

# An analysis of Digital Marketing: a swing in Marketing Communication

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## **Abstract:**

Advertisements in their bid to be more relevant and purposive, have adopted transformational tactics to enhance their presence and reach. Marketing communication, which is predominantly used to encourage, persuade or to manipulate the audience, to take some action has undergone with tremendous changes in the recent past. Advertisement is used as a powerful tool to communicate information to the existing and prospective consumers. As defined by Richard F. Taflinger “Advertising is the non-personal communication of information usually paid for and usually persuasive in nature about products, services or ideas by identified sponsors through the various media”. Telling and selling being the core of advertisement, the channels that are used to tell or to communicate have changed in due course of time. Once, television was the most popular medium for marketer to promote, spread awareness and generate leads for their products but now the trend has changed and digital media or digital marketing has taken its place. Some of the important reasons for this drift are: Traditional methods are expensive where as digital marketing channels are more economical and viable. Traditional marketing channels fail to provide instant feedback and reports about who saw or heard an advertisement and took action. The information will be collected after a long time and even the statistics collected will be far away from the actual impact. Digital marketing overcomes this limitation, where the actual number of people watching the advertisement, their like or dislikes about the product, ready feedback, the real time performance about an advertisement, actual conversions in sales and other actual information will be readily available. The term ‘digital marketing’ was first used in the 1990’s. In subsequent years, digital marketing became more sophisticated as an effective way to create a relationship with the consumers.

Key Words: Advertisements, Communication, Information, Digital media, Economics, Effective.

## **Introduction:**

Information reservoir Wikipedia defines digital marketing as “Marketing that makes use of electronic devices such as personal computers, smart phones, cell phones, tablets and game consoles to engage with customers. Digital marketing applies technologies or platforms such as websites, e-mail, apps (classic and mobile) and social networks. Often digital marketing is mistaken for ‘online marketing’ or ‘internet marketing’. Digital marketing revolves around the internet, hence people tend to mistake digital marketing and internet marketing as synonymous. Internet marketing falls under the category of digital marketing and encompasses digital marketing services such as search engine optimization, display advertising, and email marketing.

## Porter's Five Model Analysis of Digital Advertising Industry

Porter's model helps in analyzing the industry and understands the power that lies in the business. In advertising industry, contracts are long termed and customers prefer to trade with the same advertiser as long as the positive and consistent results are obtained.

### Threats of New Entry

- Lack of getting efficient work force is a threat in digital advertising.
- Cost of setting up a digital agency is low. But agencies need to invest a huge amount in backend function like technology.
- Getting clients in the initial stage is a bit difficult because clients will usually look the past experience of agency.
- Government regulations in the digital advertising are low.

### Bargaining power of suppliers

- Lot of suppliers are there, but some suppliers who have high reach and affinity will charge high price for placing ads in their portals.
- Real time bidding will lead to increase the demand of some portals.
- Bargaining power of suppliers, who provide data and information are very high.
- Seasonal campaigns put pressure on supply side to charge high.
- Employee or work force with proper knowledge is limited.

### Bargaining power of buyers

- Buyer are the clients of agencies, basically buyers are high idea seekers.
- Clients will choose agencies which have good experience in industry.
- Clients like long term relationships with agencies, so they also try to adjust with agencies.
- Clients can ask agencies to change pattern of campaigns at any time.
- Clients like MNC's have high power over agencies, but SME's will satisfy with performance of agencies.
- Backward integration by buyers is not possible.

### Threats of substitutes

- Number of substitutes is high, substitutes include Print media, TV and Radio.
- Substitutes are too popular among buyers. They had high demand in past years.
- Main competitor for Digital advertising is TVC, but trends are now changing FICCI-KPMG report of 2014 showing growth of digital is very high while comparing with others media.
- But media consumption through radio is increasing now.

## Rivalry by existing competitors

- At present competitors are low, but it can be increase in future as lot new players are coming to the industry.
- Existing competitors have high profile clients and clients loyal toward them.
- Most of the traditional agencies are now concentrating in digital marketing also.
- Existing firms in the Industry are creating variety and unique campaign for clients.
- Most of the firms have efficient backend support in technology.
- Existing firms have the expertise manpower and firms giving good remunerations to employees. So employees are loyal towards employers.
- Some firms are popular due to execution of innovative campaigns.
- Few of the brands have in-house agencies, it will reduce business but not in a high level.

India is the second most populous country in the world with 1.27 billion population, while China is on the top with over 1.36 billion people. India has given asylum to 17.5% of the world's population, which means one out of every six people on this planet live in India. However China is the world's most populous country form many decades, India will overtake China with the present growth rate. India is predicted to have more than 1.53 billion people by the end of 2030. India has overtaken Japan to become the world's third largest Internet user after China and the United States and its users are significantly younger than those of other emerging economies, global digital measurement and analytics firm comScore has said in a report. Riding on a 31% year-on-year increase, India's online population grew to 73.9 million. With an extended online universe in excess of 145 million the market is at a tipping point for online businesses. The numbers are lower than other recent estimates, possibly reflecting comScore's methodology that only factors in personal computers and laptop-based Internet usage. According to the Internet And Mobile Association of India (IAMAI), the Internet user base in the country stood at 270 million at the end of June, 2018. For the whole year 2018, the internet user base grew 42% to 270 million, from 190 million in 2013. With more and more people accessing the web through mobile phones, the internet user base in the country is projected to touch 285 million by June 2020, a year-on-year growth of 28%. India males aged between "15-24" are major users among Males and in females 35-44 are major users of internet.

Trends in online behaviour are changed a lot in the recent past. Social networking is the order of the day now. Earlier people used internet to access email and for browsing information. Now people like to be social, they are interested in sharing their life with others. As per the recent survey by young India enterprise, 25% of the population is using social networking in India followed by 23% in services. Services include banking, watsup, emailing and other instant messaging. Internet penetration in India is driven largely by mobile phones, with some of the cheapest and most basic hand-sets today offering access to the internet. According to IMAI, India has 110 million mobile internet users of which 25 million are in rural India. The growth of internet penetration in rural India is driven largely by the mobile phone; 70% of rural India's active internet population access the web via mobile phones. This may have to do with the difficulty in accessing personal computers. Forty-two percent of

rural India's internet users prefer using the internet in local languages. The high prevalence of content in English is a hurdle for much of rural India. Social Networks capture the largest percentage of consumers' time in the region. comScore data's showing 86% of the Indian web user visit a social networking site. Face book continues to be the number one social network with a 28% increase in traffic and a reach of 86%. Average time spend by a Indian user on face book is 253 minutes. YouTube continues to be the top video property with more than 55% share. Social Video report saying 46% of internet users watch brand related video every week. 54% watching videos that are informative or entertaining often leads to a number of other positive activities such as visiting the brand website. Peoples are now likely to regularly watch videos using their smart phones. Almost six in ten internet users have gone to purchase an item after seeing it in an online video. On an average Indian consumers are spending 4.18 hours in media per day. In traditional media Indian audience spend only 195 min or 3.15 hours.

The narration of above data clearly reveals the fact that, there is a growing trend for digital marketing in India. Digital marketing is the promotion of business, organisation or brand using channels such as the Internet, mobile devices, television and radio in addition to using creative online advertising, video, podcasts and other such methods to communicate the message.

**Kinds of Digital Marketing:** Digital marketing comprises of pull and push marketing.

In push digital marketing the marketer sends a message without the recipient actively seeking the content, such as display advertising on websites and news blogs. Email, text messaging and web feeds with customized contents can also be classed as push digital marketing when the recipient has not actively sought the marketing message. Push marketing allows to target on those known consumers who might be interested in the product of services which is offered. A push marketing campaign can be more expensive when it comes to upfront costs, as marketing communication is going to reach the right people at the right time. Behaviour targeting is good example for push digital marketing.

In Pull digital marketing includes blogging, email marketing, social media, info graphics and other forms of visual messaging and search engine optimization (SEO). A pull marketing campaign also includes public relations or other ways of reaching out to potential or already realized customers. While a pull marketing campaign can be less expensive to get started, but involves other expenses. Social media gets people talking and that has a major impact on sales. Pull marketing also requires a greater investment in time, but it gives more ability to entertain customers and educate them about the company.

### **Review of Literature:**

Digital marketing concept originated from the Internet and search engines ranking of websites. The first search engine was started in 1991 with a network protocol called Gopher for query and search. After the launch of Yahoo in 1994 companies started to maximize their ranking on the website (Smyth 2007). In the developed world, companies have realized the importance of digital marketing. In order for businesses to be successful they will have to merge online with traditional methods for meeting the needs of customers more precisely

(Parsons, Zeisser, Waitman 1996). Introduction of new technologies has creating new business opportunities for marketers to manage their websites and achieve their business objectives (Kiani, 1998). With the availability of so many choices for customers, it is very difficult for marketers to create brands and increase traffic for their products and services. Online advertising is a powerful marketing vehicle for building brands and increasing traffic for companies to achieve success (Song, 2001). Expectations in terms of producing results and measuring success for advertisement money spent, digital marketing is more cost-efficient for measuring ROI on advertisement (Pepelnjak, 2008). Today, monotonous advertising and marketing techniques have given way to digital marketing. In addition, it is so powerful that it can help revive the economy and can create tremendous opportunities for governments to function in a more efficient manner (Munshi, 2012). Firms in Singapore have tested the success of digital marketing tools as being effective and useful for achieving results. (Teo, 2005). More importantly, growth in digital marketing has been due to the rapid advances in technologies and changing market dynamics (Mort, Sullivan, Drennan, Judy, 2002). In order for digital marketing to deliver result for businesses, digital content such as accessibility, navigation and speed are defined as the key characteristics for marketing (Kanttila, 2004).

#### **Objectives of the study:**

- To understand the consumer buying journey in Digital era.
- To know affinity in customers for collecting information before purchase.
- To find out the stimulus provided by the media on the purchasing decisions
- To understand the media consumption of Indians.
- To understand post purchase behaviour in terms of digital marketing.

**Type of research:** It is a descriptive research and is used for analyzing and studying the development and impact of digital marketing.

**Sample size:** 50 respondents.

**Data Collection:** Primary data for the study has been collected using a well structured questionnaire and direct personal interview method. Secondary data for the study has been obtained by referring to various articles published in national and international level journals, magazines, camscore reports, census reports of the government etc.,

**Data Analysis:** the collected information has been tabulated and represented through simple bar diagrams and pie charts. The information has been converted into simple percentage for the purpose of better analysis.

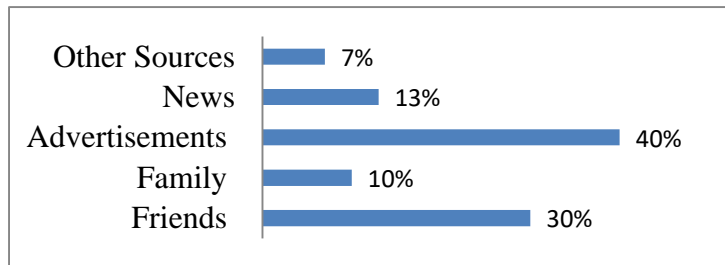
#### **Limitations of the present study:**

- The present study is limited to 50 respondents only

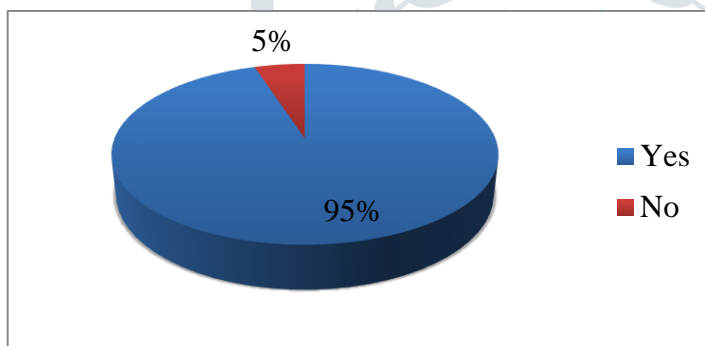
- The information collected from Bangalore city. Hence the inferences can not be generalised.
- Due to time and resource constraint, latest development in digital marketing could not been covered.
- Some respondents were not very comfortable in answering questionnaire printed in English. Therefore method of schedule has been adopted. Translation of questions might have diluted the original meaning.

## Data Analysis

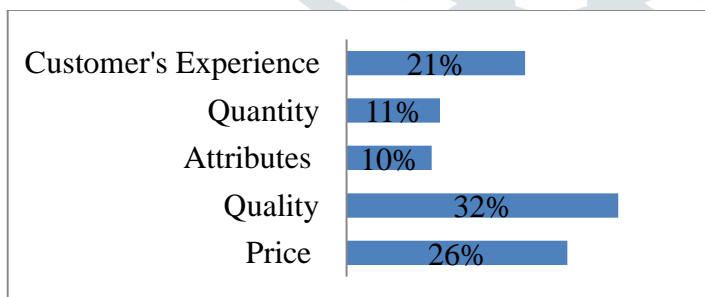
1) How do you get information about new Products?



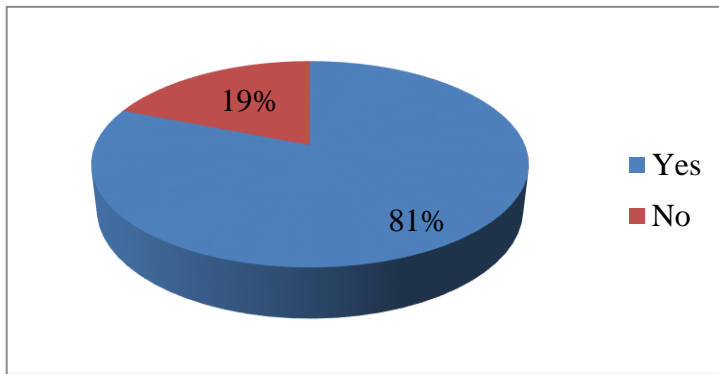
2) Do you Collect information before purchasing the products?



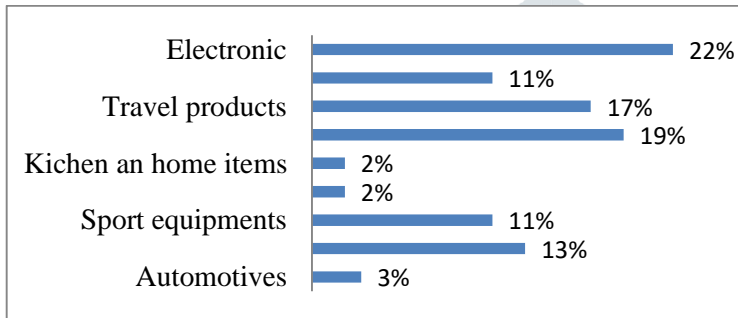
3) What type of information will you collect?



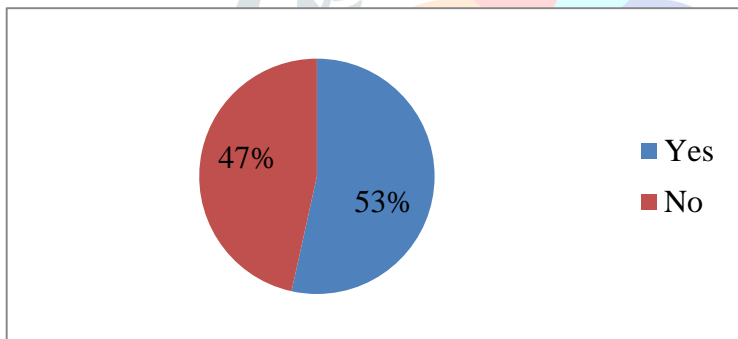
4) Did you ever purchase from an online site?



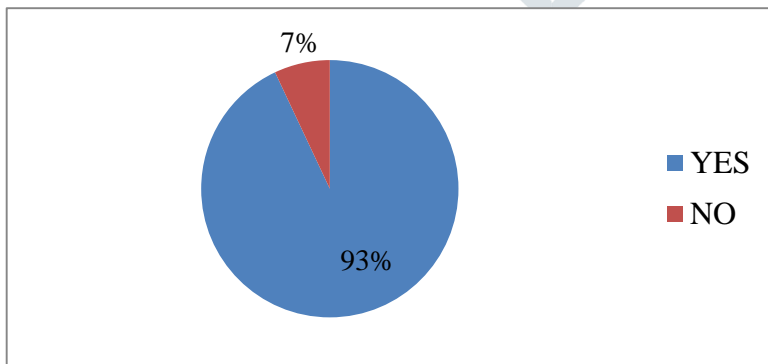
5) If yes, then what type of product / services did you purchase online?



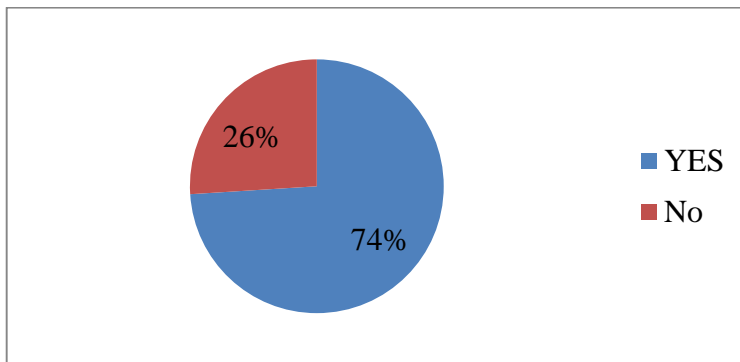
6) Do you watch television programs through online?



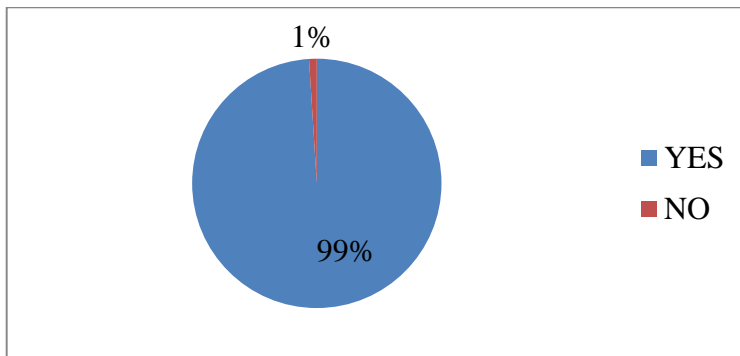
7) Do you read Newspapers?



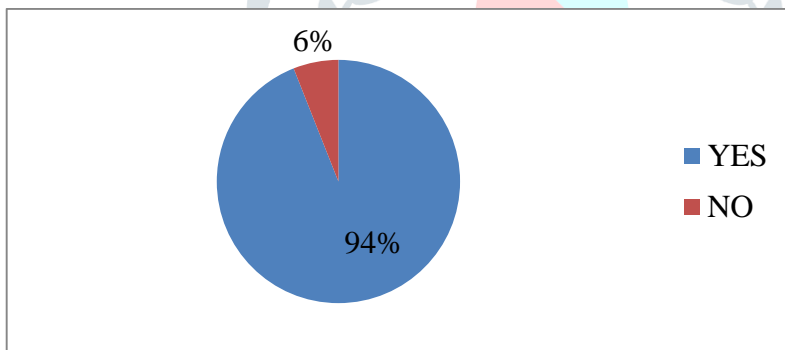
8) Do you read the News through online?



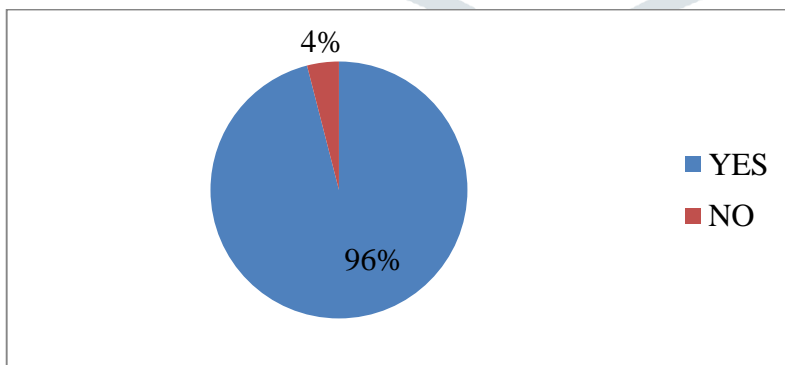
9) Do you have mobile phone or smart phones?



10) Do you have a laptop or PC?

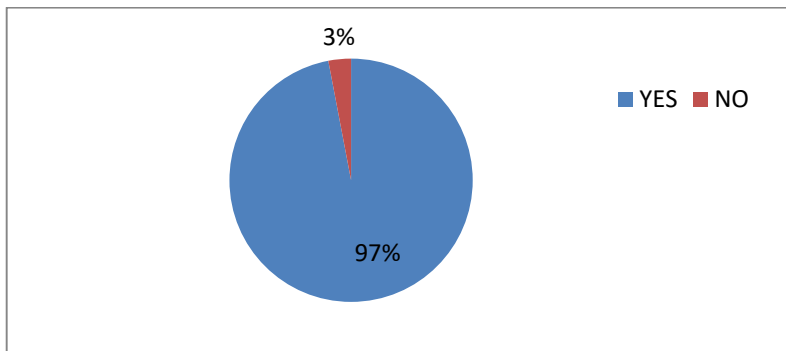


11) Do you have an internet connection in any of the above mentioned gadgets?

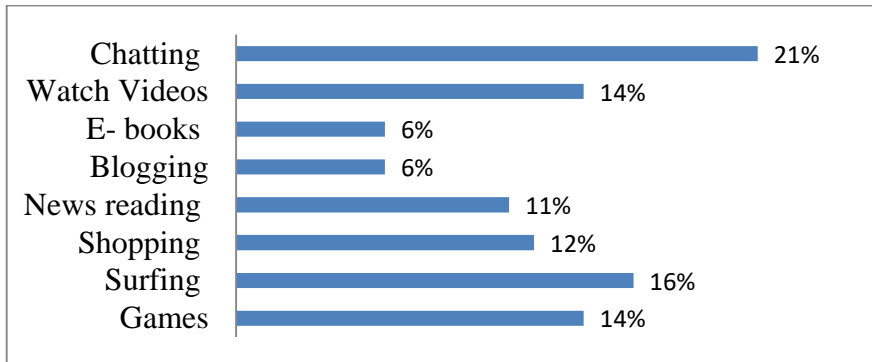




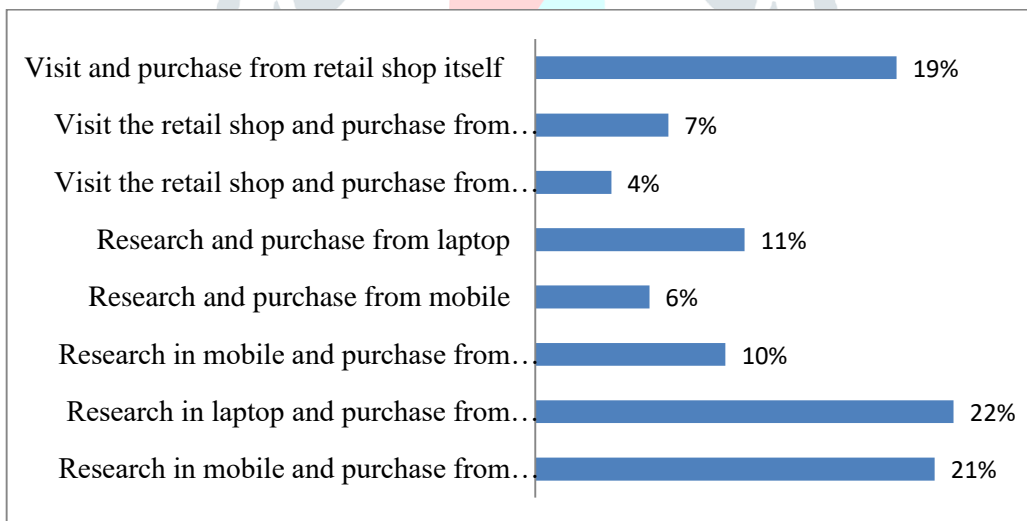
12) Do you ever notice advertisement?



13) What you do with these gadgets?



14) How do you normally purchase a product?



### Findings:

1. Advertisements effective for creating stimulus in Indian customers. Most of the time this stimulus will get in to action only through opinion leaders.
2. Indian consumers have high tendency to go for online purchase. They have high affinity to go online for electronic products and apparels.
3. 40% of the respondents replied that they came to know about the product through advertisements.
4. 97% of the respondents replied that they watch advertisements in media.
5. 99% of the respondents did own smart phone and were accessing internet on their phone.

6. Most of the respondents were referring to internet for information search before purchasing the product. Customer feedback has played an important role in deciding purchase decision.

### Suggestions:

1. Since online purchases are not subject to appropriate legislation, they must be enforced to avoid anonymous intruders. This will assist keep adequate safety and personal data about the participants. Website developers and service suppliers should therefore take the needed measures to address this issue.
2. Web-based systems upgrade creative conceptualization to enhance consumer-savvy technology reaction. The companies must therefore invest in such fresh techniques.
3. In the fields of art, dynamic and interactive techniques, the Internet environment must be improved. This enhancement will add visual appeal.
4. Hidden fees should be avoided by suppliers and service providers. This will assist prevent product price increases.
5. Website design and quality have a beneficial effect on the satisfaction of online shopping. The supplier businesses should therefore focus more on the website design portion.

### Conclusion:

Over the years, technology has made significant progress in providing better online shopping experience for consumers and will continue to do so far years to come. As products and brands are rapidly growing, people have speculated that online shopping will overtake in-store shopping. While this has been the case in some areas, there is still demand in market areas for brick and mortar stores where the consumer feels more comfortable to see and touch the product being bought. However, online shopping availability has produced a more educated consumer can shop around with relative ease without having to spend much time. Online shopping, in exchange, has opened doors to many small retailers who would never be in business if they had to incur the high cost of owning a brick and mortar store. Online shopping is a vast growing technology. If it is properly utilized with assured safety and security for the transactions, it will thrive into a highly competitive and dynamic environment.

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