

A Brief Overview of Digital Marketing

Neeraj Goel*

Associate Professor, Department of Commerce, Armapur P.G. College, Kanpur, India

Abstract: Smart phones after computers have brought the whole world at fingertips. In the current scenario all the work can be done by an individual just by clicking a button on his digital system. The advent of digital marketing has completely altered the human behavior. Digital marketing has brought the whole world closer. It has given opportunities to small seller which was almost impossible in the traditional market. This paper presents the general overview of Digital Marketing with its history. Later advantages and disadvantages of digital marketing have been discussed. The paper also presents the elements of digital marketing. The paper ends with a case study of the Amazon on digital platform.

Keywords: digital marketing, monetary transactions, affiliate marketing, pay per click.

1. Introduction

Digital marketing is coined by two words ‘digital’ meaning electronic devices that understand the language of digits i.e., 0 and 1 and ‘marketing’ meaning acquiring goods and services in exchange of money. Thus, digital marketing in simple terms can be referred as the marketing with the help of electronic devices. Desai 2019 defines digital marketing as purchasing of services and goods with the help of digital technologies using internet. The advent of digital marketing has completely altered the conventional techniques of marketing. In earlier days even to buy any small good the customer has to visit the market which required lot of time, use of human effort, transportation, additional expenditure etc. Digital marketing has solved this problem in the real sense. Customers now order their needs just by clicking a button on the laptops or smart phones. The impact of digital marketing on economy is huge and it has been observed that the revenue generated by the companies that use digital platform for marketing has increased by a huge amount in recent years. Despite of many advantages digital marketing is backed with some drawbacks like it makes people lethargic etc, which have been discussed in this paper.

2. History of Digital Marketing

The history of digital marketing is chronologically summarized in Table 1.

Table 1
History of digital marketing

Year	Event
1990	The term ‘Digital Marketing’ was used for the first time
1990	Archie: the first search engine was launched
1994	First web ad banner was developed which was clickable
1994	First online transaction over net market
1994	Amazon was launched
1995	Yahoo was launched
1997	First social media site was launched: Sixdegrees.com
1998	Google came into existence
1998	Microsoft launched its search engine
2001	Mobile marketing campaign by universal music
2003	LinkedIn was launched
2003	WordPress was launched
2004	Gmail was launched
2004	Facebook was launched
2005	YouTube was launched
2006	Twitter was launched
2007	i Phone was launched
2007	Flipkart was launched
2008	Hulu was launched
2009	Google’s real time search engine results were launched
2009	Whatsapp was launched
2010	Lenskart was launched
2013	Amazon was launched in India
2013	Grofers was launched
2014	Swiggy was launched
2020	Meesho was launched

<https://www.webcentral.au/blog/brief-history-of-digital-marketing-1990-2020/>

3. Elements of Digital Marketing

Yasmin et al, 2015 defines seven elements of digital marketing which are as follows,

1) Online advertising

Advertising refers to showcasing of the products such that it attracts the customers. Digital marketing uses digital platforms like web pages, apps etc. for the purpose of advertisement. In recent years the artificial intelligence has become so strong that the advertisements of searched goods appear on all social networking platforms of concerned buyer.

2) Email marketing

In this the information about the product is sent through email. This helps the seller to communicate with the buyer directly. Many a times this mode is also being used for the advertisement purpose.

*Corresponding author: neerajgoelarmapur@gmail.com

3) Social Media

It is one of the major elements of digital marketing as social media platforms like Facebook, Instagram, WhatsApp etc., are being widely used by the people for communication purposes. Companies use these platforms for the purpose of advertisement. A recent trend has been observed where the small sellers form online groups to showcase their products and receive orders.

4) Text messaging

It is similar to email marketing with difference that it reaches the mass which even do not uses web. We now and then receive messages about goods and services which forms an element of digital marketing.

5) Affiliate marketing

It is the type of marketing in which the affiliates are rewarded for each customer they add thus it forms a kind of performance-based marketing.

6) Search engine optimization

It is the process by which the visibility of a particular web page is affected. The order in which web pages appear in the search engine list is the order of customer being visiting the web page.

7) Pay per click

Using search engine advertising to drive traffic to your website rather than "earning" it, is known as pay-per-click marketing. Pay per click benefits both advertising and searchers. It is the ideal method for business advertisements because it results in lower costs and higher involvement with the goods and services.

4. Advantages of Digital Marketing

There are several advantages of digital marketing; some of them are discussed below,

- 1) Digital marketing provides international market to all the sellers on equality basis. The market is open to all the sellers without any discrimination. Even the small seller enjoys big market which was impossible for them by traditional marketing techniques. This also does not require large investment a small amount of money is sufficient to reach large group of people.
- 2) Digital marketing enables the seller to provide personal attention to the customer by greeting, providing vouchers, providing reward, providing information about new products etc. through email, messages etc.
- 3) Due to availability of same product at different sites the seller cannot demand extra ordinary prices thus the ball in digital marketing remains in the court of consumer who enjoy lower cost and other benefits.
- 4) Digital marketing targets the right audience. With improved AI techniques a track on individual's activity over internet can be kept thereby enabling the sellers to make the list of products or services required by a particular audience.
- 5) Digital marketing has abolished extra unnecessary expenditures like advertisements on television or newspapers thereby reducing the cost.

- 6) Digital marketing has made it easier to make new brands possible. In today's world where the public is well connected by smart phones or computers, it is very easy to make a brand and gain popularity which was very difficult to be done in traditional market form.

5. Disadvantages of Digital Marketing

There are several disadvantages of digital marketing; some of them are discussed below

- 1) The advent of digital marketing has increased the competition in the market. In olden days before the advent of digital marketing the sellers were confined to the audience nearby them but with digital marketing their reach has increased globally.
- 2) Digital marketing is highly dependent on technology. If internet server is gone whole digital marketing comes to an end. The server is highly dependent on natural weather conditions which if are adverse results in a bad day for digital market.
- 3) Various security issues are being faced online. Breach of information is one of them. Failure of monetary transaction is an issue of serious concern. Now and then newspapers are flooded with fraud over internet.
- 4) The advent of digital marketing has flooded the market with goods and services. Several times due to lack of information the consumer ends up purchasing a wrong product.

6. Effect of digital marketing on the revenue generated: A case study

The revenue generated by Amazon through digital marketing is given in Table 2.

Table 2
Year wise revenue generated by Amazon

Company	Year (Revenue in Million USD)				
	2014	2016	2018	2020	2021
Amazon	88,988	135,987	232,887	386,064	469,822

<https://www.macrotrends.net/stocks/charts/AMZN/amazon/revenue>

The above table can be depicted in the form of graph shown in Fig. 1.

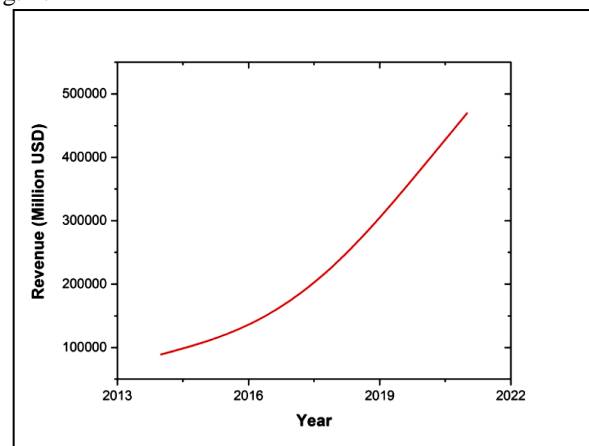


Fig. 1. Revenue generated by Amazon

<https://www.macrotrends.net/stocks/charts/AMZN/amazon/revenue>

- The percentage increase in revenue from 2014 to 2016 was 52.81%.
- The percentage increase in revenue from 2016 to 2018 was 71.25%.
- The percentage increase in revenue from 2018 to 2020 was 65.77%.
- The percentage increase in revenue from 2020 to 2021 was 21.71%.

For better understanding the percentage increase is plotted in Fig. 2.

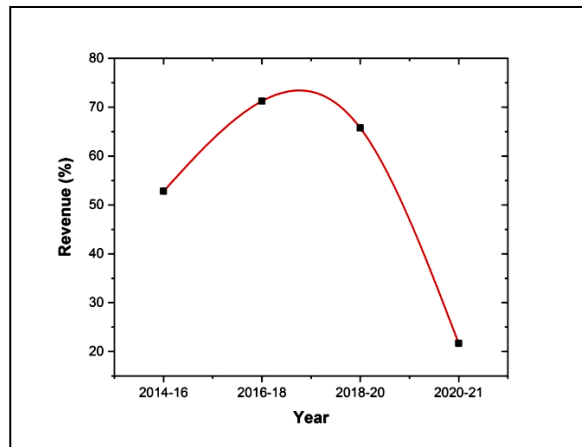


Fig. 2. Percentage change in revenue by Amazon

- It can be clearly seen that revenue generated is constantly increasing.
- The rate of increase of revenue has increased till 2018 and then has started decreasing.
- A small amount of increase in revenue was seen in year after 2018 this may be due to insufficient funds available with the buyers due to COVID-19.

7. Conclusion

Digital Marketing has proven to be a boon for both seller and buyers. It provides easy access to all goods and services to consumer on affordable prices at the doorstep. To the seller it provides international market. It has a mixed impact on economy. It can be clearly seen that the revenue generated by Amazon is continuously increasing since 2014 that means the audience of Amazon is increasing however the rate of increase is found to be decreasing. Audience has to use digital marketing wisely so that it continues to be a boon for the society.

References

- [1] Bala, M., & Verma, D. (2018). A critical review of digital marketing. M. Bala, D. Verma (2018). A Critical Review of Digital Marketing. *International Journal of Management, IT & Engineering*, 8(10), 321-339.
- [2] Wind, J., & Mahajan, V. (2002). Digital marketing. *Symphonya. Emerging Issues in Management*, (1), 43-54.
- [3] Morris, N. (2009). Understanding digital marketing: marketing strategies for engaging the digital generation.
- [4] Sawicki, A. (2016). Digital marketing. *World Scientific News*, (48), 82-88.
- [5] Mandal, P., & Joshi, N. (2017). Understanding digital marketing strategy. *International journal of scientific research and management*, 5(6), 5428-5431.
- [6] Saura, J. R. (2021). Using data sciences in digital marketing: Framework, methods, and performance metrics. *Journal of Innovation & Knowledge*, 6(2), 92-102.
- [7] Chaffey, D., & Ellis-Chadwick, F. (2019). *Digital marketing: strategy, implementation & practice*. Pearson uk.
- [8] Diez-Martin, F., Blanco-Gonzalez, A., & Prado-Roman, C. (2019). Research challenges in digital marketing: sustainability. *Sustainability*, 11(10), 2839.
- [9] Busca, L., & Bertrandias, L. (2020). A framework for digital marketing research: investigating the four cultural eras of digital marketing. *Journal of Interactive Marketing*, 49, 1-19.
- [10] Desai, V. (2019). Digital marketing: A review. *International Journal of Trend in Scientific Research and Development*, 5(5), 196-200.
- [11] Yasmin, A., Tasneem, S., & Fatema, K. (2015). Effectiveness of digital marketing in the challenging age: An empirical study. *International journal of management science and business administration*, 1(5), 69-80.
- [12] Krishen, A. S., Dwivedi, Y. K., Bindu, N., & Kumar, K. S. (2021). A broad overview of interactive digital marketing: A bibliometric network analysis. *Journal of Business Research*, 131, 183-195.