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Internet marketing and its impact on the development of handicraft export (case study: Isfahan Province)

Marketing internetowy i jego wpływ na rozwój eksportu rękodzieła (studium przypadku: Prowincja Isfahan)

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Abstract. The development of Internet technology has had a vast impact on business processes, so it is a suitable platform for the activities of most companies. Today, exports are carried out internationally. Many organizations are aware of the elements of internet marketing. Since the handicraft industry of Iran and Asia has a long history, Internet marketing and the Internet provides an excellent opportunity to develop its exports. This research examines the elements of Internet marketing and its relationship with the export performance of handicrafts. The city of Isfahan in Iran is efficient in various fields of this industry. This research data was designed using a questionnaire consisting of 23 questions. Cronbach's alpha coefficient is 0.94, and experts have confirmed its validity. SPSS software, inferential statistics, and Pearson correlation test were used to check research hypotheses. More complete analyzes of regression analysis have been used. The independent variable of this research is marketing mix elements, including promotion, transaction, exchange, and supply. The dependent variable of export performance has been examined in two dimensions, financial and strategic. After reviewing a central hypothesis and eight sub-hypotheses, there is a positive relationship between the Internet marketing elements related to advertising, exchange, exchange, and supply and the export performance of the investigated companies. Finally, the effectiveness of each of these elements was checked using regression analysis, and the ranking and importance of each parameter were introduced. The exchange had the most significant impact on internet marketing.
Keywords: internet marketing, export, handicrafts, electronic commerce, Isfahan

Abstrakt. Rozwój technologii Internetu miał duży wpływ na procesy biznesowe, dlatego jest to odpowiednia platforma dla działalności większości firm. Obecnie eksport odbywa się na arenie międzynarodowej. Wiele organizacji zdaje sobie sprawę z elementów marketingu internetowego. Ponieważ przemysł rzemieślniczy Iranu i Azji ma długą historię, marketing internetowy i Internet stanowią doskonałą okazję do rozwoju eksportu. Badanie analizuje elementy marketingu internetowego i jego związek z wynikami eksportowymi rękodzieła. Miasto Isfahan w Iranie jest wydajne w różnych dziedzinach tej branży. Dane

zostały zgromadzone za pomocą kwestionariusza składającego się z 23 pytań. Współczynnik alfa Cronbacha wynosi 0,94, a eksperci potwierdzili jego słusność. Oprogramowanie SPSS, statystyka inferencyjna i test korelacji Pearsona zostały wykorzystane do sprawdzenia hipotez badawczych. Wykorzystano analizę regresji. Zmienną niezależną są elementy marketingu mix, w tym promocja, transakcja, wymiana i podaż. Zmienna zależna wyników eksportowych została zbadana w dwóch wymiarach: finansowym i strategicznym. Po weryfikacji hipotezy głównej i ośmiu subhipotez zauważono, że istnieje pozytywny związek pomiędzy elementami marketingu internetowego, związanymi z reklamą, wymianą i dostawą, a wynikami eksportowymi badanych firm. Na koniec sprawdzono skuteczność każdego z tych elementów za pomocą analizy regresji oraz wprowadzono ranking i znaczenie każdego parametru. Wymiana miała największy wpływ na marketing internetowy.

Słowa kluczowe: marketing internetowy, eksport, rękodzieło, handel elektroniczny, Isfahan

Introduction

In the new era, we are witnessing more intense competition between governments in economic sectors. Each country is looking for a more significant share of business opportunities. Also, with the expansion of global societies, traditional business methods alone are not a suitable answer to meet the needs of life. One of the components that have an impact on commercial procedures and also on exports is the use of new information technology. Since e-commerce can provide a good opportunity for countries and facilitate exports, it has grown significantly. It has been effective and efficient to enter and gain a more significant market share and attract new customers. Today, the online activity of organizations is almost more than expected, so organizations encourage their customers to visit their website. Tools such as text messages, publishing, and print advertisements show the excellent communication of large companies in using the website to communicate with their customers.

One of the radical tools that changed the marketing world is the emergence of the digital era, which has enormously transformed the world of marketing, sales, and consumer behavior. It is much more convenient for a business to place products or services online, attract customers, get customer feedback, monitor the increasing or decreasing demand, aim marketing to reach concrete target groups online and, thanks to various managerial software.

Handicraft represents the primary source of income for many developing countries. Its impact on tourism development is seen in increasing employment opportunities, providing income generation opportunities, reducing poverty, and preserving traditional culture and heritage (Vaculcikova, Tuckova, Nguyen, 2020).

In such conditions, handicrafts are obviously forced to enter this field to maintain their existence because the lack of use of e-commerce applications has no result other than isolation in the economic area. Iran is considered one of the wealthiest countries in the world in terms of handicraft production. The competitive advantage of the exporting companies is one of the main reasons for the success of that country's exports. Companies should understand digital marketing properly and adopt appropriate strategies.

Statement of the problem

A country whose economy is based on a single product is at greater risk of international economic crises. In Iran, to get rid of the single product economy, exporting non-oil industries is one of the best and most strategic topics for realizing the country's development goals. Iran's handicrafts have many capabilities that, its export plays an essential role in economic growth. Isfahan is a city known for its tangible cultural attractions such as architecture, palaces, Iranian gardens, and handicrafts (Masoud, Mortazavi, Torabi Farsani, 2019).

Considering this important and influential factor, it is essential to know the factors that impact the success of exports. One component that affects export performance is the use of modern information and communication technology. Today, the online activity of organizations is almost more than expected, so organizations encourage their customers to visit their website.

A common thread among researchers in developing countries is that E-commerce is a form of innovation in which parties interact electronically to perform one or more of the functionalities depending on their contextual resources and constraints (Kabanda, Brown, 2017). All digital marketing channels, especially social media, significantly affect consumers' purchasing preferences. The shift from traditional marketing to digital with the internet significantly impacts consumers. When used correctly, social networks, digital marketing elements, and social media provide essential services for companies to reach their customers. Giving an excellent image to potential customers in the digital environment is necessary. For this, importance should be given to digital marketing and social media, and all stages should be well planned (Keke, 2022).

The importance and necessity of research

From a theoretical point of view: In this research, the effect of using Internet marketing dimensions on the export process of handicrafts has been considered, because in other studies, the effect of Internet marketing on the export of various industries has been investigated. The impact of this variable on the export of Iranian handicrafts can be called a new analysis. From a practical point of view: Iran is one of the countries with many capabilities in handicrafts. Due to its long history in the history of Iran, it is significant from the cultural and artistic aspects. In the meantime, the question is what factors play a role in the success of this type of export. One of the many factors that affect the export of various kinds of goods and industries is the capabilities of e-commerce. By knowing its multiple dimensions, you can achieve a more successful export. In recent years, internet and internet marketing for companies in many industries have become a method of generating income with customers and shareholders, providing products and services, and selling electronically.

Literature research

Internet marketing

Internet marketing is described as achieving marketing objectives through applying digital technologies. Online advertising is a powerful marketing vehicle for building brands and increasing traffic for companies to succeed. Simply speaking, internet marketing, also referred to as online-marketing, web-marketing, e-marketing, or i-marketing is the marketing of products or services over the Internet (Bala, Verma, 2018). E-commerce adoption in recent years has helped many firms exchange information and integrate their operations well to serve their customers better (Ramanathan, Ramanathan, Hsiao, 2012). In this research, **four mixed elements of internet marketing** have been used (see table 1):

Promotion: includes advertisements and any pre-designed activities for the customers of the company's products.

Transaction: determination of the price and occurrence of the transaction.

Exchange: payment for goods or services, which is mainly done by digital means.

Supply: transportation of goods and services through traditional and physical distribution system and digital distribution channel.

Table 1. Four mixed elements of internet marketing

Suggested component	Related sub-components
Promotion	Using mass media, public relations, internet advertising.
Transaction	Clarity of price, order online.
Exchange	Payment, how to buy and customer guidance.
Supply	How to distribute, guarantee, support, follow up online.

Source: own elaboration

Export

Export performance: means the extent to which the company's goals for exporting a product are realized through the planning and implementation of export marketing strategies (Cavusgil, Zou, 1994). Cadogan and Seli (2003) believe that the degree of economic progress in export markets is called export performance. In short, export performance is a company's activities in export markets.

Specialized export marketing capabilities, are equal to product development, pricing, channel management, selling, delivery management, marketing communication crated synergic value, that supplemented Export performance (Bilal, Kumari, Rani, 2021).

Handicrafts

Handicrafts are products made mainly by hand and are an essential part of production and export for many developing countries (Ghouse, 2012). Crafts don't have to be traditional, they can be recent Introduced to include new skills in the production of new products. The term "handicraft" encompasses a wide range of artifacts. The informal sector, which includes handicrafts has been described by the International Labour Organization (ILO) as a part of economic activity characterized by certain features like reliance on local available resources and skills, family ownership, small scale operations, labour intensity, traditional technology, skills generally acquired outside the formal school system, unregulated and competitive markets (Shah, Patel, 2016).

Background

In a study, he investigated the effect of various e-commerce factors on the export of handicrafts and weaving in India and recommended an e-commerce model. In the end, it was stated that products could be exported to domestic and foreign markets through e-commerce channels. Still, government interventions and a lack of sufficient knowledge about the Internet create obstacles to the development of exports (Bilal, Kumari, Rani, 2021).

The research focused on craft advertising in digital platforms proved that brand and brand equity significantly influence consumers' purchase intentions in social media environments. Internet marketing leads to consumer awareness of handicraft products and brand recognition and increases demand.

In a research conducted on the capabilities of e-commerce and efficiency in the export field, an interview was conducted with 340 exporters. The evidence indicated that the powers of e-marketing affect the amount of distribution and communication. E-commerce is one of the leading forces of innovation and change in international marketing (Gregory, Viet Ngo, Karavdic, 2019).

Also, in another research conducted on the relationship between e-commerce and handicrafts in India, it was pointed out that e-commerce is one of the most promising marketing channels because it enables the availability of goods at the global level. Offline advertising only affects local people, But internet advertising has become very important for these reasons (Ghosal, Prasad, 2019):

1. A wide range of consumer awareness can be provided.
2. Flexible market facility can be ensured through an online portal.
3. Consumer awareness on a broad level and flexible market facilities increase the gross sales volume of local goods, increasing the artisans' profit.
4. Increasing the profits of artisans provides them with a better social life.

A study examining the sale of handicraft products in Indonesia concluded that selling and marketing handicrafts through cyberspace have many advantages. Social media expands social interactions and leads to attracting more audiences and social conversations among audiences. Therefore, the market share will increase, and the income will automatically increase (Warlina, Habibi, 2019).

The Internet has been driving exports in China even before the creation of digital platforms. Based on data collected between 1999 and 2007, the Internet increased business and improved overall company performance. More exports increased production. Increased production led to increased productivity and increased employment, and reduced many costs (Fernandes, Mattoo, Nguyen, Schiffbauer, 2019).

The growth of social media has increased international business. This research, conducted on three groups of Spanish exporters, stated that today's social media has made organizations go towards internationalization. The advancement of technology has created many changes in people's lives. Social media deeply affects the activities of marketing helps, and exporters are willing to include them in their business strategies (Alarcon-del-Amo, Rialp-Criado, Rialp-Criado, 2018).

A study conducted on 204 export companies in Chile examined the ability of Internet businesses on export performance in emerging companies. The findings showed that marketing capabilities have a positive effect on the availability of information, the development of business relationships and growth have exported. As a result, it has improved the company's performance, and the Internet allows the organization to provide a direct relationship with customers. For export marketers, it creates capabilities such as online advertising, market research, and after-sales services. Finally, the study showed two powers the Internet can use in organizational development to take availability of information, and developing business relationships (Mathews, Bianchi, Perks et al., 2015).

Since electronic business has gradually played an essential role in people's daily life, online shopping has steadily increased. Consumers use the Internet as a critical factor in searching for information and ordering goods. E-commerce is an innovative technology that needs further expansion because it has a positive and robust relationship with the performance of commercial companies. To achieve a long-term competitive advantage, managers of organizations need to focus on innovation and Internet marketing (Cordova, Yang, Jansen, 2015).

Analysis of data collected from companies that were members of the Iran Pistachio Association showed that electronic marketing directly impacts export performance. Internet marketing through maintaining current customers, attracting new customers, growth, sales, and turnover is a suitable competitive tool for exporting the company and improving its performance. Also, sellers can get up-to-date information on products, prices, and competitors. All these factors can increase asset turnover, companies should hire educated people who have e-commerce skills, and company employees should be trained to use e-marketing tools (Taleghani, Akhlagh, Mohammadi Sani, 2013).

In a study called (Use of the Internet in the sale of handicrafts: Turkish Mer-shaum), the use of the Internet in the marketing of handicrafts in Turkey was investigated by analyzing the content of commercial websites. The products' features, size, and production method were available in written and visual forms. The consumer noticed the use of film to show the process of artistic work. Adding a video of the manufacturing and processing stages had many advantages. It was concluded that sharing the audience's opinions is important and a promotional method. For this reason, it is recommended that craft businesses design their website correctly because it significantly impacts the sale of goods (Eroglu, 2013).

The globalization of the economy has had a profound impact on various industries, and with the integration of the global market, the competition has increased globally; in this field, Internet technology is a factor for increasing productivity, reducing operating costs, and responding quickly. Handicrafts are an essential production sector for many developing countries. In India, handicrafts are also a source of income for rural communities. In a conversation with 78% of India's handicraft exporters, problems related to handicrafts, licensing issues, lack of demand, cost of raw materials, outdated equipment, lack of access to export credit, shortage of skilled labor, high indirect taxes, infrastructure Weaknesses, transportation problems and lack of knowledge of the market were mentioned. Among the respondents, 85% mentioned problems related to weak infrastructure, including high costs and transportation facilities (Ghouse, 2012).

After examining data from financial firms in Eastern Europe and Central Asia, a correlation between exports and Internet access was observed. Companies can use the Internet to sell directly to consumers. Even the Internet facilitates customer communication and provides an easier way to send and receive information. Companies that are connected to the Internet compared to companies that are not connected to the Internet. They are more likely to be exported (Clarke, 2008).

Research assumptions

Main hypothesis: There is a positive relationship between the use of internet marketing and export performance.

Sub-hypothesis 1: There is a positive relationship between the use of internet marketing promotion and export financial performance.

Sub-hypothesis 2: There is a positive relationship between the use of promotion in Internet marketing and strategic performance.

Sub-hypothesis 3: There is a positive relationship between the use of transactions in Internet marketing and export financial performance.

Sub-hypothesis 4: There is a positive relationship between the use of transactions in Internet marketing and strategic export performance.

Sub-hypothesis 5: There is a positive relationship between the use of exchange in Internet marketing and export financial performance.

Sub-hypothesis 6: There is a positive relationship between the use of Internet marketing exchange and strategic export performance.

Sub-hypothesis 7: There is a positive relationship between the use of supply in Internet marketing and export financial performance.

Sub-hypothesis 8: There is a positive relationship between the use of supply in Internet marketing and strategic export performance.

Variables

Independent variable

The independent variable of this research is internet marketing, whose dimensions include: promotion, transaction, exchange, and supply.

Dependent variable

Export performance is the dependent variable of this research, which is examined from a financial and strategic perspective. Research operational model is presented on figure 1.

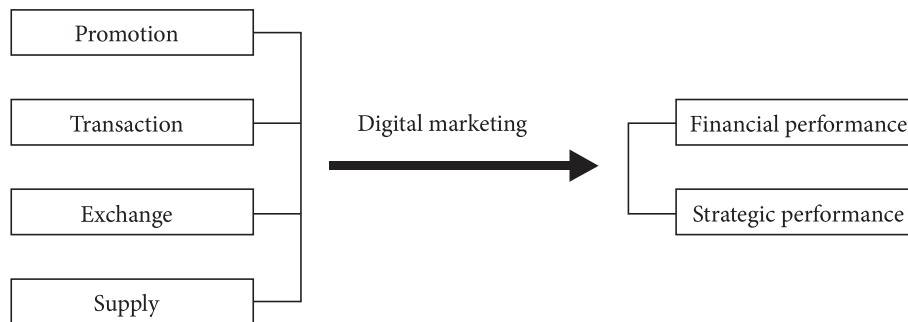


Fig. 1. Research operational model

Source: own elaboration

Research methods

The current research is applied in terms of purpose and descriptive survey in terms of method. Statistical population: Exporters of handicrafts, 94 exporters, have cooperated in this research.

Information gathering tools

The collection tool in this research is a questionnaire that is based on the studies and operational model. This questionnaire includes 23 questions based on the Likert scale.

Validity of information gathering tools

Using Cronbach's alpha method, the internal consistency of the questionnaire was checked, which was calculated as 0.94, which is acceptable and indicates a significant correlation.

Analysis method

The data of this research was analyzed using inferential statistics and correlation and regression tests, and the software used is SPSS software.

Hypothesis test results

The main hypothesis of the research sought to prove the correlation between Internet marketing and export performance. The secondary theories also sought to establish the relationship between Internet marketing elements and export performance, as shown in the table; based on the correlation test Pearson, with specific correlation coefficients and significance level ($p < 0.05$), the hypotheses are confirmed. Multiple regression coefficients were calculated to determine which Internet marketing elements significantly impact exports' financial and strategic performance.

Table 2. Pearson correlation coefficients

Hypothesis	The correlation coefficient	Relationship	Significance level	The result at confidence level of 0.95
The main hypothesis	0.754	Positive	0.001	Confirmed
Sub-hypothesis 1	0.643	Positive	0.001	Confirmed
Sub-hypothesis 2	0.672	Positive	0.001	Confirmed
Sub-hypothesis 3	0.591	Positive	0.003	Confirmed
Sub-hypothesis 4	0.522	Positive	0.032	Confirmed
Sub-hypothesis 5	0.602	Positive	0.001	Confirmed
Sub-hypothesis 6	0.541	Positive	0.024	Confirmed
Sub-hypothesis 7	0.632	Positive	0.001	Confirmed
Sub-hypothesis 8	0.683	Positive	0.001	Confirmed
Sub-hypothesis 9	0.590	Positive	0.031	Confirmed

Source: own elaboration

Table 3. Multiple regression coefficients between internet marketing dimensions and export financial performance

Variable name	Unstandardized BETA coefficient	Standardized BETA coefficient	Significance level	The result at confidence level of 0.95
Promotion	0.100	0.120	0.049	Meaningful communication
Transaction	0.320	0.386	0.019	Meaningful communication
Exchange	0.326	0.390	0.005	Meaningful communication
Supply	0.180	0.250	0.017	Meaningful communication

Source: own elaboration

Table 4. Multiple regression coefficients between internet marketing dimensions and strategic export performance

Variable name	Unstandardized BETA coefficient	Standardized BETA coefficient	Significance level	The result at confidence level of 0.95
Promotion	0.188	0.212	0.037	Meaningful communication
Transaction	0.223	0.209	0.029	Meaningful communication
Exchange	0.264	0.262	0.011	Meaningful communication
Supply	0.233	0.216	0.041	Meaningful communication

Source: own elaboration

As you can see in tables three and four, the exchange element has the most significant impact among the marketing mix elements on the financial performance of exports, and the rest are placed in the next ranks.

Conclusions

This research was done about the importance of handicrafts and tried to investigate the significance of the effect of Internet marketing on this important matter. The Internet provides a series of cost-effective ways to attract foreign customers and provide services, which can eliminate these barriers by reducing costs related to geographical areas. Foreign trade in third-world countries, especially in the export of non-oil goods, is considered a tool to achieve economic growth.

In other words, Internet technology leads to the development of business relations and new investments, creates the necessary conditions for export, and leads to economic and sustainable growth, which requires Internet literacy.

The current research results, based on one main hypothesis and eight sub-hypotheses, indicate that the research model is approved. As a result, export companies will achieve better export performance by using the mixed elements of Internet marketing. This result is in line with previous research related to this topic.

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