

The Impact of Digital Marketing on Businesses

Utkarsh Goe¹, Htet Ne Oo²

¹Chitkara University Institute of Engineering and Technology, Chitkara University, Rajpura, Punjab, India

²Chitkara University Institute of Engineering and Technology, Chitkara University, Rajpura, Punjab, India

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Editor: Dr. Karan Malik

*Corresponding author

Email: htetneoo@gmail.com
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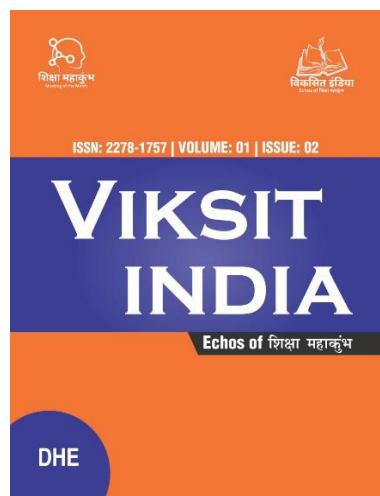
Abstract

The value of digital marketing in the ever-evolving business environment and its effects on advertisers and customers are discussed in this paper. The opening highlights how traditional marketing tactics are giving way to digital marketing as a result of the internet and technology's rapid advancements. The study covers related literature that highlights the development of digital marketing, its effects on a variety of industries, including retail, hotel, healthcare, financial services, and education, as well as the difficulties associated with implementing a data-driven strategy. The paper also includes a case study analysis that was done using polls of buyers and sellers in the automobile industry. The findings show that both buyers and sellers prefer online marketing, with social media being a top medium. In order to demonstrate the benefits of digital marketing, the paper contrasts it with traditional marketing in terms of analytics, cost, reach, interactivity, and personalization. The paper concludes by offering best practices for companies to use digital marketing to overcome obstacles and capitalise on its advantages. These include working with experts, focusing on high-quality content, building a strong online presence, identifying the target audience, experimenting with new approaches, and offering top-notch customer service. This paper provides a thorough overview of the landscape of digital marketing by providing insights into the various aspects of it and how they affect both businesses and consumers.

Keywords: Digital Marketing, Traditional Marketing, Search Engine Optimization, Social Media Marketing, Online and Offline Marketing Strategies, Artificial Intelligence.

Introduction

An environment that is continuously evolving and changing, where technological advancement has been expanding in this ever-changing world, has made people connected to it in one way or another. People spending hours on their phones, computers, and any other gadgets have provided a wide range of possibilities for businesses to thrive from such digital transitions. Thus, it is not surprising to observe a significant shift in the marketing strategies of businesses as they choose digital marketing over conventional strategies like newspaper, radio, and television advertisements. While promoting goods and services, digital marketing uses the internet and other digital devices like smart phones, laptops, and PCs. Its uncertain growth and popularity changed the world's view of marketing products online. It is a collection of efficient methods and strategies for online product and service promotion. Due to the opportunities available online, it provides a greater variety of marketing elements than traditional marketing does. Digital marketing ensures a strong foundation with a judgment of critical thinking, acting independently, and being innovative. The Internet is an element that makes life easier and faster, thus overshadowing traditional marketing tactics [1]. The emergence of the digital age has fundamentally altered how individuals interact with one another, obtain information, and conduct business. With more individuals using the internet for a variety of purposes, it has become a necessary component of daily life. Because of this, companies are continually adjusting to this new reality by moving their marketing efforts to digital channels. Businesses have the chance to interact more personally and build client loyalty and trust through digital marketing. Businesses can build enduring relationships with their clients by adjusting their marketing messaging to the wants and preferences of their target audience. Additionally, digital marketing gives companies the chance to interact with customers more personally, building client loyalty and trust. Businesses can build enduring relationships with their clients by adjusting their marketing messaging to the wants and preferences of their target audience. The shift to digital marketing is in reaction to how customer wants and behaviors have changed in the era of the internet. Businesses can get a competitive edge and better accomplish their marketing goals as they continue to investigate and utilize the potential of digital platforms.



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Related Work

The significance of digital marketing for both consumers and advertisers are explored in the review paper [2]. It begins with an introduction to digital marketing and highlighting its various mediums, contrasting it with traditional marketing methods. Digital marketing, social media marketing, and search engine marketing have gained popularity as technology advances. The increasing number of internet users has played a significant role in the growth of digital marketing, as it heavily relies on internet connectivity. Consumers are increasingly favoring digital marketing over traditional marketing, leading to a shift in their purchasing behavior.

The growth of digital marketing in India is discussed in paper [3]. The internet is a key factor in what motivates digital marketing initiatives. Numerous opportunities for promoting and marketing operations have been made possible by the growing usage of the internet for both personal and professional purposes. The goal is to understand the phenomenon connected to people's growing preference for digital marketing. Three important groups are examined in the study: customers, businesses, and outside authorities. The findings show that all of these organisations concur for the development of digital marketing in India.

Bathla, Devesh, et al. had discussed that wearable innovation is an example of how technological breakthroughs have completely transformed how people live [4]. The release of Google Glass spurred a surge in wearable technology research and interest, encouraging users to push the limits of their present reality. Customers knew very little about wearable technology before the Google Glass prototype was developed. However, wearable technology has made great strides in the twenty-first century, which has contributed to its commercial dominance. The study is primarily concerned with analysing public knowledge of smart wearables and identifying the major attitudes towards these gadgets. The study also intends to investigate how customers could be influenced by digital marketing when making decisions about buying smart wearable's, with a focus on all digital platforms.

People or objects offer direction and stability, the idea of a guiding star or "North Star" is discussed in [5]. This bright light in the field of consumer analytics is essential for improving user experiences and tackling business difficulties by utilising massive volumes of data. Consumer analytics has received widespread appeal due to its capacity to sift through data-driven insights and push businesses ahead. Customer journey analytics, which offers a dynamic view of customers and incorporates crucial data points throughout their lifecycle, is a crucial part of this framework. This strategy goes beyond user data and traditional product ownership to include voice of the customer interactions, social media activity, digital channel interactions, sentiment analysis, and more. Utilising such in-depth data, businesses can increase profits and learn important things about the preferences and behavior of their customers.

Various Components of Digital Marketing

A variety of various approaches and strategies are contained under the vast topic of digital marketing, which is intended to reach and interact with clients online. The following are some elements of digital marketing:

1. **Search engine optimisation (SEO):** Search engine optimisation's goal is to increase web traffic to business sites. SEO helps advance business rankings and helps increase business awareness on the internet by using practices technically and creatively on search engines like Google, Yahoo, and Bing [6]. To make business's site rank high on search engines, digital marketing experts often keep track of crucial keywords, content, back links, and crosslinks.
2. **Online advertising:** Across from traditional marketing, digital marketing is the online display of marketing your business through the internet. In online advertising, a digital marketer purchases ad spaces on other popular business sites, forums, and blogs to display their product through images, videos, and banners[7]. Due to its vivid advertisements, online advertising is excellent at grabbing attention.
3. **Email marketing:** Email marketing is sending proportionate messages to a group of current or potential clients. It is a very efficient way to communicate with clients and deliver communications that are suited to their requirements.
4. **Social media marketing (SMM):** The crucial element of digital marketing is social media marketing (SMM). Digital marketer's priorities well-known social media platforms like Facebook, YouTube, LinkedIn, Twitter, and Instagram when promoting brands online [8].
 - **Facebook:** Facebook advertisements assist companies in increasing traffic to their primary website content and visibility of Facebook content.
 - **LinkedIn:** LinkedIn helps to reach a more professional audience. It helps target niche audiences through industry-specific variables and increases the conversion rates.
 - **Google ads:** It allows businesses to focus on audience interest for what they want which means business searches can be continually refined so that only the targeted audience will land on the website's page through the platform.
 - **Twitter:** Twitter has a large user base which helps reach a wide audience, including potential clients. You can get in touch with folks who are passionate about a particular location or subject by using specific hashtags. The Twitter platform offers customer service by providing direct two-way connection with users.

Digital Marketing across Business Domains

Due to Digital marketing massive growth and popularity among businesses for better reach and effective advertisement, here are some of the examples of how many business sectors use digital marketing to meet their unique objectives.

1. **Retail:** To reach and engage their target audience, retail businesses use digital marketing strategies including targeted internet advertising, social media marketing, and customised email campaigns [9].

- They also use mobile apps and e-commerce platforms to boost sales and improve the whole buying experience.
2. **Hospitality and Tourism:** Digital marketing is essential for bringing in new clients and keeping existing ones in the hospitality and tourist sectors. Search engine optimisation (SEO), social media marketing, and online booking systems are all used by hotels, resorts, and travel companies to increase online presence, expedite reservations, and increase client convenience.
 3. **Healthcare:** Healthcare providers use digital marketing to communicate with patients, spread the word about their services, and support health campaigns [10]. They use search engine advertising, social media interaction, and content marketing to connect with potential patients and develop their credibility as trustworthy healthcare professionals.
 4. **Financial services:** Banks, insurance providers, and other financial organisations use digital marketing techniques to engage clients, foster loyalty, and increase sales. To explain the value of their services, build brand awareness, and draw new customers, they make use of email marketing, content marketing, and social media advertising.
 5. **Education:** Digital marketing is a key strategy for traditional and online educational institutions to reach students and advertise their programmes. To promote their services, draw students, and build thought leadership in the education industry, they use techniques including search engine marketing, social media advertising, and content marketing.

Comparison between Digital and Traditional Marketing

For the purpose of promoting and advertising goods and services, two distinct marketing strategies are used: traditional marketing and digital marketing. Some significant variations between the two are:

1. **Reach:** Traditional marketing methods, such as print ads, TV and radio commercials, and billboards, are often limited in their reach. On the other hand, digital marketing can use internet strategies like social media, email marketing, search engine optimisation, and others to reach a far wider and more specific audience [11].
2. **Price:** Traditional marketing may be very costly for start-ups and small firms with limited resources. Digital marketing, however, can be more cost effective, with many channels, such as social media and email, being relatively low-cost or even free.
3. **Analytics:** Digital marketing provides more advanced analytics and data tracking than traditional marketing. This allows marketers to measure the success of their campaigns, track ROI, and adjust their strategies in real time.
4. **Interactivity:** Digital marketing offers more interactive and engaging experiences for customers, such as social media contests, quizzes, and polls. Traditional marketing, however, is often limited to passive viewing or listening experiences [12].
5. **Personalisation:** Digital marketing gives a path for personalised and targeted advertising, based on

customer data such as location, interests, and browsing history. Traditional marketing is less personalized, and often depends on mass advertising to reach a broad audience.

Overall, while traditional marketing can still be effective in some cases, the trend in marketing and promotion of business is shifting towards digital marketing, which offers greater reach, cost-effectiveness, analytics, interactivity, and personalization.

Case Study and Analysis

1. Research Methodology

In the present work, the study on impact of digital marketing on businesses comprise of consumers perspective and seller perspective in automobile domain. Two different Google forms were prepared for the survey of these two different aspects. The questions centered on understanding how businesses felt about using digital marketing to expand their reach in the marketing and increase sales[13].

2. Data Collection

- **Consumers:** The sample size of around 100 consumers from different aspects was approached. In the total sample of 100 consumers, about 85% were approached face to face and the rest 15% were approached through telephone and social media.
- **Sellers:** The sample size of 50 sellers from 10 companies was approached for their view on growth through digital marketing. A survey was conducted and a face-to-face approach was held with automobile companies like Maruti, Skoda, Tata and other in Solan, Himachal Pradesh.

3. Result and Discussion

As mentioned previously, the data was collected using survey method by creating Google forms.

For Sellers: Analysis was based on how companies promote their product which benefits their sales and make them grow rapidly fast.

The opinion given by respondents about promoting their business or product online or offline which get their targeted customers more attracted is showed in Fig. 1.

According to survey, 88.7% opinion given by respondents were in favor of Online marketing, 5.7% were in favour of Offline marketing and remaining were with the dependency targeted market.

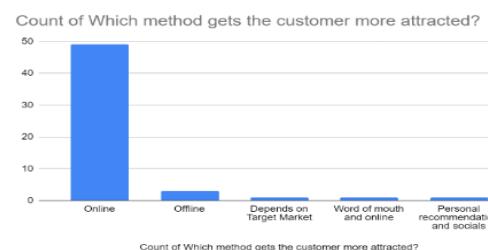


Fig. 1. Comparison of marketing methods based on customers' attraction

Fig. 2. and Fig. 3. Show the sources used by sellers when opting for online and offline marketing strategies.

Digital Marketing's Impact on Businesses

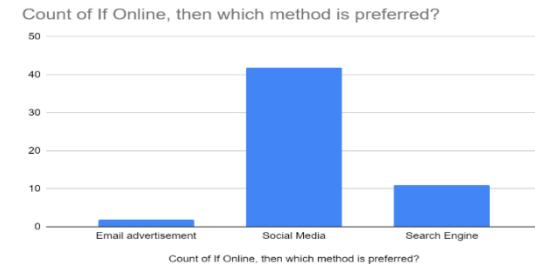


Fig. 2. Preference of marketing methods for Online.

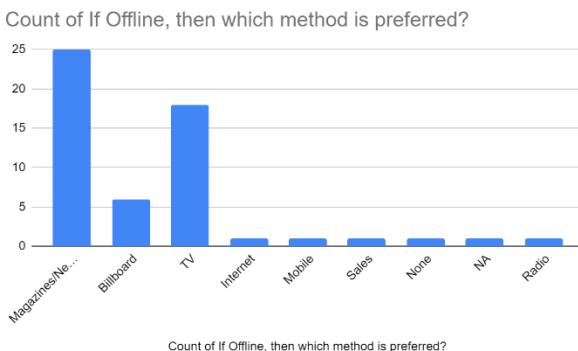


Fig. 3. Preference of marketing methods for Offline.

According to survey, 75.5% respondents chose social media, 20.8% chose search engine and 3.7% chose email marketing. Whereas, in offline marketing, 47.2% chose magazines and newspapers, 11.3% chose billboards, 32.1% chose Television and 9.4 % were interested in promoting with mobiles and internet.

- Fig. 4. Shows, how much online marketing are more effective than offline marketing according to the sellers which provide them with better results.

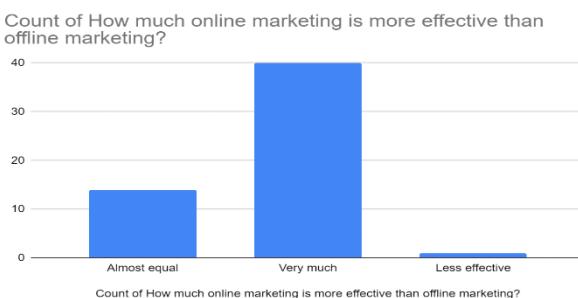


Fig. 4. Effectiveness of online marketing over offline marketing.

According to survey, 71.7% respondents think online marketing is more effective than offline marketing whereas 26.4% thinks online and offline promotional marketing strategies are almost equal and remaining 1.9% thinks it is less effective.

For Consumers: Analysis was based on the online and offline marketing strategies which consumers found more appealing, satisfying and trustable.

The opinion of respondents about how they get to know about products or which kind of marketing gains their interest more is shown in Fig. 5.

Which kind of marketing gains your interest more?

100 responses

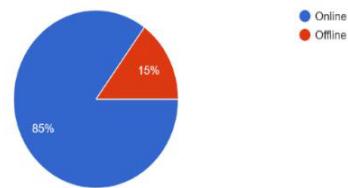


Fig. 5. Consumers' interest on online or offline marketing.

According to survey, 85% opinion given by respondents was in favor online marketing and 15% chose offline marketing. Fig. 6. and Fig. 7. Show the sources used by consumers when they want to look at the product they need.

If Online- Which marketing methods you use more often?

100 responses

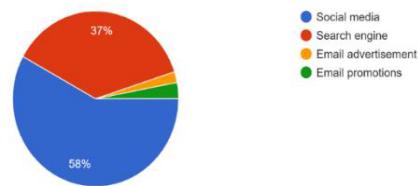


Fig. 6. Consumers' preference of marketing methods in online.

If Offline- Which marketing methods you use more often?

87 responses

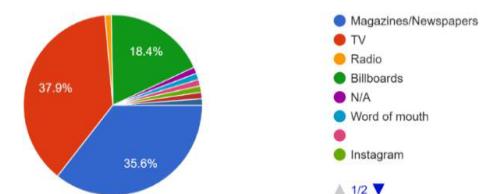


Fig. 7. Consumers' preference of marketing methods in offline.

According to survey, 58% opinion given by respondents were in favor social media, 37% were in favor of search engines and remaining 5% went with email promotions and advertisements.

According to survey, 37.9% opinion given by respondents were in favor of TV, 18.4% were Billboards, 35.6% were Magazines and Newspapers and remaining 8.4% thinks radio, word of mouth is better when it comes to offline marketing. Fig. 8. Shows how online marketing out-shadow offline marketing when it comes to more effectiveness.

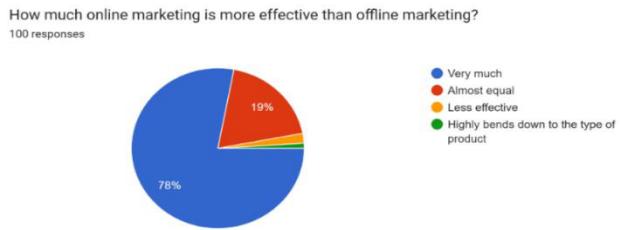


Fig.8 How much online marketing is more effective than offline marketing.

According to survey, 78% opinion of respondents were in favor online marketing being more effective and 19% thinks that both marketing strategies are almost equal and remaining 3% went with offline marketing being more effective than online marketing.

Best Practices for Overcoming Challenges

The following best practices for businesses should be used to address these problems and take full advantage of digital marketing's benefits:

1. **Partnering with experts:** Small businesses can stay current with the newest technology and trends by working with agencies and consultants, who can also provide them with the knowledge they need to succeed [14].
2. **Focusing on Quality over Quantity:** While a large quantity of content is important to produce, small businesses have to priorities quality over quantity to stand above all and provide value to their customers.
3. **Establishing a Strong Online Presence:** Small businesses need to create websites and keep social media profiles that are constantly updated with high-quality material in order to develop a strong online presence [15]. They will be able to reach a wider audience and increase brand recognition as a result.
4. **Recognizing the focus Audience:** To effectively focus their digital marketing campaigns, organisations must recognise and understand their target audiences. This is gathering information from market research to create tailored marketing efforts by learning about consumer behavior, preferences, and pain concerns.
5. **Trying New Things and Experimenting:** To stay competitive, small businesses need to be open to trying new things and experimenting in the ever-evolving world of digital marketing. This calls for remaining current with the newest trends as well as modern technologies and an open mind.
6. **Providing Top-Notch Customer Service:** In the digital age, providing top-notch customer service is crucial. Excellent customer service must be a top priority for small businesses across all digital platforms, including social media, email, and live chat. Customers will become more dependable and loyal as a result, increasing client retention and spreading good word of mouth.
7. **Investing in Employee Training:** To guarantee that their staff members have the skills and knowledge required for success, small firms must engage in training and development programmes. Digital

marketing demands a certain set of skills and knowledge [16]. This could entail giving them access to online courses, going to business gatherings, or collaborating with outside experts to offer specialized training.

8. **Measuring the right metrics:** To track the success of efforts in digital marketing, businesses must identify the key metrics that are most important to their business and focus their measurement efforts on these metrics.

Future Trends in Digital Marketing

Because of ongoing changes in consumer behavior and technology breakthroughs, the environment for digital marketing is constantly changing. One of the biggest developments in digital marketing is the use of artificial intelligence (AI) and machine learning to personalize the client experience [17]. Data is being used more and more by marketers to develop more specialised campaigns and offer audience-tailored information. The adoption of smart speakers and voice search is another development that necessitates that marketers tailor their content for voice search inquiries [18]. Also, as customers prefer visual content to text-based content, video marketing is becoming more significant. Additionally, social media platforms are evolving, placing a stronger emphasis on private communications and encouraging social commerce. Finally, given the rising privacy concerns, digital marketers will need to be open and ethical in how they gather and use data. Ultimately, digital marketing will evolve even more as technology advances and consumer behavior changes [19]. As a result, marketers will need to keep up with the most recent trends and modify their tactics as necessary.

Future developments in digital marketing also include:

1. **Interactive material:** Consumers want more and more interesting, interactive material that enables them to take part actively in the marketing process. This includes interactive films, polls, surveys, and quizzes.
2. **Augmented Reality:** Consumers will be able to visualise products and experiences in new and engaging ways thanks to the usage of augmented reality (AR) in digital marketing, which is anticipated to increase.
3. **Influencer Marketing:** As companies look to contact customers through reliable social media influencers, the trend of influencer marketing is likely to continue.
4. **Voice and visual search optimisation:** As was already indicated, voice and visual searches will become even more significant, and marketers will need to optimise their content to do well in these kinds of searches [20].
5. **Online Events:** Virtual events are anticipated to become more common as remote employment and internet events gain in popularity. To capitalize on this trend, digital marketers will need to modify their approaches.
6. **Sustainability and social responsibility:** Businesses must take into account consumers' growing concern

for sustainability and social responsibility in their marketing strategies.

Opportunities and Risk

Numerous options exist for businesses to connect with and engage with consumers through digital marketing; enhance their brand's reputation, and increase sales and revenue. Businesses must be mindful of the possible hazards that come with digital marketing, such as issues with privacy and security, the chance of disseminating incorrect information, and the potential for legal repercussions for improper or deceptive marketing tactics.

Opportunities:

1. **Broader Audience Reach:** Compared to conventional marketing strategies, digital marketing enables businesses to reach a larger audience [21]. Businesses may communicate with customers worldwide via the internet and social media, regardless of where they are physically located.
2. **Enhanced Targeting:** With digital marketing, companies may focus on particular demographics, interests, and behaviors in order to better target their marketing initiatives at the right customers.
3. **Enhanced Consumer Engagement:** Through social media interaction, email marketing, and other digital communication channels, digital marketing promotes heightened consumer engagement, helping firms to forge closer bonds with their clients.
4. **Cost-Effective:** Digital marketing is frequently more affordable than traditional marketing strategies, enabling small businesses with tight budgets to compete with larger corporations.

Risks:

1. **Privacy and security issues:** Data on consumers may be collected and stored as part of digital marketing, making it a target for hackers or other bad actors. To protect customer data, businesses must make sure they have the right security procedures in place [22].
2. **False Information:** Due to the speed with which information is shared online, false information has the ability to spread widely and harm a company's reputation.
3. **Legal Risks:** Companies need to be aware of the legal repercussions of digital marketing, including rules governing the privacy of customer data, spam, and misleading advertising tactics.
4. **Brand Reputation:** Negative reviews on social media or review websites can be difficult to overcome after a badly executed digital marketing campaign has hurt a company's reputation.

In summary, digital marketing presents a variety of chances for organisations to engage with customers and boost earnings. But it's crucial to be conscious of the risks and take precautions to reduce them. Businesses can use digital marketing to their benefit while reducing risks by putting best practices into practice and keeping up with the most recent trends and technologies.

Conclusions

In conclusion, digital marketing has emerged as a crucial component of contemporary company, providing several benefits and chances for companies to connect and interact with clients in fresh and creative methods. Businesses must, however, be aware of the difficulties and dangers that come with digital marketing and take precautions to make sure their campaigns are successful, moral, and legal. To be profitable and competitive as the digital world changes, organizations must stay up to date on the newest trends and technology and be open to adapting and innovating. Businesses should also define the key performance indicators to monitor, prioritize quality over quantity when producing content, and think about collaborating with industry experts to stay abreast of technological advancements and emerging trends. Future developments in digital marketing, like influencer marketing, augmented reality, and artificial intelligence, offer new chances for companies to connect with customers. However, these developments also call for strategic adaptation on the part of companies to remain competitive.

In general, digital marketing is a dynamic and constantly changing industry with enormous potential for organizations of all kinds. Businesses may use digital marketing to strengthen their brand, communicate with consumers, and increase sales and revenue by being aware of the potential and dangers involved and remaining current with emerging trends and technologies.

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