

The Impact of the Marketing Mix on Online Business: A Study in Sylhet City

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Abstract: Since the beginning of the twenty-first century, online business has been getting more popular. Especially during the pandemic period, online business was a blessing for people to survive. Although nowadays, people get used to the pandemic, still online business is a vital part of daily life. For making online business more useful for both parties, i.e., sellers and buyers, it is important to undertake academic research. The current study aims to find out the impact of the elements of the Marketing Mix on online business in Sylhet City. A mixed questionnaire was served to the members of different online business groups for collecting data. In total 256 persons participated in the survey. It is found that the elements of the Marketing Mix have a significant impact on online business.

Keywords: Marketing Mix, Online Business, Product, Price, Place, Promotion.

INTRODUCTION

Due to its distinctive features, online business has brought about a massive revolution in the shopping environment. People are currently experiencing a new era of shopping in which they can peruse a vast selection of items in various designs, colors, styles, and prices. Unlike online shopping, store shopping offers a limited selection of products (Wan *et al.*, 2018). Currently, online shopping is possible with just a few mouse clicks, and the availability of home delivery has increased the profitability of this industry. By visiting multiple websites simultaneously, online shoppers can find the ideal product at a reasonable price by comparing the price of a specific item. Online stores provide discounts, cash back, an easy exchange policy, cash-on-delivery, etc. Few online businesses in Bangladesh now offer payment plans to attract more customers. Due to the complexity and busyness of modern life, this revolution has simplified shopping by allowing users to narrow their product searches by color, fabric, design, or price (Kwak *et al.*, 2019).

Marketing Strategy is the foundation of business activities from which a company can generate sales revenue and profit. Marketing strategy relies heavily on the marketing mix. The marketing mix consists of a collection of pertinent solutions that enable customers to satisfy their needs and desires and help businesses achieve their goals. It has been an effective marketing tool for decades. To attract customers and cultivate customer loyalty, businesses should organize their marketing mix effectively. The marketing mix is one of the factors that affect customer satisfaction and loyalty. According to Harsono (2017), "by having a good product (Product), a reasonable price (Price), an accessible location (Place), and an effective promotion strategy (Promotion), companies will be able to persuade consumers to learn about and buy their product, thereby increasing the likelihood of creating a loyal customer."

The components of the marketing mix can change a firm's competitive position (Gronroos, 1994). The marketing mix concept has two important advantages. First, it is a crucial tool for demonstrating that the marketing manager's job entails balancing the advantages of one's competitive strengths in the marketing mix against the advantages of others. The second advantage of the marketing mix is that it reveals an additional aspect of the marketing manager's job. All managers must allocate resources to various demands, and the marketing manager will allocate these resources to

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the marketing mix's various competitive devices (Low and Tan, 1995).

This study aims to find out the impact of marketing mix on online business in Bangladesh. Here researcher desires to develop and test some hypotheses to find out the relationship between the elements of the marketing mix and the online business in Bangladesh, particularly in Sylhet city.

LITERATURE REVIEW

Online Business

The evolution of ICT has transformed the conventional business model (Iansiti & Lakhani, 2017). Even established brick-and-mortar businesses have discovered that the use of the internet in business increases the efficacy of all operations and marketing endeavors. As a result, the expansion of online business has accelerated dramatically, and a new industry of dot-com companies has emerged. Online businesses as using ICT throughout business value chains to support the decision-making process. IBM began marketing itself as a leader in online business using the term 'e-business' to capitalize on its IT solutions and expertise (Pettit, 2007).

Online business has radically altered the competition rules for established businesses (Amit & Zott, 2001). Consequently, numerous established businesses have modified their business models to incorporate the online platform. Even small and medium-sized businesses have been willing to conduct their business activities on the Internet. Nevertheless, adopting the internet-based platform in business models has a substantial effect on other business activities and decisions (Gordijn & Akkermans, 2001).

Online Business in Bangladesh

Bangladesh's online business has flourished over the past decade due to improved internet access, the inclusion of a developed web, widespread use of smartphones, low bandwidth costs, a vibrant youth pool, etc. Recently, major investors such as IFC and Alibaba have entered the Bangladesh online business market. More investors are expressing a strong desire to invest in Bangladesh's online business environment. In recent years, as the number of online shops in Bangladesh has increased rapidly, the online business environment has become increasingly competitive (Suhan, 2015). Currently, Bangladesh has widespread access to a secure online transaction system, and the country's online business sector has grown significantly (Sultana and Akter 2021).

Marketing Mix

Neil H. Borden invented the term marketing mix in the middle of the twentieth century (Borden, 196). Borden's original marketing mix included 12 components, including product planning, pricing, branding, channels of distribution, personal selling, advertising, promotions, packaging, display, servicing, physical handling, and fact-finding and analysis. Frey (1961) proposes that marketing variables be divided into two categories: the offering (product, packaging, brand, price, and service) and the methods and tools (distribution channels, personal selling, advertising, sales promotion, and publicity). Lazer and Kelly (1962) and Lazer, Culley, and Staudt (1973) proposed three components of the marketing mix: the goods and services mix, the distribution mix, and the communication mix. McCarthy (1964) refined Borden's concept by defining the marketing mix as a combination of all the factors available to a marketing manager for satisfying the target market. He reorganized Borden's 12 elements into four elements, or the 4Ps, namely product, price, promotion, and location, which a marketing manager can use to satisfy the target market. The marketing mix is derived from the single P of microeconomic theory (price) (Chong, 2003).

Marketing mix can also be defined as a set of controllable marketing features that a company employs to achieve the desired response in a targeted market, known as the 4P's (Product, Price, Promotion, and Place), and these elements will result in customer satisfaction and loyalty (Wahab *et al.*, 2016). The marketing mix plays a crucial role in the formation of positive consumer purchase intent (Dickinson & Holmes, 2008). Marketing firms must design their marketing mix strategies to have the most desirable effects on consumer purchasing behavior.

Elements of the Marketing Mix (4Ps)

- **Product:** Verma and Singh (2017) defined a product as "a tangible good or service that a consumer is willing to pay for." This includes half of the tangible products, such as furniture, clothing, and food, and intangible products, such as services, that consumers purchase. The company develops its products to meet customer needs and desires. Offering innovative products is now a necessity for most businesses to develop products that meet customers' needs.
- **Price:** Price is perceived as the sole element of the marketing mix that generates revenue and is the most crucial customer satisfaction and loyalty factor. Price can be understood as the product's exchange value. Price is the most important criterion for evaluating a product, and every business should have a price management strategy. In addition to offering competitive prices, businesses must match the price to the product's quality and quantity. Price can also contribute to customer satisfaction and brand loyalty.
- **Place:** According to Pordehghan (2015), distribution refers to the actions taken to deliver a product or service to

customers. Distribution and location are the most basic 4P concepts, but they play a crucial role. Distribution or location in marketing activity is the activity of delivering products to consumers or assisting consumers in reaching or locating products. Companies must manage the location of their strategies and the accessibility of their products to consumers (Paniandi *et al.*, 2018).

- **Promotion:** The promotion component of the marketing mix is a tool that helps disseminate information, encourages purchase, and influences the purchase decision process. Promotion is the act of presenting, selling and recognizing products to consumers. Promotion must be enticing and capable of encouraging consumers to purchase and consume products continuously.

Elements of Marketing Mix (4Ps) for Online Business

Product

The essence of the "product" element in online business partially corresponds to the essence of the traditional concept of the element. By providing additional opportunities for the development of online distribution channels, the virtual environment encourages the production of commodities and consumer goods that are in demand among online consumers.

Online products and services can be categorized as follows:

1. Information products that can be previewed, such as audio and video products.
2. The purchase of which is preceded by the collection of a substantial quantity of information. These include automobiles, computers, and home appliances. This category also includes low-priced goods, whose customers, for example, study annotations and reviews of books.
3. The following products and services are distributed through the Internet: software, car rental services, hotel reservation services in hotels and the sale of train and air tickets, and travel services.
4. Unique items sold at online auctions or in collectibles stores.
5. Goods for final consumption: Price plays an important role (clothing, toys, household goods, etc.).
6. Food products make up a separate category.

We have concluded that the concept of "product" in its conventional sense is changing in online business as consumer behavior shifts regarding both traditional goods and services. In the digital environment, while the user remains "one-on-one" with the software interface or website, he or she is insulated from direct exposure to the physical environment and direct emotional factors.

Price

At first glance, the prices of goods in online commerce adhere to the rules of traditional price formation. The pricing strategy is determined by cost, customer value, and competition. However, the experience of the world's online business leaders indicates the emergence of flexible and personalized pricing structures.

According to Internet Retailer, price-tracking technology provider Ugam recorded 9,715 price changes in electronics, toys, and household goods on Amazon.com from November 24 to December 14 during the holiday season (Rueter, 2014). Amazon has set a record by surpassing the frequency-volatility of its competitors' prices, which include retail giants such as Best Buy Co., Target Corp., Walmart Stores Inc., and Toys 'R' Us Inc. According to the vice president of marketing, Amazon can alter the price of a product as many as ten times per day, primarily for home appliances and to a lesser extent for clothing. According to the vice president of product and business development strategy at price monitoring company Decide.com, which was recently acquired by eBay Inc., the prices of approximately 20% of all online products fluctuate daily, and the prices of the most popular products are updated every few minutes.

Thus, prices in online commerce are highly dynamic and dependent on market conditions, and pricing strategies can have a unique personality for each user, which is made possible by Big Data technologies.

Place

In online business, the point of sale is a website or a marketplace on a social network. As the primary point of contact with the target audience, the latter also performs promotional functions. In contemporary business, the place of sale may be a collective platform for a group or numerous individual sellers offering goods at fixed prices or via auction. In this case, the maximum availability of sales channels for both buyers and sellers is an important aspect of the location.

Promotion

In the electronic environment, promotion is distinguished by the greatest variety of tools and features. Promotional activities engage consumers in a communication process and can motivate them to take targeted action (approval, registration, download, purchase, recommendation). In addition, if the marketing campaign is successful, the

spread of information about the company, the product, and the service will take on a viral nature and provide coverage comparable to that of leading media figures. Increased audience interest also contributes to the expansion of commercial indicators (Yakhneeva & Podolyak, 2009):

1. Each of the promotion tools was created within the Network and includes a variety of methods.
2. Display advertising, contextual advertising, social network advertising, mobile advertising, and native advertising are all types of advertising. With the increasing penetration of the mobile Internet and the number of mobile users, smartphone and tablet-based technology, marketing, and advertising opportunities are developing rapidly.
3. The function of a salesperson or consultant is gradually replaced by intelligent robots. Various goods can be purchased using online business bots. Banking bots offer monetary services. Watcher bots inform the consumer when events occur (the flight is delayed, the car needs servicing).
4. Promotional activities for sales include calls to action on social media, e-mail marketing, web conferences, and webinars. Widespread use of the capabilities of social networks to increase customer loyalty, motivate them to participate in sales promotion activities, and disseminate marketing information to their friends and acquaintances.
5. Public relations are conducted utilizing social media marketing, content marketing, and referral marketing. The consumers acting as "brand advocates" promote the formation of public relations, neutralize negative opinions, and support the image of the company among the target audience. The electronic environment enables users to engage in a communication process with both a brand and all contact audiences, whose attention the organization is seeking.
6. Search engine marketing, which ensures search engine indexing, a high position in search results, and an increase in organic traffic, is used to support the promotion.

The Problem Statement and Hypotheses:

The problem statement developed for the current study is to find out the impact of the elements of the marketing mix (4ps) on online business. For this study, four (4) hypotheses have been developed and these are as follows:

H1: There is a relationship between product quality and online business.

H2: There is a relationship between the price of the product and online business.

H3: There is a relationship between place and online business.

H4: There is a relationship between promotional activities and online business.

METHODOLOGY

The Population and the Sample Size of the Study

Mainly the population of this study is the members of different online business groups in the Sylhet region. This population was selected for finding the respondents easily using social networks. For this study, the data were collected from 256 respondents who were waiting for their children outside the different schools during school hours. Non-probability convenience sampling technique is used for the purpose.

Questionnaire Construction

A questionnaire was used to collect data for the study. The Likert scale was used to record responses for close-ended questions so respondents can easily understand the questions and make the analysis convenient. There were a few open-ended questions for getting respondents' insight on online business.

Data Analysis tool

Data collected through close-ended were analyzed using linear regression analysis for getting the result and the information collected through open-ended questions is discussed in key findings and recommendations.

Data Analysis and Result

One dependent and four independent variables were selected for finding out the impact of the elements (4Ps) of the marketing mix on online business. The frequency of online purchases per month is the only dependent variable, while the average of the factors associated with the product (Average_Product), the average of the factors associated with price (Average_Price), the average of the factors associated with the place (Average_Place), and the average of the factors associated with the promotion (Average_Promotion) are the independent variables.

The first independent variable is the average of the utility of the product, quality of the product, warranty of the product, the brand of the product, packaging of the product, and variety of the product. The second independent variable is the average of easiness comparing prices online, the cheapness of the price than offline shops, and the Shipping charge for the online purchase. The third independent variable is the average of easiness of product searching online, home delivery facility, and timesaving. The final independent variable is the average of advertisement, customer review and rating, and answer to the FAQs.

Table-1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.566 ^a	.320	.310	.544

a. Predictors: (Constant), Average_Promotion, Average_Price, Average_Product, Average_Place

After performing the linear regression analysis, we find, from Table 1, the value of R = .566 which indicates that there is a good correlation between the dependent variables and the independent variables. On the other hand, the value of R² = 32.00%, and the P < .05 (from Table 2) mean that the model is significant.

Table-2: ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35.023	4	8.756	29.597	.000 ^b
	Residual	74.254	251	.296		
	Total	109.277	255			

a. Dependent Variable: Frequency of online purchases per month
b. Predictors: (Constant), Average_Promotion, Average_Price, Average_Product, Average_Place

If we look at the Coefficients, in Table 3, we see the frequency of online purchases per month increases by .591 for every additional score on the average influence of "Product"; by .252 for every additional score on the average influence of "Place"; and by .381 for every additional score on the average influence of "Promotion".

At the same time, we see that the frequency of online purchases per month decreases by .425 for every additional score on the average influence of "Price".

Table-3: Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.923	.446		2.068	.040
	Average_Product	.591	.121	.330	4.903	.000
	Average_Price	-.425	.084	-.281	-5.087	.000
	Average_Place	.252	.096	.181	2.627	.009
	Average_Promotion	.381	.085	.250	4.466	.000

a. Dependent Variable: Frequency of online purchases per month

KEY FINDINGS AND RECOMMENDATIONS:

From this study, we can draw a few findings. These are as follows:

- Regarding "Product":** This study shows that different attributes of "product" strongly impact online business. So, marketers need to put more emphasis on developing a product and its associated features. Especially, the quality and warranty should be taken into consideration.
- Regarding "Price":** Price is always a sensitive factor for business. This study shows that price hurts online businesses. Normally customers want to buy products at a competitive price. For an online business, customers have more options to search for prices offered by different sellers. So, the price should be asked very carefully balancing the interest of the seller and buyer.
- Regarding "Place":** For online business "place" or convenience means the websites of different social media platforms. That is why customers need not go out for their desired products. They only need an internet connection to a smart device for finding their desired product. It saves customers time, money, and energy. Another big feature of online business is the home delivery facility. Normally customers get their products delivered to their doorsteps. But the current study shows that (in table 3, the value of B for the place is .252) the impact of the "Place" element of the Marketing Mix is not that high. If sellers can ensure privacy and safety for delivering products to customers' doorsteps it might have a more positive impact on online business in Sylhet City.
- Regarding "Promotion":** Promotional activities really have a positive impact on increasing customers' awareness. But most of the customers rely on other customers' opinions on a product. Most new customers look for the reviews and ratings of previous customers. Therefore, it is a big issue for marketers to satisfy all the customers so that these customers can have a role in increasing new customers. On the other hand, sometimes customers like to hear from the company. For this reason, they look at the FAQ section and reply to their queries. If marketers can put more emphasis on the FAQ section and replying to customers' queries appropriately, it will have a positive impact on online business.

CONCLUSION

This study proves that the elements of the Marketing Mix have a significant impact on online business. Nowadays, people are getting more dependent on online business marketers need to blend the elements of the Marketing Mix very carefully. Products should have features to satisfy customers' desires. Pricing should be very much competitive. As per the respondent' opinions, the place is a very important factor for customers in these modern days. Customers can search for product seating at their place and can get products delivered to their doorsteps. It saves their time, money, and energy. So, an online marketplace should be very convenient and reliable. For the element of promotion, marketers must maintain their honesty and integrity. Hopefully, in the coming days, online business will be more useful and obvious for customers of all segments.

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