

## Digital marketing environment and customer satisfaction in India

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### Abstract

Online shopping is basically a process of selling and buying of goods and services on World Wide Web. As (Forsythe and Shi, 2003) explains "Internet shopping has become the fastest-growing use of the Internet; most online consumers, however, use information gathered online to make purchases off-line".

According to a report (ACNielsen Report on Global Consumer Attitudes towards Online Shopping, 2005) published on www.acnielsen.com, one tenth of the world population is shopping online, till October 2005, 627 million people have done online shopping, and according to the same report Germans and British are on the top of the list on Online Shopping. Additionally in the report published, it was confirmed that products most purchased online included books followed by DVDs, video's, games and Plane Reservations, with credit cards being the most sought method of payments for the purchases made regarding the items offered for purchase online.

**Keywords:** Digital Marketing, online Showing, Internet, Convenience

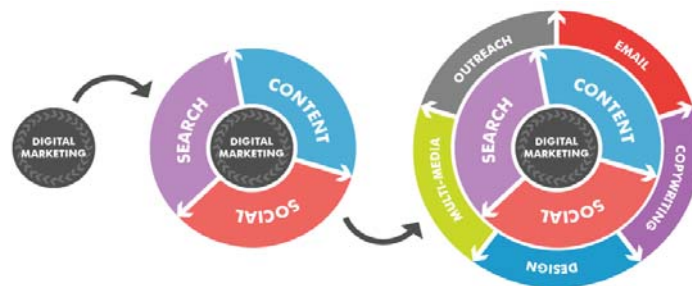
### 1. Introduction

#### 1.1 Why Digital Marketing?

- The world is going Digital and by the year 2020, all the companies around the world including India will have online presence and thus creating a lot of career opportunities.
- It is a progressive field. With technology developing every day, you have to continuously develop your digital

marketing skills so that your career keeps growing.

- According to this research, the digital economy is growing 10 times faster than the traditional economy and firms that engage in online trading are twice as likely to be creating jobs as firms that aren't.
- It provides you with various career options. If you love coding, you can go for web designing or if you are a born writer, go for content marketing and so on.



### Digital Marketing Overview

There are many benefits of digital marketing

Over traditional marketing \*

- ✓ Puts the consumer in control
- ✓ Provides convenience
- ✓ Increases satisfaction
- ✓ Drives brand loyalty
- ✓ Reduces the selling cycle
- ✓ Reduces the cost of sales
- ✓ Builds your brand
- ✓ Provides targeted results
- ✓ It is measurable \*
- ✓ Cost effective \*



## 1.2 Operational Definition

### i) Online Shopping

Online shopping or online retailing is a form of electronic commerce allowing consumers to directly buy goods or services from a seller over the Internet without an intermediary service. An online shop, e-shop, e-store, Internet shop, web-shop, web-store, online store, or virtual store extorts the analogy of purchasing goods or services at a retail store or shopping center.

### ii) Convenience

Online retail store are support the available for 24 hour 7days a week. This is a means by retailers and wholesalers to provide customers with a very convenient way to be able to do all the shopping from one spot or by just a mouse click.

### iii) User friendly web features and designs

Online web stores need to be user friendly and easy to navigate, these being very vital influencing factors of online shopping website designs, privacy or confidentiality, website reliability, navigation, and website customer services incorporated with the website security are the most attractive features which influence the perception of consumers to buy goods and services online.

### iv) Time Saving

With the rapid development of the World Wide Web online shopping has come to be the most sought means to purchase goods and services at the convenience for the customers as it saves time whereby being an important influencing factor towards online shopping. Browsing through the internet or searching through online catalogues can be time saving as one needs not to move from place to place and less effort is put into shopping, thus less effort is required and only patience becomes vital during the shopping process.

### v) Security

Security issues which is involved in keeping the information safe and accurate.

## 1.3 Disadvantages

- **Shipping Rates** - Though some companies offer free flat rate shipping, it still may come at a cost. For instance, a clothing store may offer free shipping but at a minimum of a \$50 purchase.
- **Waiting** - If you're an impatient person, waiting for your product to be delivered can be a pain. There is a lack of instant gratification and even possibilities of delay when it comes to receiving your items.
- **Refunds>Returns Disputes** - If an item comes damaged or not as described, you will want to return the item or be refunded your money. Depending on where you purchased your item, there can be different policies for refunds and returns; this process is tedious and is prolonged since you would have to ship back the item and wait on the buyer to refund your payment.

## 2. Need for the study

Customer satisfaction is the degree to which customer expectations of a product or service are met or exceeded. It is seen as a key performance indicator within business. In a competitive marketplace where businesses compete for

customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy.

The online retail is undergoing dramatic changes. This study will provide insights of the factors that affect the satisfaction of their online shopping provider. In other words it will indicate the consumer behavior in the competitive market. This research can contribute to the society and country.

## 3. Literature review

### 3.1 Influence of online marketing on consumers

#### Major Characteristics of Online Consumers

-The typical Internet user of the twentieth century is young, professional, and affluent with higher levels of income and higher education (Palumbo and Herbig, 1998). They value time more than money which automatically makes the working population and dual-income or single-parent households with time constraints better candidates to be targeted by non-store retailers (Burke, 1997). Actually, both demographics and personality variables such as opinion leadership or risk aversiveness are very important factors that are considered in studies trying to determine the antecedents of Internet purchases (Kwak *et al.*, 2002). Confirmatory work shows that income and purchasing power have consistently been found to affect consumers' propensity to shift from brick-and-mortar to virtual shops (Co-mor, 2000).

Internet usage history and intensity also affect online shopping potential. Consumers with longer histories of Internet usage educated and equipped with better skills and perceptions of the Web environment have significantly higher intensities of online shopping experiences and are better candidates to be captured in the well-known concept of flow in the cyber world (Sisk, 2000; Hoffman and Novak, 1996; Liao and Cheung, 2001). Those consumers using the Internet for a longer time from various locations and for a higher variety of services are considered to be more active users (Emmanouilides and Hammond, 2000).

As Bellman *et al.* (1999) mention, demographics are not so important in determining online purchasing potential. Whether the consumer has a wired lifestyle and the time constraints the person has are much more influential. Risk taking propensity is also a powerful factor. E-shoppers have higher risk taking tendencies.

Consumers with high levels of privacy and security concerns have lower purchasing rates in online markets but they balance this characteristic with their quest for making use of the information advantage of the environment (Kwak *et al.*, 2002; Miyazaki and Fernandez, 2001). These educated individuals, as more confident decision makers, are much more demanding and have greater control over the purchasing process from initiation to completion (Rao *et al.*, 1998).

### 3.2 Online Shopping Behavior

Identifying pre-purchase intentions of consumers is the key to understand why they ultimately do or do not shop from the Web market.

One stream of research under online consumer behavior consists of studies that handle the variables influencing these intentions. A compilation of some of the determinants researchers have examined are: transaction security, vendor quality, price considerations, information and service quality, system quality, privacy and security risks, trust, shopping

enjoyment, valence of online shopping experience, and perceived product quality. (Liao and Cheung, 2001; Saeed *et al.*, 2003; Miyazaki and Fernandez, 2001; Chen and Dubinsky, 2003).

The lists of factors having a positive or negative impact on consumers' propensity to shop do not seem to be very different from the considerations encountered in offline environments. However, the sensitivities individuals display for each variable might be very different in online marketplaces. Factors like price sensitivity, importance attributed to brands or the choice sets considered in online and offline environments can be significantly different from each other (Andrews and Currim, 2004).

Uncertainties about products and shopping processes, trustworthiness of the online seller, or the convenience and economic utility they wish to derive from electronic shopping determine the costs versus the benefits of this environment for consumers (Teo *et al.*, 2004). Further studies aiming to complete the full set of factors influencing consumers' pre purchase intentions are still much awaited.

### 3.3 The Online Purchasing Process

Many studies frequently mention that there is a vast amount of window shopping taking place online but the number or the rate of surfers who turn into purchasers or regular buyers are very low (Mayer, 2002; Betts, 2001; Oliver, 1999). This might happen because of the lack of consumer intention to purchase an offering from the online environment at the outset. It might also happen because of various problems that arise during online shopping driving the consumer to abandon the task in the middle. Therefore, while one stream of research should identify the reasons behind the purchase reluctance of consumers, another area of concentration should be why people abandon their shopping carts and stop the purchasing process in the middle. Such attempts can help to understand how to turn surfers into interactors, purchasers, and finally, repeat purchases by making them enter into continuous interaction with this environment (Berthon, 1996).

### 4. Objectives of the study

Past five decades have witnessed a number of studies and researches in the area of family decision making and its dimensions and is still open to lot of research. With this motivation, an attempt has been in the present study to achieve the following objectives religiously:

1. To identify and analyze the dimensions of consumer socialization affecting Digital Marketing influence in family buying process.
2. To identify and analyze the different influence strategies Digital Marketing use to persuade their parents.
3. To identify and analyze the different product categories on the basis of Digital Marketing influence.
4. To examine E-commerce influence in the three stages of family buying process for the different product categories.
5. To investigate and propose a model identifying relationships between socialization agents, influence strategies, buying stages and product categories using structural equation modeling.

### 5. Findings and discussions

For comparing the child's use of influence strategies across various personal characteristics, various t-tests were done to

see whether demographic factors have an effect on the type of influence tactics used by Digital Marketing. Findings showed that older E-commerce can understand the complex human emotion system and had more knowledge about brands; hence they use emotional and knowledge strategy more often than their younger counterparts. Boys used knowledge strategies of influencing parents more often than girls. Emotional strategy was used more often by that E-commerce who are single child of their parents. Analysis also highlighted the difference in perception of child and his/her parent when asked about the use of various influence strategies.

Identification of the consumer socialization agents can be compared with the agents from other similar studies. Exploratory factor analysis resulted in four distinct socialization agents; Friends & TV, Internet, Parents and Shopping. Except internet, all the agents are common among related studies also Internet became more popular and effective in 21st century and since then it became an interesting area to study. Recent studies have explored the child's socialization through internet. Findings showed that young E-commerce are more socialized through friends and TV and older E-commerce are more socialized through internet. Boys are more influenced by TV. This is similar to other's findings in the same area. Mother's qualification and occupation is one area where results are not in line with the western studies where mother has been identified as an important socialization agent. Since in India, female literacy and workability are still in nascent stage, mothers are yet to show their real strength. In a traditional economy like India, the findings were similar to a study which highlights that young E-commerce nominated their parents, particularly their mothers, than friends as people most important in their lives. Parents have strong influence on child's consumer knowledge. This finding corresponds with other related study's findings, Digital Marketing are more dependent on their parents, which reflect parental power.

With regards to the five influence strategies namely, aggressive, persuasive, rational, knowledge and emotion strategies, we have confirmatory results. The past researches also studied similar strategies with different names and approach.

### 6. Conclusion

Buying process is a complex process especially when Digital Marketing influences on family decision-making. The research findings suggest that young E-commerce is more socialized through friends and TV and older E-commerce are more socialized through internet. Boys are more influenced by TV and internet than girls. Older E-commerce understands the complex human emotion system and has more knowledge about brands; hence they use the emotional and knowledge strategy more often than their younger counterparts. Boys use knowledge strategies more often than girls. Emotional strategy is used more often by that E-commerce who is single child of their parents. The findings also show that child's influence is very high for loud (car, TV) and noisy goods (stationary, clothes). For family buying decision-making, Digital Marketing is very influential in the initiation and final stage of buying. They took interest in deciding the color, brand of the consumer products. Older E-commerce have more influence when the family decides about where to buy, when to buy and how much to buy. Digital Marketing in the joint family is

more influential than those in the nuclear family in the initiation and the final stage of buying. Indian joint families have strong influence over child's participation in the buying process.

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