The Impact of Digital Marketing on Consumer Behavior

Introduction

The last decade has witnessed several major changes in the world economy. These changes are attributed to globalization of trade market, rising expectations of customers, and customization of products and services. The Internet era has transformed almost everything, including shifting our personal inspirations to professional aspirations. It has influenced our education, occupation, lifestyle, achievements, possessions, relations, beliefs, and perception of life. We are living in the world that overwhelms us with numerous choices. The customization of products has opened new vistas for visionaries. On one hand, it is a boon for customers as well as the corporate world; on the other hand, it has consumed businesses that could not withstand the challenge. Since the environment around us is getting dynamic day by day, so will be the lifespan of the companies. A number of companies, which were able to sustain in the last 50 years, will be much larger than the number of companies, which will survive in the next 50 years, and this is attributed to constantly changing landscape around us all.

Globalization has impacted the whole world, and Belgium is no exception. The global scenario has totally changed with the rise of BRICS and with the scenario of 2008. Economic growth is transferred to Asian countries and Europe has lost much of its economic power with the exception of a few nations. Like most of the European nations, Belgium too has faced economic instability in past few years. It is high time for the country to introspect and resuscitate its business and marketing strategies to survive in the world market. The media industry in the Belgium has evolved from print to digital, and today, many companies are using this medium to attract local and global customers. Though, online marketing has an edge over all other mediums, it is not easy and simple to get customers’ attention in this upsurge of information. Therefore, it is essential to understand the major challenges in the field and to find out a way to combat them.

In Belgium, digital media came into existence about a decade ago. According to a 2008 statistical report, approximately 87.5% of the population had internet access (highest in Europe); among them 98% are youth (Bakker, 2009). This is a massive number, and it indicates that the country is ready for digital revolution. Having said this, we also need to think that globalization can play a substantial role in digital transformation. Since a number of people have internet access, they can be lured into buying global products by the companies, which are not based in Belgium, and this is true for any country. Hence, the digital marketing has to be customized but at the same time globalized as well; so, that it appeals to a wide diaspora.

The main challenge for digital marketing is plethora of digital space. As a marketing manager, should one focus on search engines like Google, Alta vista, Yahoo, etc. or p2p (peer to peer) sites like YouTube, etc.? It is a big dilemma for every marketing manager. These companies need to identify customer’s characteristics who visits these sites, but another question propping here is, “Do all the customers visit these sites for same content?” The answer is ‘no ‘and hence, how can a company dynamically build up the content to address these customer segments? As previously explained, customers no longer have a dearth of choices. If they cannot relate themselves to any content, they will simply stop buying any products for that company. Hence, the integrated marketing communication should be coherent about the product starting from its marketing strategy to the culminating at launching of media campaign.

There are certain steps a company should take in this digital transformation to thrive, sustain, and outlast the competition. Following are the most significant among them:

Identifying the target audience.

Identifying the appropriate internet pages/sites to advertise the products.

Using optimization of search engine in order to increase visitors’ rate for the site by obtaining a high-ranking placement in the search results page of search engine.

Using cost-effective approach to increase the sales and thereby increasing the profitability margin.

Using engaging content so that customer can relate himself to the product.

The main objective of the given research proposal is to determine digital media effects on consumer behavior. To identify this behavior, we will focus on two major questions:

How the quality of content affects the buying propensity of customers?

Can discount coupons enhance customer’s loyalty to the company?

Today, many companies are investing heavily in digital advertising. However, it is crucial to know how much impact it is making in top line of a company.

Theoretical Framework

As discussed above, the content of communication has a far ever lasting impact on how customers perceive and value information they receive, imbibe, and how this information affects their association with the brand and the marketer (Merisavo, 2006).

Duncan and Moriarty (1998) emphasized on communication more than persuasion to build long term relations with the customer. They further explained that though promotional campaigns can cause a sudden upheaval in sales, they might not be able to sustain long-term sales unless supported by prudential carved out strategies. Promotional campaigns should then gradually be replaced by relationship campaigns where consumer sees himself as recipient of service and not merely as consumer of product. Tellis (1997) also abutted the same idea that companies need to build emotional connections with customers in order to gain the higher share of customer loyalty and thus induce more repeat sales and more words of mouth.

Mela et al. (1997) postulated that in the long run, marketing campaigns focusing on promotions of price such as free offer make consumers more price savvy in both non-loyal as well as loyal segments. Reibstein (2002) also supported this statement by conducting a study where he concluded that customer service support is the cardinal parameter, which attracts repeat buying and hence, lowers the cost spent on advertising campaigns. Non-loyal customers prefer those companies where they always receive promotional offers and hence, will never stick to one company as they keep looking for better deals.

In 1997, Kotler merged personalization and segmentation. He gave an idea of one to one marketing, better known as customized marketing.

Various authors have tried to measure the impact of personalization of content on brand communication. Ansari and Mela (2003) mentioned that response rates could be increased to around two-thirds if personalization can be incorporated into email design and content. In 2004, Nussey investigated the impact of emails on sales and found that eBag company was able to double the mean revenue per recipient by optimization of email messages sent to the consumer.

As we have concluded from above, both promotional campaigns and personalization of content play a vital role in increasing revenues of an organization as the first factor induces the sales and the second one sustains the sales. Therefore, we will focus our research on these two variables and evaluate their efficacy.

Research Methodology

For our research, we thoroughly investigated textbooks, e-books, and online literature. The main keywords we used in our research are current trends in marketing, scope, and challenges in digital marketing, online marketing, digital advertising and marketing, digital marketing in the Belgium, and role of content in online marketing, etc. We retrieved numerous articles on each topic; however, we have included only peer-reviewed articles, white papers, and authentic survey-reports in our review.

As 98% of the youth have internet access, they have potential to make large impact on digital sales. Therefore, we will study the buying behavior of these youth. To maintain the cost-effectiveness of our work, we will select 100 students (age 18-25) and conduct a survey to analyze their inclinations. These participants will be selected randomly to mitigate the bias error. Friends and relatives will also be excluded from the study to avoid bias.

In our survey, we will prepare a questionnaire that will include some personal questions, such as name, age, gender and occupation of the students. Further, we will focus on those questions that can provide us information on participants’ buying propensities. Some of these questions are as follows:

How often do you shop?

How often do you go to stores to shop?

How often do you do online shopping?

Which factors affect your buying choices?

Does digital advertising influence your buying behavior?

What type of content motivates you to buy the product?

Do discount coupons motivate you to buy more?

Do you think you are brand loyal?

Do you always buy products of the company, which are best at digital marketing?

Does quality of content affect your final decision of buying a product?

These questions will be helpful to understand the correlation between digital marketing and customer’s behavior. We will use SPSS software to collect and analyze the data of this survey.

It should be mentioned that sample size of the study is small; it aims at providing information about the role of digital advertising in promoting sales and profits. The tentative time to conduct this study is two weeks; it includes data collection, segregation, analysis, and reporting.

Conclusion

Today, no one can deny the importance of online marketing. Though, this new trend in marketing has provided equal opportunities to businesses irrespective of size, and it has also increased the challenge and complexity of landscape in which companies operate. Therefore, it is essential to understand and identify all challenges to be addressed by the companies to support their growth.

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