

DIGITAL MARKETING- A Future Trend in Marketing

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ABSTRACT

Digital channel in marketing has become essential part of strategy of many companies. Digital marketing has no boundaries. Company can use any devices such as Smartphone's, tablets, laptops, televisions, game consoles, digital billboards, and media such as social media, SEO (search engine optimization), videos, content, e-mail and lot more to promote company itself and its products and services. With the increasing reliance on digital communications – by both marketers and consumers – it's interesting to consider what will come next in the digital revolution. It can be said that the targeted marketing programs can be developed and be made available via different digital channels that could help influence consumers' purchasing decisions. Thus, Digital agencies are focusing on the growth of young digital professionals; providing them a vision of where they can reach up to and to compliment their knowledge in technical skills, soft skills, and better understanding of business and management functions. As competitors and new entrants make digitally-enabled practices a reality in an industry, this is the future of Marketing.

Keywords: Digital Marketing, digital consumerism, social media marketing, search engine optimization

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The Advent of Digital Marketing

Digital channel in marketing has become essential part of strategy of many companies. Nowadays, even for small business owner there is a very cheap and efficient way to market his/her products or services. Digital marketing has no boundaries. Company can use any devices such as Smartphone's, tablets, laptops, televisions, game consoles, digital billboards, and media such as social media, SEO (search engine optimization), videos, content, e-mail and lot more to promote company itself and its products and services.¹

The digital environment has changed the way consumers and businesses interact, provided new opportunities by facilitating access to information and reduced transaction costs. Furthermore, by allowing easier interaction between consumers and sellers in different locations, the digital environment, and e-commerce in particular, is central to the development of the Single Market.²

Internet and digital technologies and emergence of social networking have not only provided the means to find, buy and sell products but they have also created an environment for building communities, where like-minded people can network, socialize and be entertained.

1. Various elements of digital marketing

As per a study by Afrina Yasmin published in International Journal of Management Science and Business Administration in year 2015, 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:

(i) Online advertising

Online advertising is a very important part of digital marketing which provides the content and ads that best matches to consumer interests. Through online advertising, company well controls its budget and it has full control on time.

(ii) 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. Company can bring complete attention of the customer by creating attractive mix of graphics, text and links on the products and services.

(iii) Social Media

Today, social media marketing is one of the most important digital marketing channels. It is a computer-based tool that allows people to create, exchange ideas, information and pictures about the company's product or services. Social media marketing networks include Facebook, Twitter, LinkedIn and Google+.

(iv) 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).

(v) Affiliate Marketing:

Affiliate marketing is a type of performance-based marketing. In this type of marketing, a company rewards affiliates for each visitor or customer they bring by marketing efforts they create on behalf of company.

(vi) Search Engine Optimization (SEO)

Search engine optimization (SEO) 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. SEO may target different kinds of search including image search, local search, video search, academic search, news search and industry-specific vertical search engines.

(vii) Pay Per Click (PPC)

Pay-per-click marketing is a way of using search engine advertising to generate clicks to your 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.¹

Impact of Digital Marketing on Consumer Behaviour

As consumers become exposed to an increasing number of marketing touchpoints, it is now critical for marketers to use, integrate and measure multichannel marketing activities and gauge consumer reactions. Marketers need new and clear insights into consumer preferences and behaviour. They need to know how consumer mindsets and expectations around brand engagement are changing. And they need to know which channels work, and which ones fail to connect. With the increasing reliance on digital communications – by both marketers and consumers – it's interesting to consider what will come next in the digital revolution.

(i) Digital Consumerism

According to a KPMG study “Six converging technology trends” published in 2013, Digital consumerism is also impacting the way companies use technology. Increasingly, the core business platform is no longer the only source of information and insights. Additional solutions based on disruptive technologies are being integrated on to the core platform. This has led to a significant increase in the level of insights firms have about their customers. Also, they have identified six trends viz. big data, cloud, social media, mobility, embedded systems and augmented reality which will have a logical maturity that inevitably brings them together.



Figure 1. Impact of Digital Technology in various sectors³

(ii) Effects of digital channels on purchase decisions

A convergence of various factors — a growing social media user base, the rising presence and reach of smartphones, and the intensifying consumer demand to connect — is increasingly changing the buying behavior

Today, digital channels play a pivotal role at each of these stages. A simple expression of interest on a social channel or the analysis of consumption patterns can help businesses understand what a consumer may purchase and when in the near future. Based on such information, targeted marketing programs can be developed and be made available via different digital channels that could help influence consumers’ purchasing decisions.

Consumer feedback on products through comments on forums, social media and review sites has created the need for heightened monitoring; positive feedback can generate immense goodwill, but negative feedback can spiral into a full-blown PR crisis.

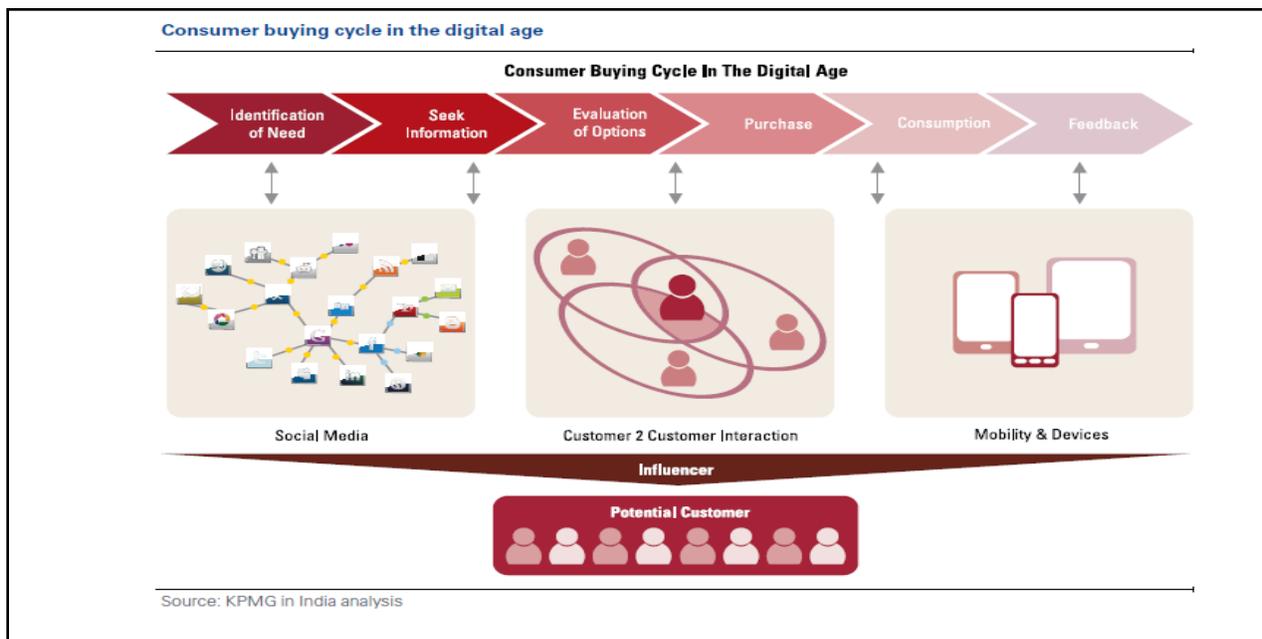


Figure 2. Consumer Buying Cycle in the Digital Age³

According to Kumud Srinivasan, President, Intel-India: *“A Digital Consumer expects a seamless, consistent experience regardless of hardware or software. They also want relatable, intuitive and intelligent technologies enabled on their devices. Going forward, we will see a multitude of devices that will continue to get smarter, more power-efficient and more intuitive. Very soon devices will respond to voice, gestures and moods, and will interact with each other to provide more value and intelligence to the digital consumer.”*³

Many popular stories of digital transformation involve digital start-ups or high-tech firms such as Amazon, Apple, or Google. Asian Paints, India’s leading manufacturer of coatings, has digitally transformed its business step by step. In 2010, Asian Paints centralized its order taking process into a single corporate call center. This change helped the company further improve operational efficiencies and sustain its growth. ⁴

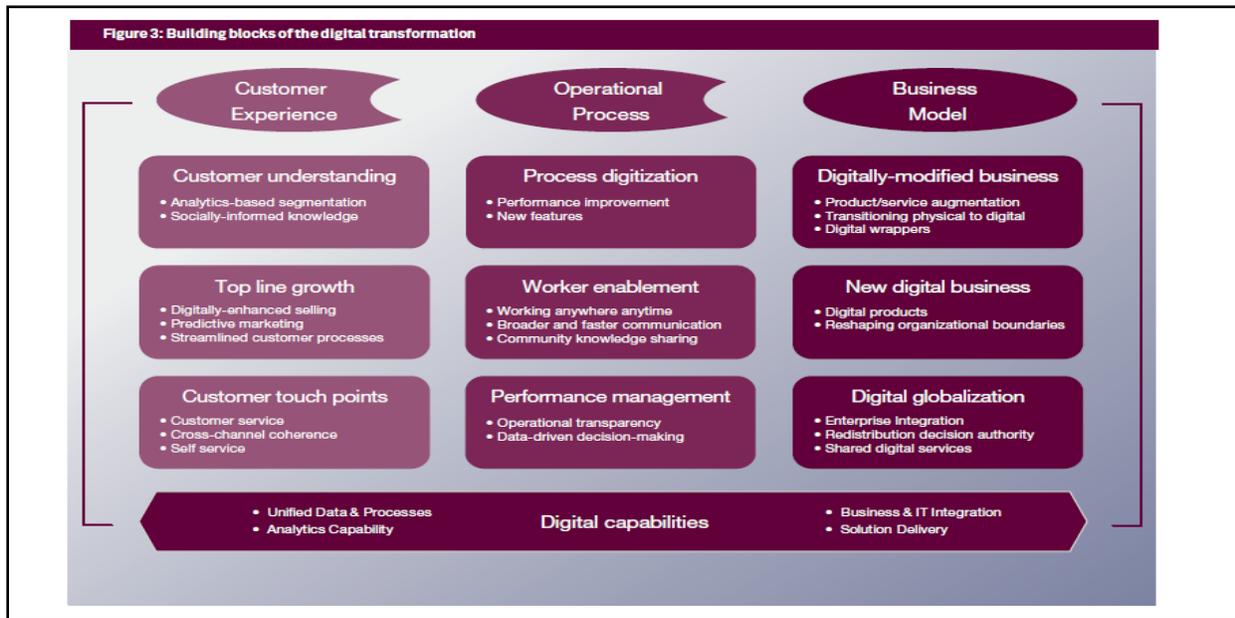


Figure 3. Building Blocks of Digital Transformation⁴

2. Digital Marketing: The Indian Scenario

In its seventh decade of independence, India stands on the cusp of major change: a transformation that could lead to unprecedented economic growth. We set out to understand what it would take for India to increase its GDP by 9% per year to become a US\$10tr economy over the coming two decades. In 2013, India's Internet audience grew by 17.6 million users since March 2012, a year-over-year

increase of 31%. At 73.9 million India's is the 3rd Largest Online Population in the world, 2nd in Asia Pacific.⁵

Being the most popular social media platform in India with more than 62 million users, Facebook is the favorite playground for social media-savvy organizations in India to banter in everyday conversations and organize engaging promotions and contests for fans. 89.6% of all surveyed organizations placed Facebook as the most important platform for engagement. Interestingly, there were more than 100 Facebook campaigns in India in 2012, which translates to more than 8 campaigns running simultaneously per month.

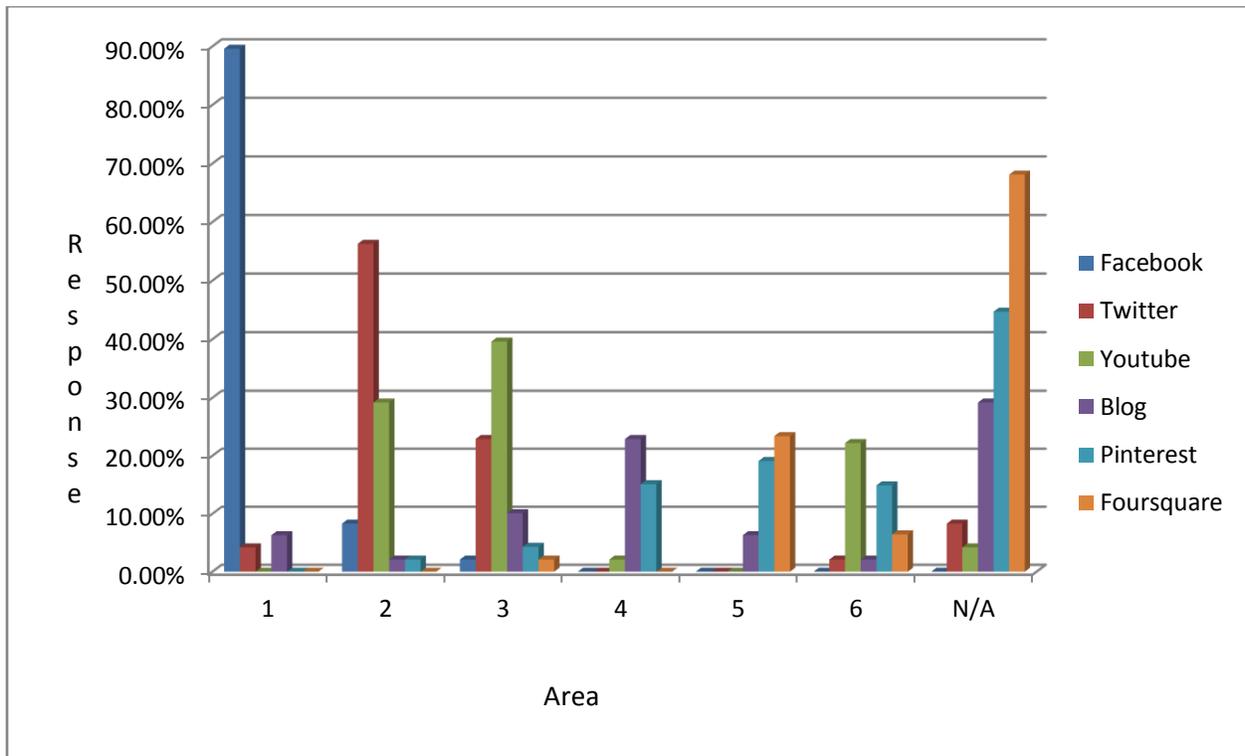


Figure 4. Platforms used for Social Media Marketing⁶

Among the surveyed social-media savvy organizations conducted by Ernst & Young in 2013, 73.8% have chosen standalone digital agencies as compared to PR, ad agencies, or freelancers. The reason behind this can be due to the specialized skills, development capabilities, and wide array of services under one roof that comes along with digital agencies.⁶

Apart from various opportunities in India for Digital Marketing there are some of the typical skill challenges in the Indian context are:

1. High illiteracy in India is a barrier to growth of e marketing. Access to computers and computer education is a major challenge.
2. Lack of vocational education and training limits ‘ICT Literacy’. Knowledge of web designing and techniques of product display and promotion is essential.

3. Training in English and other foreign languages to marketonline in global markets is must.
4. Training salesmen in communication skills and art of pursuation should be a continuous program because e-commerce doesn't allow the user 'to touch' the merchandise before purchasing it.
5. There is dire need for laws and special jurisdictions to address high levels of fraud in product quality, sale and actual delivery, and use of credit cards.
6. Many users still don't trust the electronic methods of paying. Software programmes need to be developed which prevent hacking, phishing and misuse of credit card details.
6. Unauthentic sites are a major risk. Software providing security systems to prevent hacking of websites and stealing valuable data from systems is the need of the hour.⁷

3. Future Trends of Digital Marketing

As digital tools and technologies are embedded at the core of the business, the future of work looks more connected and data-driven than ever before.

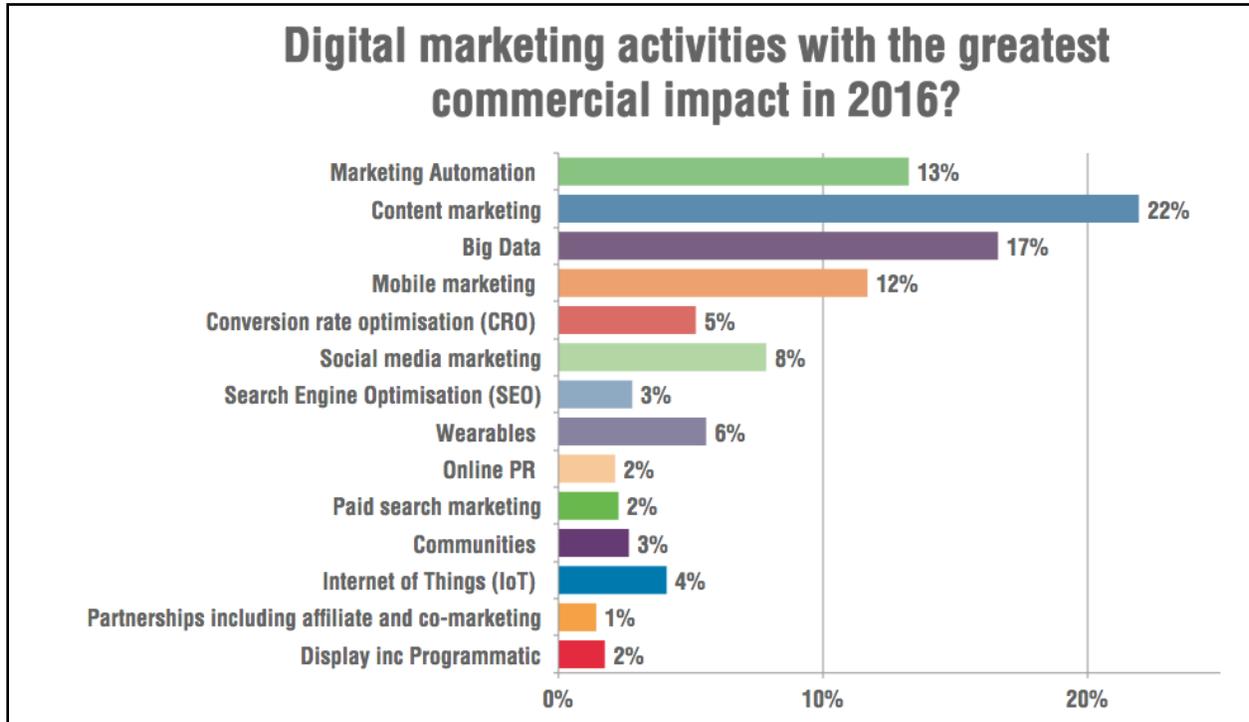


Figure 5. Digital Marketing Activities ⁸

With SMAC technologies as the fulcrum, pundits estimate that business spending on digital infrastructure will reach the \$360 billion mark by 2016, transforming all functional areas of the enterprise.

Social tools will improve customer engagement and unlock collaboration. **Mobile** will enable anytime/anywhere interactions and localized deals. **Analytics** will make these efforts personalized and even able to predict customer needs. **Cloud-enabled digitization** of processes will result in greater automation and better monitoring of internal processes. Integrated data management will be the crucial intermediary that brings disparate sources of data together and feeds the respective functions with the necessary insights.⁶

There is a lot of young and creative talent among the digital agencies environment today, who come out with impressive ideas and campaigns that we see today. Digital agencies should focus on the career growth of these young digital professionals; provide them a vision of where they can reach up to and training programs to compliment their knowledge in technical skills, soft skills, and better understanding of business and management functions. For example, a digital campaign manager might benefit from a better understanding of cyber laws, IT processes, or even design and development skills. A professional equipped with the knowledge of Customer Service and supply chain management will be better able to integrate social media elements into those functions. Secondly, digital agencies can benefit from better institutionalization of best practices and creating industry standards.⁹

4. Conclusion

Digital technology, which transformed the marketing scenario, is now transforming the rest of the commercial world. Companies in all industries and regions are experimenting with – and benefiting from – digital transformation. Whether it is in the way individuals work and collaborate, the way business processes are executed within and across organizational boundaries, or in the way the company understands and services customers, digital technology provides a wealth of opportunity to those willing to change their businesses to take advantage of it. Digitally active consumers have embraced the Internet, telecom, media, and social space; changing the way consumers communicate, transact and make purchase decisions. This is leading to the birth of an era of digital consumerism. There is a major shift in consumerism wherein the consumer today demands solutions that are unique and customized and are created taking their participation and inputs into account. The pressure points for change are increasing from many angles. Globalization is dictating efficient integration of businesses which can only be achieved through digital processes and collaborative tools. Employees and customers are starting to demand new ways of working. As competitors and new entrants make digitally-enabled practices a reality in an industry, this is the future of Marketing.

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