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**Analyzing the Role of E-Marketing in the Consumer  
Decision Making Stages of Personal Electronic Products  
based on Dhaka City Consumers**

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## **Analyzing the Role of E-Marketing in the Consumer Decision Making Stages of Personal Electronic Products based on Dhaka City Consumers**

### **Abstract**

With Mobile Connectivity and Internet Penetration, more and more people, especially the urban classes are spending more time online and are exposed to different e-marketing activities. Internet is changing their mindset, also empowering them to make further informed decision. E-marketing is not only informing the customers about the product but also is playing crucial persuading and reminder role in all the Customer Decision Making Stages. This study examines the role of e-marketing in different CDP stages and customer empowerment as a whole from the perspective of urban customers. Though the industry is growing fast, e-marketing is still a mystery to the marketers and the factor dynamics (relation with customer preference) is not backed by research. This study would help the marketers to create focused activity plan while working with promotional activity based on this research.

**Key words:** e-marketing, Dot Com Bubble, CDP Model, Digital marketing, e-commerce.

## 1. Introduction

Since the inception of World Wide Web and after the Dot Com Bubble<sup>1</sup> of the early 2000s, internet users have grown from only 250 Million in early 2000s to 3.2 B global users in 2015, resulting into companies rushing to spend more and more portion of their budget to capture the mindshare of this population. In a study, Lunden (Lunden, 2015) found that companies in the developed world are now spending around one fourth of their marketing budget in digital media and it is estimated to grow up to 300% in next 5 years.

As a recently graduated Mid Income Country, Bangladesh has 117.8 M Mobile Users and 62.3 M Internet Users (BTRC, 2016) and estimated to hit the BDT 5 B mark in E-Commerce (Online) volume by the end of 2016. The number of social media users form Bangladesh is estimated to be 2.8 M, attracting more 100,000 new users every month. This digital revolution is further fueled by medium-to-high quality internet connection from Mobile Operators at an affordable price and the cost effective smart devices. For this rapid growth in internet usage and due to its influence among the users, e-marketing has become a priority for players across all industries. As the buying pattern and consumer decision making is now influenced by the digital activities by both brands and uses, it is impacting the traditional Marketing Concepts.

E-marketing now is a part of promotion or advertising. According to Lumen Learning, Advertising has three roles:

- Informative role: when there's something new for the customer to know.
- Persuasive role: by increasing the demand for an existing good, service, or organization.
- Reminder role: by keeping the name of good, service, person, or cause before the public.

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<sup>1</sup> The dot-com bubble was a historic speculative bubble covering roughly 1995–2001 during which stock markets in industrialized nations saw their equity value rise rapidly from growth in the Internet sector (Daisey, 2002) and related fields (Cassidy, 2002).

Customers, in the digital era are very independent and seek more information to make educated choices. That is why most customers want to feel empowered which gives him/her a sense of control on product selection. Thus, ensuring customer empowerment is a challenge for the marketers.

This study examines the impact of e-marketing on the different stages of CDP Model, one of the core consumer behavior theories from a developing nation's perspective with a view to examine its role in customer empowerment. The study analyzes the impact of e-marketing focusing on the purchase of personal electronic products only. As the market of personal electronic products is going high with the expansion of economy and increase in income level, this study will be a good reference point for future researchers.

The study focuses on the followings:

- Finding the nature of role e-marketing plays at each of the 5 stages of CDM model for personal electronic products.
- Finding the most important factors influencing the different roles in different CDP Stages
- Identifying the most critical factor(s) that is simultaneously influencing informative, persuasive and reminder roles in each of the CDP stages
- Identifying link, if any, between e-marketing and customer empowerment

## **2. Methodology**

The framework of the study is shaped by the Onion Model by Saunders. Both primary and secondary sources of data have been used in this study. Primary sources were the consumers residing in Dhaka city who have internet access, executives from digital marketing agencies and e-commerce platforms, and experts on the e-commerce websites. Secondary sources were reports and journal articles.

The primary data were collected for the study through Key Informant Interviews (KII), Focused Group Discussions (FGD) and questionnaire survey. The key informants were the experts on the e-commerce websites and

executives from digital marketing agencies. As part of the FGD, there were groups of 6 to 8 people from different age group who usually surf internet with or without intent of purchasing electronic goods. The participants also comprise of people who have not made the purchase finally but gone through 2 or 3 stages of CDP. KIIs and FGDs and the KII Quotations were used to explain the Quantitative findings.

For the consumer survey, the target population of the study was individuals who have access to internet and are exposed to digital marketing and e-commerce platform(s) residing in Dhaka city. The sample frame included respondents of the following categories:

- Active Social Media Users: age 16+, spends minimum 2 hours a day in Social Media Platforms
- Young Professionals: age 22+, university/college graduate and with a job
- Tech Savvy People: owns a smart phone, tablet and/or laptop with high internet use (more than two hours per day)
- Consumer Electronic Purchasers: who purchased consumer electronic products within last 24 months (from any source)

Judgmental sampling method was used in the study to select the sampling units and the sample size was 248. Survey data were analyzed using Microsoft Excel and IBM SPSS Statistics 20.0.

The Data Analysis was initiated with the use of Descriptive Statistics. The Different Roles of Advertising carried out by e-marketing at each CDP stages were analyzed using Descriptive Statistics. Later, the findings of the Descriptive Analysis was used to formulate the base for correlation analysis. Correlation between the simple variables are Advertising roles were measured and thus the most critical factors for each role were filtered. Lastly, a regression analysis was conducted to test the link between e-marketing and customer empowerment.

### **3. Literature Review**

A study conducted by Nielsen (Nielsen, 2012) concluded that, internet is influencing consumer behavior as 7 out of 10 buyers know the exact brand and model they want to buy with the help of online research before entering the store. Also, 40 per cent of the respondents of a survey conducted by Google India mentioned that they took help of online information for making purchase decisions for technology products (Google India, 2012).

While many researchers do not see any fundamental differences between the traditional and online buying behavior, it is often argued that a new step has been added to the online buying process: the step of building trust or confidence (Lee, 2002); (Liebermann & Stashevsky, 2002) (McKnight, et al., 2002); (Suh & Han, 2002); (Liang & Lai, 2002).

Considering that an online customer is not simply a shopper but also an information technology user (Cho and Park, 2001) it can be argued that the online experience is a more complicated issue than the physical shopping experience. The Web experience can be defined as the consumer's total impression about the online company (Watchfire Whitepaper Series, 2000 in Constantinides, 2002) resulting from his/her exposure to a combination of virtual marketing tools "under the marketer's direct control, likely to influence the buying behavior of the online consumer" (Constantinides, 2002). The Web experience embraces elements like searching, browsing, finding, selecting, comparing and evaluating information as well as interacting and transacting with the online firm. Thus the influences of e-marketing are evident in different CDP stages.

**Need Recognition:** The virtual customer's total impression and actions are influenced by design, events, emotions, atmosphere and other elements experienced during interaction with a given web site, elements meant to induce customer goodwill and affect the final outcome of the online interaction. For traditional firms expanding their business with Internet presence, the quality of online experience they deliver is an issue requiring special attention: poorly designed and dysfunctional Web sites are a potential threat not only to the company's virtual aspirations but also a hazard for their physical activities. According to the Dieringer Research Group, half of all adult internet users who have abandoned online orders seem to have changed their opinion about brands due to negative online experience, while 60 percent of those online adults whose opinions changed, switched brands at purchase,

whether they bought via the Net or at a brick-and-mortar store (Nua Internet Surveys, 2002).

**Information Search:** A number of researches identified and explained the impact of Online Marketing and E-Commerce on Consumer Product Choice. Consumers choose the certain products because the product appeals to them. The choice can be influenced by the gathered information from different sources. Therefore, internet is an effective tool in this stage (Hawkins & Mothersbaugh, 2010).

**Evaluation of Alternatives:** According to a research by (Court, et al., 2009), consumers are increasingly seeking smarter solutions to reduce physical contact, physical transaction and time required to acquire a product or service they wish to avail.

**Purchase:** Hasan & Nasreen (2012) looked into the factors leading to post purchase dissonance. The research concluded that if the consumer is more personally involved in making a decision – that is, he/she himself/herself seeks information about the probable product to be purchased and the makes the buying decision on his/her own, then he/she is less likely to come across the uncomfortable feeling of dissonance. Therefore, the level of involvement of the consumer has an imperative effect on the post purchase dissonance level and this guides his future consumer behavior. (Hasan & Nasreen, 2012)

**Post Purchase:** (Cho, et al., 2002) conducted a research to investigate the complaining behavior of online customers and to compare it with the complaining behavior of traditional marketplace customers. This study suggests important implications for the online shopping environment. It was found that:

- Online customers are more likely to complain, even if they are less dissatisfied with their purchases than offline customers in similar situations;
- Online customers are more sensitive to benefits/cost of complaining;
- Customers in offline environment show stronger personal competence than in online; and
- Customers in online environment expressed higher propensity to complain if there are delayed responses by the seller.

Moreover, this study gives an implication to the customers repeat purchase intention with propensity to complain. This study found that the propensity to complain had a positive effect on repeat purchase intention both in the online and offline environment, if the problem is resolved by the seller. This assertion found support from Estelami (2000) and TARP (1986), who reported that prompt responses to customers' complaints are associated with repeat purchase intentions. (Cho, et al., 2002).

Based on these literatures and expert interviews, the following influencing factors were considered for the study:

Table 1: List of factors influencing the CDP stages

CDP Stages	Variables
Need Recognition	Sponsored ads
	Sponsored videos in newsfeed
	Affiliate Marketing
	Online Peer activity (Check Ins, Status, photos)
Information Search	Single, company website Visit (organic search)
	Multiple, 3 <sup>rd</sup> party websites analysis (organic search)
	Facebook pages (organic search)
	Online research with Peer group (One to One)
	Organic Search Result
	Sponsored posts/pages/videos in Search Results



CDP Stages	Variables
Alternative Evaluation	Multiple website (source) evaluation
	3rd party website reconfirmation
	Checking Reviews in social media
	Reference of credible Online Reviewers
	Credibility of Ratings
	Availability of Adequate Online Information
	Checking online Reviews in YouTube
	Searching for cut off criteria online/ rank attributes via social media reviews
	Brand preference via online brand communication
	Purchase Decision
Stock Availability Information	
Timesaving	
Authenticity Confirmation	
Postpurchase	Social Media Exposure (Check Ins, Status)
	Online Product & Fixation Assistance
	Online Support Service (Feedbacks)
	Online Interaction & Engagement Platform (User Community)

CDP Stages	Variables
	Change & Divestment Options (Resell & Exchange)
	Online Loyalty Programs

#### 4. Findings and Analysis

After examining the data the study concludes the following:

##### Different Roles of e-marketing in CDP Stages

The study found that, in the Need Recognition stage, e-marketing plays the most informative role. It also plays significant informative role in post purchase and purchase stages respectively. E-marketing plays almost no persuasive role in information search stage. But it plays significant persuasive role in purchase & post purchase stages. E-marketing plays almost zero reminder roles in purchase stage. But it plays the most significant Reminder role in post purchase, alternative evaluation and need recognition stages respectively in descending order.

Table 2: Impact of different roles of e-marketing on CDP stages

CDP Stage	Impact of e-marketing		
	Informative role	Persuasive role	Reminder role
Need Recognition	High	Moderate	Moderate
Information Search	Moderate	No	Moderate
Evaluation of Alternative	Low	Moderate	Moderate
Purchase	Moderate	High	No
Post Purchase	Moderate	High	High

Factors contributing to the informative, persuasive and reminder roles

To find out the factors controlling the informative, persuasive and reminder roles in different CDP Stages, the study conducted a correlation analysis between the individual factors and the mean stage value for the individual respondent. Here, the mathematical correlation was tested and a higher correlation value refers to a strong degree of dependability of the variables.

Based on the analysis, the most important factors that influence customer preference (liking / disliking) in along the roles are:

Table 3: Factors contributing to customer preferences based on different roles

<b>Informative Role Factors</b>	<b>Persuasive Role Factors</b>	<b>Reminder Role Factors</b>
<ul style="list-style-type: none"> <li>• Multiple Source Check</li> <li>• Search Social Media Review</li> </ul>	<ul style="list-style-type: none"> <li>• Social Media as Product Authenticity</li> <li>• Online Resources to Setup</li> </ul>	<ul style="list-style-type: none"> <li>• Online Resources to Setup</li> </ul>

Identifying the most influencing factor

The study identified four most influencing factors contributing to e-marketing such as,

- Search Social Media Review
- Advertisement Seen
- Product related Research in Social Media
- Peer Group Activity in Social Media

This is also supported by the following facts:

- The number of social media users in the country is increasing at a rate of 7% to 9% per month
- According to Telecom Operators and ISPs, 85% of the data communications are from Social Media Sites
- All the respondents spend more than two hours per day in social media

So it can be concluded that the CDP stages are highly influenced by Social Media Activity of a brand.

#### E-marketing and Customer Empowerment

As Customer Empowerment is one of the new marketing needs of the customers, the study asked the customers about empowerment due to digitalization. The study found a strong link between e-marketing and customer empowerment as most of the respondents considered E-marketing as an important customer empowerment tool.

From the analysis, the study identified the following core variables that are contributing most to customer empowerment through e-marketing.

Table 4: List of variables that are contributing most to customer empowerment

Variables	Beta Score
Community Building with similar product users	0.261
Online Info Saves Time during Shopping	0.259
Online loyalty programs	0.205
Existence/ Use Online Resources to Setup	0.182
Information Availability in Online Channels	0.158
Online video reviews	-0.115

## 5. Conclusion

The study explored the role of e-marketing in the CDP stages for personal electronic products based on the consumers of Dhaka City. The scope of the work was limited to the customers residing in Dhaka.

From the study it was found that, for the need recognition stage, e-marketing plays a moderate to high informational role. For the alternative searching stage e-marketing has moderate effects on the potential buyer to seek out more options as the consumers like to experience the real feel. In the evaluation stage, customers try to access the credibility of the product offerings and/or the communication regarding the product. So e-marketing plays an informative role in this stage, which in turn plays a persuasive role for the purchase stage. At the post-purchase stage, the factor of after sales services comes to effect and e-marketing plays more of a persuasive and reminder role here. Overall, the factors that influence online consumer behaviors need to be carefully concerned by the online retailers and e-marketers to utilize the appropriate marketing communications to support the customer's purchase decision making process and improve their performance.

Thus to inform the customers successfully regarding their brand, the e-marketers should concentrate not only in their official website and make information available there, but also have marketing communication endeavors via other website ads, social and online media reviews (including Facebook, blog and YouTube) and online resources. To persuade the customers to buy the product, the e-marketers should mostly focus on the customers at purchase and even at post purchase stage. The marketing communication mix should also moderately address customers at need recognition stage and alternatives evaluation stage. Besides, e-marketers should also concentrate on giving online convenience to customers (e.g. online buying options, online resell options, online loyalty programs, etc.). For reminding the customers about their offers, the e-marketers should motivate the customers at post purchase stage, so that they go for re-purchase and spread word of mouth among others. They should also look into people's reaction online and focus on building online communities. Because, a cohesive online customer community will by default remind the consumers about their products and services.

The study did not include the customers residing outside Dhaka and for nor personal electronic products including but not limited to lifestyle

products, commodities and service. The study could be a good reference point to further incentivize e-commerce friendly policy making and entrepreneurial initiative facilitation by the government as a strong link between e-marketing and customer empowerment. Businesses would then also find more reasons to invest behind e-marketing and e-commerce ecosystem.

Future researches can focus on the degree of influence in each of the CDP Stages. Also, along with customer empowerment, role of e-marketing to ensure hassle free selection and information availability can be explored.

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