

Digital Marketing: A Review

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ABSTRACT

Digital marketing is the utilization of different forms of digital communication devices to convey promotional messages with potential customers. In 2000s, with the increasing number of digital device users, marketing department of a company faces a new type of problem. Customers started collecting information about products and making decisions about their needs online first, instead of consulting a salesperson. It was also found that most retailers had registered their own domain address. These problems reinvigorated marketers to incorporate digital technology into market development. It is also useful for promotion of products in this competitive era by offering users new opportunities like personalized messages or answers to a search query. It also helps brands reach consumers to engage with their product or service in a personalized way. Customer's connection through WhatsApp and Facebook and the increasing use of social media is creating new opportunities for digital marketers to attract the customers through digital platform. Digital marketing is cost effective and having a great positive impact on the business. In everyday life, digital platforms are increasingly incorporated into marketing plans as people use digital devices instead of going to physical shops. Digital technology includes various forms like online video, display ads, and social media posts etc. These technologies allow the customers to keep on with the company information rationalized. The main purpose of digital marketing is to attract customers and become them familiar with the brand through digital media. In this paper, main focus will be on conceptual understanding of digital marketing and various tools and types that allow marketer for digital advertising as well as their advantages and disadvantages. This paper is also focuses on the importance of digital marketing for both marketers and consumers and to identify the main ways in which users can be gained and retained by using digital marketing.

Keywords: Digital Marketing, Promotion, Effectiveness, Customer Reach

INTRODUCTION

Digital marketing is the advertising of various products and services using digital technologies with the help of Internet using mobile phones, computers, tablets and other digital mediums. The concept of digital marketing has led the companies to promote their products and services through these digital marketing platforms. Digital media is so prevalent in today's era that consumers have ease of access to all relevant information related to products or services any time and at any place. It is the practice used by various companies for promoting their products and services through digital distribution channels. With the emergence of digital marketing, it is not an easy task anymore to meet the needs of present as well as potential customers. The consumers tend to compare the products online for various brands and prefer to buy that product which is of good quality with less cost along with various offers. Companies nowadays are making more efforts to attract the customers online, mainly the consumer millennials as they are the group of persons who are using this platform more. Growth of new generation's purchasing power is setting in and is going to be highest through a time period of approximately 2020-2025, with average millennials playing a big role in the era of digitalization as they have grown up in the world of social media. It makes this group a key focus group for various digital marketing campaigns. Marketing to millennials is challenging. These consumers are known to be budget-conscious, sceptical and way ahead of the game when it comes to technology. The attractive looks of the products really convince them to go ahead with the purchases. These consumers will make comparisons of different products and brands and will go for the one that suits them the best in terms of all matching elements they are looking for. To match up the standards of the consumer, every brand needs to make their presence felt on social media platforms. Millennials are going online for shopping, social networking, entertainment and news. Digital marketing has become an effective way to communicate with consumer millennials due to their high usage of digital media. Therefore, it is considered to be the most promising medium for reaching this generation for the purpose of promotion of products or services.

In simple terms, promotion of products and services, brands via one or more forms of electronic media is called digital marketing. Our Honourable Prime Minister Mr. Narendra Modi concentrated more & more on digitalization process in our country so various companies should focus on the digital marketing for the marketing of their product and services.

OBJECTIVES OF STUDY

Due to increasing strength of internet and social media, digital marketing has become very crucial for every organisation. The power of smartphones in combination with social media is a constant expanding challenge for many companies. The main objective of this paper is to identify the effectiveness of digital marketing in the changing market scenario. The supportive objectives are following:

- To recognize the various tools of digital marketing.
- To expose the necessity of using digital marketing as a marketing strategy by the companies for the marketing of their product and services.
- To find out the reasons for increasing popularity of digital marketing.
- To understand the challenges faced by the marketers in implementation of digital marketing in changing market scenario.
- To study the impact of digital marketing on consumes' behaviour.

TRADITIONAL MARKETING VERSUS DIGITAL MARKETING

Traditional marketing is the promotion of products or services of business entity by using non-digital methods. On the other hand, digital marketing is to use digital channels to reach consumers of products or services. Some comparisons between traditional marketing and digital marketing are given below:

Basis	Traditional Marketing	Digital Marketing
Tools	Major tools of traditional marketing are Print media, Direct mail, tele-marketing etc.	Major tools of digital marketing are online advertising, email marketing, social media, text messaging, affiliate marketing, search engine optimization, pay per click etc.
Cost	Involves relatively high cost.	Involves relatively lower cost.
Interactivity	Interactivity with customers is limited	Provides greater interactivity with customers
Scope	Narrow in scope as it is restricted only to the marketing of goods and services produced by the business	Wider scope as a business can provide other services like public relations, information management, customer service and sales
Flexibility	One campaign prevails for a long time	Campaigns can be easily changed with ease and innovations can be introduced within any campaign
Investment	Expensive and time-consuming process	Reasonably cheap and rapid way to promote the products or services
Reach	Limited market reach	Enjoy global reach and access
Measurement	Results are to a great extent easy to measure	Results are easy to measure

VARIOUS ELEMENTS OF DIGITAL MARKETING

There are various elements by which digital marketing is formed. All forms operate through electronic devices. The most important elements of digital marketing are given below:

- **Search Engine Optimization (SEO):** Search Engine Optimization is the most cost-effective marketing strategy that helps the business to increase the traffic on its website. Search engines use complex mathematical algorithms to dictate what people search for and which search engines are preferred by their targeted audience. A business who wanted to be found

on the front page on Google and other major search engines will need to partner with a search engine optimisation expert. A smart and savvy search engine optimisation plan is able to attract the visitors to the business's website and then these visitors can potentially be converted into customers. It includes various kinds of search including image search, local search, video search, academic search, news search and industry-specific vertical search engines.

- **Content marketing:** Content marketing is the best way for branding your business. To attract and retain the audience contents can be presented in different formats, including blogs, white papers, e-books, question and answer articles, forums, news and updates, images, banners and infographics. It does not explicitly promote a brand but is intended to stimulate interest in a particular product or service.
- **Social Media marketing:** Social media marketing is one of the most important cost effective digital marketing channel that allows people to create, exchange ideas, information and pictures about the company's product or services without investing anything. In order to engage and develop relationship with their customers businesses can use various social media marketing networks like Facebook, Twitter, LinkedIn and Google+. Professionals can view and can get more information about the company's product and services through these networks. These type of social platforms can also be used by companies to compile market research and showcase their products and services.
- **Affiliate Marketing:** Affiliate marketing is a marketing arrangement by which a company pays commission to an external website for generating sales for it. In simple words, affiliate marketing is a form of marketing where a merchant also known as "retailer" receive a commission form a company if a buyer buys any online product on the recommendation of that merchant. It is beneficially because it can bring more traffic to their business through high-traffic sites. In essence, Affiliate Marketing is beneficial for both the merchants and publishers. Various sites like Amazon, eBay, LinkShare and Flipkart are doing affiliate marketing. In fact, maximum online businesses to attract more traffic have their own affiliate programs.
- **Email Marketing:** Email Marketing is the marketing where the existing or potential consumers are informed about the products or services through email. It encourages customers to become loyal to a particular business. When customers sign up for a business' newsletters and email, they are dedicating themselves to business' products and services. The business can reward its customers by discounts, special deals and exciting news. Business through email marketing aims at keeping its customers engaged.
- **Pay Per Click (PPC):** It is also known as Cost Per Click (CPC). Pay-per-click marketing is a method of generating clicks on company's website by using search engine advertising. When the advertisement is clicked by visitor then an advertiser pays a publisher. The publisher can be a website owner or a network of websites. It allows advertisers to bid for ad placements in a search engine's sponsored links when someone searches on a keyword that is related to their business offering. For example, if a business bid on the keyword 'PPC software' its ad might show up in the very top shot on the google results page. Every time its ad is clicked a business has to pay the search engine a small fee.
- **Location based marketing:** Under such a marketing method marketers reward users for 'checking in' to a company's physical location. Rewards may include discounts for the persons who 'check in' the most. Some reward may be given to all those who check in the physical location of the business.
- **Contextual marketing:** Contextual marketing is about finding opportunities throughout the web and creating channels that lead back to business site. Such type of marketing takes place outside of social networks. Like buying reviews from bloggers, guest blogging, finding guest spots on youtube videos etc. Contextual marketers always search for different options to promote their brands.

REASONS BEHIND THE GROWTH OF DIGITAL MARKETING IN INDIA

The scope if digital marketing is increasing immensely. There are various factors responsible for the growing importance of digital marketing in India, some of the important ones are discussed as under:

- **Increasing speed and efficiency:** Digital marketing enhances speed and efficiency with which online transactions take place. It allows a business to be in touch with its customers on 24*7 basis. People can have access to information and can place purchase orders anytime from their home or cyber cafe.

- **Availability of affordable devices:** It has been found that devices like, computers, PCs, cell phones and tablets are available at far more cheaper prices than before. So majority of people in India are opting to purchase these devices and get connected with the world through internet on these devices.
- **Speedy internet connectivity:** In the last 3 to 4 years the internet connectivity has increased tremendously. With 3G and the arrival of 4G, it has increased the speed of internet connectivity many fold and this is definitely having an impact on the growth of e-marketing in India. Now e-customers are not bound by limited wired and Wi-Fi internet connections on computers and laptops.
- **Increased security:** Over the years online safety and security mechanisms have improved a lot, because of which more and more customers are resorting to buying from various websites and mobile apps. Mobile apps are considered more credible and reliable as these are free from viruses and other threats.
- **Personalised services:** With the help of data base management in digital marketing, marketers are able to keep an account of the personalised information of their regular customer, so they are able to provide them with more personalised services and serve them better.
- **Affordable prices:** Generally prices charged by various websites and mobile apps are comparatively cheaper than brick-and mortar stores. They also provide variety of sales promotion incentives to their regular customers to retain them for long term. This is one of the most important reasons for the price-sensitive Indian consumers to buy products online.
- **Incentive for customers to buy:** Through online marketing, marketers generally provide various sales promotions incentives, such as coupons, special offers, discounts and easy return policy in order to give an extra incentive to customers to purchase online.
- **Improved data security:** Information provided by customers on various websites and apps is kept secret and is not put any misuse by digital marketers. These improved data security systems have helped them a lot in winning over the faith of the consumers.
- **Variety of payment options:** These days, digital marketers provide variety of payment options to the consumers. They can pay by credit or debit cards or the option of cash delivery is also provided to them. This has increased the consumer's confidence in e-marketing and has helped them in reducing their dependency on cash to a large extent.
- **Personalised communication:** Online is the best medium to send personalised message to the consumers as it is more straightforward. It even provides the opportunity of spreading word-of-mouth message through various social networking sites.
- **Cost effectiveness:** It is one of the most cost-effective means of reaching a mass market. With just a small amount of money a business can tap into a tremendously large market. A business by adopting an aggressive online marketing strategy can cater to a large volume of customers in no time. Thus cost effective of digital marketing strategy has increased its importance in the current market scenario.

CHALLENGES OF DIGITAL MARKETING

Digital marketing is not similar to traditional marketing. It has its own set of opportunities, challenges and difficulties involved. It is growing at a pace slower than what was expected of it due to various challenges. These are discussed below:

- **Technological issues:** Digital marketers have to deal with various technological challenges such as limited access to, limited use of computers and telephones, lack of computer literate people, high internet connection costs, slow internet connectivity and unpredictable power supplies. These technological issues create one of the biggest hurdles in the way of e-business.
- **Problem of digital divide:** In addition to the technological challenges, which digital marketers must overcome, they have to consider the social environment in which their e-business is going to operate. The disparity between rich and poor, especially as it concerns the ability of technology to raise both a person and a whole country's standard of living is called the digital divide. There are wide divisions between those who have access to information and communication technology and are able to use it effectively and those who don't. Because of these divisions, there is not a significant percentage of people going ahead with e-marketing applications.
- **Integrating online and off-line marketing strategy:** In our country majority of people are used to going off-line stores, physically examining the product and purchasing them. Even those customers, who seek information about the products and services online, generally go

to various markets and prefer buying the goods from physical stores. Though the trend towards online marketing is increasing, e-marketers cannot exclusively rely on this medium. They have to learn to integrate online with offline marketing strategies if they want to grow in real sense.

- **Female factor:**In India, majority of the purchase decisions are made by the female of the house, who is not e-literate in most of the cases. They don't have an access to online buying sites and don't have the knowledge to purchase goods online.
- **High cost of acquiring customer:** Cost of acquiring customers and retaining those customers' is very high in India due to the low rate of customers coming directly to the site. Companies have to invest a huge amount on creating awareness and e-advertising through various social networking sites.
- **Online payments and trust issues:** In emerging markets like India, marketers face tremendous problems with regards online payments. The percentage of people using debit and credit cards is comparatively less in our country as compared to most of the developed nations. Moreover, majority of people lack trust in safely conducting online transactions. People do not prefer using their credit cards because of the fear that their credit card information might be stolen or put to misuse online. Cash-on-delivery is generally a preferred method by consumers, but delivering the goods safely and collecting payments from customers is a tedious task as some of the customers refuse to take the payment and make the payment.
- **Low loyalty and low rate of repeat purchase on net:** Despite the fact that Indian market is very large and a major percentage of population constitutes a large segment of prospective consumer segment for the online sellers is in the age group of 16-45. They generally do not go for repeat purchase and don't show any loyalty.
- **Cash on delivery (COD):** Cash on delivery has been the major factor contributing towards the success of ecommerce in India as it has been able to counter the low credit card penetration and security issues on the internet. But COD is unsustainable on the courier service thereby eroding the profitability. Another problem in this case is that of high returns as the consumers often change their mind by the time the goods arrive resulting in the returns which are generally 40-50 percent of all the COD transactions.
- **High capital requirement:** Any ecommerce venture required a huge amount of capital due to technological costs and lower initial margins contrary to the popular belief that it is economical to set up an ecommerce site. There is a huge investment involved in promoting the site, giving incentives to the customers to lure them to that site and retaining their interest for repeat purchases.
- **High inventory cost due to poor supply chains:** Most of the ecommerce companies generally complaint that they have to invest a huge amount of money in maintaining sufficient inventory levels because of the unpredictability of the supply chains. This results increase in their inventory costs and costs of running and maintaining their business.
- **Customer relationship management:** As CRM helps in retaining and growing business by ensuring customer satisfaction. It seeks to keep customers for the long-term and to increase the number and frequency of their transactions with the company. So, digital marketers have to use effective CRM policies, with the help of which they should be able to digitally process and integrate customer information collected at every touch point and make it available to the company at the right time in the right proportion.

CONCLUSION

In the current technological market, digital marketing has a bright future for long-term sustainability of the product or services. Now a days, Digital marketing has become essential strategy of many companies even for small business owner as this is a very cheap and efficient way to market his/her products or services. To promote its products and services, company can use any media such as SEO (search engine optimization), videos, content, and email. The consumer are also preferred online shopping as compared to traditional or conventional methods as they spend more time on internet to find the best deal form the sellers around India. More people are preferring to shop for items on social networking sites as useful and easy to use. More customers for their buying decisions depend on these social media (e.g., Twitter, Facebook, MySpace, and LinkedIn) so promotion through these media has become important. Companies should consider these social media as an integral part of an organization's integrated marketing strategy and should not be taken lightly. Digital marketing is having a great commercial impact on the business with less cost. Indeed, small companies are now able to compete with bigger companies as they are able to reach targeted markets at a minimized cost.

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