



An Empirical Study on Impact of Digital Marketing on Consumer Buying Decision

Dr. Kavyashree K

Assistant Professor, Institute of Management and Commerce, Srinivas University, Pandeshwar Mangalore– 575001, Karnataka, India.

ORCID-ID: 0000-0003-1192-3479; -Email: kavyashree7734@gmail.com

ABSTRACT

Present day marketers face a number of challenges and enjoy a numerous opportunities to market their products or services. The emergence of digital marketing is a new opportunity for the marketers. Digital marketing implies to the utilization of electronic medium by the marketer for promoting his products or services. Digital marketing is an avenue for electronic communication by the marketer to transfer the goods or services to the consumers. The primary intension of digital marketing is to allow the customers to communicate through digital medium. An attempt is made in this paper to identify the association between income level and products purchased through digital medium. The paper also attempts to analyze the differences between traditional marketing and digital marketing.

Keywords: digital marketing, traditional marketing

Introduction

Digital marketing is often referred to as 'online marketing', 'internet marketing' or 'web marketing'. Digital marketing is a type of marketing widely used to promote a company's products or services and to reach the consumers using digital channels. It includes mobile phones (both SMS and MMS), search engine marketing, display advertising and many other forms of digital media. Digital marketing is a wider term which refers to the various promotional techniques used by a company to reach its customers through digital technologies. It requires adequate selection of products or services which uses internet as a primary promotional medium in addition to other traditional medium like television or radio. Digital marketing has given an opportunity to the consumers to access the information from any place at any point of time. The major advantage here is that the consumers need not take purchase decisions on the basis of the information given by the company alone, but, can also rely on the experience stated by other consumers.

Digital marketing has been considered as a new form of marketing and has provided numerous opportunities for companies to undertake business. Marketing through digital channels enables the advertiser to communicate directly to his potential customers irrespective of their geographical constraints. With the emergence of direct, one-to-one marketing, additional attention is being paid to the use of the digital channels as a means of effective advertising to consumers. While considering digital channels, the recent development is mobile marketing. Indian mobile market is one of the fastest growing markets due to the increase in the number of middle-income consumers, and is forecasted to attain millions of users in the upcoming decade. Thus, research on digital channel advertising would impact greatly on the way the business is carried on. The development and widespread use of internet technologies have transformed the way society communicates both in their daily and professional life. New communication tools emerging with the development of technologies are called "digital marketing". When we talk about digital channels, what comes to intellect are Facebook, Twitter, Instagram and similar social networks that are used online and virtual platforms like web sites, micro blogs and search engines. With the advent of new communication to customers with digital channels, already available communication tools are now labelled as "traditional communication tools". Traditional communication tools are printed (journals, newspapers etc.), visual (television, cinema etc.) and audio (radio) communication tools.

Review of literature

Magazine publishers can activate and drive their customers into Internet with e-mails and SMS messages to improve re-subscription rate (Merisavo et al., 2004). Marketers increasingly bring brands closer to consumers' everyday life. The changing role of customers as coproducers of value is becoming increasingly important (Pralhad and Ramaswamy, 2004). Khan and Mahapatra (2009) remarked that technology plays a vital role in improving the quality of services provided by the business units. Reinartz and Kumar (2003) found that the number of mailing efforts by the company is positively linked with company profitability over time. The primary advantages of social media marketing is reducing costs and enhancing the reach. The cost of a social media platform is typically lower than other marketing platforms such as face-to-face sales or sales with a help of middlemen or distributors. In addition, social media marketing allows firms to reach customers that may not be accessible due to temporal and locational limitations of existing distribution

channels. Generally, main advantage of social media is that it can enable companies to increase reach and reduce costs (Watson et al. 2002; Sheth & Sharma 2005).

Objectives of the study

- 1) To identify the various elements in digital marketing
- 2) To analyze the difference between traditional marketing and digital marketing
- 3) To identify the association between income level and products purchased by the respondents through digital medium

Research Methodology

To undertake this study both primary and secondary data were used. Primary data was collected from 100 respondents from rural and urban areas in DK District through a structured questionnaire. The respondents were selected randomly. Chi square test is applied to identify the association between the level of income and the products preferred through digital market.

The secondary data includes various journals, books, articles and websites.

Various elements in digital marketing

- 1) **Online advertising:** It is also called as online marketing or internet advertising or web advertising. It is a form of marketing and advertising which uses internet to deliver promotional marketing messages to consumers. It forms a major part of digital marketing. Internet based advertising gives the content and ads based on customer interest. The company has complete control over the timing of the advertisement.
- 2) **Email Marketing:** When message about the products or services is sent through email to the existing or potential consumer, it is defined as email marketing. Direct digital marketing is used to send ads, to build brand and customer loyalty, to build customer trust and to create brand awareness. Company can promote its products and services by using this element of digital marketing. It is comparatively less expensive and can drag the attention of the customer by creating attractive mix of graphics, text and links on the products and services.
- 3) **Pay Per Click (PPC):** It is also known as cost per click (CPC), is an internet advertising model used to direct traffic to websites, in which an advertiser pays a publisher (typically a website owner or a network of websites) when the ad is clicked. Pay-per-click marketing is a way of using search engine advertising to generate clicks to the website rather than "earning" those clicks organically. Pay per click is good for searchers and advertisers. It is the best way for company's ads since it brings low cost and greater engagement with the products and services.
- 4) **Social Media:** It is a computer-based tool that allows people to create, exchange ideas, information and pictures about the company's product or services. According to Nielsen, internet users continue to spend more time with social media sites than any other type. Social media marketing networks include Facebook, Twitter, LinkedIn and Google+. Through Facebook, company can promote events concerning product and services, run promotions that comply with the Facebook guidelines and explore new opportunities. Through Twitter, company can increase the awareness and visibility of their brand. It is the best tool for the promotion of company's products and services. In LinkedIn, professionals write their profile and share information with others. Company can develop their profile in LinkedIn so that the professionals can view and can get more information about the company's product and services. Google+ is also social media network that is more effective than other social media like Facebook, Twitter. It is not only simple social media network but also it is an authorship tool that links web-content directly with its owner.
- 5) **Text Messaging:** It is a way to send information about the products and services from cellular and smart phone devices. By using phone devices, company can send information in the form of text (SMS), pictures, video or audio (MMS). Marketing through cellphone SMS (Short Message Service) became increasingly popular in the early 2000s in Europe and some parts of Asia. One can send order confirmations, shipping alerts using text message. Under this technique, companies can send marketing messages to their customers any time. Company can create a questionnaire and obtain valuable customer feedback essential to develop their products or services in future.
- 6) **Search Engine Optimization (SEO):** It is the process of affecting the visibility of a website or a web page in a search engine's "natural" or un-paid ("organic") search results. In general, the earlier (or higher ranked on the search results page), and more frequently a website appears in the search result list, the more visitors it will receive from the search engine users. SEO may target different kinds of search including image search, local search, video search, academic search, news search and industry-specific vertical search engines.

Traditional marketing versus digital marketing:

Traditional marketing	Digital marketing
Communication is one sided i.e. the company gives information to a group of people.	Communication is two-sided i.e. the company can interact with the people.

Traditional methods like letters, mails etc. are used for communication.	Social media is mainly used for communication.
This method is suitable for reaching local audience.	This method is suitable for reaching global audience.
This technique is expensive and time consuming.	This technique is relatively cheaper and less time consuming.
The exposure is for limited time duration.	Under this method the product or service is exposed 24/7.
Campaigns prevail for longer duration.	Campaigns can be changed easily and quickly.
Responses can be received only during working hours.	Responses can be received anytime.

DATA ANALYSIS AND INTERPRETATION:

- 1) Table showing the personal profile of the respondents

GENDER	
Male	65
Female	35
AGE	
20 to 25	25
26 to 30	25
31 to 35	25
36 and above	25
INCOME PER MONTH	
0 – 10000	08
11000 – 20000	14
21000 – 30000	32
31000 – 40000	20
41000 and above	26

- 2) Are you aware about digital marketing?

Yes	100
No	0

- 3)

PRODUCTS PURCHASED THROUGH DIGITAL MEDIUM	
Fashion accessories	32
Cosmetics	25
Electronic goods	16
Household products	19
Others	08

Hypothesis: H_0 : income level is not associated with the type of product purchased through digital medium

Chi square test

Observed	expected	(O-E) ²	(O- E) ² /E
02	2.56	0.31	0.121
08	4.48	12.39	2.766
15	10.24	22.66	2.213
03	6.4	11.56	1.806
04	8.32	18.66	2.243
01	2	1	0.5
03	3.5	0.25	0.071
08	8	0	0
06	5	1	0.2
07	6.5	0.25	0.038
01	1.28	0.08	0.062
01	2.24	1.54	0.687
03	5.12	4.49	0.877
04	3.2	0.64	0.2
06	4.16	3.33	0.800

03	1.52	2.19	1.441
01	2.66	2.75	1.034
03	6.08	9.49	1.561
05	3.8	1.44	0.379
07	4.49	4.24	0.858
01	0.64	0.13	0.203
01	1.12	0.01	0.009
03	2.56	0.19	0.074
02	1.6	0.16	0.1
02	2.08	0.006	0.003
			$\Sigma = 18.246$

d.f – 16

Findings:

- 1) The calculated value is 18.246 and table value at 5% level of significance is 26.3. Since, the calculated value is lesser than the table value H_0 is accepted. There is no association between the income level and the products purchased through digital medium.
- 2) The study also shows that the education level and the awareness about digital marketing is independent.

Conclusion

Digital marketing has proved to be an essential part of marketing for many companies. Presently many small business units have also adopted digital channels for marketing their products or services as it is comparatively less expensive and less time consuming. Digital marketing has a global outreach. This method can be used to either promote a product or service or a company itself. The companies should select the right products and right digital media for driving up digital marketing performance. The company should also consider the consumer requirements as its top priority.

Reference:

- 1) Merisavo, M. and R. Mika (2004). The Impact of Email Marketing on Brand Loyalty. *Journal of Product and Brand Management* 13 (6): 498-505.
- 2) Prahalad, C.K. and Ramaswamy V. (2005). *The Future of Competition: Co-Creating Unique Value with Customers*. Boston, Massachusetts: Harvard Business School Press.
- 3) Reinartz, Werner J. and V. Kumar. (2003). The Impact of Customer Relationship Characteristics on Profitable Lifetime Duration. *Journal of Marketing* 67 (1): 77-79.
- 4) M. S. Khan and S. S. Mahapatra, (2009). Service quality evaluation in internet banking: an empirical study in India. *Int. J. Indian Culture and Business Management*, vol. 2, no. 1, pp. 30-46.
- 5) Yasmin Afrina (2015). Effectiveness of digital marketing in the challenging age: An empirical study. *International journal of management science and business administration*. Vol 1, no. 5, pp. 69 -80.
- 6) Sathya P (2017). A study on digital marketing and its impact. *International journal of science and research*. Vol 6, issue 2, pp. 866 – 868.