

Analyzing Effect of Digital Marketing on the Expansion of the Retail Sector

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Abstract

Customers now have access to a global bazaar of goods and information at all times because to the advent of digital technology, which has given them more power. Because of this transition, established merchants have been forced to broaden their distribution routes and points of contact to accommodate customers' preferences of where they would like to be served. Both new obstacles and new opportunities have presented themselves to marketers as a result of the new dispersed landscape of touchpoints and the rapid development of ever more sophisticated technologies. A store needs to determine who its target market is, establish itself as the solution to that target market's problems, and ensure that its customers are aware that this is the case. Before the invention of the internet, traditional methods of marketing consisted of broadcasting, printing, or broadcasting commercials on television or radio. These methods were originally successful in raising brand recognition and positive attitudes. With the advent of the internet, marketers gained access to a new channel via which they could investigate the efficacy of the instrument that involves making invasive sales pitches to customers. Therefore, analyzed the perceived intrusiveness of online advertising and reported that online consumers are goal-oriented and judge online advertisements even more harshly than those in other media. This finding suggests that online consumers are more critical of online marketing than consumers of other media. In order for businesses to keep their customers, they need to pay attention to the process, which includes keeping an eye on social media, talking to customers in interviews, and investing in marketing automation software. This method offered data that was obtained from the customer, and it has the potential to be converted into shares, which will lead to increased customer loyalty. When trying to attain mixture differential products or services from the rest of the competition, the individuals responsible for marketing in a company should select the method that offers the most convenience and is the most cost-effective for the organization. This paper aims to explore the profound effect of digital marketing on the expansion of the retail sector. To analyze the key aspects and strategies of digital marketing that have contributed to the sector's growth and development.

Keywords: Digital marketing (DM), Retail Sector (RS), Expansion, Online, Strategies

Introduction

A form of marketing known as digital marketing is characterized by the use of digital channels, technologies, and marketing tactics to promote goods, services, and brands to a certain demographic of consumers. It includes a broad spectrum of online marketing strategies, such as search engine optimization (SEO), search engine marketing (SEM), marketing via social media platforms, marketing

via content, marketing via email, and many more. Engaging prospective customers, driving traffic, and converting leads into sales are the primary objectives of digital marketing, which makes use of a wide variety of digital platforms and channels. The retail industry has undergone a substantial change in the modern era, chiefly driven by the widespread adoption of digital marketing methods. This change has been brought about by the advent of the digital age. The term "digital marketing" refers to the use of various online tools and platforms by organizations in order to expand their client base, engage existing customers, and increase revenue. The traditional landscape of the retail industry has been completely transformed as a result of the proliferation of digital channels such as e-commerce, social media, mobile applications, and other digital platforms.

As can be seen in the chart below, retailers rely on one of the most varied channel combinations of any industry. This is leading to a rise in retailers' interest in and participation in customer journey measurement. Fine-tuning retailers' capacity to assign attribution can shed light on this by allowing them to monitor and evaluate all of their customers' online interactions and the roles they play in sparking various conversion paths. Client-side marketers should make enhancements to the customer journey across many touchpoints a priority in the next years, according to the results of a poll conducted by Econsultancy and Adobe in January 2018. By spotting data anomalies, we can differentiate between actual customers and passers-by and staff members during the course of a customer's visit to a retailer's store. This helps to ensure that retailers' advertisements are shown to the appropriate individuals at the appropriate time, which in turn helps to better cultivate positive relationships between brands and their respective customer bases. Flatley-Feldman (2018) Euclid algorithms, for instance, can help businesses filter anomalies gleaned from opt-ins, predict accurate consumer behavior patterns, and identify which visits and campaigns result in the necessary conversions; all of which contributes to enhanced return on investment tracking.

Pitfalls in Digital Marketing Strategies to the Retail Sector Expansion

There are a number of potential traps that retailers need to be aware of in order to ensure successful adoption of digital marketing strategies. However, there are also a number of benefits that digital marketing strategies provide for the expansion of the retail sector.

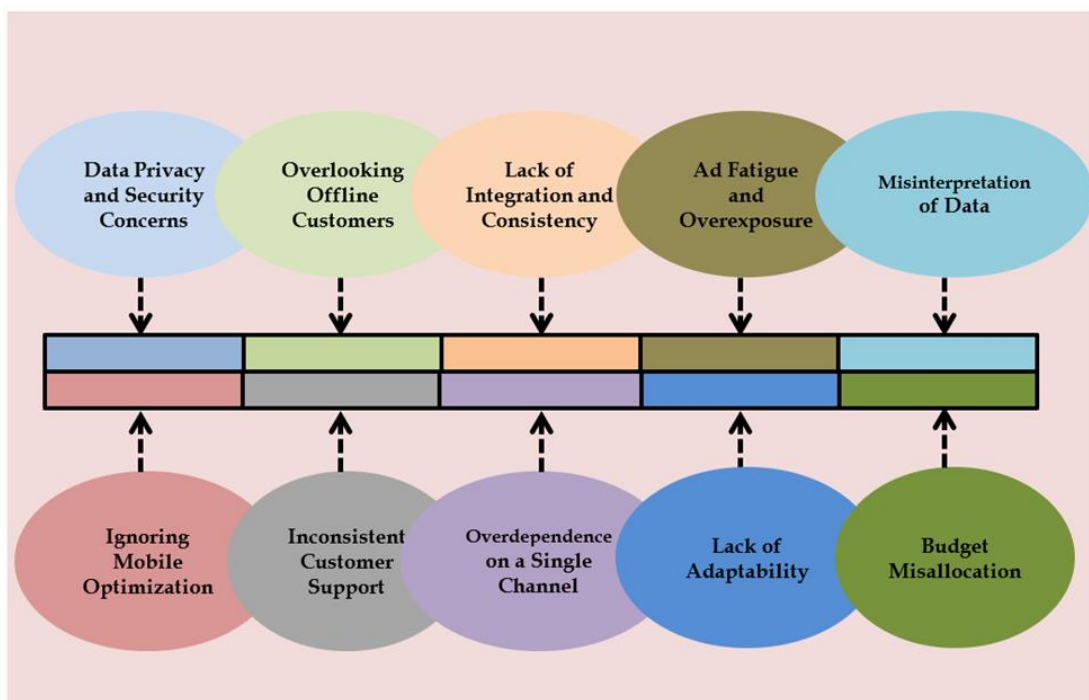


Figure 1: Pitfalls in Retail Sector Expansion Through Digital Marketing

Some of these pitfalls include:

- Concerns regarding customers' right to privacy and safety are raised whenever consumer data is gathered and used in digital marketing. Retailers have a responsibility to maintain compliance with data protection legislation and establish robust security measures in order to secure the information they collect about their customers from data breaches and unauthorized access.
- If you only concentrate on digital marketing, you run the risk of ignoring your more conventional, offline customers. It is crucial for brick-and-mortar stores to find a balance between their online and offline marketing tactics in order to effectively serve all of their various client segments.
- Customers might be led astray and their faith in a company can suffer if the messaging and branding are inconsistent across the various digital channels. Retailers are obligated to ensure smooth integration and consistent branding in order to deliver a unified experience to their customers.
- they may experience ad fatigue if they are bombarded with an excessive number of advertisements or content that is repeated. This might cause them to ignore the marketing efforts or become upset by them. Retailers should carefully monitor the frequency of advertisements and ensure that they are targeting the appropriate demographics to avoid overexposure.
- If you rely exclusively on data analytics without also comprehending the context, you run the risk of incorrectly interpreting the behavior and preferences of your customers. To ensure that their decisions are well-informed, retailers should carefully assess data and take into account qualitative insights.
- Retailers have no choice but to place an emphasis on mobile optimization in light of the growing use of mobile devices for online shopping. When mobile responsiveness is neglected, the user experience might suffer, which can lead to a loss of sales.
- Even while digital channels offer a variety of support options for customers, a retailer's reputation can be damaged if their responses are inconsistent or take too long. The provision of prompt and helpful customer service should be placed at the forefront of retailers' priorities across all digital touchpoints.
- It's not a good idea to put all of your eggs in one basket when it comes to digital marketing. Alterations to the algorithms, policies, or trends that are prevalent on that platform have the potential to have a negative influence on the reach and sales of the merchant. Diversification over a number of different channels can help to reduce the impact of this risk.
- Because the digital landscape is always shifting, strategies that are successful today might not be so successful tomorrow. Retailers need to have a flexible mindset and make necessary adjustments to their digital marketing strategies in order to remain relevant and competitive.
- It's possible to achieve less-than-ideal outcomes from your digital marketing efforts if you don't allocate your cash correctly. Retailers need to undertake exhaustive research, keep track of their return on investment (ROI), and distribute budgets depending on performance and goals.

How the Growth of Digital Marketing in the Retail Sector Has Helped Multi-Channel Shopping

Multi-channel retailing is a strategy that involves selling products or services over numerous channels, both online and offline, in order to reach a diverse consumer base and create a shopping experience that is streamlined. This type of retailing is also known as "omnichannel retailing." In essence, it grants customers the ability to communicate with a merchant across a variety of touchpoints, permitting them to choose the channel that best suits their needs in terms of both convenience and preference when making a purchase.

The following is a list of important elements of multi-channel retailing:

1. **Multi-Channel Retailers Link:** Their Online and Offline Channels Seamlessly In order to provide their clients with a unified purchasing experience, multi-channel retailers link their online and offline channels in a seamless manner. This integration may involve the use of brick-and-mortar stores,

websites that facilitate online shopping, mobile applications, social media platforms, catalogs, call centers, and even more. Customers have the option of conducting product research online, trying out the item in person at a brick-and-mortar store, and finally making a purchase either online or in the store.

2. **Convenience and Flexibility:** Customers have the ability to pick how they would like to shop, which multi-channel retailing makes possible for them. This makes shopping more convenient. While there are customers who favor the ease of internet buying, there are also customers who favor the in-person experience that a physical store can provide. By catering to a wide variety of consumer preferences and providing a number of different channels, merchants make it simpler for customers to interact with a brand in accordance with their own interests.
3. **An Experience That is uniform and Cohesive Across All Channels :** Omni-channel retailing is a step up from multi-channel retailing in that it ensures a unified and uniform customer journey across all channels. Its purpose is to make it easy for clients to switch between different shopping channels without experiencing any disruptions in the flow of their purchases. For instance, a client can add products to their virtual shopping basket on an e-commerce website and then pick up the order at a brick-and-mortar location at a later time, or vice versa.
4. **Customer Data and Personalization:** Multi-channel commerce creates important customer data from a variety of consumer touchpoints, which can then be used to personalize the shopping experience. Retailers can get insights into customer behavior, preferences, and purchase habits by collecting and analyzing this data, which can be collected by retailers. This technique, which is driven by data, makes it possible to tailor marketing campaigns, recommendations, and offers, thereby increasing client engagement and loyalty.
5. **Improved Capabilities for Customer Support:** Multi-channel retailing makes it possible to improve one's capacities for providing customer support. Customers have the option of communicating with the merchant through a variety of channels, including live chat, email, or phone assistance, depending on which method best suits their needs. Because of this accessibility, businesses are able to swiftly reply to questions and concerns raised by customers, which ultimately results in increased levels of consumer satisfaction.
6. **Inventory Management:** It is absolutely essential for multi-channel businesses to have an efficient inventory management system. They are responsible for ensuring that the stock availability is synced across all channels in order to prevent customers from discovering that a product is unavailable through one channel but is available through another. It is absolutely necessary to have inventory management systems in order to keep accurate stock levels and to deliver real-time updates.
7. **Marketing and Promotions :** Retailers now have the ability to run integrated marketing and promotional programs thanks to the rise of multi-channel retailing. They are able to promote deals and discounts through a variety of platforms, which helps them reinforce the message and create a marketing strategy that has a greater impact.
8. **Adapting to Changes in consumer Behavior and Market Trends:** Multi-channel retailing allows organizations to more effectively adjust to changes in consumer behavior and market trends. For example, at times when people are more likely to shop online, like as during the COVID-19 pandemic, shops are able to quickly shift their focus to e-commerce and concentrate on that sector.

Research Methodology

The research is descriptive in nature. A random convenience sampling is used to collect data from retailers having retail counters in mall. 80 retailers approached in 03 different mall. A simple structured questionnaire has framed to justify the statements. Correlation Coefficient has applied to check the results through SPSS & ranking has also done to identify that which statement is having strong positive effect by using digital marketing strategies for the expansion of retail sector. Both primary & secondary data has been carried into the research.

Objective of the study

- This paper aims to explore the profound effect of digital marketing on the expansion of the retail sector.
- To analyze the key aspects and strategies of digital marketing that have contributed to the sector's growth and development.

Hypothesis of the study

H1 There is no strong and significant correlation between digital marketing and retail sector expansion

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Review Literature

It has been demonstrated that retail businesses may dramatically expand their customer base and increase their revenue by utilizing digital marketing. According to the findings of a study conducted by Chaffey and Ellis-Chadwick (2019), efficient digital marketing tactics, such as search engine optimization and social media marketing, have the ability to boost website traffic and online sales. In addition, Kukar-Kinney et al. (2020) observed that digital marketing activities, particularly personalized email marketing, have a beneficial impact on customer engagement as well as repeat purchases. Smith and Goncalves (2018) investigated the impact that digital marketing has on multi-channel commerce. They revealed that businesses who employ an integrated approach across online and physical channels have higher levels of consumer satisfaction and retention rates. According to the findings of the survey, smartphone applications and social media are two examples of important digital marketing tools that play a significant part in luring customers into traditional retail locations.

Hoang, T. P., Huong., et.al., (2015) studied in this study the factors impacting the competitiveness of the retail industry in Vietnam. The researchers were tasked with conducting research and performing an analysis of these elements. The researchers conducting this study opted to employ both qualitative and quantitative research approaches as their methodology. In addition, the researchers questioned 275 professionals and managers working in the retail sector in HCMC, Binh Duong, Da Nang, and Hanoi. This survey was carried out in Vietnam. This research was carried out between July 2014 and June 2015, when the current paper was written. The replies from the retail industry in Vietnam were measured using a customized questionnaire based on a 5-point Likert scale, and hard copies were used. The results of the approach of exploratory factor analysis (EFA) demonstrated that the level of competition on the retail sector in Vietnam is intense.

Kansal, M. (2018) imagined a world without the internet and found it impossible to conceptualize. Because it allows billions of people all over the world to connect with one another, the internet has become the center of the information and communication sphere. In order to accomplish the goal of increasing the volume of sales achieved through online marketing, there needs to be a substantial amount of online traffic. This is because online traffic acts as a conduit between consumers on the one hand and selling corporations on the other. In the current study, an investigation into the various technologies now accessible for digital marketing is carried out. These technologies aim to remove the constraints posed by physical location, have a low cost, give traceability, and provide a personal touch. It also provides an understanding of how the various marketing tools and strategies may be employed and put into practice to boost the company's sales and increase its return on investment (ROI).

Personalization achieved through digital marketing has become an increasingly important factor in maintaining customer loyalty. According to the findings of a study conducted by Verhoef et al. (2019), individualized marketing messages have the ability to deepen the emotional tie that exists between customers and retailers, which in turn leads to increased customer loyalty. In addition, a research article authored by Bawa and Ghosh (2020) found that making customised product recommendations to

customers based on their interests can dramatically increase conversion rates in online retail. Retailers now have access to large volumes of client data thanks to digital marketing, which may be utilized to make decisions based on the collected information. According to the findings of a study conducted by Kumar and Mirchandani (2019), the use of data analytics in digital marketing enables retailers to better understand the behavior and preferences of their customers, which in turn results in more effective marketing tactics. This method, which is driven by facts rather than intuition, was linked to greater sales performance as well as enhanced customer satisfaction. Even while the advantages of using digital marketing in the retail industry are readily apparent, there are still challenges associated with putting it into practice. When it comes to utilizing consumer data for tailored marketing, one of the most major challenges that retailers face, according to a study paper written by Jensen and Hansen (2018), is concerns around data privacy and security. In addition, Iqbal and Ahmad (2021) emphasized how in order for merchants to be successful in the current climate of digital marketing, they need to manage the harsh competition and adapt to the fast changing digital platforms and trends.

According to research conducted by Khupse, M. H. (2017), digital marketing is a form of online media in which customers may easily participate, share, and create any content, including advertisements, flags, banners, and videos. The promotion of products and raising customers' awareness of a company's brand are two of the goals that many businesses pursue through the use of computerized marketing, which is employed by many businesses. However, not all businesses are successful in marketing their products and bringing them to the attention of their customers. Quantitative study is going to be used as the method of investigation for this inquiry. The end result of this investigation is to demonstrate that marketing communication within an organization does have an effect on the level of awareness of the organization's image. In the same vein, this investigation has to demonstrate that marketing through online social networks can have an effect on a company's revenue and business. As a result of the proliferation of digital advertising, the purpose of this investigation is to collect essential information on the influence of digital marketing on the image of a company using both quantitative and explanatory research methods. The findings of this study indicate that marketing communication within a firm does, in fact, have an effect on the level of brand awareness within that company. In addition, the purpose of this research is to demonstrate that marketing via digital marketing can have an impact on the income of a company.

Table 1: KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser –Meyer-Olkin Measure Sampling Adequacy	0.874	
Bartlett's Test of Sphericity	Approx. Chi-Square	669.2361
	Df	78
	sig	<0.001

Table 2: Reliability Statistics

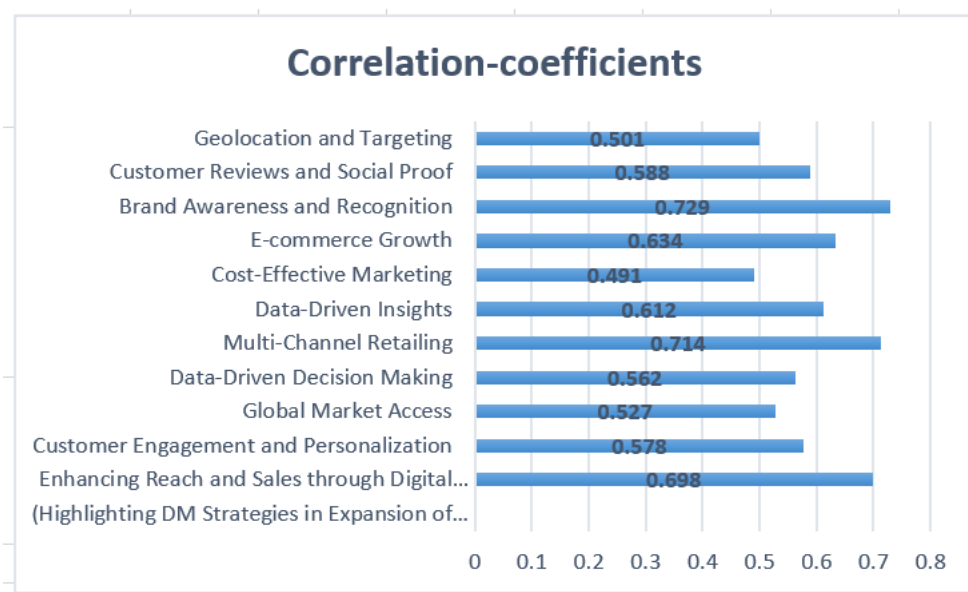
Reliability Statistics	
Cronbach's Alpha	0.815
No. of Items	11

Reliability statistics are used to check the internal consistency among items used in research. Here, total number of statements are 11, wherein Cronbach alpha value is 0.815 indicating a strong internal consistency.

Table 3: Correlation-coefficients between DM Strategies & it's effect on RS Expansion

S.No.	Statements (Highlighting DM Strategies in Expansion of RS)	Correlation-coefficients	P-Value	Rank
1	Enhancing Reach and Sales through Digital Marketing	.698	.001	III
2	Customer Engagement and Personalization	.578	.001	VII
3	Global Market Access	.527	.001	IX
4	Data-Driven Decision Making	.562	.001	VIII
5	Multi-Channel Retailing	.714	.001	II
6	Data-Driven Insights	.612	.001	V
7	Cost-Effective Marketing	.491	.001	XI
8	E-commerce Growth	.634	.001	IV
9	Brand Awareness and Recognition	.729	.001	I
10	Customer Reviews and Social Proof	.588	.001	VI
11	Geolocation and Targeting	.501	.001	X

*RS – Retail Sector
 *DM – Digital Marketing



As per above table 3, the statements Brand Awareness and Recognition, Multi-Channel Retailing, Enhancing Reach and Sales through Digital Marketing are having highest coefficient that's why having rank 1, II & III with the values .729, .714 & .698 respectively. Similarly, Geolocation and Targeting & Cost-Effective Marketing having low rank in comparison to other statements having rank X & XI with a coefficient value .501 & .491 respectively. Therefore, the alternate hypothesis, correlation between digital marketing and retail sector expansion is strong and significant is accepted. The adoption and effective implementation of digital marketing strategies have played a crucial role in driving the growth and expansion of the retail sector.

Findings of the study

- Through the use of digital marketing, businesses are able to expand their customer base beyond the confines of their physical store locations. Retailers have the ability to access into overseas markets thanks to the internet's global reach, which allows them to extend their consumer base as well as their prospective sales opportunities.
- The use of digital marketing gives businesses the opportunity to engage customers on a more individual level. Retailers have the ability to build client loyalty and repeat business through the use of focused marketing campaigns, personalized content, and product recommendations that are suited to the individual customer.
- The integration of different marketing channels, such as websites, social media, mobile apps, email, and physical storefronts, is made possible by digital marketing. Customers get a streamlined purchasing experience thanks to this multi-channel approach, which also gives them the opportunity to interact with the business across a variety of different touchpoints.
- The use of digital marketing strategies results in the collection of a large amount of information regarding the behavior, tastes, and purchasing patterns of customers. Retailers can acquire useful insights from this data by doing an analysis, which enables them to make decisions based on the data, improve their marketing efforts, and locate new business prospects.
- When compared to more conventional forms of advertising, digital marketing is frequently more efficient in terms of cost. Retailers are able to more effectively monitor their return on investment (ROI), optimize their advertising spending, and target specific client demographics thanks to this technology.
- Retailers are able to quickly adjust their practices in response to shifting consumer trends and preferences thanks to digital marketing. Retailers have the ability to react in real time to real-time data, input from customers, and movements in the market, which helps them remain relevant and competitive.
- There is a strong correlation between the expansion of online shopping and the rise of digital marketing. E-commerce websites see an increase in traffic as a direct result of the use of digital marketing tactics such as search engine optimization (SEO) and social media marketing, both of which contribute to the expansion of online sales.
- Retailers can construct and improve their online brand presence through the use of digital marketing, which gives them this opportunity. Retailers may boost brand awareness and recognition among their target audience by maintaining a communications strategy that is consistent and producing content that is engaging.
- Customers are encouraged to provide reviews and feedback via online digital marketing platforms. The reputation of a business can be considerably improved by the use of positive evaluations and social proof, which can also affect the purchasing decisions of future customers.
- Through the use of geolocation-based targeting, which is made possible by digital marketing, businesses are able to provide clients with location-specific offers and promotions. This focused approach has the potential to improve both foot traffic to brick-and-mortar establishments and local sales.

Conclusion

The introduction of digital marketing has brought about a revolution in the retail industry, making it possible for companies to transcend geographical limitations and access a wide market on a global scale. Retailers are able to broaden their consumer base, engage customers on a more personal level, and make more educated decisions by drawing on the insights provided by data when they properly leverage digital marketing methods. In the 21st century, one of the most important things that retail firms can do to ensure their continuous expansion and prosperity is to adopt digital marketing strategies. The literature study draws attention to the significant influence that digital marketing has had on the growth of the retail industry. The use of digital marketing gives merchants the ability to broaden their audience reach, interact with customers on a more personal level, and base educated decisions on the insights provided by data. Customer loyalty can be increased through the use of personalization in digital marketing, and the whole shopping experience can be enhanced through the use of multi-channel commerce. To fully capitalize on the opportunities presented by digital marketing in the retail industry, retailers will need to handle a number of obstacles, including concerns about data privacy and security, as well as increased levels of competition and shifting digital landscapes. Retailers need to be aware of the potential hazards in digital marketing, despite the fact that digital marketing is crucial in the evolution of the retail sector. Retailers are able to utilize the benefits of digital marketing strategies and generate growth in the digital age by taking proactive measures to address the issues that they face and adopting an approach that is customer-centric. In conclusion, digital marketing has a significant and favorable link with the expansion of the retail sector. This correlation is supported by evidence. The retail landscape has been completely revolutionized as a result of its capacity to improve reach, consumer interaction, data-driven decision making, and cost-effectiveness. This has made it possible for retailers to prosper in the digital age and open new potential for growth.

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