

Online Marketing Strategy for Business Development in Malaysia

ABSTRACT

Aims: Online marketing strategy adoption has increasingly been prevalent in business development, especially online business in Malaysia. The three objectives of the study are to define the parameters that affect publisher's perception towards online purchase, to examine the factors that affect online buyer's intention towards online product and to investigate the product potential in online marketing.

Study design: The research design was a descriptive design, hypothesis testing, quantitative data analysis and convenience sampling technique.

Place and Duration of Study: Sample consists of adult online users with experience on online purchasing regardless of gender, age and education level. They must be a frequent online user and know how to conduct an online purchase. This study conducted at Faculty of Business Management and Professional Studies, Management and Science University (MSU) in Malaysia between 2011 and 2013.

Methodology: A total of 152 questionnaires were distributed to the qualified respondents. The respondents that were selected were Malaysian above the age of 21 years regardless of their religion, race and background. This group of respondents was sufficient to fulfill the adequacy for the research purpose and to be able to represent the population and address good results.

Results: The results revealed that product commitment and product homogeneity had a significant relationship with the high click through rate of online marketing link. Moreover, online purchase complexity and the need satisfaction had also a significant relationship between online marketing. It was the concentration to convince potential publishers, buyers and customers to complete the objective of the links.

Conclusion: Therefore, the success of presenting the product commitment and homogeneity of the product could be the impact of the high click through rate of online marketing in Malaysia.

Keywords: Online Marketing Strategy, Online Business, Publisher, Buyer, Malaysia

1. INTRODUCTION

Online marketing has been prevalent in the internet market over recent years. Since its successful start from Amazon which had pioneered this new marketing tool, many new internet entrepreneurs have made online marketing as part of their income earning method by committing as to it as full time online. The benefit does not stop at being an online, the effect has impacted the merchandiser in such a way that performance based marketing is now measured through the online marketing program. To cater for this rapid growth, many researchers have done studies on the success of online marketing and revealed the truth behind it. However, according to [1], some researchers have only understood the basic concepts of online marketing as a pure pay of performance marketing tool. There has been no metrics benchmark on how the marketing tools are to be used in promoting the product as an online. As such, many onlines failed, based on the fact that there are no reasons, as it did not satisfy the metrics in this rapidly changing requirement of online buyers.

[2] further states that too much expectation and attempt to control onlines have resulted in a make free attitude; as the onlines disagree on the tedious managerial approach of the merchant. Discontinued passion and failure in diversifying niche market from onlines also

results in an online marketing failure. Apart from this, some of the reasons for low conversion rates in online marketing are poor architecture design of website navigation, vague visualization of product and poor product description. Despite this, the case studies and discussion on the failure or success of the online program, many onlines, merchants or researchers have underrated the understanding of the online user and failed to find out their perception about the online program. The correlation between the online programs, online and online user has thus been distanced and may result in the failure of the online program. The understanding of the action carried out by the online user is the important metrics that all onlines or merchants should emphasize, especially to those onlines who earn their trust for income. The action discussed here includes clicking, browsing, buying or even filling out a form. The subject of this research will discuss the online user's action and the reason behind the action. If the three parties (the onlines, onlines network and advertiser) would like to benefit from the online program, it is necessary to dive into how web visitors makes decisions on online purchases and what drives them to do so. The understanding of the user's action will lead to more constructive view of the online marketing success factor.

Online advertising is a simple form of advertising through a website. In practice, online advertising is about getting your website in front of the people who are interested in your product or service. Although there have been plenty of definitions about online advertising, [3] defines online advertising as alternatively as means of attracting customers to the website – a form of traffic acquisition. One major benefit of online advertising versus traditional advertising is the reach of the public without the limit of geography or time. The traffic on a specific website is sometimes more than the population of a country which might be scarcely achievable by any other traditional advertising means. The interactive media attribute that resides in online advertising delivers an impressive impact to the web visitors who have identical interest regardless of their varied background. The absolute competitive advantage of online advertising is often cheaper than the traditional advertising methods such as newspapers, magazines, radio, etc. With the introduction of online marketing, the online advertising world has evolved further to pay for performance module which is the ultimate cost efficient way of advertising a product.

According to latest definition from Wikipedia [4], online marketing is an online marketing method that compensates onlines for the effort of bringing in visitors. For instance, an online may be rewarded with cash or gifts in the event of an offer completion or referral to the site. The four key players in the online marketing include the merchant (retailer or brand), the network, and the publisher (online) and the customer (web visitor). Today the market has evolved to a higher level of complexity that it links with a secondary tier of players such as online management agencies, super onlines and specialized third parties vendors. Most of online marketing works on the content page. It is more like the contextual advertising method. With today Google Advertisement sense to Semantic web which uses a computer to automatically analyze the customers. Online marketing has grown to a stage where advertisements pop ups on a page automatically which is only relevant to you.

To understand the success factor of online marketing for the perception of potential customer (online users), it is of utmost importance to understand the consumer psychographics and factors that affect the decision making process. From the inner view of decision making in the buying process, the perspective of the consumer psychographics is very important. Mental orientation is explained as a way of characterizing a consumer's approach to making shopping choices [5]. Walsh had described the decision making styles into eight categories, i.e. quality consciousness, brand consciousness, novelty-fashion consciousness, recreational shopping, value consciousness, impulsiveness, confusion and brand loyalty consciousness. The understanding of mental orientation of online users helped onlines to understand their needs and thus deliver right product to the right audience.

81 Understanding the type of potential customer is just the first step. What motivates the online
 82 users to purchase thing online is also necessary to be learnt by onlines. According to [6], a
 83 consumer's buying decision can be influenced by these three factors, i.e. personal, social
 84 and psychology. Due to complexity of understanding individuals from the perspective of
 85 personal factor and psychology, this research placed more emphasis on the factor of social
 86 effect. What lied in the social effect is the internet subculture or cyberculture in other word.
 87 The cyberculture is a culture endemic that has given to the rise of online communities from
 88 1960s to 1990s [4]. It is borderless and hard to accurately define. The community may span
 89 from the virtual world to physical world, all being mediated by a computer network.
 90 Manifestation of the cyberculture include various interactions mediated by the computer
 91 networks such as blogs, games, social networks, virtual worlds, E-commerce, etc. One of
 92 the profound successes of social network is Face book. There are 1.23 billion online active
 93 users as of 31st December 2013 [7]. Due to the unlimited linkage of the people from different
 94 geographical areas, they can share what syncs them in their lifestyles. This has superbly
 95 outperformed any traditional marketing tool to target, attract, communicate and link
 96 multinational consumers. Many onlines now utilize the social network to target audiences.

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 98 The three objectives of the study are to define the parameters that affect publisher's
 99 perception towards online purchase, to examine the factors that affect online buyer's
 100 intention towards online product and to investigate the product potential in online marketing.
 101 Besides identifying the important parameters affecting the buyer's perception towards online
 102 purchase, the study will conduct the methodology for success factors of the product potential
 103 in online marketing in Malaysia.

104 **2. MATERIAL AND METHODS**

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 106 Figure 1 explains the conceptual framework of online marketing strategy for business
 107 development in Malaysia.
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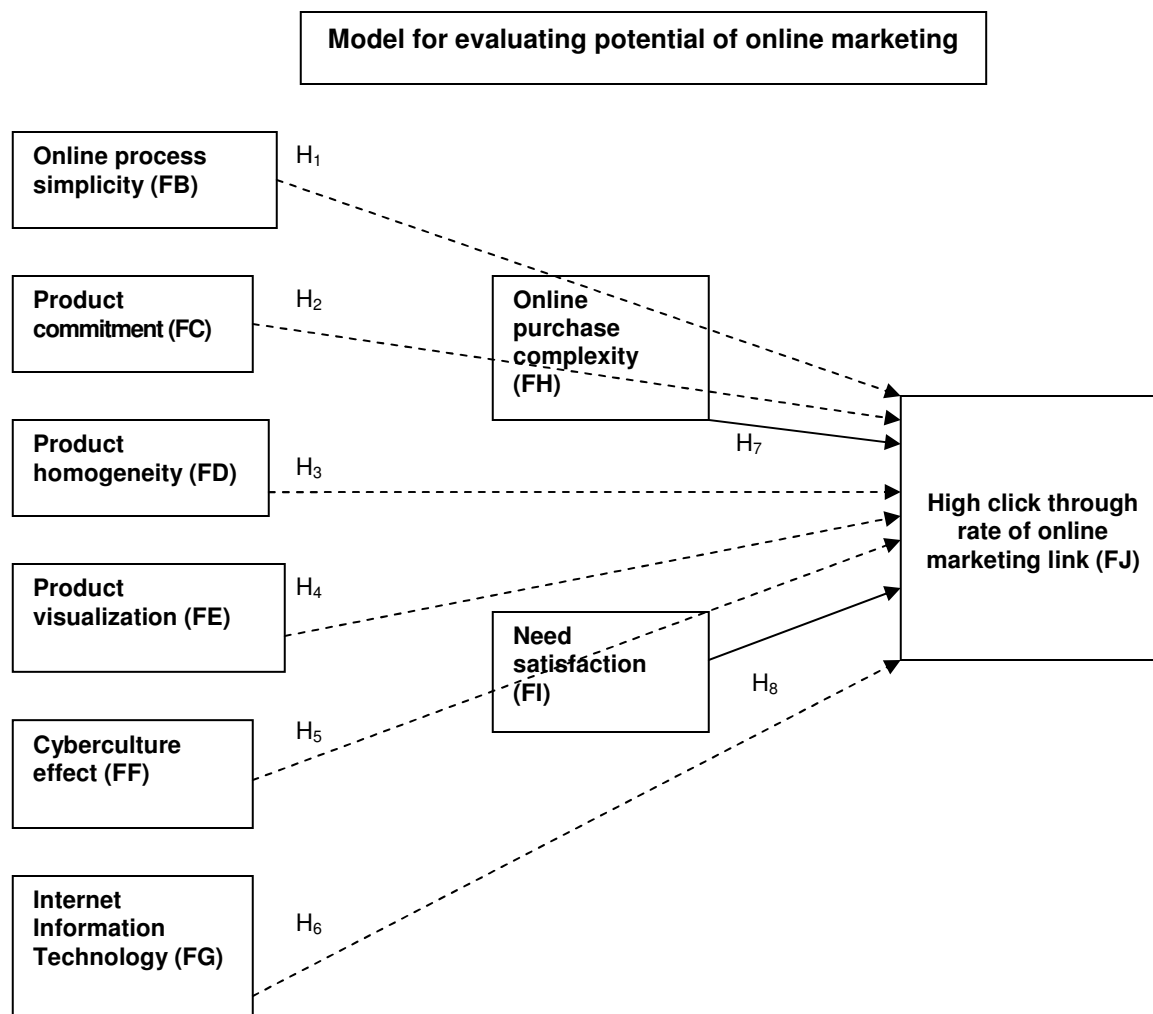


Fig. 1. Conceptual framework of online marketing strategy for business development in Malaysia

2.1 Research Hypothesis

Hypotheses were formulated to test the online marketing potential. For the purpose of this research, null and alternative hypotheses were used to test the relationships of the variables based on the conceptual framework above. For the hypothesis of this research, the model of evaluating potential of the online marketing comprised of six determinants identified to test the relationship between these determinants and the high click through rate of online marketing link. These six determinants were online process simplicity (H1), product commitment (H2), product homogeneity (H3), product visualization (H4), cyberculture effect (H5) and the internet information technology (H6). There was only one dependent variable in this research, i.e. the high click through rate of online marketing link. There were two

mediator variables i.e. online purchase complexity (H7) and the need satisfaction (H8). The online purchase complexity meant that online purchase needs to simplify the purchase process such as an easy check out, an easy online payment, and easy goods searching, etc in order to convince the customers to utilize more of the internet to make their purchases. Therefore, it is noted that the online purchase complexity also played an important role. Moreover, the need satisfaction was the cognitive aspect of the decision maker and the online user to equip their lives easier to purchase things online.

H1: There is a significant relationship between online process simplicity and the high click through rate of online marketing link.

H2: There is a significant relationship between product commitment and the high click through rate of online marketing link.

H3: There is a significant relationship between product homogeneity and the high click through rate of online marketing link.

H4: There is a significant relationship between product visualization and the high click through rate of online marketing link.

H5: There is a significant relationship between cyberculture effect and the high click through rate of online marketing link.

H6: There is a significant relationship between the internet information technology and the high click through rate of online marketing link.

H7: There is a significant relationship between online purchase complexity and the high click through rate of online marketing link.

H8: There is a significant relationship between the need satisfaction and the high click through rate of online marketing link.

2.2 Research Design

The research design adopted for this study was a descriptive design, hypothesis testing and quantitative data analysis such as linear regression analysis. [8] explained that the descriptive research was used to describe something, usually the characteristics or functions of the variables of interest. For descriptive research, it begins with the defined structure and proceeds to actual data collection in order to describe the variables. The key to good descriptive was known exactly what to measure and to select a survey method in which every respondent was willing to cooperate and was capable of providing accurate information.

2.3 Sampling Method

Convenience sampling technique was used because there was no defined population number even if the criteria of the respondents were identified. Each respondent had an equal and independent chance of being selected to be part of the sample. Equal because there is no bias that one person will be chosen rather than another and independent because the choice of one person does not bias the researcher for or against the choice of another [9]. This method was chosen because of the least biased computation and is more practical from the perspective of cost and time saving, in order to better interpret the large population.

2.4 Population and Sample

The population consists of adult online users with experience on online purchasing regardless of gender, age and education level. They must be a frequent online user. There are no specific preferred groups among the online users but they should have experience with the online

179 purchase process and know how to conduct an online purchase. A total of 152 questionnaires
180 were distributed to the qualified respondents. The respondents that was selected were
181 Malaysian above the age of 21 years regardless of their religion, race and background and as
182 long as they conformed to the characteristics of the population. It was believed that this group
183 of respondents was sufficient to fulfill the adequacy for the research purpose. Thus, the sample
184 was believed to be able to represent the population and address good results.

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186 **2.5 Measurement and Instrumentation**

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188 In order to have a strong validity and high creditability of instrument, the questionnaire was
189 designed to concisely attach the purpose of the research. There were 41 structured questions
190 in the questionnaire. To show the leased bias questionnaire, structured questions were used
191 because it provided a set of options in the response to the questions. The set of questions
192 were designed in accordance to the demographic factor, internet usage and in a multiple set of
193 query to the six determinants of the research. Thus, the questionnaire had a combination of
194 dichotomous questions, likert scale questions and multiple choice questions. This provided the
195 respondents with a leased biased set of questions to better represent the result of the
196 research. There were two main parts in the construction of the questionnaire. The first section,
197 section A, comprised of questions relating to demographic factors and internet usage. This
198 enticed the research to better understand the respondent's background from the perspective of
199 the relevant information. These questions laid the foundation to the second part of the
200 questionnaire as it is believed these two parts were interrelated. The second part of the
201 questionnaire comprises of section B to section J. From section B to section I, it ranges range
202 from 3-5 constructs in each section in the form of likert scale. The likert scale used in these
203 constructs was given 5 options ranging from "strongly disagree" to "strongly agree". These
204 constructs were related to six determinants factor and two mediator variables. The six
205 determinants were online process simplicity, product commitment, product homogeneity,
206 product visualization, cyberculture effect and internet information technology. In addition to
207 these constructs, the two mediator variables were designed with a question related to an
208 online purchase complexity and need satisfaction. The last section, section J, was designed in
209 dichotomous form to evaluate the dependant variable, that was the high click through rate of
210 online marketing link. The whole part of section B-J consisted of 32 constructs.

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212 **3. RESULTS AND DISCUSSION**

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214 **3.1 Demographics**

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216 From the sample group that responded to the questionnaire, 55.26% was from the age
217 group of 21-30, which was the highest. While the median group was aged between 31-40
218 which was 37.5% of the total respondents, only 7.24% originated from age group of 41-50.
219 This inferred that the tendency of internet usage descends in relation to the age factor. The
220 younger the age is, the higher the usage of the internet. Both the female and male
221 respondents' numbers were almost equal in the participation of the research questionnaire.
222 In this research, the male respondent's number was slightly higher than that of the female.
223 This however did not imply any impact onto the results. Even if the male group was larger
224 than the female group, the difference was too small to differentiate among them. Both the
225 male and female group were important in the investigation on internet usage.

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227 Most of the internet users with online purchase experience had a bachelor degree
228 qualification. Among the age group of internet users were from 21-50, the majority of
229 respondents were from the bachelor degree holding. It can be explained that the average
230 education level in Malaysia was rather high where most of the school graduates had further

pursued their education to the bachelor degree program. Thus, it was important to have more focus on the bachelor degree group due its high number.

There were 78.29% of the respondents using the internet everyday. This explained how the majority of the respondents were heavy users of the internet. While 19.08% of the respondents were considered frequent users, there were only 2.63% of the respondents that used it less than a single time a month. The high usage of the internet could be explained by the high average knowledge on internet information technology. This also implied a higher rate of success of the affiliate marketing program if the number and its frequency of online users kept growing. Majority of the respondents were also strongly engaged in communication via the internet. This creates a higher exposure of online advertisements to the user when the online usage is high.

3.2 Online Purchase Experience

The research also provided data about the online purchase experience of the respondents. This was studied because there was a need to understand how they purchased things in the past. However, it was not necessary that the purchase was done through the affiliate's link. The question was asked as to how they had found the link to purchase the items. This served enough as a base to know the source of the online purchase and it provided the researcher the data to know what the major online platform in Malaysia was. According to Figure 2, 41.45% of the respondents when making a purchase online, they were aware of the website address and would go directly to it without going through any other link. The rest of the respondents did not know the website and their first click through a link was either from a search engine, networking web page, or other web pages before being brought to the destination website from which they made their purchase. On the words, 58.55% of respondents did not know the website which they wish to look at for the needed item. This meant that affiliate could improve their market proposition by researching and targeting which website the online user was frequently using.

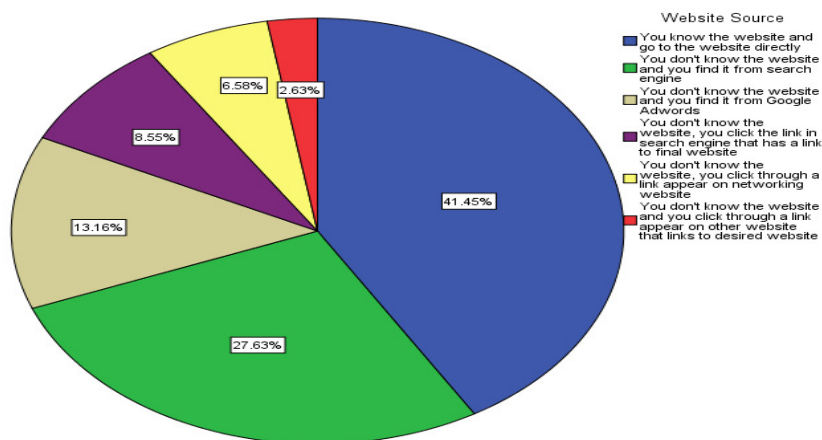


Fig. 2. Website sources
(Source: Own data Analysis)

3.3 Linear Regression Analysis

A regression analysis was performed with the high click through rate of online marketing link (FJ) as a dependant variable and online process simplicity (FB), product commitment (FC),

product homogeneity (FD), product visualization (FE), cyberculture effect (FF) and internet information technology (FG) as independent variables. The results were shown in Table 1.

Table 1. Regression analysis of high click through rate of online marketing link (FJ) upon online process simplicity (FB), product commitment (FC), product homogeneity (FD), product visualization (FE), cyberculture effect (FF) and internet information technology (FG)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.153	.256		4.496	.000
FB	-.025	.035	-.058	-.704	.482
FC	.105	.036	.255	2.940	.004***
FD	.116	.052	.209	2.244	.026**
FE	-.045	.047	-.094	-.976	.331
FF	.045	.035	.112	1.283	.202
FG	-.004	.049	-.007	-.084	.933
a. Dependent Variable: FJ					
Note: **: Statistically significant at the 0.05 level; ***: Statistically significant at the 0.01 level.					

Based on the results in Table 1, FJ depends FC (Sig-P value is $0.004 < \alpha 0.01$) and FD (Sig-P value is $0.026 < \alpha 0.05$). Thus, only hypothesis H2 and H3 were supported by the data and there is a significant relationship between product commitment (FC), product homogeneity (FD) and high click through rate of online marketing link (FJ). If it is the higher the FC and FD, it is also the higher the FJ. Therefore, to be able to succeed in online marketing, the product must be the high commitment and should be the homogeneity. It was probably because the online purchaser did not have the high perceived trust of an online transaction. Product Homogeneity seemed to be a very important aspect in online marketing too. It was due to the fact that the consumer found it easy to compare the product online without contacting each merchant. Therefore, they could have a clear comparison and a fair deal. Besides this, it saved a lot of time by researching a product online. Nonetheless, the fidelity and trustworthiness of the information published online is very important and should be practised by the online marketer. On the other side, online process simplicity (FB), product visualization (FE), cyberculture effect (FF) and internet information technology (FG) did not have a significant impact on the high click through rate of online marketing link.

On the previous research of [10] who have studied the value of online marketing in the UK financial services industry through the case study approach where the respondents were given freedom to browse freely in a usability laboratory. The researchers also adopted a cross-case analysis to find out the relationships of the few factors that contribute to the success of the online marketing examples. By observation alone, there was an abundance of useful information that drew the understanding of how the respondents behaved and made their decisions online. However, the drawback of this interview method was that the sample of research had already been known that they were being observed by the researcher. Bias on data by the respondents can hardly be removed from the research regardless of the aid of ANCOVA analysis. The study also used a questionnaire to introduce and collect the sample. Based on the previous researches, two other variables were evaluated, i.e. the cyberculture effect and the internet information technology. The cultural factor is an important element accented to decision making.

Table 2. Regression analysis of high click through rate of online marketing link (FJ) upon online purchase complexity (FH) and need satisfaction (FI)

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Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.595	.239		6.680	.000
FH	.058	.047	.103	1.237	.018**
FI	.020	.046	.035	.426	.001***
a. Dependent Variable: FJ					
Note: **. Statistically significant at the 0.05 level; ***: Statistically significant at the 0.01 level.					

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Based on the results shown in Table 2, high click through rate of online marketing link (FJ) has also a significant relationship between online purchase complexity (FH) and need satisfaction (FI). Therefore, the hypothesis H7 and H8 were also supported by the data and it is a significant relationship at α 0.05 and 0.01 level. It meant that the online purchase complexity and need satisfaction had a significant impact on the high click through rate of online marketing link.

[11] categorize the cultural factors as the fourth factors that influenced the buying decision making process. Thus, this research has placed the cyberculture as one of the variables due to the fact that the internet subculture has been associated with people's daily live and this positively draws a higher rate of online purchases among these people. Besides that, the internet information technology was evaluated on the impact to the high click through rate of an online's link. This dissertation also further looks into the cognitive perception of the decision maker when they purchase online. This explanation can be helped by investigating the mediator variable between the dependent (high click through rate) and independent variables (success factor of online marketing). It means that the success factor of the online marketing can now be studied further to find out what the results in the relationship between the variables are. This scope of research is narrowed down to the cognitive level of the decision maker's need of satisfaction.

4. CONCLUSION

Based on the descriptive statistics analysis and linear regression analysis results, there were only hypothesis H2, H3, H7 and H8 were supported by data. These variables were product commitment, product homogeneity, online purchase complexity and need satisfaction. It provided with data that the higher the product commitment, it is also higher in the click through rate of online marketing link. That meant that there was a preliminary process of product information by the potential online buyer. When they perceived the product and the process of purchase to be of high commitment, the purchaser would than take into consideration to further process the deal.

In Malaysia, the online purchase was common and there were some business entities that depend heavily on the online buyer such as the airline industry, business-to-consumer website selling electronic gadgets, home care items, beauty care items, etc. The only high perceived risk was the online payment gateway which exposed the buyer to the potential risk of having their private information fraudulently stolen. Nevertheless, this subject was investigated in the research as it was another research topic with regard to privacy affairs and the perceived risk of online purchase. What was really investigated here was the degree of commitment that is linked with the product itself. For instance, buying an electronic gadget needed nothing more than just making an online payment. However, buying a house online was an impossible task as the property would never be able to be sold instantly. It would involve a solicitor and the property owner in the transaction. Due to the high commitment to

the product purchase, the property can only be advertised online by an affiliate but not sold online. This meant that the online marketing is basically not limited in choosing the product in their online program, but they were only restricted to the state of after click through rate. It was either the link brought the buyer to the information advertiser's contact or completes the purchase. What the affiliate needed was the concentration to convince potential customers to complete the objective of the link and this objective should not bind the internet user in a high commitment which depends on the merchandized product.

Pertaining to the product homogeneity, the result showed that the homogeneity nature of the product had significant impact to the click through rate. The de facto homogeneity was subject to the affiliate on how they would interpret and present the product to the potential customer. For instance, an affiliate would compare amongst the laptop models in terms of product features or compare the laptop with a desktop from the aspect of functionality. In any comparison, there will be always benefits and disadvantages on the point of view. Thus, the affiliate has to excel in bringing the informative comparison to the users to improve the click through rate. In other words, the success of presenting homogeneity of the products of comparison will bring enough impact to the click through rate.

Aside from this, it was strongly recommended to narrow down the research scope by selecting one of the groups from the top three groups with the highest online purchase record. It will be outstanding if in future research we are to find out what websites the respondents visited. The alternative for the future research group could be done via cooperation with specific affiliates and merchants that would mainly focus on their customer group. The database sharing from the affiliate and merchant will be the key prerequisite factor to find out the real feedback from the customer. This will also provide a decent number of respondents to participate in the research.

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