

# Impact of digital marketing on the consumer behavior in retail industry

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**Abstract:** In this world of digitization, digital marketing is a vogue that is sweeping across the whole world. The trend of digital marketing is growing day by day with the concepts of Internet marketing that is turning into an important platform of digital marketing along with the electronic gadgets like the digital billboards, mobile, tablets and smart phones, gaming consoles, and many such gadgets that help in digital marketing. Digital marketing is going to be top on the agenda of many marketers, and they might be looking for innovative ways to market online, reduce cost per lead, increase click-through-rates and conversion rates, and discover what's hot in digital marketing.

With the extensive technology development which has undertaken by the world, traditional concept of marketing with a digital mode that brings the whole world to the customer's doorstep in one click. The rising penetration nature of the internet and various faster digital communication channels, wider networks and new devices and their connectivity with marketers made consumers more informative and knowledgeable regarding the value they expected to return to the cost they incurred. The utmost purpose of the study is to identify the impact of digital marketing in consumer behavior with special reference to retail industry. Secondary sources of data has used for the study and based on the results of the secondary data analysis, conclusion has derived with the findings. Accordingly, the research study was addressed on how digital marketing has changed the retail industry and how it effects on the consumer behavior. With the analysis, it has recommended strategic response to face the changes made from digital marketing in the retail industry. Also it has identified on how the skills, attitudes and the behavior of the professional marketers should be shaped in strategizing the customer relationship marketing to the retail industry in the digital platform.

**Keywords:** Digital marketing; Customer relationship marketing; Consumer behavior, Retail Industry.

## Introduction:

The research study has conducted based on the secondary data sources such as published journals, books, magazines, e-blogs and syndicated research articles and a conceptual analysis has conducted through number of theories, concepts and the models in marketing. Mind mapping, force field analysis, model of consumer decision making by Schiffman and Kanuk and relationship marketing hierarchy are some of them.

Digital marketing can be identified as a form of direct marketing that connects the buyers with the sellers electronically through interactive technologies such as, emails, websites, social networks, online forum as well as newsgroups, interactive television, mobile communications etc.

According to the high level of connectivity, digital marketing facilitates many to many communications and it normally use to promote products and services in a timely, relevant, personal and cost-effective manner.

Consumer behavior involves the study of how people--either individually or in groups--acquires, use, experience, discard, and make decisions about goods, services, or even lifestyle practices such as socially responsible and healthy eating. As an evolving phenomenon, one should not be overly dogmatic about this definition. Numerous alternatives, each taking a slightly different angle and emphasizing different aspects.

## Impact of digital marketing on the consumer buying behavior decision making process:

Consumer behaviour is a specific code of conduct in which, the consumers are displayed in searching for, purchasing, using, evaluating and disposing of the products and the services which they expect will satisfy their needs. It is the study that observes how individuals make decisions on spending their available resources (time, money, efforts) on consumption related items. It refers to an ultimate focus on what they buy it, why they buy it, when they buy it, where they buy it, how often they buy and how often they use it as shown in Figure 1

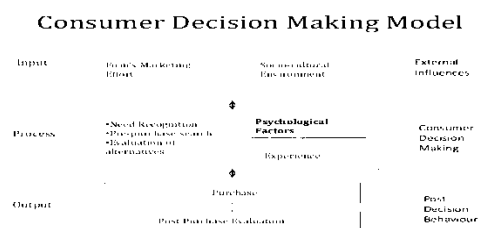


Figure no. 1, Consumer Decision Making

This is a simple model of consumer behavior, in which the input for the customer is the firm's marketing effort (the product, price, promotion and place) and the social environment. The social environment consists of the family, reference groups, culture, social class, etc. which influences the decision-making process. Both these factors together constitute the input in the mind of the consumer.

Today's consumers became more knowledgeable and powerful as they are capable of evaluating information and purchase the best option. So

making available information and active presence in online environment has become an essential component in today's business.

the traditional process of consumer decision making has transformed in to the digitalized process whereas today's customer use internet as a hub of decision making as shown in below figure 2

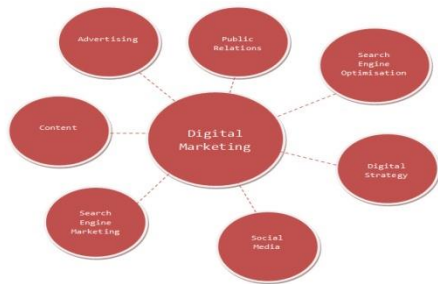


Figure no. 2 (DIGITAL MARKETING)

The digital era has changed the social trends which resultant a direct effect on the changing consumer behaviors. With its dynamic nature of consumer needs and wants, the marketers need to strategically change and adapt to satisfy the consumers. Consumers are finding new ways and means of experiencing the goods buying rather than purchasing products or services what they need. As today consumers experiencing the choice of a greater range of online and offline channels than earlier, the marketers should be able to arouse the shoppers with the optimum use of digital media. In the context of retail industry has developed within the day to day changing trends in the world. Identification of consumer preferences and the changes are much complex and important.

- **Setting standards:** Customers are no longer tend to compare and contrast brands with the direct competitors rather it requires to benchmark and oversee the best and modern ways of consuming. Consumers go for the purchase decision which matches to their preferences and needs from all the elements. So it's very important to ensure active online presence and make available the needed content.

- **Customer tolerance:** Less tolerance level can be seen in the digital culture where as if the consumer doesn't meet his satisfaction he/she will tend to spread the bad image through media.

- **Customers are always experimenting:** In past, consumers used to trust the feedback provided by the experienced consumers before trying new products. But in the current world, consumers are welcoming new experiences, products and services with good quality features.

- **Customer dialogue:** Social media became the destination for build or destroy a brand and brand reputation can stand or fall within a night.

- **Loyalty:** The customers in digital culture are open to switch, less loyal, demand superiority and ready to pay for it.

- **Promotion:** Traditional promotions no longer works, instead of that it requires to maintain a balance between online and offline promotions in a 360° point of view.

- **Information:** Consumers are handful of product knowledge and no need of planning what information to be handed on consumers.

- **Multichannel communication:** Brands no longer need to decide the communication methods reach to consumers. Based on the interaction they involved, brands need to select channels without giving a costly and priceless exposure for the customer through channels.

Key factors of enhancing the relationship marketing in the retail context: According to the Berry and Gresham [9], the degree of personal interaction and the customer service is essential to create and develop a proper relationship with the customers. Also there are three factors that have identified to enhance a relationship as follows:

- **Providing customer satisfaction:** This is the first key element for executing and enhancing the relationship marketing. High quality of product and service will help to achieve a better customer satisfaction and to generate the positive word of mouth from the customers and thereby to increase the loyal customer.

- **Ensure a high standard customer services:** Quality of the customer service is very important where as it help to enhance the relationship with the customers. According to the Berry et al. [10], the quality of the customer service is the heart of the relationship marketing.

- **Develop the segmentation technique:** Proper segmentation can better identify the customer needs in more personalised manner so the real needs and wants of the customers are going be served. As a result of that, the customers are being more familiarised with the personalised services they receive and as a result of that they're going to be emotionally attached with the brand.

The upshot of successful implementation of relationship marketing:

In today's competitive business world, only the product or the service quality is not adequate to achieve the competitive advantage for an organization. According to Day and Wensley [11], it is important to build relationships with the customers because it will help to differentiate the offering according to the customer expectation where it enables the opportunity to keep them loyal to the organization as shown in figure no 3



Figure no. 3

Loyalty is demonstrated by the actions of the customer. But it doesn't mean that the customer satisfaction level can measure his loyalty. Customer loyalty is not customer satisfaction. Customer satisfaction is the basic entry point for a good business to start with. A customer can be very satisfied with the deal and still not be loyal. On the other hand a customer may not express satisfaction but wants to remain loyal to the supplier due to some reasons which keeps him benefited from that supplier. For the same degree of satisfaction, the loyalty level may also be different for different suppliers.

On the other hand, loyalty should not be considered as just an attitude. Customer loyalty should have a direct connection to a company's financial results. The supplier should be able to plan a clear and direct economic benefit of some kind, as the result of the strategies and tactics he employs to increase its customers' loyalty.

Measuring customer loyalty and developing a retention strategy are of great importance to an organization's success.

Strategic response of customer relationship management in the view various terms:

**Skills:** In order to have a better customer management, it needs to increase the customer engagement through customer interactions; it requires technical skills (digital engineering, mathematics, statistics, analytics and computing) for a marketer in order to study the digital consumer behavior and past purchase data patterns and to develop the technical visualization and the content of the digital media. Since it requires to get the passing visitors attraction time to time and to offer a personalized service it requires the skills on creativity. The most important skills that a marketer need in customer relationship marketing is about people skills as the modern day consumer expect a sincere, submissive and emotional relationship with the brand apart from the core product and service that they normally expected for.

**Attitudes:** Marketing was about winning the strategic competition in the market over the competitors. But in today's marketers need to have a mutually beneficial attitude with the competitors where digital media is a platform where a customer can create and betting the paddy power of a brand or tarnish the brand image in a little time where it is open to appraisals and the criticisms. Also it is required to marketers to convert the attitude on

profit orientation to a relationship oriented attitude and focus on long term profitability.

**Behavior:** In order to win the market in terms of the digital culture, a relationship oriented skills and attitudes leads to a behavioral intention of the marketers become an essential constituent. Behavior of the marketers represents the strategic visualization of values and the salience of the brand for the digital customer where as it enables creating and maintaining an emotional content and intent in an every interaction made with the customer. The behavior of the marketers should be strategically locate in the digital environment with the real time interactions and campaigns in order to identify and shape the behavior of the customers that will eventually build a loyal customer base as a result of building an untouchable emotional bond with the brand via the online environment.

### Discussion of Conclusions from Research Results:

In today's digital culture, social media becomes the trend setter for the society as far as it display, share comment and revolutionize trends for the people. Identifying customer needs and wants and satisfying them through developing an extensive offer will no longer work where in the present digital era, the marketers are in the process of creating and delivering customer value in a personalised way. Increased internet penetration, busy life schedules, status and access for global brands and trends have reasoned for the today's consumer to go online. It is worthless of staying until customers are coming for repeat purchases as they are being considered as free birds as they are free to fly for any of the brand as they can fly. It has become a huge threat for the marketing to build lifelong loyal consumer base as it needs to incur a huge cost and the concentration for it. In that, the customer requires real time interactions with them through online media, active presence in social media in order to create an emotional attachment for the brand with the customer. The behaviour of the consumer in the digital era has changed where

they are being identified as less tolerance, experimenting, less loyal customers where they are in to access for a any information of the world just in time and rather concentrate on one channel, it worth for approach customers through multi channels. Strategizing customer relationship marketing in the digital culture will help to attract and retain a loyal customer base. In return to that, traditional marketer skills, attitudes and the behaviours are no longer valid and instead of that, they have to sharp some specific skills such as technical, creative, people skills with the attitude of relationship oriented and mutually beneficial relationship with competitors and it is expected a personalised behaviour for the customers.

### Conclusion:

With the transformation of transactional marketing to relationship marketing in the digital era the role of the marketers is to gain and reinforced with an appropriate set of skills, attitudes and behaviours to be capitalised the informational and social

characteristics of digital environment with the ultimate focus of achieving a loyal consumer base

by remarking an above average performance over the competitor.

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