

Traditional marketing VS digital marketing: An analysis

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Abstract

Digital marketing is a term that refers to different promotional techniques deployed to reach customers via digital technologies. It is the promotion of products, services or brands via one or more forms of digital media. Digital media is so pervasive that customer has access to information any time and any place they want it. Digital media is an ever-growing source of entertainment, news, shopping and social interaction, and now customers are exposed not just to what your company says about your brand, but what the media, friends etc., are saying as well.

The world has transitioned into a digital environment. For today's businesses, it is imperative to have a website and use the web as a means to interact with their customers. There are some successful traditional marketing strategies, particularly if you are reaching a largely local audience, but it is important to take advantage of digital marketing so as to keep up in today's world. Digital marketing is also known as Internet marketing, but their actual processes differ, as digital marketing is considered more targeted, measurable and interactive. It includes Internet marketing techniques, such as search engine optimization (SEO), search engine marketing (SEM) and link building. It also extends to non-Internet channels that provide digital media, such as short messaging service (SMS), multimedia messaging service (MMS), call-back and on-hold mobile ring tones, e-books, optical disks and games.

Digital marketing is a new end 21st century tool of marketing. This research paper describes the different types of digital marketing techniques like SEO, SEM, SMM, PPC etc. This paper addresses importance and risk factors associated with digital marketing. It also gives digital marketing tips for businesses.

Keywords: Traditional Marketing, Digital Marketing, SEO, SEM, SMM, PPC

Introduction

Peoples think that marketing is advertising for sale. However, marketing is nothing but everything a company does to attract customers and also maintain a relationship with them. Writing thank-you letters and meeting with a past customer for coffee can be thought of as marketing. The ultimate aim of marketing is to find match for company's products and services to the people who need them, which should ensure profitability.

The oldest, simplest and most natural form of marketing is 'word of mouth' marketing, in which customer convey their experiences about a product, service or brand in their day to day communications with others. These communications can be of course either positive or negative.

Simply stated, marketing is everything you do to place your product or service in the hands of customers. It includes sales, public relations, pricing, packaging, and distribution. It is a management process that identifies and supplies customer requirements efficiently and profitably. It includes the coordination of identification, selection and development of a product, determination of its price, selection of a distribution channel to reach the customer's place, and development and implementation of a promotional strategy.

Marketing is about meeting the requirements of customers; Marketing is a business-wide function it is not something that operates alone from other business activities. It includes advertising, selling and delivering products to people. People who work in marketing departments of companies try to get the attention of target audiences by using slogans, packaging design, celebrity endorsements and general media exposure.



Through traditional marketing companies directly target and find customers, while through digital marketing their objective is to have people find them. Success of a digital marketing highly depends on the customers having access to the Internet and being familiar with the channels used to target them, be those social networks or websites. On the other hand, traditional methods like newspapers, magazines, TV or radio or street marketing are accessible for the large majority of people. Some traditional methods, like events and street marketing in general, allow companies to have a personal

interaction with their customers and get direct and real-time feedback, which turns to be extremely valuable when testing new products to be launched.

Traditional Marketing Vs Digital Marketing

Traditional Marketing uses strategies like direct sales, TV, radio, mail, print ads in newspapers or magazines and printed materials like billboards, posters, catalogs or brochures.

Digital Marketing is the promotion of products through one or more forms of electronic media. For example, advertising via the Internet, social networking sites, mobile phones etc. Digital marketing is similar to traditional marketing, but using digital devices.

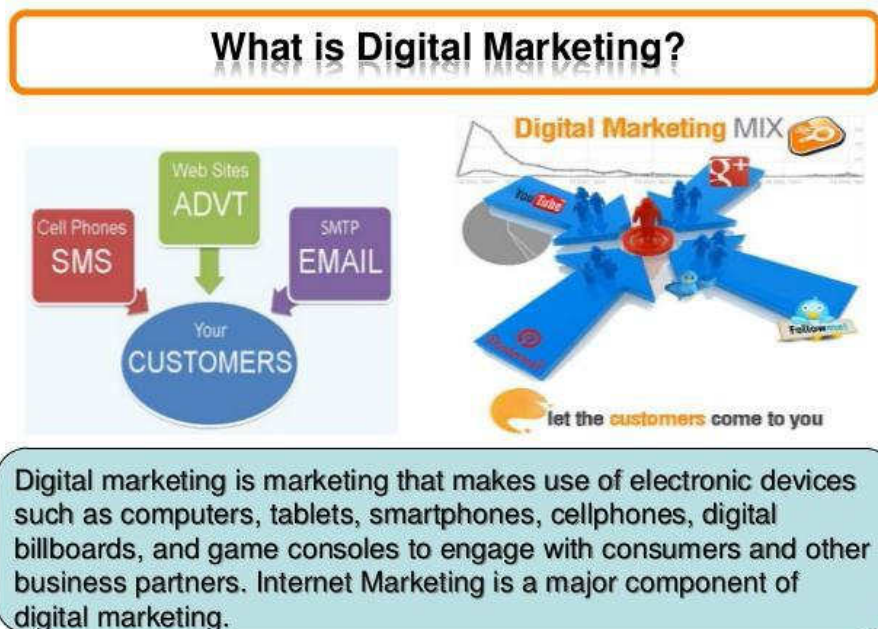
Advantages of Traditional Marketing

1. Traditional methods may be only way to reach your target audience such as old generation.

2. Person-to-person is a strategy of traditional marketing. Sometimes there is a definitely a time and place when this type of direct selling is most effective to market a product or service.
3. Traditional marketing offers hard copy material.

Disadvantages of Traditional Marketing

1. To purchase advertising for TV, radio or print can be very costly prohibitive to most small businesses. Brochures, business cards and mailers are expensive to print hard copies.
2. Printing materials, buying media and creating radio advertisements require hiring outside that add to costs.
3. Results are not easily measured, and in many cases cannot be measured at all.
4. Traditional marketing is static which means there is no way to interact with the audience.



Advantages of Digital Marketing

1. Digital marketing is an interactive means of reaching to local audience as well as to global audience when appropriate.
2. Data is available immediately and results are much easier to measure.
3. Social media enables to communicate directly with groups and even individual consumers like word of mouth marketing.
4. Build direct relationships with your customers through social media.
5. It is 24X 7 marketing and capture the most energetic crowd.

Disadvantages of Digital Marketing

1. The company relies on those customers which are highly interactive on the internet.
2. Content must continuously create, edited, approved and published. Comments must be responded to and sites and pages must be maintained.
3. Though it is most vital in nature but the question of reliability still appears in the mind of people.

Traditional vs. Digital Marketing

There are countless ways of marketing products and services. Traditional marketing methods include print advertisements, such as newspaper ads, billboards and flyers, as well as television commercials and radio spots. Digital or online marketing methods, which are becoming increasingly popular, include websites, ads on social media, YouTube videos and search engine optimization (SEO), among many others.

The world has transitioned into a very digital environment. Not only are magazines going digital, many of our daily tasks such as banking online and much of our reading is done on e-readers. With rise of the digital age it is good to invest in a digital campaign. Even though traditional marketing still has a place, it is diminishing in the digitally based world. For today's businesses, it is imperative to have a website and use the web as a means to interact with their consumer base.

So, with this new approach to attracting customers, what benefits does digital marketing have that traditional marketing does not:

i) Greater exposure: Traditionally, it was possible to quite effectively reach a local audience. Digital marketing, however,

now enables business to reach people all over the world, 24 hours a day. Using traditional marketing techniques, reaching a worldwide audience would cost a fortune. Moreover, on social media there is always the possibility for content to go viral, which gives one's business amazing exposure without

any extra effort or costs whatsoever.

ii) Cost-efficient: As the image below shows, digital marketing can save one's company lots of money.



Source: Digital Resource

With the right tools and partners a Digital Marketing strategy can be achieved fairly cheaply as it can eliminate the need for a presence in costly advertising channels such as newspapers, and more 'traditional' directories.

iii) Easy to measure: Through tools such as Google Analytics, it is easy to keep track of the traffic to your website as well as conversion rates, among other things, and you can adapt your marketing strategies accordingly. Tools such as these provide great insight into the effectiveness of the digital marketing campaigns.

iv) Customer engagement: Traditional marketing tends to be unidirectional. On the internet, however, communication goes both ways and digital marketing can be very interactive. Consumers can 'like', 'share', 'follow' 'retweet' and comment on social media, as well as review your products and services. Digital marketing thus enables potential customers to easily engage with your business, while simultaneously giving you more publicity. Moreover, digital marketing is less intrusive than traditional marketing. Individuals can choose to opt in or out of newsletters and they can hide the Facebook posts, if these do not interest them.

v) Easily refine strategies: Traditional marketing campaigns often take a long time to develop and are expensive. People cannot simply decide overnight to take a different course of action if their campaign does not seem to be working. Conversely, if the digital marketing campaign seems to be ineffective, one can just change your strategies. It is easy to post different types of content on social media or to update the design of your website, for instance. Online, there is always room for adjustment.

vi) Greater brand development: Branding can be defined as "the marketing practice of creating a name, symbol or design that identifies and differentiates a product from other products." This is much easier to do online than offline. The website is a very important part of one's brand and so are the social media channels. Both are accessible day and night and are the face of one's business in the digital world.

vii) Level playing field: Finally, the internet has made it so much easier for small businesses to compete with larger organizations. Traditionally, smaller businesses generally did not have the resources to organize marketing campaigns with as great a reach as those of larger businesses. Through digital marketing, however, while large businesses still tend to have some advantages, particularly in terms of human resources, as long as people have a well-thought out, comprehensive marketing strategy and a good-looking, properly working website, all businesses have a chance. The internet does not discriminate.

Working of Digital Marketing

Marketing is defined as a process of communicating with the customers in order to inform them about various products or services which would be of benefit to them. Marketing also incorporates the use of a broad range of strategies to increase customer's knowledge of products or services.

Now a day's for most of the people, the first place they go to find new information or products is the Internet. If you're a marketer, you've got to understand how people are finding this information online to spread the word about products and services for your customers.

Digital marketing is the type of marketing done through online or the digital technology world. Like print media or electronic

media, online is another platform to market products and services. Thus, digital marketing not just helps clients to

market their products better through online but also users who can reach out to products from their system or mobile phone.



Digital marketing works by using a number of different strategies

i) E-mail marketing: Email marketing is one of the earliest forms of digital marketing. It is used to directly marketing a commercial message to a group of people using email as well as segmenting your customer data and delivering personalized, targeted messages at the right time. With effective email marketing software, you can maintain email lists that are isolated based on several factors, including customers' likes and dislikes.

ii) Search Engine Optimization (SEO): Search Engine Optimization (SEO) is essential strategy in digital marketing. It is the process of affecting the visibility of a website or a web page in a search engine's unpaid results - often referred to as "natural" results. This can be done by increasing the ranking of a particular keyword, or increasing the volume of keywords that a site ranks for. SEO will help you position your website properly to be found at the most critical points in the buying process or when people need your site. It may target different kinds of search, including image search, video search etc. This strategy also considers how search engines work, what people search for, the actual search terms or keywords typed into search engines and which search engines are preferred by their targeted customers.

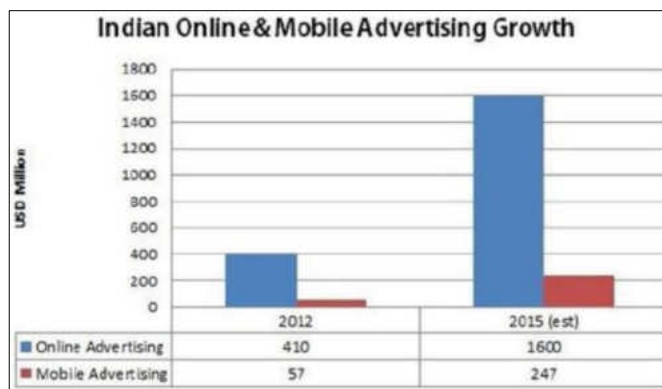
iii) Search Engine Marketing: (SEM): Search Engine Marketing is a type of Internet marketing. SEM uses the search engines to advertise your website or business to Internet customers and send a more targeted traffic to your Web site via advertising or paid links. It includes things such as search engine optimization, paid listings and other search-engine related services and functions that will increase traffic to your Web site.

iv) Social Media Marketing: (SMM): Now a day's Social media marketing (SMM) is a form of Internet marketing that utilizes social networking websites as a marketing tool. The goal of SMM is to produce content that users will share with their social network. Customers expect to find brands on social media sites, so it's a big deal to have a social media strategy. SMM became more common with the increased popularity of websites such as Google+, Twitter, Facebook, LinkedIn, and YouTube. Posting content that gets shared is a great way to

reach new customers and to increase your visibility on search engines, thus reaching even more new customers. These sites can also be used as an effective form of communication to engage with your customers, build relationships and quickly resolve issues. Social media strategy can be developed by designing a content plan including what web sites you should be using, what types of content you should be posting.

v) Mobile advertising: Mobile marketing is one of the biggest growth areas in digital marketing. Mobile advertising is a form of advertising via mobile i.e. wireless phones or other mobile devices such as smart phones, or tablet computers. Mobile advertising may take the form of static or rich media display ads, Short Message Service or Multimedia Messaging Service ads, mobile search ads, advertising within mobile websites, or ads within mobile applications or games.

vi) Online advertising: Online advertising differs from PPC in that you are advertising on other peoples' websites. For instance, you may want to buy banner space on a specific website, and you would pay the website owner either based on the number of clicks the advert receives.



vii) Blogs: Platforms like LinkedIn create an environment for companies and clients to connect online. Companies that recognize the need for information, originality, and accessibility employ blogs to make their products popular and unique, and ultimately reach out to consumers who are privy to social media.

Blogs can be updated frequently and are promotional techniques for keeping customers, and also for acquiring

subscribers who can then be directed to social network pages.

viii) Display Advertising: Display advertising is advertising on web sites. It includes many different formats and contains items such as text, images, flash, video, and audio. The main purpose of display advertising is to deliver general advertisements and brand messages to site visitors.

ix) Adware: Adware is software that, once installed, automatically displays advertisements on a user's machine. The ads may appear in the software itself, integrated into web pages visited by the user, or in pop-ups.

x) Online classified advertising: Online classified advertising is advertising posted online in a categorical listing of specific products or services. Examples include online job boards, online real estate listings, online yellow pages, and online auction-based listings.

xi) Affiliate Marketing: This type of marketing occurs when advertisers organize third parties to create potential customers for them. Third party affiliates receive payment based on sales generated through their advertising. Affiliate marketers generate traffic to offers from affiliate networks, and when the desired action is taken by the visitor, the affiliate receives the payment. These desired actions can be an email submission, a phone call, filling out an online registration form.

Compensation Methods for Digital Marketing

The industry has understood the power of digital marketing and companies use a variety of ways of compensations for them. Each compensation method pays in a different way and has a different earning potential. Publishers and advertisers use a wide range of compensation calculation methods.

1) CPM (cost per mile): CPM is the most common method for pricing web ads. In this method advertisers pay for every thousand displays of their message to potential customers.

2) CPE (cost per engagement): In this method advertising impressions are free and advertisers pay only when a user interacting with an ad in any number of ways, including viewing, sharing, voting, commenting, reviewing, playing a game. Thus advertisers pay only when a user engages with their brand content.

3) Fixed cost: Fixed cost compensation means advertisers pay a fixed amount of money to the publisher for delivery of ads online, usually over a specified time period, irrespective of whether the client has viewed the ad or not.

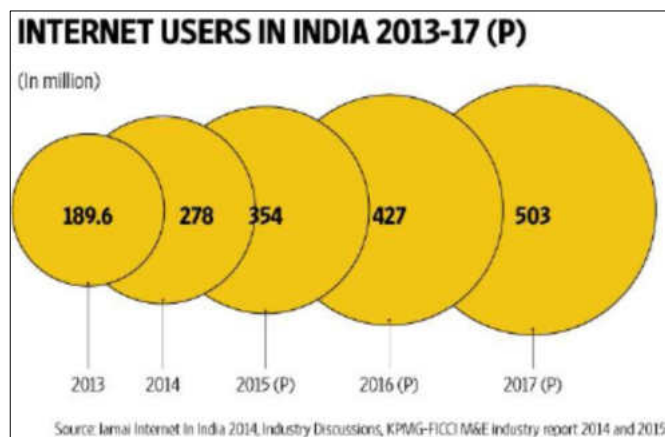
4) Cost per Action or Pay per Action: Advertiser pays publisher a commission for the number of users who perform a desired activity, such as completing a purchase or filling out a registration form, creating an account. This compensation model is very popular with online services from internet service providers, cell phone providers.

5) Sharing of revenue: In revenue sharing method the advertiser gives the publisher some percentage of the sale created by a customer.

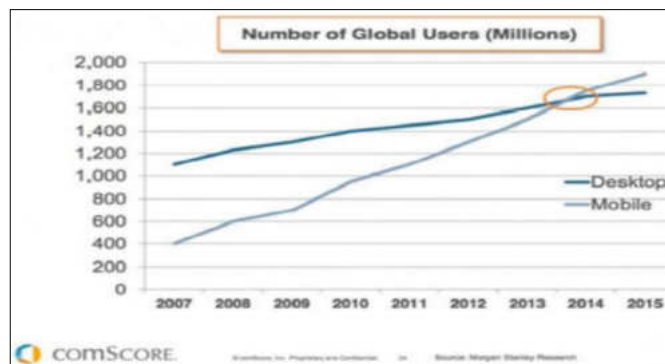
6) PPC (Pay per click): Pay per click (PPC), also called cost per click, is an internet advertising model used to direct traffic to websites, in which advertisers pay the website owner or a host of website when the ad is clicked.

Importance of Digital Marketing

1) Connects with Internet consumer: Days are gone when people scan through phone directories to look for information about a product or service. Now a day at least 80% of customers use the Internet to make their search for information convenient. A website allows you to find new markets and trade globally for only a small investment which causes global reach.



2) Connects with the mobile consumer: We're living in an era where cell phones are powerful enough to please the average consumer. Today, maximum people are using their mobiles to research and shop online. This makes it essential for your business to adapt to the trend.



3) Enables real-time customer service: Digital marketing offers real-time response mechanism which gives a big impact on the success of business according to a report or feedback from customer.

4) Delivers higher ROI from your campaigns: Digital marketing can help businesses to generate better Cost-Per-Lead (CPL) compared to traditional marketing or even telemarketing.

5) Keeps you at par with competitors: Many brands and businesses are ramping up on their digital marketing campaigns, using various channels available.

6) Help to compete with large corporations: Digital marketing not only keeps you at par with your competitors, it can also enable you to compete with big brands and large corporations.

7) Reduce cost: Your business can develop its own digital marketing strategy for very little cost and can potentially replace costly advertising channels such as Yellow Pages, television, radio and magazine. A properly planned and effectively targeted digital marketing campaign can reach the right customers at a much little cost than traditional marketing methods.

8) Simple to measure result: You can find in real time what is or is not working for your business online and you can adapt very quickly to improve your results. For measuring traffic to your site you can use Google Analytics which measure specific goals you want to achieve for your website. You can obtain detailed information about how customers use your website or respond to your advertising.

9) Greater engagement: With digital marketing you can encourage your clients to take action, visit your website, read about your products and services, rate them buy them and provide feedback which is visible to your market. So it doesn't take long for good publicity to enhance the prospects of your business.

10) Personalization: If your customer details are linked to your website, then whenever someone visits your site, you can greet them with targeted offers. The more they buy from you, the more you can refine your customer profile and market effectively to them.

11) Improved conversion rates: If you have a website, then your customers are only ever a few clicks away from completing a purchase process. Whereas other media require people to get up and make a phone call, or go to a shop, digital marketing can be seamless and immediate.

Risk Factors of Digital Marketing For Business

1. Higher transparency of pricing and increased price competition, worldwide competition through globalization.
2. Dependability on technology, security, privacy issues, maintenance costs due to a constantly evolving environment.

For Customer

1. There is no actual face to face contact involved in the Internet communication. For the types of products that depend a lot on building personal relationship between buyers and sellers such as the selling of life insurance, and the type of products that requires physical examination, Digital marketing maybe less appropriate.
2. Digital marketing cannot allow prospective buyers to touch, or smell or taste or 'try on' the products.
3. Slow internet connections can cause difficulties. If the companies build too complex or too large websites, it will take too long for users to check them or download them.

Essential Digital Marketing tips for Businesses

One great advantage of digital marketing for businesses is that this type of marketing can be very cost effective. Return on investment is often much higher than with more traditional forms of marketing. Business can begin a successful digital marketing campaign using the tips below.

1. You can create great content no matter what size your company is. Great content mean weekly blog posts that are roundups of important news and information within your industry; tweeting interesting links; or videos, photos and text that you generate. These contents should focus on quality information rather than product.
2. Pick one to three social media sites that your customers frequently using and start talking to them. Twitter, Facebook and Google Plus are some of the good places to start. You can also take suggestions from customers and implement them immediately.
3. Find out what types of posts and promotions do people responds to? What brings people to your website? If something isn't working, you can drop it and try a new approach immediately.
4. Identifying where your customers are socially and what digital devices and media they use to communicate, can have a deep impact on your success in achieving your business goals. With a carefully managed strategy even small businesses can see huge returns on their efforts.

Essential Digital Marketing tips for business for different strategies

Search Advertising Tips

1. Optimize the URL displayed in your search ad so that it's relevant to the product or service you are promoting.
2. Include target keywords in your headlines and copy that either match or closely match the keywords you bid on in order to boost the chance that your ad appears for those terms.

Website Tips

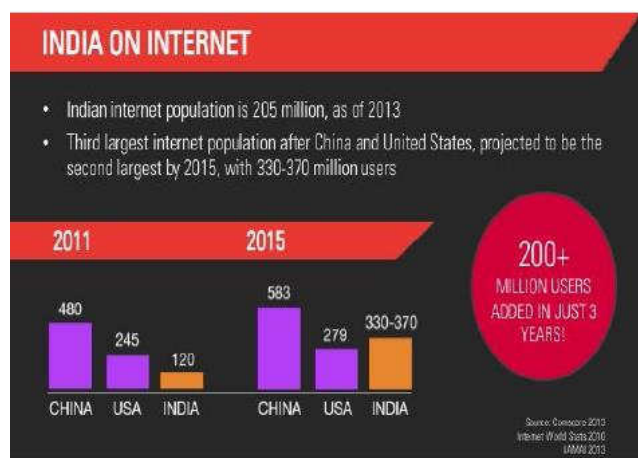
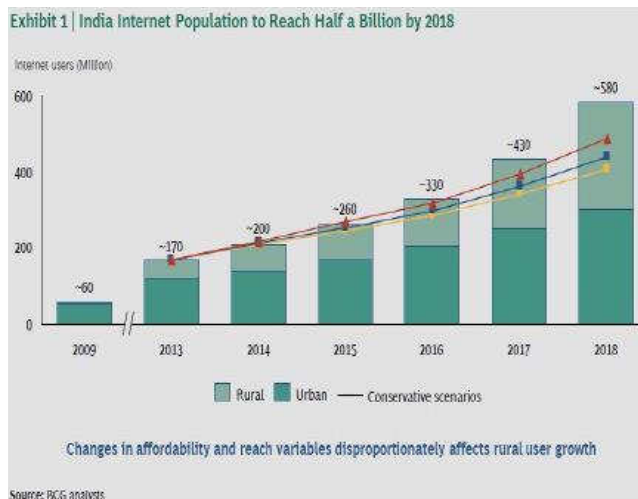
1. If you haven't updated your website since 2010, update it now. A clean, modern design is key in digital marketing, it ensures that you meet today's Web standards.
2. Make your website mobile friendly because nearly 80% of local mobile searches end in a purchase. This is a huge audience which you shouldn't ignore.
3. In order to get found by local customers, you need to optimize your site with local information such as your address and geo targeted keywords.

Social Media Tips

1. Think, review, and review again before you make a social media post or comment because the ability to easily take screenshots makes it difficult to take back a social media mistake.
2. Since your employees also represent your brand, both in person and online, implement a social media policy that at the least permits them from sharing internal information.
3. Like it or not, you must share your brand on social media. And since customers can start good and bad conversations about you, make sure to set up alerts that notify you of new mentions, comments, or messages.

▪ Search Engine Optimization Tips

1. Having a business blog is useless if you don't regularly create and promote original and sharable content to help prove relevance and therefore rank in search engines.
2. Enable share buttons on your blog so that readers can easily post your content to their social media pages and drive visitors back to your website.
3. Include geo-specific keywords, like your city, neighbourhood, and zip codes, in your website, blog, and even social media copy to appear in search results for these terms.
4. Since positive reviews rank in search engine results, generate positive reviews with high rankings to help customers to choose your business.
5. Once you receive positive reviews, promote them on your website and social media sites so that customers who search for your business on social sites can see the great things others say about your business.
6. Images can help your business, and they also rank in search engines. Don't name your images "photo.jpg," and instead name them more descriptively, add alt text, or captions on your website to help images show up in search results.



speed up the marketing trend and can reach to the individuals at remote locations.

2. Digital Marketing has made new options available for techno savvy people to work with technology and have open new thrust area for jobseekers, researchers and entrepreneurs. Digital Marketing will 100% change the face value of Indian businesses at global market.
3. By getting involved with social networking and managing it carefully, you can build customer loyalty and create a reputation for being easy to engage with, also by giving exclusive offers to your customers, you are rewarding and reminding them that you're not only the brand to engage with but also to buy from. By taking advantages of such strategies can help you to make your marketing more effective.
4. Through electronic channels and by posting positive comments, feedbacks about product, you can attract new customers and build healthy relationship. But, it works in both ways. Happy customers can help you, but unhappy customer can harm your business very seriously. However regardless of these problems it is reasonable to conclude that digital marketing is on the whole positive development for businesses and that despite certain dangers its impact upon business has been largely positive.
5. As the trend in Indian market is rapidly changing and the usage of E-commerce and M-commerce based applications has widely increased the barriers of availability of infrastructure has also changed in the recent past which is highlighted in the following graph which intern indicates that maximum usage is been made by the digital marketing and online applications of marketing or shopping.

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Observation and Conclusions

1. Digital Marketing is a cost effective tool of marketing. It allows us to market the desire product or service to desire people at desire destination at desire amount. It helps us to save environment by saving the paper and other resources,