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Digital Marketing Strategies and the Behaviour of Millennials

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ABSTRACT

The Advertising Industry in India is growing at a faster rate where computers and mobile phones are a success to access online. There is a paradigm shift from traditional media to digital media. Internet boom and convenience are the major factors which led to increase in digital marketing. Generation Y is the most happening and internet savvy group. The present research aims to analyze Digital marketing strategies that are preferred by this group called Millennials such as in terms of website features as color, graphics, personalization, side –panel ads, pop-ups, youtube ads. The research also evaluates which strategies marketers should avoid and strategies that motivates millennials to write online reviews. The data for the study has been collected from 200 respondents by performing face-to-face interview with the Millennials, by distributing questionnaire and through online survey. It is concluded on the basis of research that Millennials are largely attracted towards personalized, bright colors and free gifts strategies. This present study helps marketers for future scope to know customers' expectations.

Keywords: Digital Marketing, Advertising, Consumer Behaviour. JEL Codes: M31, M37.

1. INTRODUCTION

The Indian advertising industry has emerged as one of the major service industry increasing at a faster pace and slowly grabbing the market. It is now a full – fledged industry from a small scale business. With the advent of technology a digital world is born. Computers, laptops and mobile phones consumption have increased to a large number. In terms of online usage India has 3rd largest internet population. Internet users are growing because of availability of vast content over the web. Moreover technological advancement, growing youth population, increase literacy rate are key drivers for increase in online users which keep them inform, entertain, allow networking and shop online.

With the advent of WWW, E-commerce is becoming popular at alarming rate. It has increased convenience of consumers as it provides secure transaction system, 24 x7 access, best offers and timely delivery. Companies are reaching customer with latest information and trend. Customers can order at any point of time, from anywhere. Also internet has become a source of advertising. Companies are spending huge money on promoting their products by placing ads on websites, social sites. The fact is that digital marketing or e-marketing is emerging as a new trend to promote ideas, products or brands using one or more forms of digital media.

Digital marketing differs from traditional marketing as former involves the use of social media, web, direct mail, point of sale, mobile and other marketing campaigns that helps marketers to track what is being viewed by customer, how frequent and for how long. Digital marketing involves more interaction with customers as beyond knowing customer, maintaining long term customer relation is important. Different forms of online advertising include mobile advertising, social media marketing, email marketing, search engine marketing, banner ads, viral marketing and affiliate marketing.

Thus digital marketing aims at building brand image, product visibility, service promotion, sales generation and company introduction. Marketers use customer profile to know customer behaviour and preferences and hence engage them. Marketers aim towards customer convenience. Customer trust and customer satisfaction towards a brand or a website leads to customer loyalty. Thus marketers are looking for long term relations with customers. Also retaining existing customer is more profitable than acquiring a new customer. In addition to existing 4 P's –Product, Price, Place and Promotion which constitute marketing mix, with the evolution of internet three new P's are introduced: Presentation, Processes and Personalization. Therefore for internet marketers 7 P's of internet marketing exist.

Generation Y also named as Millennials are born approximately between the years 1980 and 2000, grown up in the Internet Age and time where advertising is everywhere. These are ambitious people who are looking for money, happiness and professional and personal satisfaction. They are more capable of innovations than their Gen X, want a rewarding career, high income, modern cultural and social systems, all the comforts of a technologically based society.

A research by American Express reveals that older generation spends less money on luxury goods and services whereas Generation Y are money-spending mass that cannot be ignored as they bring the business. Generation Y demands high quality products and services. The other fact is that they are less likely to trust what advertisements tell. The best way to attract one's advertisement to people is to go where they already are online. Social networks have become an integral platform to connect with people and things they love. Advertising must be provoking, appealing and new. Gen Y'ers must emotionally connect to the brand else they move to other brand. The Millennials are likely the most important customers of today and tomorrow. Addiction to digital device is so high that students could not go more than 10 minutes without checking their WhatsApp.

The online sites provide full range of products, best prices and discounts. Thus customer prefers online sites for shopping because of time saving and ease of purchasing sitting at home and timely delivery.

Despite of all these convenience of online shopping, customers make preferences of websites in terms of its interactivity, graphics, personalization. Due to intense competition, marketers need to differentiate themselves in terms of feel and look of the website such as bright colors, graphics. Personalization is very important to provide customized results to customer.

Marketers have different forms of online advertising such as pop-up ads, coupons, side-panel ads, email updates and advertising in form of games and through videos on Youtube. Pop-up ads are a GUI window that appears suddenly on screen and interrupts users online work for a moment. Only some strategies are liked by Users. Therefore marketers should look into what troubles the users and what they find appealing. Once users find negative perception about any website, they never come back.

Thus marketers aim at knowing marketing strategies that customers' especially generation Y gets attracted, or annoying. Because most of the revenues comes from customer and hence customer satisfaction is must. Now a Days millennials are interested in knowing about product information and reviews from their friends or through social media sites. Word of mouth (WOM) has been a crucial factor in advertising that determines positive or negative reviews about a product and spreads like a fire amongst all and millennials are trusting peer reviews more than reviews by companies.

2. OBJECTIVE

1. To examine various marketing strategies that are commonly used in digital media and ascertain which ones are preferred by Millennials and which ones Marketers should avoid.
2. To evaluate different digital marketing strategies that are considerably effective in grabbing the attention of Millennials, motivating repeat visits to a website and soliciting online reviews.

3. LITERATURE REVIEW

tChang-Hoan Cho et al Hongsik John Cheon (2004) studied different factors that affect Internet ad avoidance and reasons why people avoid advertising on the Internet. Banner blindness and issues with click and click-through rates are negative trends in Internet advertising. Three latent variables of Internet ad avoidance are perceived goal impediment, perceived ad clutter, and prior negative experience. The study discusses Affect, Behaviour, Cognitive (ABC) model of attitude and how it impacts people to avoid advertising messages on the Internet. **Charles H. Noble et al Michael P. Mokwa (1999)** studied that formulation of right strategy is important and further implementing it to achieve desired objective is the process of marketing strategy. Marketing implementation is a process that turns plan into actions. A PDCA cycle or deming cycle should be followed which mentions about a plan, do, check and act. It strives for continuous improvement. Thus study concluded that working on well defined strategy in right direction and further market research achieves result and profit to the business. **Chingning Wang et al Ping Zhang et al Risook Choi et al Michael D. Eredita (2002)** studied about e-commerce and Internet-based advertising. Advertising in both traditional media and Internet is less valued by audience or sometimes they ignore. The study benefits designers and marketers to know consumers perception towards advertisements and thus helps them to better strategize their advertising designs. Factors that contribute to consumers' perceptions of ads are entertainment, irritation, credibility and demographic. The study concludes that customers' look for interactivity with websites. **Craig S. Breitenbach et al Doris C. Van Doren (1998)** studied that advancements in technology and evolution of marketing are interrelated. The theories provided by scientists are put forward to emerge new technologies. Now days, Internet marketing is a new trend. Also internet marketers must provide increasingly tech savvy users with a unique experience which is more favourable and competitive than conventional media. The study concluded that techniques used within homepage of website must cater customer's interest and meet marketing objectives. **Dianne Cyr et al Milena Head et**

al Hector Larios (2010) studied that colour scheme influence the emotions and behaviour of customers. User's trust, satisfaction and e-loyalty are judged by the impact of colour, brightness in website design. The data is gathered through eye-tracking which tells pupil dilation, a survey and interviews. The study concluded that website colour appeal significantly determine customers trust and satisfaction across all culture. The study is relevant to online marketers and interface designers in developing websites. **Etienne Cocquebert(2010)** studied that company websites are highly important for promotion of products and informing users. Thus certain attributes like cost, delay, quality, security and maintenance to be taken care by website designer during design process to satisfy the needs. The purpose is to provide Wisdom method that guides especially the novice designers, to design a website following the website design process. The study proposes design solutions based on already existing ones and a website analysis catalog that speeds up website formation. **Goldgehn, Leslie A. (2004)** studied about Generation Y, today's youth is curious, brand conscious. They desire for freedom and choose as they like. Gen Y'ers are not easily pulled by advertisements and attractive marketing tactics. They do research before believing anything and like to experience themselves and judge rather being told. Consumers in this group are willing to pay any price for branded items as long as it is of value and good quality. So this unique group of generation is turning to be brand loyal and generating huge profits to the marketers. **G. Reza Kiani (1998)** studied that with the birth of World Wide Web (WWW), e-commerce has evolved which allows exchange of goods and services through online with trusted transaction. The web is a two way communication process and provide opportunities to the marketers to interact with customers and get customers review on products based on their consumption pattern and satisfaction. Thus study comes to a conclusion that online marketing results in communication with masses and feedback to marketers in improving their brand image. **Jean Donio' et al Paola Massari et al Giuseppina Passiante (2006)** studied the interrelation between customer loyalty behavior, customer loyalty attitude and profitability. Earlier studies mention that loyal customers are valuable asset of an organization. Customer loyalty behaviour and attitudes vary from customer to customer and directly affect a firm's profitability. The study concluded that a Loyalty Index helps managers in market segmentation. Thus loyalty measurement models are based on market segment strategies as geographical, demographical and psychographic variables. **J. J. Deal et al D. G. Altman et al S. G. Rogelberg (2010)** studied about who are millennials, how differently they think and behave as they grow older. Millennials are judged based on individual traits and work attitudes. Millennials are money spending mass and only advertisements do not influence their purchase decision rather they search about the product. Therefore millennials are unique set of people to study upon. The study concluded that there exist generational similarities and differences and it is better to rely on the truth rather than living in myth. **Joachim Rawolle et al Thomas Hess (2000)** studied about the impact of arousing digital media and digital media devices in media industry and how it proved to benefit the advertising industry. Digital media products are created and developed to evaluate new technology trends. Technical innovation such as m-commerce is the key driver to increase the access of digital media. The study concluded that social media sites and e-book are two important factors that attract customer to visit online and hence marketers are advertising through social sites. **Juan Miguel Aguado et al Inmaculada Jose Martinez, (2009)** studied the importance of birth of mobile .It gave connectivity, entertainment, convenience to the world. It discusses the purpose of mobile media in media industry. It provides value added services that includes mobile game, music and communication services as apps download, SMS. The study concluded that mobile TV is a leading application that provided content distribution and Mobile 2.0 is a key driver. The findings are taken from B2C supply on mobile devices and

services offered. **Katherine T. Smith (2010)** studied about environmental issues and to identify effective marketing techniques that marketers can use in communicating the environmental friendliness of their products to youngsters. Marketers are creating and promoting 'green' and healthy products. A survey was conducted on 602 Millennials. Though there has been less research on green marketing to millennials. Results conclude that there exist gender differences in how these techniques are perceived and people are concerned for the environment throughout the world.

Katherine Taken Smith (2011) studied about the increasing usage of digital media among new generation and how much digital marketing have influence their behaviour of browsing websites. Customers extract information from environment, analyze it and draw conclusion. Different hypothesis were conducted to know whether graphics, layout, coupons, free gifts, rewards and many more what attracts them. The study concluded that consumers prefer coupons and advertisements on Youtube.

4. RESEARCH METHOD

The research adopted is Descriptive Design. The data is collected through Primary and Secondary sources. Primary Data includes survey method by constructing questionnaire and face to face interviews with respondents. Close ended questions i.e. specified choices for the respondents are used. Secondary data was collected from the books of marketing, internet and from the social media websites. In this study convenience sampling is done.

Sample size taken for the study is 200 respondents. Out of which 160 respondents are surveyed through questionnaire and few from face to face interview and 40 respondents gave online responses through Google docs. Respondents taken include 92 male and 108 female. And vary in age from 16 years to 33 years. Their Education level varies as high school, intermediate, graduate and post graduate.

And the research is carried at Noida, Amity University (sec-125), GIP mall and East delhi, AGCR houses. The primary data collected through survey is analyzed using SPSS software. The graphical view of the responses are generated using Bar graph and Pie chart.

5. RESULTS AND FINDINGS

In this study the demographics of Millennials are studied which includes age, gender and education completed so far. Millennials between 22-25 years are 37.5%, followed by 26.5% between 26-29 years whereas less than 18 are only 1.5%. Females are 54% whereas males are 46%. 94 respondents are graduates by their education, 60 have completed their post graduation whereas 40 respondents have completed their schooling. Different hypothesis provides following results.

H1: Factor affecting online frequency shopping : It was analyzed that there is statistically no significant association between gender and online shopping frequency. It can be inferred that both males and females equally visit online for shopping.

H2: Marketing channels that influence Millennials when buying online : Marketers reach customers by promoting their products. Table 1 depicts the least mean value is 1.93, signifies that it is top most ranked by millennials, i.e. millennials are influenced by their friends review before making online purchase decision, second important channel ranked is social media sites like facebook, twitter, linkedn as millennials are the most active group on social media and internet. Millennials are least influenced by emails from retailers. Also ads in magazines and newspapers have nil effect on online buying.

Table 1

<i>Marketing Channels</i>	<i>Mean</i>
Blogs	3.75
Ads in Magazines, newspapers	5.38
EMAILS from retailers	5.45
TV ads	4.82
Ads on other websites	4.60
Recommendations from friends	1.93
Social networking sites	2.09

H3: Different Online Advertising Strategy Preferred By Millennials : Different online advertising strategies were analyzed. Table 3 depicts that getting online coupons is most preferred online strategy proved by ANOVA test followed by Side –panel ads and YouTube ads. Whereas Pop-ups is the least significant strategy, also E-mail updates are not liked by Millennials

Table 2

<i>Online Advertiser Strategies</i>	<i>Mean</i>
Getting online coupons	4.13
Side - panel ads	3.54
Ads on YouTube	3.44
Receiving EMAIL updates	2.57
Ads in games forms	2.63
Pop-up ads	2.06
Total	3.06

H4: Digital marketing strategies that marketers should avoid : Using one sample T- Test, table 4 shows different digital marketing strategies that marketers should avoid. It is observed that all the strategies are significant.

It can be inferred that millennials agree to this fact that marketers should avoid not only pop-ups on websites but also un-closable windows and mandatory software downloads also. As pop –ups are too intrusive and hence irritates in between, similarly the un-closable window and mandatory software downloads. Whereas flashing items and links to sponsor are still bearable.

Table 3

<i>Strategies</i>	<i>Mean</i>	<i>Sig. (2-tailed)</i>
Avoid pop-ups on websites	4.36	.000
Avoid un-closable browser windows	4.25	.000
Avoid mandatory software downloads	4.14	.000
Avoid flashing items	3.88	.000
Avoid links to sponsors	3.61	.000

H5: Website Features That Grabs Millennials Attention Towards Digital Marketing : The figure 1 shows average feedback provided by respondents on different Website features that marketers embed in their website. Based on likert scale, millennials responded on basis of 1 strongly disagree and 5 strongly agree.

Using ANOVA, it is observed that there is significant difference between responses provided by millennials for website features that grab their attention. Hence usage of graphics and bright colors are most significant website features by which millennials get attracted. Interactive websites and personalization are also proved to be effective. But usage of word free on websites and giving simple and professional look to the website is not effective to attract millennials.

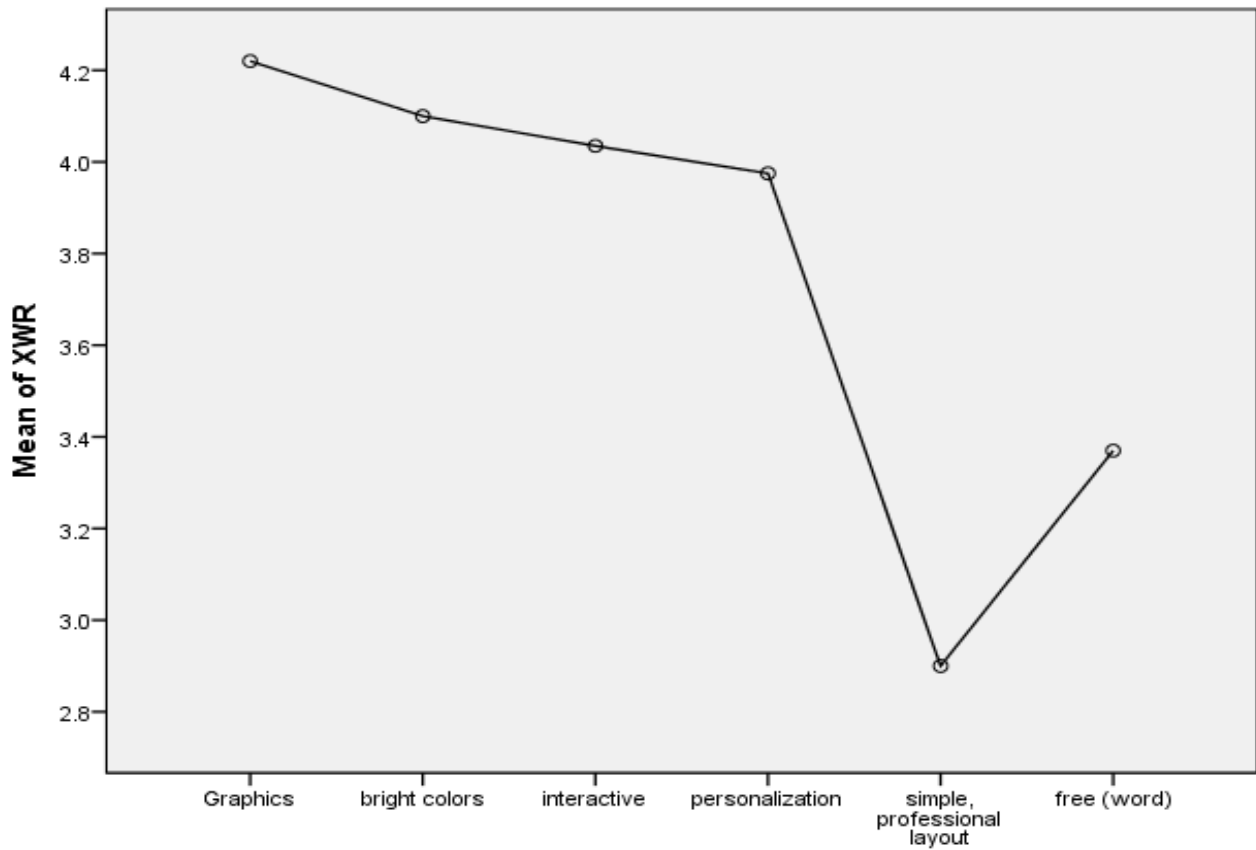


Figure 1: Website features

H6: Incentives Important For Millennials That Prompt Repeat Visits To Website : Using one sample T- Test, Table 4 shows that various incentives that allow millennials to repeatedly visit a website are all significant.

It can be inferred from the mean values that Competitive prices, coupons, free gifts and personalization are the most effective incentives that prompt repeat visits to website.

Millennials also finds favourable return policy, rewards for returning customers and good shipping rates as somewhat important for them to repeatedly visit a website. But email updates are not at all their choice to again visit a website

Table 4

<i>Which incentives are important to repeatedly visit a website?</i>	<i>Mean</i>	<i>t</i>	<i>Sig. (2-tailed)</i>
Competitive prices	4.48	38.796	.000
Good shipping rates	3.77	14.176	.000
Coupons	4.16	23.273	.000
Rewards for returning customers	3.60	12.760	.000
Free gifts	4.19	21.935	.000
Personalization	4.00	16.511	.000
Updated product information	3.56	11.824	.000
Favourable return policy	3.72	14.200	.000
Interactive website	3.49	10.560	.000
Email updates	2.73	-5.383	.000

H7: Factors That Motivates Millennials to Write Peer Reviews : Using one-sample T test, from table 5 it is observed, Factors that motivate millennials to write peer reviews such as receiving discount, receiving reward points and receiving coupons are significant. Whereas being easy and quick to write does not motivate millennials to write online reviews

Table 5

<i>Motivating Factors</i>	<i>Mean</i>	<i>Sig. (2-tailed)</i>
I receive a discount for writing a review	4.20	.000
I receive a reward or reward points for writing a review	4.00	.000
I receive a coupon for writing a review	3.84	.000
It's easy and quick to write a review	3.04	.504

6. CONCLUSION

After analyzing the data it is concluded that millennials give different preferences and negative responses towards digital marketing strategies. Results indicate that marketing channels that influence millennials are recommendations from friends or peers and social media sites for buying online. Millennials prefer side-panel ads and online coupons to a great extent. And find few strategies irritating such as Email updates, pop-ups or un-closable windows. Rather they prefer watching ads in form of videos on YouTube. Hence Millennials try to avoid some advertising strategies that are annoying whereas grab others.

Millennials are a valuable group in the new digital era. Marketers should aim at designing websites that are bright and use attractive colored graphics. Generation Y is attracted by incentives such as free gifts, rewards, competitive product prices that prompt repeat visits to a website and repeat business. Interactivity and personalization are the key drivers to maintain relations with millennials as they like being connected. Millennials are motivated to write online reviews when discounts or coupons are offered. Companies should facilitate communication with customers through digital media, social media and hence maintain long term customer relationship.

7. LIMITATIONS AND FUTURE RESEARCH

The study is limited only to generation Y to examine digital marketing strategies further studies include other generation groups such as generation X and compare their responses with generation Y. The present research is conducted on 200 millennials, further can be used to study broad samples of millennials and at several locations. The companies can adopt this research to know their potential customers based on digital strategies that prompts repeat visits on website and to ascertain which digital strategies to avoid and which one's customers prefer and thus can compete with their competitors.

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