

The impact of Digital Marketing on Millennials: Indian Scenario

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Abstract

The use of technology in marketing has played a vital role in revolutionizing the traditional approach. Companies are spending a significant amount of budget to have a digital relationship with customers. Millennials are the individuals born between 1980 to 2000. More than 440 million people in India are millennials i.e. around 33percentage population of the country. Since the number of millennials using online platforms like Instagram, Facebook, Snapchat, Reddit and other social media sites is increasing as well as the availability of cheap internet in India has fuelled the consumption of internet. More than 50percentage of the internet-using population in India is millennials. Hence, the strategy to attract this segment is mostly digital. The direct impact of the digital approach can be seen by the buying pattern of millennials of India. Millennials spend 54.1 percentage of their disposable income primarily on entertainment, apparels and accessories which is mostly promoted using Digital Marketing channels. In this research, the author has chosen multiple themes to analyse the impact of the digital approach of marketing on the millennials. The outcome of this study showed that traditional methods still have a while before they go off the shelf and digital methods are establishing their stronghold in the market but a phygital approach can be way better than using a single approach.

Keywords: Millennials, Digital, Digital Marketing, Traditional Marketing, Social media

1 Introduction:

The rapid increase in the internet using population India from 400 million in 2017 to 650 million users in 2020 and 330 million internet-connected smartphones in 2017 to 500 million internet-connected smartphone users in 2020 as per Digital classifieds in 2020, KPMG/Google report there has been a paradigm shift from traditional marketing [29] strategies to digital marketing [28] strategies in India. Today the world's population has grown to more than 7,700,000,000 out of which 71 million was born between 1980-2000 which are known as gen y or millennials [4]. India has a population of 1,38,00,04,000 [1] out of which more than 42,60,00,000 [5] is the population of people born between 1980 to 2000 which is more than 30percentage of the Indian population. This makes them an important subject of study. According to a report, the average internet consumption of the internet using mobile phones was 3.45 hours. Minutes and using computers and tablets were 3hours 37minutes [3] for the age group between 25 to 34 per day. Since this huge chunk of the population consumes the internet at such high quantity, they become a huge target audience for companies to market their products and services. Marketing budget estimates around 10percentage-12percentage of the company's revenue [16]. Out of this budget, 73.2percentage is spent on digital channels like websites, digital commerce, mobile marketing, social marketing, digital advertising, email marketing, SEO, SEM etc. This shows the move of companies towards a digital marketing approach. The main target of digital marketing is digital ads which are mostly shown on social media sites, search results of google, bling, or in the form of banners in social media apps the number of users on these platforms have increased dramatically since the inception of 4G in India. Worldwide stats support this as the number of Facebook users has increased to 2.4 billion out of

which 260 million are from India [6] [15], the Instagram user base has become 1 billion out of which 80 million are Indians [7], LinkedIn has 675 million users out of which more than 64 million are from India [8], YouTube has reached to more than 2 billion users [9]. Digital Marketing is “The use of digital technology, including web and multimedia and processes in the development, distribution, and promotion of products and services. Digital technologies include Internet media such as websites and email as well as other digital media such as wireless or mobile and media for delivering digital television, both cable and satellite.” [13]. Since the number of millennials using online platforms like Instagram, Facebook, Snapchat, WhatsApp and other social networking sites is increasing as well as the availability of cheap internet in India has fuelled the consumption of internet more than 50 percentage of the internet-using population in India is millennials [11] hence the digital marketing is on the rise. The benefits of traditional marketing cannot be neglected like ease to reach the local target audience, ease of understanding the context of the ad, Ease to store the hard copies of the material. The benefit of hard copies against digital media is also highlighted by a study conducted by True Impact a neuromarketing firm based in Canada. All these benefits come with a drawback like one-way communication with customers/consumers and late response time of strategy.

The main objective of this paper is to study the connection of millennials in India with digital marketing and its penetration in the same customer segment while using the traditional as benchmarks. Most of the literature available online deals with either Digital marketing’s impact on the audience in general or the increase in the percentage of millennials in the working population percentage but a direct link between millennials buying behaviour due to digital marketing is missing. The research tries to bridge this gap. The research goes from the literature responsible for intriguing the author to analyse these methodologies and realising their importance, to data collection by survey and the demographics of the candidates have been shown after that the quantization of the data is explained by a table. Followed by results of each theme and sub-theme wise and in the last conclusions and limitations of the research have been explained.

2 Literature Review:

The rise of digital empowerment of the consumers and their engagement on social media sites has been well explained by Maria Teresa Pinheiro Melo Borges Tiago, Jose´ Manuel Cristovaõ Verissimo in their study “Digital marketing and social media: Why bother?” [34]. It mentions that companies need to increase their social media presence as it is the new turf for marketing. The paper highlights the pressure on companies arising due to the digital presence of competitive firms of the same industries. It acknowledges the fact that data is worth investing in as it shows instances from anecdotes of various marketing directors where they talk about customer relations and supplier handling based on the data collection and analysis. It also mentions the investment details by the percentage of expenditure in the digital domain, the importance of customer engagement on social media platforms and managerial impacts of digital marketing.

The arrival of digitalization in the field of marketing by highlighting its fast adoption not only by large scale industries but also by small scale industries is well portrayed by Loredana PATRUTIU BALTES in paper named “Content marketing - the fundamental tool of digital marketing” [35]. It portrays content marketing as one of the best tools for marketing. After making the reader acquainted with the definition it throws light on the history of content marketing. Objectives of content marketing like brand awareness, lead generation, product beta testing have been explained. Then 9 key areas for strategic planning for content marketing are explained. To analyse the effect of a content marketing campaign metrics have been given. The increase of B2B markets adoption of content marketing is shown by the help of secondary data.

The traditional marketing approach has not yet become redundant and a marketing mix of digital and

traditional strategies adoption is required as explained by Raluca Dania TODOR in “Blending traditional and digital marketing” [32]. Advantages of digital marketing like cost-effectiveness, bi-directional interaction between customers and company, customers and customers, ease of use for MSMEs, increase in the target audience, mass customization and personalisation of the campaign and duration and measurability of the campaign are highlighted. The research does not talk in one single direction, so it highlights the disadvantage of digital mode like availability of fast internet in remote areas, absence of touch and feel, the problem with the delivery and payment services etc. is also highlighted. KPIs for the digital marketing has also been talked about and 4 major factors are mentioned which overlap with the points mentioned in “Content marketing - the fundamental tool of digital marketing” by Loredana PATRUTIU BALTES increasing the credibility of the themes. Then paper moves on to explain advantages and disadvantages of traditional marketing which are opposite to that of digital marketing by explaining this the author can make the reader realise that a balanced strategy is required which can overcome the disadvantages of both the strategies as this will not only increase the reach but also will help to add sets of different customer segments in the same campaign.

The segments where Indian consumers are spending online in an empirical manner are mentioned in “A study of Indian online consumers and their buying behaviour” [36] by Ankur Kumar Rastogi. This research shows the awareness of online shopping among Indian masses. The research provides insights into buying behaviour in the Indian context. This research also confirms that the online shopping future in India is very radiant. Online buying behaviour has been quantified as 46percentage of the audience of this research purchased 2-5 times online per year. Online research about a new purchase in India has reached a significant height as all the respondents were going for online search before buying any product even if the purchase was made in brick and mortar stores. The high spread of word of mouth by satisfied customers is very evident from the results of this research.

3 Data And Methodology:

In this research paper, the author chose 30 millennials from different socio-economic backgrounds for the collection of data at their premises. An imperative approach was used to analyse the interviews. The socio-economic background was defined based on family income, occupations and education. So it is based on primary data. Further, trimming was done based on the availability of the candidates for interviews in-person which took 60 minutes(average), maximum time taken was 94 minutes and the minimum was 42 minutes. Face to face method was chosen as it helped in asking follow-up questions and reducing the chances of misinterpretation. Not only these two major factors but also the problem of huge questionnaire circulation in the form of an online survey causing the audience to lose interest was overcome by this method. The attributes were part of 2 major themes- Traditional approach and digital approach of marketing. The traditional approach has 3 sub-themes that are paid traditional ads (TV, cinema etc.), print ads and billboards whereas digital marketing was subdivided into 8 sub-themes naming e-mail marketing, SEO/SEM, online PR, Pay-per-Click, product placement, referral marketing and content marketing. Answers to questions were analysed by the panel of 4 experts who were well acquainted by the field of business management, engineering, hospitality to have a holistic approach towards these answers.

The flow of the research was achieved by structuring the questionnaire by the author based on the factors that were common in the literature review by the author then trimming the questions based on a first telephonic survey of 50 candidates then conducting in-person face to face interviews of millennials in India chosen using RANDBETWEEN (1,50) and then selecting first 35 entries. 5 extra entries were kept avoiding inconvenience due to unavailability of the candidates for in-person interviews.

A. Demographic profile of respondents:

Table 1. Gender classification of the respondents

Gender	No. of Respondents
Male	16
Female	14

Gender ratio of India i.e. (Number of females/ Number of males) is 0.943 as per 2011 census and the ratio of female respondents by male respondents was 0.875 which is like demographic distribution of India. This helps to convert the interview opinions as countrywide results.

Table 2. Income distribution of the respondents

Income in INR. (₹)	No. of Respondents
Below 5 lakhs	7
5 lakhs - 10 lakhs	10
10 lakhs - 20 lakhs	8
20 lakhs & Above	5

A major segment of the respondents i.e. 60percentage have income between 5 lakhs to 20 lakhs. 4 out of 7 respondents under 5 lakhs were females and 2 out of 5 respondents above 20 lakhs income were females.

Table 3. Qualification break up of respondents

Highest Qualification	No. of Respondents
High School	8
Diploma	5
Bachelors	12
Masters	4
Doctorate	1

High School passed out were predominantly males i.e. 7/8 were males. The doctorate was a female respondent.

4 Results:

A. Traditional Methods

1) Paid Traditional Motion Ads: This theme of Traditional ads has still not become redundant for a millennial audience as even though the TV watching hours have reduced amongst them still the movie watching in cinema halls is a trend in this audience. Companies Targeting this segment of the audience can change their structure of advertising from TV to cinema halls as this will increase their impact on the target audience. Out of the 30 interviewed candidate's average TV, watching hours was more than 12 hours a week and movie-going was thrice a month which makes it evident that this segment still has an impact on the target audience [18].

2) Print Ads: Next theme of traditional ads in this paper is Print ads the newspaper reading habit as per the interviews has not become redundant but magazine subscription and reading is on the downfall. Also, the Culture of newspaper clippings storage in physical form has become redundant as all of them

prefer to search for information online instead of storing it for future use.

3) Billboards: The largest hit in the traditional segment was taken by billboards as the millennial audience considered these methods as unessential. Billboards are a huge investment by the companies a rational change in their way of presentation may lead to increase attention-grabbing of millennials and if that is not possible then the change in target audience may lead to higher customer conversion rate [19]. The only attribute that was catching the attention of millennials was the discounts in the form of price slashes and the presence of famous personalities [17].

B. Digital Methods

1) Content Marketing [20]: More than 90percentage of the interviewed audience is reading blogs, articles etc. and getting influenced by them as they buy products and services endorsed in those articles, blogs etc. making this an appropriate approach for the companies trying to market their products to the age group of 20-40. More than 75percentage of the interviewed candidates have shown a positive response to this theme.

2) Email Marketing [21]: This strategy has shown a mixed result as the answers varied a lot but the tendency to buy a product after coming to know about it on e-mail was a supporting event for this strategy for purchase after the acquaintance. Most of the respondents acknowledged that they try to put the advertising e-mails to junk as they find them annoying or the email provider has default filters to route these emails to spam/junk mail.

3) Search Engine Optimization [22] / Search Engine Marketing [23]: Search engine optimization is one of the most economic tools for marketing in the digital space. Not only it is cheap but also it provides the best results as per the results of the interviews. 70percentage of the interviewed audience has felt its impact as not only they tend to click on the first link they see for the search query but also their opinions are made according to these results. 70percentage of them are highly unlikely to go to the second page of the search result page and found the results on the first page of their search. Means if a website is SEO optimised there is a high chance of customer/consumer conversion. SEM the paid version of SEO where paid ads are shown is better than SEO as these ads get to be on the top of the results but there is a hindrance to SEM i.e. more than 73percentage of the interviewed audience was found to be using some kind of AdBlock in their Laptops/PCs which prevents search engine from showing ads on the results page. But the trend was not the same in mobiles [30] /tablets 90percentage of the candidates choose to google chrome/ google app for their search where simple ad blocks are not available, and SEM made a lot of impacts.

4) Referral Marketing [24]: The interviewed audience used referral system and if a reward was involved in that the chances of asking others to sign up for a product or service increase but if the factor of reward points or incentives is added the chances of sending referral was acknowledged to increase. Referrals work both ways according to the results as people themselves send referrals and even ask for referrals if a significant reward is involved. Referrals also help companies to keep a check on loyal customers trust in the company.

5) Product Placement[25]: More than 90percentage of the interviewed candidates watch content on online streaming sites where we can see a high amount of merchandising or product placement. During the time from 2014-2019, the number of Indian web series on YouTube increased significantly. The launch of Netflix and Amazon Prime in India in 2016 and Indian series launch in 2018 named “Sacred Games” by Netflix and “Inside Edge” by Amazon Prime in 2017 the India based content on these global platforms in increasing. This gives a better opportunity for companies for advertising using merchandising method. Not only in these web series and platform only movies but music videos on

YouTube has shown many examples of merchandising. The identification of brands and their products was also very high amongst the respondents. Millennials have also shown an affinity towards buying these products and brands featured in these videos. Also, an insight from interviews was around 30percentage of millennials were using limited edition products that were specific to a movie or a music video star.

6) Pay-Per-Click [26]: As we have already seen the increase of Indians on social networking platform and India occupying 1st or 2nd slot in the user base of various social networking sites. Pay per click strategy has also been on the rise whole set of respondents was aware of this strategy and have used it in their social media span.

7) Online PR [27]: Millennials are following a lot of social media influencers on social media sites and product endorsement by these influencers under the name of collaboration is also on the rise [31]. YouTube influencer and content creator Bhuvan Bam from India has more than 10 million subscribers and is the brand ambassador of Arctic Fox, Lenskart, Mivi and many more. He can be seen endorsing products of these brands on his channel which gives the reach of these products a heavy push[14]. Similarly, to understand the impact of Indians on these sites it can be seen that worlds most subscribed channel in the world on YouTube is t-series which is a Hindi music channel having more than 132 million subscribers while the population of Hindi speaking is 422 million. This becomes evident from the above data that online PR is a worth adopting method of Digital Marketing. 100percentage of the interviewed audience follow some influencers and have agreed that they have checked out the products endorsed by them.

When asked to go online, type kurta and choose the kurta which appeals to them the most in 30 secs it was observed around 80percentage of the candidates opened google app/ google chrome to the search of the item 20percentage opened their favourite online shopping app like Myntra, Amazon etc. to find a suitable item for them. Respondents supported digital marketing strategy as 93.33percentage of the candidates remembered and online add instead of a physical print creative. But there was support to traditional ads as 86.66percentage of the candidates remembered a jingle or ad that they watched on TV when asked the reason for the same 100percentage of these gave a reply that they remember it because they watched it on TV in their childhood as YouTube and other streaming services were not common at that point of time.

Table 4. Method of searching for apparels online

	No. of candidates
Google (App/ Chrome)	24
Amazon	3
Flipkart	2
Jabong	1

5 Conclusion:

As per the analysis of the interviews Traditional marketing has not yet become redundant for millennials in India but a shift in the direction of the digital approach is a must. Neither complete dependence on traditional nor digital methods of marketing is suitable a phygital [33] approach can become the in-between of these both and can help in creating interactive marketing strategies to lure millennial

customers in India [32]. Marketing shift from traditional approaches to the digital approach is required at a fast pace. The multichannel approach in marketing can help increase the marketing campaigns targeted towards the millennial population of India.

6 Limitations:

Increasing the sample size would give better and clear methods to be followed for designing the marketing strategies for millennials in India. Only 3 traditional themes of traditional advertisements have been checked in this research. Further study on the digital marketing strategies concerning client conversion and customer acquisition cost in millennials India scenario can help in calculating the degree of impact. The research was based only in the Indian context so the results may not be applicable in other countries as high-speed internet penetration rate is not same around the globe, culture and economic parity is not available throughout the globe.

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ANNEXURE I

Questionnaire

1. Do you use any kind of AdBlock on your browser?
2. What kind of blogs and articles you read online, and have you ever found an article that has changed your buying behaviour?
3. How often have you bought products and services that you were not aware of after receiving an

email coupon?

4. Have you ever sent or received any referral for joining an app from your friend and has the rewards affected you to make that choice?
5. Which newspaper and magazine have you subscribed to or read quite often?
6. Have you kept any cuttings from these newspaper or magazine recently?
7. Which Online streaming platform have you subscribed to and how often do you watch it?
8. Which aspect of a billboard has caught your attention?
9. How many hours a day you spend on watching TV?
10. How many times a week you go out for movie watching?
11. Which was the last brand product you caught being shown in a movie/YouTube video/ music video or Web series?
12. Do you click on ads on social media sites if you find them interesting?
13. How many influencers do you follow on your social media account and have you purchased or researched about any product endorsed by them?
14. Do you think your search engine is optimum in doing its job and how often you go to the second page of your search result?
15. Last billboard/physical creative/online creative you remember
16. Your favourite ad and where you saw it (can be digital, physical)
17. Candidates were asked to go online, type kurta and choose the kurta which appeals to them the most in 30 secs.