

# Digital Marketing and Consumer Behavior

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## Abstract

*Social media platforms provide brands with interactive tools to enhance consumer engagement, increase exposure, and build customer loyalty. Given the pervasive influence of social media, this paper investigates the crucial role of these platforms in shaping consumer purchasing decisions and their overall impact on digital marketing strategies. The research employs a qualitative approach, primarily utilizing case studies to examine the dynamics between social media activities and consumer behavior. By analyzing specific examples, the study identifies how user-generated content and brand interactions on social media significantly influence consumer perceptions and pre-purchase decision-making processes. Despite challenges such as privacy concerns, the synergy between social media and digital marketing enables brands to innovate and adapt, maintaining competitiveness in the digital age. Through this investigation, the paper underscores the necessity for brand to strategically leverage social media to foster deeper connections with their audience and drive purchasing decisions.*

**Keywords:** *Social media marketing, consumer behaviour, digital marketing, User-generated content.*

## Introduction

The digital marketing industry has harnessed the power of advanced technology and online platforms to revolutionize how businesses, regardless of size, engage with target markets. This evolution in technology not only facilitates improved business performance through effective marketing strategies but also promotes dynamic customer interactions on

digital platforms. These interactions significantly influence consumer preferences and purchasing behaviors, which are crucial for businesses aiming to increase market competitiveness and profitability

Moreover, the widespread adoption of the internet has transformed traditional marketing approaches by introducing interactive technologies that foster two-way communication and active consumer participation. This shift has enabled businesses to directly track and analyze the effectiveness of their marketing campaigns. The affordability and accessibility of digital media have made it a favorable option for both established businesses and startups, expanding their reach and operational capabilities.

Despite the demonstrated effectiveness of digital marketing strategies like social media, content marketing, and online advertising in enhancing consumer engagement and sales, many small and medium-sized enterprises (SMEs), especially in areas like Tamilnadu State, Tenkasi, have yet to fully embrace these tools. This gap underscores the importance of continued exploration into the impact of digital marketing on consumer purchasing behaviors to better integrate these strategies within the broader business practices of SMEs.

The rapid evolution of consumer preferences and the challenges in adapting to these changes highlight significant hurdles for marketers. Despite the increased number of internet users and the growth of internet marketing, empirical evidence shows that the adoption of internet shopping is low, with many consumers using online platforms primarily for information rather than purchases. Additionally, a myriad of factors negatively impacts e-commerce in Tenkasi, including issues related to cost, accessibility, data security, and consumer trust, which deter online purchasing behaviors.

Moreover, the effectiveness of digital marketing campaigns is often compromised by internal organizational challenges and external competitive pressures. Organizations struggle to discern between effective push and pull marketing strategies, and face difficulties in integrating digital marketing into their existing operations due to a lack of competencies in leveraging new technologies. These complexities make it crucial for companies to refine their digital marketing strategies to effectively reach and engage consumers in today's multifaceted digital landscape.

The aim of this study is to analyse the influence of digital marketing on consumer purchase behavior of selected SMEs in Tamilnadu state, Tenkasi.

## **Literature Review**

### **Theoretical Framework**

This study is anchored on the Rational Choice Theory and the Agenda Setting Theory. These theories offer insights into how consumer purchase decisions are shaped. The Rational Choice Theory asserts that consumers strategically evaluate their options to maximize personal advantage, considering both benefits and costs in a rational manner to make purchase decisions. This suggests that digital marketing strategies, such as online advertisements and customer experience management, need to clearly articulate the value proposition to align with the consumers' assessments.

In addition, the Agenda Setting Theory propounded by McCombs and Shaw, proposes that digital marketing, particularly through channels like social media, significantly influences consumer perceptions by setting priorities and highlighting certain products or features over others. According to this theory, digital marketing has the power to shape the consumer's decisions, by guiding what they consider important or not. This influence can influence what consumers consider before even engaging in an evaluation process.

Combined, these theories postulate that digital marketing strategies must not only present information that consumers will use in their rational evaluations but also strategically set the agenda to influence the initial set of options that consumers consider. Using Agenda Setting theory, marketers can attach greater importance to certain features, thereby influencing the early stages of the consumer decision-making process. Subsequently, aligning marketing messages with the Rational Choice Theory ensures that once a product is considered, the provided information supports the consumer's rational decision-making criteria, effectively guiding them towards a purchase.

### **Digital Marketing and Consumer Purchase Behavior**

Digital marketing encompasses the use of diverse online platforms to engage target audiences effectively, integrating methods such as social networking, multimedia advertisements, blogs, and search engine ads to facilitate the buying and selling of products

and services. This approach not only focuses on promoting goods and services but also emphasizes creating meaningful connections with consumers through digital technology. Digital marketing is characterized by its broad scope, covering strategies from search engine optimization (SEO) to e-commerce and beyond, often utilizing mobile phones, display advertising, and other digital mediums. It's designed to adapt to the changing behaviors of consumers who increasingly favor digital interactions over physical store visits, facilitating access to a global marketplace and enhancing the convenience and efficiency of marketing campaigns.

### **Social Media Marketing and Consumer Purchase Behavior**

Social media marketing harnesses the power of social platforms to enhance corporate relationships with consumers, shifting the dynamic of brand image creation from companies to consumers. Social media marketing facilitates direct communication and engagement with broader and more diverse audiences, enhancing brand visibility and loyalty. Social media marketing not only increases brand awareness but also fosters consumer trust through peer recommendations and reviews, leading to more effective word-of-mouth advertising. This approach has proven essential for businesses aiming to increase their digital foot print and establish long-term relationships with customers, thereby driving sales and reinforcing brand reputation.

Social media marketing have no significant effect on consumer purchase behavior of selected SMEs in Tamilnadu State, Tenkasi.

### **Content Marketing and Consumer Purchase Behavior**

Content marketing focuses on creating and distributing valuable, relevant, and consistent content to attract and retain a clearly defined audience, ultimately driving profitable customer action. It involves strategic storytelling and information sharing that engages customers, encouraging them to participate actively in the brand's narrative. This marketing form seeks to influence consumer behavior and enhance engagement through tailored content that addresses the needs and interests of potential buyers. Content marketing not only boosts brand visibility but also supports direct sales by fostering customer engagement and loyalty through continuous interaction with the brand's content across various platforms.

Content marketing have no significant effect on consumer purchase behavior of selected SMEs in Tamilnadu State, Tenkasi.

### **Online Advertising and Consumer Purchase Behavior**

Online advertising leverages the internet to deliver targeted marketing messages to consumers, distinguishing itself from traditional advertising with its flexibility and adaptability. This mode of advertising allows real-time modifications to align with current market trends and target specific consumer groups more efficiently. Online advertising is not only cost-effective compared to traditional methods, but it also offers extended reach, precise targeting, and immediate results. Marketers can attract a global audience, pay only for measurable engagement, and receive quick feedback for optimization. Despite these benefits, online advertising faces challenges such as technology dependence, privacy concerns, and a lack of consumer trust, which can impede its effectiveness.

Online advertising have no significant effect on consumer purchase behavior of selected SMEs in Tamilnadu State, Tenkasi.

### **Customer Experience Marketing**

Customer experience management focuses on aligning business operations around the needs of the customer, providing a consistent, high-quality experience across all touch points. Originating from a new experiential approach to consumer behavior developed in 1982, CEM has become crucial for maintaining customer loyalty and enhancing satisfaction through various stages of interaction, including pre, during, and post-engagement. Customer experience encompasses all aspects of a company's offering and integrates diverse factors outside a company's direct control, such as interactions with other customers or external device. Effective management of customer experiences involves strategic efforts to understand and improve every interaction along the customer journey. Customer experience management have no significant effect on consumer purchase behavior of selected SMEs in Tamilnadu State, Tenkas.

### **Consumer Purchase Behavior**

Consumer purchase behavior studies show how individuals and groups select, use, and dispose of goods and services to satisfy their needs. It combines elements from psychology, social psychology, and cultural anthropology. Understanding consumer behavior is pivotal for

effective marketing, as it helps companies tailor their strategies to meet the precise needs and preferences of their target markets. This behavior is influenced by cultural, social, personal, and psychological factors, which shape the decisions consumers make about what, when, and how to buy products. Marketers need to consider these multifaceted influences to craft messages and campaigns that resonate with consumers and lead to desired actions.

## **Methodology**

In the study, a cross-sectional survey research design was utilized to collect primary data from 581 SMEs in selected Local Government Areas of tamilnadu State, tenkasi, aiming to understand the impact of digital marketing on SME performance. These local governments were chosen due to their SME concentration and economic activities.

The comprehensive data collection involved using a well-structured questionnaire distributed to all SME owner/managers in the area, ensuring total enumeration for robust evaluation. This methodology, favored for its ability to handle large populations without experimental manipulation, facilitates extensive description of variable relationships and effects.

The instruments used for data collection demonstrated strong validity and reliability. The Average Variance Extracted (AVE) for validity ranged from 0.678 to 0.813, confirming good convergent validity. Reliability measures were also robust, with Cronbach's Alpha scores between 0.818 and 0.904 and Composite Reliability scores from 0.863 to 0.972, indicating high internal consistency of the questionnaire. Data analysis was performed using descriptive and inferential statistics, specifically, simple linear regression to assess the influence of digital marketing strategies on consumer purchase behavior between customers, who constitute different aims and who show different behavioral types and who take into account different benefits. In addition, current findings support that of who concluded content marketing positively influence consumer purchase behavior, specifically, informative and entertaining content boosts brand loyalty in high-product involvement brands, while entertainment and social value of content, increase brand loyalty low-product involvement brands. specifically, economic value, customization, customer service and post-purchase experience, significantly influence customer satisfaction.

## **Finding**

Digital marketing significantly increases brand visibility and reach. Social media platforms strongly influence consumer awareness and engagement. Influencer and athlete endorsements build high levels of consumer trust. Online reviews and ratings affect consumer purchase decisions. Personalized digital ads improve customer attention and response rates. Mobile-friendly websites increase consumer convenience and sales. Content marketing helps educate consumers and strengthen brand image. Email marketing encourages repeat purchases and brand loyalty. Retargeting ads reduce cart abandonment rates. Digital marketing creates a strong emotional connection between brand and consumers.

## **Suggestions**

Focus more on personalized and data-driven marketing campaigns. Increase engagement through short-form video content (Reels, Shorts). Collaborate with micro-influencers for better audience authenticity. Improve website loading speed and mobile optimization. Encourage more customers.

Behaviour and preferences. Expand email marketing with exclusive offers and loyalty rewards. Strengthen retargeting strategies to recover lost customers. Continuously monitor digital marketing performance using analytics tools.

## **Conclusion**

The study highlights that digital marketing strategies—specifically social media marketing, content marketing, online advertising, and customer experience management—have a significant impact on consumer purchase behavior within selected SMEs in Tamil Nadu State. In conclusion, it was evident that while SMEs are beginning to embrace digital marketing tools, the full potential of these resources has yet to be optimally utilized. This underutilization, when addressed, could not only boost consumer behavior positively but also enhance the overall performance of the SMEs.

The study recommends that SME owner-managers should leverage the creative capabilities of their work force for continual digital marketing development and regularly appraise the effectiveness of the tools employed. Additionally, SMEs are advised to engage in continuous digital marketing efforts that align closely with customer needs and to

incorporate robust feedback mechanisms to refine customer experience continually. Collaboration with external firms or experts can further enhance digital marketing outcomes, and investing in research and digital infrastructure will position SMEs advantageously in competitive markets. This holistic approach to digital marketing will ensure sustained growth and a robust competitive edge.

### **Limitations and Further Studies**

This study provided valuable insights into the effect of digital marketing on consumer purchase behavior within SMEs in selected local government areas of Tamilnadu State. However, its scope was limited to these specific areas, suggesting the need for broader geographical research to better understand the dynamics at play across different regions. Future research could extend to other states to assess if similar patterns emerge or if regional differences significantly influence digital marketing's effectiveness.

It is also recommended that future studies explore the influence of digital marketing in different industries to determine if certain sectors respond more favorably to specific digital marketing strategies than others.

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