

Business and Digitalization

Dr. Shamily Jaggi,

Associate Professor, Mittal School of Business, LPU, Phagwara

Preeti Chopra,

*Research Scholar, Mittal School of Business, LPU, Phagwara &
Assistant Professor, Govt. College for Girls, Ludhiana*

ABSTRACT

In today's era, the technology has brought in spectacular changes in ways products are marketed and their impact on behavior of consumers. It has changed the way people and businesses interact with each other. Times have gone far behind when salesman had to move door-to-door to make a sale. That was something very traditional way of selling. Now, entrepreneurs market their goods in such a way such that they create an urge in people's mind to buy a particular product just by the way it is marketed/advertised. The digital media has made the globe a smaller place to live in. Many areas which were inaccessible by traditional media are now getting the products which were earlier out of reach of natives of such places. Digitalization has expanded the geographical boundaries. Consumers are quite positive to the changing scenario because they are getting better than the earlier experiences brought in by traditional sources. There exist two types of media vis-à-vis traditional media and modern media. Traditional media refers to channels of communication like T.V, print media, radio and magazines. These are quite well known and are well established mediums. On other hand, modern media refers to the digital media that helps in extending the market online. Digital media extends its arms through various apps, social websites, whatsapp groups, blogs, text messages, robotic calls on mobile phones. This paper aims at throwing a light on how the modern/digital media have brought changes in marketing the products and services as compared to traditional ways of media.

Keywords: *Traditional media, modern media, digital media, digitalization, marketing, advertising, consumer behavior*

Introduction

Decades after decades are bringing in changes in the marketing practices in business scenario. Ways of marketing the products and services has changed tremendously over the generations. People are facing better advertising strategies as compared to earlier periods. In the digital age, many new ways have arisen regarding how to attract the consumer. The marketing experts are using digital means to promote their business. In prior times, people use to resist to changes because it may hamper their comfort levels but digitalization has reached to the stage that even the elderly generations are becoming comfortable to it and are less resistant to the changes brought in by modern media.

Consumer Behaviour: When one talks about marketing, Consumer is considered as the King of the Market. The behavior of consumer plays very important role in building strong foundation of any business. Basically, consumer behavior refers to the attitude of present and potential consumers towards particular product/service. It is how the people make decisions about the products they buy or services they take benefit of. It is a critical task to understand consumer behavior to know how potential customers will respond to a new product or service. It also enables entrepreneurs to explore the opportunities that are not currently met by any other rival. Understanding consumer

behavior allowed the pro-active companies to increase their market share by anticipating the shift in consumer wants. There are many factors on which consumer behavior depends largely. Although it is not the exhaustive list but let's have a look at some of them are i) Psychological factors: perceptions, attitude, experience ii) Social Factors: culture, family, peer groups, standard of living conditions and iii) Personal factors: unique habits, gender, age, background, income, education, occupation.

Traditional media: Traditional marketing is known as the roots of advertising and it is also the most common and most popular form of media used. Before digital media came into existence and before internet started holding its roots in the minds of people traditional marketing was done rigorously. Traditional media is understood as the old media which involves many channels of communication like: newspaper, television, radio, books, magazines etc. These methods helped in approaching mass groups spread far away from each other. Traditional media is easily approachable to local media. The message delivered through traditional media sets a long lasting impact on consumers. Traditional media reaches the people where digital media still can't leave its impact.

Pros	Cons
Easy approach to local people	Expensive
Heavy budget of entrepreneur	Tough to measure ROI
Easy to approach targeted market	Immediate feedback not possible
Direct contact with present and potential users	Little possibility of customization because of lesser flexibility to modify
Long lasting impact	Little interaction with customers

Types of Traditional media:

- i) **Print:** It refers to the media where information is presented in printed format like newspapers and magazines. We read more, read longer and subscribe more often to print than digital. The impact laid down by print media is quite effective and stays for a longer time. People find it authentic and it is a dependable mode of marketing,
- ii) **Television & Radio:** These are very familiar modes which attracts people by way of virtual ads displaying the features of products and services in detail so that product can be made familiar to public at large.
- iii) **Business Cards:** Also popularly known as "visiting cards" in older times were quite helpful in introducing an entrepreneur to the public
- iv) **Word of Mouth:** It is non-paid form of advertising where the present/past customers spread the advertisement of product depending upon their experience with the product.

Digital media: Indian government launched digitalization in September 2015 to increase the internet connectivity and make India as a DIGITAL India. In digital age, new media have come into existence at faster pace. New media is also termed as digital media or online media popularly. Digital media aims at connecting people all around the world by a common mode of communication. Digital media focuses on bringing potential customers in near

contact with companies. The objective of digital media is to create awareness of available products and services to the people living in remote areas of world where traditional media can't reach so that sales can be increased. Digital marketing becomes possible only through various electronic modes of communication primarily through internet. More and more people are logging on to internet nowadays for various purposes which enabled the marketer to detect them easily so that they can be made their valuable customers. Online media is growing at fast pace over the decades. Online media finds you, instead of you going out. The reasons for choosing digital media over traditional media:

- i) Targeting larger audience worldwide
- ii) Better and quick feedback of customers
- iii) Resolving customer grievances at the earliest
- iv) Long lasting relations with the customers through e-mails, text messages etc.
- v) Easy measurement of ROI which is not possible in traditional media.
- vi) Lesser marketing budget
- vii) Little risk is involved but chances of greater reward
- viii) Greater flexibility

Types of Digital media: It refers to marketing through internet or through any electronic device which is quite handy, Easy and approachable for the users. Various types of digital media are available. Let's discuss some of them.

- i) **Websites:** Nowadays, sellers make use of websites to promote their products and services. All the information about product and the sellers can be assessed through the customized website by the potential users.
- ii) **Whatsapp:** Whatsapp have gained popularity in the last decade to a great extent. Initially it was used by people for social interactions but now sellers and agents are using the services of whatsapp for their business. People are involved in buying and selling the goods through various active whatsapp groups. The sellers send all the details of goods through personalized messages to grab various customers.
- iii) **Apps:** It is another form of websites which can be easily accessed through mobiles. The entrepreneur can create its own app to provide exclusive marketing services to their past, present and potential customers. Various brand owners like: Dominos, flipkart, lenskart, uber, etc.; various entrepreneurs like: lifestyle, shopper stop, Nykaa, Lakme, etc. have launched their customized apps for the convenience of their customers. The customers can have access to all the products of a particular goods provider, the offers available, the variety available etc. at one place.
- iv) **F-Commerce:** It is nothing but the very popular Facebook-Commerce. It is so-called because nowadays, entrepreneurs are making social networking sites as the platform for marketing themselves as most of the people are actively involved in surfing these websites. So in order to take advantage of internet users, they are approached through various pop-ups and display ads on social sites to grab the attention of surfers and an attempt is made to convert these surfers into their valuable customers.
- v) **E-mails:** The Marketers take the full advantage of the facility available known as e-mail. The e-mail id of customers can be obtained through number of sources (recommendations from acquaintances, social

profiles etc.). Promotional ads can be sent through e-mails in which all the details about products & services are mentioned.

- vi) **Text-messaging:** Text messages are sent to the prospective customers to get their attention. SMS contains very brief information about advertised product/service but further Website links are messaged so that they can peep-in to get more detailed view of seller and its product.

Literature Review

From full price transparency to mobile alerts and social sharing, retail has become much more dependent on technology and social media influences. A retailer that is responsive and forward-looking can delight customers in this new environment by placing emphasis on a seamless digital experience (Sue Yasav). Consumers are now armed with new and established technologies; they are testing the very capability of many 'traditional' businesses to communicate digitally, whether they are at work, at home, abroad or just travelling (Anonymous). Marketing to teens via the internet seems highly viable. A study has highlighted the opportunities available for advertisers in understanding the gratifications teens seek from media and presenting these needs in their websites. It is an exciting time for electronic commerce, and advertisers have many reasons to invest in the newest communication tool for targeting and building relationships with the new generation of teen consumers (Ferle, Edwards and Lee, 2000.) India's youth are ambitious, technology-oriented and confident (Manjeet, 1999). Increasingly wealthy populations of young internet savvy customers are spending more time and money online and in doing so are influencing shopping trends (Sivasankaran, 2017). Shopping on online stores is like shopping through paper catalogue because both involve mail delivery of the purchases and in both cases, the customer cannot touch or feel the product (Spiller and Lohase, 1997). Everything comes with some pros and cons. The optimists argue that digitalisation will accelerate the rate of growth of innovations and pessimists believe that economy is unlikely to benefit from technological progress that is driven by digitalisation (Charles Augustine Abuka).

Research Gap

The literature review revealed that no similar analysis on factors i.e. Impact of Digitalization on exchange of goods & services, Digitalization of actors (retailers, consumers i.e. the parties involved in transaction), Digitalization of settings (i.e. the time & place where transaction takes place) and Digitalization of Offerings (i.e. changing nature of products & services) (Johan Hagberg et al.). has been done keeping in mind Indian respondents. This research paper has made an attempt to know the responses of Indian people about the impact of digitalization on various actors, settings, offerings and exchange of goods & services.

Objectives: The research is conducted in order to attain the following objectives:

- To know the impact of digitalization on exchange of goods & services
- To know the impact of digitalization on various actors
- To know the impact of digitalization on various settings
- To know the impact of digitalization on various offerings

Hypothesis: On the basis of above objectives, certain hypotheses were made.

Ho₁: There is no significant impact of digitalization on exchange of goods & services

Ho₂: There is no significant impact of digitalization on various actors (retailers, consumers)

Ho₃: There is no significant impact of digitalization on various settings (i.e. the time & place where transaction takes place).

Ho₄: There is no significant impact of digitalization on exchange of various offerings (i.e. changing nature of products & services).

Research Methodology: Both sources i.e. primary and secondary data were used to get the desired information. The data is collected from secondary sources which include research papers published in highly ranked journals (scopus indexed or Elsevier or Researchgate etc.). Primary data is also used for getting the fruitful results. A questionnaire was circulated among 200 respondents. The respondents belong to youngsters lying between 19-40 years of age. Out of 200 potential respondents, 163 people gave the response to the questionnaire. The questionnaire was circulated in digital form so that it can reach various respondents. To get information timely and quickly, the digital format was the most suitable format. A questionnaire was framed keeping in mind various factors which need consideration. The various factors on which questionnaire is based are Impact of Digitalization on exchange of goods & services, Digitalization of actors (retailers, consumers i.e. the parties involved in transaction), Digitalization of settings (i.e. the time & place where transaction takes place) and Digitalization of Offerings (i.e. changing nature of products & services) (Johan Hagberg et al.). These factors were discussed by Johan et al. in their research paper which was quite interesting. In order to attain the desired results and information sample of 163 youngsters was taken of Indian origin so that the perceptions and beliefs of Indian population can be understood.

The questionnaire framed and distributed was divided in 5 parts. In the first part, the personal details of the respondents were asked i.e. name, age, domicile, occupation and income. In the second part, they were asked certain questions about the impact of digitalization on exchange of goods & services. In the third part of questionnaire, a series of questions were asked about the impact of digitalization on various actors (retailers, consumers i.e. the parties involved in transaction). In the fourth part, they were examined about the impact of digitalization on various *settings* (i.e. the time & place where transaction takes place). In the fifth part, an attempt was made to know the impact of digitalization on various *offerings* (i.e. changing nature of products & services). To check the impact of digitalization, one sample t test statistical technique was used.

Data analysis and interpretation: The first part contains the personal details of the respondents. On the basis of information received, it can be concluded that 100% respondents belong to Indian origin. Most of the respondents lied in the range of 18-38 years of age i.e. young generation. Youngsters were made part of the study because the use of internet is quite commendable in younger generation and they have greater access to digital media (Sivasankaran, 2017) in present times as compared to earlier decades. The respondents are either students, professors, housewives, entrepreneurs, private jobs or govt. sector which implies that respondents of all types are familiar to digitalization and use digital media in their lifestyle. One sample t test with value $u=3$ is used for hypothesis testing. The second part of the questionnaire consists of four statements about whether digitalization has significant impact on the exchange of goods & services or not. The p value for all statements taken under this category came significant i.e. p value is less than 0.05 which implies that digitalization has a significant impact on the exchange of goods & services. The third part of the questionnaire consists of eight statements about whether digitalization has significant impact on various actors (retailers, consumers i.e. the parties involved in transaction) or not. The p value in all the cases came significant i.e. p value is less than 0.05. It simply implies that digitalization

has a significant impact on the on various actors (retailers, consumers i.e. the parties involved in transaction). The fourth part of the questionnaire consists of six statements that enquire about whether digitalization has significantly affected the settings (i.e. the time & place where transaction takes place) or not. The result shows that p value in all the cases is less than 0.05 which implies that digitalization has also a significant impact on the settings (i.e. the time & place where transaction takes place). The fifth part of the questionnaire which consists of eight statements tries to know whether digitalization has a significant impact on Offerings (i.e. changing nature of products & services) or not. The p value in all the cases (i.e. the statements mentioned above) is less than 0.05 which denotes its significance. It implies that digitalization has a significant impact on the Offerings (i.e. changing nature of products & services).

Conclusion

From the results of the study, it can be concluded that digitalization has brought significant changes in the way business takes place, survives and grows. Digitalization has not only impacted the business structure but also the way people meet, how they communicate, how the nature of goods & services have changed etc. Digitalization has made a successful leap in the current decade over traditional media. For marketers, it is important to create a balance between traditional and digital media. They shall not restrict their medium of transactions to any one single mode. There shall be a harmonious mixture of two mediums because each one has its own importance and practicability.

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Annexure:

Questionnaire

The following questionnaire was framed in form of certain statements on the basis of which the research has been conducted.

This is a survey conducted on the topic “**Digitalization and Consumer behavior**”. There are certain things which have transformed from being traditional to digital with the emergence and extension of technology. Kindly fill the following form to help us in conducting the survey fruitfully.

1. Name
2. Age
3. Domicile
4. Occupation
5. Monthly family income (Rs.)

Kindly give your rating for the following statements in understanding the **Impact of Digitalization on exchange of goods & services** on 5-point rating scale where 5-Strongly Agree,4- Agree, 3- Neutral,2- Disagree,1- Strongly Disagree

S.no.	Statements	Scale				
		5	4	3	2	1
1.	Digitalization has improved relations between consumers and retailers					
2.	Digitalization has improved relations between consumers and consumers					
3.	Digitalization has made price comparisons easy					
4.	Digitalization has improved the level of information about product/service					

Kindly give your rating for the following statements in understanding the **Impact of Digitalization on actors (retailers, consumers i.e. the parties involved in transaction)** on 5-point rating scale where 5-Strongly Agree,4- Agree, 3- Neutral,2- Disagree,1- Strongly Disagree

S.no.	Statements	Scale				
		5	4	3	2	1
1.	There is increased involvement of humans with different objects and digital devices like smart phones, tablets etc.					
2.	There are increased chances of removing barriers to shop from various parts of the world					
3.	The removal of boundaries will improve the entrepreneurial opportunities between far spread producers, retailers, intermediaries and consumers					
4.	Intermediation have increased					
5.	Consumers are using social media for shopping					

6.	The power of consumer has increased					
7.	Consumers helps in creating value for product					
8.	It has improved the relationship between various actors better than traditional method					

Kindly give your rating for the following statements in understanding the **Impact of Digitalization on settings (i.e. the time & place where transaction takes place)** on 5-point rating scale where 5-Strongly Agree,4- Agree, 3- Neutral,2- Disagree,1- Strongly Disagree

S.no.	Statements	Scale				
		5	4	3	2	1
1.	Use of Computers, Smartphones and other gadgets have increased					
2.	Retailing have moved out of fixed stores and have reached to consumers home					
3.	Online stores are supporting and improving the traditional fixed stores to sell their products easily					
4.	Mobile apps and websites have merged physical and digital settings					
4.	Time and Place utility have increased with digitalization					
5.	Physical and digital settings are mutually influenced					
6.	Digitalization has improved the relationship between physical and digital setttings better than traditional method					

Kindly give your rating for the following statements in understanding the **Impact of Digitalization on Offerings (i.e. changing nature of products & services)** on 5-point rating scale where 5-Strongly Agree,4- Agree, 3- Neutral,2- Disagree,1- Strongly Disagree

S.no.	Statements	Scale				
		5	4	3	2	1
1.	Digitalization changed the nature of products from being traditional (manual) to digital					
2.	Because of digitalized products, there market share have expanded					
3.	Digitalization lead to establishment of apps which were available only offline					
4.	Digitalization lead to establishment of markets for the products which were available only online (eg: Lenskart)					
5.	The variety available in physical market is larger					

	than digital/online market					
6.	The pricing strategies can be customised as per requirements of market in physical market					
7.	The pricing strategies can be customised as per requirements of market in digital market					
8.	Customisation of prices and its strategies can be made more frequently in online market as compared to physical market					