Importance of Digital Marketing in the Challenging Era

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Abstract: Marketers are faced with new challenges and opportunities within this digital era. Digital marketing is the utilization of electronic media by the marketers to promote the products or services into the market. The main objective of digital marketing is attracting customers and allowing them to interact with the brand through digital media. This article focuses on the importance of digital marketing for both marketers and consumers. We examine the effect of digital marketing on the firms’ sales. Additionally, the differences between traditional marketing and digital marketing in this paper are presented. This study has described various forms of digital marketing, effectiveness of it and the impact it has on firm’s sales.

Keywords: Digital marketing, consumers, promotions

INTRODUCTION

Digital marketing is one type of marketing being widely used to promote products or services and to reach consumers using digital channels. Digital marketing extends beyond internet marketing including channels that do not require the use of Internet. It includes mobile phones (both SMS and MMS), social media marketing, display advertising, search engine marketing and many other forms of digital media. Through digital media, consumers can access information any time and any place where they want. With the presence of digital media, consumers do not just rely on what the company says about their brand but also they can follow what the media, friends, associations, peers, etc., are saying as well.

Digital marketing is a broad term that refers to various promotional techniques deployed to reach customers via digital technologies. Digital marketing embodies an extensive selection of service, product and brand marketing tactics which mainly use Internet as a core promotional medium in addition to mobile and traditional TV and radio. Canon iMage Gateway helps consumers share their digital photos with friends online. L’Oréal’s brand Lancôme uses email newsletters to keep in touch with customers and hence tries to strengthen customer brand loyalty (Merisavo et al., 2004). 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).

REVIEW OF LITERATURE

Marketers increasingly bring brands closer to consumers’ everyday life. The changing role of customers as co-producers of value is becoming increasingly important (Prahalad 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. According to Hoge (1993), electronic marketing (EM) is a transfer of goods or services from seller to buyer involving one or more electronic methods or media. E-Marketing began with the use of telegraphs in the nineteenth century. With the invention and mass acceptance of the telephone, radio, television, and then cable television, electronic media has become the dominant marketing force. McDonald’s uses online channel to reinforce brand messages and relationships. They have built online communities for children, such as the Happy Meal website with educative and entertaining games to keep customers always close to themselves (Rowley 2004).

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).

According to Chaffey (2011), social media marketing involves “encouraging customer communications on company’s own website or through its social presence”. Social media marketing is one important technique in digital marketing as companies can use social media form to distribute their messages to their target audience without paying for the publishers or distributor that is characteristic for traditional marketing. Digital marketing, electronic marketing, e-marketing and Internet marketing are all similar terms which, simply put, refer to “marketing online whether via websites, online ads, opt-in emails, interactive kiosks, interactive TV or mobiles” (Chaffey & Smith, 2008). Giese and Gote (2000) finds that customer information satisfaction (CIS) for digital marketing can be conceptualized as a sum of affective response of varying intensity that follows consumption and is stimulated by focal aspects of sales activities, information systems (websites), digital products/services, customer support, after-sales service and company culture.

Waghmare (2012) pointed out that many countries in Asia are taking advantage of e-commerce through opening up, which is essential for promoting competition and diffusion of Internet technologies. Zia and Manish (2012) found that currently, shoppers in metropolitan India are being driven by e-commerce: these consumers are booking travels, buying consumer electronics and books online. Although spending per online buyer remains low, some 59% of online consumers in metropolitan India already make purchases online at least once in a month. Dave Chaffey (2002) defines e-marketing as “application of digital technologies - online channels (web, e-mail, databases, plus mobile/wireless & digital TV) to contribute to marketing activities aimed at achieving profit acquisition and customers retention (within a multi-channel buying process and customer lifecycle) by improving customer knowledge (of their profiles, behavior, value and loyalty drivers) and further delivering integrated communications and online services that match customers’ individual needs. Chaffey’s definition reflects the relationship marketing concept; it emphasizes that it should not be technology that drives e-marketing, but the business model. All types of social media provide an opportunity to present company itself or its products to dynamic communities and individuals that may show interest (Roberts & Kraynak, 2008). According to Gurau (2008), online marketing environment raises a series of opportunities and also challenges for social media marketing practitioners.

**OBJECTIVES**

- To study the difference between traditional and digital marketing
- To analyse the importance of digital marketing

**Traditional Marketing versus Digital Marketing:** Traditional marketing is the most recognizable form of marketing. Traditional marketing is non-digital way used to promote the product or services of business entity. On the other hand, digital marketing is the marketing of products or services using digital channels to reach consumers. ‘Traditional Marketing includes print, broadcast, direct mail, and telephone. Digital marketing includes online advertising, email marketing, social media, text messaging, affiliate marketing, search engine optimization, pay per click. No interaction with the audience, Interaction with the audience. Results are easy to measure. Advertising campaigns are planned over a long period of time. Advertising campaigns are planned over short period of time. It is an expensive and time-consuming process. It is reasonably cheap and rapid way to promote the products or services. Success of traditional marketing strategies can be celebrated, if the firm can reach large local audience. Success of digital marketing strategies can be celebrated if the firm can reach some specific number of local audiences. Campaigns can be easily changed with ease, and innovations can be introduced within any campaign. There is limited reach to the customer due to limited number of customer technology. Wider reach to the customer because of the use of various customers’ technology. 24/7 year-round exposure is not possible.

**Digital Marketing various forms:** 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:

**Online advertising:** Online advertising is a very important part of digital marketing. It is also called internet advertising through which company can deliver the message about the products or services. Internet-based advertising provides the content and ads that best matches to consumer interests. Publishers put about their products or services on their websites so that consumers or users get free
Advertisers should place more effective and relevant ads online. Through online advertising, company well controls its budget and it has full control on time.

**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.

**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. 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 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.

**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 cell phone 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. Using SMS for campaigns get faster and more substantial results. Under this technique, companies can send marketing messages to their customers in real-time, any time and can be confident that the message will be seen. Company can create a questionnaire and obtain valuable customer feedback essential to develop their products or services in future.

**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. Industry has four core players: the merchant, the network, the publisher and the customer. The market has grown in such complexity resulting in the emergence of a secondary tier of players including affiliate management agencies, super-affiliates and specialized third party vendors.

There are two ways to approach affiliate marketing: Company can offer an affiliate program to others or it can sign up to be another business’s affiliate. If company wants to drive an affiliate program, then, the company owner has to pay affiliates a commission fee for every lead or sale they drive to company’s website. Company’s main goal here is to find affiliates who can reach untapped markets. For example, a company with an e-zine may become a good affiliate because its subscribers are hungry for resources. So, introducing one’s offer through “trusted” company can grab the attention of prospects which might not have otherwise reached.

**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. 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.

**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.

**Importance of Digital Marketing**

With rapid technological developments, digital marketing has changed customers buying behavior. It has brought various changes to the consumers as given below:

- Stay updated with products or services Digital marketing technologies allow the consumers to stay with the company information updated. Nowadays a lot of consumer can access internet any place anytime and companies are continuously updating information about their products or services.
• Greater engagement with digital marketing, consumers can engage with the company’s various activities. Consumers can visit company’s website, read information about the products or services and make purchases online and provide feedback.

• Clear information about the products or services through digital marketing, consumers get clear information about the products or services. There is a little chance of misinterpretation of the information taken from sales person in a retail store. However, Internet provides comprehensive product information which customers can rely on and make purchase decision.

• Easy comparison with others Since many companies are trying to promote their products or services using digital marketing, it is becoming the greatest advantage for the customer in terms that customers can make comparison among products or services by different suppliers in cost and time friendly way. Customers don’t need to visit a number of different retail outlets in order to gain knowledge about the products or services.

• 24/7 shopping since internet is available all day long; there is no time restriction for when customer wants to buy a product online.

• Share content of the products or services Digital marketing gives viewers a chance to share the content of the product or services to others. Using digital media, one can easily transfer and get information about the characteristics of the product or services to others.

• Apparent Pricing Company shows the prices of products or services through digital marketing channel and this makes prices or special offers on their products or services and customers are always in advantages by getting informed instantly by just looking at any one mean of digital marketing.

• Enables instant purchase with traditional marketing, customers first watch the advertisement and then find relevant physical store to purchase the products or services. However, with digital marketing, customers can purchase the products or services instantly.

REFERENCES


