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A Detailed Study on impact of SEO on business performance of e-commerce websites

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Keyword: E-Commerce Websites, E-Commerce Companies, Internet Marketing, Technology, SEO

Abstract

Since last one decade, competition between various e-commerce websites is seen. This is due to constant addition of new e-commerce companies. E-commerce is nothing but electronically conducted business over networks of computer. The main activities of e-commerce include buying and selling of products, shipping of products and producing financial statements. The relationship between e-commerce and internet marketing is that, internet marketing makes e-commerce website visible to the buyers. Technology and increased use of computers has made marketing global. There is need to be in tune with the new and fast changing trends in field of marketing. Marketing should be customer oriented, alert, positive, forward looking and innovative.

SEO is the very basic concept of internet marketing. When people type a keyword in any search engine, multiple lists appears in the search engine result. The order in which the websites appear in the list is controlled by SEO. SEO improves ranking of a particular keyword in search result. When a user enters any keyword in search engine, he finds search result in form of list of sites which are relevant to the keyword. The objective of implementing SEO techniques is higher listing of website in search result than the competitor.

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Introduction

Since last one decade, competition between various e-commerce websites is seen. This is due to constant addition of new e-commerce companies. In such a case, internet marketing has become necessary for every e-commerce website. E-commerce is not only trading through internet. Beyond that, it means increased efficiency at all levels business. E-commerce is nothing but electronically conducted business over networks of computer. The main activities of e-commerce

include buying and selling of products, shipping of products and producing financial statements. By integrating payment gateways like PayPal or CC Avenue, etc. One can receive payments online. On the other hand, internet marketing means reaching targeted audience, promote, sale and advertise products and services. Many companies are implementing internet marketing platform for their e-commerce website. This is because, making the website is not enough. The website should be seen by the buyers. Strategies like SEO, PPC ensure visibility on search engines and SMM ensures visibility on social media. Internet marketing improves online visibility, website traffic and brand awareness, thus resulting in increased sales. It offers cost cutting, fast, simple marketing and overcomes barrier of geography. Result of advertising is also measurable, which is not possible through traditional marketing practices. Because of above mentioned reasons, internet marketing has become necessity in constant changing, competitive marketplace. The relationship between e-commerce and internet marketing is that, internet marketing makes e-commerce website visible to the buyers.

Marketers are witnessing global business opportunity and new developments in the market. This has changed the way and practices of marketing. Marketing environment has become more dynamic and unstable. Technology and increased use of computers has made marketing global. There is need to be in tune with the new and fast changing trends in field of marketing. Marketing should be customer oriented, alert, positive, forward looking and innovative.

Search Engine Optimization (SEO)

SEO is the very basic concept of internet marketing. When people type a keyword in any search engine, multiple lists appears in the search engine result. The order in which the websites appear in the list is controlled by SEO.

In simple terms, search engine optimization or SEO is a technique used to achieve higher ranking in search results when a certain keyword or phrases are typed in the search field.

SEO improves ranking of a particular keyword in search result. When a user enters any keyword in search engine, he finds search result in form of list of sites which are relevant to the keyword. The objective of implementing SEO techniques is higher listing of website in search result than the competitor. This way there is great chance that the website will be noticed by the prospective consumer. Search engine optimization can be done by a trained individual or a third party SEO agency.

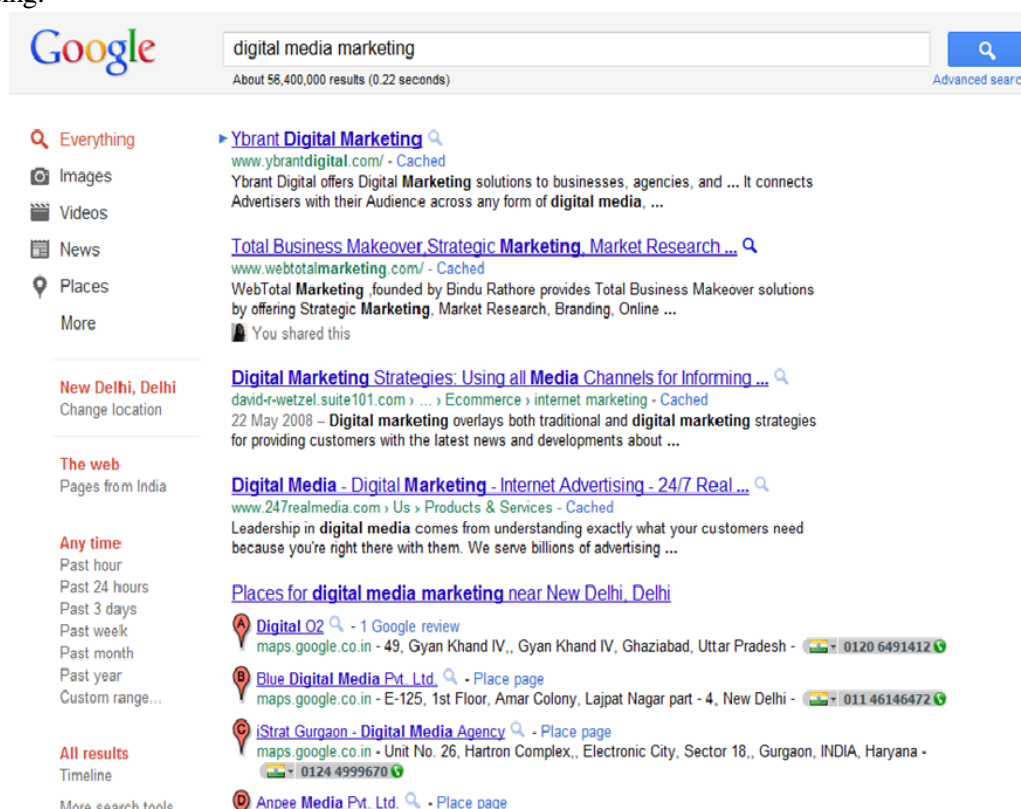


Fig. SEO Process

SEO targets many types of search, such as:

- i. Image search
- ii. Local search
- iii. Map search
- iv. Video search
- v. Website search, etc.

In the below example, the keyword “digital media marketing” is typed in the search field. In response to this keyword, list of relevant websites is generated. List of website is displayed according to the ranking of the website in search engine. Consumers are likely to explore the links on first page as they are most relevant to the search keyword. So for a business, SEO decides whether the consumer visits the website or not. And hence SEO is an essential part of online marketing.



Review of literature

S.A. Sherlekar, 2009- There is need to be in tune with the new and fast changing trends in field of marketing. Marketing should be customer oriented, alert, positive, forward looking and innovative.

T. Ramasamy, 2010- According to marketing concept, an organization should try to provide products that satisfy customer’s needs through a coordinated set of activities that also allow the organization to achieve its goals. Today, manufacturers and service firms can produce more goods and services more efficiently than ever before, which means that supply is often greater than demand. Because people have so many products choices, an organization must give customers real reasons

for choosing its products over competing products. Otherwise, the organization's profit will suffer as customers flock to rival products. Therefore, the key to success is to apply the marketing concept.

Research Methodology

According to Newman, **“Research Methodology is a collection of methods and methodologies that researcher apply systematically to produce scientifically based knowledge about the social world.”**

The relationship between e-commerce and internet marketing is that, internet marketing plays vital role in providing information and attract potential customers to their website. This research is designed so that, it will be finding whether internet marketing is actually helpful in increasing business performance of e-commerce websites or not. Purpose of this study is to increase understanding about various factors influencing business performance, consumer's purchasing habits and current scenario of internet marketing in India.

Objectives of Study

1. To identify and analyse various factors influencing business performance using internet marketing strategies like SEO.
2. To study current scenario of internet marketing in India.

Sample size

The sampling procedure produced **800** online shopping customers as potential respondents. These customers were selected randomly having mix of age, profession and education. All the respondents are from India only. Of these 800, **403** customers were not interested in conducting survey and total of **397** were completed and returned to the researcher for a response rate of 50%.

Hypothesis

H₁: Internet marketing has positive impact on business performance of e-commerce websites.

Data analysis

Hypothesis 1 :Internet marketing has positive impact on business performance of e-commerce websites.

To summarize results obtained after applying chi-square test of significance for equal probability, researcher have calculated chi-square value and presented for quick reference.

Table : Summary of chi-square test results for Hypothesis

Statement	Chi Square	df	p
Kindly specify the change in % of your clients sales after incorporating internet marketing to their website	14.48	5	<.05
Internet marketing improves the brand image of the Company as well as products	35.94	4	<.01

Internet marketing impacts company's sales and business performance positively	39.69	4	<.01
Analysis of customer behavior is possible through internet marketing	30.93	4	<.01
After adopting internet marketing, company have increased its customer base	40.04	4	<.01
There is significant growth in telephone inquiries after company have adopted Internet marketing	48.93	4	<.01
Company's turnover has increased after adopting Internet marketing	30.09	4	<.01
Positive impact of internet marketing can be seen in the area of advertising, marketing, customer service, sales support and public relations	40.39	4	<.01
Direct customer relationship is established through internet marketing	63.04	4	<.01
In my enterprise, implementing E-Marketing leaded to: New Customers.	35.69	4	<.01
In my enterprise, implementing E-Marketing leaded to: Increased Profits	30.98	4	<.01
In my enterprise, implementing E-Marketing leaded to: Good Customer Relationships	35.69	4	<.01
In my enterprise, implementing E-Marketing leaded to: Reduction of sales costs	39.81	4	<.01
In my enterprise, implementing E-Marketing leaded to: New markets.	30.98	4	<.01

In my enterprise, implementing E-Marketing led to: Fast communication with customers	44.51	4	<.01
In my enterprise, implementing E-Marketing led to: Increased customer satisfaction	34.51	4	<.01

Shown in table, relation between factors determining business performance of e-commerce website can be seen. Since p is less than 0.05, researcher can conclude that, **internet marketing has positive impact on business performance of e-commerce websites in terms of:**

- I. Change in sales
- II. Improved brand image of company
- III. Analysis of customer behavior
- IV. Increased customer base
- V. Significant growth in telephone enquires
- VI. Increased turnover
- VII. Positive impact in area of advertising, marketing, customer service, sales support and public relations
- VIII. Direct customer relationship
- IX. New customers
- X. Increased profit
- XI. Good customer relationship
- XII. Reduction of sales cost
- XIII. New market
- XIV. Fast communication with customers
- XV. Increased customer satisfaction

Since p is less than 0.05, null hypothesis is rejected and alternative hypothesis is accepted at 5% level of significance. Hence, researcher can conclude that **there may be positive impact of internet marketing on business performance of e-commerce websites.**

Conclusion

Due to globalization, internet and information technology need for modern marketing strategies have arrived. Traditional marketing is expensive, time consuming and has "hit and miss" quality. Because of introduction of information technology in marketing and increasing number of e-commerce websites, need for effective internet marketing strategies has arise. Internet marketing plays significant role in success of e-commerce website. Strategies like SEO and PPC ensure visibility on search engines and SMM ensures visibility on social media. Internet marketing improves online visibility, website traffic and brand awareness, thus resulting in increased sales. Relationship between internet marketing and e-commerce website is that, internet marketing makes e-commerce website visible to buyers.

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