

# “Preferential Customer Analysis with Respect to Use of Digital Marketing Channels amongst Different Income Groups and Customer Satisfaction”

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## Abstract:

Digital marketing is rising in India with fast bound. Several Indian organizations are using digital marketing for competitive advantage. Achievement of marketing operation cannot be exclusively attained by digital marketing only. Moderately for success of any marketing operation it should fully tie together the competences of numerous marketing techniques obtainable within both the traditional and modern marketing. Digital Marketing is used by the marketers to indorse the goods and services to the marketplace. Digital Marketing place a significant role in growing the sales of goods and services. The purpose of this research is to study the impact of Digital Marketing, how it's an important tool for both marketers and consumers. We have also studied the impact of Digital Marketing and its influence on consumer buying behavior and their satisfaction towards digital marketing channels. This descriptive and exploratory research was done on base of a structured questionnaire for primary data and the sample size is 100 respondents.

**Keywords:** Digital Marketing, Promotion, Buying Behavior, Marketing Communication, Customer Satisfaction..

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## 1. INTRODUCTION

Digital Marketing is generally a wide term which consists of Internet Marketing, Social Media Marketing, and Search Engine Marketing. People are becoming highly social and also the use of Internet, Social Media, Applications are increasing and becoming a necessary part of daily activities of every person.

Digital Marketing helps a marketer to reach their products for customers via various

channels like E-Mail Marketing, Social Media, Websites, E-Commerce, etc. A marketer, before launching any products or services, can conduct a survey online and take responses from potential customers, so that a marketer can launch according to the needs of customers, after analyzing the responses given by them.

In this highly competitive market and technological advancements marketing practices have been changed from

traditional practices to digital marketing. Digital marketing is a tool which can be used for expanding the business globally. With the help of digital marketing a buyer can also compare a product with another product and it also allows 24 hours of services to purchase, even it allows customers to return a delivered product if they are not satisfied with it.

### **1.1 Digital Marketing Industry in India**

Digital Marketing industry in India is banquet to almost all the commercial sectors. More or less the solicitations of E-Marketing are shopping and order tracking, payment systems, online banking and content management. Therefore command of digital marketing authorize geophysical obstacles to take out creating all consumers and businesses on earth possible customers and vendors. It is known for its capability to permit firm to connect and form a transaction everywhere and every time.

Digital marketing industry in India is a thriving career today and becoming more career oriented for Indian youth. Economy of our nation is growing still with so many ups and downs of GDP, it is anticipated to have a very high important growth in

Digital marketing profession. The development in the digital marketing inclinations is constructing a very considerable impact on marketing and advertisement. The large picture of Digital Marketing industry in India cannot be thorough if short performance of the past digital marketing figures is not completed. According to the trends International Journal of Advanced Research Foundation reveals the ensuing in 2016. Between 1971 and 1972, The ARPANET has worked over to organize a deal of selling amid students at the Stanford the Massachusetts Institute of Technology and Artificial Intelligence Laboratory, the most basic case of electronics or digital business.

1979: Michael Aldrich proves the first online shopping system in the world.

1981: Thomson Holidays UK is first B2B online shopping system to be set up.

1996: India MART B2B marketplace recognized in India.

2007: Flipkart was recognized in India. Every online-marketing or commercial firms uses mostly digital means for their marketing purposes.



**Figure 1: Digital Marketing Channels**

In 2011, the digital marketing figures exposed that advertising via the mobile phone and tablets was 200% lesser than that of the subsequent years. Throughout this year, the net worth was \$2 billion. The progress was in a geometric development as it went to \$6 billion in 2012.

The modest development demands for more improvement in the career works and specialists are being added to the field. From 2013 to March 2015, the investment total growth was

1.5 billion dollars over the earlier years. There has been an inspiring development up till this current moment. The study done by the International Journal of Advanced Research Foundation exposed that précised that India is receiving to see the ideal era of the Internet segment between 2013 to 2018 with implausible development prospects and materialistic growth adoption for E-

Commerce, Social Media, Search, Internet Advertising, Online Content, and Services relating digital marketing.

Total Media, Digital and Mobile Internet Ad Expenditure in India (2013-2019).

Digital marketing has turn out to be more detailed and content focused that customers are identifying brand image and can connect comfort of getting into online like if customer is being new user or consistent user of digital services so it can turn from savviness to pleased customer at plug point.

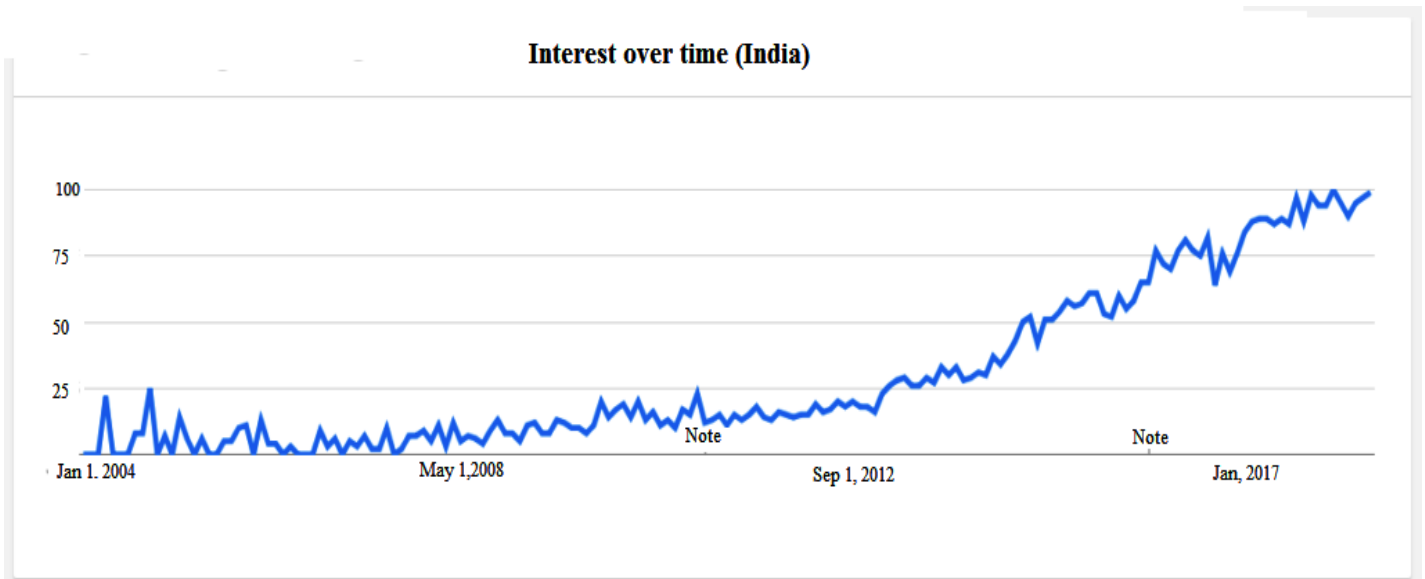
Digital marketing has possibility in worldwide as well as Indian market the appropriateness of the networks where the ads are showed has taken a huge step towards customer attentiveness. In following tendencies of digital marketing for the last 14 years have revealed with assistance of below graphs:

**Digital marketing Worldwide:**



Courtesy: Google Trends

**Digital marketing India:**

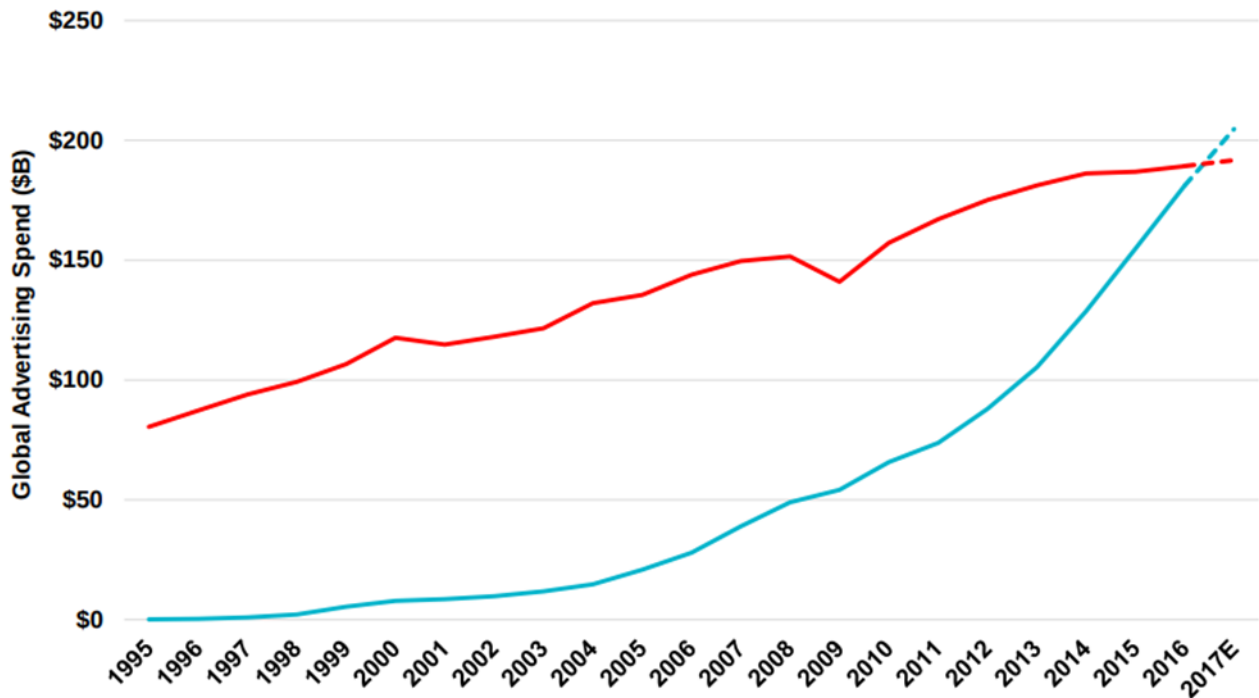


Courtesy: Google Trends

Above graphs are interpreting journey of digital marketing globally and nationally. The increasing trend over the years shows that, eventually scope of Digital Marketing in the coming years is seeming to be increased. Graph of digital marketing

wasn't as trending as it is now until the year 2012. Since then this field has observed immense growth. Hence, the graph of digital marketing, both in India as well as across the world has increased to excessive statures.

**TV vs. Internet Ad spend:**



Courtesy: Kleiner Perkins Internet Trends 2017

Above graph have clear understanding on how the ad spent on digital marketing has not only greater than before but also has taken a better climb than its previous ones. So this is the intently expenditure on digital marketing. Therefore, you can assume that digital marketing would be milestone for national and international growth.

**2. LITERATURE REVIEW**

**Kaini (1998):** In this study in researcher found that innovation of new technology i.e vide internet and online mailing tools, helps in opening the gate for marketers and do online marketing to achieve their business goals.

**Song (2001):** Researcher suggest furthermore choices are available for customers. So it is tough for firms to build brand image in the competitive edge. As advertising is half of the selling and that too

when it comes to Online advertising then it is powerful marketing tool used for creating brand image and helps the corporate to increase the sale up to unlimited scope.

**Mort, et al (2002):** Researcher found that customer needs can be tapped by providing online merchandising hence due to advancement in technologies and market dynamics, digital market is rapidly growing. So future of online marketing may be great in coming years.

**Bristow, Bulati, Mooney and Dou (2004):** through their study developed a conceptual model that examines the impact of two antecedent variables, internet Savvy, and innovativeness of real estate agents on their utilization of internet resources for sales activities. It then assesses their insights about the influence of such internet use on their sales performance.



**Teo (2005):** Researcher conducted in Singapore and in this study found that digital marketing is effective marketing tool to reach within stipulated time, to achieve more customer acquisition and to gain results expected.

**Kucuk and Krishnamurthy (2007):** The study revealed that internet and virtual communities helps the consumers, societies and marketer to access and share information with others. It too helps in enhancing the communication skills also.

**Basheer et al. (March, 2010):** The Study is on the impact of mobile advertising on consumer purchase decision. Findings revealed that there is a positive relationship between perceived usefulness of advertisement and consumer purchase decision.

**Kee (2008); Godes & Silva (2012):** The Study exposed that 90% of consumer read online criticisms of other consumer who have bought the product and expressing their satisfaction or dissatisfaction on particular forum. The obviously customer are considering these reviews before make purchase decision. Consumer read four reviews on an average before make their final decision on buying the product. Criticisms and feedback plays vital role in buying decision.

**Fisch (2010):** In world, there are around 1 billion monthly active users of facebook. Later two years of facebook introduction, there were 50 million handlers. Everyday 31 billion enquiries on google. 1000 internet devices used in 1984 and 1,00,00,00,000 internet devices used in 2008.

**Chung and Austria (2010):** Researcher  
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conceded out the research with objectives to find out, what fulfilments are underlying the practice of social media, the attitudes towards social media marketing messages, and the effectiveness of messages relating to online shopping significance.

**Chi (2011):** Researcher did an exploratory research through questionnaire survey method in Taiwan to find how the users with their numerous requirements for online social capital and psychological well-being, behave towards virtual brand community and interactive digital advertising. Need for online social capital and psychological good fortune are the two aspects of user motivation and two types of social media marketing are interactive digital marketing and the virtual brand community.

**Kunz and Hackworth (2011):** Researcher accepted in the study to examine the use of social media marketing by top retailers. Eighteen top retailers were considered on five social media networks for eighteen running weeks, with the motive of defining their level of contribution on each of the social media network and probe how fruitful retailers employ social media network in their marketing communication strategy

**Jarvinen, Tollinen, Karjaluoto and Jayawardhena (2012):** In this study researcher considered how extensively are social media tools used as a part of the digital marketing mix in B2B industry, the main objectives intended at, and the foremost obstacles to utilization of digital marketing in B2B companies.

### 3. OBJECTIVES OF THE STUDY

1. To Study the impact of Digital Marketing

- channel on Consumer Preferences.
2. To study customer satisfaction towards Digital Marketing channel.
  3. To understand socio-Demographic impact on online buying behavior.

#### 4. HYPOTHESIS OF THE STUDY

H01 (Null): There is no significant relationship between monthly income and product preference to buy through Digital Channel.

H02 (Null): There is no significant relationship between Customer Satisfaction and product buy through Digital Marketing.

#### 5. RESEARCH METHODOLOGY

It provides the starting point for choosing and approach made of concept, definition, theories and data of the subject.

**5.1 Primary data:** To study the impact of digital marketing channel on various parameters, a structured questionnaire is used for data collection. This data collection was done by directly questioning to the respondents using survey method

**5.2 Secondary data:** This data was collected through relevant research journals, magazines and present available literature on websites.

**5.3 Research Method:** Research method is quantitative, which conducts empirical investigation of the study.

**5.4 Research Design:** Research design used in present study is descriptive and exploratory and it is the framework or line of action for conducting the marketing research tasks. It clarifies the procedure required for gaining the information required to structure or elucidate research dilemmas.

**5.5 Area of Study:** The area selected for the present study is the Pune City of Maharashtra State.

**5.6 Sampling Design:** In this present research cluster sampling is used, where in first stage Pune city is divided into four zones in clusters like (East, West, North and South). Then there were second stage called random sampling where researcher have chosen customer randomly and recorded their responses. There were 25 respondents in each cluster.

**5.7 Sample Size:** The sample in the study was restricted to 100 respondents keeping in the mind that research objectives should be fulfilled.

**5.8 Sampling Unit:** In this research study, researcher have taken Employee from govt. & Private sector, Businessmen, Students, House-wife, Any other ( for ex. Vendor, Plumber, super market owners)

**5.9 Statistical tools used:** The data was analyzed and hypothesis is tested with Statistical tool like Factor analysis and chi-square test.

#### 6. DATA ANALYSIS AND INTERPRETATION

After collecting data from respondents with the help of structured questionnaire, following are the results analyzed by statistical tools and interpreted.

##### 6.1 Responses from Online Buyers

Several questions were asked to the respondents on their Gender, Age, Monthly Income, Profession, etc. for understanding their demographic profile and responses. The table below is the interpreted on the basis of the responses.

Table-1: Responses from Online Buyers.

	Category	No. of Respondents.
Gender	Male	73
	Female	27
	Total	100
Age	Below 18 years	15
	18-30 years	28
	31-45 years	35
	Above 45 years	22
	Total	100
Profession	Employee	42
	Business	25
	Student	6
	House-wife	19
	Any other	8
	Total	100
Monthly Income	Below 10000	37
	10000-25000	22
	25000-50000	15
	Above 50000	26
	Total	100
Frequency of Online Purchase	Once Annually	13
	2-5 Purchases Annually	47
	6-10 Purchases Annually	25
	Above 10 Annually.	15
	Total	100
Reasons for Online Shopping	Easy Buying Options	35
	Wide Variety of Products	22
	Various Methods of Payments	17
	Lower prices	21
	Others	5
	Total	100
Influence of Digital Channels to buy more	Social Media	57
	Websites	18
	Emails	5
	Advertising	16
	Others	4
	Total	100
What kind of Product you would prefer to buy through Digital Channel	Convenience Goods	15
	Shopping Goods	72
	Specialty Goods	13
	Total	100
Customer Satisfaction in Purchase through Digital Channel	Strongly Agree	44
	Agree	49
	Neutral	5
	Disagree	1
	Strongly Disagree	1
	Total	100
From which Digital Channel you bought products	Social Media	21
	Websites	51



Email	8
Advertising	15
Others	5
<b>Total</b>	<b>100</b>

Source: Survey Data

## 6.2 Factor Analysis

Table-2: KMO and Bartlett's Test for Sampling Adequacy

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.582
Bartlett's Test of Sphericity	Approx. Chi-Square	21.052
	df	10
	Sig.	.029

Source: SPSS Output

KMO and Bartlett's Test interprets that adequacy of sample to conduct this research study of digital marketing channels and customer preferences and their satisfaction is found to be adequate with 0.582 value, hence Bartlett's Test of

Sphericity is also significant with P value 0.29, which indicate research study is on right track and can justify and generalize this study on 100 samples.

Table-3: Responses from Online Buyers

Communalities	Initial	Extraction
Reasons for Online Shopping	1.000	.300
Influence of Digital Channels to buy more	1.000	.437
What kind of Product you would prefer to buy through Digital Channel	1.000	.696
Customer Satisfaction in Purchase through Digital Channel	1.000	.702
From which Digital Channel you bought products	1.000	.476
Extraction Method: Principal Component Analysis.		

Source: SPSS Output

Extraction communalities are assessments of the variance in for each variable reasoned for the factors in the factor solution. In this table Reasons for Online Shopping do not fit well with the factor solution as their extraction value is less in table compare to other factors

it means customers are feeling that it is least important, hence Customer Satisfaction in Purchase through Digital Channel is highly regarded in terms of their high value that is .702.

Table-4: Total Variance

Total Variance Explained							
Component		Initial Eigenvalues			Extraction Sums of Squared Loadings		
		Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
dimension	Reasons for Online Shopping	1.375	27.507	27.507	1.375	27.507	27.507

Influence of Digital Channels to buy more	1.236	24.721	52.228	1.236	24.721	52.228
What kind of Product you would prefer to buy through Digital Channel	.939	18.780	71.008			
Customer Satisfaction in Purchase through Digital Channel	.853	17.060	88.067			
From which Digital Channel you bought products	.597	11.933	100.000			
<b>Extraction Method: Principal Component Analysis.</b>						

Source: SPSS Output

This table shows variance explained by the initial solution. Only three factors in the initial solution have eigenvalues greater than 1 and these are Reasons for Online Shopping (1.375) Influence of Digital Channels to buy more (1.236), what kind of Product you would prefer to buy through Digital Channel (.939). This recommends that three latent influences are related with service usage, but there is still space for a lot of unexplained variation.

The second segment of this table illustrates the variance clarified by the extracted factors before rotation. The cumulative variability explained initial solution is lost due to latent factors unique to the original variables and variability, hence gives same values, so the three factors that merely cannot be clarified by the factor model.

**Table-5: Component Matrix<sup>a</sup>**

<b>Component Matrix<sup>a</sup></b>		
	<b>Component</b>	
	<b>1</b>	<b>2</b>
<b>Reasons for Online Shopping</b>	<b>.296</b>	<b>.461</b>
<b>Influence of Digital Channels to buy more</b>	<b>.108</b>	<b>.652</b>
<b>What kind of Product you would prefer to buy through Digital Channel</b>	<b>-.762</b>	<b>.340</b>
<b>Customer Satisfaction in Purchase through Digital Channel</b>	<b>.833</b>	<b>.088</b>
<b>From which Digital Channel you bought products</b>	<b>.032</b>	<b>-.689</b>
<b>Extraction Method: Principal Component Analysis.</b>		
<b>a. 2 components extracted.</b>		

Source: SPSS Output

This table covers factor loadings, which are the associations between the variable and the component. So it interprets that what kind of Product you would prefer to buy through Digital Channel this question is show negative correlation with  $-.762$  value hence least

imported and may not have significant impact on their buying decisions. But at the same time Customer Satisfaction in Purchase through Digital Channel this question have strong and positive correlation with the component that is  $.833$ .

### 6.3.1 Hypothesis Testing

#### Chi Square Test: Relationship between monthly income and product preference to buy through Digital Channel.

To Study the Relationship between monthly income and product preference to buy through Digital Channel, the clubbed table is as follow

**Table 6:** Relationship between monthly income and product preference to buy through digital channel.

**Table-6: Responses from Online Buyers**

	Convenience Goods	Shopping Goods	Specialty Goods	Total
Below 10000	7	28	2	37
10000-25000	4	16	2	22
25000-50000	5	6	4	15
Above 50000	3	18	5	26
Total	19	68	13	100

Source: Survey Data

The data can be easily interpreted from the above table 6. Hypothesis testing is done to be more précised.

H01: There is no significant relationship in between monthly income and product preference to buy through digital channel.

According to the calculation, calculated chi-square statistic is **16.303**. **The p-value is .021**. **The result is significant at  $p < .05$ , with 0.05 level of Significance.**

Hence the null hypothesis is rejected and there is a significant relationship between

monthly income and product preference to buy through digital channel.

### 6.3.2 Hypothesis Testing

#### Chi Square Test: Relationship between Customer Satisfaction and product buy through Digital Marketing

To study the relationship between Customer Satisfaction and product buy through Digital Marketing, the clubbed table is as follow.

**Table 6:** Relationship between Customer Satisfaction and product buy through Digital Marketing.

**Table-7: Responses from Online Buyers**

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Social Media	11	10	0	0	0	21
Websites	22	29	0	0	0	51
Emails	3	3	2	0	0	8
Advertising	6	6	2	1	0	15
Others	2	1	1	0	1	5
Total	44	49	5	1	1	100

Source: Survey Data

The data can be easily interpreted from the above table 6. Hypothesis testing is done to be more précised.

H02: There is no significant relationship in between Customer Satisfaction and product buy through Digital Marketing. According to the calculation, **calculated chi-square statistic is 45.450**. **The p-value is .000**.

**The result is significant at  $p < .05$ , with 0.05 level of Significance.**

According to above analysis, Null hypothesis is rejected. Hence it is proven that, there is significant relation between customer satisfaction and buying the products through Digital channel.

## 7 SCOPE & LIMITATIONS

### 7.1 Scope

As far as scope is concerned Honorable Prime minister Mr.Modi ignited the spark of digital India campaign and the scope of digitalization in India increased. It resulted into 0.8 million job opportunities were created in 2017. Digital marketing industry in India is worth \$72 billion and is growing at \$0% rate.

Present research study have given great insights to digital marketing channels towards customer relationship management by providing continuous innovative, improved and prolific services.

Scope of present study reveals future of digital marketing channels which is depended upon new technology, apps, and devices.

Companies dealing in online business may be benefited by this study as companies may bring more personalized and attractiveness in their digital marketing channel. Following digital marketing channels like Websites, Microsites, Search engine optimization, AdWords, Display advertising, YouTube, Programmatic Buying, Social media, E-mails affiliate marketing, Mobile as marketing tool for companies 24/7 and so on may have great opportunities to perform on customer expectation and may significantly work towards customer satisfaction.

### 7.2 Limitations

- Present research study is conducted in Pune city only
- Results may vary place to place
- Small sample size
- Time constraints

## 8 CONCLUSION

According to research, it has been found that there is a significant relationship

between monthly income and the products purchased by customers. Monthly income of people plays an important role to buy different products through Digital Channel. It has also been found that there is a significant relationship between the satisfaction levels of customer with purchasing products online. Most of the Customers are satisfied with the products purchased through Digital Channel. A company can do lot more through Digital Marketing if they understands and delivers what consumer needs.

As counter part of demonetization online market players/companies have deployed more marketing channels. Long-vertical sustainability straight depends on factors like changes in the market, innovations and interactivity by market players. Owing to increased penetration of credit cards and easy access of computing witnessed a promising growth. Furthermore, bargain-stalking consumers are bolting on this tendency as online sellers/E-tailors are known to offer products at special discounted prices compared to store-based retailers. Hence online buying process is moreover technology oriented and reliable so growth of online business is expected to be highly contributing in Indian economy.

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