

# **SOCIO-ECONOMIC IMPACT OF DIGITAL MARKETING ON CONSUMERS**

**Smt. Usha C<sup>1</sup> and Dr. Ragahvendra B.N.<sup>2</sup>**

<sup>1</sup>Assistant Professor, DOS & R in Commerce, Karnataka State Open University, Mysuru – 570006, Karnataka.

<sup>2</sup>Director, SVR Business School, HSR Layout, Benagluru – 560102, Karnataka.

Received: 08.03.2020    Revised: 25.04.2020    Accepted: 14.05.2020

## **ABSTRACT**

In the year 2000, with the birth of iPhone, customers started to use the internet to search the products online. This development created a problem to the marketing department companies. Then, the marketers find the ways for promoting their products through online and they faced various opportunities and challenges in the era of digital marketing. Digital marketing is the utilisation of electronic media by the marketers to promote the products or services into the market. The main objectives of digital marketing is to attract the customers and allow them to interact with the brand through digital media. This article focuses on perception and awareness of consumers towards digital marketing. This study also examines the socio-economic status of the consumers.

**Keywords:** Digital Marketing, Promotion, Effectiveness, Awareness

## **I. INTRODUCTION:**

In this modern age, digital marketing is rapidly booming in the world and it is becoming the best medium where everything is available at one place and can reach directly to the ultimate consumer. Hence, to reach the customers various digital channels have become a medium of exchange. These digital channels such as website, internet, email, online advertisement, and mainly mobile. With more and more liberalization policy and cut down in price in the Indian telecom market number of mobile users' (especially, android mobile phone) amplified and digital marketing gained its reputation. In addition to this, development and prevalent use of internet has transformed the way of life of the society. One of the most important part of transformation in this modern era is emerging of "digital marketing". Social media such as Facebook, Twitter, Instagram and similar social networks is stimulating the digital marketing in a larger extent. With the advent of new communication tools using digital channels, larger customers can be satisfied. Digital marketing is one which plays very important role in any contemporary business to promote product or services. Online shopping of the customers determined various parameters such as knowledge about e-commerce, intention to buy, experience, service, information available, etc. Now a days, many companies have started alliance with the e-commerce active players such as Flipkart, Amazon, e-Bay, Shopclues, Snapdeal, etc. to promote their products online. Today digital marketing is not only limited to particular field, it is covering wide area focusing on numerous products including medicine (through Netmeds, Medlife, PharmEasy, etc.), food (through Swiggy, Zomato, etc.). These companies are very aggressive in attracting the customers by offering branded products and offering good services.

## **II. DIGITAL MARKETING TOOLS:**

Digital marketing tools are very important like other aspects of digital marketing as the digital marketers has to rely to get their work done. These includes everything from social media platforms like Google, Bing, LinkedIn, Twitter, Pinterest, Facebook, etc. Digital marketing tools helps the marketers to create, test, launch and measure the performance of the operations effectively. The very important tools are as follows;

**Figure-1: Digital Marketing Tools**

1. **Website Marketing:** It is the very effective and influential tool of digital marketing. A website is significantly changed its way by building and promoting the brands, products and services of the company as more and more consumers are engaging online before making purchase. It is fast, mobile friendly and easy to use.
2. **Pay-Per-Click (PPC) Advertising:** PPC advertising benefits the companies by reaching all the consumers i.e. internet users' through online over various paid ads. It also helps to setup PPC campaigns on social media platforms like Google, Bing, Linkendin, Twitter, Pinterest, Facebook, etc. and it makes the ads visible to people searching for products.
3. **Content Marketing:** The aim of the Content Marketing is to stimulate the prospective customers over the use of content like blogs, eBooks', online courses, webinars, etc. Content is generally published on the website and then encouraged through social media, email marketing, or PPC campaigns.
4. **Email Marketing:** Email marketing is one of the most influential digital marketing tools. It focuses on the targeted customers or the people who are interested in a particular brand. Many digital marketers' make use of all the available digital marketing tools to add their email lists in order to reach the ultimate consumers.
5. **Social Media Marketing:** Now-a-days, this social media marketing became one of the very important and effective tools of digital marketing. The main goal of this marketing drive is to create brand awareness' and social trust among the customers. It acts as a direct sales station.
6. **Affiliated Marketing:** Affiliated Marketing is one of the first-born forms of marketing. Many well-known companies like flip kart, amazon, etc. have affiliate programs' that payout millions' of dollars per month to websites' to sell their goods. With affiliated marketing, the companies can promote and sell their products and also promote other company products.
7. **Video Marketing:** YouTube has become the most popular search engine. Millions of people use YouTube before making any decision to buy product and to learn new things. There are several video marketing tools which includes Facebook-videos, Instagram, etc., to run the campaign. Companies, found success with video by integrating it content marketing, and social media marketing campaigns.

### III. Growth of Digital Marketing in India

Since 2016, there is a rapid growth in the use of Digital Marketing in India. Digital Marketing in India for the year 2018, has been a successful year from the marketing perspective and is been mounting for years now. It serves as an immediate and direct tool for the companies. This method saves cost of production through win-win strategies all around.

Figure-2 shows that, in the year January 2019, 67% of total population in the world are the unique mobile users. Among the total population, 57% are the internet users, 45% actively engaged in social media and 42% uses social media through the use mobile phones.

**Figure-2:** Percentage of usage of Digital around the World in 2019

*Source:* <https://www.xakbox.com/growth-of-digital-marketing-in-india-2019/>

The data of Jan 2019 below in figure-3 shows that, 86% total population in India use the digital marketing tools to search the product or services to buy. Among the total population, around 97% visited online retail stores and 74% of population purchased a product or services online by the use of various digital marketing tools. Further, India has 110million mobile internet users of which 25million are in rural areas and 70% of this number access the website through mobile phones. With these data, it is clear that the aim of digital marketing is achieving by reaching the target audience. Regardless of what company sells, the digital marketing is the most powerful method which involves in building loyalty among the customers by satisfying their needs and creating valuable online content.

**Figure -3:** Percentage of E-commerce Activities in India

*Source:* <https://www.xakbox.com/growth-of-digital-marketing-in-india-2019/>

#### IV. OBJECTIVES OF THE STUDY

The following objectives have been framed for the study:

- To examine the awareness of consumers towards Digital Marketing.
- To identify the socio-economic status of the consumers.
- To analyze the factors influencing the attitude of the consumers while making online purchases.

#### V. SCOPE OF THE STUDY

The geographical area of this research is confined to measure the impact of the digital marketing on consumers in Bangalore District of Karnataka.

**VI. METHODOLOGY****Research Design**

The research design constitutes the blue print for the collection, measurement and analysis of data. A combination of exploratory and descriptive research design will be used for conducting this research.

**Sources of Data**

Both primary and secondary data is used to carry out the current research work. Primary data is collected from the consumers through the help of structured questionnaire from 100 respondents by convenient sampling method. Secondary data for the research is collected from the websites and other previous studies, articles, magazines, etc. The data collected is tabulated and analysed using statistical package like SPSS (Version 21).

**VII. DATA ANALYSIS AND INTERPRETATION**

The results are divided into various subsections such as descriptive statistics, factor analysis and ANOVA.

**A. Descriptive Statistics:**

Descriptive statistics described the percentage of the profile of the respondents. Table-1 shows the demographic factors of the respondents according to the various variables such as gender, marital status, age, life stage, education, work style and income.

**Table-1: Demographic Factors**

<b>Demographics</b>	<b>Particulars</b>	<b>Percent</b>
Gender	Male	51
	Female	49
Marital Status	Single	37
	Married	63
Age (In Years)	20–30	17
	30–40	45
	40–50	32
	Above 50	06
Type of Family	Nuclear	53
	Joint	47
Education	Below Graduation	05
	Graduation	39
	Post-Graduation	28
	Professional degree	12
	Others	16
Occupation	Student	06
	Professional	11
	Salaried	47
	Business	10
	House-wife	12
	Retired	14
Income (in INR p.a.)	Less than 2.5 lakhs	04
	2.5 - 5 lakhs	27
	5 – 7.5 lakhs	34
	7.5 - 10 lakhs	21
	Above 10 lakhs	14

The above table-4, having the descriptive statistics on respondents' demographic. In this study, the respondents comprised 51 (51%) and 49 (49%). Further, the results reported that 63 (63%) of the respondents are married and 37% are unmarried. The results also describes that, 45% of the respondents comprised from the age group between 30-40 years old, 17% respondents were between 20-30 years old, 32% respondents were between 40-50 years old and 6% of the respondents were above 50 years old. Details regarding type of family states that, 53% of the respondents are Nuclear and 47% of the respondents are joint. In terms of education level, majority of the respondents i.e.39% had a Bachelor's degree, followed by 28% respondents had a Post-Graduation Degree, 12% of the respondents are below Graduation level, 12% of the respondents had a professional degree and 16% of the respondents had other graduation levels. Furthermore, majority of the

respondents comprising of 47% are salaried employees, followed by 14% are retired persons, 12% are house-wives, 21% are professionalist and businessmen's and 6% are students. Finally, 34% of the respondents are 5 – 7.5 lakhs followed by 27% are 2.5– 5 lakhs, 21% are 7.5-10 lakhs, 14% are above 10 lakhs and 4% of the respondents are earning less than 2.5 lakhs of income level annually.

#### B. KMO and Bartlett's Test:

Table-2 shows two tests that indicate the suitability of the data for structural decision.

To measure the sample adequacy KMO (Kaiser-Meyer-Olkin) Test is used. The result of KMO Measure of Sample Adequacy is 0.903, it indicates that the sample selected for the data collection is sufficient. Bartlett's Test of Sphericity is used to test the hypothesis of population correlation matrix is an identity matrix. The result shows that Chi-Square is 3845.716. The value is significant at 0.05 level of significance. Hence, the factor analysis can be proceeded based on the results to examine the level of awareness of consumers towards digital marketing.

Table-2: KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.903
Bartlett's Test of Sphericity	Approx. Chi-Square	3845.716
	df	190
	Sig.	.000

#### C. Factor Analysis:

Table-3 shows that, the total variance explained using principal component analysis to examine the awareness level of consumers towards digital marketing in Bengaluru which is explained at 3 stages. Out of twenty factors considered for the survey, three factors were extracted as their Eigen values are greater than 1. When these three factors were extracted, then 88.329 percent of the variance would be justified.

**Table-3:** Total Variance Explained: Extraction Method – Principal Component Analysis

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	14.454	72.268	72.268	14.454	72.268	72.268	8.431	42.153	42.153
2	2.202	11.012	83.281	2.202	11.012	83.281	7.729	38.643	80.796
3	1.010	5.048	88.329	1.010	5.048	88.329	1.507	7.533	88.329
4	.629	3.147	91.476						
5	.460	2.300	93.776						
6	.263	1.317	95.094						
7	.239	1.195	96.289						
8	.176	.882	97.171						
9	.108	.540	97.710						
10	.086	.430	98.141						
11	.082	.409	98.549						
12	.063	.313	98.862						
13	.056	.278	99.141						

14	.048	.242	99.382						
15	.031	.156	99.538						
16	.027	.135	99.673						
17	.024	.118	99.791						
18	.020	.101	99.893						
19	.014	.070	99.963						
20	.007	.037	100.000						

Rotated Component Matrix is shown in table-4 based on the data collected through questionnaire. The variables with factor loadings of more than 0.4 is taken for the study because loadings equal to or more than 0.4 is considered to be average or good. The result obtained from factor analysis by using Varimax Rotation Method with Kaiser Normalisation is having three factors. Factor 1 comprising of 11 variables with factor loadings ranging from 0.613 to 0.865. Factor 2 comprised of 8 variables with factor loadings ranging from 0.697 to 0.869. Factor 3 consist of only one variable with a factor loading of 0.931.

**Table-4:** Rotated Component Matrix<sup>a</sup>

	Component		
	1	2	3
Reliability	.865		
Simple to Order	.857	.415	
Hassle Free Shopping 24x7	.853		
Deals Offered by the Company	.801	.415	
Attractive Images of Products	.794		
Easy to Select Products	.769	.512	
Wide Range of Choice	.752	.579	
Easy Payment Mechanism	.692	.678	
Able to Check Order Status	.679	.646	
Secure Electronic Payment System	.646	.578	
No Misuse of Information	.613		.470
Ease of Usage	.430	.869	
Access to Global Markets	.404	.848	
Safety		.836	
No Extra Charges on Online Payment	.429	.822	
Quick Delivery	.531	.810	
Instructions Displayed	.547	.777	
Speed Savings of Time	-.574	.768	
Gathering Information	.663	.697	
Good Refund and Return Policy			.931
<i>Extraction Method: Principal Component Analysis.</i>			
<i>Rotation Method: Varimax with Kaiser Normalization.</i>			
<i>a. Rotation converged in 6 iterations.</i>			

Factor-1 having 11 variables with a factor loading ranging from 0.613 to 0.865 can be phrased as “**Customer Service**”, factor-2 having 8 variables with a factor loading ranging from 0.697 to 0.869 can be phrased as “**Safety and Ease of Accessibility**” and Factor 3 with factor loading of 0.931 is phrased as “**Timely Pickup and Refund Mechanism**” is highlighted in table-5.

**Table – 5:** Factors with Associated Names

Sl. No	Factor	Associated Names	% of Variance
1	Factor 1	Customer Service	72.268
2	Factor 2	Safety and Ease of Accessibility	11.012
3	Factor 3	Timely Pickup and Refund Mechanism	5.048

**D. ANOVA**

**H<sub>0</sub>:** There is no significant relationship between economic status and the buying behaviour of the consumers.

**H<sub>1</sub>:** There is a significant relationship between economic status and the buying behaviour of the consumers.

**Table-6:** ANOVA results showing relationship between Income Level and Buying Behaviour of the Respondents

Variables		Sum of Squares	df	Mean Square	F	Sig.
<b>Online Buying Experience of Products</b>	Between Groups	5.310	4	1.328	21.019	.000
	Within Groups	6.000	95	.063		
	Total	11.310	99			
<b>How often do Respondent Use Internet</b>	Between Groups	74.577	4	18.644	91.191	.000
	Within Groups	19.423	95	.204		
	Total	94.000	99			
<b>Product Purchased Online by the Respondent</b>	Between Groups	146.121	4	36.530	173.616	.000
	Within Groups	19.989	95	.210		
	Total	166.110	99			
<b>Buying Decisions of Respondent</b>	Between Groups	73.291	4	18.323	203.609	.000
	Within Groups	8.549	95	.090		
	Total	81.840	99			
<b>How often the Respondents Visited Online Stores during the last 12 months</b>	Between Groups	77.073	4	19.268	102.162	.000
	Within Groups	17.917	95	.189		
	Total	94.990	99			
<b>How often the Respondents Purchased the Products Online</b>	Between Groups	61.958	4	15.489	164.369	.000
	Within Groups	8.952	95	.094		
	Total	70.910	99			
<b>Value of Products Purchased Online during the year by Respondent</b>	Between Groups	137.423	4	34.356	156.787	.000
	Within Groups	20.817	95	.219		
	Total	158.240	99			

One way ANOVA is applied to study the relationship between one or more independent variable. Based on the results obtained which is shown in table-6, significant value is less than 0.05 for all the variables is mentioned in the last column taken for the study. Hence, it can be concluded that there is a significant difference between economic status and the buying behaviour of the consumers.

**CONCLUSION:**

From this study, the researcher made an attempt to understand from the various parameters about the effectiveness and awareness of digital marketing towards consumers. Various statistical tools are been used to analyse the various parameters identified to examine the relationship. The data obtained clearly says that, the consumers are willing to go for online shopping because of various reasons such as shortage of time to shop offline, Hassel free shopping for 24/7, safety, good refund and return policy, ease of accessibility, quick delivery, easy payment mechanism and others.

Further, under the factor analysis, 20 parameters were used to know the awareness of the consumers about the digital marketing and it is grouped into 3 factors. The significant factor such as “customer service, safety and easy accessibility and timely pickup and refund mechanism” has been revealed that the consumers are having awareness and positive response towards digital marketing. By using one way ANOVA, considering 7 parameters for the

analysis it is understood that, there is an association between income level and the buying behaviour of the consumers.

Moreover, it is understood that majority of the respondents are happy and satisfied towards online shopping. In this modern age, digital marketing is rapidly booming in the world and it is becoming the best medium where everything is available at one place. The online marketers and retailers also can gain a lot of benefits from this digital marketing. However, it is suggested that the online retailers shall have to focus on delivering quality product. They should provide right product to the right customers with good package in order to avoid product from damaging. Further, they shall provide good customer service by solving the problems and complaints of the customers' in-time, will improve their brand image. They shall have to display complete and adequate information about the product, price, quality, etc. would help the customers to review and compare with other product which helps them to decide to buy.

## REFERENCES

1. Dahiya, R., & Gayatri. (2018). A Research Paper on Digital Marketing Communication and Consumer Buying Decision Process: An Empirical Study in the Indian Passenger Car Market. *Journal of Global Marketing*, 31(2), 73–95. <https://doi.org/10.1080/08911762.2017.1365991>
2. Elisabeta, I. (2014). Social Media and its Impact on Consumers Behavior. *International Journal of Economic Practices and Theories*, 4, 295–303.
3. Mallik, D. M. A., & Rao, S. N. (2017). Impact of Digital Marketing on Youth Buying Behavior at Big Bazaar in Udupi. *International Journal for Innovative Research in Science & Technology*, 3(08), 78–87.
4. Selvaraju, K., & Karthikeyan, P. (2016). Impact on E-Commerce towards Online Shopping and Customer Buying Behavior. *Asian Journal of Research in Social Sciences and Humanities*, 6, 1260–1270. <https://doi.org/10.5958/2249-7315.2016.00511.6>
5. SHALAKA AYAREKAR, & GOPAL R. (2015). *Impact and Effectiveness of Social Media Advertising on Young Working Women's Buying Behaviour with reference to Consumer Electronics—A Study of Selected Cities in Maharashtra and Gujarat*. D.Y.PATIL UNIVERSITY.
6. Suganya, R., Rao, D. C. B., & Monica, B. S. (2017). *Customer's Awareness Towards Digital Marketing Techniques In Construction Industry*. 1(1), 225–232.
7. Sukanta Saha, & Yogesh C Joshi. (2019). Measuring Mobile Service Satisfaction: Factor Analysis Based Study on Mobile Users of Gujarat. *International Journal of Basic Sciences and Applied Computing*, 2(8), 10–16. <https://doi.org/10.35940/ijbsac.H0106.072819>
8. Victor, N., & Devi, R. (2018). *A Study on the Impact of Social Media on Digital Marketing*. 201–208.
9. Yasmin, A., Tasneem, S., & Fatema, K. (2015). Effectiveness of Digital Marketing in the Challenging Age: An Empirical Study. *Journal of International Business Research and Marketing*, 1(5), 69–80. <https://doi.org/10.18775/ijmsba.1849-5664-5419.2014.15.1006>