

Reviewing The Trends and Effects of Digitization in Marketing

Jeet Goswami¹

¹Assistant Professor

School of Management Swami Vivekananda University

West Bengal, India

E-mail id: jeetg@svu.ac.in

Abstract

Having been an ever-evolving field, marketing has been shaped by significant trends, including the rise of digital marketing, the importance of data analytics, and a focus on personalization and customer experience. This paper has reviewed the recent trends in digital marketing, including personalization, influencer marketing, video marketing, virtual and augmented reality, voice search optimization, social media platforms, chatbots, and mobile optimization. The literature review has explored the effectiveness and impact of digital marketing on consumer behavior and the overall performance of businesses. The findings have stated that to remain competitive, businesses must stay informed about the latest trends and technological advancements, such as influencer marketing and AI, and be adaptable in their approaches. In India, the digital marketing landscape has expanded due to increasing internet and mobile penetration, higher consumer disposable incomes, and government initiatives like Digital India. Balancing conventional and digital marketing strategies has helped companies effectively reach their target audience and achieve their marketing objectives.

Keyword: Digital marketing, Trends, E-Commerce,

Introduction:

Digital marketing in India has seen tremendous growth and

is projected to continue rising. Key drivers include increasing internet and mobile device penetration, with internet users expected to reach 900 million by 2025, up from 622 million in 2020 (Lele, 2023) (PTI, Over 50% Indians are active internet users now; base to reach 900 million by 2025: report, 2024), and smartphone users to reach a billion by 2025, up from 468 million in 2017 (PTI, 2022). The e-commerce market is also expanding rapidly, projected to reach \$200 billion by 2026, up from \$38.5 billion in 2017¹, driven by increased internet access, rising disposable incomes, and the popularity of online shopping. Social media platforms like Facebook, Instagram, and Twitter are gaining users, with social media users in India projected to grow to 72.8% by 2025 from 2018 levels (Basuroy, 2023). This offers businesses significant opportunities to connect with their audiences. Government initiatives such as Digital India and Make in India further support the adoption of digital technologies. Search engine optimization (SEO) remains essential, with 89% of consumers using search engines to research products before purchasing. Social media marketing is also popular, leveraging platforms to build brand awareness and promote products. Influencer marketing is growing, with brands partnering with social media influencers. Other important channels include email marketing, mobile marketing, and video marketing. Based on digital marketing metrics, Businesses need to focus on metrics such as website traffic, engagement, conversions, and return on investment (ROI) to evaluate the effectiveness of their digital marketing strategies.

Literature Review:

India has experienced substantial growth in digital marketing, driven by expanding internet and mobile device penetration rates and rising consumer disposable incomes. According to a 2018 report by KPMG and Google, India was anticipated to have 627 million internet users by 2021, a 30% increase from 2016 (Neha Wadhwan, 2023). The increase in internet access has expanded the use of digital platforms for marketing and advertising. The Indian advertising market is predicted to grow 11.8% in 2024, reaching ₹1,22,155 crore, primarily

¹ <https://www.ibef.org/industry/ecommerce>

driven by digital media. Traditional media ad revenue is expected to grow 8.4% to ₹64,398 crore, while digital media is expected to grow faster at almost 16% to reach ₹57,757 crore (Farooqui, 2024).

A survey by eMarketer (eMarketer, 2018) revealed that Google and Facebook dominate digital ad expenditure in India, with the search and social media categories leading the market. The report also emphasized the growing significance of influencer and video marketing in India. Email marketing remains a key component of digital marketing.

According to a 2018 study by M.A. Al-Saggaf and R. Al-Saggaf (Al-Saggaf, 2018), email marketing can target specific client demographics and boost conversion rates.

Personalization is a significant aspect of digital marketing. A 2019 study by B. Li, Y. Liu, and Y. Liu (Li, 2019) found that personalization in digital marketing can boost client satisfaction, loyalty, and trust.

One of the key conclusions from the literature review is that digital marketing has become a crucial component of companies' marketing strategies. According to a 2019 study by Sánchez, Rodríguez, and Gavilán (Sánchez, 2019), digital marketing enables companies to reach a wider audience, raise brand recognition, and enhance consumer engagement and loyalty.

The e-commerce sector requires substantial initial investment in logistics, which can be recovered with effective utilization, as noted by Wadhawan and Arya in 2020. The growing e-commerce market further drives digital marketing efforts.

Trends in Digital Marketing:

Some of the most significant trends in digital marketing include the rise of artificial intelligence (AI), the importance of video content, and the expanding use of influencer marketing.

- **Artificial Intelligence:** AI has become crucial in digital marketing, enhancing customer experiences and powering more effective marketing campaigns. AI applications like chatbots, virtual assistants, personalized

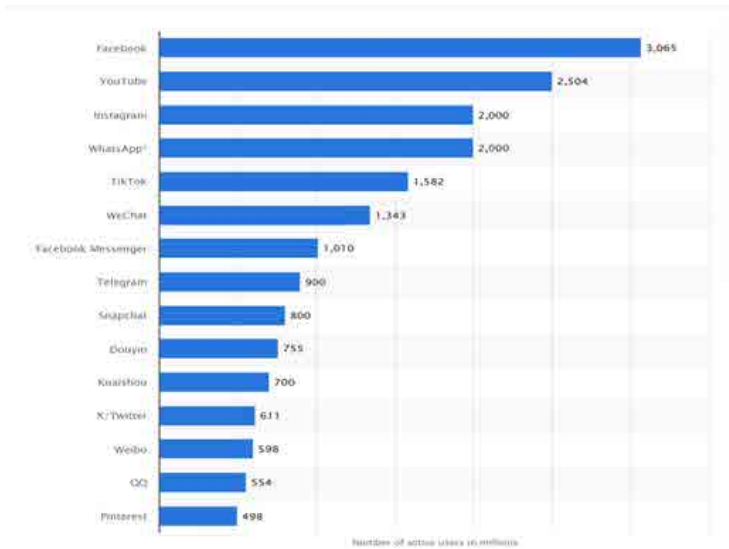
recommendations, and automated ad targeting are widely used. For example, chatbots can provide 24/7 customer support, offer prompt and accurate responses, and help businesses automate repetitive tasks.

- **Video Content:** Video content has become one of the most popular forms of digital marketing due to its engaging, easy-to-consume, and effective nature. Video platforms like Instagram, Facebook, and TikTok are essential components of any digital marketing strategy, allowing businesses to convey messages in ways that text and images cannot.

- **Influencer Marketing:** Influencer marketing leverages individuals with large social media followings to promote brands or products. This approach has become a powerful tool for businesses aiming to expand their reach and attract new customers. By tapping into an influencer's authority and personal brand, companies can market their products or services more effectively.

- **Data and Analytics:** The availability of vast amounts of data has enabled businesses to gain deeper insights into customer behavior. Emphasizing data and analytics, companies can now track customer activities across various channels and use this information to inform their marketing strategies. This results in more precisely targeted and customized marketing campaigns that appeal to their target audience.

- **Personalization and Customer Experience:** As consumers become more discerning and demanding, businesses are focusing more on personalization and customer experience. Marketing automation tools and technologies are increasingly used to create tailored campaigns and interactions based on individual customer behaviors. Additionally, businesses are prioritizing satisfying customer experiences both online and offline to enhance brand loyalty and encourage repeat business.



The statistics given by Statista illustrates the number of active users, in millions, on various social media platforms as of the latest data. Facebook leads with 3,065 million active users, making it the most popular platform. YouTube follows with 2,504 million users. Instagram and WhatsApp both have 2,000 million users, sharing the third spot. TikTok and WeChat have 1,582 million and 1,343 million users, respectively, demonstrating their significant user bases. Other notable platforms include Facebook Messenger (1,010 million), Telegram (900 million), Snapchat (800 million), and Douyin (755 million). This data highlights the vast reach and popularity of these social media networks in the digital landscape.

Impact of Digital Marketing on Consumer Behaviour:

Digital marketing has profoundly influenced consumer behaviour by enabling businesses to reach a broader audience, build brand awareness, and enhance customer engagement and loyalty. One of the key transformations brought about by digital marketing is the ability to personalize campaigns using advanced analytics and machine learning. This

allows businesses to target specific audience segments more effectively, leading to increased customer satisfaction, trust, and loyalty, as consumers feel their needs and preferences are understood. Social media platforms like Facebook, Instagram, and YouTube have become essential channels for digital marketing, allowing businesses to connect with customers, boost brand recognition, and engage in real-time interactions. Search engine optimization (SEO) is also crucial, as it can increase website traffic and revenue by improving a company's visibility in search engine results, attracting a larger audience and potential customers.

In addition to social media and SEO, email marketing remains a vital component of digital marketing, enabling businesses to target specific clienteles and improve conversion rates through tailored content. Mobile marketing, encompassing SMS, smartphone apps, and mobile websites, allows businesses to engage customers on the go and boost sales. Overall, digital marketing has significantly altered consumer behaviour, allowing firms to expand their reach, elevate brand recognition, and deepen customer engagement and loyalty. Unlike traditional marketing, which uses conventional channels like print, radio, and television with limited audience interaction, digital marketing offers two-way communication and real-time feedback. Digital marketing's precise targeting capabilities, cost-effectiveness, and ability to engage consumers more interactively distinguish it from traditional marketing approaches.

Findings and Conclusion:

Digital marketing has profoundly transformed consumer behavior and business strategies, leveraging advanced technologies to achieve greater reach, brand awareness, and customer engagement. Artificial intelligence (AI) has emerged as a cornerstone in digital marketing, enhancing customer experiences through chatbots, personalized recommendations, and automated ad targeting. Platforms like Facebook, Instagram, YouTube, and TikTok play a crucial role in disseminating digital marketing campaigns, with video content gaining popularity for its engaging and easily consumable format. Influencer marketing has also

become a powerful tool, allowing businesses to leverage the personal brands of social media personalities to expand their reach and attract new customers. Furthermore, the importance of data and analytics in marketing cannot be overstated; they provide businesses with deep insights into consumer behavior, enabling more precise targeting and customization of campaigns. Personalization is particularly impactful, as it fosters customer satisfaction, trust, and loyalty by making consumers feel understood and valued. Email and mobile marketing remain significant channels, with the former enhancing conversion rates through targeted content and the latter engaging customers on-the-go via SMS, apps, and mobile websites. Search engine optimization (SEO) is essential for increasing website traffic and revenue by improving visibility in search engine results. The rise of digital marketing contrasts with traditional marketing, which relies on conventional channels like print, radio, and television and offers limited audience interaction. Digital marketing's cost-effectiveness, interactivity, and precise targeting capabilities highlight its superiority over traditional methods. In India, the digital marketing landscape has grown substantially, driven by increased internet and mobile penetration and higher disposable incomes, with platforms like Google and Facebook dominating ad expenditure. The Indian digital advertising market's rapid growth underscores the expanding significance of digital strategies in business. Overall, digital marketing's evolution has significantly impacted consumer behavior, compelling businesses to adopt innovative approaches to connect with their audience, build brand loyalty, and drive sales.

References

Al-Saggaf, M. a.-S. (2018). The Impact of Email Marketing on Consumer. *Journal of Business*.

Basuroy, T. (2023, December 18). *Social network user penetration in India from 2018 to 2020, with estimates until 2028*. Retrieved from Statista: <https://www.statista.com/statistics/240960/share-of-indian-population-using-social-networks/eMarketer>. (2018). Retrieved from Digital Ad Spending in India: <https://www.emarketer.com/content/digital-ad-spending-in-india>

Farooqui, J. (2024, June 23). *The Economic Times*. Retrieved from Digital media growth to take Indian ad market size to Rs 1.2 lk cr in 2024: <https://economictimes.indiatimes.com/industry/services/advertising/digital-media-growth-to-take-indian-ad-market-size-to-rs-1-2-lk-cr-in-2024/articleshow/111212266.cms?from=mdr>

Lele, S. (2023, May 3). *India likely to have 900 mn active internet users by 2025: Report*. Retrieved from Business Standard: https://www.business-standard.com/india-news/active-internet-users-in-india-likely-to-grow-to-900-mn-by-2025-study-123050300938_1.html

Li, B. L. (2019). Personalization in digital marketing: A review and research. *The Journal of Business*.

Neha Wadhwan, C. A. (2023). THE EVOLVING LANDSCAPE OF DIGITAL MARKETING: TRENDS, IMPACTS, AND OPPORTUNITIES IN INDIA . *Journal of Data Acquisition and Processing*.

PTI. (2022, 02 22). *India to have 1 billion smartphone users by 2026: Deloitte*. Retrieved from The Economic Times: <https://economictimes.indiatimes.com/industry/cons-products/electronics/india-to-have-1-billion-smartphone-users-by-2026-deloitte/articleshow/89750324.cms?from=mdr>

PTI. (2024, May 4). *Over 50% Indians are active internet users now; base to reach 900 million by 2025: report*. Retrieved from The Hinfu: <https://www.thehindu.com/news/national/over-50-indians-are-active-internet-users-now-base-to-reach-900-million-by-2025-report/article66809522.ece>

Sánchez, J. R. (2019). Digital Marketing: A Review and Agenda for research. *Journal of Business Research*.