

How Consumer Behaviors Shape Digital Marketing

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ABSTRACT

With the rapid development of technology and Internet, the whole world is turning into a new era-digital age. Meanwhile, one of the most critical changes is that digital development creates a great evolution between consumers and enterprises. Consumers are updating their consumption behaviors or habits under the digital environment, digital marketing is adjusted to attract new consumer group by various strategies on different platforms, such as user experience or electronic of mouth. Due to the great changes of consumer behavior, differences is shaped between traditional marketing and digital marketing, especially the pandemic has dramatically accelerated the changes. This paper will focus on the shift of consumer behavior in digital era and previously, and the reasons for such shift.

Keywords: *digital marketing, consumer behavior, automobile, digital communication*

1. INTRODUCTION

When enterprises are creating marketing strategy, consumers' reaction is a significant factor to analyze. Consumer behavior always refers to how people select, buy, use, and dispose ideas, goods, and services. It means the actions of the consumers in the marketplace and the underlying motives for those actions. Consumer behaviors offer an understanding of their expectation for enterprises, and help enterprises know their need better and make a more appropriate marketing strategy. Meanwhile, consumer behavior also provides the direction for companies to adjust their strategy to reach target audience more accurately. Entering the digital era, consumer behavior started to change, which is mainly manifested in the initiative and rationality of consumer shopping behavior, personalization, differentiation, and simplification [1]. In the meantime, the enterprises can develop more personalized marketing strategies to meet various needs of different customers. For instance, through analyzing customers' like and comments on social media, the enterprises could promote their advertisements based on different interest, region, or culture. Thus, consumer behavior and digital marketing interact with each other to some extent.

As we know, digital marketing and consumer behavior have strong mutual influence on each other. However, there is no sufficient research about automobile digital marketing in India. This paper aims to discuss some important factors in consumers' online

decision making process about automobile, then analyzes how digital marketing affect India automobile industry. The researcher used mixed methodology, Wilcoxon Signed Rank, binomial test and chi-square tests, and all the materials provide marketers to professional and sufficient information to know more about not only India automobile digital marketing strategy, but also consumer behaviors' influence, since there is few reports about this item.

2. SHIFTS IN CONSUMERS' BEHAVIORS

Advanced technology, economics, and logistics are forcing the enterprises turn into a consumer-centralized model [2]. Consumers assess products or services by internet more accurately, which have already changed their behaviors when making decisions. According to the KPMG 2017 global online consumer report, it states that although the stages of decision making is still awareness, consideration, conversion, and evaluation, the liner path has changed, consumers move back and forth between stages [3]. When the enterprises are creating digital marketing, they take advantage of the continuity of decision making. For example, when consumers are checking other website after leaving yours, social media will retarget them and lead them to your products and services again. Digital marketing can intervene consumers at any time, and communicate by more personalized way, to promote the engagement rate.

Under the development of the whole society, people tend to satisfy themselves, and they not only care about

price, but also the quality and shopping experience, which means they focus more on themselves. Based on Maslow's hierarchy of needs, when people don't need to consider about the physiological need anymore, they will pursue higher levels, such as self-actualization. Therefore, they also want to satisfy their personal needs which require the enterprises to investigate market and consumer behavior widely to meet various needs.

In digital marketing, the enterprises utilize data to only show the products or services related to consumers, and they will forecast consumers behavior and decision making. Meanwhile, they also can create appropriate situation for customers to stimulate them slightly to buy the products they recommended. There are all kinds of channels to reach customers in digital marketing, which can trigger changes in consumer behavior in different occasions, due to the circular customer journey and innovative technology.

As we all know, 4P is the fundamental in marketing realm, however, many disagree with this theory. It has to consider about the place, price, promotion, and product, which is speculation without authentic consumer data. Comparing with traditional marketing, digital marketing not only deliver the brand's messages, but also consumers' feedback. The entire consumer journey combines reading description and comments, watching videos, or asking question on other platform. Consumers also have opportunities to represent their advice or needs to brands. Thus, the enterprises have to pay more attention to consumers' appeal and strengthen their marketing strategies to directly lead them to checkout.

Digital marketing is inviting consumers to participate in the form of create and share digital contents, start a talk, and provide feedbacks, which make consumers have capability to choose and require the contents that they choose, and control the digital marketing [4]. Meanwhile, consumers are not the passive receivers of marketing contents anymore [5], instead, the brands will let consumers involve into marketing strategy decision, and create more value through their behaviors, thoughts, even words.

3. IMPACT ON DIGITAL MARKETING

In modern days, consumers are likely to be good researchers who have capability to make decision critically when they are purchasing online. Usually, consumers will research the products information and compare with other products, then make the final decision. During the research process, consumers are connecting with various contents from different brands. All the information on the internet may influence consumers' decision journey. In the meantime, the brands could adjust their strategy based on consumers' interaction and build close relationship with them to provide better understanding about the products.

Consumers always look at others' review or comment, when they want to purchase some specific products. It is very common nowadays that consumers have right and ability to project their own opinions on other potential consumers [6]. Especially with the large usage of social media, consumers are willing to share their experience online and communicate with their networks of people. For the brands, every words and sentences related to the company, therefore, more and more company decided to develop digital marketing, especially on social media. Almost every brand has official account and create accurate strategy to aim at various consumers, such as different contents and festival campaigns. Word of mouth is one of the most important factor to influence on consumer behavior, hence, most companies have already put digital marketing in the priority.

In the current society, people will see and deal with a large amount of information every day, and consumers do the same, accepting a lot of different brands and products messages every day. Under the sophisticated circumstances, it is too hard to maintain consumers loyalty. Consumers expect to gain the same products at a lower price or the more value products at the same price. Meanwhile, when consumers are making decisions, they also consider more about the value, promotion, consumer services. Therefore, the brands could brands can take advantage of the convenience of the big data era and present as much brand information to consumers as possible to help improve brand awareness.

In addition, consumers are looking forward to higher quality and more effective services, since they cannot be satisfied under the rapid development of technology. So the brands are facing more complicated marketing circumstances, and the whole industry becomes more competitive. For example, if consumers don't receive the responses from the brands immediately, they will share their negative attitude or words online, which could really damage the brands reputation. Consumers' higher requirements force the brands to develop and adjust their digital marketing, including contents and channels to win out from all competitors.

According to the psychology aspect, consumers are always emotional instead of rational, when they are purchasing or making decisions. In other words, when consumers see something that arouses their desire to buy, they will make an impulse purchases immediately. Digital marketers utilize this phenomenon, impulse purchase, to attract consumers actively through different digital channel, and the brands emphasize promotion, discount, appealing appearance to attract them.

With the penetration of internet and mobile, consumers can access the brands' website and social media account anywhere at any time, and consumers are willing to interact with brands actively and share their

thoughts. If the brands reply them as soon as possible, then they will gain more engagement and increase the sales as well. As a result, the brands have to create special campaigns on digital platform to increase the engagement rate.

More and more consumers are looking for convenience in daily life, and they are more tend to use personalized services or shopping experience, so that the brands chose to use artificial intelligence to demonstrate their products and service to satisfy consumers' different needs, which has higher efficiency than traditional strategy. For example, due to the pandemic, some clothing brands create virtual fitting room for consumers to choose products at home, which not only take advantage of artificial intelligence, but also satisfy consumers' personalized services. Conversely, artificial intelligence also help brands promote the support from consumers, and build the strong and stable relationship with them.

Above all, it is obvious that evolved consumer behaviors have driven digital marketing a lot, and has great impact on different dimensions of the brands and digital marketing. Meanwhile, it also offers digital marketing opportunities to combine with advanced technology, which helps the brands appeal more consumer and maximize their value and profits.

4. CASE STUDY

Automobile industry as one of the largest digital spender, was analyzed deeply in this paper, which mainly demonstrate how digital marketing influence consumer behavior and decision making in India automobile industry. The study utilized mixed methodology, including Wilcoxon Signed Rank, binomial test and chi-square tests, and picked 784 interviewers randomly. According to the author's research, they listed nine hypothesis totally, including consumers' preferred digital channels, the efficiency of digital communication, comparison between traditional and digital marketing, consumers' opinions about digital marketing, the impact of online review on consumers, evaluation in decision-making process, efficacy of digital marketing, where consumers will book car, and consumers' post-purchase experiences sharing. The researchers decided to choose EKB model, since it is simple and comprehensive, then it can explain all the variables which influence on purchase behaviors. In this study, it includes all the communication channels that cars dealerships use, which combines website, social media, mobile phone, YouTube, TV, online forum, and digital outdoors. Table 1 is the scale used for this study. Population proportion approach was used in this study to determine the sample size, based on the different regions, income group, education background, jobs. This study utilized the confidence level, margin of error, and estimated proportions. Finally, they collect 784 data sample from actual and potential buyers from Delhi.

Table 1. Scale used for the study [8]

Stage of CDM	Statement
Need Recognition	DM leads to awareness of buying a car
Search for Information	<ul style="list-style-type: none"> - Have started using DC** more (SF1) - DM offers huge quantity of information (SF2) - DM reduces the time taken in searching (SF3) - DM helps reducing the visits to showroom (SF4) - DM is interactive in nature (SF5) - More relevant information over digital media (SF6) - DM is easy to use (SF7)
Evaluation of Alternatives	<ul style="list-style-type: none"> - Easy to have expert advice over digital channels (EA1) - Customer reviews over DM help in evaluation (EA2) - Feel positive towards the car brand with maximum positive reviews (EA3) - More weight to consensus recommendations (EA4) - Car brands can be easily compared (EA5)
Selection and Purchase	<ul style="list-style-type: none"> - Easy selection of car dealer (SP1) - Easy selection of car brand (SP2) - Intend to join online forums, blogs, SNS of car brands (SP3) - Subscription to newsletters of car brands (SP4) - Participation in online discussions about cars (SP5) - Buying the car on the basis of online information (SP6) - Booking car online (SP7) - Easy availability of Finance (SP8) - Buying decision can be pre-poned (SP9) - Brand considered may be changed after searching online (SP10)
Post-purchase	<ul style="list-style-type: none"> - Feedback about satisfaction/ dissatisfaction (PP1) - Using DC throughout the decision-making process is a good idea (PP2) - Recommendations to friends (PP3)
*DM stands for digital marketing; **DC Stands for digital channel;	

***Measured with one statement only.
Source: Authors' analysis.

The reliability of the scale followed the Cronbach's alpha, which means the minimum value has to be more than 7. Convergent validity is related to a construct of various measures, and has to be supervised by factor loadings and variance extracted. They found that all factor loadings are exceeded the cut-off value of 6 [7], in the meantime, the average variance, is also exceeded

the standard level of 5. Table 2 is the reliability and convergent validity statistics of the scale. In addition, the square root of construct of AVE is higher than the correlation of inter-construct, so that Table 3 demonstrates the discriminant validity statistics of the scale.

Table 2. The reliability and convergent validity statistics of the scale [8]

Construct	Items	Factor Loadings	AVE	Reliability
Search for Information	SF1	0.742	0.549	0.743
	SF2	0.714		
	SF3	0.782		
	SF4	0.716		
	SF5	0.771		
	SF6	0.709		
	SF7	0.752		
Evaluation of Alternatives	EOA1	0.815	0.681	0.797
	EOA2	0.829		
	EOA3	0.798		
	EOA4	0.859		
	EOA5	0.824		
Selection and Purchase	SP1	0.714	0.568	0.791
	SP2	0.729		
	SP3	0.814		
	SP4	0.817		
	SP5	0.708		
	SP6	0.754		
	SP7	0.701		
	SP8	0.810		
	SP9	0.762		
	SP10	0.716		
Post-purchase	PP1	0.742	0.572	0.733
	PP2	0.752		
	PP3	0.774		

Source: Author's analysis

Table 3. The discriminant validity statistics of the scale [8]

	Search for Information(SFI)	Evaluation of Alternatives(EA)	Selection and Purchase(SP)	Post-purchase(PP)
Search for Information(SFI)	0.741			
Evaluation of Alternatives(EA)	0.605	0.825		
Selection and Purchase(SP)	0.527	0.547	0.754	
Post-purchase(PP)	0.389	0.621	0.594	0.756

Note: The diagonal elements in bold are the square roots of AVEs whereas non-diagonal elements are the latent correlatinos.

As the result, 75% interviewers used one digital channels at least when they were purchasing automobiles. Website covers the largest percentage in digital channels, and followed by social media and smartphone [8]. Every stage in decision making was influenced by digital marketing, especially in assessment. In addition to the study, digital marketing can triggers need recognition in high engagement products, such as automobile. Furthermore, consumers held positive attitude toward digital platforms, and they

would check others' comments and share their own opinions on the platform. Nevertheless, the whole journey of decision making preferred digital channels, but they still did not choose to order online.

5. CONCLUSION

In the fast moving world, the enterprise have to adapt changes. Consumer are more willing to participate and engage with the marketing process, and with the

advanced consumers' behaviors, the enterprises are followed to expand their digital channels and create more attractive contents to consumers. Using modern technology to satisfy the increasing demands of consumers. Appealing contents and personalized service will be the priority for digital marketing nowadays. After analyzing the shifts in consumer behavior in digital marketing, the reasons and additional case study, this paper reminds the enterprise the importance of keeping pace with consumers and surrounding circumstances, since it is important for the enterprises to create close relationship with consumers and communicate with them effectively, which can help them win out from the all competitors.

AUTHORS' CONTRIBUTIONS

This paper is independently completed by Jiarui Zhou.

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