



DIGITAL MARKETING IN THE CHALLENGING ERA: AN EMPIRICAL STUDY

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ABSTRACT

In today's technology driven world, digital marketing has become an avenue where retailers can extend their marketing campaigns to a wider range of consumers. The methods for communicating with customers have undergone a sea change with the emergence of digital marketing tools. It has become an essential tool for companies striving to gain a competitive advantage. Digital marketing refers to use of electronic media by the marketers to promote their products and interact with their customers. Marketers these days often reach out their consumers utilizing digital marketing which includes email marketing, search engine marketing, social media marketing, many types of display advertising (including web banner advertising), and mobile advertising. This research study examines advantages to a marketer through the use of digital marketing media as an extension of their marketing strategy. Digital marketing is a new phenomenon and has developed within the last decade, and hence this research paper also attempts to define the term digital marketing. The paper carries out empirical research to understand the effectiveness of digital marketing as a marketing tool by studying the online consumer shopping behavior. This study has used primary data and secondary data. The

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examined sample consists of 200 customers who have been randomly selected to examine the major online shopping activities by the customer for different product segments. Collected data has been analyzed with the help of various statistical tools and techniques.

Keywords: Digital Marketing, multi-channel marketing, social marketing, mobile advertising, brick & mortar retailing.

Introduction

Digital Marketing is becoming a hot topic in every business sector. No doubt digital marketing plays a truly important role in any company's multi-channel marketing strategy. It uses the internet and other non-conventional channels to deliver marketing communications to the consumers. Digital marketing is the promotion of products or brands via one or more forms of electronic media and differs from conventional and traditional marketing. Digital marketing involves both a publisher, who integrates advertisements into its online content, and an advertiser, who provides the advertisements to be displayed on the publisher's content. Digital marketing extends beyond internet marketing including channels that do not require the use of Internet. It includes mobile phones (both SMS and MMS), social media marketing, display advertising, search engine marketing and many other forms of digital media. These days the businessmen are finding it more convenient and cost effective to promote their products or services and to reach consumers using digital channels. Through digital media, even the consumers are benefitted as they can access information any time and any place where they want. It is not just the benefit of accessing information but also the benefit of real time purchase from any location and any time.

One successful digital media campaign was by Pizza Hut, which created an app that allowed customers to create their own pizza by dragging their chosen toppings onto a graphical pizza base. The iPhone would then determine which of the chain's thousands of locations the customer happened to be nearest. The company advertised the new app online, in print, and on television - even winning a placement in Apple's own iPhone commercial. Within two weeks, the Pizza Hut

app was downloaded 1,00,000 times and within three months iPhone users ordered \$1m worth of pizzas. The app now has millions of users across the iPhone, iPad, and Android platforms.

(Source: Anindya Ghose, NYU Stern)

Digital marketer's job is similar and also different from a conventional marketer in many ways. They first monitor viewers' online activities like which brands are being viewed, how often they are viewed and for how long, sales conversions, which marketing content has been audience puller and so on. After filtering the information they work on the most performed activities and accordingly design strategies. Depending upon the segment they are targeting and the product or service they are offering, the marketers innovatively select the channels which include wireless text messaging, mobile instant messaging, mobile apps, podcasts, electronic billboards, digital television and radio channels, etc.

Research Methodology

This study is basically exploratory and descriptive in nature and the entire study has been made on the basis of both primary and secondary sources. The study is based on descriptive research design. Primary data has been collected from 200 customers using a structured questionnaire. The questionnaire has been designed, to know the major online shopping activities of the respondent for various product categories regarding the extent of digital marketing that helps consumers in buying decision making. Secondary data is collected from various news papers, websites, corporate reports, Media Reports, Press releases and other journals covering the mentioned topic. The period of the study is from December 2017 to February 2018.

Objective of the Study

The research presented here aims to examine the new digital marketing era and the major benefits reaped by the marketers.

- To study the term digital marketing
- To study major advantages of digital marketing to the marketers
- To examine the major online consumer activities with respect to various product segments

Significance of the study

Digital marketing is the new buzz word in the business world. The entire marketing dynamics is changing because of the fact that consumers are now present online as never before. Marketers of today have seen a boom in their businesses and experienced waves of change in their business dynamics, formats and working. This technological explosion has brought marketers closer to their customer like never before. Marketers are able to promote their products through this channel which is faster and cost effective. The study finds the significance of digital marketing through studying the advantages of digital marketing to the marketers in view of the changing styles in the retail operations.

Data collection

- **Primary Data:** The analysis is done on primary and secondary data. 200 respondents were taken as samples from Nagpur city and were selected by Random Sampling method.
Screener Question: A set of screener questions was designed to select the relevant person to answer this survey. The structured questionnaire was given only to those respondents who have used digital tools to shop.
- **Secondary Data:** The secondary data collected is mainly from newspaper, websites, corporate annual reports, and research reports and already conducted survey analysis and other journals.

Advantages of Digital Marketing

The business world is changing from analogue to digital faster than ever. Consumers are becoming more digitally connected and consuming more digital content through smart phones, tablets, laptops, computers, etc. Hence, business organizations are improving and increasing their outreach with digital marketing. The benefits of digital marketing are plentiful. Many businesses leveraging advantages that traditional marketing strategies couldn't provide them. Businesses are able to make a bigger impact in the way consumers interact with their brands online. Digital marketing gives a wide access of the potential customers and it is the only medium that is able to cross geographic and national boundaries. These digital marketing

benefits allow the marketers to evolve their marketing strategies and be innovative and stay competitive.

There are ample advantages of digital marketing some of them are enumerated below:

1. Connect to consumers online

Digital marketing can better connect to the consumers. According to NewsCred, 72 percent of marketers think branded content is more effective than advertising in a magazine, and 69 percent say it is superior to direct mail and PR. Marketers have realized that maintaining a dominant online presence is now essential to marketing success.

2. Economical

Digital marketing is far much economical as compared to the traditional marketing. An email or social media campaign for example costs very cheap as compared to a TV advertisement or print campaign. Marketers can develop online marketing strategies for very little cost. Digital marketing tools can easily replace costly advertising channels such as billboards, vehicular advertising, movies, yellow pages, television, radio and magazine.

3. Tracking customers

One of the most important benefits of digital marketing is the ease with which customer activities can be tracked and monitored. Digital marketing can replace time consuming and expensive customer research. Through digital marketing one can quickly view customer response rates and measure the success of real-time marketing campaigns. Digital marketing helps the marketers to track from the first interaction and throughout the entire buyer's journey of purchasing the product or service. With analytics from digital marketing, marketers are able to track a potential customer's actions, decisions and preferences and thus able to learn deeper about their customer's buying behavior.

4. Builds Brand Reputation

With the change and evolution of modern technologies, small and medium businesses are using digital marketing. Businesses are coming up with new digital marketing strategies in an attempt to capture a growing and very lucrative online marketplace. Online visibility enhances the reputation of the company. Being connected to the targeted audience online is the vital difference between a successfully thriving business and a failed one. Digital Marketing tools and techniques provide marketers the best chances for competition, survival and even business growth.

5. Connect with mobile customers

This is one more major advantage that the marketers are reaping due to digital marketing. They are now able to catch and connect with their customers who are on go, that is while they are commuting, are out of their home, or at the work places. 82 % of mobile searchers use their phones to check on prospective in-store purchases and 65% look for the most relevant information to their queries.

6. Analyze and adapt easily

Because digital marketing provides real time data, marketers are in a position now to observe and adapt to trends and the actions that their customers are taking. Using digital marketing marketers are able to plan, execute, and adapt their strategies based on true performance data.

7. Become more competitive

Digital marketing is how businesses are working now and will continue to work in the future. Business is competitive by employing a smart digital marketing strategy. Business that does not adapt to the new era of marketing and communications is in danger of becoming extinct. Every year more and more businesses give up traditional advertising methods and focus on Search Engine Optimization (SEO), Google Adwords or Social Media spending huge money on these resources. The market is getting increasingly competitive. Marketers are using Google Alerts tool to monitor their competitors. This tool allows marketers to track their competitors' products and marketing strategies.

Extent of consumption of Digital tools and online consumer data:

Some of the major findings from the recent Global Connected Commerce report include:

- The most commonly used payment methods among countries in the survey were credit card (53%) and digital payment systems (43%), but cash on delivery is common in developing markets.
- Nearly half of online respondents in the study (49%) say they shop online to get grocery products they can't find in physical stores.
- More than half (57%) of online respondents say they have doubts that e-commerce sites will keep their personal information secure and confidential.
- Six-in-10 online respondents say they'll only shop online for electronics (62%) and mobile products (61%) if it saves them money.
- Internet penetration in India is 30%.

(Source: Nielsen's Global Connected Commerce Report 2015)

(The Nielsen Global Connected Commerce Survey was conducted between August and October 2015 and polled more than 13,000 consumers in 26 countries throughout Asia-Pacific, Europe, Latin America, the Middle East, Africa and North America. The sample for all countries except Saudi Arabia and United Arab Emirates includes Internet users who agreed to participate in this survey and has quotas based on age and sex for each country.)

Common Tools of Digital marketing:

- Display advertising
 - Web banner advertising
 - Frame ad (traditional banner)
 - Pop-ups/popunders
 - Floating ad
 - Expanding ad
 - Interstitial ad
 - Text ads-(text-based hyperlinks)
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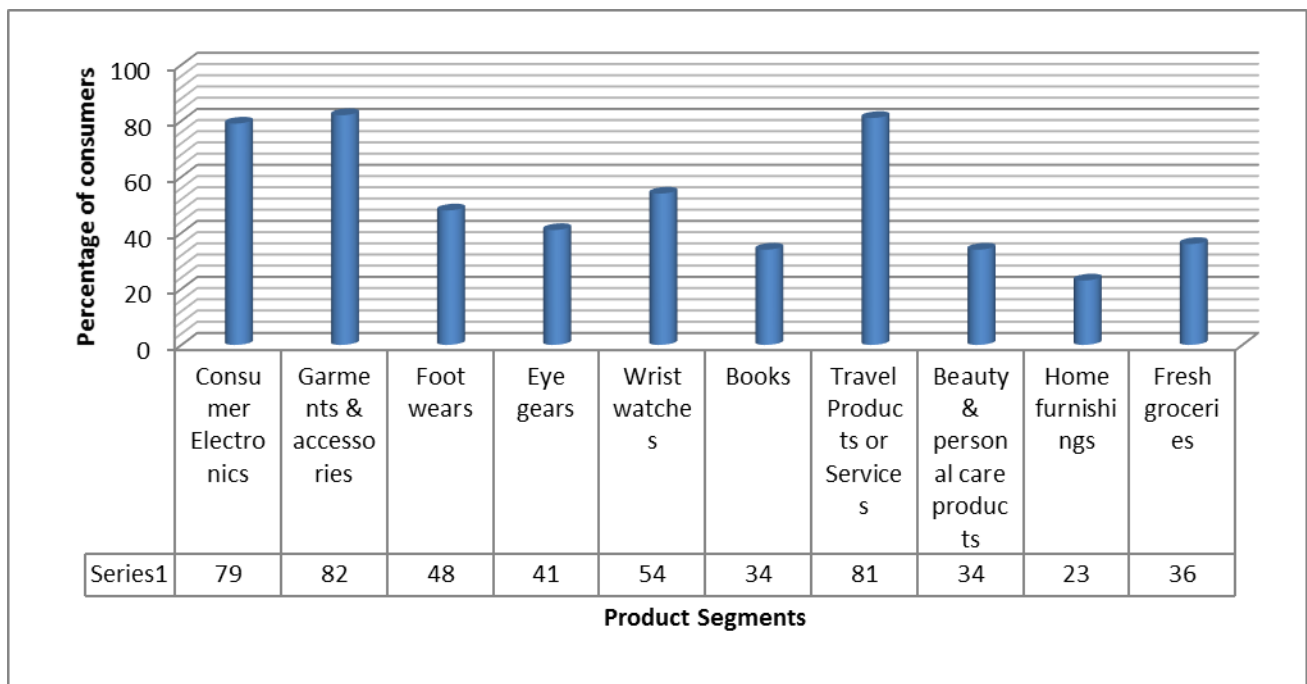
- Search Engine Marketing (SEM)
- Search Engine Optimization (SEO)
- Social media marketing
- Mobile Advertising
- Email Advertising

Analysis of Primary data

Consumers are leveraging the digital communications done by the marketers. From product comparison to purchase, from reading reviews of the brand to searching for best deals, consumer today is well-versed to the digital marketing activities. It has been observed that information gathering and deal seeking are the primary online shopping activities by the consumers.

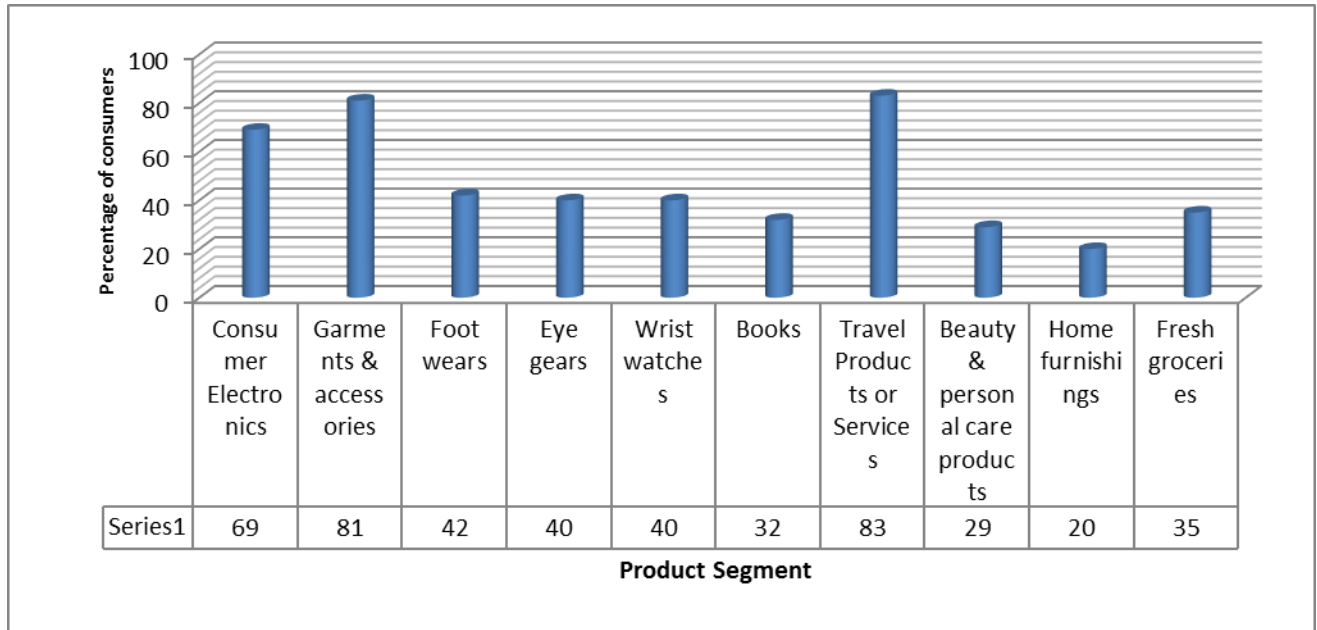
Here are some of the online shopping activities for selected categories shopped or purchased in the past six months.

1. Digital shopping action: **Looked-up product information**



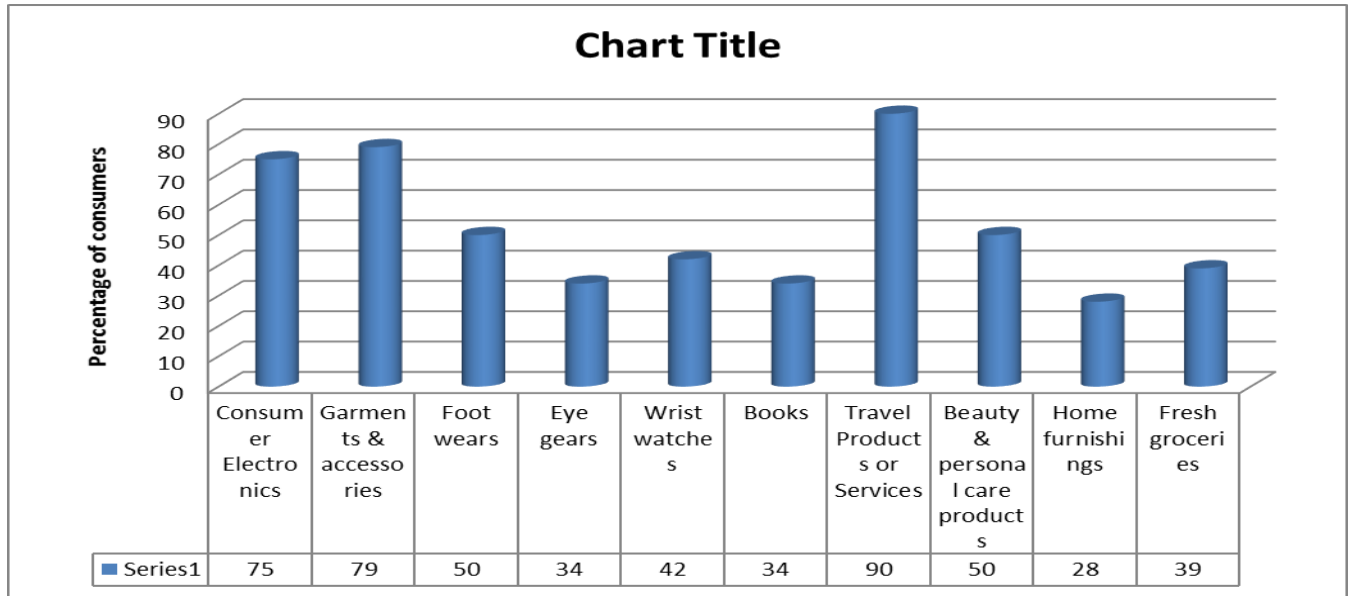
The study reveals that the activity of looked up product information is highest in the product segment of garment & accessories followed by consumer electronics segment.

2. Digital shopping action: **Clicked an email advertisement to find out more**



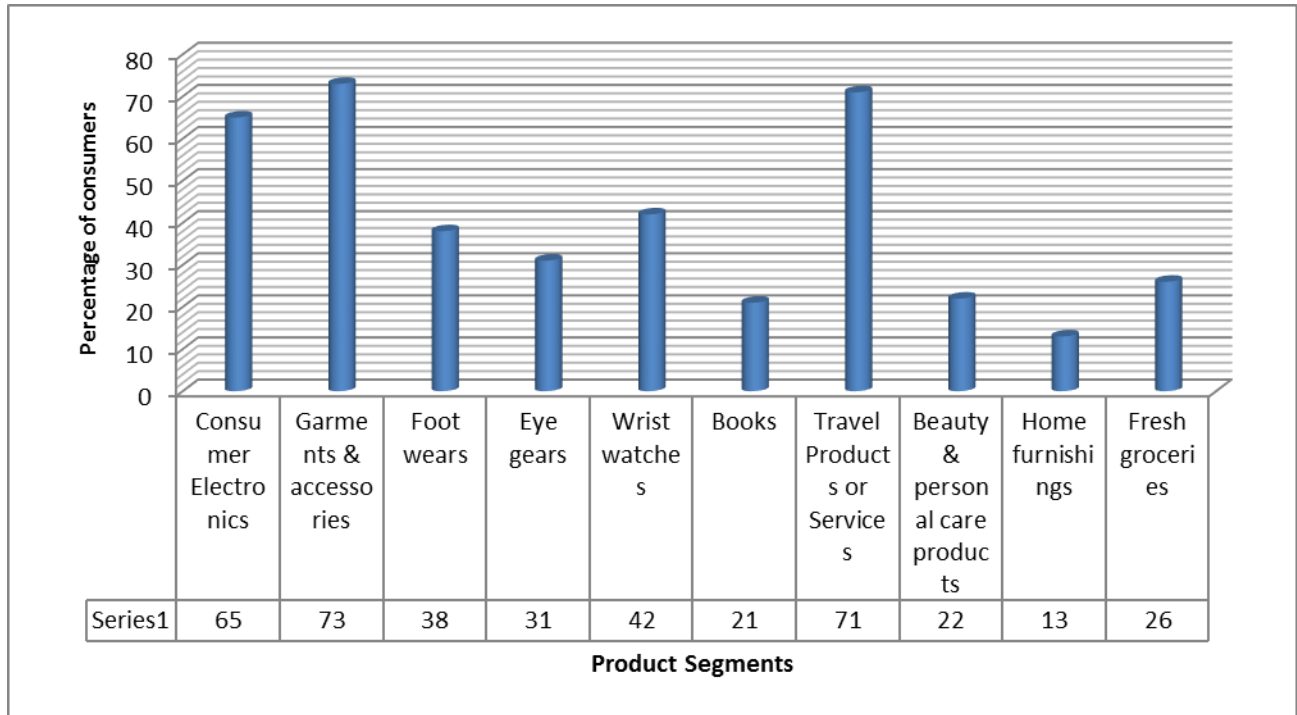
It has been found in the study that the activity of **Clicked an email advertisement to find out more** is highest in the product segment of Travel products or services followed by garments & accessories segment.

3. Digital shopping action: **Checked & compared Prices**



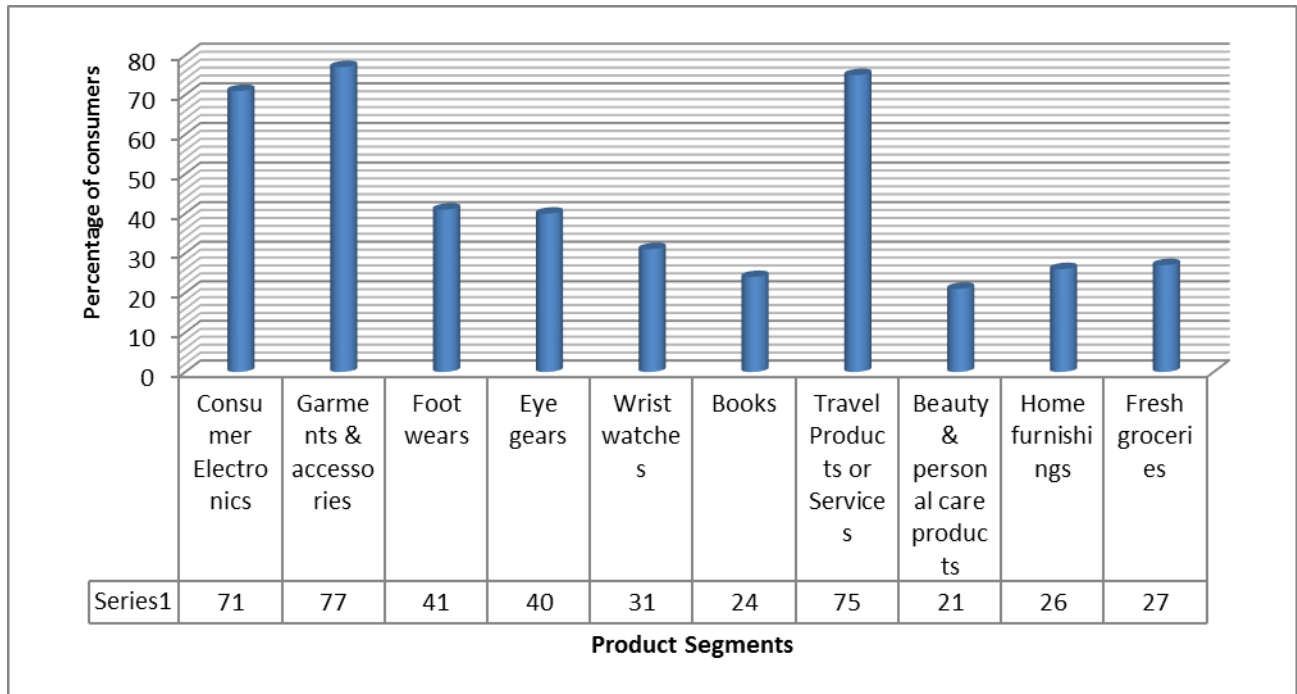
It has been found in the study that the activity of **Checked & compared Prices** is highest in the product segment of Travel products or services followed by garments & accessories segment.

4. Digital shopping action: **Searched for Deals/Promotions/Coupons**



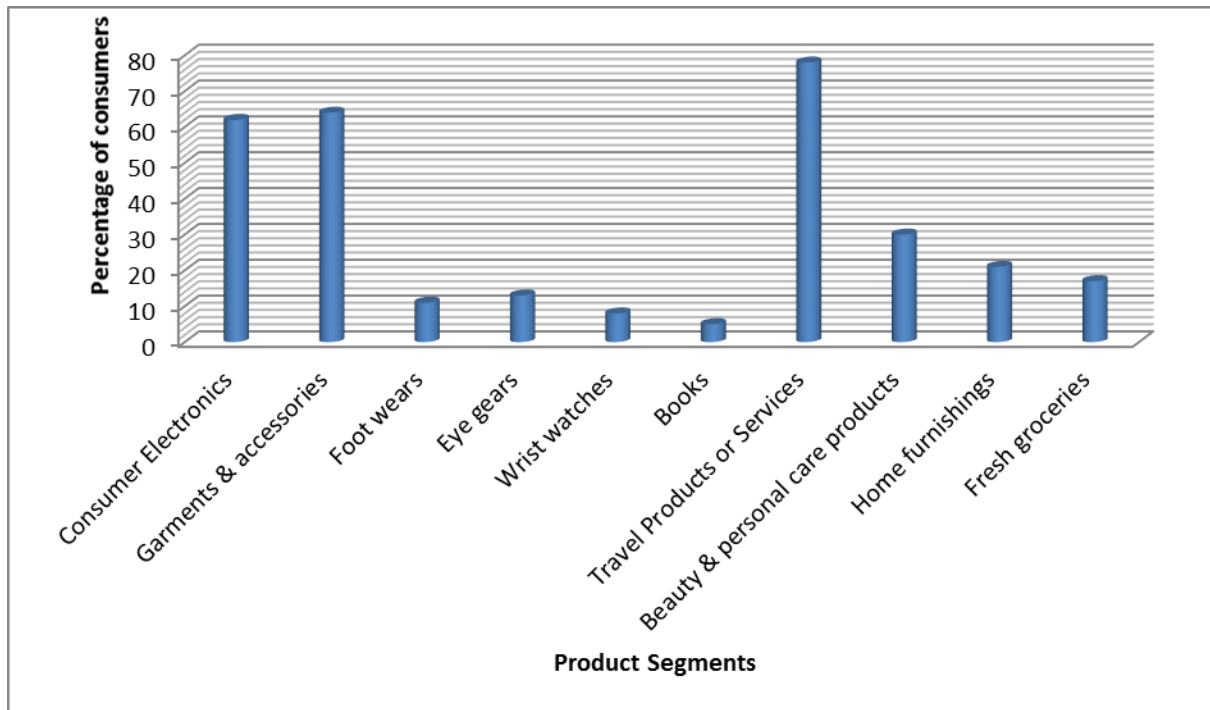
The study reveals that the activity of **Searched for Deals/Promotions/Coupons** is highest in the product segment of garment & accessories followed by Travel product or services segment.

Digital shopping action: **Subscribed to product or store emails**



The study reveals that the activity of **Subscribed to product or store emails** is highest in the product segment of garment & accessories followed by Travel product or services segment.

5. Digital shopping action: **Liked/ Tweeted/ Commented on a product or store on a social media**



The study reveals that the activity of **Liked/ Tweeted/ Commented on a product or store on a social media** is highest in the product segment of Travel product or services followed by garment & accessories segment.

Challenges

With huge opportunity comes great challenge. For customers shopping experience has become more vital and a key differentiator between numerous brands, e-retailers, business houses, as they are privileged to have more choices at their finger tips. Now the marketers need to have a deeper understanding of the local market in order to optimize the digital revolution. The marketers need to also understand the regional and local consumer perceptions, time zones, delivery infrastructure, supply chain dynamics, technology adoption and use, financial

environment and currency systems and regulatory authorities and political landscape. The story doesn't end here, the marketers must ensure that products meet quality standards, prices are set rationally, logistics systems are secure and competent and after-sales service is more than average expectations for fair refunding/exchanging processes.

Findings

1. Corporate houses are experimenting with the digital marketing technology for their promotional message and reach out to their consumers. They are leveraging the benefits of digital marketing because it is quick, economical and wide reach. Another important feature of digital marketing is enhancing its usage and that is the scope of consumer tracking.
2. Consumer buying behavior has gone a sea change due to digital marketing. Consumers are more knowledgeable and their thirst for more knowledge and information for products and services has increased by leaps and bounds.
3. This generation consumers are more tech-savvy. They want product information at their finger tips. With penetration of smart phones the consumers are more inclined towards digital marketing and hence digital marketing has become an important tool for marketers to showcase their offering.
4. This research study reveals that apart from purchasing, there are other online shopping activities that consumers perform before they purchase online, such as clicking an email advertisement to find out more, looking-up product information, checking & comparing prices, searching for deals/promotions/coupons, subscribing to product or store emails, commenting on a product or store on a social media, etc.
5. This study also reveals that the segments in which the consumers are more visible online are travel product or services followed by garment & accessories segment followed by consumer electronics.

Conclusions

Shoppers today have changed tremendously. They no longer simply go to the nearest store to purchase what they need; instead they do a whole lot of research before they select their specific brand. Digital technology has given consumers an access to a world of products and international brands previously unavailable. Today's shoppers are adapting themselves to digital touch points along the entire purchase process right from reviewing products online at home to comparing different brands, from commenting on products they like and prefer to purchasing their selected brand. The entire retail ecosystem is fast evolving. The brick and mortar retailing is paving the way for e-tailing. The consumer purchasing habits and purchasing process is becoming digital. In conclusion, this research has determined that marketers can increase awareness of their brands by being creative and visible on digital platform which more economical, innovative and fast. Digital marketing gives the marketers a competitive edge in an era when engaging customers on social media sites and other digital platforms and rely heavily on them for their shopping research and decisions.

The marketers are in alignment with the technology adoption and successfully using digital marketing to reach out to their customers and selling out their brands. However with digitalization, there is an urgent need of infrastructure improvements to bring more consumers online with more familiarity and comfort with digital platforms. The continued growth of E commerce and digital marketing is inevitable and unstoppable. It is a revolution that has and will more change and evolve the entire business world.

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