A Study on Digital Marketing and its Impact on Consumer Purchase Decision

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Abstract

Purpose: The study aims to examine the role of digital marketing in consumer purchase decisions and determine if consumers are aware of digital marketing and how digital channels affect their purchasing decisions.

Methodology/Approach: A total of 109 people responded to an online poll. Using SmartPLS, the conceptual model was tested and statistically assessed.

Research Limitations: This study explains that there is a knowledge gap since people in rural areas are still unaware of the benefits of digitization.

Keywords: Customer Purchase Decision, Digital Marketing Channel, Social Media Marketing, Customer Loyalty

Introduction

Digital selling is the marketing of goods and services through the use of digital technologies like the web, mobile marketing, display marketing, and other digital channels. Digital marketing is a sort of marketing that involves promoting items or services using digital networks and reaching out to customers. Marketing is one of the most crucial components of any business because it is the management process that strives to maximize shareholder returns by establishing relationships with valued customers and acquiring a competitive advantage. Because we now live in such a linked society, advertising and marketing are no longer the same beasts that they once were. This is especially true in light of the rise of social media, which has altered the way businesses engage with new and existing customers. Marketing expenditures were expensive before digital marketing and social media, but income production was low; nevertheless, marketing has now become incredibly cost-effective and influential, and all we need is a cell phone with fast internet connectivity. (Kumar, 2020).

Facebook, Twitter, and Instagram are examples of online social networks, as well as virtual platforms such as webpages, microblogs, and search engines, which come back to mind when we think about digital channels. Formerly existing communication tools are now referred to as “traditional communication tools,” as new digital
avenues for communicating with clients have been introduced. Printed (journals, newspapers, etc.) visual (television, cinema, etc.), and auditory (radio) communication tools are all traditional communication methods (Dwivedi et al., 2021).

Companies are remaining current by incorporating internet components into their brick-and-mortar establishments or combining different digital marketing tactics to create an online presence spectrum of digital marketing technologies expands. Digital marketing tactics are critical for businesses because the bulk of shoppers use smartphones and analysis things online before buying. However, businesses all over the world use digital marketing to better target their consumers online and on mobile devices, and many are experiencing a big return on their investment (ROI) as a result of their efforts (Wymbs, 2011).

New definitions of marketing have evolved as a result of the Internet’s arrival, such as “Internet selling could be a method of building and maintaining client relationships through online activities to push the interchange of concepts, products, and services that please the client”. (Mohammed, Fisher, Jaworski, & Paddison, 2004). Social media’s distinct traits, as well as its immense popularity, have changed commercial techniques such as advertising and promotion. (Hanna et al., 2011). Customers are significantly happier with online purchases, and they consider digital marketing to be far safer than traditional marketing. As a result, digital marketing has a larger chance of growing their company in the future. (Alzyoud, 2018).

![Image 1: Essentials Headlines for Mobile, Internet, and Social Media Use in India](Talreja, 2021)

With a population of over 1.4 billion people, India is a large market with great growth prospects across all media, as seen in Figure 1. Approximately 80% of Indians own a cell phone, and 45 percent utilize the Internet. In the future years, India’s mobile Internet users will continue to grow.

![Figure 2: Digital around the World](Datareportal, 2020)
To put these figures in context, more than a simple proportion of the world’s population has access to a portable gadget (67%) and about 60% of all people on the planet currently access the internet (see Figure 2). Mobile phones are used by 5.20 billion individuals worldwide. There are 4.66 billion internet users and 4.14 billion social media users on the planet.

**Literature Review**

(Munshi, 2012) analyzed that digital selling has replaced ancient advertising. It’s therefore powerful that it should facilitate review the economy and might produce wonderful opportunities for government to operate more efficiently. (Rai, 2018) analyzed digital selling has enlarged its importance to growing sales of merchandise & services, marketers use this new variety of selling strategy. The evolution of digital selling has modified how businesses and organizations employ digital technology and channels in their marketing efforts. (Maha & Ranj, 2016) analyzed digital advertising campaigns are becoming extra genetic and efficient, as virtual systems are more incorporated into advertising and marketing plans and daily life, and individuals utilize digital devices in place of touring to physical stores. (Kucuk and Krishnamurthy, 2007) As we will see from the development of social media in recent years, it is a component of digital media advertising and marketing. (Alzyoud, 2018), analyzed at present digital selling includes an additional in-depth scope to grow their businesses within the future. As a result, customers are way gladder about doing online shopping and realize that internet selling is way safer than traditional selling. (Lamberton and Stephen, 2016), Clients’ experiences have been altered by social media and digital technology, which have provided new ways to attain, inform, sell, learn about, and supply services to customers with a social dimension. (Grant, 2007) mentioned customers are increasingly turning to online shopping for product/service information, which has harmed traditional distribution methods. Customers now use online shopping for better access to product/service details, and distribution channels have suffered as a result. (Mangold, 2009) noted that social networks provide a range of online platforms, including blogs, conversations, chat rooms, and product/service ratings, allowing customers to express their thoughts and opinions. (Grewal, Roggeveen & Shankaranaraynan, 2015) analyzed to successfully compete in the digital era practitioners must be digitally savvy and analytically skilled. (Pride & Ferrell, 2017) analyzed digital selling channels operate a great deal like traditional selling channels by coordinating the delivery of products and services from their purpose of origin to customers through unique tools and methods via the Internet. (Fulk et al., 1990), analyzed the extent to which a communication platform supports other customers’ awareness through digital interactions is captured by evaluated social presence markers. (Mersey, et al., 2010) analyzed media website offers businesses had the opportunity to engage and communicate with potential customers, which created a greater sense of intimacy with customers. (Clarke & Nelson, 2012; Lowe & Laffey, 2011; Rinaldo, Tapp, & Laverie, 2011), findings reveal that social media platforms like Twitter and Facebook can successfully function as a channel.

(Grant, 2007) analyzed the application of digital technologies to generate an integrated, targeted, and quantifiable communication that aids in customer acquisition and retention while fostering brand loyalty deeper relationships with them. (Tap Influence and Nielsen Catalina Solutions, 2016) Influencer marketing will boost annual progressive sales at a rate eleven times higher than traditional advertising, according to a new sales impact research. (Hansen, Shneiderman, & Smith, 2011) analyzed digital and social media have changed the nature of customer-corporation relationships, providing new ways of communicating and reinventing marketing. (Robinson, Wysocka, & Hand, 2007) The way a marketer reaches today’s clientele has been significantly influenced by digital media, according to the study. Digital marketing is a type of advertising that makes use of the Internet to spread messages. (Tirpude, S. R., & Kombade, S. W. T. 2018) analyzed that digital marketing has changed the scenario of traditional marketing.
Digital marketing saves valuable resources like time, money both for businessmen and customers. (Gay, Charlesworth, & Esen, 2007) analyzed that contemporary interactive medium has crossed the boundaries of traditional medium and extended it to many digital devices and this evolution has urged companies to revamp the marketing communication practices to engage effectively. (Molly McLure & Samer 2005) analyzed that new development has seen online communities and an electronic network of individuals emerge on social platforms where members share information globally and quickly. (Chaffey 2012 analyzed the application of the web and connected digital technologies with standard communication to accomplish promoting objectives. (Stephen, Andrew T, 2016) analyzed the digital/social media consumer behavior literature is rapidly expanding and it generally focuses on issues that are both practically and theoretically fascinating.

The majority of research focused on how consumers use technology and they have access to information in the context of digital/social media. (Kucuk and Krishnamurthy, 2007) analyzed the rapid expansion of social media has changed the way people communicate and share information. Internet and virtual reality have transformed consumers, societies, and corporations with widespread access to information, improved social networking, and enhanced communication abilities. (Voramontri 2018), studied the fact that social media has resulted which users communicating and engaging with one another while exchanging information, monitoring updates, and gathering opinions. (Diyana Ahmed Ghazie Et al. 2018), analyzed that these days Internet has proven to be the most important tool especially for digital marketing because it saves a lot of time, money, and other resources.

Objectives
- To understand the impact of digital marketing on the consumer buying decision
- To understand the attribute that attracts customers to use the digital channel
- To analyze various factors affecting consumer purchase decision

Conceptual Model and Hypothesis
The study’s design focuses on digital marketing’s impact on customer purchasing decisions. The study’s major goal was to look into customers’ intentions to use digital marketing channels in their purchasing decisions. As part of this study a few prominent factors namely convenience, time-saving, website design, and security were used to develop a conceptual model given in Figure 3.

![Figure 3: Conceptual Model of Factors Influencing Consumer Purchase Decision](image-url)
Convenience
The capacity to employ self-service technologies is referred to as convenience. Online services do not need to communicate with firm staff and can make appropriate purchases and deliveries of goods and services based on the demands of the consumer. To deal with the process, website convenience can help customers save time (Sankaran & Chakraborty, 2022).

H1: Convenience has a positive impact on consumer purchase decision

Security
The security of internet transactions has gotten a lot of attention. Money and credit card transactions that are safe and secure boost trust and reduce transaction risk (Akbar & James, 2014) suggest that advanced technology and frequent online purchasing contribute to the internet’s reputation as a reliable retail channel (Al-azzam & Al-mizeed, 2021).

H2: Security has a positive impact on consumer purchase decision

Website Design/Feature
• The look and feel of a website, as well as its useful features, play a vital role in online buying.
• The most powerful aspect in changing consumer perceptions of online shopping is website design, website customer service, website consistency, and website security (Haider, 2016).

H3: Website design has a positive impact on consumer purchase decision

Time-Saving
The most essential component in persuading people to shop online is time savings. Exploring and browsing an online catalog might help you save time and patience. People can save time and effort by purchasing goods and services over the internet (Athapaththu & Kulathunga, 2018).

H4: Time-saving has a positive impact on consumer purchase decision

Research Methodology
Our research aims to identify the variables that influence client behavior perceptions of digital marketing. To better evaluate the impact of digital marketing on customer behavior, a quantitative strategy involving statistical analysis was used. The procedure of obtaining the required number of items from a big population is known as sampling. The sample is drawn by using convenience sampling. According to (Creswell, 2014)”time is a highly significant component of decision making when picking research methods”.

Instrument Development
The scale items Convenience, time-saving, website design, and security were adopted for this study (Haider, 2016). A Google form was utilized to collect data, which comprised 25 questions. To assess the elements that impact digital marketing, five questions were utilized for each factor, totaling 5 questions. A 5-point Likert scale (1 to 5) was used in the questionnaire.

Data Collection
Primary and secondary data collection techniques were utilized. Primary data were collected using questionnaires and secondary data consisted of different kinds of literature like websites, published articles, books, journals, etc. To eliminate duplicate records, the data was checked using conditional formatting in Microsoft Excel. Out of 109 respondents, this phase yielded a 100-response viable sample, assuring no missing data or duplicate responses.
Data Analysis

SmartPLS was used for the statistical analysis of data. Cronbach alpha obtained was low value for the present collected data as this could be due to less number of respondents. The Cronbach alpha for the study can be further improved with additional data collection. It will take further two months for additional data collection.

Descriptive Statistics

As part of data collection, 65% were female and 35% were male. This study shows that 65% of respondents were graduates, 15% were post-graduates, 10% were PhD holders and 10% were another background. This study shows that most of the respondents were students 55%, 35% respondents were employees, and 10% respondents were business people.

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**Figure 4: Descriptive Statistics (Gender)**

![Figure 4: Descriptive Statistics (Gender)](image)

**Figure 5: Descriptive Statistics (Education Qualifications)**

![Figure 5: Descriptive Statistics (Education Qualifications)](image)

**Figure 6: Descriptive Statistics (Occupation)**

![Figure 6: Descriptive Statistics (Occupation)](image)
Reliability Statistics
Cronbach’s alpha was used to assess reliability. Table 1 shows that the highest score was 0.728 and the lowest score was 0.694, indicating that more data can be collected. This could be due to a lower number of respondents.

Table 1: Reliability Statistics (Cronbach Alpha)

| Factor | Cronbach Alpha |
|--------|----------------|
| CONV   | 0.716          |
| PD     | 0.697          |
| SEC    | 0.666          |
| TS     | 0.694          |
| WD     | 0.728          |

Discriminant Validity
The discriminant validity was tested using Fornell-Larcker criteria as given in Table 2. The diagonal values for each factor are greater than its corresponding values in the columns. This validates that the factors can discriminate against each other.

Table 2: Discriminant Validity

|       | CONV | PD | SEC | TS  | WD  |
|-------|------|----|-----|-----|-----|
| CONV  | 0.684|     |     |     |     |
| PD    | 0.257| 0.735|     |     |     |
| SEC   | 0.101| 0.225| 0.636|     |     |
| TS    | 0.078| 0.301| 0.084| 0.742|     |
| WD    | 0.139| 0.335| 0.337| 0.262| 0.762|

Outer Loadings
The following items were removed items due to cross-loading or due to low factor score CONV2, CONV4, PD1, PD4, PD5, SEC2, SEC3, TS1, TS2, TS4, WD1, WD2, WD4. As a result of factor analysis (refer to Table 3), five distinct factors were obtained.

Table 3: Outer Loadings

| Factor | CONV | PD | SEC | TS  | WD  |
|--------|------|----|-----|-----|-----|
| CONV1  | 0.577|    |     |     |     |
| CONV3  | 0.872|    |     |     |     |
| CONV5  | 0.555|    |     |     |     |
| PD2    |      | 0.614|     |     |     |
| PD3    |      | 0.839|     |     |     |
| SEC1   |      |     | 0.498|     |     |
| SEC4   |      |     | 0.725|     |     |
| SEC5   |      |     | 0.663|     |     |
| TS3    |      |     |     | 0.916|     |
| TS5    |      |     |     | 0.512|     |
| WD3    |      |     |     |     | 0.601|
| WD5    |      |     |     |     | 0.895|
Path Model
The path model obtained for the study is detailed in Figure 7. The R-square obtained for this study is 0.24.

Path Coefficients
The Hypothesis tests resulted in Security (S) and Convenience (C) with a significance value of more than 0.05. This indicates that Time Saving (TS) and Website Design (WD) was supported in this study.

Table 4: Path Coefficients

| Hypothesis | Original Sample | Sample Mean | Standard Deviation | T Statistics | P Values | Significance |
|------------|-----------------|-------------|--------------------|--------------|----------|--------------|
| CONV-PD    | 0.20            | 0.21        | 0.11               | 1.85         | 0.06     | Not Supported |
| SEC-PD     | 0.11            | 0.18        | 0.13               | 0.89         | 0.37     | Not Supported |
| TS-PD      | 0.22            | 0.24        | 0.11               | 1.94         | 0.05     | Supported    |
| WD-PD      | 0.21            | 0.20        | 0.11               | 1.93         | 0.05     | Supported    |

Conclusion
Every change in consumer behavior in the digital era must be fully understood for a firm to be sustainable. More efforts should be made to improve the effectiveness of digital marketing and expand the market size.

Limitations
Based on their ideas and practices, respondents may not be able to appropriately answer questions. There is a dearth of awareness, as individuals in rural areas are largely unaware of the benefits of digitalization.

Questionnaire

| Factors  | Items | Description of Items                  |
|----------|-------|---------------------------------------|
| Convenience | C1    | I get on-time delivery by shopping online |
|           | C2    | Detailed information is available while shopping online |
### Convenience

| C3 | I can buy the products anytime 24 hours a day while shopping online |
| C4 | It is easy to choose and make comparisons with other products while shopping online |
| C5 | Convenience is my main reason for shopping online |

### Website Design/Features

| WD1 | The website design helps me in searching for the products easily |
| WD2 | While shopping online, I prefer to purchase from a website that provides safety and ease of navigation and order |
| WD3 | The website layout helps me in searching and selecting the right product while shopping online |
| WD4 | I believe that familiarity with the website before making an actual purchase reduces the risk of shopping online |
| WD5 | I prefer to buy from a website that provides me with quality information |

### Time-Saving

| TS1 | Online shopping takes less time to purchase |
| TS2 | I feel that it takes less time in evaluating and selecting a product while shopping online |
| TS3 | I buy goods or services online because it saves time |
| TS4 | I don't like to spend much time shopping |
| TS5 | Time-saving is my main reason for shopping |

### Security

| S1 | I feel safe and secure while shopping online |
| S2 | I like to shop online from a trustworthy website |
| S3 | A security breach is a major problem through the Internet |
| S4 | The internet is trustworthy |
| S5 | Putting trust in the internet is a good idea |

### Purchase Decision

| PD1 | Brand awareness is the most effective way that increases the purchase decision of a consumer |
| PD2 | Brand Association motivates consumer purchase decision |
| PD3 | Perceived quality is the driving force for a purchase decision |
| PD4 | Brand loyalty will always have a positive impact on purchase decision |
| PD5 | Have you checked in online customer reviews/opinions before purchasing a product |

**Source:** The questionnaire was adapted from the research (Haider, 2016)

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