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**IMPACT OF DIGITAL MARKETING ON CUSTOMER RELATIONSHIP
OF ICON SMART HOME COMPANY**

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CHAPTER 1: INTRODUCTION

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1.0 Background of study

The development of the internet has made it possible for firm to develop new service and develop new interactive and relationship-building contact with their (Gronroos, 2000) where consumers able to access information whenever and then for any place where they desire. Digital marketing communication has typically been information about products, advertising on the web and direct marketing via email and mobile. Since nowadays digital marketing has been used by marketers in different purpose, the understanding on how to apply digital channel like internet, email, mobile phone and television need to be upgraded.

Realize of its potential to firm, (Godin, 1999), Novak and others (2000), Brondmo (2000), and Zeithaml (2002) has given emphasis on customer's relationship and service perspective of digital marketing. They believe digital marketing able to create a unique and positive experience to customers, build trust and long term relationship by mixing all aspects of products, service, brand and communication (Wind, 2000). The effect of digital marketing is can be seen in the context of customer relationship brand loyalty, where when consumers use the digital media, they no just depend on what company says about the product or service, but additionally they are able to follow what the media, friend, peers and etc. Clearly, people nowadays are exposing themselves to more and more digital and social media. Since that, marketers need to upgrading and response to this fundamental shift by increasing their use of digital marketing channel.

From the consumer's perspective, the web has given them a chance to get update information without they have to giving an extra effort to make a comparison of goods and services, and also to get in touch with the marketers. Moreover, the enhance in technology also enable consumers to make an action such as giving feedback, request and personalize marketing communication (Ahmed, 2016). From the consumers aspect also, perceive valuation on using digital channel and keep connecting with marketers may come in several method, it could come in term of money, time, information, entertainment, social interactivity, prestige or something else that could make consumers enjoy (Ahmed, 2016). Therefore, it is important to building up a healthy relationship with a customer through the use of digital platform since it is also able to give a huge impact towards the firm growth.

1.2 Background of the company



Figure 1: SIGtech Company logo

Significant Technology Sdn. Bhd (SIGtech) was establish in April 2000 by experienced and qualified professional to venture into high technologies service related business with initial principal activity to provide optical fiber calibration service and training in Malaysia. Founded by Encik Najman as Chief Executive Officer (CEO), this company that located at Seri Kembangan, Selangor has expanded now into Smart Home and Smart City Solution, Mobile Application, Training as well Calibration. SIGtech is establishing to meet the ever growing and dynamic environment of the telecommunication industry. The current shift towards the current network for mobility has placed a requirement for an integrated and total service provider supporting both technologies.

SIGtech Company is a parent company for ICON Smart Home, where the researcher making her internship. ICON Smart Home is focus on home security application product and service, which they are providing this service and product around Selangor, Kuala Lumpur and Seremban resident area. ICON is a home grown product developed by ICON FutureHome Sdn. Bhd. which already operated for three years. The features included Security, Automation, Energy Monitoring and Management, and Community Complaint Management. All this translates into a Smart Living with security, safety, convenience and comfort lifestyle for consumers.



Figure 2: ICON Smart Home logo

1.3 Problem statement

It is important for company to acquire and retain a relationship with their customers and become profitable thus keep sustain in the industry. Making consumers aware about company product and service requires effective marketing activities to be done, and therefore digital marketing has been as alternative for this company to reach the market to provide awareness about their goods and services. However, this company has to know the digital technique to use, how to maximize their customers and how to measure the impact of their digital marketing in order to retain a good relationship with their customers and their prospects also.

Digital marketing concept is new and its impact on organizational performance needs to be determined. Some aspect of digital marketing has been regarded adversely but to perform organization should to have a presence and be active in the digital marketing platform (Halligan & Dharmesh, 2010). The marketers not only should contribute to organizational performance through brand building and growing sales revenue but also through customer acquisition, retention, satisfaction and overall market growth (Kotler, 2013). Therefore, in this research, the researcher examines the research issue in digital marketing impact towards the customer relationship from the perspective of the firm.

Since this company is can be considered as new in the industry, to quickly adapt with digital marketing can be a greater challenge for them (Lipainen & Karjaluto, 2015). Adoption of digital channel is likely to be more successful in large business since they have more necessary resources and knowledge compare to small business or new establish business (Bernes, 2012). Based on (Onyango, 2016), in his research he argue that it is important to understand the effect of marketing on performance because marketing activities have direct influence on sales and to a large cover the overall performance of the firm. Meanwhile, based on past research by (Afrina Yasmin, 2015), digital marketing enable instant purchase of product or services; thus will lead to increase in sales performance of the company.

The issue of impact of digital marketing on customer's relationship can be seen in this company. Icon Smart Home Company has using integrated digital marketing to advertise their product and boost their sales. This company has applied digital marketing such as social media, e-mail, direct call, and SEO towards the company. But, even they are trying to attach with customers in various way, they much focus on social media especially Facebook as their main platform to connect with their customers. Lack of communication with customers will affect to the loyalty of consumers towards the company product or service. Facebook messenger has

been used as the main platform to communicate with existing customers besides sharing a content marketing in company Facebook page as an effort to increase customer's awareness. The company did not fully utilize the function of other digital marketing such as using email marketing, message and web marketing design also didn't utilize well. This will affect to the engagement with customers since nowadays consumers are craving for information before making any purchase decision.

Thus, an additional research need to be conducted to identify the impact of digital marketing towards consumers and brand, also to identify on how digital marketing changed the way brands act toward customers and how customers gained power in their relationship with brands.

1.4 Research Objective

Two objectives have been constructed for this research. This objective conducted to measure whether the guidelines have been monitored and the objectives that have been set need to be completed. This study conducted to identify the following objective(s);

RO 1: To identify the impact of digital marketing towards consumers and brand of the Icon Smart Home Company

RO2: To identify how digital marketing changed the way brands act toward customers of Icon Smart Home Company.

1.5 Research Question

These are two questions for this research. These question need to be answered to achieve those objectives above. The questions are as follows;

RQ1: What is the impact of digital marketing towards consumers and brand of the Icon Smart Home Company?

RQ2: How digital marketing changed the way brands act toward customers of Icon Smart Home Company?