

Impact of Digital Marketing on Business: A Review

Anu Taneja

Assistant Professor, Master of Computer Application
Banarsidas Chandiwalla Institute of Information Technology, Delhi, India

Abstract: *The marketers daily face new challenges to increase the growth of business and to catch the attention of customers towards their brand. Digital Marketing is one of the medium that can be utilized to promote the brands and connect with the customers across the globe. However, it is a challenging task to catch the attention of customers due to their active nature on multiple social media platforms. Now, it becomes tedious for the marketers to influence the customers and thus it is still an active area of research. This paper summarizes the major differences between traditional marketing and digital marketing, types of digital marketing, benefits of digital marketing and impact of digital marketing on business. This study would be beneficial for the marketers, researchers and academicians working in this domain as it provides deep insight into this domain.*

Keywords: Digital Marketing, Traditional Marketing, Search Engine Optimization, Business Model, Email-Marketing.

I. INTRODUCTION

Digital Marketing is one of the appropriate medium to promote the brands online and increase the customers' attention towards their brands. The trend of digital marketing has increased exponentially as users are active on multiple social media platforms. Nowadays, users are more interested in purchasing online as compared to offline due to the trust factor on the online connections and availability of wide variety across different platforms. Though, digital marketing is beyond Internet Marketing that is it also includes the modes that do not require the Internet like SMS on mobile phones. But the major challenge is how to reach the target audience, how to know the correct platform to publicize the brands and at right time [13, 14].

Due to digital marketing though brands reach closer to the customers but customers do not rely more on the marketers rather on their online connections. Thus, marketers have to work harder in order to extend the reachability of brands and hence the overall growth of the business. The major advantage of digital marketing is broader reach as customers at any place can view the detailed information about brands. It is being observed that more than 80% of the users go to online mode atleast once and near about 30% of the users are online constantly [14]. Thus, it has become an integral part for the marketers to design effective digital marketing strategy to outreach their brands. Hence, the main objective of this paper is to understand the key elements of digital marketing:

1. Key terms related to digital marketing
2. Difference between traditional and digital marketing
3. Benefits of digital marketing to marketers and consumers
4. Steps of digital marketing

The stages of digital marketing includes creating awareness among the audience that is how a particular brand is distinct from others, what are the unique features of a brand, which platforms would be beneficial to leverage the brand further, how to measure the success of the strategies implemented. Secondly, it is important to originate the interest of the users towards the brand, increase their attention as it would help in establishment of long-term relationships with the customers. Thirdly, it's time to assess the built digital marketing strategies to further improvise the gaps in strategies. These improvements would increase the conversion rate and increase the growth of the business. Lastly, the consistent efforts should be done to maintain the reputation as it would increase the number of loyal customers that would ultimately drive the business.

The rest of the paper is organized as Section 2 discusses the different types of digital marketing, Section 3 briefs the advantages of digital marketing, Section 4 outlines the challenges of digital marketing, section 5 defines the digital marketing strategy as defined and proper planning would increase the effectiveness of the business and hence the overall revenue and Section 6 contrasts the traditional marketing and digital marketing and Section 7 concludes the findings of the study.

II. TYPES OF DIGITAL MARKETING

Due to different types of interaction of users with the social media platforms, the digital marketing is broadly categorized into following types and researchers are working in different directions to increase the brand awareness.

2.1 Search Engine Optimization (SEO)

It is an art to make the web pages rank above to increase the visibility of the brand among the customers [4]. The proper optimization of web pages would increase the traffic and hence the leads and sales of the brand will increase. Though search engines algorithms changes constantly, but to remain consistently on the top, following factors should be taken into consideration:

- Quality of the content should be high.
- Content should be clear and simple.
- Web-pages should be secure to access.
- Speed of the page should be high; it should not be the case that loading of page takes much time.
- Web pages should be mobile-friendly as many people prefer to access web-pages on handy devices like mobile phones as compared to desktops.
- Use proper and relevant keywords to increase the ranking of pages.
- Usage of videos can also promote the visibility of the content as users prefer to watch videos instead of reading lengthy text.

There are various SEO tools that can be used such as Google Analytics, SEOlyzer, Keyword Planner and many more [5, 12].

2.2 Social Media Marketing (SEM)

It is a mode to increase the brand awareness among the customers active on various social media platforms. The different reactions of the customers would help the marketers to analyse their brand like the number of likes, shares, comments, followers, re-tweets etc. The main motive is to convert the customers into buyers, but to attain this; the following points should be taken into consideration:

- Connect with the right people: It is important to connect with large number of people and more important is to connect with right people to achieve the motive that is conversion of customers into buyers.
- Establish long-term relationship with the customers: After connection with the customers, it is important to establish long-term relationships with the customers to retain them for a longer duration like providing some discount coupons, offers etc.
- Communicate with the customers: It is important to communicate with the customers consistently like responses should be given to all the queries submitted by the customers as it creates the connectedness relationship with them.
- Make well-defined goals: It is useless to proceed with the social media marketing without any goal, hence it is important to start with the social media marketing with well-defined goals and increase the brand awareness with some defined target.

There are various tools that can be used for Social Media Marketing (SEM) such as Brandwatch, Talkwalker, CrowdBooster, Twitter Analytics and many more [7].

2.3 E-Mail Marketing

It is a mode of direct brand promotion between the marketer and consumer through promotional mails. It is important to identify the target audience that can be segmented into different groups based on different factors like age-group, demographics, geographic and further accordingly emails can be sent depending on the activity of users. For instance, initially well-designed welcome emails can be sent, then if a user has added item to the cart but not purchased yet, then accordingly email can be sent to convert customer into buyer. It is important to schedule the timings for e-mails to engage more users and content of email should be properly formatted with proper subject line. The tools that can be used for E-Mail marketing are Mail-Chimp and many more [9, 10].

2.4 Content Marketing

In this marketing strategy, the relevant content is distributed to the customers to attract the right audience. It would help the marketers to increase more loyal customers, increase the profit of the organization. The quality content would increase the inbound traffic and hence more leads and sales. The content should clearly define the business plan that should be precise and should clearly describe about the brand. The tools that can be used for Content marketing are Google Analytics, Word-Press, Slack and many more [11].

III. BENEFITS OF DIGITAL MARKETING

Digital Marketing has gained wide popularity due to large number of active users on multiple social media platforms and it can reach large number of people at a time. Thus, digital marketing offers large number of advantages [2] as listed below:

3.1 Reach Large Audience

With the help of digital marketing, the brands can reach large target audience irrespective of the location of the user where the product has been watched.

3.2 Flexible

Digital marketing is more flexible approach to increase the brand awareness as the content is unified at one place and in case the schedule or some information is to be updated, it can be done easily.

3.3 Cost Efficient

Digital marketing reduces the overhead of cost incurred in traditional approach like ads to be posted in newspapers, T.V. and even to promote the brand consistently, advertisements have to be posted multiple times. But in case of digital marketing, such additional costs can be minimized as the details about the brand can be stored collectively at one place in the form of a website, blog or in the form of email-campaigns.

3.4 Computable Results

With digital marketing, it can be easily tracked the number of users who have been actually converted into buyers using different digital marketing tools. Then, those customers can be followed up further to retain them for a longer duration. But in case of traditional marketing, it is difficult to communicate one-to-one and surveys results are not complete.

3.5 More Interactive

With digital marketing, we can interact with large number of people simultaneously and that too in real time. The users get connected with the brands posts in the form of likes, shares, comments. Thus, brands visibility keeps on increasing as more new users land the web-pages of a particular brand.

3.6 Improved Conversions:

The digital marketing leads to immediate actions as user is just a click away to purchase the product. Thus, a company can attract the attention of customers by providing offers, discount coupons that can easily influence the customer and would get converted to a buyer.

IV. DRAWBACKS OF DIGITAL MARKETING

Though, digital marketing has large number of advantages as mentioned in the Section III, but it has its own set of limitations [1] as listed below:

4.1 Tough Competition:

As multiple brands are in market and everyone is aiming at attracting the customers towards their brand, it becomes difficult to stand and maintain the reputation with consistency.

4.2 Negative Feedback

As everything is online, users can view the reviews and feedback about a particular brand on different platforms. Thus, if a set of users has submitted the negative feedbacks, then it becomes difficult to manage the reputation of a brand.

4.3 Time Consuming

The marketers have to be active in analysing the performance of brand on different platforms to increase the conversion rate. The marketers have to prepare their digital marketing plan, content, email-campaigns for advertising the brand properly and it is a time-consuming process.

4.4 Proper Training

A dedicated set of people with good experience is required who are well-versed with digital marketing tools as otherwise it's of no use to do the campaigns, advertisements on different platforms.

4.5 Privacy Issues

During the collection of data of the users, it is important to keep the data secure otherwise it may lead to privacy issues.

V. KEY ELEMENTS OF DIGITAL MARKETING PLAN

The digital marketing plan is the overall specification of the objectives, goals and strategies to advertise the product and gain more customers. Thus, digital marketing plan should be effective and it should be in line with the goals of the marketing. The details should be clearly specified and well-defined with the following key-elements [6, 8]:

5.1 Identification of Target Audience

Not only connection with a large number of people is important, it is more important to connect with the right audience. The audience can be segmented into different groups like young people are more inclined in such types of purchases; old people have different taste and so on. Thus, this segmentation will make the requirements of users easy to understand and hence can be fulfilled to the maximum level.

5.2 Keep an Eye on Competitors

It is extremely important to understand the environment that is strategies of other marketers, how they are working upon to improve their conversion rates. This gives an idea to improve further one's own strategy and pull the customers towards a brand.

5.3 Set Your Goals

The goals should be clear and precise that is no ambiguity should be there. Each goal should lead to a single interpretation. The overall step by step process that has to be followed should be well-defined to increase the brand awareness.

5.4 Plan Your Strategy

After defining the overall goals, it is important to plan the strategies to achieve the goals. Now, it's time to make it effective like if performance of the brand has to be monitored consistently then it can be achieved through feedbacks, reviews, and conversion rates. It is important to keep a track on the performance as it informs the marketers about the further scope of improvement.

5.5 Decide Your Budget

It is important to estimate the cost beforehand as otherwise it might lead to excessive cost that would deviate the overall budget planned for the digital marketing activities.

VI. DIFFERENCE BETWEEN TRADITIONAL MARKETING AND DIGITAL MARKETING

This section summarizes the differences between traditional marketing and digital marketing from different aspects as listed below [3]:

6.1 Medium of Marketing:

The medium of marketing differs in both types of marketing that is digital marketing uses digital media to promote the products like websites, blogs and social media platforms such as Facebook, Twitter, and Instagram. In contrast, traditional marketing uses traditional medium to promote the brand like newspapers, flyers and magazines.

6.2 Cost Effectiveness

In terms of cost-effectiveness, digital marketing is more cost-efficient as compared to traditional marketing.

6.3 Measurable Results

It is easy to estimate the probability of the number of customers who would be actually convertible to buyers using different digital marketing tools such as Google Analytics, Web Analytics and many more. But it is comparatively difficult to count such customers in traditional marketing.

6.4 Reach Large Audience

Through digital marketing a large set of audience can be reached irrespective of the location as detailed information about the brand is available in a unified form on different platforms whereas in traditional marketing mode audience can be reached through radio ads, magazines, newspapers ads and high chances of missing the information exists at user-end.

E. Brand Building

Digital marketing is more effective in brand building as compared to traditional marketing. The consistent track of the performance of the brand through comments, reviews, and feedbacks helps the companies to maintain the online reputation of the brand. Thus, marketers can keep on working to gain more attention of the customers, increase the sales of the product and hence improve the overall revenue of the business. But such quick assessment is not feasible in traditional marketing; hence digital marketing is more efficient in brand building.

VII. CONCLUSION

With the growth of active users on different social media platforms, digital marketing has gained wide popularity as it acts as an important channel for the promotion of brands. The brand awareness can be increased by advertising the products on different platforms but it is a challenging task to capture the right audience, improve the conversion rates, and meet the expectations of customers. This paper details about the key elements of digital marketing plan, different forms of digital marketing, major benefits that can be drawn through digital marketing, limitations of digital marketing, different tools that can be used for analysis of the brand reputation. Thus, proper digital marketing can lead to effective results, would increase the growth of the business and hence the overall revenue of the organisation. The strategies for the expansion of business and the role of key factors that impact the growth of the business might vary on different platforms for different business. Thus, further analysis and determinants can be identified more specific to a business.

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