Travel from Traditional Marketing to Digital Marketing

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Abstract- Lately, with the information technology improvements and broadband internet service spreading, speed of access to shopping sites get high. Because of these changes, companies unavoidably entered to digital environment. Thus, while communication rules change, field and definition of marketing changes too. With the development of IT technologies, traditional marketing methods leave its place to digital day by day. Companies which follow technology can easily communicate with customers interactively while providing products or services. Like in the traditional marketing, in digital marketing, building well communication with customers, determining their needs and requests are crucial. While companies using digital marketing make difference with dual communication, others who don’t get involved in this race, become distanced from competition gradually. The biggest advantage of digital marketing is reaching the target audience in right way with using social media and search engines. This study tries to explain digital marketing periods and advantages, experienced transition and difference between traditional and digital marketing.

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I. Introduction

In the past century, companies have made a great effort to leave their rivals behind throughout the process of globalization and branding. Companies follow various strategies in order to adopt to the competition and make a difference. Additionally, meeting and satisfying customer needs have become much more difficult since customer demands have increased. Moreover, since the beginning of the 21st century, technology have been improving drastically, causing changes in each and every part of our lives. Companies have inevitably been affected by these changes and have started to use information and communication technologies more and more in the market.

One of the advantages the Internet provides is that daily problems can be solved easily and quickly. In addition to this, consumer awareness takes a different shape with the advances in technology. Consumers now can find various products and services and make a comparison between them, especially with the help of social media. Furthermore, companies are able to analyze the behaviors and habits of consumers better with the help of social media. Companies which are properly and constantly making editions and optimizations on their web pages are one step ahead in digital marketing. It has become crucial to know the type of search engines consumers use and whether they are able to find certain companies on search engine maps. Advertisements, which were once famous on newspapers, have been replaced with the ones on the web.

In this study, you will be given conceptual information about the stages of digital marketing in the beginning. Then the digital marketing advertisements and the traditional ads will be compared in terms of measurability. Finally, advantages of interactive media will be evaluated.

II. Traditional Marketing

In consequence of two world wars, countries strived to revive their economies. However, in this transition process product and service demands couldn’t meet the needs of consumers. Since the production was limited, companies were able to sell every piece of their products. After some years, welfare level escalated and astability was reached in economics. Then, with the entrance of TV in western societies, the world has got a brand new perspective about everything. Since the balance of power has shifted from suppliers to consumers due to the changes in market share, suppliers begun to use various promises in an effort of attracting and persuading customers. This situation caused customers to question a product or a service before buying it (Karahasan, 2013:15). Fiercely increasing conditions of competition added to the popularity of the concepts “brand” and “advertisement” while introducing new concepts. And this was when the concept of marketing was introduced. Products of mass production have become widespread. With this new understanding of marketing, companies had to change their point of view and put consumers in the center to meet their needs in maximum.

Companies which adopt the understanding of traditional marketing cared more about customers rather than their own structure and tried to satisfy customers’ needs (İslamoğlu, 2013:18). The value of marketing program from the viewpoint of customers can be seen in the positive difference between the benefit provided by customers when they consume products and the
difficulties they face in the meantime. This gave a way to the emergence of consumer satisfaction (Aksoy, 2006:81).

The aim of traditional marketing is to provide time, place and possession utility. Therefore, the essence of marketing consists of creating a value for customers and motivate them to buy it. In other words, the purpose is to change the perception of customers.

III. Digital Marketing

Companies have been through a lot of changes in a very short period of time since the beginning of the 21st century thanks to the opportunities provided by the advances in technology. The usage of information and communication technologies have increased day by day by companies for the purpose of introducing their products and getting to know their customers. This increase was linear throughout the years (Tan et al., 2004:83). Moreover, companies have been using IT in the trade with other companies. In this system which is called “business to business” (B2B) electronic infrastructure is used (İnan, 2002:124).

In order leave their rivals behind, companies use electronic trade and digital marketing actively (Bulut et al., 2006). In this way, a two-sided connection is established between the customers and the companies. Digital marketing, in fact, is very much different from the traditional marketing (Varnali, 2012:39). Since the conditions of digital marketing is different, brands which cannot be rivals under normal conditions can be rivals to one another. Digital marketing aims to serve customers as quickly as possible and expects guidance from customers instead of trying to change their perception like traditional marketing.

Through digital marketing, customers can easily and quickly reach products and services and have an opinion about them by comparing similar products, and therefore, speed up the purchasing process. Also, the time spent while shopping is normally seen as a big problem, but now with the online shopping this problem seems to be out of the way (Cop & Oyan, 2010:100). The main objective of online marketing is to use existing infrastructure to make profit. Development, pricing, promotion and distribution of goods are also done online. The benefits that digital marketing provides can be considered as a revolution for the marketing world (Karaca, 2012:40).

IV. Stages of Digital Marketing

a) Acquiring Customers

The first thing to do at this stage is to attract customers and followers to the website. There are a lot of techniques to acquire customers (Hoffman and Novak, 2000). Some of the most used techniques are: search engine optimizations, search engine ads, e-mail marketing, social network marketing, mobile marketing, viral marketing and revenue partnership.

The purpose of Search Engine Optimization (SEO) is to bring together the target audience and the web page through search engines. In other words, it has to do with the being on top of the list of search results. The majority of the search engine income is met via SEO in online advertisement sector. Investments in optimization provides companies with quick profitability. In short, SEO helps listing search engine results and attaining the position on the top of the list (Xing and Ain, 2006:3).

In a type of search engine advertising system known as Pay Per Click (PPC), users pay search engines a certain fee. The logic is to pay money per click. Web pages only make the payment when their ads are clicked and the users are directed to their pages. Search engine marketing (SEM) uses PPC (Chen et al., 2011:4545).

E-mail marketing is a type of marketing in which customers are contacted via e-mails to be given information about certain products and services (Korkmaz, 2002:38). The length and the subject of e-mail with the images used are very important in this type of marketing (Chittenden and Rattie, 2003:203).

Social network marketing is the process of attracting customers to related web sites by using social media items. The main purpose of this type of marketing is to make advertisement of the brands, products and services by having the opinions and suggestions of customers (De Vries et al., 2012:84). Recently, social networks have been used as a marketing channel frequently. Marketers are also interested in these networks which involves personal information about users.

Revenue partnership is based on the fact that companies make payment per product or service they sell online (Duffy, 2005:162).

Viral marketing is, on the other hand, sharing information or ideas about products or services with your friends on a volunteer basis via e-mails (Richardson and Domingos, 2002:2). Viral marketing also saves time by affecting purchasing decisions of customers. Viral marketing has been increasing gradually, especially when visuality is in the forefront (Argen and Tokay, 2006:232-233). There are 6 factors to viral marketing that are listed below (Wilson, 2000:1-2):

- Free service
- Easy advertising
- Established network
- Quick transfer
- Intriguing growth
- Other infrastructures

The concept “mobile” has also undergone some changes with technological developments. Mobile
used to refer to cell phones only in the past; however, now the word "mobile" also means smartphones, tablets, smart watches together with other wearable technological devices. Companies and customers who use this hardware are now much closer to digital media thanks to the Internet. Therefore, mobile devices with the Internet connection are preferred today. In this way, marketing strategies in mobile media differs from traditional methods.

Mobile marketing covers all marketing activities that are created by using mobile devices. These are: SMS, MMS, mobile applications, QR codes and location services (Açıkel and Çelikol, 2012:52). Most of the consumers seem to have a bright view of mobile advertising (Bauer et al., 2005:189). Consumers now want to be able to reach the web sites through mobile phones, tablets and PC. In this regard, most of the web pages have mobile applications nowadays.

b) Converting Customers

This process involves the activities done in the purpose of reaching the sales target of a web site. E-trade pages should be designed so that it can attract enough customers (Korkmaz, 2002:37). Advertising is also important in this process (Ökumuș et al., 2010:106). Moreover, to make shopping much more easier for customers, different payment choices product search section should be added to the home page of the web site.

c) Measurement and Optimization of the Media

Using proper keywords for the page is of upmost importance. Web pages with a good search engine optimization can take their place among the search result lists without even making any payment (Özmen, 2012). There are a lot of tools for measurement and optimization. By simply making these tools private page traffic can be measurement (Plaza, 2011:477). The purpose of the optimization is to test the performance of the page and assess the results. These analyses help detecting mistakes and comparing the website with others so that weaknesses can be spotted and overcome. With the help of online activities, a test setting can be formed in the site in order to determine the problems. Visitors decide what to do and what not to do in the site very quickly; hence, to increase the conversion rate it is necessary to optimize the homepage.

d) Satisfying Customers

The reason why a customer prefers to use the same website again and again depends mostly on the advantages and benefits with which that certain site provides customers. In this way, customer loyalty is achieved along with the financial profit for the company (Singh and Sirdeshmukh, 2000:150). Most of the profit companies make is provided by regular customers. Primary goal at this stage is to satisfy current customers to make them regular customers.

V. Common Digital Marketing Applications

a) Digital Marketing via Social Media

Social networks are online communities in which members can communicate and share things with each other. Since interaction among members is very easy, social networks are the most popular phenomenon of 21st century. These formations are also very good opportunities for digital marketing (Akar, 2010:119). Through social networks websites may increase the awareness of their brands, decrease communication expanses and form new collaborations. However, these producers occur in stages. Objectives and activities are determined first and then the social media is monitored and measured.

Social relations are also reflected on the social media. People join the groups in which they share common ideas and beliefs. In other words, communities are formed around common interests and needs. Thanks to social networks like Facebook, Google +, Instagram, Twitter and Pinterest, daily lives of members are recorded in the digital world. People now share the things they used to tell their close friends in person via social media (Karahasan, 2013:62-65).

b) Digital Marketing via Search Engines

Some of the world’s famous search engines, as you all know, are Google, Yahoo and Bing. Search engines function by indexing web pages. Indexing algorithms run at the background, recording necessary information.

Search engine marketing is a part of digital marketing in which the aim is to provide the top position of the search engine results. Increasing the search engine visibility depends on a proper organization of websites and a good key words analysis (Açıkel and Çelikol, 2012:27-37).

Search engines first appeared in the 90s and have increased its influence ever since. In the beginning of 2000s, per-per click (PPC) service was initiated. The leader of world search engine marketing is Google at the moment. It is followed by Microsoft (Bing), and Yahoo (Ask.com). Search engine market differs based on language differences. For example, people use Baidu in China, Yandex in Russia and Tímway in Hong Kong. These search engines have a big market share in the local markets. The key feature which separates the search engine market from other marketing techniques is that it really aims to help users sincerely instead of trying to attract their attention of randomly influence them.

c) Digital Marketing via Viral Applications

Since customers’ frequency rate of using the internet and e-mails are different from each other, viral marketing has two parts which are called low and high
participation strategies. The example for low participation strategy would be customers’ usage of the links that are placed below the articles to share them. High participation strategy involves a more proactive approach by using social networks like Facebook of Twitter (Ünal, 2011:75-76). Also known as Word of Mouth Marketing, viral marketing is based on opinion sharing about certain products. Starting point is a wide spreading online message. Furthermore, the cost of this marketing technique is little if any. Also, the fact that customers consult the people they trust about the products speeds up the purchasing process.

VI. DIGITAL MARKETING AND MEASURABILITY

Digital ads have different parameters compared to the ones in traditional marketing. Traditional ads are measured by using methods like Gross Rating Point (GRP). On the other hand, for the ads in digital media, more distinctive methods, such as CPM (Cost Per Mile), CPC (Cost Per Click), are used (Açıkel and Çelikol, 2012:13). With regards to advertising companies, the Internet comes up with realistic values then it comes to measurability.

Advertising gains more importance with every passing day since it is used to reach customers by giving information about the products. Advertisements help form a positive perception about the products and, therefore, gain customers’ loyalty and commitment. Customers, on the other hand, have the opportunity to make healthy decisions thanks to detailed information regarding products and services in ads (Gökalier and Sabuncuğlu, 2008:1314-17).

In this way, companies get measurable feedbacks in return for the ads in digital media. What’s more, it is much more efficient to advertise in digital media in comparison to traditional ads. This leads a way for digital marketing industry to grow in high speed. In accordance with the advances in technology, we may encounter new ways of advertising method each day. The fact that band capacity have enhanced and that the technology is easily affordable nowadays make it easier to reach the target audience with the help of video ads.

VII. ADVANTAGES OF DIGITAL MEDIA

The biggest advantage of digital marketing is to be able to reach the target audience by using interactive media. Certain models have been developed to have the most efficient results from digital marketing. The moment when customer needs and requests are met properly is also the moment when customer satisfaction and the loyalty is achieved (Molla and Licker, 2001:136). Moreover, the researches show that companies efficiently using online marketing cares deeply about mutual communication in an aim of increasing customer loyalty and commitment (Srinivasan et al., 2002). In addition to all these, digital media provides advantage in competition, decreases personnel expande and advertising cost.

Nowadays, customers have all the information they need about the products or services at their feet thanks to the Internet. As a result of this fact, they can easily compare products and services and therefore reach a quick decision about which ads to purchase. Search engines like Google, Yahoo, Bing and Ask are available 24/7. Online shopping sites have drastically increased in number. Furthermore, basic problems such as distribution, storage, payment and security have been overcome now. Delivery systems have been developed with the infrastructure investments. Shipping and cargo transactions are now being handled smoothly. Banks, financial institutions and retailers together have been developing return policies along with the precautions against payment frauds. Most companies make a great deal of investment in purpose of forming a proper basis for a secure shopping (Karahasan, 2013:62-65).

VIII. CONCLUSION

With increasing rate of technological developments, tablets, smart phones and other electronic devices have become common everyday items. Correspondingly, people who use social networks and e-mails have been using digital media for shopping. Search engines make web surfing much easier for people. Additionally, the process of decision making in purchasing has become much less difficult for promotional videos and comments about the products help customers decide. The most important difference between digital and traditional marketing is that in digital marketing the data is used properly.

IX. DISCUSSION

SEM and SEO are considered to be the two most important bases for digital marketing. Although establishing SEO infrastructure takes long time, it is more permanent and pays attention to reputation management and brand perception. On the other hand, if companies want to spread in a limited period of time SEM would be what they need in that sense. All the operations in social media are tracked by search engine algorithms. The more active the companies are in the social media, the higher they get on the search engine lists. It is possible to reach large target audiences via digital media. In this regard, companies can measure their advertisement and marketing performances through large target audience.

REFERENCES


