



## THE FUTURE OF DIGITAL MARKETING AND ITS EFFECTS ON THE SUCCESS OF SMALL BUSINESSES

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### Abstract

The world is changing, and marketing is no exception to the world's move from analogue to digital. As the technology is developing the increase in the use of internet, search engines and social media has, had, and will continue to change the way companies carry out businesses and the way the customer's approach to it. The purpose of this research paper is to understand the future of digital marketing and the impact it makes on the success rate of small businesses. This research paper begins with a brief introduction of digital marketing, the importance of digital marketing, highlight some of the mediums of digital marketing, future of digital marketing and the success rate of small businesses in digital marketing.

### INTRODUCTION

The measures that a firm takes to promote the purchase of any products or services is called marketing. Marketing is used to find clients or consumers for the company's products or services. The promotion of any product or service in a digital format is called digital marketing. Digital marketing term was first coined in the 1990s. Digital marketing is also known as 'online marketing', 'internet marketing', or 'web marketing'. It is known as 'internet marketing' because with the rise of the internet there is also high growth of digital marketing<sup>1</sup> (Digital marketing). Marketing on cell phones, PCs, laptops, tablets, and other digital devices, for example. Digital marketing is a type of direct marketing that uses interactive technologies such as emails, websites, online forums and newsgroups, interactive television, and social media to connect customers with the merchants electronically. The COVID-19 epidemic disrupted global economic order, but it also accelerated digital marketing efforts. In reality, many organisations were able to switch to remote labour and recognise the importance of digital marketing during the epidemic.

People are spending a growing amount of time online looking for information, discussing products and services with other customers, and interacting with businesses. Internet, social media, and search engines usage has become a part of everyday life for almost all the people around the world. According to data from January 2021, the internet is used by 4.66 billion people, or 59.5 % of the world's population every day<sup>2</sup> (Statistics 2021a). In 2020 there were 3.6 billion active social media users globally and there is an estimation for this to increase to 4.41 billion in 2025<sup>3</sup> (Statistics 2021b). There are more than 50 million businesses registered in Facebook and over 88% of the world's businesses in Twitter for their marketing purposes. Many small businesses have jumped headfirst into digital marketing in order to take first position. This has provided them with opportunities for wealth and expansion, and the influence of digital



marketing on small enterprises has been significant. The marketing plans that will be discussed in this research paper expands a company's customer base via the internet, which is crucial for a small business expansion strategy.

“Digital is at the core of everything in marketing today—it has gone from ‘one of the things marketing does’ to ‘THE thing that marketing does.’”

– Sanjay Dholakia, Former Chief Marketing Officer, Marketo

The main objective of this research paper which are brought together from several experts are:

- Understand the future of digital marketing
- The impact it makes on the success rate of small businesses now and in the future
- Various channels of digital marketing
- Importance of digital marketing

### Theory

The previous year's events revealed just how vital the internet has become in our everyday lives. When the globe unexpectedly moved from offline to online for the bulk of the year, it had a big impact on the future of digital marketing scene, we used to assume that the world had already been extensively digitised.

#### 1. Digital Marketing

A modern digital marketing is a vast network of channels into which marketers must simply integrate their brands; nevertheless, online advertising is far more sophisticated than the channels alone. Marketers must go deep into today's huge and complicated cross-channel world to identify methods that create an effect through engagement marketing in order to realise the actual potential of digital marketing. The approach of building meaningful relationships with new and returning clients based on the data you collect over time is known as engagement marketing. By engaging customers in a digital environment, you may increase brand recognition, establish yourself as an industry thought leader, and put your company in front of customers when they are ready to buy. Interactive digital marketing is regularly used to target certain client demographics. You can reach a broader audience with digital marketing than you could with traditional means, and you can target the prospects who are most likely to buy your product or service. It's also typically less expensive than traditional advertising, and it allows you to track results on a daily basis and pivot as needed.

When small firms initially begin, their first concern is usually how to get the first consumers. Traditional means of advertising, such as print ads, coupon mailers, and even outdoor advertising, may be used. Businesses may feel that since they provide an excellent product or service, customers would find their way to them eventually. While this technique may bring in a little amount of revenue, there is a better and more convenient way. Small firms should explore the global marketplace of online prospects and reap the benefits of combining traditional and digital marketing. No small business, no matter how inexperienced, should disregard digital channels as a source of leads and consumers.

Keywords: *Demographics- Demographic segmentation is a market segmentation approach in which the target market of an organisation is segmented based on demographic data such as age, gender, education, income, and so on.*

#### 2. Future of digital marketing



Digital marketing has become a way for many entrepreneurs and small enterprises to acquire a competitive advantage in the market. Small firms and entrepreneurs, on the other hand, must be open-minded to succeed in the new digital marketing era. Professional digital marketers predict that Gen Z and millennials will become "the" target demographic for most firms, necessitating a highly responsive and customised strategy. SEO, data analytics, and AI have become part of the digital marketing landscape. One of the examples of SEO strategy is voice search optimization such as Apple's Siri, Window's Cortana, Amazon's Alexa et cetera and has begun to play an important part in the search engine optimization (SEO) strategy of the company's organisation. This makes it one of the rising trends of the future of digital marketing <sup>4</sup>(Voice search). As AI advances, organisations will be able to automate more digital tasks, allowing them to make better business decisions based on data analytics insights. AR technologies are at the top of the list of digital solutions that make it simpler for small businesses to engage with their audiences. Many firms are already utilising augmented reality technology to propel their businesses forward in the next years.

Keywords: *SEO- SEO stands for "search engine optimization." In simple terms, it means the process of improving your site to increase its visibility when people search for products or services related to your business in Google, Bing, and other search engines* <sup>5</sup>(SEO).

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### Discussion

#### 1 Omni-channel Approach

Small businesses and entrepreneurs no longer must limit their online presence to a single Facebook page. As market expectations and customer demands expand, businesses should engage on a variety of digital channels and platforms. Omni-channel marketing is a method where businesses promote their products and services across all channels, devices, and platforms using unified messaging, cohesive visuals, and consistent collateral. Omni-channel marketing ensures you reach customers where they are with a relevant and on-brand offer <sup>6</sup>(Omnichannel). Customers' viewpoints and interests are used in omni-channel marketing to ensure that the company's marketing messages are consistent. For example, on Instagram and Facebook, you may just target those who have a certain interest and develop material for them. An omni-channel marketing approach employs the same language, imagery, and positioning statements across all channels, platforms, and devices. It guarantees that your brand is consistently presented across platforms, providing customers with a consistent brand experience. In the next years, businesses will be able to mix their core message and value offer for a specific target group across many media. An omnichannel approach requires that all distribution, promotion, and communication channels are linked. A contemporary supply chain — one that extends distribution over mobile applications, websites, social media, and retail — is the key to a seamless omnichannel experience. To get there, businesses must, break down boundaries between online and physical locations and manage product responsibility as a single marketplace just like the thing Best Buy did. They also require new technology, such as inventory management systems and new delivery methods. Marketers may gain useful insights into target audience behaviour while also



introducing new ways of engaging customers by employing an omnichannel digital marketing approach.

### 2 Influencer marketing

Influencer marketing is a sort of social media marketing that relies on product mentions and endorsements from influencers—people who have a large social following and are regarded as experts in their field for example PUMA uses many influencers for its marketing one of them being the famous Neymar Jr. himself and because social influencers have a high level of trust among their followers, their recommendations act as social proof to potential customers for the companies. The influencer often creates a platform or following by talking about it or generating material on certain themes or in a style that resonates with their followers. Despite the worldwide impact of Covid 19, the influencer marketing industry is still popular with businesses and marketers this year, and it is expected to grow even more. It has become a significant component of marketing strategy, as evidenced by several research. From \$1.7 billion in 2016, the influencer market was expected to grow to \$9.7 billion by 2020. It increased to \$13.8 billion in 2021, suggesting consistent growth. The sector is expected to grow to a massive \$16.4 billion this year and Influencer marketing related companies grew by 26% in 2021 to 18,900 worldwide.<sup>7</sup>(Stats1)



What happens when the 'normal appearance' of influencer marketing no longer stands out?

This question was answered by a famous American journalist Taylor Lorenz by quoting “While Millennial influencers hauled DSLR cameras to the beach and mastered photo shot, the generation younger than they are largely post directly from their mobile phones.” As a result, in order to be a fashion influencer among this younger group, you may no longer need to rely entirely on precisely staged photographs. Instead, relaxed stances with little retouching are becoming increasingly popular on the feed.



### RESULT DISCUSSION

#### 1. How does influencer marketing help small businesses?

Influencer marketing can help increase the awareness of the company which can lead to potential increase in the costumers. When consumers support your brand, the trust influencers develop with their followers convert into consumer action. According to LaunchMetrics' 2018 State of Influencer Marketing report, 90% of marketers agree that influencers help them increase brand awareness<sup>6</sup>(stats2). Using micro- influencers can also help small firms in there marketing. Someone with 1,000 to 100,000 followers is considered a micro-influencer. Because they specialise in a single or speciality subject, they are sometimes referred to as an industry expert or topic specialist. They're said to have more connections than the ordinary influencer. On average, micro-influencers with less than 1,000 followers generate an 8% engagement rate, compared to influencers with over 100,000 followers who average 1.7% engagement<sup>6</sup>(stats3).

#### 2 How can omni-channel help small businesses

Omni-channel can help the new or small businesses as it increases consumer trust, and people prefer to buy from companies they know and trust. As a result, your company draws more client retention and loyalty, delivers information on your customers' travel and behaviour as they progress through the sales funnel. With this knowledge, you can improve your performance and reduce the number of people who abandon their journey, instead of the sales and marketing teams working toward separate goals, the team works together for a shared aim. This method leads to an integrated marketing strategy execution, in which sales, marketing, customer support, and management all collaborate to achieve common goals and it enables accurate segmentation and customisation of your consumer base. If small companies use a unified omnichannel digital marketing strategy, they will be able to better understand their customers' changing behaviour, location, and preferences. More customer interaction means more leads and conversions, which means a greater ROI. But the availability to real-time, unified customer data is perhaps the most significant benefit of taking a platform approach to omnichannel marketing for small firms. Small firms may use business intelligence services, many of which are automated, to study how, when, and why customers interact with their brand.

*Keywords: Supply chain- A supply chain is a network between a company and its suppliers to produce and distribute a specific product or service.*

### CONCLUSION

It's hard to deny that the world is rapidly shifting from analogue to digital. Individuals are spending more money on online content, and businesses who are having difficulty incorporating this reality into their marketing plan must change swiftly. Individuals spend more time online each year, and the digital platforms they utilise become more crucial in their life and because clients may use digital platforms at any time and from anywhere in the world, businesses must transform their marketing approach from traditional to digital. When customer purchasing habits change, businesses must adapt their advertising approach and employ new marketing platforms. Large-scale quantitative investigations are required for this type of research. More



qualitative research is needed to analyse the different distinct marketing tactics that will be accessible in the future of digital marketing to assist small businesses grow more quickly.

### Acknowledgements

I would like to express my gratitude and appreciation towards my friends, family, acquaintances, and friends of friends who contributed to this research paper. I would also like to thank my school Ram Ratna International School and my principal Dr. Jaya Parekh, vice principal sir Mr. Manish Hegde for giving me a starting point for this endeavor.

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