

# The effectiveness of on-line marketing on food business

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*Abstract*— The subject of the study was on-line marketing on food business through analyzing McDonald. The researchers use descriptive research to gather information regarding the website of McDonald's in terms of the design of their website, its content, mode and terms of payment, cost of the product and delivery/distribution of products. The information that had been collected are from the expressed opinion of the respondents from the questionnaire / face to face interviews and from various materials published and unpublished; such as books, magazines, articles, and visiting the online sources.

The result of this study was that the customers are mostly satisfied about the website design, content of the website, distribution/delivery, pricing of the product and terms of payment of McDonald's company; that was engaged in online marketing, but several of them were just confused about the prices of the products. McDonald's Company should have strategies in designing their websites that not only serve to promote their products but also to find innovative ways to make it attractive and became more effective and meet the customer's need through online marketing. The overall results is that on-line marketing is a very essential tool of marketing a business especially in advertising.

*Keywords*-American Marketing Association (AMA), Content of website, Cost, Data transfer, Design of website, Digital Media, Distribution, Email marketing, Entrepreneur, ECRM or electronic customer relationship marketing, Expansion, Fair Labor Association (FLA), Franchise, Food Business, Food Business, Lucrative, Management, Online Marketing, Pricing of Product, Profit, Respondents, Revenue, Sales, Search engine marketing (SEM), Search Engine Optimization (SEO), Social Networking, Supply Chain, Term of payment

## I. INTRODUCTION

When internet was first introduced in the early 90s, it wasn't considered to be an advertising medium at all. Instead, the internet was treated as a tool for exchanging emails and digital information, but wasn't yet considered valuable for reaching customers. However, it wasn't long before

marketing pioneers began to see the potential for internet marketing business as millions of web surfers logging on each day to find valuable and relevant information. Within just a few years, informative and educational marketing, as well as graphical enticing banner ads began to be show up. It wasn't long before results began to flood in which proved the value of the internet marketplace to even the most skeptical advertisers.

Most importantly, companies which had been spending huge chunks of their marketing budget on office list building, begin to realize that they could accomplish the same thing via email and for much less. It wasn't long before everyone from the industry giants such as Microsoft Corp. to small businesses began to build company sites and spend marketing dollars to attract qualified traffic. Next, search engine companies like Yahoo! to create significant profits for advertising alone.

Then came the great internet marketing business bust around the year of 2000, which marked the beginning of the end for interruptive marketing such as flashing banner ads. What was happening? As interactive features were added to web pages, consumers were given the option of turning off marketing messages at will and they did. Then entered the age of education based invitational marketing which crystallized with the creation of web 2.0 technologies. Suddenly, billions of "voice" began to rise all over the world, as the internet marketplace became as much a global community as it was an advertising medium. This led to a relational based marketing approach which has led to one of the most lucrative opportunities for solo entrepreneurs and small start ups alike to make a small fortune working for their spare bedroom.

Internet marketing, also known as web marketing, online marketing, web advertising, or e-marketing, is referred to as the marketing (generally promotion) of products or services over the internet. Internet marketing is considered to be broad in scope because it not only refers to marketing on the internet, but also includes marketing done via e-mail and wireless media. Digital customer data and electronic

customer relationship management (ECRM) systems are also often grouped together under internet marketing.

Internet marketing ties together the creative and technical aspects of the Internet, including design, development, advertising and sales. Internet marketing also refers to the placement of media along many different stages of the customer engagement cycle through search engine marketing (SEM), search engine optimization (SEO), banner ads on specific websites, email marketing, content marketing, mobile advertising and Web 2.0 strategies.

When internet marketing includes designing the company's website, social media sites, mobile and other interactive media for specific (business) goals, the term Digital Marketing is then used because it helps the company position itself not only on the internet but on Digital Media or the Digital World. In the field of food business, the "Nestle Good food, Good life" becomes the first food company that offered online marketing. Nestle has decided to work with the Fair Labor Association (FLA) to investigate whether children are working on cocoa farms supplying its factories.

The FLA is a non-profit multi-stakeholder initiative that works with major companies to improve working conditions in their supply chains. In January the FLA will send independent experts to Cote d'Ivoire to examine Nestle's cocoa supply chain. Where they find evidence of child labor. The FLA will identify the root causes and advise Nestle how to address them in ways that are sustainable and lasting. The FLA's role will be to provide expertise to help ensure Nestle's efforts to eliminate child labor are more effective and transparent. Nestle is applying to become a member of the FLA. It is the first food company to do this. The FLA's work with Nestle on cocoa will begin early next year in Cote D'Ivoire, The world's largest exporter of the raw materials. In the first phase the FLA will send its team of independent experts to the country to map the supply chain. The result of the FLA's assessment, which was made in public spring of 2012, will guide future Nestle operation.

In some cases, using Online Marketing in the field of food business is having some effect to children. According to America Marketing Association Journals (AMAJ) in the US, the alarming increase in childhood obesity has captured the attention of a broad set of citizens and institutions, with calls for action becoming increasingly powerful. Particular questions are being raised about the impacts of food marketing on children. The Internet has become an important marketing communications tool and is being used by advertisers to target children. This has prompted calls for a review of online marketing practices from public health officials, policy makers, consumer advocates, and industry groups. The objectives of this study are to inform decision makers about the nature of online marketing to children and to identify practices that may raise policy concerns. The authors report results of the first systematic content analysis of food marketers' Web sites that either target children directly or contain content of interest to them. The authors identify 11 online marketing public policy relevance. They

discuss the empirical findings in terms of these issues and outline research needs.

#### *A. Research Questions*

The primary objective of this study is to identify the effectiveness of online marketing on the food business. Specially, This research attempted to answer the following questions:

1. How did the respondents company described their online website in term of:
  - 1.1 design of website,
  - 1.2 content of the website,
  - 1.3 distribution/delivery,
  - 1.4 pricing of the product; and
  - 1.5 Mode and terms of payment?
2. How did the customers assessed the online marketing in terms of:
  - 2.1 design of website,
  - 2.2 content of the website,
  - 2.3 distribution /delivery,
  - 2.4 pricing of the product; and
  - 2.5 Mode and terms of payment?
3. How did online marketing became effective to enhance the growth of the companies in terms of:
  - 3.1 Profit
  - 3.2 Sales
  - 3.3 Cost, and
  - 3.4 Management?

#### *B. Scope and limitation*

This study is limited to McDonald's company that was already engaged in on-line marketing. Customers and Branch Managers of McDonald's within the Metro Manila only will be the respondents of the researcher for ease of access interviews and dissemination of questionnaires.

#### *C. Definition of the online marketing*

This study was based on the theory of Schneider (2000), he said that through an effective site which has an interactive presence of the objectives of the business or organization will be met. This is a strategy of a company that must be implemented if they will go on-line marketing. Objectives include increase in sales because websites serve as a sales brochures, product showrooms, and financial reports. According to him the objectives includes attracting visitors to the websites, making the site interesting enough that visitors stay and explore, convincing visitors to follow the site links to obtain information, creating an impression consistent with the organization's desired image, and reinforcing positive

images that the visitor might already have about the organization.

The study of Cervantes (2001) revealed that majority used internet as part of their promotional strategies recognized the advantages of cyber marketing to access their target market

Gonzales (2004) this study shows that online marketing is one of the cheapest ways to sell a certain product but the effectiveness of this marketing tool is depending upon the management approaches and techniques applied the marketing of other kinds of products and services. In food marketing, topics such as test marketing, segmentation, positioning, branding, targeting, consumer research, and marketing entry strategy

Rowley, J.(2001) businesses are increasingly using the internet for commercial activities. The ubiquitous nature of the internet and its wide global access made in an extremely effective mode of communication between businesses and customers (Rowley, 2001), the growth of internet technology has enormous potential as it reduces the cost of production and service delivery and extends geographical boundaries in bringing buyers and seller together. The internet also allows small businesses to access market and to maintain a presence that help them to compete against industry giants. In fact, the internet has changed the face of marketing with its instant yet personalized reach to a global audience.

Smith (2002) the effectiveness of online marketing can vary greatly from one business to the next. When it comes to being successful in this medium, your success depends on many different variables. Some people can spend a small amount of money on advertising and get phenomenal results while other companies tend to spend a large amount of money and get nothing back. The effective of your online marketing depends on where you market and what type of advertising offers you use.

Jones and George (2007) states that McDonald's has been able to improve efficiency by providing high quality choices that offer customers a variety of choice to meet a balance as well as specialist dietary need. For example, McDonald's offer salads, fruit and fruit juice among its healthy option range to meet customer need. Also they are providing transparency on their products by make customers aware of the nutritional content of its entire product. In addition, McDonald's is investing in its workforce through numerous training programs to enable employees to better serve their customers.

Crane &Matten (2007) states that McDonald's have been launched an exercise imitative aimed at young people. The "what eat and what I do" campaign intends to show that there are two sides to a healthy lifestyle-diet and exercise.

Michael Porter (1998) argues that there are five forces that affect competition. He states that "the five-force framework provides the structure for analyzing effect, while activities and the value chain provide the structure for examining the competitive advantages effect."

According to the site wikiwealth.com (2012) the online market is essential for displaying information and selling products. A weak online presence can result in lost opportunities for Mcdonalds..."Online Presence (McDonalds)" is a difficult qualitative factor to overcome, so the investment will have to spend a lot of time trying to overcome this issue.

According to Armstrong D. (2004) and Nelson J. (2003), McDonald's focuses on store placement and are always looking for the best locations. This strategy created some weakness in the last 10 years because it seemed that too many stores were put in some areas, cannibalizing sales from the other McDonald's

Burton and Minus (1960) states that those wishing to sell market rent a shop or a market store or shade, where they display their goods. Those who want to buy from the market need not to acquire a shade. The Internet which at the moment have over 790 million users (growing at the rate of 100 thousand new users per day).

Similarly, Lucy (1997) states that "the internet is a very big market, so if one wants to sell on the internet, the person must acquire a website where documentations can be exchanged. Online goods and services can stored much as a trader stores his goods in a market shade". Those not wishing to sell but might buy or obtain free information of the web need not to acquire a website.

According to Eric Schlosser (2001) the fast food nation was published to critical acclaim and because as international bestseller. Eric Schlosser's expose revealed how the fast food industry has altered the landscape of America, widened the gap between rich and poor, fueled an epidemic of obesity, and transformed food production throughout the world. The book changed the way millions of people think about what they eat and helped to launch today's food movement.

According to Ugah and Ukpai (2009) electronic commerce or e-commerce is a term for any type of business, or commercial transaction that involves the transfer of information across the Internet. E-commerce allows consumers to electronically exchange goods and services with no barrier of time or distance.

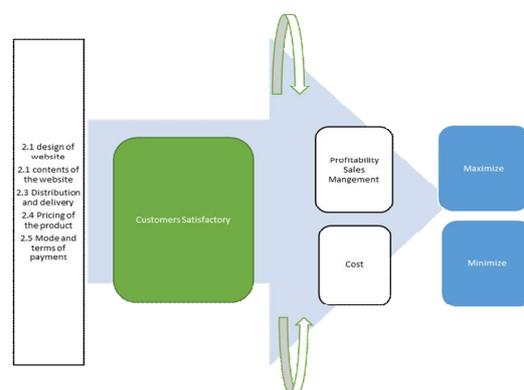


Figure 1. Research paradigm

This shows that if the customers got satisfied on the 5 assessments in which regards to the effectiveness of online marketing, their profitability, sales, and management will be maximize. While their cost will be minimize. With that, the growth of the companies of the companies will be enhanced.

## II. METHODOLOGY

In this study, the researchers used the descriptive method of research, **Descriptive research** is used to describe characteristics of a population or phenomenon being studied. It does not answer questions about how/when/why the characteristics occurred. Rather it addresses the "what" question (what are the characteristics of the population or situation being studied?). The characteristics used to describe the situation or population are usually some kind of categorical scheme also known as descriptive categories.

The researchers used to purposive sampling technique in this study. purposive sampling is done through systematic technique

This was designed for researchers to gather information regarding the website of McDonald's in term of the design of their website, its content, mode and terms of payment, cost of the product and delivery/distribution of products.

This study utilized the sampling method that enables the researcher to conduct a study to McDonald's company within Metro Manila that is using on-line marketing in their business so that they will contribute to the study.

The respondents of the study were the customers and branch managers of McDonald's company within Metro Manila that is uses online marketing. There is the total of 25 respondents answer the questionnaire.

The study made use of researchers' made survey questionnaire which was validated by 3 professional in banking industry and 1 I.T expert on technical aspects of system. It was tried to use the instrument to other depositors of the bank to check the validity and reliability of instrument.

## III. RESULT AND DISCUSSION

### A. Summary of Finding

The following are the findings of the foregoing study.

1. How did the respondents company described their online website in terms of: design of website, content of the website, distribution/delivery, pricing of the product and mode and terms of payment?

The McDonalds company described their very their effective in terms of website design, web content, distribution, pricing of the product and terms of payment. Branch managers of each company told that they had a well-designed website; their delivery was fast but depends on the distance of the customers' house; their price was affordable and their of the payment orderly.

2. How the customers did assessed the online marketing in terms of: design of website, content of the website,

distribution/delivery, pricing of the product; and mode and terms of payment?

- 2.1 Design of website, customers were very satisfied regarding the website design of the sampled companies including its font styles. Backgrounds and font colors.
  - 2.2 Content of the website, customers were very satisfied as well with the website content of the sampled companies regarding the website features, downloading time and informative content
  - 2.3 Distribution/delivery, customers were very satisfied with the company's distribution/delivery of the products in terms of early delivery, physical form and taste of the product after delivering and in easy availing their services.
  - 2.4 Pricing of the product, several customers were not satisfied very much with the price especially in terms of over-pricing. But majority still satisfied and they can afford it.
  - 2.5 Mode and Terms of payment, customers were satisfied with the mode and terms of payment of the companies and majority of them says it is hassle free.
3. How did online marketing because effective to enhance growth of the companies in terms of: Profit, Sales, Cost and Management.
    - 3.1 In terms of profit companies can increase their profit by the shipping fee of their distribution or delivery.
    - 3.2 In terms of Sales, companies were increase their sales rapidly by doubling the numbers of their target market through online. Online users in their new target customers.
    - 3.3 In terms of Cost, they can minimize their cost by just creating an effective website than to add more TV advertisement or other strategies.
    - 3.4 In terms of management, they can manage their business easily through online than in actual.

### B. Conclusions

Based on the findings of the study, the researcher arrived at the following conclusions:

1. The overall results of this study was that the customers are mostly satisfied about the website design, content of the website, distribution/delivery, pricing of the product and terms of payment of McDonald's company; that was engaged in online marketing, although several of them were just confused about the prices of the products.
2. Based on the results stated above ,on-line marketing is a very essential tool of marketing a business especially in advertising. Company owners can maximize profit and minimize their cost .They can also promote and sell a certain

product in a cheapest way. Lastly, they can manage business easier and can increase their sales rapidly.

### C. Recommendations

Based on the conclusions of this study, the researchers recommend the following:

McDonald's Company should have strategies in designing their websites that not only serve to promote their products but also to find innovative ways to make it attractive and became more effective and meet the customer's need through online marketing

McDonald's company must conduct survey regarding their online websites on what they should improve which will help them in providing strategies that may use in designing their website.

McDonald's Company should always provide updated pricelist of their products especially during holiday season for discount offers so that the customers won't be confused with the prices of product. They must give opinions or suggestions

to the websites of McDonalds so that they will meet their expectations.

Future researcher that use this study to better understand the importance of on-line marketing and the modern way of marketing the product to reach the target customers.

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