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## Digital Marketing

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### ABSTRACT

Digital revolution has changed the companies' approach to a consumer drastically. Thanks to the Internet, a consumer is capable of analyzing a price, according to circulating opinions, and sometimes even of dictating it. Development of digital technologies has led to emergence of a cyber-consumer and cyber-business. Digital revolution enables implementation of new models of relationships with consumers, what is a challenge for enterprises, which are willing to increase their market share. Smartphones and social media exerted certain impact on dynamic development of a digital marketing. Therefore, manners of reaching potential clients through mobile phones and social networks are current communication channels, which can build a relationship with a customer, thus increasing sales. In the article, the author presented the essence of digital marketing together with its assets, which can be of no meaning for an enterprise, which is planning to cut on the customer service costs, hence improving profits and optimizing the sales processes.

**Keywords:** Digital marketing, marketing, management, digital technology

### 1. INTRODUCTION

Media revolution is most visible in the field of marketing. At present, marketing cannot be considered as a "customer-haunt". Today, the marketing role is to fulfill the consumer's curiosity through transparent and valuable contents. Improvement in significance of digital marketing in enterprises results from a growing number of Internet users, therefore providing a perfect place of marketing operations. Enterprises that understand the power of digital

technologies, which enable interactive relations between a brand and a customer, and which will keep on implementing the digital marketing into their strategies, may reduce e.g. the costs of service, logistics, and increase the budget for operation in another department of the company. Jupiter Research - a research company - has developed seven aspects, which are related to influence of digital technology on a consumer's behavior:

- through electronic mail, Internet communicators, the Internet users communicate and establish mutual relationships. Hence, the time and geographical barriers between people disappeared and new virtual communities emerged, and the digital technology made it possible
- to create and publish contents quickly. A consumer has a possibility to follow changes in products/services prices on current basis, before they decide to buy.
- A consumer has a possibility to block the contents, which are not interesting for them. Moreover, technological solutions enabled emergence of spontaneous advertising contents.
- Consumers are divided into narrow target groups, often according to their individual preferences.
- There is a possibility to express oneself on the Internet, sharing your opinions and experiences, to get
- consumers involved in creation of products/services, what causes a great possibility that their needs will be fulfilled [1].

It must be stressed that technology changes people. Despite the fact that the resulting changes are most visible on “computer screens”, this is a man what is a crucial element combining human capital and new technologies. Thus, it must be stated that emergence of a cyber consumer will require a change in marketing operations. A consumer moving around the digital world, is willing to connected everything with everything; product/service, information, place of purchase and price. While imagining a perfect purchase, where the price will be adjusted to the product/service quality, the consumer will be sufficiently informed, hence they will purchase in a convenient place and time. The digital world offers a wide range of assortment. A consumer can sort products/services according to the price, quality, delivery costs or reviews [2]. Digital technology enables the enterprises, or even inclines them, to change the manner of thinking about the contemporary market and its actors. The way of approach has become cheaper and easier.

It is true that marketing transformed together with technological advancement. Thus, they pose an unbreakable whole. Knowledge in the field constitutes a plane, which enables to combine the consumers from the traditional world marketing with those from the digital one. Traditional marketing is understood as any actions consisting in flow of goods and services, from the manufacturer to the final recipient, while the digital marketing is seen through its technological possibilities, combining promotion of products/services with their digital distribution, social media and Internet sales [3].

## **2. DIGITAL MARKETING - DEFINITION**

Digital marketing can be defined as exploitation of digital technologies, which are used to create channels to reach potential recipients, in order to achieve the enterprise's goals,

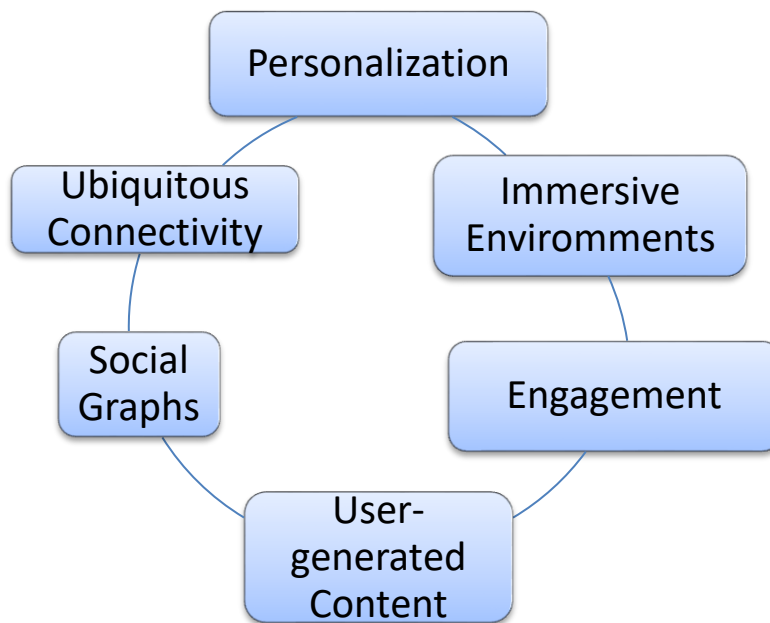
through more effective fulfillment of the consumer needs. The digital marketing is quite often considered as a synonym of Internet marketing or e-marketing. This is a mistake. Internet, as a medium, is only one of numerous manners of reaching a client. There are also household appliances and audio/video devices.

Digital marketing is a digital identity of a company; through which it presents itself in the virtual world to an enormous number of users. Thanks to a digital technology, a brand can reach each consumer with its products. Digital marketing consists in promotion of products or brands through one of more electronic forms. It should be considered as significant whether a given product or service may be used in digital marketing. As using digital marketing for specific products or services do not always need to be justified [4].

Thanks to digital marketing, the companies can send personalized contents to particular recipients. Content personalization is based, among others, on data from the CRM system. Relationships with clients that are managed properly can generate an enormous number of data on their preferences [5]. This information can be reflected in the process of creating a product/service, which will fulfill only selected groups of consumers.

### 3. SIGNIFICANCE OF DIGITAL MARKETING IN AN ORGANIZATION

Figure 1. Attributes of marketing and digital media.



Source: K. Montgomery, S. Grier, J. Chester, L. Dorfman, *Food Marketing in the Digital Age: A Conceptual Framework and Agenda for Research*, Center for Digital Democracy, April 2011, pp. 4-6.

It may turn out that within the course of the closest years, the digital marketing will become a basic philosophy, which will point an approach and sets of activities that a persons dealing with marketing should take towards the market. Digital marketing based on

technologies must focus on values, advantages and possibilities provided by the digital world in contact with the client. Persons responsible for marketing operation must understand the digital reality, and focus on new principles of contact with the market, therefore increasing their share and becoming successful in the chaotically transforming environment. The drawing below present six attributes of marketing and digital media.

*Ubiquitous connectivity* - a society, especially youth and children, are accustomed to dynamic and comfortable usage of devices such as laptops, smartphones, PCs or TVs at the same time. Hence, persons dealing with marketing use their activity by obtaining demographic and geographic information while developing a campaign. The problem is noticed by researchers, who are incapable of pointing interactions of those media users with marketing. An interaction level that is suited improperly, may impact the answer: how young people treat new media, and what is their presence necessary for them? *Engagement* - watching TV is of a passive character, bearing in mind the fact that the recipient has no possibility of direct interactions. While the digital media enable such an integration, as well as the personal engagement of the recipient into a given campaign [7].

This is noticed in case of children and youth, who through blogs, videoblogs, social services, text messages, pose the largest demographical group. A foundation of digital marketing is not only involvement of the recipient with the received communication. Instead of distributing the contents amongst the consumers, who will not be interested in a given product or service, it would be more appropriate to engage them into interactions with the brand. Therefore, a consumer will be acquainted with a product/service, and will refer the interconnected experience to social and personal relationships. The engagement can be measured through techniques exploited in neuromarketing, which measure the influence of marketing activities on a human brain, through neurobiological tools [8].

*User-generated content* - digital technologies enable persons dealing with marketing to create contents connected with a brand, product/service, including advertisements. Therefore, the recipients are not passive towards communications directed to them. Contents created in the digital world, through various techniques, incline the recipients to get engaged in the marketing communications. Enterprises create contents most often through a previously prepared template. In practice, it means that the message sender is willing to encourage the recipients to create contents individually, from which they derive information about interests of their creators, which in turn pose the basis for communications sent to a selected target group.

*Personalization* – thanks to monitoring and acquiring data on users, e.g. of the Internet, through various applications, the digital marketing has a possibility to create personalized communications, additionally based on individual preferences. All information about the consumer are downloaded from a well-managed CRM system or cookies. Thanks to such data, any given brand may communicate with a potential recipient, not only through the Internet, but also through mobile phones. Personalization transformed the character of transactions, as felt by the clients, from mass to individual.

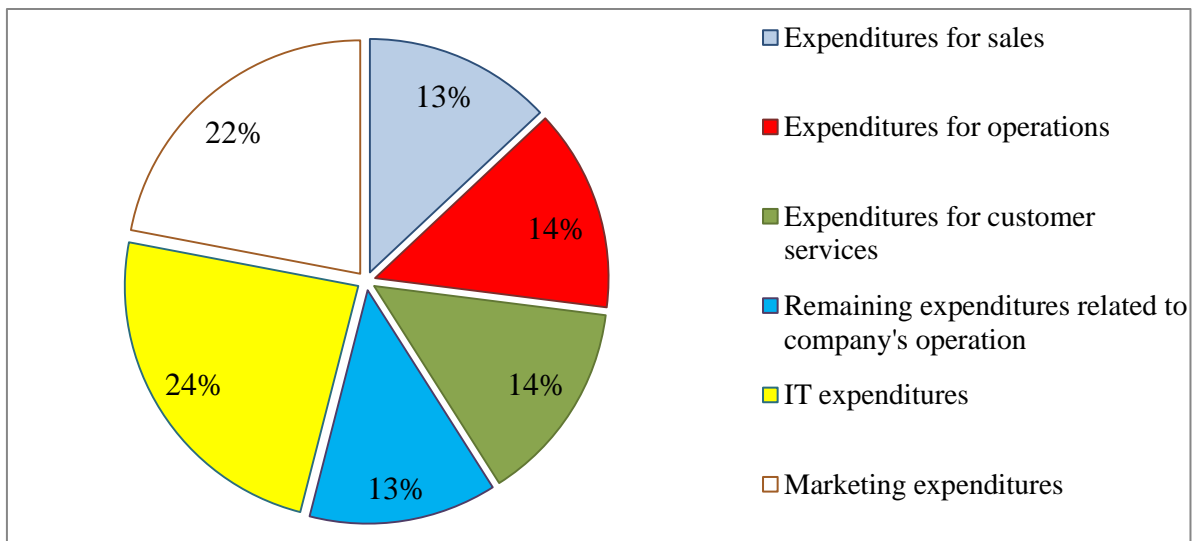
*Social graphs* - mainly social portals create a network of mutual relationships between users. Therefore, digital marketing may apply the emerged social networks for promotional purposes. What is more, thanks to social platforms, a person dealing with marketing notices

the size and depth of relations between the users. Thanks to those networks, the persons may create a psychological portrait, therefore dividing the users into groups.

*Immersive environments* – available multimedia applications, interactive games, introduce their users into the virtual world, where the persons dealing with marketing promote their products/services. It is true that the virtual environment engages into interactions through real experiences. The emerging physical condition is accompanied by aggregated concentration on the realized action. Increase in application of virtual reality poses an argument for total focus on the communicated content in the digital marketing [9].

Digital media pose enormous potential so the companies should increase their financial resources devoted to communication through that channel. Figure 2 presents a budget structure of national entities that take part in the global research conducted in 2014, on 2000 enterprises, including 33 Polish ones.

**Figure 2.** Budget structure of the researched national entities



Source: PwC, Digital IQ, czyli jak zbudować porządek w chaosie, 2015, p. 7.

As presented on the chart, structure of the budget devoted to digitalization is shaped in the following manner: 24% of resources devoted to actions in the IT field, 22% to marketing, 13% to sales, 14% to customer service, and 13% to other operations. Crucial was the question on how the respondents understand digital transformation. 42% perceive it as any actions related to technology and innovations, while in a global scale such an opinion is expressed by 53% of respondents.

For 36% of Polish respondents, Digital is synonymous to IT - a similar answer is provided by respondents from the remaining countries. The notion of digitalization is understood in a broader manner by Middle East (69%) and North America (48%). It should be assumed that Polish enterprises understand the meaning of Digital in a narrow manner, bringing it down only to the IT field. In turn, 31% of respondents state that their companies

allocate 15% of income to digital technologies, not covering just the IT area but operation of the whole company.

Despite the fact that the data are optimistic, a problem raised by 75% of Polish respondents is clear lack of transparency of the notion related to who in the company should perform the digital transformation. Until now, digital was a responsibility of the IT department, and speaking more precisely, it was managed by the IT Director. Currently, enterprises create such positions as CDO (Chief Digital Officer), who are to coordinated the transformation process in the enterprise.

#### **4. CONCLUSIONS**

Digital marketing should be considered more broadly than Internet marketing. Digital marketing is located not only on the Internet, but also in electronics, software, etc., which the device/user uses to exchange data. Therefore, digital marketing combines digital and network technologies, thanks to what a man can communicate not only through a mobile network but also TV. Broad reach enables the enterprises to function on numerous electronic platforms.

Summing up, it may be concluded that digital marketing is a modern concept of marketing, which is well-known in the world of new technologies. Digital marketing enables the persons dealing with these issues to select customers in a more precise manner than previously. Therefore, a product/service can be better adjusted to individual preferences. Digital marketing “makes life easier”, when compared to traditional marketing. For the Internet users, websites are not longer just presentations of offers, but they pose a part of their lives, the elements which the persons dealing with marketing use to communicate with a potential client.

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