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1. Introduction

1.1 Topic: The Impact of Digital Marketing on Consumer Behaviour

1.2 Target Population: Adults (18+) residing in metropolitan cities

1.3 Purpose:

The study of consumer perception and behaviour is one of the most widely studied and embraced constructs in marketing. As the world transitions to the digital era, digital channels play an increasingly important role in the increasing the sales of any firm's products. Customers expect more from brands because they want a more consistent and personalised experience. At the same time, brands are experiencing significant changes in consumer behaviour and are battling to meet the demands while staying ahead of the competition.

Consumer purchasing behaviour influences numerous variables, and these elements constantly influence advertisers to coordinate the needs of their clients. Marketing activities conducted through digital channels allow advertisers to communicate directly with potential customers at a rapid pace and regardless of geographical location. Hence, with the trend toward direct, one-to-one marketing, additional attention is being paid to the use of digital channels as a means of effectively advertising to consumers.

1.4 Objectives:

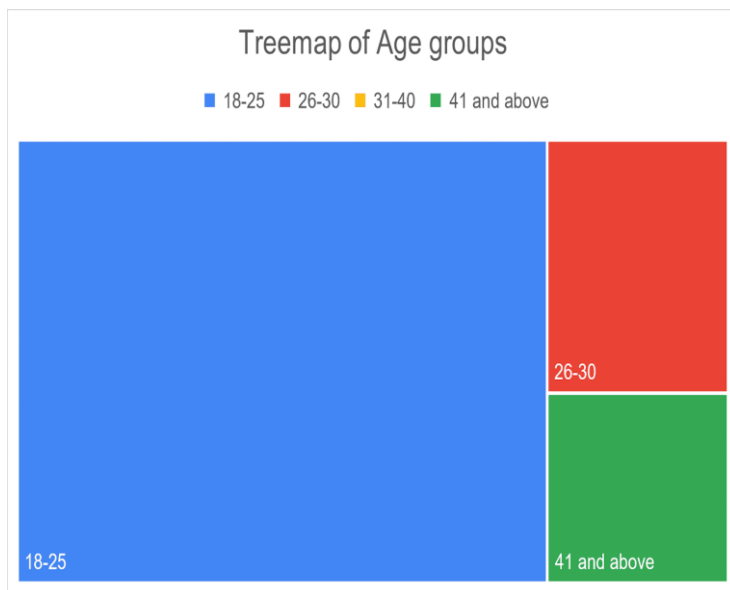
The objectives of this survey are:

- 1) To examine digital engagement among the target population
- 2) To study the consumer buying behaviour among the target population
- 3) To study how consumer preference enhance digital marketing experience

1.5 Confidentiality Note: This survey is conducted by students of St. Xavier's College. The responses obtained from this survey would be used solely for academic purposes.

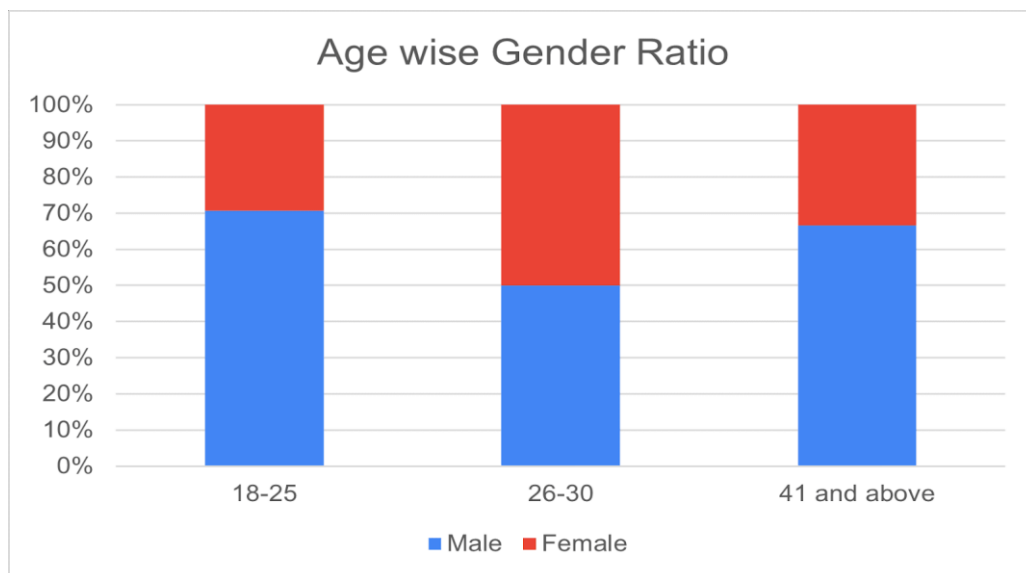
2. Statistical Analysis

2.1 Demographics



For our analysis, we considered a target population of Age > 18 years old, which helped us in studying the impact of digital marketing on consumer behaviour, and its variation among different age groups.

We chose to include at least 55 respondents for it to be generalizable of the entire population. We made use of Google Forms to collect responses. The forms were sent to be filled via the social media platform WhatsApp to our friends, family and acquaintances that satisfied our requirements. The respondents were then asked to forward the form to other people who belong to the target population.

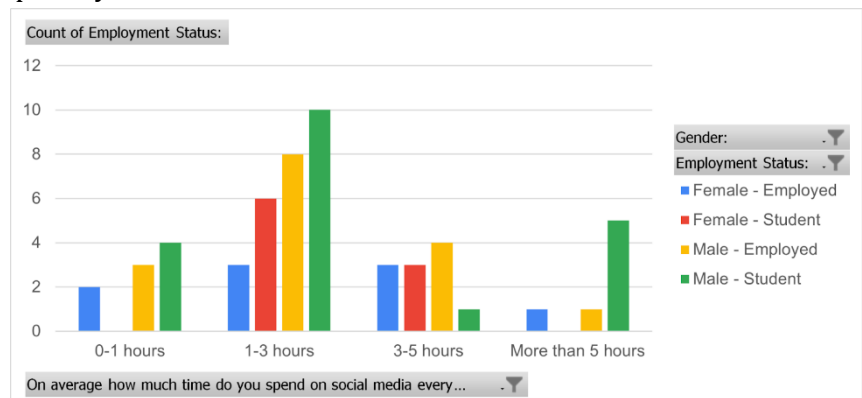


2.2 Usage of social media

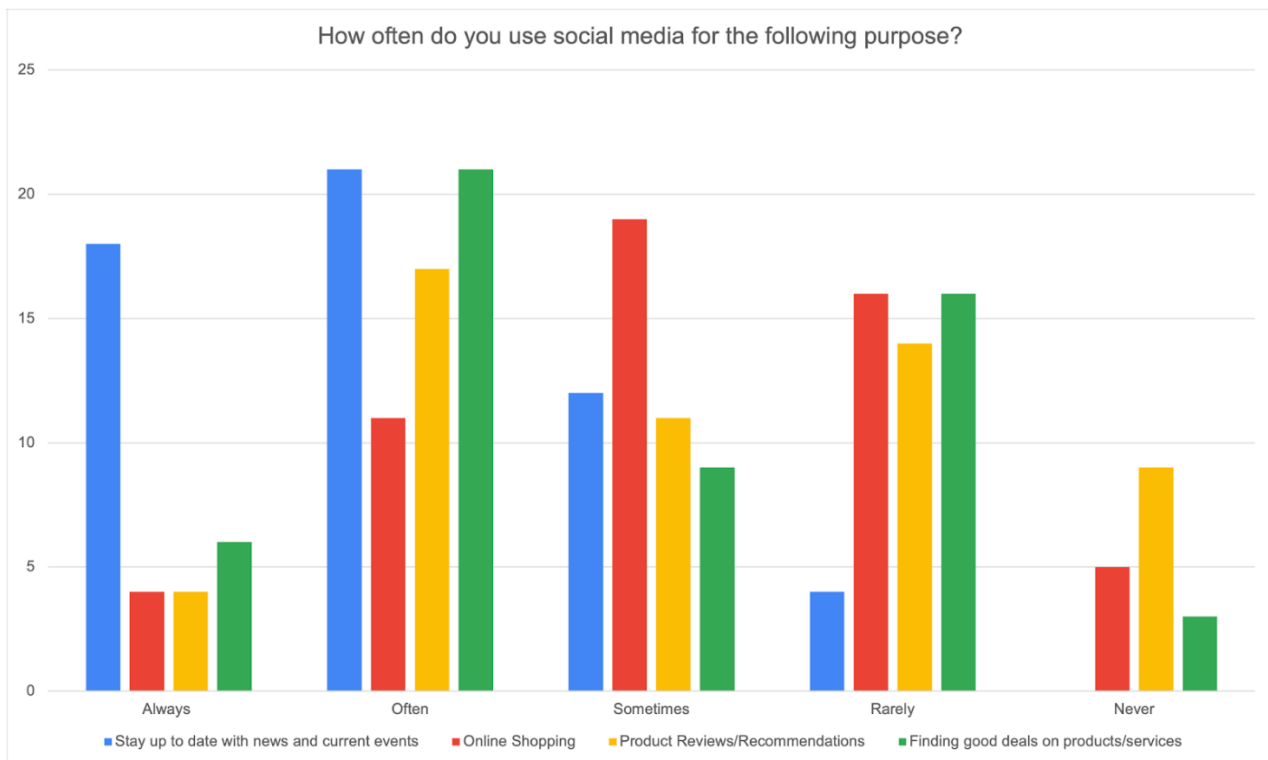
With 84% of people between the ages of 18-29 using social media and with people on average spending 2.5 hours per day on social, social media has never been bigger before^[4]. We studied the daily usage of the population with respect to the duration of use per day and the reason for use.

Our research is in agreement with the global daily average of hours spent on social media^[2] being 2.5 hours.

A research conducted at the University of Sharjah^[1] found that **50% of students spent 1-3 hours** on average every day on social media while **12.2% of students spent more than 5 hours**. Our research found that **51% of students spent 1-3 hours** on average daily on social media with **17% using social media for more than 5 hours**.



We also studied the uses of social media among the population:



70.91% of the population uses social media to stay up to date with news and current events

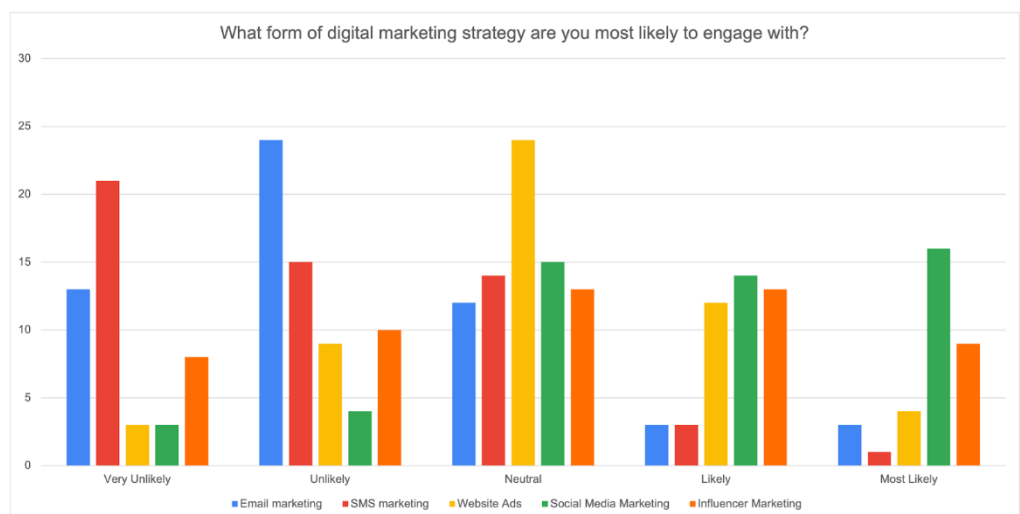
While 49.1% of the population use social media to find good deals on products/services, 35% find themselves not doing so.

2.3 Types of digital marketing engagement

In today's time, digital marketing has seen a sudden shift with the rise in social media. Not even ten years ago, social media served as sites for connecting people but now is a full-blown media outlet where multi-million dollar businesses are branding themselves. Social media has become a platform where anyone can turn into an influencer and be paid to endorse every single type of product or service to their followers. We studied the types of digital marketing one would most likely engage with.

Our research clearly indicates the rise in new means of marketing with **55% of the population** being more likely to engage with Social Media Marketing, followed by **40%** that are likely to engage with Influencer Marketing.

While the likes of SMS and Email marketing ranked the lowest with 7% and 11% respectively. These low engagement rates are likely



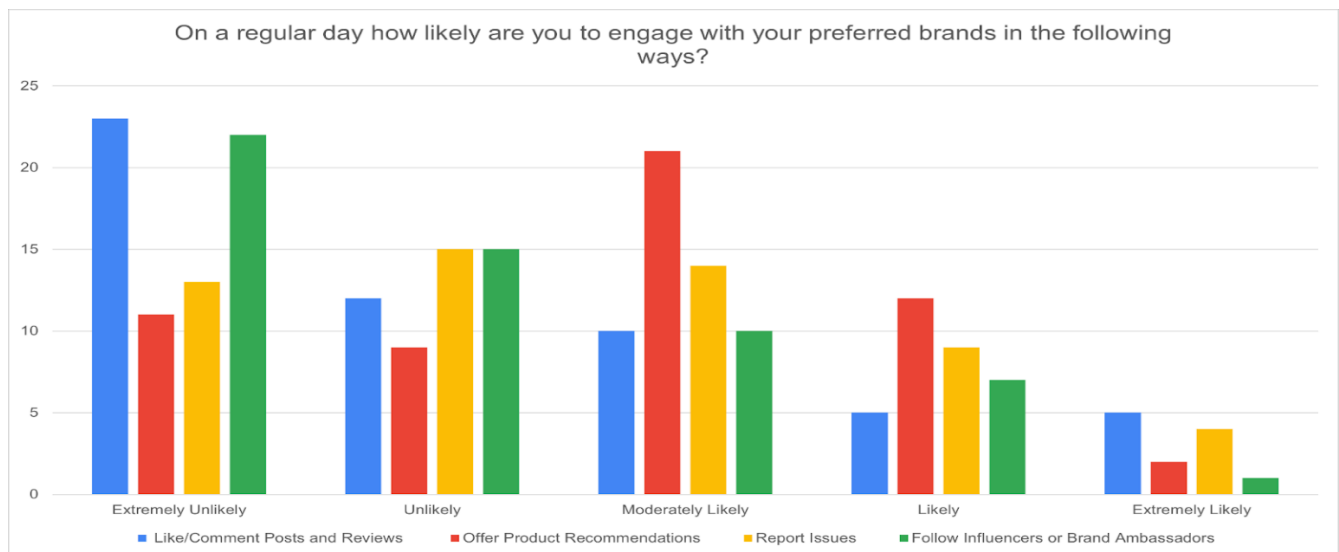
due to the fact that social media has become a massive part of our lives with more than 4.5 billion active social media users as of 2022^[2]. People have started consuming content through social media in ways that commend original, informative, useful, and shareable content subsequently further promoting the influence.

Influencer marketing is mainly about spreading the word about a brand. When users see the promotion of a brand by an influencer they follow, it stays in their subconscious mind, and at the time of buying that brand is on the top list. This is evident with 65% of brands increasing their influencer marketing budgets, and businesses looking for even more bang for their buck^[8].

2.4 Ways for Brand Engagement:

Research says that **42% of consumers expect a response on social media within 60 minutes**^[6]. People expect rapid responses around the clock, and social media is becoming a preferred channel for customer service interactions. One survey^[7] found that when consumers have a bad experience, **half will complain publicly on social media**. And if they don't receive an answer at all, **81% won't recommend that company to their friends**.

In a world shrunk by the powers of social media, brands must develop ways to engage with their customers. We studied the population's likeliness to engage with their preferred brands and found the following.



The results are indicative of the trend digital marketing is following. But brands must pay heed to how they provide a platform for better engagement with all their customers. Our study found that **71% of the population above 26 years are unlikely to engage with brands on social media to report issues**.

Online engagement is positive as the reputation it generates but on the other hand, a single negative comment can bring bad publicity overnight, which is difficult to reverse. It is vital that a brand must actively pursue if they wish to build long-term customer interactions and relationships and solidify customer loyalty for their brands rather than just a transaction. Accordingly, their spending globally in the digital space has increased from \$380.75 billion in 2020 to \$491.70 billion in 2021 and this is forecasted to grow to an estimated \$785.08 billion in 2025^[9]. This is one of the biggest priorities for brands to pursue in order to stay relevant and keep up with the changing markets.

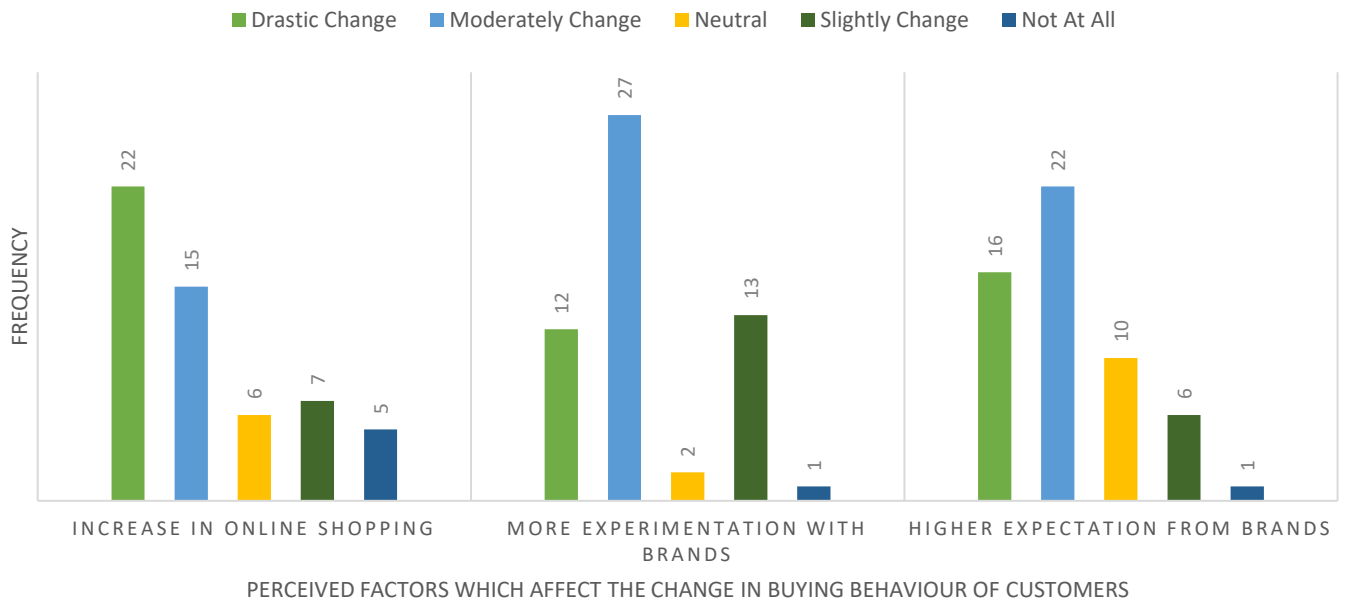
2.5 How has customer buying behaviour changed with the rise of digital marketing?

In digital marketing, understanding consumer behaviour is key for marketing success as consumers have embraced utilising the internet and online socialising tools. Being a new tool for interacting with consumers, organisations have to be cognisant of how social media has impacted consumer buying behaviour.

Perceived Factors which affect the change in Buying Behaviour of Customers with rise in digital marketing

- Increase in online shopping
- More experimentation with brands
- Higher expectation from brands

CHANGE IN BUYING BEHAVIOUR WITH THE RISE OF DIGITAL MARKETING



Chi – Square Test

H_0 : There is no significant difference between change in Buying Behaviour of Customers (with rise of digital marketing) and Age of the respondents

H_1 : There is no significant difference between change in Buying Behaviour of Customers (with rise of digital marketing) and Age of the respondents

Level of Significance = $\alpha = 0.05$

• Increase in online shopping

Observed	Drastic Change	Moderately Change	Neutral	Not At All	Slightly Change	Grand Total
18-25	14	14	5	2	6	41
25-40	5	1	0	1	1	8
41 & above	3	0	1	2	0	6
Total	22	15	6	5	7	55

Expected	Drastic Change	Moderately Change	Neutral	Not At All	Slightly Change	Grand Total
18-25	16.4	11.18182	4.472727	3.727273	5.2181	41
25-40	3.2	2.181818	0.872727	0.727273	1.0181	8
41 & above	2.4	1.636364	0.654545	0.545455	0.7636	6
Total	22	15	6	5	7	55

$p \text{ value} = 0.186316 \gg 0.05$

Here, the $p \text{ value} \gg \alpha$. Hence, we Accept H_0 . Thus, there exists no dependency between the Age of the respondents and the change in Buying Behaviour of Consumer with respect to Increase in Online Shopping.

- **More experimentation with brands**

Observed	Drastic Change	Moderately Change	Neutral	Not At All	Slightly Change	Grand Total
18-25	5	25	2	1	8	41
25-40	4	2	0	0	2	8
41 & above	3	0	0	0	3	6
Grand Total	12	27	2	1	13	55

Expected	Drastic Change	Moderately Change	Neutral	Not At All	Slightly Change	Grand Total
18-25	8.945455	20.12727	1.490909	0.745455	9.690909	41
25-40	1.745455	3.927273	0.290909	0.145455	1.890909	8
41 & above	1.309091	2.945455	0.218182	0.109091	1.418182	6
Grand Total	12	27	2	1	13	55

$p \text{ value} = 0.059197 \gg 0.05$

Here, the $p \text{ value} \gg \alpha$. Hence, we Accept H_0 . Thus, there exists no dependency between Age of the respondents and the change in Buying Behaviour of Consumer with respect to more experimentation with brands.

- **Higher expectation from brands**

Observed	Drastic Change	Moderately Change	Neutral	Not At All	Slightly Change	Grand Total
18-25	5	25	2	1	8	41
26-30	4	2		0	2	8
41 and above	3	0	0	0	3	6
Grand Total	12	27	2	1	13	55

Expected	Drastic Change	Moderately Change	Neutral	Not At All	Slightly Change	Grand Total
18-25	8.94545	20.1272	1.4909	0.745455	9.6909	41
26-30	1.74545	3.9272	0.2909	0.145455	1.8909	8
41 and above	1.30909	2.9454	0.2182	0.109091	1.4181	6
Grand Total	12	27	2	1	13	55

$p \text{ value} = 0.065111229 \gg 0.05$

Here, the $p \text{ value} \gg \alpha$. Hence, we Accept H_0 . Thus, there exists no dependency between Age of the respondents and the change in Buying Behaviour of Consumer with respect to Higher expectation from brands.

Age differences within the sample were not found. This is supported by the results from research Rönnlund et al. (2005) maintained that the life experiences of older adults compensated for their lesser cognitive resources, which explained why they did not show a larger framing effect than that of younger adults. One reason for this result may be that utility, price and feelings about the products are all important to middle-aged adults. Such individuals still need to prepare for the future, such as preparing for retirement and ensuring long-term financial stability. Meanwhile, middle-aged adults begin to realize future limitations with increasing age and shift concerns to emotion satisfaction (Carstensen, 1992; Charles and Carstensen, 1999). Therefore, they may make the same decisions in the information- and emotion-focus conditions. If a customer regards a product as not particularly valuable, they may care less about how to select it.

2.6 Factors Influencing Customer's Mode of shopping and Factors Influencing Customer's Purchase Decisions

Is there a correlation between Factors Influencing Customer's Mode of shopping and Factors Influencing Customer's Purchase Decisions? If yes, is the correlation significant?

As indicated earlier this study, due to rise of consumer engagement in social media, there has been a shift in consumer behaviour with respect to activities, habitats and interactions. Due to the significant changes in the media environment, organisations have embraced digital marketing as a channel to engage with their consumers.

- Home delivery
- Save Time
- Avoid crowds
- Affordable prices
- Variety of options

Digital marketing of the brand needs to align with the personalities of the target market to have an impact on the consumers' buying behaviour and preference. With the rise of social media, marketing departments now have various options available to them for branding their products, such as advertising, publishing of brand content, participation in social networks and developing engagement opportunities for consumers to participate with the brand

- Product reviews
- User interface on company website
- Advertisement (TV/ Radio/Streaming devices)
- Social media post by people I know
- Social media posts by influencer

Taking the above factors into consideration, organisations need to adapt their digital marketing initiatives to reach out to the different segments of consumers to create awareness and influence their buying decision.

r_s	0.9
Pairwise cases (n)	5
t statistic	4.129483
df degrees of freedom	3
P value (where $\alpha = 0.05$)	0.025759

⇒ There is a **strong positive correlation = 0.9** between Factors Influencing Customer's Mode of shopping and Factors Influencing Customer's Purchase Decisions.

⇒ Since $p \text{ value} \ll \alpha$, the correlation between Factors Influencing Customer's Mode of shopping and Factors Influencing Customer's Purchase Decisions is significant.

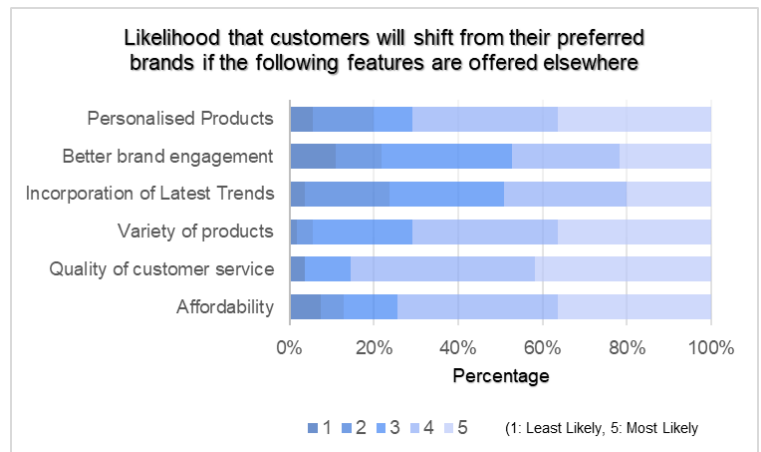
2.7 Brand Loyalty

Digitalization has spawned a golden age of consumer sovereignty. Customers are better informed and have more choices than ever. eCommerce has also facilitated innovative business models and a role for aggregators that help companies come online and extend their reach. While third parties are helping businesses find new avenues of growth online, this has sometimes come at a cost to brand owners who can struggle to build a dialogue directly with consumers. With this digital intermediation, one wonders:

What happens to brand loyalty in the digital age?

As our expectations for digital experiences grow, quality of customer service, affordability and personalization become key factors in how likely we are to return as customers. Modern consumers want the marketing process to be more interactive, and to give them the possibility to be more engaged.

According to the data collected, 42% of the respondents were most likely to shift from their preferred brand if better quality of customer service was offered elsewhere. Furthermore, 36% of respondents indicated that they were most inclined to switch to the prospects for personalization, variety, and affordability in products.



The quality of customer experience is the main differentiator between a company and its competitors. It's easier to make a sale when customers feel supported, and word-of-mouth marketing after an extraordinary experience is one of the best pitches on the market.

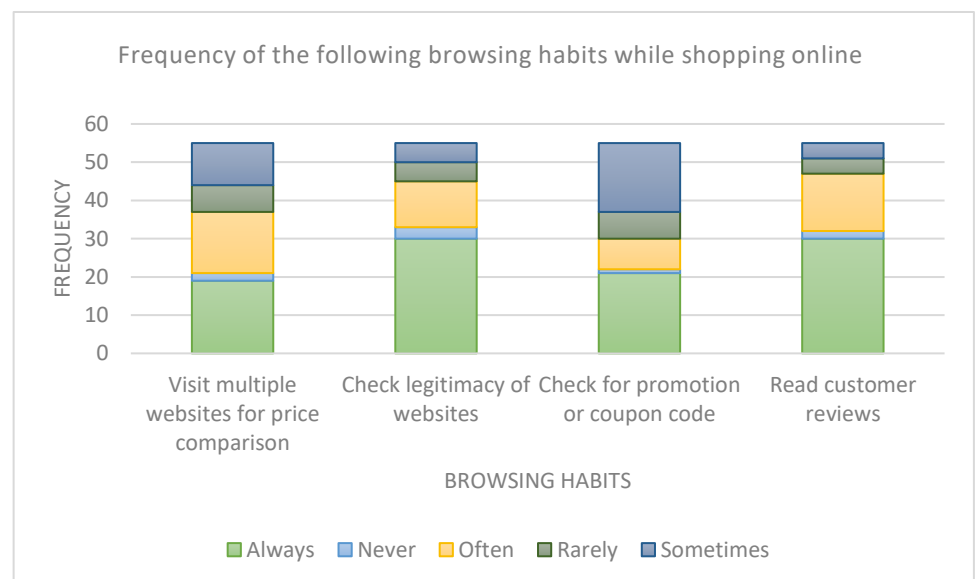
Personalization has become an increasingly important part of many digital campaigns. Generic 'one size fits all' marketing has become a thing of the past, replaced by tailor-made, unique experiences.

Personalization, however, is still an unfamiliar tool for many. The data shows that a majority of respondents in the age group of 18-25 (39%) are most likely to be swayed by personalized services. When attempting to implement it into digital marketing, it's important that marketers understand what personalization can bring. By comprehending the main shifts in personalization, including building the necessary skills and capabilities, marketers will be able to offer a highly-demanded service to both loyal and fresh customers. Looking forward to the coming years, marketers should expect personalization to continue to boom. Being able to generate recommendations based on specific customer demands will encourage further engagement and build long-term loyalty.

2.8 Frequency of the browsing habits while shopping online

- Visit multiple websites for price comparison
- Check legitimacy of websites
- Check for promotion or coupon code
- Read customer reviews

Human interaction has seen significant changes due to engagement on social networks, and the growth of web platforms has facilitated the human behavioural change of activities, habitats and interactions. As per Stokes (2011), the internet has provided a new channel for consumers, offering them more choice, influence and power. Consumers now view shopping as a daily activity due to digital connectivity and the time spent online by consumers (Powers et al., 2012). Marketers rely



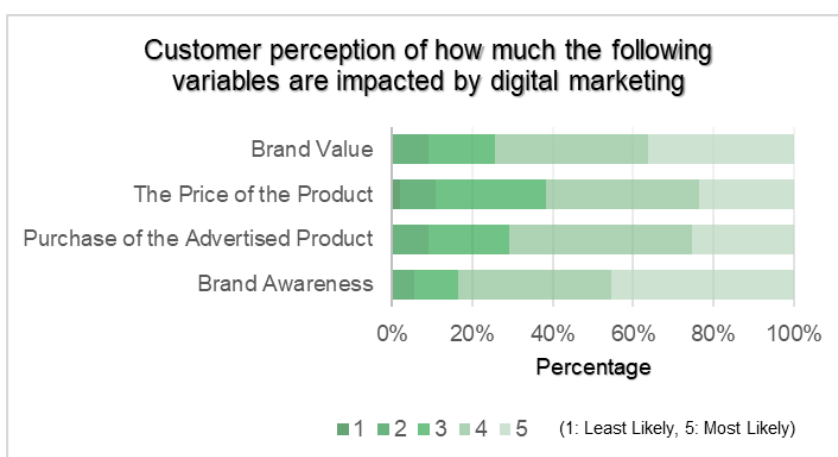
heavily on digital coupons to boost the sales of their products in a highly competitive market environment. And with brand loyalty going for a toss, it becomes essential for brands to make shoppers buy from them by incentivizing their purchase. According to various researches on the importance and significance of coupons, it has been found that more than 90 percent of consumers in the US used coupons in 2020. While 70 percent of shoppers loved receiving the digital coupon, it was also revealed that people who shop using coupons spend around 24 percent more. In our study, **70.91 %** of respondents rely more on finding promotion or coupon code while shopping online.

2.8 In the current scenario, what do consumers think of digital marketing?

Understanding consumer preference in marketing is a journey in itself. Customer demands continue to shift and there is an ever-growing expectation of real-time, one-to-one communication between the customer and business.

Marketers face challenges in looking for new ways to reach their customers. For modern marketers, digital marketing is the most important function in the business that helps them in effective customer engagement and build brand awareness and customer loyalty.

Brand awareness is a term that refers to the degree of consumer familiarity with a product by its name using various marketing channels. It distinguishes the product of a brand from its competition. Simply put, it measures how well your target audience recognizes your brand. When consumers are confronted with choices, they are more likely to buy a product from a brand they are most familiar with. That's why, brand awareness should be a priority for businesses, especially start-up brands.



Based on the survey, 45% of the respondents firmly believe that brand awareness is most likely to be affected by digital marketing. Further, we found that there is a positive correlation of **0.514741715** between brand value and awareness. And a correlation of **0.420685617** between brand awareness and the purchase of the advertised product.

The positive impact of awareness of the brand through digital marketing can further lead to word of mouth about the brand by the customers.

3. Conclusion

In the world of digital marketing, tailoring the advertising strategy to customer preferences makes all the difference. The reality of this moment in time is that almost every touchpoint consumers have with brands (and vice versa) is digital. Because of this, a business-wide goal should be to put digital in the right light by making it about the customer. Ultimately, marketers should work toward harnessing the power of digital to serve customers what they want, when they want it.

On one side, digital marketing and technology are responsible for transforming consumer behaviour, but it is essential to understand that consumer behaviour is shaping digital marketing. Advancing technology, logistics, finance, and accessibility are forcing businesses to move to more customer-centric models. Brands have begun to use artificial intelligence to communicate with their customers. It is an experiment to include conversational marketing into their daily lives. AI is unleashing the possibility of hyper-personalization through individualized product recommendations, intelligent content recommendations, and customer assistance suggestions as machine learning develops.

The future of digital marketing looks promisingly bright and secure. The basic principle right now for every business is to make a place for themselves in the digital world with the help of digital marketers that are creative, innovative and updated. This upward trend of growth in digital marketing is here to stay.

4. Limitations

This study offered a number of interesting insights. Our findings, however, also have specific study constraints and for future studies, they will be examined and overcome.

- The concept of an online modality-based standardized survey surely reduced the participation of a relevant number of interviewees. Future research should focus on increasing the sample number of respondents utilizing diverse communication methods, not solely through social networking.
- The sample size would be modified differently from our existing strategy. Instead, the size could have been considerably greater than 55 responses, which in turn reflects the complete population. In addition, the modification of the sampling method can also produce varied findings. However, given the various limitations in our project, for example, the time, a lot greater sample would not allow than the one we have utilized. If a little qualitative interview with respondents was done with the quantitative approach, the study could be more reliable.
- The survey was based only on a few aspects of digital marketing influencing consumer behaviour. Future research studies could include more in-depth components of digital marketing like consumer attitude to ads in premium digital media brand environments.
- Since the responses were reported on the basis of the respondent's personal memories, distinctions, and prestige, some incorrect answers may be provided. For future studies, a detailed interview may be recommended.
- In order to explore whether social goals influence the purchase decisions of middle-aged adults, it would be of beneficial to include products of higher subjective value into the research design.
- This research has been characterized as an academic study. An experiment in the field could be more efficient and enriching. With the application of questionnaires, the respondent can intentionally or not, misunderstand the questions, misinterpret what is being asked or even deceive the researcher.
- As the rise in digital marketing is a relatively new field, it was unknown how much of adult customers would comprehensively comprehend the topic. Future studies could take this study into account and create alternative questions concerning the measurement of objective knowledge.
- The results obtained by this study, while validating the influence of cognitive biases in purchasing decision-making, couldn't give a conclusion on the intensity level at which that influence exists. Future studies may examine individual brands, participants' socio-demographic factors, and the environment in which the buying transaction will be carried out in order to draw the intensity level.

5. Questionnaire

Question 1

Age:

- 18-25
- 26-40
- 40 and above

Question 2

Gender:

- Male
- Female
- Non-Binary
- Prefer not to say

Question 3

Employment Status:

- Employed
- Unemployed
- Student

Question 4

On average how much time do you spend on social media every day?

- 0-1 hour
- 2-3 hour
- 3-5 hour
- More than 5 hours

Question 5

How often do you use social platforms for the following purposes?

	Never	Rarely	Sometimes	Often	Always
Stay up to date with news and current events					
Online Shopping					
Product reviews/ recommendations					
Finding good deals on products or services					

Question 6

What are the factors made you switch from traditional (in store shopping) to online shopping?

(Rank the options in order of: 1 – Lowest 5- Highest)

	1	2	3	4	5
Home delivery					
Save Time					
Avoid crowds					
Affordable prices					
Variety of options					

Question 7

When shopping online, how often do you do each of the following?

	Never	Rarely	Sometimes	Often	Always
Visit multiple websites for price comparison					
Check legitimacy of websites					
Check for promotion or coupon code					
Read Customer Reviews					

Question 8

What form of digital marketing strategy are you most likely to engage with?

	Very Unlikely	Unlikely	Neutral	Likely	Most Likely
Email marketing					
SMS marketing					
Website Ads					
Social media marketing					
Influencer Marketing					

Question 9

State the level of influence of each information source on your purchasing decisions

	Not At all Influenced	Rarely Influenced	Neutral	Somewhat Influenced	Strongly Influenced
Product reviews					
User interface on company website					
Advertisement (TV/ Radio/ Streaming devices)					
Social media post by people I know					
Social media post by Influencer					

Question 10

On a regular day how likely are you to engage with your preferred brands in the following ways?

(1 – Least Likely 5 - Most Likely)

	1	2	3	4	5
Like posts / Comment Reviews					
Offer product recommendations					
Report Issues					
Follow influencers or brand ambassadors					

Question 11

How likely are you to shift from your preferred brand if the following features are offered elsewhere?

(1 – Least Likely 5 - Most Likely)

	1	2	3	4	5
Affordability					
Quality of customer service					
Variety of products					
Incorporation of Latest Trends					
Better brand engagement					
Personalized Products					

Question 12

To what extent do you think the digital marketing affects the following?

(1 – Least 5 - Most Likely)

	1	2	3	4	5
Brand Awareness					
Purchase of the Advertised Product					
The Price of the Product					
Brand Value					

Question 13

How has your buying behaviour changed with the rise of digital marketing?

	Not at all	Slight change	Neutral	Moderate change	Drastic change
Increase in online shopping					
More experimentation with brands					
Higher expectation from brands					

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