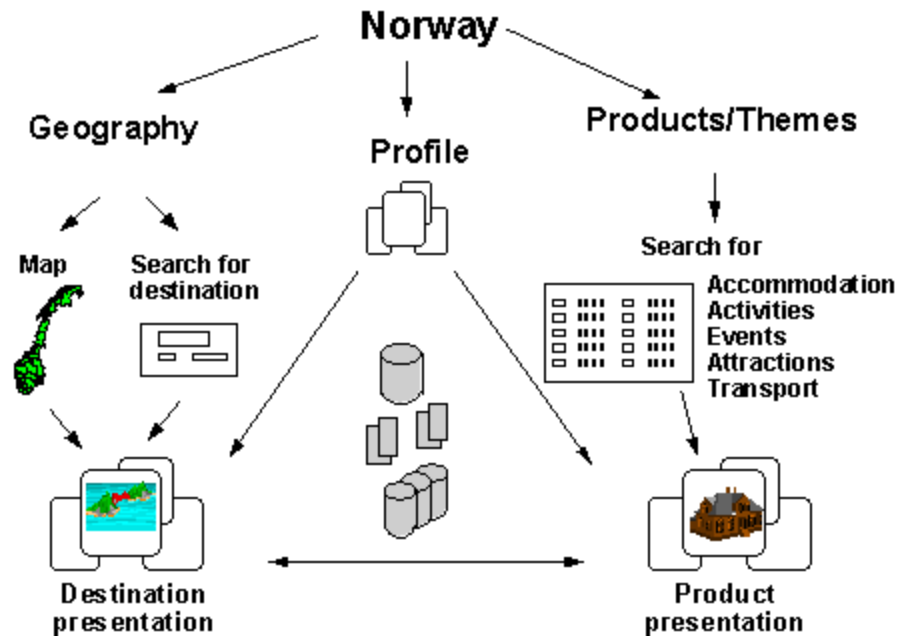


Figure 2.1 Internet Marketing Model

## Internet marketing Theories

### I. Affiliate Marketing Theory

Affiliate marketing is basically where you are a 'commission only' sales person and it is the best place to begin online. Most websites will have a link at the bottom of their website where you can sign up and begin to sell their products for them. They give you your own special link and all you do is build a website (don't worry it's very simple) and when somebody visits your website and clicks your link it will take them to the vendor's website. If that person then makes a purchase, you get a commission. There are many Internet marketers making over a million dollars per year from this business model.

### II. Selling Your Own Product Theory

This is where you already have your own product or website established. This is the next step up from affiliate marketing; it's not as easy as just selling somebody else's product. You have to do the market research and create the product, you will need to sort out how you are going to deliver the product, and also be responsible for customer service. There is a lot more work involved in selling your own products, however this is ultimately where you want to get to.

### III. Local Business Consulting Theory

Local business consulting is one of the fastest ways to build a 6-Figure business, however it's not for the complete beginner. Local business marketing or local business consulting is where you take over a local business' online marketing for a monthly fee. It is a great way to quickly build up a strong passive income but you will need to have a solid understanding of business, marketing and Internet marketing strategies first. Once you have another business model up and running it is a fantastic way to double your current business income in a very short space of time.

### Conceptual Framework

This paper proposes to identify the relationships between consumer shopping behavior about Internet marketing and the relevant affective factors. Based on the discussion presented in literature review, it was identified that Internet marketing environment, product characteristics, familiarity and confidence, and promotional offer are the main factors that are affecting consumer shopping intention about Internet marketing. Therefore, based on these factors, the study framework is constructed and presented below.

## Independent variable

## Dependent variable

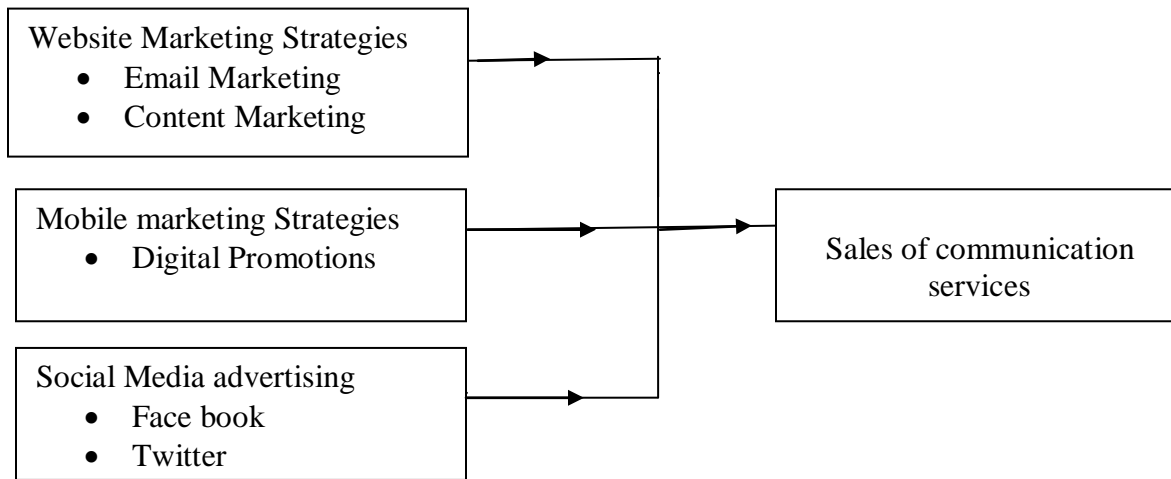


Figure2.2 Conceptual Framework

### Review of Variables

It is important for the Internet marketer to attract the existing consumers in the highly competitive internet marketplace and evaluate the size of the target market (Haqueet al., 2006). Since, generally, in traditional market environment is tangible and permanent form of communication is needed for a transaction process between a buyer and seller (Kaur, 2005). Then again, Internet marketing is an electronic form where a computer is able to recognize, reproduce and store means that business could now be conducted in a paperless environment (Haqueet al., 2006). That means electronic marketing is an application of business-to-consumer electronic commerce which can be further broken down into internet shopping and internet purchasing or buying. Internet marketing environments allow vendors to create retail interfaces with highly interactive features. According to Haubl and Trifts (2000) interactivity from a consumer perspective is the implementation of sophisticated tools to assist shoppers in their purchase decisions by customizing Internet shopping environment to their individual preferences. That means in Internet marketing environment consumers are able to tailor the web content according to their need and liking. This gives consumer the same power as the content provider.

Internet buyers have fewer security worries, appreciate the quickness and flexibility of internet buying and see the web as making buying easier (Ronald Goldsmith, 2002). To satisfy all levels of competence among consumers, and their different requirements, tastes, and preferences a site must offer a vast array of features and functions that will inevitably make it slower to load and more complicated to use (Reichheld and Scheffer, 2000). Speed to access Internet appears to be a major concern to many Internet users (Karakaya, 2001), therefore firms must create websites which are fast to load and culminate too much graphics or interactivity on their web site. Information such as discounted product and compiling special offers from several different companies selling the same product and displaying

them to the public could increase customer satisfaction. Potential customers have an opportunity to make a detailed comparison of the offering before making an informed choice (Khanh and Kandampully, 2002).

Hence, from above discussion we can say that in Internet marketing environment a distinction has been made between person interactivity and machine interactivity (Habul and Trifts, 2000). Environmental factors can influence the use of technology, including Internet shopping (Pratibha, 2003). According to Man et al. (2005) some technology adoption concerns are more psychological than technical. Moreover, a better

Understanding of the Internet marketing environment and its operating process will definitely alleviate concerns and lead to higher usage of internet shopping. Some situations must be needed to do shopping internet. Indeed initially, according to MORI (2001) the level of Internet shopping is strongly related to the level of the Internet access. Moreover, poorly designed interfaces, cluttered page layouts, inadequate and ineffective search engines, dead links, outdated information, tedious navigational structures and complex checkout procedures may all contribute to consumer frustration with internet shopping (Leo, 2002).

### Website Marketing Strategy:

Website marketing is directly marketing a commercial message to a group of people using web. In its broadest sense, every email sent to a potential or current customer could be considered email marketing. It usually involves using email to send ads, request business, or solicit sales or donations, and is meant to build loyalty, trust, or brand awareness. Email marketing can be done to either cold lists or current customer database. (Wakolbinger, Lea.2009) This form marketing is crucial to a small business online or offline. Essentially [email marketing](#) is about [building a list](#) of customers and [prospective](#)

[customers](#). This list of names and emails are people who are interested in your business, and you know this to be true because they have opted into this list themselves. Perhaps they were offered future updates on products as well as coupons to sign up. As this list grows, it becomes more valuable. In fact, many marketing professionals consider this to be, [in the long run](#), the most important [small business marketing](#) strategy in the long run. From whitepapers, to videos and webinars, content marketing encompasses all marketing formats that involve the creation and sharing of content in order to engage current and potential customers.

Content marketing subscribes to the notion that delivering high-quality; relevant and valuable information to prospects and customers drives profitable consumer action and improves brand loyalty.

Content marketers either share proprietary information with selected audiences, or they create new information and share it via different types of media, such as online newsletters, digital content, websites or micro sites, white papers, webcasts/webinars, podcasts, video portals or series, interactive online and email

Transactional emails are usually triggered based on a customer's action with a company. Triggered transactional messages include dropped basket messages, purchase or order confirmation emails and email receipts.

Direct email involves sending an email solely to communicate a promotional message (for example, an announcement of a special offer or a catalog of products). Companies usually collect a list of customer or prospect email addresses to send direct promotional messages to, or they can also rent a list of email addresses from service companies.

[Opt-in email](#) advertising, or [permission marketing](#), is a method of advertising via email whereby the recipient of the advertisement has consented to receive it. This method is one of several developed by marketers to eliminate the disadvantages of email marketing. (Wakolbinger, Lea; Michaela, DenkOberecker, Kluas September 2009)

Opt-in email marketing may evolve into a technology that uses a [handshake protocol](#) between the sender and receiver. This system is intended to eventually result in a high degree of satisfaction between consumers and marketers. If opt-in email advertising is used, the material that is emailed to consumers will be "anticipated". It is assumed that the consumer wants to receive it, which makes it unlike unsolicited advertisements sent to the consumer. Ideally, opt-in email advertisements will be more personal and relevant to the consumer than untargeted advertisements.

A common example of permission marketing is a newsletter sent to an advertising firm's customers. Such newsletters inform customers of upcoming events or promotions, or new products. In this type of advertising, a company that wants to send a newsletter to their customers may ask them at the point of purchase if they would like to receive the newsletter.

### **Mobile Marketing Strategy:**

The internet has become an ongoing emerging source that tends to expand more and more. The growth of this particular medium attracts the attention of advertisers as a more productive source to bring in consumers.

A clear advantage consumers have with internet advertisement is the control they have over the product, choosing whether to check it out or not.

Online advertisements may also offer various forms of animation. In its most common use, the term "internet advertising Web-related advertising has a variety of ways to publicize and reach a niche audience to focus its attention to a specific group. Research has proven that internet advertising has given results and is growing business revenue for the year 2012; Jupiter Research predicted \$34.5 billion in US internet advertising spending.

[Online advertisement](#) can also be classified as [Digital Promotions](#). Digital promotion in connection to the television industry is when networks use authentic digital resources to promote their new shows in a growing vast range of venues. Television networks development of digital off air promotional strategies allowed digital promotion to remain significant to the advertisement advancement in the television.(Fritz, Ben August 13, 2006).

An example of Online Advertising is television online digital promotions: The [Sci Fi network](#) for loaded a special recap episode of BattlestarGalactica onto Microsoft's Xbox internet gaming service; this gave the audience additional opportunities to sample content if they may or may not be familiar with the show. Another example of digital promotion in television is when network CBS incorporated new digital technologies of [Bluetooth-enabled](#) mobile devices that were able to download a thirty-second clip of a new show on their devices; consumers standing in range of a billboard don't need an internet link to download the show's content. These [non-linear viewing](#) opportunities provided as a valuable tool for gaining audiences; and to encourage them to intersect with the linear audience. Then again, intangible products are more suitable for Internet marketing. (Interactive Advertising Bureau January 2008), So, from the above discussion it can be said that unique characteristics of the Internet marketing is intangibility (Cho and Park. 2003). However, products and services without those characteristics or with low importance will have electronic appeal (Michael, 1998; Simpson and Matthew, 2001). Products with a high sight/sound primal product appeal have the greater electronic shopping potential (Brian et al., 2003).

### **Social media marketing strategy:**

Things move quickly in the world of Facebook advertising. It's no longer enough to buy a few Facebook ads, get users to "Like" your page and hope it strengthens your brand. You need an integrated marketing approach that considers both your paid media (Facebook ads) and earned media (word of mouth, shares, and recommendations).

Buying ads on Facebook is one of the most effective ways to get your message to the right people. You can target your content toward those most likely to be interested in your brand and thus more likely to engage with it.

Paid media offers some great benefits. Your brand or agency crafts the message and the ads, giving you complete control over what goes out (with the exception of sponsored stories). You also control schedule of delivery and the number of ads that you'll be serving. Paid media is easily measured, so you can see the impact

it has on the growth of your Facebook page. (Flatley, Joseph May 10, 2012)

When you buy a Facebook ad, you're buying more than just a targeted fan: you're buying the opportunity to access that fan's social graph. With the proper incentives, fans will share and recommend your brand to their connections. If you target the right person with your Facebook ad, she's more likely to recommend your page to her friend or her colleague who shares her interests. And that person in turn might share your content with a friend, and so on.

No matter what your budget, you can display your ads on Google and its advertising network. You pay only if people click your ads. You create ads and choose keywords, which are words or phrases related to your business.

When people search on Google using one of your keywords, your ad may appear next to the search results. That means you're advertising to an audience that's already interested in you.

People can simply click on your ad to make a purchase or learn more about you. Google AdWords offers targeted reach, greater control over your ads as you can edit them and adjust your budget, and measurable value.

Pay-Per-Click (PPC) advertising using Google Ad words can be a smart strategy when implemented in the right way at the right times for the right reasons.

The more recommendations and shares you get, the more trust your brand will earn and the more engagement you'll have on your page. This could become a snowball effect, where many users are sharing your brand -- a lot more than you paid for with your original Facebook ad. In fact, you can see more long-term benefits from earned media than paid, as sharing can continue to expand long after your initial ad campaign has ended. (Edited Harris, Dan 2002)

If your Facebook ads reach fans within your desired demographic, you can encourage many to go beyond the initial "Like" with calls-to-action to drive comments, shares and other interactions. In addition, if you're active on your brand page, encouraging people to comment on and "Like" your posts, you can leverage a high degree of activity to buy effective "Page Post like Sponsored Stories," which uses your fans' comments in ads. This will get your brand prominently displayed in front of friends of fans.

### **Empirical review**

The Internet represents a phenomenal opportunity to stay in regular contact with both your company's prospect and customer base. Internet Marketing is a tool that allows you to stay "top of mind" with them and remind them of why doing business with you is such a rewarding experience. Regular contact through e-mail alerts, newsletters and announcements of the latest innovations pave the way to lasting commercial relationships and are essential elements in any Internet Marketing strategy

Sales promotions can offer many consumer benefits, among these the most obvious benefit is monetary savings, although consumers also may be motivated by the desire for quality, convenience, value expression, exploration and entertainment (Babinet al.,)Kwok and Uncles,(2005). These benefits enable consumers to maximize their shopping utility, efficiency and economy. Consumer sales promotions were directly tested Chandonet al., (2000), who showed that: monetary promotions

are more effective for utilitarian products as they provide more utilitarian benefits, which are compatible to those sought from utilitarian products; and non-monetary promotions are more effective for hedonic products as they provide more hedonic benefits, which are compatible to those sought from hedonic products (Kwok and Uncles, 2005).

Competition in retail industry has also increased and all the leaders of the industry are expanding their business beyond boundaries, thus implementations of internet marketing strategies is essential for the development of these companies and acquire customers by creating awareness about company's products and services. This requires adoption of several of the marketing strategies to increase the awareness of the consumers about the available products and services online provided by the company (Levenburg, 2005). In the global era, numerous well-known and major empirical studies have explored the Assisting retailers to expand their target markets→ Broaden product lines→ Drive down business costs→ Assessing the trends and demands of market

The company can also tap several of the untouched market easily and cover large area without expanding their distribution channel. Incontestably, perceive value of a service or good has a significant impact on customer satisfaction. This value can be increased through internet marketing strategies by saving time and cost and offering quality services to attract and retain consumers for long term. By adopting these strategies, the consumers will find it more convenient to make shopping by simple sitting at home and finding goods and services of their choice.

There are also several of the alternative options for each category of goods which were not available in the traditional marketing and buying system (Doole and Lowe, 2008). Apart from this, online shopping programs also support an enterprise to identify and target their best customers and manage marketing campaigns with high quality sales for the organization (Grigoroudis and Siskos, 2009). Undeniably, the growing potentials and the loaded array of prospective rewards which the internet provides for both consumers and businesses have supported the increasing interest in e-commerce and online shopping. The fastest developing facet of "web usage" and customer acquisition strategy for businesses can be effectively use through E-commerce (Forsythe and Shi, 2003). Apart from this, web shopping also saves time of both customers as well as salesperson, which also enhances productivity of the employees and allows them to manage company and customers database in an effective way. This information is also utilized by salespersons to understand the customers' decision making ability, and the type of products and services demanded by the segment of consumers. The time saving feature of the online shopping system is the biggest advantage for the consumers, as in this busy life people find it difficult to spare time from their busy schedule for shopping, so this serves as the best advantage for the consumers.

Internet marketing strategies in Grocery market is linked with both business-to-business marketing (B2B) and business-to-consumer marketing (B2C). Instead of this impressive growth and potential rewards of internet marketing strategies, the status quo of e-marketing service is significantly poor and unutilized by business firms. For instance more than 75% shares of online

market in UK retail industry are captured by the major players (Levenburg, 2005)

As more evidence suggests, the World Wide Web is a platform that presents tremendous possibilities for businesses to acquire customers and triumph in this highly dynamic and competitive business era that is dominated by traditional brick and mortar players. Various references and study material is available about the knowledge to improve definite processes and practices for retailers to enhance their sales (Chong and Shafaghi, 2010).

By utilizing this information and understanding consumer behavior, retailers can handle changing demands of the consumers in the technological and innovative society Since the main aim of this research study is to evaluate the role of internet marketing strategies in customer acquisition, this study also emphasize some other essential aspects associated with the significance of internet marketing strategies and other driving forces that influences the buying behavior of the consumers. This study is beneficial for both firms and consumers to manage fast pace of life, improving traditional marketing process, strengthen social and economic environment, effective utilization of IT requirements and wireless technology such as internet, telephone, Bluetooth, etc.

It has been also evaluated that internet marketing strategy and online shopping programs are not only the complete solution to attract the consumers for long time and enhance the profitability but also a part of the solution to acquire consumers and enhance profitability. Online marketing process also impact on satisfaction level of customers, as it provides the consumers with a variety of products and also those products, which are not in their reach through the normal marketing or direct selling techniques (Aungst and Wilson, 2005). Additionally, this study also captures driving forces that motivate the consumers to buy some particular product or prefer some particular company or brand. Additionally, this study has a scope for the B2C and B2B e-commerce models that impact both traditional marketing concepts and internet marketing strategies. Besides this, this dissertation also focuses on the marketing approach and strategies used to become successful in global retail industry such as web shopping programs, e-CRM process, club card membership and other issues associated with the traditional and online marketing process.

### III. RESEARCH METHODOLOGY

#### Research Design

The study applied a descriptive study method. Descriptive research is a study designed to depict the participants in an accurate way. More simply put, descriptive research is all about describing people who take part in the study.

Sekaram (2006) observes that the goal of descriptive research is to offer the researcher a profile or describe relevant aspects of the phenomena of interest from the individual, organization, industry or other perspective.

The design allows for a holistic in depth study of the organizations which are similar in many aspects and the findings are hoped generalized to other areas. The design was chosen because it will involve investigation of the effects of internet marketing on sales which has the ability to answer as to how

internet marketing affects sales. It was able to provide a detailed analysis of internet marketing.

#### Target Population

The population is the set of entities under study. Mugenda (2003) recommends a sample size of ten percent. However, Kothari (2004) recommends that a sample size be as large as possible in order to reproduce salient characteristics of the accessible population to an acceptable level as well as to avoid sampling errors. The target population included the employees responsible for internet marketing at TELKOM Kenya (Marketing Department). It will target a population of 171 employees consisting of 3 branch managers, 6 sales and marketing managers, 18 Supervisors and 144 employees from marketing department. The branch manager is targeted because this is the person responsible for designing policies of the organization. Sales and Marketing manager is targeted because he is responsible for supervising and directing marketing activities in the sales and marketing department.

#### Sampling and sampling technique

A sample is a scientifically drawn group that actually possesses the same characteristics as the population. Stratified random sampling is where a given number of cases are randomly selected from each population sub-group. Mugenda and Mugenda (2003). A subset of this population called a sample. The researcher adopted stratified sampling to sample 30% of the population from the Branch Manager, Sales and Marketing Manager, supervisors and Sales and Marketing employees researcher wrote their names and fold the papers and insert them in a basket. He there after picks 3 names from departmental heads, 3 from section heads, 6 from supervisors, 19 from senior employees and purposively go to the branch manager. According to Carmines and Zeller, a sample size of at least 25% for a target population of between 100 and 500 is appropriate and representative. It is important to remember that the sample we draw from the population is only one from a large number of potential samples. This is shown in table 3.2 below:

**Table 3.1 Sample size**

Strata	Target population	Sample size
Branch manager	3 x 0.3	1
Sales and marketing manager	6 x 0.3	2
Supervisors	18 x 0.3	6
Sales and Marketing employees	144 x 0.3	48
<b>Total</b>	<b>171</b>	<b>57</b>

#### Data Collection Procedures

Data collection was done using questionnaires as the main data collection tools. A questionnaire with high reliability would receive similar answers if it is done again and again or by other researchers (Bryman & Bell, 2007; Saunders et al., 2007). The researcher collected data from the selected respondents after obtaining permission from Jomo Kenyatta University of Agriculture and Technology to carry out research in the identified area of study. The researcher visited TELKOM



KENYA - Eldoret to seek permission and explain the purpose of the research. The researcher sought the assistance of the heads of departments to distribute questionnaires to employees of TELKOM KENYA and other related respondents who distributed the data collection instruments/tools. After familiarization, data was collected from the respondents using questionnaires and interview. Questionnaires were administered personally by researcher to the respondents whose reactions was written down. A follow up was made to ensure that all questionnaires were returned. The researcher carried out structural interviews to secure information from the sales and marketing manager, Supervisors and employees in the sales and marketing department. The completed instruments was verified and collected from the respondents within a period of ten days from the day of distribution.

**RESEARCH FINDINGS AND DISCUSSIONS**

**Response to Research Instruments**

The study achieved a response rate of 100% all the questionnaires used by the respondents were returned hence promoted high response rate (All the 57 Questionnaires were filled and returned). A sample of 30% of the whole population of 171 employees was used in the study. According to Carmines and Zeller, a sample size of at least 25% for a target population of between 100 and 500 is appropriate and representative. The questionnaires are convenient for the task in that they can be easily and conveniently administered with the study sample. (Bryman & Bell, 2007; Saunders et al., 2007). A questionnaire with high reliability would receive similar answers if it is done again and again. Data collected through the use of well-structured questionnaire is easy to analyze.

**4.2.1 Demographic Information of the Respondents**

Strata	Target population
Branch manager	3
Supervisors	6
Sales and marketing manager	3
Sales and Marketing employees	144
<b>Total</b>	<b>171</b>

The above table implies that the department is stable in its administration workforce, though there is need to employ more as it grows

The study aimed at establishing the distribution of male and female within the department. The study findings indicated that there were more male to female employees in the department. This implies that most of the employees in the service are male with 72% (41) and female 28% (16).

**Gender of the Respondents**

**Table 4.1 Gender of the Respondents**

	Frequency	Percent	Valid percent	Cumulative percent
Male	41	71.9	71.9	71.9
Female	16	28.1	28.1	100
<b>Total</b>	<b>57</b>	<b>100</b>	<b>100</b>	

The above table implies that the department has tried in terms of gender balance; however there is need to employ more females. Men and women have different purchasing approaches. Whereas men tend to make purchase based on prices and availability of products, women are more holistic in their

approach. Online purchasing is becoming very popular among the customers and a very important channel of distribution for the marketers. Generally, we associate technology with men but today even women are becoming increasingly techno savvy. They prefer a plasma TV over designer set and a high featured

mobile over designer shoes. Women go online to save time and simplifying their lives whereas men are more into news, stocks and other entertainment sites. One more important thing to note here is women have more demands for variety as compared to men. It is also seen that women always want somebody to accompany and make advices while they make their purchases of clothing. Advantage service provider! While serving to women you should keep in mind to appeal not only the purchaser but also her companion. If you target the right person with your Facebook ad, she's more likely to recommend your page to her friend or her colleague who shares her interests. Paid media is

easily measured, so you can see the impact it has on the growth of your Facebook page. (Flatley, Joseph May 10, 2012)

**Level of Education**

The researcher sought to establish the level of education of respondent in the department. The researcher focused on the education level of the respondents since the level of education plays a major role in determining employees understanding effect of Internet Marketing Strategies on sales of communication services. The primary level 18% (10) Secondary institution 42% (24) Tertiary level 28 % ( 16) and No education 12% (7).

**Table 4.2 Level of education**

	<b>Frequency</b>	<b>percent</b>	<b>valid percent</b>	<b>cumulative percent</b>
Primary level	10	17.5	17.5	17.5
Secondary level	24	42.1	42.1	59.6
Tertiary level	16	28.1	28.1	87.7
No education	7	12.3	12.3	100
<b>Total</b>	<b>57</b>	<b>100</b>	<b>100</b>	

The research found that majority of the employees had secondary level education and only a few who didn't have any education. Professional marketers must be able to analyze international and national markets; aspiring marketers should be able to follow economic trends and developments through the Internet. Many marketing professionals work in a team, so it helps to have skills as both a leader and a team player. As professionals who interact with consumers and brand managers, marketers also needs strong written and verbal communication skills. When people search on Google using one of your

keywords, your ad may appear next to the search results. That means you're advertising to an audience that's already interested in you. Understanding possible markets is thus important for businesses investing in electronic commerce. Amichai-Hamburger (2002)

**Marital status**

The researcher sought to establish the marital status of the respondents in the department. The study showed single 19% (11), Married status 53 % ( 30) and married once 28 % (16).

**Table 4.3 Marital status**

	<b>Frequency</b>	<b>percent</b>	<b>valid percent</b>	<b>cumulative percent</b>
Single	11	19.3	19.3	19.3
Married	30	52.6	52.6	71.9
Married once	16	28.1	28.1	100
<b>Total</b>	<b>57</b>	<b>100</b>	<b>100</b>	

The researcher sought to establish the marital status of the respondents in the department as the majority categorized. Research shows relationship status for women can impact their decision-making and brand choices.

According to a study from Mindshare Hong Kong, females in relationships rely less conscious of brands compared to single females. Consequently, when it comes to media channels that influence skincare purchases, single females are more likely to rely on advertising and marketing. The result shows almost 20% of single females are more likely to be influenced by TV

celebrities and have a higher tendency to be influenced by Facebook brand pages.

In terms of mobile usage, the study shows that females in relationships spend more time on mobile internet when lying in bed before sleeping. To the contrary, males in relationships are less likely to do so.

**Job position**

The position was categorized as Manager 19% (11), General supervisor 23% (13) and Department 58 % ( 33).

**Table 4.4 Job position**

	<b>Frequency</b>	<b>percent</b>	<b>valid percent</b>	<b>cumulative percent</b>
Manager	11	19.3	19.3	19.3
General supervisor	13	22.8	22.8	42.1
Departmental heads	33	57.9	57.9	100
<b>Total</b>	<b>57</b>	<b>100</b>	<b>100</b>	

The research sought that, Departments was the most used in the TELKOM, Eldoret Kenya since it had the highest frequency than the others like General supervisor and Manager. Singles in 30s or above may have high disposable income, when they don't have kids, and they have more time and freedom to enjoy life. So this segment would be core customers for marketers to consider more in future, argued by Marc Fong, head of business planning at Mindshare Hong Kong.

**Experience**

The researcher sought to know the experience of the respondents in the organization. The study showed that 1-5 (11) 19% 6-10 (13) 23% and 11-15 (31) 54 % over 16 years (2) 4%. These are shown in the table below. The findings were summarized and presented in the form of a table below.

**Table 4.5 Experience**

	<b>Frequency</b>	<b>percent</b>	<b>valid percent</b>	<b>cumulative percent</b>
1-5	11	19.3	19.3	19.3
6-10	13	22.8	22.8	42.1
11-15	31	54.4	54.4	96.5
Over 16 years	2	3.5	3.5	100
<b>Total</b>	<b>57</b>	<b>100</b>	<b>100</b>	

The above table implies that the department favors 11-15 experience.

**Effects of internet marketing strategies on sales**

The researcher sought to establish the effects of Challenges facing internet marketing strategies has put in place. The study showed 30% (17) Market Share 25% (14) Operation Costs 17% (10), Competitive Advantage 21% (12) Quality of service delivery 7% (4) Employee Workforce Internet buyers have fewer security worries, appreciate the quickness and flexibility of internet buying and see the web as making buying easier (Ronald

Goldsmith, 2002). A good Internet marketing strategy clearly communicates a firm's unique selling proposition, or the unique collection of benefits that creates value for its customers. (Pan-Western E-Business Team, 2005). Computer scientist [Ramesh Sitaraman](#) has asserted that Internet users are impatient and are likely to get more impatient with time. In a large-scale research study that completed in 2012 involving millions of users watching videos on the Internet, Krishnan and Sitaraman show that users start to abandon online videos if they do not start playing within two seconds.

**Table 4.6 Effects of internet marketing**

	<b>Frequency</b>	<b>percent</b>	<b>valid percent</b>	<b>cumulative percent</b>
Technology services	15	26.3	26.3	26.3
Customer oriented service	16	28.1	28.1	54.4
Knowledge process service	26	45.6	45.6	100
<b>Total</b>	<b>57</b>	<b>100</b>	<b>100</b>	

From the table above, there were three major online/internet factors that affected internet marketing strategies on sale of communication services namely

Knowledge of process service was the greatest followed by customer oriented service and the least being technology service.

**Table 4.7 Effect of internet marketing strategies on sales**

<b>Frequency</b>	<b>percent</b>	<b>valid percent</b>	<b>percent</b>	<b>cumulative percent</b>
Enhance competitive Advantage	10	17.5	17.5	17.5
Increase market share	17	29.8	29.8	47.4
Reduces operation Costs	14	24.6	24.6	71.9
Enhances quality of service delivery.	12	21.1	21.1	93.0
Increases employee Workforce at the Marketing department	4	7.0	7.0	100
<b>Total</b>	<b>57</b>	<b>100</b>	<b>100</b>	

The above table implies that the Increases market share is the majority 17(30%) while the minority is Increases employee workforce at the marketing department 4(7%). This means that increase in market share has the greatest impact on internet marketing strategies on sale of communication services, whereas increase in employee workforce at the department least affect internet marketing strategies on sale of communication services. Amichai-Hamburger (2002) argues that the behavior of internet users plays a significant role in their internet behavior.

**Product Characteristics**

The researcher aimed at identifying the Product Characteristics The study showed that 80% Improved competitive strategies in the market.

**Table 4.8 Product Characteristics at TELKOM,Eldoret, Kenya**

<b>Product Characteristics</b>	<b>Frequently</b>	<b>Rarely</b>	<b>Not applicable</b>
Improved competitive strategies		√	
Increases the skill of employees in purchasing and supply of goods		√	
Improves procurement techniques in procuring of goods and services	√		
Improves outsourcing of goods and services	√		

From the above findings, the researcher noted that product characteristics affect the internet marketing strategies it the following ways. Improved competitive strategies rarely affect internet marketing strategies on sale of communication services. Increase in the skills of employees in purchasing and supply of goods also rarely has an impact on internet marketing strategies on sale of communication services. Internet for marketing to consumers depends to a large extent on the characteristics of the products and services being marketed (Peterson, *et al.*, ).

Internet marketing strategies on sale of communication services is frequently affected by improved procurement

techniques in procuring of goods and services. Improved outsourcing of goods and services frequently had impact on internet marketing strategies on sale of communication services. Conventional wisdom indicates that companies offering digital and information based products that can easily be delivered online, are likely to benefit from Internet commerce. We classified products into search and experience, tangible and intangible goods and examined their effects on Internet commerce benefit. The key finding is that product characteristics alone might not have significant influence on Internet commerce benefit and further research into market scope, characteristics of

business sector and value chain is needed to understand more precisely what contributes to Internet commerce benefit

### **Challenges facing Internet Marketing Strategies at TELKOM Kenya in Eldoret**

The researcher sought to establish the challenges facing internet marketing strategies at TELKOM Kenya in Eldoret that the department has put in place. The study showed 9% (5) Increase market share 6% (3) Enhance competitive advantage and 4% (2) Operations costs, 46% (27) Enhance quality of service delivery and 35% (20) Increase employee Workforce at the purchasing department. Establishing and maintaining information made to order communication with customers during the transaction could be expensive. (David Scanlon, 2009). Amichai-Hamburger (2002) indicated that the behavior of internet users plays a significant role in their internet behavior.

## **IV. SUMMARY RECOMMENDATIONS**

### **Summary of the findings**

From the research it was clear that both managers and employees of the department were aware of the implications of internet marketing strategies. The objectives of the research study and the stated research questions were tested against the findings and this was demonstrated by 100% response to questionnaire in chapter four. The data was then analyzed and presented in form of tables.

The researcher concluded that from the analysis results done at the earlier part of this chapter, demographic factors were examined and their effects on e-commerce or internet marketing in computer industry in TELKOM Kenya were analyzed critically. Gender and marital status were not included into this demographic factors analysis because there is no much significant difference between gender and marital status in internet marketing in computer related products purchaser. Age, and education showed the difference and effect on internet marketing strategies and showed that they are more satisfied and find the internet business with good security and good IT services with computer industry and their behavior is good and will increase in future by adding some good effective resources in internet business in computer industry. Young people have been seen to be the major users of internet and e-commerce services and internet computer related products purchasers, individual aged 40 years and belows accounts for 76.3% of all internet computer related products purchaser and older individuals' accounts for 23.7% only. Education as well makes a distinct difference on internet marketing level in computer industry, diploma, bachelor degree and masters' degree holders' accounts for 78% of the internet computer related products purchaser in TELKOM Kenya, and only 22% is accounted by other education level groups.

### **Customer expertise and familiarity**

Expertise or product knowledge and expert in processing of the product is the understanding of the attributes in a product or service class and knowledge about how various alternatives stack up on these alternatives. Customers' expertise facilitates their learning of new and more complex types of information (AhasanulHaque and Ali Khatibi, 2007). The customers who are more innovative and knowledgeable with regard to the internet

and its uses are more likely to buy internet from the computer industry than less innovative and knowledgeable customers (AhasanulHaque and Ali Khatibi, 2007).

### **Customer services**

Commentary, that it is often repeated in terms of gaining benefits from the internet is in terms of marketing logistic, whereby internet buyers gain temporal advantage by ordering internet and delivered over internet (Adam Stewart, 2002). Electronic marketing broaden the marketing scope of internet users and allow buyers to make transaction online. Some researchers specify that, specific knowledge of the impact of attribute performance on satisfaction is, therefore, a basic requirement (Adam Stewart, 2002).

### **Recommendations**

Internet Marketing requires customers to use newer technologies than traditional media, the reason why not all people may get the message. Low speed Internet connections are one barrier. If companies build overly large or complicated web pages, some Internet users struggle to download the information on dial up connections or mobile devices. From the buyer's perspective, another limitation is the inability of shoppers to touch, smell, and taste or try-on tangible goods before making an internet purchase. However, it is an industry standard for e-commerce vendors to have liberal return policies and in store picks up services to reassure customers. Consumers commonly seek quality information when purchasing new products. With the Internet usage growing popularity, internet consumer reviews have become an important resource for consumers that are seeking to discover product quality. Studies show that firms not only regularly post their product information and sponsor promotional chats on internet forums such as USENET (Mayzlin 2006), but also proactively induce their consumers to spread the word about their products internet (Godes and Mayzlin 2004). Some firms even strategically manipulate internet reviews in an effort to influence consumers' purchase decisions (Dellarocas 2006).

The efficacy of internet reviews could nonetheless be limited. First, internet reviews may merely represent consumers' preferences. These reviews may predict product sales but have little influence on consumers' decisions. In the terms of Eliashberg and Shugan (1997), internet reviews in this case serve as predictors rather than influencers of product sales. Second, reviewers are not a randomly drawn sample of the user population. Anderson (1998) finds that extremely satisfied and extremely dissatisfied customers are more likely to initiation transfers. Li and Hit (forthcoming) find potential bias in consumer reviews during early product-introduction periods. Finally, interested parties can easily manipulate internet forums. Dellarocas (2006) and Mayzlin (2006) theoretically analyze the scenarios in which firms can anonymously post internet reviews to praise their products or to increase awareness about them. As a result, potential buyers may heavily discount internet reviews. (Peterson et al., 1997). The second group of products is termed as 'experience products', which include items that consumers prefer to see and touch before purchasing, such as clothes and groceries. This group of products is not suitable for Internet shopping since

information about the product's features may not be sufficient for consumers to engage in Internet-based transactions.

However, most consumers gather information on products, make price comparisons and then visit a local store to make purchase. Internet marketing is becoming a more and more important strategy for the company to promote, advertise and interact with more customers over the internet. This is especially true in the context of Malaysia where Internet shopping is still new and consumers are less familiar, and often more skeptical towards internet shopping, but little is known about them. Therefore, in order to understand consumers' needs and wants, it is very important for us to have a survey to find out the factors of the Internet marketing towards consumer buying behavior, in terms of two different ways; a) factors that affect buying decision of the customer and b) how does Internet marketing affect the behavior of the customer.

Internet usage has grown exponentially over the last decade from its humble beginnings to its present incarnation as apparently present everywhere, it has revolutionized a lot of business and consumer behavior (Harter, 1999; Wilson and Laskey, 2003). Since, it is used to build and maintain customer relationships through internet activities to facilitate the exchange of ideas, products, and services that satisfy the goals of both buyers and sellers (Imber and Besty-Ann, 2000). However, despite its popularity and importance in the digital economy, no comprehensive literature review has been conducted in the field of Internet marketing (Ngai, 2003).

The researcher recommended that product customization, usability and site design on customer satisfaction and loyalty in internet marketing. Data were gathered from 80 respondents who are in TELKOM Kenya that are able to read and write and hence capable of using internet and its facilities. The results showed that there is a significant correlation between product value, E-service quality, effective cost, customer service, product customization, usability and site design and customer satisfaction. The results also revealed that there is a significant correlation between loyalty in internet marketing and customer satisfaction Demographic and psychographics profile, media habits, and level of awareness.

### Suggestions for further study

The researcher suggested that a further research should be done to find new ways in which organizations can improve internet marketing at TELKOM, Eldoret Kenya. Incontestably, perceive value of a service or good has a significant impact on customer satisfaction. This value can be increased through internet marketing strategies by saving time and cost and offering quality services to attract and retain consumers for long term. By adopting these strategies, the consumers will find it more convenient to make shopping by simple sitting at home and finding goods and services of their choice. There are also several of the alternative options for each category of goods which were not available in the traditional marketing and buying system

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