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# EFFECT OF DIGITAL MARKETING ON INDIAN CONSUMER BEHAVIOR-A STUDY OF TOURISM SECTOR

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### ABSTRACT

*Online travel agencies are on an exponential growth curve. The new innovative trends, travel schemes and the disposable income with people these days is giving a boost to this industry. People are shifting to online booking from the traditional ticketing feature for almost all sorts of journey. Consumers have now tasted the advantages and benefits of online booking, thus giving ample opportunities to scale up and grow. The research focuses on understanding how travel brands and customers are at present drawing in with digital channels, indicate how organizations could enhance their utilization of these powerful tools, and to investigate the effectiveness of digital marketing in reaching out to customers. The major objectives of the research are to understand the scope of digital marketing, to explore the coverage of online advertisements by online travel companies and to understand the awareness and preference of frequent travelers of online travel companies in India. After an in-depth research by reviewing literature on the same, the study was conducted which included both primary data collection using questionnaire, followed by data analysis using SPSS. Some of the findings show that companies must focus continuously on their digital marketing strategies as they have huge impact on customers. Companies must focus on personalized offer as they are the most effective. Customers are price sensitive while making online purchase and they seek more options for service. Companies must put their efforts in customer engagement and retention. Through arrival of digital marketing, people search more for travel information online and this makes online travel sector huge.*

**KEYWORDS:** Consumers, digital media, internet users, advertisements, Online travel

### INTRODUCTION

In 2013, digital media surpassed TV in the measure of time individual viewer spent utilizing it. There hasn't been a move that seismic since TV surpassed radio over 40 years back.

These are progressive times as world is changing at a great pace. Social collaboration got digitized as long back as the late 1970s, when the first internet bulletin showed up. Also, the first online advertisements came at mid-1990s. From these different roots, the current pattern of advertising over digitized channels has had years to develop.

In terms of social media including easily recognized names like Twitter, Facebook, Pinterest, Google+, LinkedIn, YouTube, and Instagram and in addition more specific channels, still these are needed to be advanced as they are not sufficiently developed.

Today, how a purchaser can look over digital channels is broadly, wide and travel stays a standout amongst the most prominent portals. In a recent study, it was mentioned that Facebook charged of 10,500 online networking users in twelve nations, "holidays and vacations" was the third most prominent point respondents report seeing posts on Facebook.

Purchasers are affected by online networking in diverse routes all through the vacation process. They utilize particular channels before they travel, others while they're on the way, and few others after they return home.

When somebody is arranging a trip, digital channels start as a wellspring of motivation. As the motivation comes to fruition, those channels get to be trip arranging and booking tool. A few individuals spend a great deal of pre-vacation time on the web, from fantasizing through past pictures and through shopping and booking. As they go through websites, they get lot of information regarding everything.

Most organizations in the travel industry have grasped online media to some degree, yet they haven't showed proper utilization of digitized channels. Organizations' greatest issue is that they've attempted to socialize as customers do. For customers, these channels are social. For organizations, they must be all business. That implies identifying the points where their advertisements converge with the customers' way of usage of these channels i.e. ways that are social as well as unique as compared to how they utilize TV, radio, or print.

## LITERATURE REVIEW

Xavier Dreze and Francois Xavier Hussherr (2003) explain about internet advertising through "Click through Rates". Click through rates are still the true measure of Internet marketing effectiveness. Sadly, clicking rates have plunged. This decay prompts few discriminating questions: why do banner promotions appear to be incapable; what can publicists do to enhance their effectiveness? To address these questions, they used an eye-GPS system to examine online surfers that how they consider different online advertisements. And for this they conducted survey of internet users' review, acknowledgment, and attention to banner promoting.

They explored that the motivation behind why click through rates are low is that surfers really abstain from taking a look at banner promotions during their internet browsing and surfing. This suggests that the surfers take a look at banner ads but they are not attentive. Clicking through rate cannot be a good tool to analyze the effectiveness of banner ads. Their research additionally shows that banner advertisements have an effect on customary memory-based measure of adequacy. Therefore, they assert that advertisers ought to depend more on traditional brand value measures, for example, brand awareness and recall of adverts. Utilizing such measures, they showed that brand awareness, recall and recognition take place through repetition of advertisements i.e. frequency.

Abdulkadir Efendioglu and Fabiola Igna, Lulea University of Technology explains about online marketing tools. Consumer behavior online has changed and online users have turned into all-intense, because of substantial numbers of options customers have. They go through a large number of websites and portals but they purchase from one or two. Additionally, the new social customer utilizes the web to get associated with company and get proper information. Subsequently, internet acts as a middle person between customer and organization. As of now, it is recognized as an essential advertising channel, competing with the conventional ones, for example, TV, Magazines, and Radio. Web gives distinctive methods for online interchanges with diverse specialized tools and devices that need a superior judgment of their impact on customer's mind. The motivation behind this theory is to give a proper understanding of effectiveness of each online marketing tool. A blend of subjective and quantitative strategy and questionnaire was used as method to research. The discoveries of this study demonstrated that users know consciously about internet advertising exercises.

The effectiveness of the online advertisement specialized tools are affected by the characteristics towards these tools. These devices are effective in driving positive results and pulling in new customers to the site if implemented accurately. Trust is one of the important factors in online advertisement and it must be interesting enough to spend time on that.

Michael Rogers, author and founder of [affiliatemarketraining.com](http://affiliatemarketraining.com) (2015) talked about digital marketing in travel industry. The Internet's ascent and the progressing development of digital advertising have a significant impact on the tourism business to a large degree. Digital marketing is the most essential tool for any travel and tourism business. In the meantime, organizations need to understand that they have far less control than at any other time in the history, since customer can get information and interact with organizations online and can process their purchase too.

The internet advertising is much more open and reasonable than it once was, especially to little organizations that don't have the skill or the trusts to pay for advanced Web advancement and marketing. The Internet is an essential and important part not just during the arranging phase of holiday abroad, additionally during the holiday itself and even after that. Organizations need to have online groups keeping in mind the end goal to pull in more clients. At last, success and achievements can only be perceived through proper plan of action through which the travel organizations market themselves. By contacting the right target audience and assuring them to provide best services online, once can develop trust and interest among customers and this is the biggest success factor. The focus should be on proper service and management, to exploit needs of target audience and providing more than what they need.

Jeffrey Parsons, Katherine Gallagher and K. Dale Foster (2000) have published the article entitled "Messages in the Medium: An Experimental Investigation of Web Advertising Effectiveness and Attitudes toward web Content". This paper reports an experiment that inspects the effect of advertisement format, medium (print or web) and Web content structure on a board scope of measures of advertising effectiveness and assessment of Web content. The outcomes demonstrate that advertising adequacy is consistent over advertising mediums and web content structures. Also, assessment of content was observed to be unaffected by medium or Web content structures. The discoveries regarding internet marketing effectiveness recommend that marketers should consider advertising on the digital platform. Despite the low navigate rate, web advertisement is compelling and alarming at a high rate. In addition, advertisers should not have to be worried about assessing the intelligence of Web Sites in which they promote, but they must concentrate more on how to present the objectives to make company more recognizable. From a Web content providers' perspective, the evaluation of effectiveness of advertisements in this study may be important to persuade potential advertisers and marketers to take part in Web Advertising.

Author	Topic	Journal	Keywords
Xavier Dreze, Fracois Xavier Hussherr, (2003)	Internet Advertising is anybody watching	Journal of Interactive Marketing	Internet advertising through click rates
Deighton, J. and Patrick, B., (2000)	Digital Marketing Communication	Future Media Working Paper	Customer engagement using internet
Jeffrey Parsons, Katherine Gallagher and K. Dale Foster (2000)	Messages in the Medium: An Experimental Investigation of Web Advertising Effectiveness and Attitudes toward web Content	IEEE	web content, online adequacy
Godfrey, P., (2009)	Digital Marketing: Strategies for Online Success	New Holland, Research Gate	customer empowerment, customization, co-creation
Abdulkadir Efendioglu, Fabiola Igna, (2009)	Attracting Customers Online Effectiveness of Online Marketing Tools	Luleå University of Technology	Online customer behavior, effectiveness

## METHODOLOGY

To study and address various issues identified with Digital Marketing and its consequences for customers, the research is majorly directed by gathering primary information that is consolidated with secondary information and together, both can be analyzed. Primary information has been gathered specifically from customers by giving them illustrations of Digital Marketing endeavors made by organizations like goibibo.com, makemytrip.com, cleartrip.com, yatra.com and so on and taking their feeling on the same. A questionnaire with questions that can help in recognizing the behavior of customer after being exposed to Digital Marketing and conducted a survey keeping in mind the end goal to see how a customer would respond when put in such a circumstance.

Effectiveness of Digital Marketing is difficult to assess, so the past patterns of the organizations have been analyzed: i.e. what has happened to the organizations that have enjoyed Digital Marketing in the past and what impact it had on their current customers.

This is done by collecting data from these two sources:  
Primary information using survey assessment.

Secondary information i.e. past patterns and records, changes experienced after Digital Marketing endeavors by organizations and so on.

### Sample Details:

*Step 1: Target population*

(i) Sample Elements: People between the age group of 18-40 years

(ii) Extent: Internet (email and social media) was used to get online responses from people across India.

*Step 2: Sampling unit:* Students, working individuals.

*Step 3: Sampling method:* Non-probability convenience sampling was used to collect the data.

*Step 4: Sample size:* A sample of 73 travel customers were approached for the survey using questionnaire was taken out and has been used in the analysis.

**Data Analysis:** Based on the data researched, the data analysis is done by using parametric and non-parametric tools. Method of Data Analysis:

The Statistical program used is SPSS. **SPSS Statistics** is a software package used for statistical analysis. The software name stands for **Statistical Package for the Social Sciences (SPSS)**.

Cross tabulation is done to compare two variables which are into different categories to get joint frequency. Cross tabulation is a statistical tool that is used to analyze categorical data. Categorical data is data or variables that are separated into different categories that are mutually exclusive from one another. Chi square test is done.

Descriptive analysis tool is used to get mean and standard deviation. Descriptive analysis is used to describe the survey data in numbers. It helped to summarize the sample and learn about the population.

Six factors considered for making online purchase decisions are review and ratings, discounts, price, time & availability, service & amenities and brand.

Thirteen factors that were used to rank the online companies are ease of signing up, ease of searching, user-friendliness, speed of data processing, number of visible users, accuracy of data, ease of transaction, ease of subscribing & unsubscribing, responsiveness, customized offers, brand image and privacy & security. For ranking of these companies, the one which has maximum score in highest number of parameters is ranked one.

Nine Factors that influence customers to try out a new brand are recommendation from friends, personalised offer, positive media coverage, loyalty programme, high ranking search result, social media marketing, email marketing and customer engagement. Parameter whose mean rating is maximum is the most important.

## ANALYSIS

Five different hypothesis testing was done to cover different aspects of the research work. These five hypothesis were as follows:

H1: There exists a significance relation between gender and searching online for making travel decisions.

H2: There exists a significance relation between gender and frequency of traveling.

H3: Male customers arrange travel arrangements by themselves in comparison with female customers.

H4: There is a significant relation between household income pattern and factors which influence them to make purchase decision.

H5: There is a significant relation between gender and factors influencing trying new brand.

## For H1:

		Gender	
		Female	Male
How often do you search online for making travel decisions	Every time	13	17
	Mostly	5	9
	Never	1	1
	Rarely	3	2
	Sometimes	12	10
Total		34	39

## Chi-Square Tests

	Value	Degree of freedom	*Asymp. Sig. (2-sided) Chi Sq Value- p-value
Pearson Chi-Square	1.724 <sup>a</sup>	4	.786
Likelihood Ratio	1.735	4	.784
N of Valid Cases	73		

\*Asymptotic Significance ref to using both tails, info of p-Value, which indicates the probability that our results can be attributed to sampling error.

H1 rejected: there is no a significance relation between gender and searching online for making travel decisions.

Similarly, other hypothesis results were as follows:

H2 rejected. There exists no significance relation between gender and frequency of traveling. But through cross tabulation it can be seen that male customers are frequent travelers than female customers.

H3 accepted. Male customers arrange travel arrangements by themselves in comparison with female customers. About 72% of male arrange travel by themselves while for female its just 26 %.

H4 rejected. There is no a significant relation between household income pattern and any of the factors which influence them to make purchase decision.

H5 rejected. There is no significant relation between gender and factors influencing trying new brand.

## FINDINGS

1. There are huge followers of makemytrip.com i.e. 62.2 % followed by goibibo.com i.e. 22.5%
2. Most important factor which people consider is price and then service and amenities. It can be inferred that people are price sensitive while making purchase decision online.
3. Around 52 % people do booking by their own
4. Around 60 % people mostly search online for their travel decisions.

5. People who make online purchase look for low price and high quality service. Around 75 % consider price as influencing factor followed by service.
6. People want more personal offers and discount and customized service. 71 % people consider personalized offer attracts them to try new brand followed by discounts and customized services.
7. There exists no significance relation between gender and searching online for making travel decisions.
8. There exists no significance relation between gender and frequency of traveling.
9. Male customers arrange travel arrangements by themselves in comparison with female customers.
10. There is no significant relation between household income pattern and factors which influence them to make purchase decision.
11. There is no significant relation between gender and factors influencing trying new brand.
12. People who seek for online information for travel purchase every time are more influenced by marketing factors than people who do not.
13. Overall there is huge impact of digital marketing on customers and companies as every factor is influential while making purchase decision.

## CONCLUSION

These brands studied here have distinctive yet similar communication strategy. Overall industry may grow, but some of the individual brands are still newbies to digital media as well as the communication plan. At the same time Goibibo has evolved in the approach and innovated in their activities

on digital platforms. Makemytrip.com is the oldest player in India. Yatra has been phenomenal in their social media activities and are masters in engaging with the audience. Overall the online travel sector has a vast scope of the experiment and introduces new technology and variety in their communication plan. It is good to experience that some brands are utilizing facebook and Twitter as a platform to establish a solid customer relationship management system and the remaining have immense potential to adapt to it. After all this, industry being lively and energetic, is still not leveraging the various benefits of social media platforms. There is a huge opportunity for all the brands studied here to get set and rolling.

Overall, the sector tries to incorporate different types of content strategies and most of them work pretty well for the respective brands but still there lies an enormous scope wherein these brands can develop some innovative and engaging content to reach out to potential customers and push them through the purchase decision cycle.

### RECOMMENDATIONS

The online travel agents sector is widely scattered in every aspect. The Key challenge for any e-commerce retailer nowadays is customer engagement as only this propels the brand to break through the clutter and become the preferred choice for using an agent. They must engage with customers digitally, as it's the best way to interact.

Another important metric for Online Travel Agencies is customer retention. The problem here is that brands' interactions with these customers is very low and the response system too is also average, a delay in entertaining queries and redressing grievance may act fatal for the brand, especially when someone is shelling out precious time, money, energy and has instilled trust in a brand's offerings and promises. The sector demands enthusiasm, quick responses and a sound customer relationship management in place. They must handle their queries quickly and response in real time.

Customer now demands customized and personalized offers, very few offers are in that line. Companies must focus on these also.

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