

# Investigation on How Digital Marketing can Lead to Better Value for Online Companies in Emerging Economies: A Cross National Analysis of Flipkart India and Alibaba China

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# CHAPTER-1: INTRODUCTION

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The introduction of digital marketing has changed the dynamics of how information is garnered, viewed, perceived, and expressed. Kumar, et al (2016) described digital marketing as wide arrays of activities in the form of search engine optimisation (SEO), content marketing, campaign marketing, social media marketing, e-mail marketing, e-books, influencer marketing, and many other forms of digital media. Van Niekerk (2007) pointed that digital marketing was first used in early 90s but the later decades witnessed a sophisticated form of digital marketing. On the other hand, the advent of online companies was also marked in the same era when the Internet was beginning affect the dynamics of companies in terms of facilitating business purpose and processes. Belch and Belch (2012) added that there is a close relationship between digital media and how online companies operate.

Lee et al (2013) further added that digital media can actually add value to the online business models of companies. Ryan and Jones (2009) stated that a number of researchers have investigated how digital marketing can create value for online companies. However, not many research works are in regards to emerging economies. In this regard, the proposed research aims to investigate the research topic in regards to India and China. The major reason behind focusing on India and China is because both are emerging economies with huge prospects in digital media. In addition, the focus will be on India's Flipkart and China's Alibaba. The former was founded in 2007 whilst the later in 1999. Both the companies have become market leaders in online business in their different countries. Thus, the proposed research will explore the role of

digital media in creating value for these organisations. This will also help in ascertaining the difference in the value creation process in the stated emerging economies.

### **1.1: RESEARCH AIM**

The research will aim to investigate how digital marketing can lead to better value for online companies like Flipkart in India and Alibaba in China.

### **1.2: RESEARCH OBJECTIVES**

- To ascertain how better value can be created using digital media in the context of Flipkart India and Alibaba China
- To identify differences in the value creation process between the proposed countries
- To underpin the present and future impact of digital marketing on the proposed companies in terms of value creation

### **1.3: RESEARCH QUESTIONS**

1. How digital marketing can create better value for online companies like Flipkart and Alibaba?
2. What are the differences in the value creation process of the stated companies considering the role of digital media
3. Is digital marketing affected by demographic, social, and psychological factors?

### **1.4: HYPOTHESES**

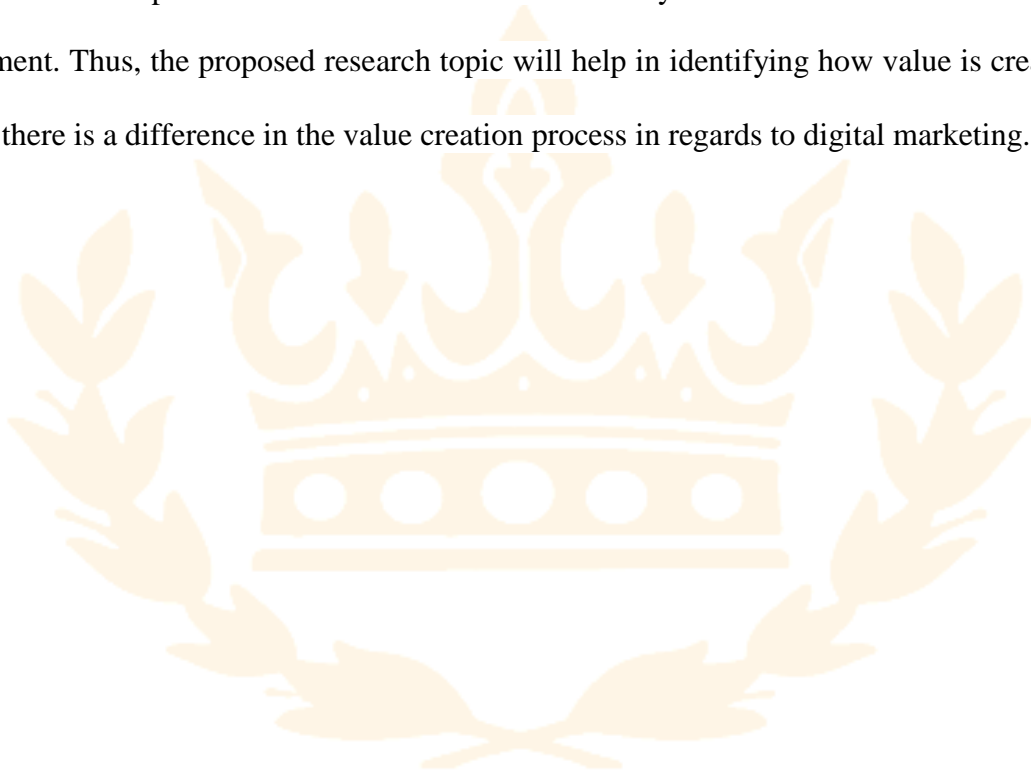
The researcher has formulated null and alternative hypotheses in relation to the research aim, objectives, and questions. The hypotheses are as follow:

H0: Digital marketing leads to better value creation for Flipkart and Alibaba

H1: Digital marketing does not lead to better value creation for Flipkart and Alibaba

## **1.5: RATIONALE FOR THE RESEARCH TOPIC**

The rationale behind the research topic is based on the notion that digital marketing and online businesses are dependent on each other. They define the presence of each other. However, they are also impacted by a number of internal and external factors like company's ideologies, beliefs, culture, and political, social, and demographic factors. This again leads to difference in the value creation process. This is because each country has different business and social environment. Thus, the proposed research topic will help in identifying how value is created and whether there is a difference in the value creation process in regards to digital marketing.



## CHAPTER-2: LITERATURE REVIEW

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Carter et al (2007) mentioned that the Internet has become ubiquitous. It takes on the contours of the different nations' economies reflecting wide arrays of structures and norms. Kumar et al (2016) further stated that data related to customers, competitors, employees, and suppliers are exploding. Majority of the data has been created in last 2-3 years. In addition, there are more than 3 billion Internet users all across the world. Lee et al (2013) added that the acceptance of the Internet is a known fact and this is why online companies have been flourishing at a rapid pace in developed and developing economies. Ryan and Jones (2009) stated that online companies need support from digital marketing in order to create consumer and business value. Chatterjee (2001) pointed that this can be done by creating content and offering information leading to mutual value creation. Edelman and Brandi (2015) added that digital media might create value for online companies but there needs to be more numbers of reliable studies and data in this regard.

Fill et al (2013) argued that people spend good amount of time on the Internet and especially social media websites. This allows them to interact with a number of people in the form of buyers, sellers, friends, opinion leaders, content creator. They also come across a number of key information that is valuable in terms of online purchased based on views and reviews of others. Carter et al (2007) mentioned that the many online companies like Amazon, Flipkart, and Alibaba use digital marketing to communicate with wide arrays of stakeholders. They also use digital marketing to create awareness regarding their products and services. Ryan and Jones (2009) suggested that using digital media can help in engaging potential customers. However, Van Niekerk (2007) disagreed by stating that digital marketing might create value for online business but internal and external factors need to be analysed well. This requires further underpinning of the literature for better understanding.

# **CHAPTER-3: RESEARCH METHODOLOGY**

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## **3.1: INTRODUCTION**

The proposed research methodology suggests how data will be collected and analysed along with offering key insights on sampling and analysis process.

## **3.2: RESEARCH PHILOSOPHY**

Out of the positivism and interpretivism philosophy, the researcher will be using the interpretivism philosophy. The selected methodology strongly focuses on challenging existing realities compared to the positivism philosophy.

## **3.3: DATA COLLECTION METHODS**

The researcher will be collecting primary data in the form of interviews. The interviews will be conducted on the marketing professionals of both Flipkart and Alibaba. They will be asked ten open-ended questions. On the other hand, surveys will be conducted on general consumers in India and China seeking their views on digital media and online business. Secondary data will be collected from already published research works, journals, academic books, and non-academic materials

## **3.4: SAMPLING**

The researcher will be using the snowball sampling method based on the referral system to select 3 interviewees each from the stated companies. The survey participants will be identified using the convenience sampling method with a sample size of 100 respondents for each country.

## **3.5: DATA ANALYSIS**

Their views and opinions will be analysed using Nvivo software based on the thematic analysis. Survey results will be analysed using the SPSS tool. Regression, Anova, and correlation tests will be conducted to ascertain the how digital media helps in creating value for emerging

economies. Finally, findings of both primary and secondary research will be analysed critically to understand the association or contradiction. This will also lead to the conclusion.

### **EXPECTED OUTCOMES**

The researcher expects to underpin how digital marketing leads to value creation for online companies like Alibaba and Flipkart. In this regard expected outcomes are; impact of demographic, social, and psychological factors, cultural differences between two countries, acceptance of digital marketing, digital marketing awareness, and key components of digital marketing creating value.





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