

# THE IMPORTANCE OF DIGITAL MARKETING. AN EXPLORATORY STUDY TO FIND THE PERCEPTION AND EFFECTIVENESS OF DIGITAL MARKETING AMONGST THE MARKETING PROFESSIONALS IN PAKISTAN

Fawad Khan<sup>1</sup>  
Professor Dr Kamran Siddiqui<sup>2</sup>

## ABSTRACT

*The purpose of this exploratory research is to present the perceptions towards Digital Marketing in Pakistan. This issue has rarely been addressed by the academicians and researchers in Pakistan and elsewhere. This study used digital marketing parameters to measure the awareness and effectiveness of digital marketing among marketing professionals in Pakistan. 200 marketing professionals participated in this academic exercise. Data was analyzed in many ways, a) through descriptive statistics b) summarizing the data using factor analysis. Four major perception groups were emerged from the analysis i.e., a) Skeptical b) Enthusiast c) Utilitarian and d) Parsimonious. The result suggests that professionals in Pakistan are more skeptical towards digital marketing tools and concepts. They do not fully understand the benefits of digital marketing in terms of growth and cost effectiveness. Finally, the limitations of the studies and findings are presented in study.*

**Key words: SEO, Google Analytics, META tags, Blogs**

## 1. INTRODUCTION

There are not many studies conducted in Pakistan in the area of digital marketing. This concept is rapidly emerging as a new concept which is aggressively adopted internationally for marketing success. In today's time, social media channels such as Face book, Twitter, Google and other social media firms have successfully transformed the attitudes and perceptions of consumers and in the end helped revolutionized many businesses. This was done through measurable vast network of customers with trustworthy data with real-time feedback of customer experiences.

It is much more convenient for businesses to conduct surveys online with a purpose to get relevant information from targeted groups and analyzing the results based on their responses. Potential customers can look for reviews and recommendations to make informed decisions about buying a product or using the service. On the other hand, businesses can use the exercise to take action on relevant feedback from customers in meeting their needs more accurately.

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1 DHA Suffa University, Phase VII (Ext), DHA, Karachi-75500, PAKISTAN., e-mail: fawad.khan@dsu.edu.pk, Tel: +923022914846, Fax: +9221-35244855

2 DHA Suffa University, Phase VII (Ext), DHA, Karachi-75500, PAKISTAN., e-mail: ksiddiqui@dsu.edu.pk, Tel: +9221-35244865, Fax: +9221-35244855

Change is constant and with time new ideas are accepted and adopted. In order to make the decision to understand the advantage of online marketing, advantages must be highlighted for industry players to realize its power.

## 2. LITERATURE REVIEW

### Literature Review

The purpose of doing research in the area of digital marketing is because it seem huge, intimidating and foreign. Businesses are looking for clearer picture to start but do not know where and how to start doing digital marketing. In today's time, social media channels such as Face book, Twitter, Google and other social media firms have successfully transformed the attitudes and perceptions of consumers and in the end helped revolutionized many businesses. This was done through measurable vast network of customers with trustworthy data with real-time feedback of customer experiences.

It is much more convenient for businesses to conduct surveys online with a purpose to get relevant information from targeted groups and analyzing the results based on their responses. Potential customers can look for reviews and recommendations to make informed decisions about buying a product or using the service. On the other hand, businesses can use the exercise to take action on relevant feedback from customers in meeting their needs more accurately.

**Digital marketing is the use of technologies to help marketing activities in order to improve customer knowledge by matching their needs (Chaffey, 2013).**

Marketing has been around for a long time. Business owners felt the need to spread the word about their products or services through newspapers and word of mouth. Digital marketing on the other end is becoming popular because it utilizes mass media devices like television, radio and the Internet. The most common digital marketing tool used today is Search Engine Optimization (SEO). Its role is to maximize the way search engines like Google find your website.

Digital marketing concept originated from the Internet and search engines ranking of websites. The first search engine was started in 1991 with a network protocol called Gopher for query and search. After the launch of Yahoo in 1994 companies started to maximize their ranking on the website (Smyth 2007).

When the Internet bubble burst in 2001, market was dominated by Google and Yahoo for search optimization. Internet search traffic grew in 2006; the rise of search engine optimization grew for major companies like Google (Smyth 2007). In 2007, the usage of mobile devices increased the Internet usage on the move drastically and people all over the world started connecting with each other more conveniently through social media.

In the developed world, companies have realized the importance of digital marketing. In order for businesses to be successful they will have to merge online with traditional methods for meeting the needs of customers more precisely (Parsons, Zeisser, Waitman 1996).

Introduction of new technologies has creating new business opportunities for marketers to manage their websites and achieve their business objectives (Kiani, 1998).

With the availability of so many choices for customers, it is very difficult for marketers to create brands and increase traffic for their products and services. Online advertising is a powerful marketing vehicle for building brands and increasing traffic for companies to achieve success (Song, 2001). Expectations in terms of producing results and measuring success for advertisement money spent, digital marketing is more cost-efficient for measuring ROI on advertisement (Pepelnjak, 2008).

Today, monotonous advertising and marketing techniques have given way to digital marketing. In addition, it is so powerful that it can help revive the economy and can create tremendous opportunities for governments to function in a more efficient manner (Munshi, 2012). Firms in Singapore have tested the success of digital marketing tools as being effective and useful for achieving results. (Teo, 2005). More importantly, growth in digital marketing has been due to the rapid advances in technologies and changing market dynamics (Mort, Sullivan, Drennan, Judy, 2002).

In order for digital marketing to deliver result for businesses, digital content such as accessibility, navigation and speed are defined as the key characteristics for marketing (Kanttila, 2004). Other tried and tested tool for achieving success through digital marketing is the use of word-of-mouth WOM on social media and for making the site popular (Trusov, 2009). In addition, WOM is linked with creating new members and increasing traffic on the website which in return increases the visibility in terms of marketing.

Social media with an extra ordinary example Facebook has opened the door for businesses to communicate with millions of people about products and services and has opened new marketing opportunities in the market. This is possible only if the managers are fully aware of using the communication strategies to engage the customers and enhancing their experience (Mangold, 2009). Marketing professional must truly understand online social marketing campaigns and programs and understand how to do it effectively with performance measurement indicators. As the market dynamics all over the world are changing in relation to the young audience accessibility to social media and usage. It is important that strategic integration approaches are adopted in organization's marketing communication plan (Rohm & Hanna, 2011).

Blogs as a tool for digital marketing have successfully created an impact for increasing sales revenue, especially for products where customers can read reviews and write comments about personal experiences. For businesses, online reviews have worked really well as part of their overall strategic marketing strategy (Zhang, 2013). Online services tools are more influencing than traditional methods of communication ( Helm, Möller, Mauroner, Conrad, 2013). As part of study, it is proven that users experience increase in self-esteem and enjoyment when they adapt to social media which itself is a motivating sign for businesses and marketing professional (Arnott, 2013). Web experiences affect the mental process of consumers and enhance their buying decision online (Cetină, Cristiana, Rădulescu, 2012). This study is very valuable for marketing professional as it highlights the importance of digital marketing.

The Internet is the most powerful tool for businesses (Yannopoulos, 2011). Marketing managers who fail to utilize the importance of the Internet in their business marketing strategy will be at disadvantage because the Internet is changing the brand, pricing, distribution and promotion strategy.

Pakistan has seen tremendous growth in media with 20 million people have access to the Internet but still marketers insist on doing things the traditional way (Mohsin 2010). Management and structure in Pakistan are still based on ancient paradigm where customers are moving ahead with their demands and expectations. This gap is widening day by day with limited skills and mindset available in Pakistan to solve the problem for the demanding customers. Companies in Pakistan including the MNC's are going the traditional way and keeping the digital aspect just to show off in tune with the modern trends.

### 3. METHODOLOGY

**Sampling:** The sample comprising marketing professional in Karachi, Pakistan. Karachi is the biggest city in Pakistan in terms of business presence and commercial activity which is why it was considered for this study. Hundreds of managers were surveyed in Karachi working in different organizations from media, FMCG, Pharmaceuticals, airlines, automobiles, petrochemicals and education. The final sample size was random 200 in which 93% are Men and 17% are Women from the city of Karachi.

**Research Instrument:** This study uses Wilska's (2003) instrument to measure perceptions of professional. All measures adapted use five-point likert scales. Various non-statistical validity checks were made prior to the questionnaire's actual implementation. Firstly, all of these constructs were adopted from earlier studies providing acceptably reliable and valid measures. Secondly; these measures had acceptable reliability figures mostly stated in terms of Cronbach's alpha above 0.5. They have reported a reasonable internal consistency among the items; Cronbach alpha > 0.50 (Wilska, 2003). Finally these measures were processed in a systematic manner in the earlier stages of the research project. In addition to these steps, pre-testing of the questionnaire was also performed.

**Data Collection:** The strategy of using advertising agencies and their clients' worked really well in terms of questionnaire administration and provided a suitable environment necessary for target participant's involvement, motivation and convenience. All questionnaires were properly filled and 100% response rate was achieved.

#### Analysis

The data was analyzed into ways a) descriptive statistics b) factors analysis.

#### Descriptive Analysis

The result from the study indicates that majority of the participants have a perception that digital marketing is a new mix for promotion but also have a negative perception that digital marketing can be misleading and is not useful for word of mouth (WOM) (See Table 1)

<b>Perceptions</b>	<b>M</b>	<b>SD</b>
Digital Marketing		
... is a new avenue for promotion mix.	2.59	.816
... may provide content not in line with our believes.	2.59	.816
... can be misleading.	2.51	.750
... rewrites contents for privacy issues.	2.50	.750
... accelerates revenue growth.	2.31	.726
... has low investment.	2.31	.726
... provides customer's participation.	1.91	.455
... generates immediate response from customers.	1.91	.455
... attracts attention very quickly	1.86	.426
... is much more measurable.	1.85	.398
... creates marketing opportunities.	1.85	.398
... useful for word of mouth (WOM).	1.85	.398

Table 1 Perceptions towards digital marketing

Perceptions towards digital marketing tools and their effectiveness, it was found that mobile phone in terms of SMS and MMS having the highest value followed by online videos, google ranking, website content, YouTube and Facebook. All these tools are considered most important for implementing digital marketing practices. Surprisingly, In-depth understanding of technical tools of digital marketing such as Webinars, pay-per-clicks, Google analytics, Blogs and META tags scored low indicating lack of application of these tools and their understanding. (See Table 2)

<b>Digital Marketing Tools</b>	<b>M</b>	<b>SD</b>
Mobile Phone – MMS	4.28	.450
Mobile Phone – SMS	4.28	.450
Online Videos	4.28	.450
SEO - Google Rankings	4.28	.450
SEO - Keywords Tags	4.28	.450
Website Contents	4.28	.450
Youtube	4.28	.450
Social Media - Facebook	4.03	.412
Social Media – linkedIn	4.03	.412
Social Media –Twitter	4.03	.412
Webinars	2.84	.943
Pay-per-click	2.83	.941
Google Analytics	2.31	.726
Inlinks	2.31	.726
Blogs	1.85	.398
E-Newsletters	1.85	.398
SEO - Title Tags	1.25	.431
SEO - META Tags / descriptions	1.25	.431

Table 2 Perceptions towards digital marketing tools and their effectiveness

### **Factor Analysis of Perceptions towards Digital Marketing**

The data was analyzed in a number of stages. Firstly, exploratory factor analysis was used to determine the factor structure of items related to marketing professional perception

towards digital marketing. Secondly, summated score was calculated for resultant digital marketing factors and finally individual differences were measured for marketing professional mindset factors. Factor analysis was conducted for the digital marketing perception mindset scale using a multi-step process which includes three steps; (a) extracting the factors; (b) labeling the factors; c) creating summated scales and examining the descriptive statistics.

Analysis of 12 items related to the digital marketing perception scale, using the maximum likelihood method of extraction with direct oblimin rotation, yielded, a four-factor solution, to which various criteria were then applied for refinement. Initially, the solution was examined to determine whether all the factors satisfied the Kaiser criterion (eigenvalues (1) and they did. All the items loading on each separate factor were found to cohere to some degree, and therefore they were included in their respective factors. The above analysis resulted in a final four-factor solution, comprising 12 items, all with communality values greater than 0.3. (See Table 3)

Items	Factors				
	Skeptical	Enthusiast	Utilitarian	Parsimonious	
	<i>M</i>	2.54	1.85	1.89	2.31
	<i>SD</i>	0.74	0.39	0.40	0.72
Digital marketing ...					
... is a new avenue for promotion mix.	0.95				
... may provide content not in line with our believes.	0.95				
... rewrites contents for privacy issues.	0.94				
... can be misleading.	0.93				
... is much more measurable.		0.95			
... creates marketing opportunities.		0.95			
... useful for word of mouth (WOM).		0.95			
... provides customer's participation.			0.92		
... generates immediate response from customers.			0.92		
... attracts attention very quickly			0.72		
... has low investment.					0.98
... accelerates revenue growth.					0.98

**Factor 1** was labeled as ‘Skeptical’. This group is more skeptical about the importance and benefits of digital marketing. They agree up to certain extent that digital marketing is useful tool for promotional but on the other hand they also think that digital marketing also leads to privacy and misleading of information issues. They have the highest mean value of 2.54 and standard deviation of 0.74.

**Factor 2** was labeled as ‘Enthusiast’. These professionals have been defined as enthusiast with digital marketing concepts and excited to include them for marketing success. They have a view that digital marketing is useful for creating marketing opportunities and have a positive outlook. They have the lowest mean value of 1.85 and standard deviation of 0.39.

**Factor 3** was labeled as ‘Utilitarian’. It reflects persons who are most utilitarian in nature and more usage oriented. They use digital marketing services in their routine matters and it is something for them having important in their marketing professional job. The analysis shows that they are the keen user of digital marketing and they are keen on using them as a utility in their professional marketing job. They are more concerned about the utility or usefulness of digital marketing concept and tools. They have the third highest mean value of 1.89 and standard deviation of 0.40.

**Factor 4** was labeled as ‘Parsimonious’. It reflects a marketing professional who considers that digital marketing is important in terms of cost saving but also gives high importance for growth. They have the second highest mean value of 2.31 and standard deviation of 0.72.

## **Results/Findings**

The result suggests that professionals in Pakistan are more skeptical towards digital marketing tools and concepts. They do not fully understand the benefits of digital marketing in terms of growth and cost effectiveness.

Parsimonious group is more in favor of cost factors of digital marketing and considers it an important tool for growth. This segment of marketing professionals is using the digital marketing strategies and reflects new knowledge and training of professional in Pakistan.

## **4. CONCLUSIONS**

This survey examined the perception towards digital marketing of marketing professionals in Pakistan. Although, digital marketing tools and concepts are taking over traditional methods of marketing internationally, it is still a new field for professionals operating in Pakistan.

According to this survey, professionals are skeptical about the usage and benefits of digital marketing and have been classified as Skeptical. They do consider it as an important tool for promotion but at the same time concerned about the issues of privacy and misleading of information of digital marketing. SMS and MMS are considered as the most important tool for conducting digital marketing which shows lack of understanding and in-depth usage of digital marketing tools by marketing professionals in Pakistan.

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