APPLICATION OF E-MARKETING BY SMALL-MEDIUM HOUSING DEVELOPER COMPANIES IN KELANTAN, MALAYSIA

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Abstract

Global competition among the players in the housing and construction industry has pushed the companies to be more surviving and struggling for their long term competitiveness and hence; identifying a more innovative marketing strategy. In this context, e-marketing has been considered as one of the main aspects of marketing strategies among the companies, whereby the internet as the main vehicle. The purpose of this paper is to identify the application of e-marketing strategies among small-medium housing developer companies in Kelantan. This paper also investigated the level of e-marketing usage by the companies. Samples for this research were collected from the Ministry of Urban Wellbeing, Housing and Local Government Malaysia and Real Estate and Housing Developers' Association Malaysia (REHDA) whilst the data were analyzed through their web sites, corporate blog and Facebook. From the findings, only 28.33 percent are using internet as their e-commerce application marketing tool and the awareness of information and communication technology's role by the companies in Kelantan are still in the infancy stage.

Keywords: internet, e-marketing, marketing strategy, developer, housing industry

INTRODUCTION

The rapid growth of technology transfer has become an important and consideration to the organizational strategy in improving and being more competitive than their competitors. According to Rashid, Aziz, Yi, & Jaafar (2006), the increasing number of housing and construction companies, over the year makes business environment more competitive with the increase number in completed houses. Therefore, companies are struggling for their long term survival. They are required to improve their competitiveness by generating new ideas and innovative marketing strategies otherwise they may be forced to exit from the industry. The application of e-marketing is one of the main aspects of marketing practice that involves using the internet. Tsiotsou & Vlachopoulou (2011)added that application e-marketing has been considered as a new ways of innovative technology-based activity to create and mediate dialogue between the companies and their customers. Therefore, at the same time the internet has become the main e-marketing tool and been increasingly used and integrated into firm's marketing activities.

There are a few researches with different focus but gives attention to internet related subject including internet business strategy for examples: Razali (2008); Razali et al., (2010); Tsiotsou & Vlachopoulou (2011), Alias & Z. T (2012); Hansson, Wrangmo, & Søilen (2013) and Koenig & Schlaegel (2014). However, currently there is no research attempt to examine e-marketing application with the approach specifically using the companies' web sites, corporate blog and Facebook focusing on small-medium housing developer companies. Accordingly, this paper aim to identify the extent of e-marketing application by the small-medium housing developer companies and the level of e-marketing usage by the companies. The approach of this research is by using the company's website, corporate blog and Facebook. This study is similar and extension to the studies done by Razali (2008) and Razali et al., (2010) whereby similar methods were also used in this study which is through desk research.

LITERATURE REVIEW

The advantage of the internet are that it can reach potential buyers in a wide coverage and target market, gather information fast, minimize the time to market and the cheapest way to sell the products (Razali et al., 2010). Therefore, the internet has been used widely in many aspects of life nowadays and becoming a major marketing tool. Internet marketing relies on technology to enable interactivity, and thus differs from other marketing practices, by providing customers access to information while the use of interactive technologies allows these customers to provide information to the business (Brodie et al., 2007). Besides that, the internet also acts as a main component in e-commerce application. It provides electronic services in which a company can use this application to sell their services (Razali et al., 2010). Razali et al., (2010)also defined internet marketing as "the process of building and maintaining customer relationships through the online activities to facilitate the exchange of ideas, products and services that satisfy the goals of both buyers and sellers". It furnishes a new form of marketing strategy application in housing and construction business by providing products and services through the internet. Nowadays, the impact of the internet is spreading so greatly that it is not only changing the culture of human activity, but also offering business opportunities.

Data statistic have shown a rapid growth of internet users in Malaysia, whereby it increased by544% from 2000 to 2014(Internet World Statistics, 2014). Therefore, Malaysia is ranked at number 9 in Asia (see Table 1). The highest ranking of internet users in Asia is China, followed by India, Japan, Indonesia, Philippines, South Korea, Vietnam and Pakistan. However, in term of internet penetration, the highest is Japan (86.2%), followed closely by South Korea (84.8%), Taiwan (80.0%), Brunei Darussalam (75.4%), Hong Kong (74.4%), Singapore (73.0%) and the 7 ranked is Malaysia (67.0%). With 1.2 million of people using the internet in Asia, it clearly shows that housing developer companies should implement e-marketing strategies, hence; the emerging new technology would directly affect housing and property business.

The cheapest access to the internet has spearheaded new trend and opened up social media marketing and made it possible for companies to reach out to millions of customers in a way that was not previously possible(Hansson et al., 2013). It's become increasingly popular among

internet users and account for an increasing share of the time individuals to spend online. Social media is adding to the already growing range and diversity of information and communication channels. By the growing use of social media applications from the individuals has puts some pressure on the companies to implement social media strategies for seeking an opportunity. From the world regions, Asian countries constitute the second world highest Facebook users with 236 million of subscribers whilst the highest ranking is Europe with 243.2 million of subscribers (Internet World Statistics, 2014). The highest ranked in among Asian countries is India, followed by Indonesia, Japan, Philippines and Thailand (see Table 1) whilst Malaysia is ranked at number 6 in Asia in term of Facebook users.

Asia	Population (2014)	Internet Users	Internet Users (31 Dec 2014)	Penetration (%Populatio	Facebook 31 Dec
	()	(Year 2000)	()	n)	2012
Afghanistan	31,822,848	1,000	1,877,548	5.9%	384,220
Armenia	3,060,927	30,000	1,800,000	58.8%	362,000
Azerbaijan	9,686,210	12,000	5,685,805	58.7%	963,100
Bangladesh	166,280,712	100,000	10,808,246	6.5%	3,352,680
Bhutan	733,643	500	219,359	29.9%	82,040
Brunei	422,675	30,000	318,900	75.4%	254,760
Darussalam					
Cambodia	15,458,332	6,000	927,500	6.0%	742,220
China	1,355,692,576	22,500,000	620,907,200	45.8%	633,300
Georgia	4,935880	20,000	2,127,364	43.1%	911,900
Hong Kong	7,112,688	2,283,000	5,329,372	74.9%	4,034,560
India	1,236,344,631	5,000,000	195,248,950	15.8%	62,713,680
Indonesia	253,609,643	2,000,000	55,000,000	21.7%	51,096,860
Japan	127,103,388	47,080,000	109,626,672	86.2%	17,196,080
Kazakhstan	17,948,816	70,000	9,692,360	54.0%	700,020
North Korea	24,851,627	-	-	-	n/a
South Korea	49,039,986	19,040,000	41,571,196	84.8%	10,012,400
Kyrgystan	5,604,212	51,600	2,194,400	39.2%	109,060
Laos	6,803,699	6,000	850,425	12.5%	255,880
Macao	587,914	60,000	386,847	65.8%	210,040
Malaysia	30,073,353	3,700,000	20,140,125	67.0%	13,589,520
Maldives	393,595	6,000	173,575	44.1%	136,760
Mongolia	2,953,190	30,000	635,999	21.5%	515,080
Myammar	55,746,253	1,000	668,955	1.2%	n/a
Nepal	30,986,975	50,000	4,121,268	13.3%	1,940,820
Pakistan	196,174,380	133,900	29,128,970	14.8%	7,984,880
Philippines	107,668,231	2,000,000	44,200,540	41.1%	29,890,900
Singapore	5,567,301	1,200,000	4,064,130	73.0%	2,915,640

Table1: Asia Internet User, Population and Facebook Statistics

					0
Total Asia	3,996,408,007	114,304,000	1,265,143,702	31.7%	254,336,52
Vietnam	93,421,835	200,000	41,012,186	43.9%	10,669,880
Urbekistan	28,929,716	7,500	11,051,151	38.2%	152,900
n					
Turkmenista	5,171,943	2,000	496,507	9.6%	10,120
Timor-Leste	1,201,542	0	13,217	1.1%	n/a
Thailand	67,741,401	2,300,000	20,100,000	29.7%	17,721,480
Tajikistan	8,051,512	2,000	1,288,242	16.0%	37,360
Taiwan	23,359,928	6,260,000	18,687,942	80.0%	13,240,660
Sri Lanka	21,866,445	121,500	4,788,751	21.9%	1,515,720

Source: Internet World Statistics (2014).

Thereafter, there are chances for internet marketing to substitute the other marketing tools. In order to compete in the highly competitive construction and housing industry, housing developers companies in Malaysia must try to change their ways of doing business. The companies should recognize the application of the internet as a strategic development tool in business. The house products are is still not typically sold out through online and mostly are using mouth to mouth marketing method although its moves towards electronic business currently. However, maximizing of internet usage will reflect the transparency level of the companies whereby the internet is crucial in order to update the products and services provided. The customers seek the widely information regarding to the residential properties from the existence and application of the internet by these companies, consequently; was make a betterinformed decisions with lower costs in searching the information by the customers (Littlefield et al., 2000 and Benjamin et al., 2005). Abilities in providing product information and on-line services by the company will determine the level of customer's satisfaction and their confidence to put a trust of the company prior to purchase intention (Harridge-March, 2004). Therefore, the need for effective management of information is particularly important in e-marketing whereby the companies will be dealing with a diverse range of customers in complex environments.

Most of internet users in the organization are well aware that the Facebook is also used as a marketing channel for their companies rather than to sign in personal account to keep in touch with their friends and family. Application on the Facebook, companies are able to spread their messages, make contact with customers, and build relationships. Since Facebook has more than one billion active users, companies can no longer afford to ignore the service as a major marketing channel (M.G., 2012). However, before the internet can be implemented as the main marketing strategy tool, it needs other strategy prior to the e-business strategy.

RESEARCH METHODOLOGY

This paper identifies the application of e-marketing by examining selected websites and media social (corporate blog and Facebook) of the small-medium housing developers. From the survey

conducted, housing developers in the East Coast Region of Malaysia particularly in Kelantan are represented the mostly by small-medium companies (Ministry of Urban Wellbeing, Housing and Local Government of Malaysia, 2014). Furthermore, the important characteristic of the worldwide and Malaysian construction industry particularly in the housing sector are strong representation of small and medium companies (D. Thorpe et al., 2009; Malaysian SMEs Census, 2011). Therefore, about 120 samples were identified and was examined their application of e-marketing.

This study is employed a desk research method and clarified as "secondary" data because this type of information is already existed (Razali et al., 2010). According to South Coast Information and Library Services, University Bournemouth (1995), desk research refers to "the identification and analysis of information that has already been compiled and published in some form or other". The data collected were based on visible information from the companies' website and media social to determine how far the companies are using the e-marketing instruments as their business strategy. E-marketing strategy index was developed by reviewed their website and media social (corporate blog and Facebook) and a score was given.

For the purpose of this paper, the matrix of e-marketing for website analysis is similar attributes by Razali et al., (2010) and Razali (2008), who conducted surveys the internet business strategy among property companies in Asia and Malaysia. The matrix of e-marketing for corporate blog analysis is similar attributes by Koenig & Schlaegel (2014), who conducted surveys to identify corporate blog design characteristic and their samples are internet users in three countries (Germany, Russia and USA). The matrix of e-marketing for Facebook analysis is similar attributes by Hansson et al., (2013), who conducted surveys to discover how companies in Sweden can optimize their use of Facebook as marketing channel. A score will be given for each variable for each of the variable that companies implemented in their organization. From the applicable of internet usage by these companies, this paper also seeks to evaluate whether they are consider the internet as a medium of innovative marketing strategy.

RESEARCH FINDINGS

About 120 samples were identified as small-medium housing developer companies in Kelantan, Malaysia. However; only 28.33 percent of them (see Table 3) used the internet as their e-commerce application marketing tool. According privacy and confidentiality policies need to be adhered to and therefore the names of the companies cannot be divulged. The highest instrument by the companies was attempting to use social networking sites such as Facebook, secondly is website and lastly is corporate blog. Most of the companies have used almost one instrument of e-marketing strategy, except one company which is Company J used the entire instrument listed in this study.

	Company	Website	Corporate Blog	Facebook
	Name			
1.	А			
2.	В	\checkmark		
3.	С	\checkmark		
4.	D	\checkmark		
5.	Е	\checkmark		
6.	F	\checkmark		
7.	G	\checkmark		
8.	Н	\checkmark		
9.	Ι			
10.	J		\checkmark	
11.	K			
12.	L			\checkmark
13.	М			
14.	Ν			
15.	0			
16.	Р			
17.	Q			
18.	R			
19.	S			,
20.	Т			
21.	U			
22.	V			
23.	W			
24.	Х			
25.	Y			
26.	AA			
27.	AB			
28.	AC			
29.	AD			
30.	AE			
31.	AF			
32.	AG			
33.	AH			
34.	AI			

Table 2: E-marketing Application in Kelantan

E-marketing application	Company Users	%	Company Users (overall)	% (overall)
Website	17	14.17		
Corporate Blog	9	7.50	34	28.33
Facebook	26	21.67		

Table 3: E-marketing Application Statistics

Thereafter, to examine the approach taken by each company on e-marketing strategy, a matrix table was used. Table 4-5 present attributes score for each company in Kelantan by using website instrument. Table 6-7 present attributes score by using corporate blog instrument whilst Table 8-9 present attributes score by using Facebook instrument. The horizontal line indicates overall score by each company for each attributes. A vertical line shows the total score for each attributes for each company. Each of the companies was given a score to specify overall results and index. As noted above, these attributes provide an overview of factors that are critical for determined e-marketing strategy. There will be some other elements or attributes in the website, corporate blog and Facebook as determinant for e-marketing strategy, however, these attributes has becoming predominant as found by the previous scholars.

	Attributes								(Com	pani	es							
	Attributes	Α	B	C	D	E	F	G	Η	Ι	J	K	L	Μ	Ν	0	Р	Q	Sc ²
1.	Product information																		17
2.	Customer service	×	×	×	×	×	×	×	\times	\times	×	\times	\times	×	×	×	×	×	0
3.	Guide for customer				×		×	×	×	×		×	\times	×			×		8
4.	Online forum		×	×	×	×	×	×			×	×	\times	×	\times	×	×		4
5.	Company news							×									×		15
6.	Frequently asked question													×			×		15
7.	Online calculator		×	×	×	×	×	×	×	×	×	×	\times	\times	\times	×	×		2
8.	Member exclusively	×	×	×	×	×	×	×	×	×		×	×	×	×	×	×	×	1
9.	Product search engine			×	×	×		×		×	×	×		\times			×		8
10.	Company track record		×		×	×	×	×	×	×	×	×		\times	\times	×		×	4
11.	Report/articles		×	×	×		×	×	×	×		×	\times	×			×		6
12.	Housing visualization/webcasti ng	V						×	V	\checkmark	\checkmark	×		×					14
13.	E-payment/online booking	×		×	×	×	×	×	×	×	×	×	×	×			×	×	3
14.	Links to other websites			×		×	×	×	×		×	×	×	×			×		7

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Score	11	8	5	5	6	5	2	6	6	6	3	5	2	9	9	3	10	
								•		• /								

Table 4: E-marketing strategy matrix findings by using websiteSource: Researcher (2014).

	using Developer Comp		
Companies	Score	%	Index
А	11	78.57	1
Q	10	71.43	2
Ν	9	64.29	3
О	9	64.29	
В	8	57.14	5
E	6	42.86	6
Н	6	42.86	
Ι	6	42.86	
J	6	42.86	
С	5	35.71	10
D	5	35.71	
F	5	35.71	
L	5	35.71	
Р	3	21.43	14
K	3	21.43	
G	2	14.29	16
М	2	14.29	
Mean	5.94	42.44	

Source: Descerber (2014)

Source: Researcher (2014).

From the analysis above, the most popular attributes used by the companies in their websites are "product information", "company news", "frequently asked question" and "housing visualization/webcasting" in their websites which are contributed the highest score. "Product information" and "company news" are the most important in the website whereby it's becoming an innovative and interactive marketing through latest technology usage compared to the traditional method of marketing. It is provide quickly and easily product and business information to the customers. Some other advance strategy such as "housing visualization/webcasting" also important and consequently becoming an innovative initiative as a system which customers can view building plans and follow the housing construction and development process through the websites. However, there are some of the attributes have lowest score such as "customer service", "member exclusively", "online calculator" and "online forum". Most of the small-medium companies are not realizing on the necessity of online customer service in the website whereby it was implemented in a few of top public listed housing developer companies' websites and also other services activities such as telecommunication websites.

	Attributes		Companies										
		R	S	Т	U	V	W	Χ	J	Y	Sc ²		
1.	Content value										9		
2.	Entertainment value	×	×	×				×	×	×	3		
3.	Blog management	×	×							×	6		
4.	Interaction										9		
5.	Usability	×									8		
6.	Marketing	×							×		7		
	message												
	Score	2	4	5	6	6	6	4	6	4			

 Table 6: E-Marketing Strategy Matrix findings by Using Corporate Blog

Table	7. Ho	using	Develo	ner Coi	npanies:	Corr	orate	RlogInd	ev
I adic	/. 110	using	DEVEIU		прашез.	COL	JULAIC	Dioginu	CЛ

Companies	Score	%	Index
U	6	100.00	1
V	6	100.00	
W	6	100.00	
J	6	100.00	
Т	5	83.33	5
S	4	66.67	6
Х	4	66.67	
Y	4	66.67	
R	2	33.33	9
Mean	4.78	79.63	

Source: Researcher (2014).

From the analysis above and index from the Table 6 shows some of these companies have implemented the important major attributes in their corporate blog which are contributed the full score. However, there are also a few companies were not implemented the major attributes and contributed to zero score. The most popular attributes used by the companies in their corporate blog are "content value", "interaction", "usability" and "marketing message" which are contributed the highest score. Most of the companies are not implemented of "entertainment value" in their corporate blog and hence not realizing on the necessity of the attributes. The examples of "entertainment value" usage by the implemented companies are providing interesting links to other blogs and websites. Company V shared the link to the webpage news of NST, Utusan and Kosmo, Company W shared the link to other housing developers' blogs and Company U shared the link to REHDA's website and Google's map.

Companies	Score	%	Index
J	8	100.00	1
Q	8	100.00	
Р	7	87.5	3
0	7	87.5	
U	6	75.00	5
G	6	75.00	
Н	6	75.00	
V	6	75.00	
W	6	75.00	
AF	6	75.00	
Ι	6	75.00	
Х	6	75.00	
А	5	62.50	13
Т	5	62.50	
AE	5	62.50	
Κ	5	62.50	
AA	4	50.00	17
AB	4	50.00	
AC	4	50.00	
AD	4	50.00	
В	3	37.50	21
AG	3	37.50	
AI	3	37.50	
L	2	25.00	24
Y	2	25.00	
AH	0	0.00	26
Mean	5.04	61.06	

Fable 8: Housing Developer Companies: Facebook Index

		Companies																										
	Attributes	Α	Α	B	Α	Τ	Α	Α	U	Α	G	Η	V	W	AF	Ι	Χ	J	Α	Α	K	L	P	Q	Α	0	Y	S
		Α			B		C	D		E									G	Η					Ι			C ²
1.	Company	×					×	×											×	×		×					×	1
	profile																											9
2.	Pictures			×																×								2
																												4
3.	Status updates		×	×	×			×		×										×		×			×		×	1
	-																											7
4.	Like/followed																			×								2
																												5
5.	Event		×	×	×	×	×	×	×	×	×	×	×	×	×	×	×		×	×	×	×			×		×	5
6.	Link	×					×												×	×	×	×			×		×	1
																												8
7.	Spread/share	×		×	×	×													×	×		×			×		×	1
																												7
8.	Movie clips	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×		×	×	×	×	×		×	×	×	2
	Score	4	5	3	4	5	4	4	6	5	6	6	6	6	6	6	6	8	3	0	5	2	7	8	3	7	2	

Table 9: E-Marketing Strategy Matrix Findings by Using Facebook

Source: Researcher (2014).

From the Table 9 above shown that companies putting "pictures" on their Facebook has the highest score are the very most important or absolutely critical for marketing function in describing the product information for customers review followed closely by "like/followed" by the customers. "Status updates" and "company profile" are also the attributes that considered being the third most important/valuable as marketing function for the companies. Hence, the management of companies should be regularly updated their services and activities provided on the Facebook. When it comes to the attributes "spread/share" meaning that activities on Facebook are spread to other news feeds. The lowest score of the attributes are "event" and "movie clips". Only two companies such as Company J and Company Q were implemented "movie clips" on their Facebook.

Table 10: E-marketing Application Level									
	Total Score	Mean Score	%						
Website	14	5.94	42.44						
Corporate Blog	6	4.78	79.63						
Facebook	8	5.04	61.06						

Source: Researcher (2014).

From the finding of Table 3 shows that the small-medium housing developer companies in Kelantan are not realized the importance of the internet as one of their marketing tool. This has been proved from that only 28.33% of the total companies were identified used internet as their marketing instrument. This could mean that most of the companies are still using the traditional way of marketing such as mouth to mouth method, distributing brochures, poster and other methods of advertising. From the observation, the decision to establish e-marketing application such as website, corporate blog and Facebook among the small-medium companies is influenced by several factors such as company size and time constraint. This is because application of e-marketing must be updated from time to time. From this study, most of the companies are not aware on this necessity. Table 10 shows the level of e-marketing usage by the companies through website, corporate blog and Facebook analysis. The results indicate that even though the companies were applied e-marketing strategy, however; they are still moderate in using the application.

CONCLUSION

This paper identified the application of e-marketing strategy among the small-medium housing developer companies in Kelantan. This paper also used companies' websites, corporate blog and Facebook to investigate their level of e-marketing usage. This study has limitation similar to the other study whereby the sample used in this study is limited to small-medium housing developer companies in Kelantan based on their capital market value and full-time employees (Ministry of Urban Wellbeing, Housing and Local Government of Malaysia, 2014; SME Corp Malaysia, 2013). The evolution of information and communication technology and the growing of social media applications have changed the way companies to sell their products and enlarge the potential the customers' scope. According to Razali et al., (2010), there are the chances of using internet marketing along to it characteristics which is giving a wide coverage to reach potential customers, quick information system and the cheapest way to sell the products. Hence, the housing developer

companies should implement e-marketing strategies as well as it will be directly effect on their business.

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