



DIGITAL MARKETING – A CONCEPTUAL OVERVIEW

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INTRODUCTION

Concept of Digital marketing is marketing that makes use of electronic devices (computers) such as personal computers, smart phones, cell phones, tablets and game consoles to engage with stakeholders. Digital marketing applies technologies or platforms such as websites, e-mail, apps (classic and mobile) and social networks. Digital Marketing can be through Non-internet channels like TV, Radio, SMS, etc or through Internet channels like Social Media, E-mails ads, Banner ads, etc. Social Media Marketing is a component of digital marketing. Many organizations use a combination of traditional and digital marketing channels; however, digital marketing is becoming more popular with marketers as it allows them to track their Return on Investment (ROI) more accurately compared to other traditional marketing channels.

The world of digital marketing continues to evolve and as long as technology continues to advance, digital marketing will as well. Examples of digital marketing include things like websites, social media mentions, YouTube videos, and banner ads. Specifically, digital marketing is similar to traditional advertising, but using digital devices. However, digital marketing is considered a form of inbound marketing and its goal is for people to find you. Businesses put content (or ads) out for individuals to find. People may conduct an organic online search, a paid search, **find your business on a social network** or by reading content that has been published online such as a blog or an article.

EVOLUTION OF DIGITAL MARKETING

According to the Digital Marketing Institute, Digital Marketing is the use of digital channels to promote or market products and services to consumers and businesses. The term 'digital marketing' was first used in the 1990s. In the 2000s and the 2010s, digital marketing became more sophisticated as an effective way to create a relationship with the consumer that has depth and relevance.

With the increasing usage of digital media by consumers, more companies are using digital marketing to reach their target markets. By the end of 2014, the number of Internet users around the world will exceed 5 billion (Internet World Stats 2014) and this vast information traffic will continue to double every 1 - 1.5 years. Digital Marketing is the practice of promoting products and services using digital distribution channels. Digital Marketing is also referred to as e-marketing and includes digital or online advertising, which delivers marketing messages to customers. Millennials, also called Generation Y, are an essential ingredient in the development of e-commerce. Having grown up socializing and making purchases online, this generation's usage of e-commerce will continue to grow along with their discretionary income. Computers and mobile phones are commonplace tools for Millennials; Ninety-seven percent of Millennials in the U.S. own a computer and 94 percent own a cell phone (Marketing Breakthroughs Inc. 2008). Millennials access digital media on a daily basis and have the ability to communicate and purchase from a supplier anywhere in the world. Due to their familiarity and usage of digital media, they have been identified as a driving force of online shopping. The Internet, social networking, and inter-active technologies are empowering Millennials to be more active in the creation and advancement of products and brands. Word-of-mouth goes around the world these days. This generation wants to have input regarding all aspects of a product, even its promotion.

The rapid evolution of digital media has created new opportunities and avenues for advertising and marketing. Fuelled by the proliferation of devices to access digital media, this has led to the exponential growth of digital advertising.

In 2012 and 2013 statistics showed digital marketing remained a growing field. Digital media growth is estimated at 4.5 trillion online ads served annually with digital media spend at 48% growth in 2010. An increasing portion of advertising stems from businesses employing Online Behavioural Advertising (OBA) to tailor advertising for Internet users. Though an innovative resource, OBA raises concern with regards to consumer privacy and data protection. Such implications are important considerations for responsible communications. Digital marketing is often referred to as 'online marketing', 'internet marketing' or 'web marketing'. The term 'digital marketing' has grown in popularity over time, particularly in certain countries. In the USA 'online marketing' is still prevalent, in Italy is referred as 'web marketing' but in the UK and worldwide, 'digital marketing' has become the most common term, especially after the year 2013.

LITERATURE REVIEW

The Internet is a prominent venue of digital marketing. Digital advertising is a form of promotion that uses the Internet for the express purpose of delivering marketing messages. Digital or online advertising has undergone phenomenal growth since



its inception in 1994 (Robinson, Wysocka, and Hand 2007). The Internet has become the fastest growing advertising medium in this decade (Ha 2008). Advertisers spend hundreds of millions of dollars to place their ads on high-traffic websites. According to research, when people read an online advertisement, they are more likely to buy online. An advertising banner on the Internet can level the playing field between large and small companies (Smith 2009).

In a report on e-commerce prepared by the Organization for Economic Cooperation and Development (OECD), the financial crisis that began in 2008 boosted e-commerce sales worldwide, as consumers sought ways to reduce expenditures (Iafrica 2009). E-commerce is predicted to grow in the US, and even faster in Europe and developing countries (Schulman 2008). Annual growth of e-commerce has been predicted to increase to 28%, while some individual countries have even greater growth rates. In India, for example, the e-commerce growth rate has been estimated as high as 51% per year (Marvist Consulting 2008).

However, recent online advertising has been described as ineffective, intrusive, and uninformative. One study showed that 69% of consumers think pop-up ads are annoying, and 23% said they would not return to the website simply because of the ads. Consumers are more likely to adopt negative views of websites that contain online advertising (McCoy et al. 2007).

Millennials often look to peers to determine the merit of a website or a product. A study of over 7,000 Internet users in France revealed that online peer reviews of video games positively influence consumer's purchasing decisions. The study also showed that the effect of online peer reviews is as important as the effects of personal and expert reviews (Bounie et al. 2008). In recent years online product review forums have been exerting an increasingly powerful influence on consumer choice (Godes et al. 2005).

DEVELOPMENTS IN DIGITAL MARKETING

1. **Segmentation:** more focus has been placed on segmentation within digital marketing, in order to target specific markets in both business to business and business to consumer sectors.
2. **Influencer marketing:** Important nodes are identified within related communities, known as influencers. This is becoming an important concept in digital targeting. It is possible to reach influencers via paid advertising, such as Facebook Advertising or Google Adwords campaigns, or through sophisticated SCRM (social customer relationship management) software, such as SAP C4C, Microsoft Dynamics and Salesforce CRM. To summarize, Pull digital marketing is characterized by consumers actively seeking marketing content while Push digital marketing occurs when marketers send messages without that content being actively sought by the recipients.
3. **Online Behavioural Advertising:** Online Behavioural Advertise refers to the practice of collecting information about a user's online activity over time, "on a particular device and across different, unrelated websites, in order to deliver advertisements tailored to that user's interests and preferences
4. **Collaborative Environment:** A collaborative environment can be set up between the organization, the technology service provider and the digital agencies to optimize effort, resource sharing, reusability and communications.

SELF-REGULATION

The ICC Code has integrated rules that apply to marketing communications using digital interactive media throughout the guidelines. There is also an entirely updated section dealing with issues specific to digital interactive media techniques and platforms. Code self-regulation on use of digital interactive media includes:

- Clear and transparent mechanisms to enable consumers to choose not to have their data collected for advertising or marketing purposes;
- Clear indication that a social network site is commercial and is under the control or influence of a marketer;
- Limits are set so that marketers communicate directly only when there are reasonable grounds to believe that the consumer has an interest in what is being offered;
- Respect for the rules and standards of acceptable commercial behaviour in social networks and the posting of marketing messages only when the forum or site has clearly indicated its willingness to receive them;
- Special attention and protection for children.

A **digital marketing system (DMS)** is a method of centralized channel distribution used primarily by SaaS products. It combines a content management system (CMS) with syndication across web, mobile, scannable surface, and social channels.

WEB

A DMS publishes to web channels, usually in the form of a stand-alone website. It can manage any part of the web process, including web design, web hosting, domain registering, marketing, content creation and other standard methods of web



promotion. The goal of web publication is to give the user a digital 'home' on the web, where clients, guests, fans and other web browsers arrive as a destination. Other methods of digital marketing often work to drive traffic to the web channel. An example of a SaaS DMS services is HubSpot.

SOCIAL

A DMS publishes to popular social channels, including Facebook and Twitter as a means to communicate with fans, friends, followers and customers and drive traffic to the user's website. Social publication can take the form of a status update, a text message, a 'tweet', a photo, a video and many other means of social communication. The idea is to find browsers in social spaces who might not otherwise be targeted.

MOBILE

A DMS publishes to mobile devices, offering unique content formatted for those devices, such as the iPhone , iPad and Android phones. Mobile publication often takes the form of a mobile optimized website theme, with larger navigation and a cleaner user interface. Mobile publication can also include 'apps' for devices that support them, 'push' notifications and SMS texting marketing.

SCANNABLE SURFACE

A set of scannable surface includes tablet PC, publishing material, TV etc media. QR code enables traditional marketing channels to be utilized for new digital transform. A quick scan on the QR code can guide viewers directly to the information they need without spending time on browsing and searching, and the most valuable method of using QR code scan is to link to purchase basket.

ADVANTAGES OF DIGITAL MARKETING

- Advertisement on the internet is cheaper than (Low cost) the print advertisement. It is a two way communication between sales person and the potential customer which takes people to the company website. It has a much wider reach.
- It helps in spreading the business worldwide, with no geographical barriers, making it accessible from one country to another via Internet.
- It is a 24X7 (365 days) open store where people are welcome to shop anytime from anywhere. This further directs the potential customer towards the company website.
- Internet makes the product reach much more easy; while researching or getting accurate information on a product. It also adds value by adding a point of reference and a touch of individualized customer service.
- It also helps in creating credibility and gain trust and confidence of the customers. Many people use internet for the pre-purchase research so that they can find themselves a particular product which meets up to their requirements.
- It also helps in updating the subscribers through a fast mode of e-mails. Visitors get up-to-date information on each visit.
- In case of information sensitive business such as a law firm, newspaper or online magazine, or a newsletter, you can deliver the products directly to the customers online.
- Increased ability to measure and collect data.

DISADVANTAGES OF DIGITAL MARKETING

- Easier to have outdated information on internet, update timing is a critical issue here.
- Many web visitors expect something for free. Do you have something to offer free?
- There is a lot of competition in the market and by the time visitor reaches the product they have already gone through many links and got the required product. Unless they find what they are looking for quickly.
- There are many pros and cons of internet marketing. Its important to consider each when creating internet marketing strategy.

In the 90s, the concept of digital and Internet marketing seemed like an adolescent idea that would soon fade away. Traditional marketers were extremely skeptical about it, and business investors and marketing consultants throughout the world proclaimed that it was merely a Silicon Valley idea that would go bust from boom.

In India, things looked even more pessimistic. A country of 1 billion people who had grown used to ads on painted movie posters, cable television and newspaper print supplements about their favorite products – India seemed like a country that would be least convinced to go for things like Internet ads, social marketing and digital innovation. Adding to the cynicism



was the fact that in the 90s, most Indians didn't have an easy access to the net, and there weren't as many cyber cafes as there are today.

Today, things have markedly changed. India has rapidly become one of the biggest social marketing audiences in the world. From MySpace to StumbleUpon and from Technorati to SlideShare – Indians are everywhere – and notice that I didn't mention Facebook or Twitter. Indian marketing professionals today have thousands of digital ways to interact with their audience. An audience that consists of digitally proficient students who're accessing their profiles in buses, working professionals who check their mails on-the-way to office, and even housewives who know how to access their online profiles. The demographic advantages of Indian digital marketing cannot be overstated. Here we have a potential market which today has access through phones, cyber cafes and personal computers to literally millions of email/mobile campaigns. The one major aspect of Indian digital marketing that should shine in the future is virality. Future digital marketing concepts have the potential to go 'viral' as much as Indian blockbusters that have captured the attention of the Indian public.

The most striking aspect of future digital marketing in India is definitely its cost-effectiveness and interactivity. Also, there is easy accessibility – a boon considering that traditional Indian marketing had to face the huge hurdle of reaching out to Indian masses in the most resource-effective way. Indian audiences have the additional difficulty of linguistic differences – something that digital marketing can choose to stay away from. The future of digital marketing in India seems bright and beautiful.

TRADITIONAL MARKETING VS DIGITAL MARKETING

There are many facets of traditional marketing and examples might include tangible items such as business cards, print ads in newspapers or magazines. It can also include posters, commercials on TV and radio, billboards and brochures. Traditional marketing is anything except digital means to brand your product or logo. Another overlooked means of traditional marketing is when people find a particular business through a referral or a network and eventually you build a rapport with them.

Because of its longevity, people are accustomed to traditional marketing. Finding ads in magazines and newspapers, or reading billboards are still familiar activities and people still do them all the time. Most of the time, traditional marketing is reaching only a local audience even though it is not limited to one. One of the primary disadvantages of traditional marketing is that the results are not easily measured, and in many cases cannot be measured at all. In most cases, traditional marketing is also more costly than digital marketing. And perhaps the biggest disadvantage today is that traditional marketing is static which means there is no way to interact with the audience. It's more like you are throwing information in front of people and hoping that they decide to take action.

One benefit to using digital marketing is that the results are much easier to measure; and another is that a digital campaign can reach an infinite audience. It is also possible to tailor a digital campaign to reach a local audience but it can also be used on the web and reach the entire globe when appropriate. Digital marketing is also a very interactive means of reaching an audience since it makes use of social outlets. There can be plenty of direct contact between the audience and the business which means that the business can get some very valuable consumer feedback. One of the disadvantages to using digital media marketing strategies is that it can take some time to realize measurable success.

KEY TECHNIQUES FOR DIGITAL STRATEGY DEVELOPMENT

These are the related techniques important for managing Digital strategy development effectively.

- Customer acquisition strategy
- Customer conversion strategy
- Customer retention strategy
- Customer segmentation and targeting
- Online business and revenue models
- Online marketing mix
- Online value proposition

CONSUMER BEHAVIOR IN DIGITAL MARKETING

The marketer's challenge has always been one of persuasion - put forward the product in as attractive a fashion as possible, and then through a system of rewards and other incentives, try to influence consumer behavior in the desired direction. While technology makes it easier to reach out to the masses, the rapidly-changing message space presents consumers with even more options, and more opportunities to turn away from marketing messages. The internet and mobile phones, for example, put an immense amount of power in the hands of consumers, and social media gives them a voice to make themselves heard.



This can work positively, because satisfied customers can be your best advocates, but can also make the marketer's job more challenging as they have to address more immediately the concerns of the unhappy.

In opt-in marketing, consumers are offered the option to sign up to receive marketing materials. This offering is done through the auspices of Out There Media's Asian telco partners who allow their customers to sign up for the program as a value-added proposition. Consumers sign up, according to their preferences, and are offered the option to share some personal data. This facilitates demographics, as well as allowing for more accurate targeting.

From this database of customers who have indicated their interest, Out There Media can accurately channel marketing material to customers that are most desirable, or to customers who have previously indicated their interest in a particular product. In order to incentivize the opt-in program, consumers are offered other benefits, including special offers, discounts, electronic coupons, and the entire program uses the mobile platform to deliver information directly to the consumers in question.

The implications for traditional marketing are substantial. The mobile channel offers interesting opportunities, certainly, but the mode of operation (opt-in) has brought results that are greatly improved over old-school methods. Opt-in marketing represents a shift, a new paradigm in marketing, one where consumers and marketers work together, and that turns marketing material from an intrusion into something that consumers welcome in order to receive incentives and benefits. The higher conversion rate represents the higher value that consumers place upon marketing material that they have asked for themselves, especially when they know that what they will receive will match their interests and pursuits.

Consumer behavior certainly has changed in the digital age, and marketers will have to change to keep up. Opt-in marketing may become an integral part of consumer behavior, as they choose for themselves what messages to receive, but pay for that in return with greater attention and higher conversions. The digital marketing industry is ever-changing and extremely dynamic. These characteristics bring a unique set of opportunities and a unique set of challenges.

Digital marketing may be facing a black cloud on the horizon. There is mounting concern that consumers find some forms of digital marketing to be intrusive and, thus, annoying. Messages that interrupt a consumer's online activity create feelings of ill will towards the brand. Various forms of digital marketing strategies currently being used are examined in this study. The strategies relate to online advertising and website features. The specific online advertising strategies are: pop-up ads, side-panel ads, coupons, email updates, YouTube videos, and advertising in the form of a game. The following list of annoying digital strategies was evaluated: pop-ups, flashing items, links to sponsors, mandatory software downloads, and un-closable browser windows.

KEY ISSUES IN DIGITAL MARKETING

Data – One of the major advantages of integrating digital into any marketing effort is the vast amount of data that can be generated. Unlike traditional forms of advertising, digital marketing often allows us to directly track the effects of online campaigns by giving us insights into how many people are clicking, on-site behaviour, and social engagement such as likes, re-tweets or even +1's (just to name a few).

However with such a vast amounts of data and data collection platforms available to marketers Most marketers find the data overwhelming and are unsure of where to start, and are even unsure of how to separate campaign relevant data from the rest of the data. The key here is to take a considered approach and discover which KPI's and data collection platforms provide the most value.

Prioritisation – Social Media, Search Engine Optimisation, Conversion Rate Optimisation, Search Engine Marketing, Mobile Marketing, Data Analytics....These are the digital disciplines to be consider by Digital Marketing Manager. The marketing managers should prioritise the digital marketing activites which are most relevant to the brand and support for overall marketing and business strategies. A digital audit can helps to discover which areas of online marketing strategy need most urgent attention by mapping the goals to the various digital disciplines, as well as discovering the industry standards.

Support from internal stakeholders – This is an issue which can be of critical importance to digital marketers. How can they champion their idea internally when there aren't any 'traditional' tangibles being delivered? An issue also arises from those in senior positions not being fully aware of the benefits provided by, and the different areas of digital marketing.



The key here is to take a route of education when attempting to integrate digital marketing into the business. The great thing with digital marketing is the ability to do campaign R&D at a low cost, as well as the data generated, which can be used to support the logic behind the investment.

Resources – Another critical issue is the lack of resources most digital marketers work with, often being under resourced and expected to deliver on all objectives. Digital can be quite daunting, and since various metrics can be pin pointed constantly meeting targets can be difficult, especially when the resources needed to meet these aren't properly scoped or provided.

The approach any digital marketer must take is a 'ground up' approach, focusing on the key areas first and further expanding and integrating their digital activities in the future. There are some dangers to this approach as most activities are complimentary, such as social media, content marketing, and SEO, and therefore not getting too comfortable is also important.

Success – Often digital marketers struggle to paint a clear picture of what success looks like. As digital marketing activities are a mix of instant pay-offs (such as PPC advertising) and future investments (such as social media and SEO), generating and communicating a clear picture of success can be difficult, and often people may have unrealistic expectations.

The approach recommended here consists of painting a clear picture at the start of the campaign, as well as identifying key changes during the campaign, such as an increase in site traffic, more engagement on posts.

EFFECT OF AN EFFECTIVE DIGITAL MARKETING

In today's day and age, it should come as no surprise that effective digital marketing initiatives deliver excellent value back to businesses. A strong online presence is an investment that can impact an organization in a variety of ways.

As a branding tool, few other mediums offer the flexibility and responsiveness of the web, which can be refreshed instantaneously to reflect new promotions and embrace user-generated contributions. The phrase "your brand consists of your customers" has never been truer.

Beyond brand equity, effective digital marketing translates to tangible business impacts in the form of sales growth. Social media and email integration allow companies to penetrate a customer's online repertoire, and a well built website facilitates and encourages online purchases.

The web has also allowed companies to improve the customer service experience. The public nature of company updates and responses on social networks allows companies to show a responsive and caring attitude toward customer questions and qualms. These results in more resolved complaints and a cut in support costs, as online help desks free up bandwidth and expenses previously dedicated to telephone customer service.

A strong digital strategy also permits businesses to reallocate their marketing budgets to more efficient channels, resulting in more effective media buys. The metrics available to tie business performance back to specific digital initiatives result in a more transparent and true assessment of marketing impact.

Lastly, a web presence that inspires and gives people a place to express them can result in a breadth of consumer insights. This amounts to a truer form of market research, as opposed to traditional survey research, as analysis is based on organic user contributions.

CONCLUSION

The demographic advantages of digital marketing in India cannot be overstated. At present we have potential market which today has access through phones, cyber cafes and personal computers to literally millions of email/mobile campaigns. The one major aspect of Indian digital marketing that should shine in the future is virality. Future digital marketing concepts have the potential to go viral as much as Indian blockbusters that have captured the attention of the Indian public.

The most striking aspect of future is definitely its cost-effectiveness and interactivity. Also, there is easy accessibility a boon considering that traditional Indian marketing had to face the huge hurdle of reaching out to Indian masses in the most resource-effective way. Indian audiences have the additional difficulty of linguistic differences something that digital marketing can choose to stay away from. The future of digital marketing in India seems bright and beautiful.