

THE USE OF DIGITAL MARKETING AT THE EXPENSE OF TRADITIONAL MARKETING

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Abstract: Nowadays, the digital technology is developing at a very high pace – so is the science behind marketing. More and more people are moving online, surfing the web looking for the information that they need. From reading the news to buying clothes, people of all ages are integrating modern technology and the internet especially in their lives. This creates the premises for creating a new, more performant and efficient way of marketing, which is being developed since the boom of the internet at the end of the '90. Compared to the traditional ways of marketing and advertising, the digital marketing offers much more possibilities of making your business more accessible to potential customers. The main advantage of the digital marketing consists of its capacity of targeting the perfect audience for your products or services – which is much more efficient than the traditional ways of marketing. This paper aims to analyze the advantages and the disadvantages of the digital marketing, always comparing it to the traditional marketing.

Keywords: Modern marketing, Digital marketing, Social media, Technology.

JEL Classification Codes: M31, M37, M49.

1. INTRODUCTION

Digital Marketing is one of the biggest emerging trends when we talk about marketing. More and more people are moving online, connecting to the Internet and creating social media accounts. Because of those unique networks, people are able to share information in a way that we couldn't imagine a few years ago – and people that are having businesses must take advantage of this, because the way we understand marketing changes as fast as the way of communication.

The number of people currently using Facebook is at around 1 billion. That means nothing more than 1/7 of the world's total population. Also, there are hundreds of millions of people using alternative social media websites and apps, such as Snapchat, Instagram, VKontakte, and many more.

Although digital marketing is mostly visible on social media services, it means much more: from in-search engine ads to SEO, every type of marketing that involves modern communication technology includes digital marketing. In this paper, we will take a closer look at every aspect that makes digital marketing far more performant and efficient compared to the traditional ways of marketing.



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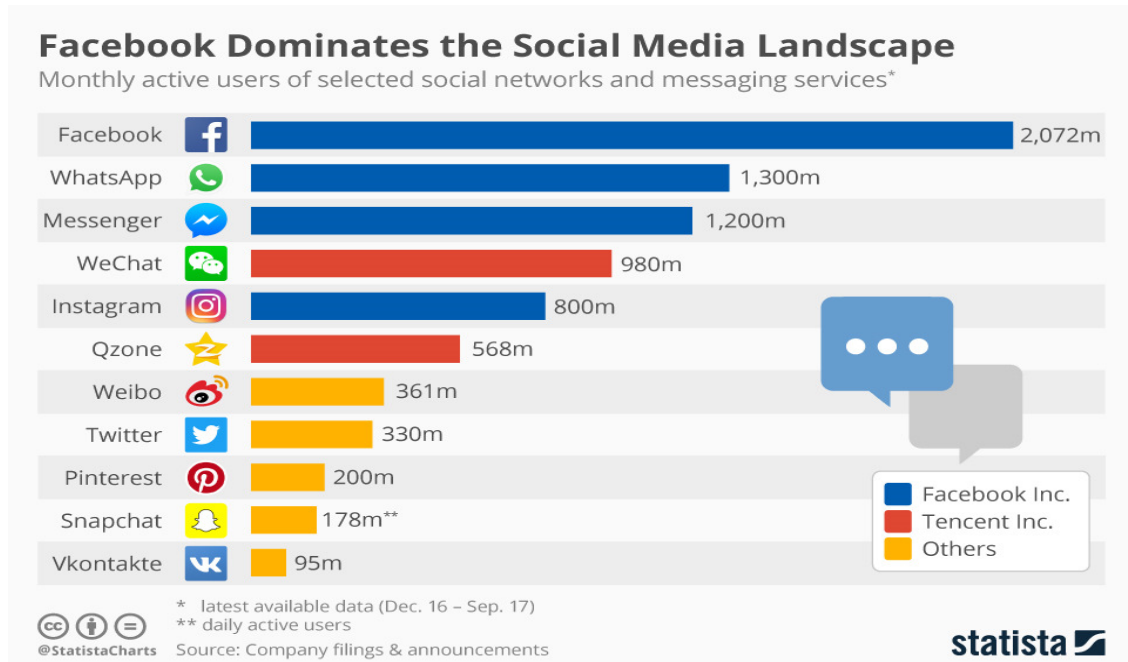


Figure 1 Chart depicting the monthly active users of social networks

Source: *statista.com*

2. DEFINING DIGITAL MARKETING

Marketing is defined by the American Marketing Association as the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. Initially, the term referred only to going to market with goods for sale. From a sales process engineering perspective, marketing is a set of processes that are interconnected and interdependent with other functions of a business aimed at achieving customer interest and satisfaction. On the other hand, according to Financial Times, Digital Marketing is the marketing of products or services using digital technologies, mainly on the Internet, but also including mobile phones, display advertising, and any other digital medium.

There are a few different ideas around digital marketing and marketing in general – it was considered a creative industry, until it was discovered that psychology, sociology, mathematics, economics and many more influence the process of selling goods and services, making the profession recognized as a science.

The story of digital marketing begins in 1971, when the creator of the first e-mail service called ARPANET, Ray Tomlinson sent his first e-mail. From there, digital marketing upraised: in 1990, the first search engine, Archie, was made. The first clickable banner ad showed up four years later, being a brand new way of showing and selling goods. Later, in 2007, the first iPhone was created, being the first smartphone on the market. Since then, digital marketing has evolved a lot, creating premises for a more efficient process of promoting your business – marketing automation and customer targeting, which help companies segment customers and provide custom personalized information for every customer.

There are many digital marketing methods: search engine optimization (SEO), search engine marketing (SEM), content automation, user-targeted advertising, influencer marketing, etc. We will take a look at every branch, comparing it to the ways followed by traditional ways of marketing.

3. SEARCH ENGINE OPTIMIZATION AND ENGINE MARKETING

We all use search engines to look for information, products and much more online – 90% percent of the internet users are currently using Google as their favorite search engine. When we are looking for a certain information, we enter some keywords and we usually click one of the first results that show up when we hit the Search button. But here is something interesting: having that in mind, Google offered business the opportunity to pay in order to appear first among the search results, being marked as an ad.

Search Engine Optimization is, according to Ortiz-Cordova (2012), is the process of affecting the online visibility of a website or a web page in a web search engine's unpaid results—often referred to as "natural", "organic", or "earned" results. In general, the earlier (or higher ranked on the search results page), and more frequently a website appears in the search results list, the more visitors it will receive from the search engine's users; these visitors can then be converted into customers. Search engines use complex mathematical algorithms to guess which websites a user seeks. For example, websites getting more inbound links, or stronger links, are presumed to be more important and what the user is searching for.

The number of site kept growing in the boom of the internet at the end of the '90. Search engines began think and implement business models in order to finance their businesses, such as pay-per-click programs offered by the service called Open Text in 1996 and later Goto.com in 1998. Goto.com has changed its name to Overture in 2001, and after being purchased by Yahoo! in 2003, offered paid search opportunities for advertisers through Yahoo! Search Marketing. Google also began to offer advertisements on search results pages in 2000 through the Google AdWords program. By 2007, pay-per-click programs proved to be primary moneymakers for search engines. In a market dominated by Google, in 2009 Yahoo! and Microsoft announced the intention to forge an alliance. The Yahoo! & Microsoft Search Alliance eventually received approval from regulators in the US and Europe in February 2010.

Search engine optimization consultants expanded their offerings to help businesses learn about and use the advertising opportunities offered by search engines, and new agencies focusing primarily upon marketing and advertising through search engines emerged. The term "search engine marketing" was popularized by Danny Sullivan in 2001 to cover the spectrum of activities involved in performing SEO, managing paid listings at the search engines, submitting sites to directories, and developing online marketing strategies for businesses, organizations, and individuals.

4. USER-TARGETED ADS AND INFLUENCERS MARKETING

Those online services (like search engines and social media websites) are collecting lots of data about you when you use them, information that is being used in order to show the user personalized ads. For example, if the user searches for "London city break", and then quits the page, after a short time, while looking for something else, the user will see ads for flights to London and London accommodation.

According to Plummer (2007), targeted advertising is a form of advertising where online advertisers can use sophisticated methods to target the most receptive audiences with certain traits, based on the product or person the advertiser is promoting.

Comparing this method to the traditional advertising one, we will see that the user-targeted ads are way more efficient than the banner placing in public places, because targeted ads are focusing on a certain category of people, showing the Internet user advertising that is considered relevant to its necessities.

For the visionary marketer, the rise of the social media influencer creates a world of possibilities. It opens up a new channel for brands to connect with consumers more directly, more organically, and at scale.

This type of marketing is especially efficient among young people. A company offers to an influent person (an actor, a blogger, etc.) a product for public review. This person, which is well-known, will present and advertise that product or service. The definition created by the Federal Trade Commission is that Influencers Marketing is a form of marketing in which focus is placed on influential people rather than the target market as a whole. It identifies the individuals that have influence over potential customers, and orients marketing activities around these influencers.

5. DIGITAL VS TRADITIONAL MARKETING

Digital marketing is the marketing of future. It offers many more opportunities compared to the traditional ways of marketing. Firstly, it offers you the option to target very well your customers. You can create campaigns targeted on certain audiences - for example, you can show a certain ad for people that are living in a certain area, or have a certain age. You cannot achieve the same results using traditional advertising.

The benefits of modern and digital marketing focus on getting to communicate with your customers. To better understand their expectations and needs, and to create well-targeted campaigns that will answer to those needs.

6. CONCLUSIONS

The Digital Marketing offers a lot of possibilities, compared to the old and traditional ways of displaying a product. The use of social media creates the premises for taking advantage of all the aspects that makes the digital marketing a new trend in marketing. Digital marketing's development since the 1990s and 2000s has changed the way brands and businesses use technology for marketing. As digital platforms are increasingly incorporated into marketing plans and everyday life, and as people use digital devices instead of visiting physical shops, digital marketing campaigns are becoming more prevalent and efficient.

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