Conceptualising the Digital Marketing Strategies in Retail Industry

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Abstract: The development and influence of digital marketing, beginning with early web technologies such as Archie and continuing through the present-day hegemony of platforms such as Google AdWords, email, SEO, and social media. Highlighting their function in increasing consumer engagement and market reach, it delves into crucial channels like social media marketing, websites, email marketing, content marketing, retail marketing tools, and search engine optimization. Emerging trends such as data analytics and AI-based marketing are highlighted in the report, which also emphasizes the strategic importance of digital marketing inefficiently attaining company objectives with limited funds. In the end, it highlights how digital marketing plays a crucial role in adapting to changing customer tastes and technology environments.

Keywords: Digital Marketing; Search Engine Optimization; Artificial Intelligence; Retail; Marketing Tools.

1. Introduction

The Institutions of Digital Marketing started taking shape with the introduction of the world's first search engine named Archie. J. Peter Deutsch, Alan Emtage, and Bill Heelan as an index created it for FTP Sites in 1990. In 1994, the world's first clickable banner went live on hotwire.com. Interestingly, about 44% of people who saw it clicked it. As technology and the World Wide Web grew, digital marketing started growing with it (Chiagouris & Wansley, 2000). It did face a slow-down in the year 2000 because the dot-com bubble burst. The tool of digital marketing got prominent recognition with the introduction of Google AdWords and since then Digital Marketing has grown at a phenomenal rate. The introduction of WEB 2.0 accelerated this growth as more WEB 2.0 sites like Facebook and Instagram started functioning, leading to an increase in the applicability and reach of Digital Marketing tools and services (Choi, Hwang, & McMillan, 2008). Today, the top three digital marketing channels businesses use are i) Social Media Marketing, ii) Websites, and iii) Email Marketing. The usage of digital marketing depends on the expectations of the organization, with the least popular channel being SEO. On one hand, where big business uses these tools to stand out from cut-throat competition, small organizations use the same tools for brand awareness. The usage of Data Analytics extended the potential of digital marketing to multi-folds. Today the usage of these tools is even visible in retail segments, where it is used to understand and analyze customer behavior and expectations about a product or a service to provide a better product and experience to the customer. The main idea is not only to increase sales and revenue but to also look at enhancing the overall experience of a customer by taking regular feedback, addressing complaints on time, and understanding the customer's need thus making processes hassle-free, less time-consuming andeffective (Nisha & Sangeeta, 2012). Digital marketing provides a wider customer reach, drains less money out of funds, is relatively easier than the traditional modes, and is very effective. We should also acknowledge the fact that digital marketing is just a tool, the success of the same is subjective as it depends on how well the strategies were made; and implemented and how well the overall system was designed. Additionally, success also depends on the nature of the business, its objective, the types of tools used, and how well they use them.

2. Design Of the Study

2.1. Purpose

Digital marketing allows the business, regardless of size or turnovers; to have a better return on investment and gain a better conversion ratio with a much smaller budget. If it is managed effectively, the strategies of Digital Marketing will give a laser-focused decision on where and how much the marketing budget can be. When we have such confidence and input to support the advertising agenda,we can make better and smarter decisions.

2.2. Objective

To educate, engage, and sell your product or service to potential buyers, digital marketers use online channels such as search engines, social media, content creation, and advertising (Kotler, 2000). The following are some of the key objectives of digital marketing:

- To list out the various digital marketing strategies
- To understand the various strategies and to

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choose the best technique

2.3. Methods Of Digital Marketing

The methods of Digital Marketing are sensitive towards the technology, budget constraints, objective, expertise of the marketer, tools used, and lastly the nature of business and segment.Some of the most used channels for digital marketing are discussed below.

> **Search Engine Marketing**

It can be considered the easiest and most basic form of digitalmarketing. In this, marketing is being done through posting advertisements on search engines like Google, Yahoo, and Bing. It helps in optimizing the brand presence and creating a consumer base through paid and unpaid advertisements. The two majorcomponents of the same are Search Engine Optimization (SEO) and Pay-Per-Click (PPC). We can say that the unpaid version is more like SEO and the paid version is PPC. PPC helps in driving targeted traffic to the web portals of a business. It is also known as pay-per-call, cost-per-click, and cost-per-thousand-impressions (CPM). Thismethod requires good capital infusion as well as a well-planned structure (Nitin, et al.,2018). One of the best traits of SEO is its high customizability based on the demographics of the target audience.

> **Search Engine Optimization**

It helps marketers to increase the ranking of their business websites and web pages. Search Engine Result Page (SERP) can be amplifiedby the visibility of the website or page, by increasing its reach, customer engagements,and Alexa Scores. This objective is achieved via blogging, content optimization, and social media. We have to understand that engine optimization is not manipulation as it has a certain process and structure; moreover, SEO manipulation is not a prudent practice and is punishable. Some of the best strategies to yield results from SEO are delivering high-quality content, guest blogging, uploading pictures and videos about the product or services, Metadata, efficient public relations practices, and Brand Evangelism. Some of the most crucial steps to follow while using SEO tools are choosing an SEO-friendly website, proper planning, conceptual and particle knowledge, on/off the page, and copywriting.

> **Social Media Marketing**

As the name suggests, social media marketing is performed through marketing business on social media platforms like Facebook, Snapchat, Google+, LinkedIn, YouTube, etc. These advertisements can be in the form of photo ads, video ads, display ads, carousal, sponsored email, sponsored content, influencers,promoted tweets, accounts, or trends, and by sponsoring filters or lenses. Important guidelines that should be kept in mind to perform SMM involve being precise aboutthe targeted customers, geographical constraints of the customers, picking up theoptimal social media platform, scheduled posts, relevant and engaging content, and proper data analysis of both pre and post stages of this marketing campaign. Currently,more than 40% of digital customers are using social media platforms for searching and researching new and innovative products. As of June 2017, the world has 3.8 billion people have access to the internet worldwide, out of which 2.69 billion are active social media users (Gangeshwer, 2013).

> **Email Marketing**

It is one of the old but gold ways of doing digital media marketing.Marketers use emails to approach customers and potential customers through their inboxes. The main focus of this is to strike a conversation with customers and give them a crisp but exclusive image of the products and services offered by a business. In the present world scenario, this system is not as effective as it was before because the majority of these ads are diverted to the spam boxes and never read. Similarly, there are apps and extensions, which block emails for businesses, which makes it very difficult to run. Another major drawback of email marketing is that it not only needs ahuge database that can get tricky and costly but also needs good communication skillsto make emails more appealing to customers with a crisp and clear agenda. The latest email automation tools, proper utilization of the email marketing matrix, and a good follow-up system are needed to achieve the above. Different ways to promote and increase the click on the email include newsletters, event invites, discount information,etc.

> **Content Marketing**

Content media marketing revolves around marketing through different appealing, written, engaging, and downloadable content. It also aims atattracting customers by giving them something for free in return. One of the best waysto do this is through postcards, infographics, videos, blogs, or landing pages. Some of the widely used content under this is Tool Reviews, Giveaways, Webinars, Mind Maps, Games, Memes, Polls, Quizzes, Quotes, Resources, timelines, etc. The success of this mainly depends on the quality of the content as well as how engaging and attractive it is. It's critical for content marketing to have swipers stay and see the content. This taskcan be also outsourced to firms or people who are experts. It is both cost-effective andincreases the chances of success. If content management is not handled effectively, it can do negative and long-term damage to the brand of the business and the productsor services offered.

> **Application Based Marketing**

Marketing through an app and pop-ups is the latest and an effective way of marketing. Since every digital device has

plenty of apps running, marketing through these applications is more effective as it increases the visibility and customer range. It is done by either paying the app providers or collaborating with them. This marketing system is the trickiest one as the time taken for the advertisement shouldbe as less as possible and effective. It's a shock-and-grabs policy. Business does this byflashy advertisements, catchy lines, announcements of discounts, etc. The expertiserequired here is also high. Marketers also use many apps for running these campaigns.The majority of apps are used to create quality content, word processing, developing catchy adverts and posters or announcements. Teasers are also being used to do so. It is more about creating hype first and then converting the same into customers.

> ### Artificial Intelligence-Based Marketing

Artificial intelligence marketing techniques use models like machine learning, data analysis, and Bayesian models to anticipate the customer's needs and also predict their behavior, choices, and next movewhen it comes to making purchases. It also helps customers to realize their future or potential needs or needs they are not aware of. Say, while searching for a laptop, they get a pop-up for a laptop cover. This is a win-win for both the business and also to the customers as it makes the purchase swift and increases their purchasing experience. For businesses, it helps them to push products without even letting the customers know that the purchase made was not an independent decision. Still, it was a well-channelized business marketing strategy. Another example that can be quoted here is Amazon GO and Alibaba's "Hotel of Future" (Anubhav & Rajiv, 2014).

2.4. Developing A Marketing Management Plan

A good marketing plan is indeed the most crucial stage for any business along with execution. They both play a very important part in any business success. Even though a business is free to come up withany plan that works for them and delivers results, the basics remain the same for everyone (Rita & John, 2015). A good working marketing plan involves various steps and methods, some of which are discussed below:

> ### Conceptualizing The Business Goal

The most basic setup of a marketing plan is to conceptualize the goal. It helps to determine what the business is expecting as a result. Whena business is clear about what it wants to achieve, it formulates policies and ways to achievethe set objective or target. These targets or objectives are further broken down into short-term and long-term targets, which serve as a base for each other. Normally, businesses attach a timeline to their goals as it helps them to track their growth and targets and also helps in managing the finances of the marketing system.

> ### Formulating Business's Mission Statement

A mission statement helps the business to find the why factor. It means if a business is doing something, why are they doing it This serves as a base to determine how they are going to do it. Mission statements not only cast a direct effect on the marketing plan but also help a lot by being a driving force for the organization, its people, and the marketing plan. Businesses around the globe make marketing plans that revolve around the aura of their business, what they believe in, and their brand (Mahipal & Shankaraiah, 2018). A clothing brand with a vision of providing quality and affordable clothing apparel to the customers will fail if they divert from their core vision or mission and there are plenty of real examples there to find.

> ### Decoding The Target Market

The third step is to determine the target market for the business. It can be done based on age, geographical constraints, type of product or service, and socioeconomic status of customers. This stage of planning requires good research work and data availability. Firms usually collect first-hand data or outsource data collection for experts or data mining firms. Once the data is available, they have to synthesize it for a better and clearerunderstanding. It helps them to be clear about their targeted audience, where to find them, whatis their value proportion, what are their potential problems and their needs. It helps also in designing the products/services which solve the majority of customer's issues.

> ### Competitive Analysis

If you are not going to take care of your customers, someone else will.Competitive analysis helps to compute the competition a business has from other market players. It helps to analyze their standpoint in comparison with their competitors. Various types of Competitive analysis involve SWOT Analysis, BCG Portfolio Planning, STEEP Analysis (Science, Technology, Economic, Environmental, and Political), Value Chain, Win-Loss Analysis, etc. There is also Competitive Intelligence (CI), who have the expertise to perform various analytical techniques and tools to convert information into actionable intelligence (Nair, 2000).

> ### Pricing Model

In India, the customers are more price-sensitive in comparison to other economies. Indian customers want quality but at a lesser price. Businesses use a pricing model to make sure the price band suits their target audience. For the luxury sector, the pricing is high because of the bandwagon effect and for the affordable luxury sector, the prices are comparatively less but at par with competitors. Practically, the prices should cover all the expenses done per product plus the profit element.

> **Prosperous Promotional Plan (3p)**

It's one of the most crucial parts of a marketing mix. When the business is sure about what they want to do and what are their other important variables, it's time for them to choose the best way to reach their audience. A business has many ways to achieve this target. They can do it through advertisement, public relations, packaging, direct sales, online appearances, paid promotions, social media influencers, and whatnot. The two most important factors to be considered in this are the cost and the reach i.e., what is per unit cost incurred to reach one customer.

> **Marketing Budget**

Vitamin money is always a big constraint for any business. Currently, the marketing budget covers a significant part of the financial budget of an entity. Firms are hunting for more cost-effective methods to reach their audience and one of those economical way is digital media marketing. Where cost is comparatively low in comparison to traditional methods and provides a wider reach to the customer. There is a significant increase in budget allocation for marketing globally. The financial constraints vary from organization to organization, method to method, and business to business.

> **Follow-Up**

The last but not the least important stage is to track the growth. It is really important to observe and analyze the performance of the marketing plan and make changes if necessary. It is also very critical especially on social media marketing as new trends keep on coming and going. So, until a business is observing the changes and learning from them, they may miss some of these social media trends, which may hamper their growth in the long term. Follow-up is also required in terms of cost as well to see if the money is being effectively used and also the amount spent is earning a good return in terms of customers and sales. Follow-up also involves the calculation of ROI etc. (Marketing, 2020).

2.5. Study Area

In the study, the author selected India to examine the diverse applications of digital marketing in contemporary business environments. This exploration delves into how digital marketing strategies are tailored and implemented to meet specific market demands and consumer behaviors.

2.6. Targeted population

In this study, the author targeted the consumers of digital marketing companies in India, examining trends and preferences. The research delved into how Indian consumers interact with digital marketing strategies and services, offering insights into effective targeting methods. By analyzing consumer responses, the study aimed to enhance strategies employed by digital marketing companies in India.

2.7. Sample of the study

The digital advertising landscape from 2018 to 2023 shows that worldwide spending is growing at a rapid pace, with nations like the UK and China expected to spend 66.4% and 69.5% of their GDP on digital ads by 2019, respectively. The increasing importance of digital platforms like PCs and mobile phones in marketing tactics around the world is highlighted by this trend. At the same time, the tactics and problems in the fast-moving consumer goods (FMCG) and retail industries in India show how difficult it is to break into different marketplaces where customer habits are always changing. The food and grocery industry, in contrast to the rapidly expanding fashion retail sector, is struggling to adapt to new retail formats brought about by the rise of internet shopping and global brands. The importance of technology and strategic innovation in changing business environments around the world is highlighted by these dynamics, which show how the marketing and retail industries must adapt to digital transformation.

2.8. Collection of data

To comprehend the effect these developments, have on customer behavior; the author thoroughly investigates digital marketing trends in India. The study investigates the effectiveness of several digital marketing methods in influencing consumer preferences and decisions through a thorough analysis. Surveys, case studies, and reports from the industry are some of the quantitative and qualitative tools used by the author to compile their findings. To gain a better understanding of digital marketing in India, this research analyzes customer responses and market dynamics. The goal is to find out what strategies work best in this fast-changing market and how to implement them into successful marketing campaigns. With the advent of the internet, shoppers now have more options than ever before when it comes to purchasing goods and services. Nowadays, shoppers can do their homework, compare costs, and buy anything they want without ever leaving their homes or mobile devices. Customers now place a higher value on having a consistent experience across all of their digital devices because of this convenience, which has changed their expectations. Also, customers feel more understood and cared for on a personal level when digital marketing strategies like targeted advertisements and tailored recommendations increase relevance. This effect is magnified by social media, which enables users to communicate with brands directly, discuss their experiences, and ask their peers for suggestions, all of which have a substantial impact on customers' purchasing decisions.

3. Analysis

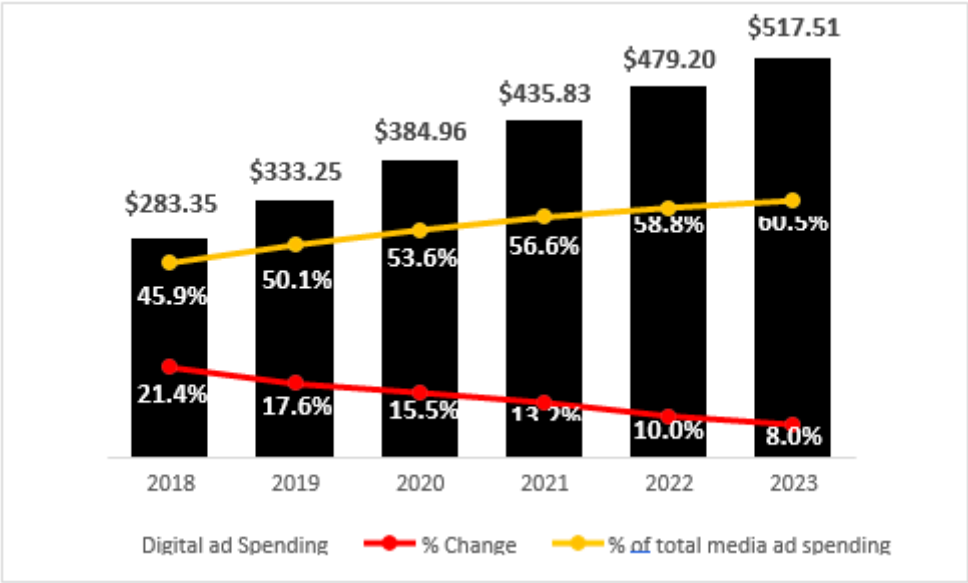### 3.1. Digital Ad spending worldwide, 2018-2023

Fig 1: Digital Ad spending worldwide

Note: Includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms; excludes SMS, MMS, and P2P messaging-based advertising

Table 1: Countries that will hit at least 50% Digital Ad Spending in 2019

COUNTRIES	2018	2019
China	65.30%	69.50%
UK	63.80%	66.40%
Norway	61.70%	65.50%
Ireland	58.80%	62.60%
Denmark	57.80%	61.10%
Sweden	56.30%	60.30%
Australia	55.60%	57.10%
US	48.60%	54.20%
New Zealand	51.80%	54.00%
Canada	50.20%	53.50%
Netherlands	47.80%	52.60%
Russia	45.10%	50.00%

(Source: eMarketer, Feb 2019)

3.2. How do Marketing Worldwide Describe Their Marketing Cross-ChannelCoordination

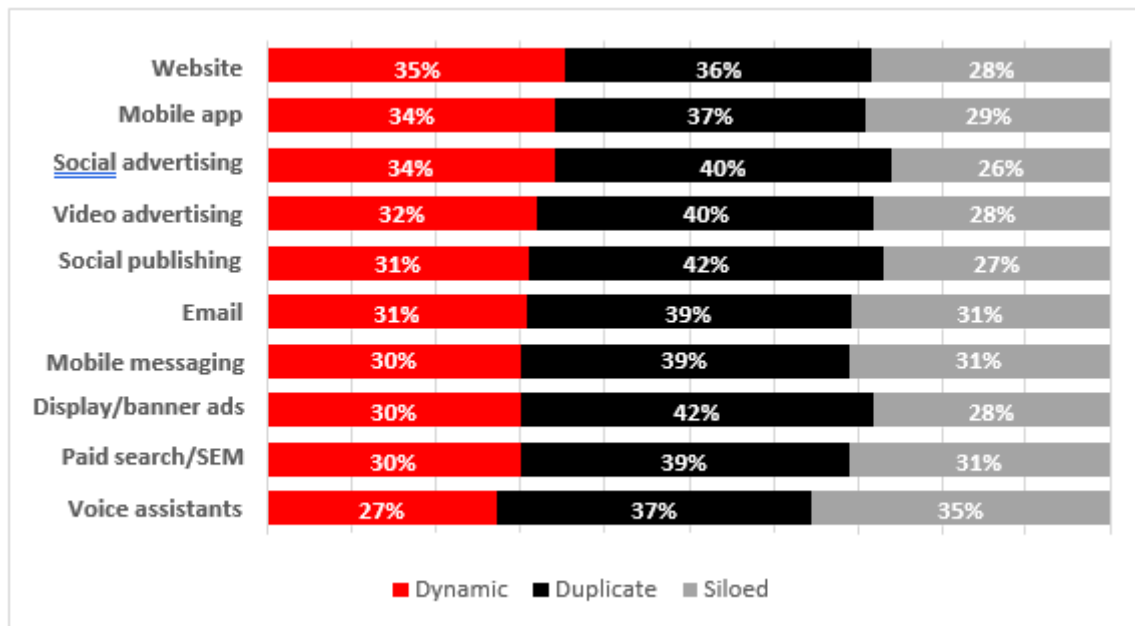% Of respondents by channel, Sep 2018

Fig 2: How do Marketing Worldwide Describe Their Marketing Cross-ChannelCoordination (Source: Salesforce, "State of Marketing: Fifth Edition, "Dec 13, 2018)

3.3. FMCG & RETAIL

Since many Indians still choose to purchase unbranded, unpackaged goods manufactured by individuals, the fast-moving consumer goods sector in the country is extremely fragmented. This is a fantastic chance for companies that produce branded goods to attract this demographic. The potential, however, is not without its challenges. Department stores, supermarkets, and hypermarkets are scarce in India, despite the country's six million retail locations. When fast-moving consumer goods (FMCG) companies are pioneering new terrain, logistics become even more demanding.

Increasing penetration and consumption	There is massive untapped potential to boost penetration and consumption, which FMCG is well aware of. The reason behind this is the incredibly low consumption per capita across many categories. In light of the new circumstances, FMCG can boost its expansion by using new tactics. Greater penetration, per capita consumption, a growing population base, and rising family income have all been key drivers of growth for fast-moving consumer goods (FMCG).
Restoring Competitiveness	Efforts are underway to fortify the brands by introducing innovative products with improved quality, pricing, and branding.
Expanding distributionnetworks	Businesses in India are currently concentrating on enhancing their distribution networks to reach more people in rural areas.

3.4. FASHION & RETAIL

There is a significant gender gap in the fashion industry, which is different from other major worldwide markets. Despite this, the gender gap is narrowing, and by 2022, the fashion industry as a whole is projected to be 39% male and 39% female. Kids made up over 20% of the overall fashion market in 2017 and will account for slightly more than 22% by 2022. This is not surprising given that roughly 28% of India's population is under the age of 15 (325 - 350 million).

Fashion category split into Men, Women & Kids			
	Men	Women	Kids
2012	44%	37%	19%
2017	42%	38%	20%
2022	39%	39%	22%

Fashion category split into sub-categories			
	Apparel	Accessories	Footwear
2012	84%	3%	13%
2017	79%	8%	13%
2022	73%	13%	13%

Fashion Category split into Branded & Un-branded		
	Branded	Unbranded
2012	25%	75%
2017	37%	63%
2022	50%	50%

Fashion category split basis Retail type			
	Traditional	Modern	E-Commerce
2012	80%	20%	< 1%
2017	70%	24%	6%
2022	52%	33%	15%

technopak

Fig 3: Breakup of fashion into sub-segments (Graphic: techno Pak)

Brands, both domestic and foreign, have proliferated in India in recent years, thanks to the country's rising middle class and its penchant for retail therapy.
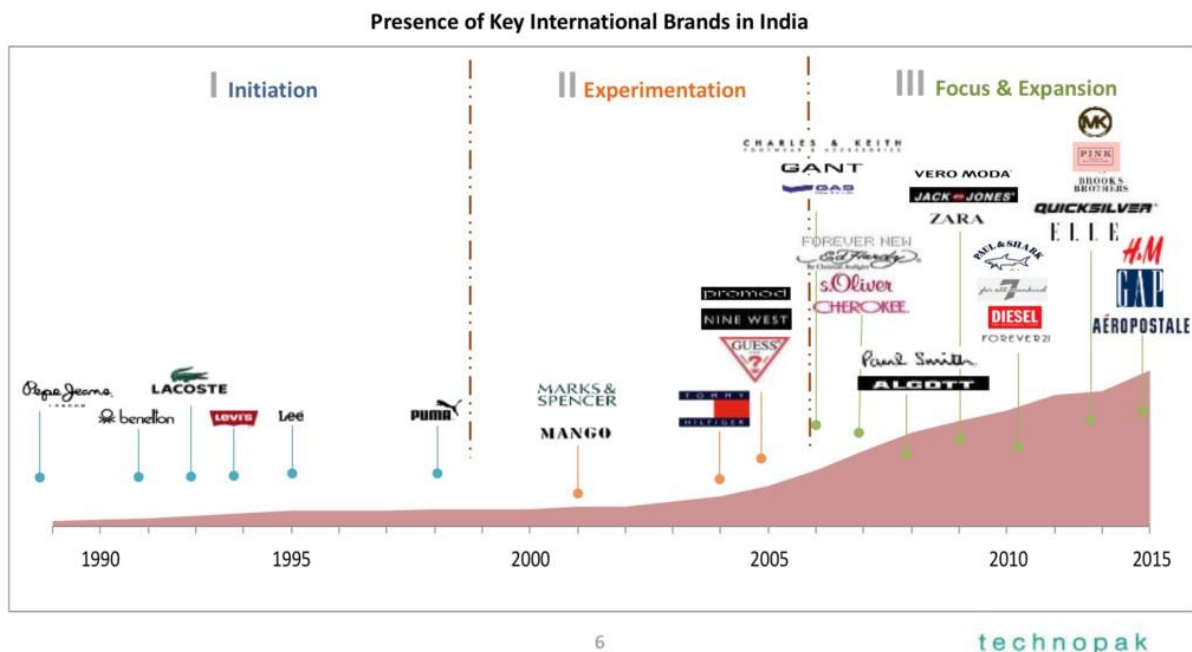

Fig 4: Foray of International fashion brands in India (Graphic: Techno Pak)

Particularly surprising for Indian retailers and fashion brands in recent years has been the phenomenal success of H&M and Zara. Across all of their current geographies, Indian consumers have shown a lot of love for both of these retail brands. The only thing holding them back from expanding further is the lack of suitable retail locations in India. Now that they've launched their online shopping page, H&M is attempting to overcome this hurdle and reach a far larger audience in India.

3.5. RETAIL BEYOND FASHION

The food and grocery sector of India's retail industry is witnessing a thrilling war brewing outside of the fashion industry. Online channels have quickly become the focal point, as modern retail contributes less than 3% of the almost € 385 billion spent on food and consumables by consumers and there are significant difficulties in locating grocery-supermarket locations that are suited for retail. Amazon (India) has, unsurprisingly, been pouring a lot of money into this area to establish a dominant position in the market.

But at the moment, the frontrunner is a local startup called Big Basket, and it now has Alibaba, a huge international backer and investor, among its ranks. Another Indian start-up, Flipkart, is reportedly being courted by Walmart for a significant investment, and Softbank of Japan has thrown its weight behind it, along with Tiger Global and others. Consequently, online grocery retail in India will surpass that of contemporary brick-and-mortar

supermarkets by 2022, making the country one of, if not the only, in the world whose food and groceries comprise the biggest component of its online retail sector.

4. Conclusion

The paper gives a brief idea about how digital marketing works and also talks about the recentdevelopments in the digital marketing field. Since marketing itself is dynamic, new trends and methods are being invented, followed, and used to deliver better results. In the present world, technological advancements are affecting the dynamics of marketing which is hard to cover in a single paper. The implementation and scope of AI and Data Analytics are yet to be explored to a great extent. We have observed in the graphs provided above that digital marketing expenditure will increase at a decreasing rate. Economies like China and the UK are investing heavily in digital media marketing i.e., 69.5% and 66.40 % respectively followed by other countries. This itself is self-explanatory to understand the gravity, importance, and future essence of digital marketing in business. It was also observed in the second graph that 27.7 % of marketers believe that websites, apps, and social media are siloedin nature for their organization. We can also see that the traditional methods are not much in demand as they barely maintain below-average status. In conclusion, we can say that technology is and will prove itself as the biggest game-changer in Industry 4.0. Businesses or organizations, that acknowledge these changing paradigms and change, accordingly, will onlysurvive in the long run.

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