

Evolving Phase of Digital Marketing for New Age Customers

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Abstract

Digitalization is a process where most of the activities are done using the digital mode. The journey of being digital has influenced the needs, wants, and lifestyles of the people. Explosion of internet access and globalization has led to the increased use of digital gadgets and accessories in the last decade. The expectation of consumers for goods and services is becoming more challenging to the existing manufacturers and retailers in both the offline and online channels. However, in the last two years, the onset of COVID pandemic has increased the use of digital platforms in almost all the fields namely food, clothing, banking and services and even education and healthcare. Even people in remote areas have been forced to adopt the new age technology. On the other side, businesses have also benefitted by digitalization as there is no time constraint for accessibility. New age customers have grown in the digital world and they expect more information at their fingertips. They do not have the patience to wait for the service and are willing to pay more for better services. Also, there is absence of brand loyalty, as the customers are willing to change the brand for under performance. The present market has become customer dominant and the market environment has changed globally.

The Digital revolution has given many platforms to trace and track the customers need and behaviour, the application of artificial intelligence has given scope to study expectation of the dominant customers like, Search Engine Optimisation (SEO), Search Engine Marketing (SEM), E-mail Marketing, Pay per click etc.

The paper tries to bring into focus the characteristics of the new age customers, their expectations, and the methods adopted by them while using the digital mode of operations. On the other hand, the paper also tries to highlight the methods and strategies used by the business to attract and retain the customers. It also tries to analyze the problems faced by the business and what are the methods adopted to overcome them. Thus, overall, the paper highlights the characteristics, expectations of the new age customers and the digital marketing tools adopted by the businesses.

KEYWORDS: Digital Marketing, New Age Customers (NAC), Dynamic Behaviour, Search Engine, Digital Revolution

Introduction:

The present-day marketing relies more on internet and digital technology. As there is ease of communication between people, information dissemination is more fast and profound. Hence the era of digital marketing has ushered both a larger market and a wider net of buyers.

Digital Marketing: It is nothing but using the new age technology for the promotion of sales of the business products or services to the customers at their door step. As most of the people have access to internet and other wireless technology, digital marketing is an effective means of promotion.

New Age Customers: These customers are not the usual customers of the olden days. These customers are more aware of the information of the market. He is of the latest generation, a very compulsive user of new technological gadgets and is willing to adopt the new technology at the earliest. He is very knowledgeable and wants all the information at his fingertips. He is not willing to move out of his comfort zone but at the same time is not willing to buy without proper analysis and comparison. He will buy a product or service only if it is worth the cost. There is more stress on comparison and best buy.

Buying Process: The buying process obviously starts only after the need becomes a necessity. Here there is a big difference between the buying process in the present times as compared to the olden times which is listed below:

Table 01: Difference in buying process of traditional and digital platform

Buying Process in the Olden Times	Buying Process in the Present Times
The customer visits the shop to buy a particular product.	The customer does not visit the shop rather visits the sites of different retailers.
The customer does not have the information about related products (or similar products of different companies)	The customer has almost all the information about related products and brands)
The customer gets only those offers given by the particular shop or retailer.	Customer is aware of all the offers given by different retailers.
The customer does not get any loyalty bonus or benefits for repeated purchases.	Customer is given loyalty bonus and discounts for repeated purchases. Also special offers are made to shift brands.
The marketing was more seller oriented	The marketing is buyer oriented

Source: Author compiled

Review of Earlier Studies and Literature Gap

Considering the concept of "New Age Technology" and its impact on "New Age Customers", some of the literature has been studied to explore the universal thoughts on the digital revolution.

In future, firms will need to make decisions about how many and which specific new-age technologies to adopt. This necessitates a deeper examination of their implications for firms, customers, and other entities who are involved in the implementation of new-age technologies (Kumar et al, Elsevier 2021). The disruption of new-age technologies (NATs) is immensely impacting the space of SIs, providing a resource-efficient solution, and bringing multiple outcome benefits (Guptha et al, 2019). The digital economy contributes decisively to an increase in competitiveness, especially as digital transformation involves migrating to newer technological models where digital marketing is a key part of growth and user loyalty strategies. Internet and Digital Marketing have become important factors in campaigns, which attract and retain Internet users (Jose & David, 2019). The KEB model is used to study buying behavior of consumers using two categories of goods like fashion and fitness instruments, to

identify the changes in purchasing decisions. the need for more empirical investigations, based on inductive studies that provide insight into how digital participation happens in practice (Ashman & Julia,2015)

Research Questions

1. How is the customer buying process influenced by digital revolution?
2. What are the expectations of New Age Customers?
3. What mechanisms of Digital Business Model are applied to deal with New Age Customers?

Objectives

- To know and discuss the dynamic behaviour of New Age Customer
- To explore the challenges of Industries and Retailers
- To study the technology revolution and its mechanism

Methodology

The study has been carried with secondary data through review of articles, journals and papers which are related to digital marketing and its technology, Consumer perception and behavior. The methodology is theoretical based, and opinions are personal views based on certain assumptions

Theoretical Framework

This study tries to understand the behavior of the New Age Customer, his preferences and expectations and the methods adopted by the retailers to attract and retain the customers. It also tries to understand how modern technologies are being harnessed to give the maximum benefits to the customers.

The New Age Customer is living in a dynamic world and has the following characteristics

- a) Technology Oriented
- b) Analytical
- c) Impatient
- d) Wants good service for investment

He also has the following expectations:

1. Fast delivery-Digital platforms provide many benefits to online customers, out of which speedy delivery of goods and services at their doorsteps the most popular one. Traditional platform has many constraints to provide speedy delivery of goods on their doorsteps of their customers. Therefore, purchasing decision of new-age customers is highly influenced by this factor,
2. Easy and free service-Accessibility of required goods and services has become easy in the digital era, as there is no need to travel from one place to another in search of goods and services. All the needs can be easily satisfied on time using the internet facility. Free shipping on minimum billing is the most attractive element to consumers.
3. Good quality-In the consumer dominant market, the quality and performance of goods cannot be ignored. Retailers and manufacturers may lose the

customer if he is not satisfied with the quality. This is also one of the reasons for a customer to switch the retailer and manufacturers. Hence retention ratio of a customer can be increased with the good quality only. In digital platform, consumer can reach any retailer in any corner of the world, for his expected quality and performance

4. Easy return policy- This is also a unique feature of the new age. As retailers want to retain their customers, this return policy becomes a good service. The retailers come to the doorstep of the customers to collect the goods. They also try to collect the feedback for the reason of return which is fed into the database. This in turn helps the retailers to customise their marketing strategy to suit the individual customers. This is one of the attractive benefit available to the customers.
5. Discounts-The New Age Customer is a calculative buyer. He tries to bargain a lot with the retailer from the comfort of his house. As he has access to many portals, he is always on the lookout for the best offer in the form of discounts, offer price and combo packs. The retailers also try to poach customers from different brands by offering discounts, loyalty bonus and other such benefits.
6. Brand preference-The New Age Customer does not have much brand loyalty. He is willing to change brands if there is a better offer. Also, in the traditional platform return options were limited and the customers were not willing to try other brands. But as there is return policy within a fixed period, the New Age Customers are willing to shift to different brands.
7. UPI payment options- This again is a feature which reduces the burden of carrying cash. Impulsive buying can be done as the customer can also use the money in the bank. New Age Customer generally uses digital mode of banking.
8. Royalty programs-The retailers generally award loyalty points to repeated buying. This is way of retaining the customers. Also, the marketing strategy is tailored to give preferences to the customer likes. During mega sale, loyal customers are given the option to purchase one day in advance.
9. 24*7 customer service- The New Age Customer is generally linked to internet 24*7. He browses the portals whenever he is free, in between his work schedule, while travelling and so on. While traditional platform had a limited time (generally after work), the modern platform is accessible 24*7. Many a times purchase orders are finalized during midnight.
10. EMI facilities-The traditional platform was mostly cash and carry. Many purchases were not made for want of cash. But the EMI options provided for the current generation has really opened the market. People are getting the benefit of the using the goods even when they have not fully paid for their purchases. Most of them get to use the goods and in turn recommend the same to others. This leads to more sales and profit.

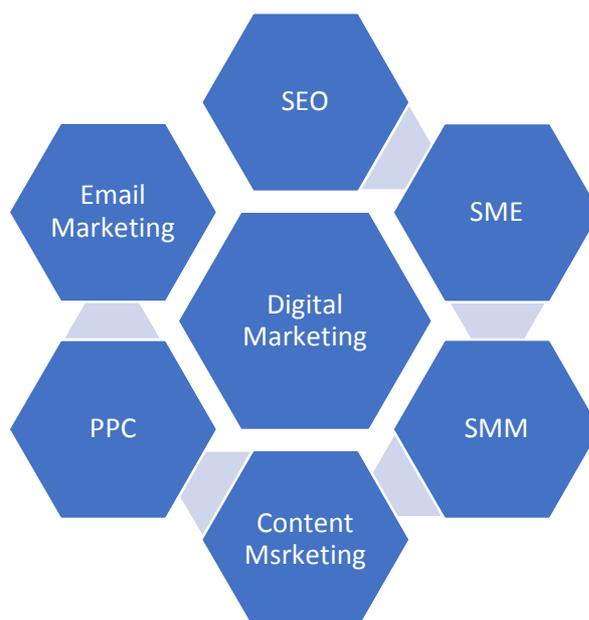
Impact of NAC on Retailers/Firms

1. Incorporation of Digital platforms-In digital era one of the challenging aspects is being digital itself, incorporation of digital technology will increase the cost of capital. Firms and industries do not have any other options left to attract the customers from global market changing the platform become necessary decision.
2. Contract with e-retailers-It is not true that turning digital will give success to the industries and firm, it is very much important to have good relationship with reputed digital retailers to promote their goods and service in the most demanded platform.
3. Promotion in Social media platforms- Promotion is very important for every business, but when it comes to a digital platform, promotion on the social media platform becomes a very important factor. hence many people from all categories will like to spend their precious time on social media. to have the attention of customers giving digital ads is important, but for this firms have to spend more money by outsourcing.
4. Continuous R&D- With the dynamic behaviour of new-age customers, it has become very difficult for industries to hold the retention ratio of customers. And to retain the customers for a longer period, continuous reach and development becomes a necessary factor to explore their needs.
5. Increased cost of transport-Being digital not only gave a wider platform to the small entrepreneur, but also increases the cost of freight;Free shipping concepts on minimum billing such offers will attract the customers on their doorstep delivery.
6. Fixed loss from Return policy-To attract the new-age customer digital retailers has to provide many benefits to customers. One such benefit is easy return policy, which has become a very important factor for the success of online buying. But it to be agreed that this will make the retailer to bear the fixed loss on such returns.
7. Decreased profit margin-Profit is the motive of business, but in the consumer dominant market and due to heavy competition, industries have to compromise slowly on their profit margin. Also, they have to share this margin with their digital intermediaries and on promotion expenses.
8. Risk of debt(EMI)-Risk of debt is always there for business, but having a digital platform leads to increased risk of debt because the customer wants easy payment options on his purchases like EMI options. By providing such options there is an increase in credit sales ratio,and this may affect the cash flow of the retailers.

Evolving Business Models of Digital Marketing

The Digital Marketing models are also beknown as types of digital marketing These are the channels which help the business to carry their marketing services to their ultimate target customers. This model can be classified into seven phases as shown in the following diagram:

Fig.01: Digital marketing models



Source: Author compiled

First Model: Search Engine Optimisation (SEO)

Search engine optimization is the mechanism used to improve and control the quality and quantity in website traffic, Search engines such as Google and Bing act like a library on the web, their systems collect information from every webpage and from all corners of the web. It is indexed and will help in extracting information. They help people locate what exactly they want. SEO works on the technology of search algorithms. It refers to the engine's which ranks the content in the internal. The search engine also takes into account a wide range of factors during ranking process.

For ranking purpose, the pages are analysed using the ranking factors or signals. Then the order in which the papers need to appear for a given query is also determined using a special algorithm. As an example, we can say that the search engine would have read every single book in the library whereas the librarian would have read only the title.

Defining Search Engine Optimization (SEO)

'Search Engine Optimization' ensures getting internet traffic free, and the search results are organic, editorial, or natural search results in search engines. This helps in improving the position of the website in search result pages. Higher the website's listing, greater the number of people using it for their searches.

Good SEO involves many different activities, such as:

- Identification of relevant keywords having good search traffic potential
- Creation of high-quality, useful content and optimizing it for search engines and users
- Inclusion of relevant links from high-quality sites
- Measurement of the results

Importance of SEO for marketing

SEO is a most important part of digital marketing; hence trillions of searches are conducted every year, often with commercial intent to collect information about products and services. The marketing channels and brands are primarily dependent on search engine as their primary source to control digital traffic. Greater visibility and higher ranking in search results as compared to rivals can have a material impact on the bottom line of the business.

However, during the past few years search results have been evolving constantly thereby giving the users more answers and information. This in turn has helped in keeping the users on the results page instead of driving them to other websites.

Some features like rich results and Knowledge Panels in the search results help in increasing visibility and providing the users direct information about the company.

We can say, Search engines are the basement of a digital marketing system. When the business is succeeded to understand what the website users want, it will help and successfully implement the knowledge across its target marketing, across the website, social media properties, and more.

Second Model: Search Engine Marketing (SEM)

Search Engine Marketing is referring to a paid advertising campaign in the digital world. Based on the target customers search terms, target keywords are identified. Advertisers pay for the use of target keywords. This is one of the new strategies used by business to target their customers. Using SEM technique, advertisers can promote products or services to people as they search for them. One of the major benefits of SEM is that advertisers can track their success, control their budgets and increase their revenues.

If the business is not very successful with the digital transformation, SEM will surely help it to attract new customers by displaying advertisements at the top of search results in front of potential customers.

Simplified SEM process for Advertisers:

- Choosing good SEM channels like Google Ads, Microsoft Ads, or Amazon Ads.
- Estimating monthly budget: Apart from estimating it is necessary to allocate advertisement costs among multiple channels and also keep track of the money spent every month against the budgeted costs.
- Setting up landing page: This refers to the location where the business wishes to advertise by avoiding SEM traffic.
- Setting-up conversation tracking: This is used to track results based on which keywords. Major SEM will allow tracking the keyword used, landing performance and effectiveness of advertisements channels.

- Choosing target keywords: Keywords in SEM helps to find products and services. Making sure again whether keywords target the customers or not.
- Creating ads and launching a campaign: This is the end result of analysis of the consumer wants based on target results and making sure that the advertisements are organized and people are seeing it.
- Tracking results and optimizing: This is the phase where results and performance of Search is matched. Optimizing is making sure of getting positive results for the investment.

Top search engines and top Advertising platforms:

- Google. com-Google Ads
- YouTube.com-Google Ads
- Bing. com-Microsoft Advertising
- Amazon. com-Amazon Advertising
- Yahoo. com-Microsoft Advertising
- Pinterest. com
- Ebay.com

(Source: Internet source)

Differences between SEO and SEM

Following table depicts the differences between SEO and SEM

Table No. 02: Differences between SEO and SEM

Search Engine Optimization (SEO)	Search Engine Marketing (SEM)
SEO is about improving website for better ranking	SEM is a form of internet advertising which uses search results for promotion of a brand or website through paid advertising
SEO involves more time than SEM but at a lower cost.	SEM takes less time than SEO but involves high cost.
SEO gives results organically	SEM is a paid advertisement
Long term benefit	Short term benefit
No need to pay for the click	Need to pay for click
Difficult to target specific audience	Can easily target specific audience
Preferred by low budget agencies and companies	Preferred by high budget agencies and companies
Traffic potential unlimited	Traffic potential is limited by budget
Results are always shown at the centre of the screen	Results appear mainly on the top of screen or side

Source: Author compiled

Third Model: Social Media Marketing (SMM)

Social media marketing is a type of marketing in digital era, that can act as a window to sell products and services. We can also describe Social Media Marketing as using a social media platform or website to promote a product and service. It is one of the dominant digital marketing channels or platforms. In the digital era, majority percentage of people is using at least one of the social media platforms like Facebook, Instagram, LinkedIn, Twitter, etc. As people are more interested in maintaining their social profile and spending more time on social media, social media marketing can have a greater impact on the company brand and its growth in digital world.

SMM gives the opportunities to take advantage of social media contacts for advertising the contents, to a highly targeted audience. SMM has become the popular platform for companies to advertise its products or services among known social contacts. Some of the posts or contents of social media marketing which the people commonly share among their contacts may be classified as:

- Text posts-This are known as text and post Ads, where interested people will blog and share
- Image post-This is known as image ads on SMM platform where single or multiple attractive images will be shared to attract target audience.
- Video post-In this platform feedbacks and testimonies by consumers will be shared to gain customers confidence.
- Lead Ads-A lead to the product or service is given based on information collected from Newsletters, Blogs and publications.

With the SMM people can create ideas, engage an audience, and even drive the audience to browse or buy the product. Later over a period of time the company will gain information about the customer's profile and also about the post's likes, dislikes, shares, etc. Day by day there is an increase in people using Social media platforms. And hence it is becoming a very powerful form of Digital Marketing.

Types of Social Media Marketing

Facebook Marketing

It is the largest social media platform in the world, where a Facebook page can be created to boost your business region wise, depending on business or product. Facebook is popular among a wide range of demographics, mainly gender and age. Through Facebook Ads, business can select the audience, and the platform allows people to connect from one another and share content online. The platform also allows the business to advertise their product and service online. Facebook advertising allows merchants to target customers by location, occupation, interests, past activity and several other valuable data points.

Instagram Marketing

It is another type of marketing done by creating an Instagram marketing page. Instagram is platform for brands and products, which ideally and visually appealing, and can be easily incorporated into visual media. It is a platform that largely targets younger generation who love to spend. If the products have such

features, then this is the right platform to attract the target audience. Promotion, feedback, suggestions on purchases and usage experience, likes and dislikes, comments will be counted on Instagram.

LinkedIn Marketing

It is a professional business-related network site to promote business, Companies are creating their profiles on LinkedIn, to interact with the customer to get more and more responses about their business and products. It is also identified as the world's largest professional network. It has been able to hold large professional over the globe, and target a large audience based on job qualifications.

Twitter

Launched in 2006, Twitter has become one of the most popular social media channels. It has become the go-to platform for discovering breaking news and engaging with small- and big-name influencers.

Twitter advertising offers two options for brands to create ads:

- **Quick Promote:** Twitter automatically promotes Tweets to your target audience. All the business has to do is to choose a promotable Tweet from the timeline and specify the target audience, and Twitter will do the rest of the work.
- **Twitter Ads:** These ads are objective-based, meaning that the business has to first choose the preferred business objective, and Twitter will only bill for actions that align with the specified goal.
- **What's App Marketing:** It is another type of digital marketing, where companies and businesses create a business WhatsApp group to interact with customers for any updates about products or businesses in the market.

Fourth Model: Content Marketing

Content marketing is a strategic marketing approach which focuses on creating and distributing valuable, relevant, and consistent content to attract and retain a clearly defined audience. And this will ultimately drive a profitable customer action.

In other words, content marketing is the overall process of creating and distribution of content in digital platform to attract and retain customers.

It is an inbound method for any digital marketing strategies, where the business progress mainly depends on the type of content, and the channel that is utilized in such strategies. It mainly comprises of the following categories:

E-books: They are long-form of text, and to take benefits of such content, customers have to share their email address and a name. Social media marketing and webinars are also great ways to attract the target audience.

Testimonies and Reviews: These form a great content to attract new customers, as reviews influence future customers.

Website: Email marketing videos

Infographics: These are the visual videos to express ideas and thoughts in more creative ways, instead of long text content people may prefer to see good videos explaining the content in their own ways.

Fifth Model: Pay Per Click (PPC)

PPC is a mechanism of advertisement, as and when it is clicked by target customer it will be recorded, the payment is will be based on number of clicks, hence it will be called as PPC. Google Ads are the most reputed body for digital ads. Where advertisers bid on keywords for click to their websites. Advertisers will only pay when their advertisement is clicked. It is an internet model used to manage internet traffic on the website.

Working mechanism of PPC

- The advertiser puts ads on websites or portals
- The cost per click is set by the advertiser, which client wishes to pay per click
- When the user clicks on ads the, cost per click will be paid by the client giving the ads
- Google ads are the most famous popular PPC system
- The entire system happens using the online application
- $\text{Pay per cost} + \text{Advertisement cost} \div \text{Ads clicked}$

Sixth Model: E-mail Marketing

E-mail marketing is the process of promoting a product or service using email and sending of commercial mails.

Email marketing is a highly effective marketing strategy of sending emails to prospects and customers. Effective email marketing converts prospects into customers and turns one-time buyers into loyal customers. Email marketing is the only marketing strategy where consumers are asked to receive.

In the digital platform, e-mail marketing has become one of the important channels to reach target customers. It is also a very important channel for customer acquisition and retention.

Fig. No. 02: Working steps of email marketing



Source: Author compiled

Compared to any other channel of campaigning, email marketing strategies reach the right people at the right time in a very easily and quickly. The customers can check emails at any time on any device which in turn improves the effect of marketing reach.

Prospectus or customers will be receiving different kinds of emails like:

- Welcome Emails
- Feedback request emails
- New product launch mails
- Promotional mails
- Anniversary and birthday mails
- Survey emails
- Fallow-up or remainder emails
- Event or webinar invitation etc

Emails are the fastest channels to reach customers when compared to the traditional postal system, it has no barriers, people can send emails to any person from any corner of the globe with internet connections. Hence it carries many benefits, some of that is listed as follows:

Personalized content is created:

In email marketing content sent to the prospectus is fully private, only the person receiving the email can see the information. the individual interest can be traced based on that personalized content is created, for a successful email strategy, sending the right email to the right person is more important.

Collecting customer feedback is easier:

With the help of emails, customer feedback can easily be collected by sending feedback back and survey forms to customers and instructing them to rate their purchasing experience, customers usually response to emails sent by sellers. Along with feedback from customers, satisfaction levels can also be measured.

Establishing effective communication:

Markets have to improve their communications with their target audience, engaging customers with continuous emails will establish brand loyalty of the customers. Always people appreciate the good emails that they receive at right time.

Cost-effective campaign:

In digital platforms compared to all traditional mails, email is the most cost-effective way to reach the customers, this campaign doesn't take a long time to produce or reach the audience, where marketers don't need to pay for printers, location postal charges, etc.

Reaching the right people:

As the marketing is done through mail, only selected persons who are interested in the product or service can be reached. Such concentrated marketing will give better results as compared to marketing as a whole.

Seventh Model: Affiliate Marketing

Affiliate marketing is an digitalised marketing system that supports affiliate programs are allowed to be used by any online business to affiliate themselves with website owners (affiliates). Affiliates make money from new leads and customers, and by generating sales and traffic for the business.

It is a marketing arrangement where an online retailer pays commission to an external website for traffic or sales generated from its referrals.

In the affiliate marketing, one person sells a product or service through external website and pays commission in return for the sales generated.

Working Mechanism of Affiliate Marketing

The selling, the merchant will provide a unique link to track the sales affected, when someone clicks the link files called "cookies" are created and it will get stored on the prospectus device.

An affiliate cookie does two things:

1. Which will identify the right person to sale back on their requirement?
2. It holds an expiration date, so you get paid even if the buyer delays their purchase.

Conclusion

From the above we can conclude that in this dynamic environment, businesses and retailers have to constantly adapt to the new technology to attract and retain the customers. Also, the New Age Customer is technologically active and wants all the information at his fingertips. He is not brand loyal in the sense his interest is more towards offers and discounts. The retailers have to constantly keep modifying their marketing strategies to suit their customers,

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