



# DIGITAL MARKETING: OPPORTUNITIES AND CHALLENGES FOR BUSINESSES

Aswani Thampi P.R<sup>1</sup>, Dr. Ambeesh Mon.S<sup>2</sup>

<sup>1</sup>Research Scholar, Institute of Management in Kerala, University of Kerala

<sup>2</sup>Assistant Professor, Institute of Management in Kerala, University of Kerala

Correspondences: *Aswani Thampi P.R*, Institute of Management in Kerala, University of Kerala

## ABSTRACT

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*Consumer behavior, preferences and expectations have changed tremendously with the drastic increase in the use of internet during the last few years. This behavioral shifts among the consumers causes an immense impact on marketing scenario as well. The unimaginable growth in online shopping causes the companies across the world to show huge interest in digital marketing. All marketing efforts that use internet or digital technologies come under digital marketing. The emerging developments in digital marketing assist the companies not only to reach their audience but also help to build a strong and better connection with them. The main aim of this paper is to examine the various digital marketing opportunities and challenges businesses are facing in this marketing landscape. The study is descriptive in nature using secondary data from various sources. The findings of the study reveals that digital marketing has become an essential tool among businesses to connect with the current customers and target the prospects. The study helps to identify the opportunities and challenges in digital marketing today so that businesses can develop new strategies to leverage these opportunities and overcome the various challenges to completely adapt to the changing business scenario. The study also has several managerial implications that will help the companies to survive and succeed in the global market competition.*

**KEYWORDS:** *digital marketing, consumer behaviour, marketing strategy, social media*

## INTRODUCTION

In today's world, more and more consumers are buying products online. This has not only affected the digital space, but has affected each and every field related to business. The global market scenario has changed significantly with this massive behavioral shifts among the consumers. The development of digital media and digital platforms has made digital marketing the most potent form of marketing. Digital marketing involves reaching out to potential customers through online platforms like websites, mobile apps, and social media. Many business owners are seriously considering

digital marketing as an effective solution to improve their performance. Digital Marketing has revolutionized the way in which businesses operate. Even a small local business with an online presence can leverage digital marketing to reach a global customer base that matches its target customer group. The new and emerging trends and techniques in the digital marketing arena has created a wide spectrum of opportunities that helps the companies to adapt to the changing market conditions. The present study helps to understand the major opportunities and challenges in digital marketing.

## STATEMENT OF PROBLEM

The drastic increase in the use of internet and the unimaginable growth in online shopping has made digital marketing a leading marketing strategy for all the businesses across the world. But the problem is that all the companies especially small scale businesses are not fully aware of the huge opportunities in digital marketing. Failing to understand the benefits of digital marketing could lessen its impact on a business and ultimately, that can result in missed opportunities for growth. When they understand the main benefits or opportunities of digital marketing, they can be well-positioned to develop a winning strategy and invest strategically in effective digital marketing campaigns. Likewise, it is necessary to understand the challenges digital marketing poses. Digital channels are growing at an exponential rate, and digital marketers need to keep pace with how these channels operate and how they're used by receivers. Marketers must be able to effectively utilize these channels to promote their offerings or services. Attracting the attention of recipients is a challenge, as they are bombarded with competing advertisements. Furthermore, digital marketers struggle to sift through the vast amounts of data they collect and then use that data to inform new marketing initiatives.

## OBJECTIVES

- To identify the digital marketing opportunities & challenges
- To provide solutions to overcome the challenges in digital marketing

## RATIONALE OF THE STUDY

The difficulty of physically going to the market at the present time has made everyone to shop online. This makes it very important for the companies to know how to reach and convert customers online. Digital Marketing is seen by many companies as a way to capture new customers in the present era. With the rising needs for digital marketing services, customers are also looking for new and advanced digital tools and technologies from the company side to get their work done easily. So it is a need of the hour to identify the opportunities and challenges in digital marketing for the companies to completely adapt to the changing business scenario and succeed in the global market competition.

## METHODOLOGY

The study is descriptive in nature. Secondary data collection technique was implemented. The informative data used in this study has been collected from various sources, different websites and published research papers.

## REVIEW OF LITERATURE

Yasmin, Tasneem, and Fatima (2015) noted that digital marketing is the utilization of digital media by marketers to advertise products or services in the marketplace. The primary objective of digital marketing is to draw in potential customers and enable them to engage with the business via digital media. The study looked at several types of digital marketing, their success, and the impact it has on a company's sales.

Sathya (2015) conducted research on the impact of digital marketing and proposed that digital marketing is a broad term that encompasses the promotion of goods or services utilizing digital technology, primarily the internet, but also mobile devices, display advertisements, and other digital media.

Kaushik (2016) observed that the digital marketing is in great demand today and its use is increasing in India. Digital marketing has greater prospects to increase sales, brand recognition & loyalty in effective manner. The paper also suggests that by campaigning through digital marketing, it can help to reduce costs, boost inbound traffic and can rank better in search engines.

Kaushik (2016) observed that the usage digital marketing is rising in India since it offers plenty of opportunities to boost sales, brand awareness & loyalty in an efficient way. The study further states that campaigning via digital marketing can reduce costs, increase inbound traffic, and rank higher in search engines.

Mathur (2016) highlighted the importance of digital marketing in the present day. The study pointed out that the Government of India is taking initiatives like Digital India, which is a whole new way to connect and inform people all over the world. This has gotten the world's attention about the growing trend of digitalization. Even though the Indian scenario is a bit far-fetched, the fact that people are accepting it is a good sign that India is becoming more digital.

Krpic, Milic and Istvanic (2017) attempts to provide an overview of the various digital advertising technologies and techniques, media platforms, and their respective advantages and disadvantages. The study points that, of all the strategies presented, Search Engine Optimization (SEO) is the most effective method of organic customer acquisition. Furthermore, it states that, with the development of modern technology and devices, the most traditional entrepreneurs will be able to accommodate these forms of digitalization.

Verma (2018) explored that businesses can benefit from a variety of digital marketing channels, and the

prevalence of social media platforms is providing digital marketers with new opportunities to acquire customers through digital channels. India is undergoing a significant transition towards digitalization. The study concluded that digital marketing is both economical and has a considerable commercial impact on the business.

Rajaiah et al. (2019) identified digital marketing as one of the cheapest and cost-effective methods of advertising a product, in comparison to other marketing channels. Furthermore, digital marketing has become increasingly influential in influencing people's decisions to buy and sell goods and services online, as well as in the growth of e-commerce. As a result, it is expected that in the coming years, the digital marketing landscape in India and its scope will expand significantly.

Some MSME actors are still reluctant to use digital means because they admit not being able to use the internet properly. In addition, they have limitations in terms of infrastructure which is still inadequate/inappropriate regarding access to internet services. (Santoso, 2020)

Utomo & Susanta (2020) reveals that digital marketing capability had a significant effect on innovation capability, digital marketing capability had a significant effect on marketing performance, and innovation capability had a significant effect on marketing performance. The results of this study are useful for SMEs to improve their digital marketing capabilities.

According to Kumar et al. (2022), the main problems in adopting digital marketing in SMEs are budget, brand awareness, choosing the correct social media, developing a content, generating quality. The main solutions to overcome these problems are having a vision and putting it into action, continuous discovery and assessment of growth potential, customer orientation and readjusting internal capacity to market demands.

## **DIGITAL MARKETING-AN OVERVIEW**

Digital marketing is the promotion of a product or service through digital channels such as Search Engine Optimization (SEO), websites, social media, email and mobile apps. Marketers use different kinds of digital channels to connect and communicate with the current customers, target the prospects who are most likely to buy the product and to endorse their goods, services and brands. Today, digital marketing has become one of the most potent forms of marketing and many businesses have recognized the relative significance of digital marketing in expanding their businesses and promoting marketing through different digital media channels.

Business data platform Statista reported that the global digital advertising expenditure in 2021 reached an impressive 522.5 billion US dollars, demonstrating an upward trend. This figure is projected to continue to rise in the years to come, reaching an estimated 835.82 billion US dollars by the year 2026. Statista also stated that the market size of digital advertising industry across India amounted to around 300 billion Indian rupees in the financial year 2022, up from just 47 billion Indian rupees in financial year 2015. This was expected to go up to around 539 billion rupees by financial year 2024.

There are a number of benefits to companies through digital marketing. Let's have a look at the major benefits.

### ➤ Effective Targeting

Digital marketing enables to identify and target a highly specific audience, and send that audience purely personalized and high-converting marketing messages. Digital marketing helps to conduct the research necessary to identify the buyer persona, refine marketing strategy over time, thereby it is easy to reach the prospects most likely to buy.

### ➤ Cost-effective

Digital marketing is a cost-effective method to develop the business. Digital marketing strategies can help to promote the business and also offers a higher return on investment.

### ➤ Different content types

The ability to use a wide range of content types to express the brand online is another major advantage of digital marketing. This way of marketing enables the creation of full content experiences to increase engagement in customers.

### ➤ Speed

Through digital marketing companies can reach their audience very quickly. The marketers don't need to wait for a long time to know whether a marketing campaign is working as intended.

### ➤ Measurable

Digital marketing allows marketers to get accurate results in real time. This helps to get a comprehensive view of all the metrics related to the company such as impressions, shares, views, clicks, and time on page.

## **DISCUSSION**

### **Digital Marketing- Opportunities**

The increase in digital consumption across the world, caused businesses to look in to digital marketing as a crucial tool in communicating with their new and existing customers. This way of marketing benefits businesses by presenting an opportunity to access the mass market at an affordable price. A targeted audience can be reached in a cost-effective way. A vast number of future opportunities are therefore open for companies

using digital marketing. Here is a list of digital marketing opportunities to businesses in the present day.

➤ Reduce Cost

People are now spending their time more on digital platforms and channels. This causes them to engage more with online ads. Online advertisements are much cheaper and cost-effective than other traditional marketing channels.

➤ Build brand awareness and loyalty

Digital marketing helps the brands not only to spread the word about their products or services, it also helps to spread the company's vision and mission. Considering the difficulties faced by the people in this crisis, many brands have responded with empathy, gives them an opportunity to engage more closely with their customers. These interactions can lead to brand loyalty and build a trust more quickly if executed in a proper way.

➤ Greater engagement

There is an steady increase in engagement across digital platforms. Marketing through digital channels helps the companies to direct the consumers' purchase decisions by providing with enough choices and offering different modes of payments.

➤ Wider Reach

A major shift in consumers' search and purchase behavior has been noticed post the pandemic situation. The customers search in detail about the information and specifications on a product at different websites. Digital marketing helps the business to reach to a wide range of customers globally much more easily.

➤ Analyze competition

Since the competition is highly tough in the business space, it is very necessary for the brands to analyze the competitor's action on time. Digital Marketing helps the brands to analyze the competitors actions and also to respond more quickly and with less cost.

➤ Digital marketing as a profession

The outstanding demands and needs in current market scenario causes companies to hire skilled digital marketers from across the world. Hiring remote talent is increasingly popular nowadays and many entrepreneurs are seeing this as an opportunity in the changing needs of the digital market.

### Digital Marketing Challenges

The last few years were somewhat challenging for businesses due to the uncertainty caused by the Covid-19 pandemic. Companies across the globe have made significant investments in digital and technology innovation as a result of the pandemic.

Here are some of the biggest challenges marketers face in the digital ecosystem today.

➤ Driving relevant audience to the website

Driving the relevant audience to the business websites to turn them into customers is one of the major challenges marketers are facing today. This is because of the serious difficulty in spreading brand awareness in the right target market.

➤ Changing customer journey

Customers are doing online shopping regularly as they are digitally savvy now more than ever. At the same time, they have higher expectations regarding customer experience and are deeply involved in researching, comparing lots of online brands before making final decision. But many businesses that are trying to reach their target audience online focus on the early and late stages of the customer journey.

➤ Targeting the right audience

The number of internet and mobile users are increasing day by day, their needs and expectations are changing almost every second. Therefore identifying and targeting the right audience has become one of the biggest challenges for marketers during the pandemic.

➤ Lead generation via social media

Social media usage and engagement levels has also peaked. Hence many brands have chosen to invest in social medias for lead generation. But the issue is that most marketers are not able to run their engagement into revenue.

➤ Optimizing marketing budgets and maximize ROI

With the shift in market due to the influx of online shoppers, marketers are expected to optimize the marketing budgets and the ROI by increasing investments in building their online presence. Huge investments have to be made on ROI generating tools such as SEO, programmatic advertising, conversational marketing etc to best suit the changing markets' needs.

➤ Staying up with the changing digital trends

The digital marketing trends and techniques have changed drastically over the last few years due to the fluctuating market conditions. Therefore, the marketers should have to stay up-to-date with all these changing trends.

➤ Increasing security risks

The customers are now purchasing products from different e-commerce websites through mobile phones. Various e-payment methods such as debit cards, credit cards, internet banking, mobile wallet are also experiencing a rapid growth during the pandemic. Since more information is shared

online, hackers get more ways to get through security. So security comes as a serious challenge when coming to digital marketing.

➤ **Updating content**

There is continuous shifts in consumers' ways of lives and perspectives .So brands have to update their content to ensure that their message remains relevant to the changing lifestyle conditions and mindsets. The marketers should have an understanding of what makes compelling content and how to communicate in new and exciting ways since content is a powerful engagement tool nowadays.

## CONCLUSION

The digital marketing industry has seen a tremendous boost during the last few years as the people shifted to digital medium more than ever. The companies recognize the power of digital tools and technologies and considering the digital marketing as an essential tool for implementing their marketing strategies. However there are challenges regarding the implementation and administration of digital marketing tools and techniques. But there lies immense opportunities in digital marketing, along with the challenges. The success lies to what extent the challenges are overcome by effectively utilizing the opportunities . The behavioural shifts among consumers has in turn opened doors for digital marketing and paved the way for its future development.

## MANAGERIAL IMPLICATIONS

Business owners increasingly depend on digital marketing to promote their business, but the fact is that most of them donot have much idea on how to optimize their digital platforms and it seem to be so much hard for them to create a digital marketing strategy amid the fluctuating market conditions. This study has several managerial contributions to digital marketing that can help organizations to thrive. Managers need to have a comprehensive understanding of their goals, target audiences and available resources, thereby they can manage the digital marketing budget successfully .Managers need to include social media mainly in the digital marketing strategies, and in order to gain traction among the social media groups , post high quality content with the help of content marketing strategies. This will help to reinforce the products and services' value. Always maintain a dedicated team that regularly monitors social media pages and strive to increase response time as much as possible. Management should invest more in PPC advertising to generate more sales and customers . As people stuck at home and are spending more time on the internet and social media these kinds of ads quickly help to reach potential

customers by increasing visibility and awareness. Continuous monitoring and analysis of market dynamics are necessary to meet the evolving expectations of consumers. Managers need to emphasize on realigning their digital efforts to the changing customer expectations. Managers should focus more on technology as the rapid shift to digital can cause potential troubles spots. They have to carefully consider various factors such as data security, scalability, usability etc. Necessary steps must be taken from the management side to train and hire advanced digital, data science and analytical skills. To get maximum impact tailor the messages in such a way that their empathetic face needs to shine through in business's messaging. Management should invest more in PPC advertising to generate more sales and customers . As people stuck at home and are spending more time on the internet and social media these kinds of ads quickly help to reach potential customers by increasing visibility and awareness.

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