

IMPACT OF DIGITAL MARKET ON CONSUMER BUYING BEHAVIOUR

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Abstract

*India, the fastest growing large economy in the world, is still popularly known as the country of villages, however the increasing number of internet users in accordance with technological advancement has somewhat forced the industry in transforming their traditional marketing strategies to digital marketing strategies. The human mind has started to think technically resulting in evolution of digital marketing in India. Digital marketing is a highly competitive market which involves exploration of business model using digital technologies that reduces cost and expands business globally. Today the industry is using digital marketing has a greater scope of expansion in the future as customers are much more satisfied with its availability and ease of use. Digital marketing provide opportunity to the customers to have a look on the information of the product provided by the company and are also able to have an efficient comparison with its competitors, which privileges them with right to choice and placing orders at any time 24*7 at any place. With the updated technologies and increase in the internet usage, interconnectivity of consumers is increasing day by day as a result of which consumer behavior has changed and organization needs to understand the behaviour of consumer. This research study analyses the impact of digital marketing on consumer buying behavior. As a result digital marketing have positive impact on consumer buying behaviour, traditional marketing soon should be shifted to digital marketing.*

Keywords: Digital Marketing, Digitalization, Technology, Consumer Behaviour

Introduction

Digital Marketing

Digital marketing is the use of the internet, mobile devices, social media, search engines, display advertising etc. for reaching potential consumers. It is also called online marketing that deals with promotion of brands to connect with potential customers using the internet and other forms of digital communication. As a subdivision of traditional, digital marketing goes beyond the internet and includes Short Message Service (SMS), Simple Notification Service (SNS), search engine optimization (SEO), electronic or interactive billboards and other online ads (such as banner ads) to promote products and services. It is not only essential for grabbing wide area for marketing but it is also equally essential for customers, as it provides number ample of opportunities for connecting directly with sellers. Marketing through digital medium gives more satisfaction to the customers as they can ask queries and can also give suggestions related to any product and services. It reaches large number of customers from all over world in less time comparatively. It is also very useful while analyzing the effects of any marketing campaign as it uses digital tools which make marketing much easier.

Today companies using digital marketing have a greater scope of expansion as customers are much more oriented towards doing online shopping from various platforms namely Amazon, Flipkart, Myntra etc. All the more consumers are also oriented towards online platforms and mobile applications such as Bigbasket, Reliance Mart and many more for their day to day needs of groceries, vegetables etc. . People of every income group can go for online shopping as there is different variety of products available at different prices with different payment methods focusing on different target audience. Today for every organization, digital marketing becomes very crucial part in doing business

as it not only increases profit margin of the firm but also expands the business globally. Customers become loyal towards product as they become more confident after getting each and every information of the product and they give their feedback which generates good interpersonal relationship between sellers and their customers. Digitalization plays an important role in today's competitive market as it involves exploring business model using digital technologies which reduces cost and expands business globally. It not only benefited to customers but it also reduces the tension of organization as there is no fear of wear and tear or theft of goods as there is no fixed location of shop.

It ensures quality and reduces fraud, as there is transparency in the business giving customers freedom for making choices. There are various E-Commerce models such as:

Business to Business E-Commerce (B2B):- In this type both the parties engaged in the business. For example- Amazon connecting two sellers globally.

Business to Customers (B2C):- In this buyers and sellers of products and services do online transactions. For example- online shopping on platforms such as Flipkart, Myntra etc.

Customers to Customers (C2C):- In this both buyers and sellers are individual. For example- In OLX both the parties involved are individual they sell the old product which is of no use to them digitally to the one who finds it more useful.

Business to Government (B2G):- It involves selling product and services to the government such as through tenders.

Consumer Behaviour

Consumer behaviour is the study of how consumers make decisions about what they need, want, and desire and how do they buy, use, and dispose of goods. It is critical to understand consumer behavior to know how potential customers will respond to a new product or service. It also helps companies identify opportunities that are not currently met.

COVID-19 has begun to reshape and reform consumer behaviour. New consumer and brand behaviors are emerging that will inform what industry will look like in the future. Health and safety are front and center for consumers.

A recent example of a change in consumer behavior is the eating habits of consumers that dramatically increased the demand for gluten-free (GF) products. The companies that monitored the change in eating patterns of consumers created GF products to fill a void in the marketplace. However, many companies did not monitor consumer behavior and were left behind, that led to loss of market presence. So, in today's scenario it is essential for business firms to keep a track of the buying patterns of customers to maintain their presence in the upcoming competitive environment.

Traditional marketing vs. Digital Marketing

Traditional marketing is any marketing campaign that doesn't involve digital platforms. It is one of the oldest forms of marketing; hence the word "traditional" is used. It is a conventional mode for businesses looking for ways to reach out to a semi-targeted audience with various offline advertising and promotional facets including radio or TV commercials, magazine or newspaper ads, banner ads, posters, direct mail, and phone. As well as outdoor advertising such as flyers, brochures, billboards, etc.

Whereas, **Digital marketing is any marketing campaign that is done online.** Any business, regardless of its size, can leverage digital marketing to reach out to its target market. It includes promoting business on various digital spaces including social media platforms, search engines, emails,

and other websites. Brands around the globe use a variety of content to reach and engage their audience through digital marketing. Their content strategy includes social media posts, videos, email marketing campaigns, PPC ads, blogs, etc. to unlock the key to reaching more people and connecting with them.



Statically in 2018, the share of traditional media in Indian advertising was about 83 percent, while digital media had a share of 17 percent. This was estimated to change to 71 percent of traditional media's share and 29 percent of digital media by 2021.

Digital advertising has overtaken traditional advertising. In 2018, digital advertising became the dominant advertising medium, accounting for majority of global advertising spending. The Digital Advertising market is growing because people's behavior has shifted from the offline to the online world. Within 10 years, the number of internet users has grown to twice its size from 2.3 billion in 2012 to 5.1 billion in 2022.

Factors driving Digital Marketing Evolution

Technology:

Technology is the most important factor affecting digital marketing in the present scenario. Marketing professionals who fail to recognize the correlation between technological advancements and consumer expectations will be useless in helping to drive business forward. The bottom line is that technology advancements greatly impact digital marketing. Evolution of social media platforms is the biggest example of technology, where firms can reach large number of customers at a time, and discover and showcase their products in a stipulated period of time. In accordance with statistical data, there were 658.0 million internet users in India in January 2022 and as per the analysis by Kepios, there is an increase in internet users by 34 million between 2021 and 2022. By 2023, it is predicted that in India, there will be more than 650 million & by 2025, 900 million internet users which is a massive number and can build easily a strong digital ecosystem in the country.

Rapidly-changing technology such as 5G, the fifth-generation technology, artificial intelligence (AI), remote collaboration, and data analytics are reshaping the way digital marketers do business and create strategies. In addition to technology, marketers must find ways to meet higher consumer expectations. From internet-of-things technology and remote collaboration to AI and business data analytics, new technology has and continues to greatly impact business marketing. New generations of shoppers such as Gen Z are disrupting digital marketing with their values, habits, and relationship with technology. Target audience has an out of the ordinary amount of information at their fingertips. Your best bet is to give them the buying experience they've come to expect is utilizing today's technology.

First Mover Advantage:

First-mover advantage (FMA) is the advantage gained by the initial ("first-moving") significant occupant of a market segment. It may be also referred to as technological leadership. A market participant has first-mover advantage if it is the first entrant and gains a competitive advantage through control of resources. With this advantage, first-movers can be rewarded with huge profit margins and a monopoly-like status. Not all first-movers are rewarded. If the first-mover does not capitalize on its advantage, its "first-mover disadvantages" leave opportunity for new entrants to enter the market and compete more effectively and efficiently than the first-movers; such firms have "second-mover advantage." The FMAs has major chances of surviving in the industry in comparison to SMAs, only if they keep on changing with the changing scenario and changing consumer needs.

Building Customer Relationship through storytelling:

Today almost every business uses various ways to promote and differentiate the business from others. Content decided by the organization takes in the form of story that the audience can enjoy and easily communicate with the message you wants to give for your brand building.

Various opportunities to create remarkable content are: showing online videos, quizzes and polls. Communicating through digital media helps build emotional relationship with the viewers and also helps to build the customers loyalty towards the brand. Gen Z is more curious about the back story of it or how the creator got inspired to make it. They want to know about the inspiring success story of the brand, see the testimonials and understand what problem the product solves. Therefore, the ethos of a story is expected to be the key to the future of digital marketing in India. Communicating through digital storytelling is driven from four key elements:

- A beginning and an end: In story telling create the situation for the customers so that they invest in the storytelling then create tension and get the response from the customers.
- Emotions: Connecting emotionally with the storytelling build the emotional memories and pull the customers towards the product and also become loyal customers and they also build powerful connections with the brand.
- Authenticity: Story which represent your brand should be true this help the audience to build confidence.
- Relatability: Story must have good connection with the customers and they must be interested in it.

Mobile oriented Marketing

Mobile marketing is the art of marketing business to appeal to mobile device users. It provides customers or potential customers using smartphones with personalized, time- and location-sensitive

information so that they can get what they need exactly when they need it, even if they're on the go. Since, there is a tremendous increase in number of smartphone users as per the Statista data, in 2021, the number of mobile users worldwide stood at 7.1 billion, with forecasts suggesting this is likely to rise to 7.26 billion by 2022. In 2025, the number of mobile users worldwide is projected to reach 7.49 billion; it is been of utmost importance for business organizations to promote their brands using mobile marketing.

There has been tremendous increase in spending by organizations on mobile advertising due to its extensive use by users and its growing acceptance all over the world.

Use of Digital Advertising in Digital Marketing

Spending on the Digital Advertising market is projected to reach US\$3.38bn in 2023. The market's largest segment is Search Advertising with a market volume of US\$1.28bn in 2023. In global comparison, most ad spending will be generated in the United States (US\$297.40bn in 2023). The average ad spending per user in the Search Advertising segment is projected to amount to US\$1.27 in 2023. In the Digital Advertising market, 87% of total ad spending will be generated through mobile in 2027. In the Digital Advertising market, 83% of the Digital Advertising revenue will be generated through programmatic advertising in 2027.

Need for Digitalization

Indians use the internet almost every day for everything these days. Online learning, social media presence, Netflix binge watching, reading e-books, online video games, paying bills, and everything is possible online, so there is a gradual increase in the amount of time Indians are spending. India is outgrowing China as one of the leading markets for internet consumption. Before the pandemic, the Digital Advertising market was showing signs of a solid growth rate. However, the pandemic has accelerated digital adoption, and the effect will permanently stay, which will lead to more robust growth of the Digital Advertising market in the following years. The COVID-19 pandemic has pushed companies to scale remote work, accelerate digitization and automation. Automation continues to increase capture leads from inbound mails, online campaigns, phone calls, website management, chat, and much more. At present, Digital Marketing offers an opportunity for industry leaders, governments, and public policymakers to focus joint efforts on allowing workers to prosper in the new economy.

The charts presents the share of marketers considering importance of digital and offline campaigns for their overall marketing efforts as of May 2018, by business type. As per the study from Quantcast, 78 percent of global direct brand marketers believed that digital marketing as an importance factor whereas, 39 percent considered offline campaigns.

Pros and Cons of Digital Marketing

Pros:-

1. Increase in Brand Loyalty of customers:

A business is not just a name of any company and products, it's a brand's voice and message, and it needs to position itself in the market so that it is not only more widely known, but also seen by people. It should be a Brand with a name you can trust. Therefore digital marketing helps in building brand value and loyalty through personalized content and direct campaigns etc. attracting recurring

clients and maintaining a constant/stable relationship with them. By providing, nurturing and maintaining relationships, a business increases its business opportunities as a result of increased brand loyalty.

2. Ease of use:

By not opening local stores, marketers can easily sell their products online, eliminating the barrier of distance. Exports could be increased worldwide without the cost of multiple national distribution channels.

3. Personalization:

The digital marketing campaigns can be directly focused upon the **target audience** and can help in interacting with the prospects i.e., they can be personalized as per the needs and demand of the prospective consumers or the target audience. This particular aspect is important for building brand loyalty among customers as they feel wanted and important for the organization.

4. Refined Market Analysis:

The information in digital media is sufficient for familiarization and learning. For any digital marketing or business development professional, research and analysis are critical keys to success. Understanding your market, competition and customer behavior are all essential questions that need to be answered. This will help you successfully promote your brand and expand your product market. Consequently, this is one of the major benefits of digital marketing.

5. Economical to use:

The cost-effective nature of digital marketing is extremely beneficial to businesses as marketing of products through retail outlet is expensive as compared to market product on the Internet. Digital marketing costs far less than traditional marketing campaigns. Digital marketing methodology is simpler than complex traditional marketing approaches, especially for small businesses with limited advertising budgets.

6. Wider Reach:

Through extensive use of digital marketing campaigns it is always possible for the organizations to reach large number of target customers at the same time as compared to the traditional forms that were used for marketing. Digital marketing can help create a platform to expand brand's presence and reach a large audience. Brands are becoming global as digital marketing provides a platform for global exposure, allowing new and emerging brands to have equal rights with the established businesses and conglomerates dominating traditional markets.

7. Greater Engagement with Gen Z:

The use of digital marketing is beneficial as it allows brands to hold the attention of customers and especially of the Gen Z because they are more technologically oriented and focused, until they build brand loyalty and build a trusted reputation. Brand

survival becomes easier when brands get to know more people, and this can be achieved through digital marketing through regular blog posts, relevant real-time social media content, and the use of customer engagement messages such as surveys, promotions etc.

8. Comparison amongst the products and brands:

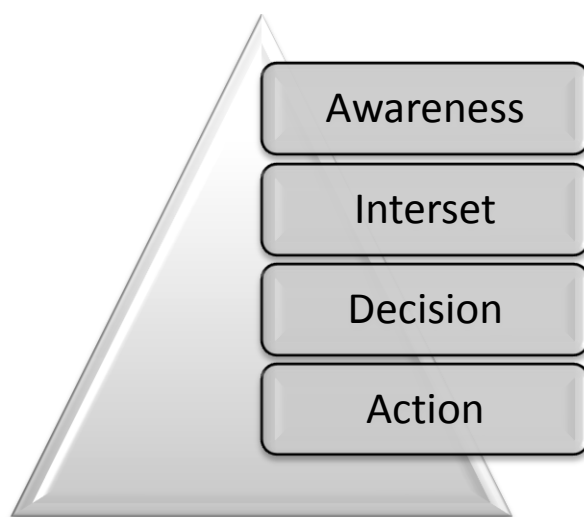
Digital Marketing platforms have made it easier for customers to have an intensive research and compare the various options available. For example If we consider the hospitality industry there are various websites that compare different hotels and their prices that provides the best possible deal to its customers.

9. Measurable and Traceable Results:

The effectiveness of digital marketing campaigns can be assessed easily through use of various tools available for assessment. Since tracking or tracing of results constantly is a priority for campaign managers to evaluate the efficacy of using digital channels. Digital marketers would not want their invested money to go to waste. One of the advantages of digital marketing is the use of online measurement tools. In this way, comprehensive information can be obtained about how the client uses the website or how he reacts to the advertisement.

10. Revamped Customer Journey:

With a digital marketing strategy, you can reach out to customers at every stage of the sales funnel. With a solid digital marketing strategy, you can create content for the awareness phase, engage in personalized email marketing, and help make decisions and then purchases. This will not disturb the client and allow him to come to you. You give them control over your purchases.



And by choosing a traditional marketing strategy, small businesses are unlikely to solve a customer's pain point before purchasing a product. Modern customers won't feel empowered to choose what they want.

Cons:-

1. Concerns for Security and Privacy

There is still a high level reliance of customers towards traditional shopping rather than digital platforms due to security and privacy reasons. There are always chances of information leaks as well as data thefts by cybercriminals. Therefore, still many customers don't have faith on the digital platforms. Customers worry about whether or not to rely on online products. Organizations must adhere to data protection and confidentiality standards.

2. Reliance on Internet Connectivity

Digital marketing is entirely technology-based, and the internet is generally prone to errors. Sometimes links don't work, landing pages don't load, or page buttons don't work. This encourages potential customers to switch to other brands. Therefore, field tests are necessary to prevent this. It also becomes important to proofread content and make sure campaigns work in target niche focusing towards potential customers those can be converted to consumers.

3. Highly Competitive

This particular industry in itself is highly competitive, since there are many brands or firms in this market. There is always a perfect type of competition. There is too much competition in digital marketing. People all over the world use digital marketing channels to advertise and promote their products and services. It's very difficult to get customers' attention. Methods quickly become outdated and you need to respond quickly to customer requirements.

4. Need of Digital Literacy

Digital literacy in today's world is an important aspect for surviving in the growing industry and maintaining the brand equity. Campaign managers need to be familiar with the various digital marketing channels. It's impossible to be an effective digital marketer, but it takes years of good experience to become a successful digital marketer. Tools and trends are constantly changing, so it's important to keep up with them.

5. Growing cybercrime in India

India is always prone to cybercrimes and there is always an increasing trend line for this. Irrespective of several measures undertaken by the authorities and public awareness campaigns, cybercrime has increased leading to heavy losses to consumers using online modes for their shopping. This leads to lack of trust amongst consumers.

6. Internet Speed

Low internet speed issues are very common these days as internet usage increases. For example, Airtel was once considered the fastest network in the world, but after the introduction of 4G and now 5G internet speeds slowed down with its increasing usage.

7. Handling Complaints of customers:

Sometimes it is not possible to provide customer support over the Internet. If a consumer leaves a nasty comment, the entire audience will see it including the potential customers. Such

happenings influence the brand's promotion and credibility, also changes the perception of brand in the mind of customers up to a certain extent.

Conclusion

The world of digitization or digital marketing has always brought a positive change in the consumer behavior. However, it is essential always to know the psychology of consumers in the current dynamic environment. Due to changing technology what's an innovation today becomes obsolete tomorrow that created many challenges for the marketers and brands to create and maintain their brand equity as well as brand loyalty. Since, consumers continue to change their preferences and liking for products based upon the options and offers available to them. The customer is influenced from many factors such as trust building, digital literacy, and lack of customer awareness, security and privacy issues. All these factors are needed to be considered for optimum utilization of digital marketing and converting target customers to full-time consumers.

Digitization has somewhere and somehow changed the customer preferences and their perception towards various brands, because they are now more aware of all those things and issues that were not known during the use of traditional marketing. The Gen Z wants to explore each and every aspect with its complete information, whereas the older generation used to have faith more on relationship marketing that builds relationship between seller and customer.

The majority of the change from digitization can be seen in big cities and amongst the working couples as they prefer more online shopping on website such as Amazon and Flipkart due to factors such as convenience of purchasing, cash discounts, gift vouchers, rewards etc. They benefit from these offers from various companies who uses these means as an aspect of their digital marketing strategies.

And at last there still need of creating awareness amongst people who are not digitally literate and are unknown of the benefits associated with it. For example, the UMANG application launched by government features majority of the government schemes in it and the ease of its use makes it accessible for everyone. But still many people are unaware of this government digital portal. Therefore, there should be an increase in the usage of digitalization through promotional campaigns, roads shows, workshops etc. among costumers.

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