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## THE EMERGENCE OF DIGITAL MARKETING AND ITS IMPACT ON THE SERVICE SECTOR

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### **ABSTRACT:**

*The service sector contributes the most to the country's GDP, making India the large economy with the highest rate of growth in the world. The growth of service sectors has been impacted by the emergence of digital marketing. Newer avenues for interacting with target audiences have emerged as a result of the development of advanced internet technology. Regardless of the type of services, digital marketing has become an essential element. Various tactics or strategies of digital marketing have been adopted by marketers for attracting current or potential customers. This paper examines the emergence/evolution, tactics or strategies of digital marketing and its impact on financial services, travel & tourism, and hotel services.*

**KEYWORDS:** Digital Marketing, SEO, PPC, E-Mail Marketing, Affiliate Marketing, Social Media Marketing, Content Marketing.

### **INTRODUCTION:**

The global marketing norms have been rewritten due to the introduction of internet technology. How consumers interact with brands has changed as a result of the internet. It is changing the economics of marketing and rendering many of the conventional tactics and frameworks for the job obsolete. According to marketers, traditional marketing is no longer viable (Edelman, 2010). Today, businesses all over the world are placing a lot of emphasis on digital marketing. It began as a means of communication and has been evaluated not just as another source of additional income but as a vital tool for building and maintaining an enduring relationship with many market participants. The internet's primary attribute of interactivity has opened up new

possibilities for connections among all users (Batinić,2015).

Now, Businesses regularly engage in electronic trade and digital marketing to gain an advantage over their rivals. In this way, customers and businesses can develop a two-way relationship. In actuality, digital marketing differs significantly from traditional marketing. Brands that cannot compete with one another under normal circumstances can do so because of the unique conditions of digital marketing. Like Traditional marketing, Digital marketing seeks to secure customers as rapidly as possible and anticipates their impact rather than attempting to alter their perspective. Through digital marketing, customers can more easily and rapidly access goods and services, form opinions about them by evaluating comparable goods and hasten the purchasing process. Utilizing existing infrastructure to generate revenue is the primary goal of digital marketing. Online platforms are used for product development, pricing, marketing, and distribution. The advantages that digital marketing offers might be seen as a revolution in the marketing industry as well as in other industries and service sectors also (Yakup Durmaz & Ibrahim Halil Efendioglu, 2016)

#### **OBJECTIVES OF THE STUDY:**

The objective of this study is to access the following:

1. To study the emergence of digital marketing.
2. To understand the concept and tactics of digital marketing.
3. To analyse the impact of digital marketing on Financial Services, Travel & Tourism, and Hotel services.

#### **RESEARCH METHODOLOGY:**

The current study is an attempt to outline the evolution of digital marketing and its impact on service sectors. The service sector has a major contribution to the GDP of the country. Therefore, the impact of digital marketing on financial services, travel & tourism, and hotel services has been taken for the current study. This paper is completely descriptive in nature. The data used in this study is gathered from secondary sources such as research papers, research articles, journals, websites, and other online resources.

#### **EVOLUTION OF DIGITAL MARKETING:**

The digital era had already begun, and now it had begun to evolve. The following table shows the timeline of digital marketing.

<b>Year</b>	<b>Activities/Events</b>
1993	The first clickable banner was introduced. A few of these were purchased by the online publication “Hotwired” to promote the publication and boost subscriptions. The move to the digital marketing era started at that point. The development of digital marketing was well underway in 1994 thanks to the

	introduction of new technology and the birth of Yahoo! In its first year of operation, Yahoo received roughly a million hits, which caused business owners and marketers to reconsider their views on digital marketing. They started optimizing their websites to meet search engine guidelines.
1994	Lou Montulli created cookies, which are little data packets stored on your computer by the web server as you explore a website. They are used to access websites and can also monitor your activities, including the websites you visited and the things you did. Businesses could use this information to offer you deals that are specifically tailored to your internet.
1996	Introduction of new search engines and tools such as Alexa, LookSmart, and HotBot.
1998	Big Daddy Google emerged MSN search engine was launched by Microsoft, and Yahoo! began offering web searches.
1999	Web 2.0 was introduced, making it possible for users to upload and share material rather than just consume it. Users had changed from passive consumers to active contributors. This served as the basis for social media sites, extensive sharing, and other developments. during this time a variety of websites including Wikipedia, Facebook, and Blog sites arose.
2000	On the eve of the new millennium, there was significant concern about how computers would handle the so-called “Y2K” problems. Numerous tiny search engines disappeared after a crash, allowing the larger search engines to firmly consolidate their dominance.
2002	A social media platform for professionals, LinkedIn was launched, assisting both recruiters and job seekers in their search for competent candidates.
2003	My Space was the first social marketing site to be launched and it was soon followed by Orkut and then Facebook. Businesses started to pay close attention and saw the potential that these platforms offered them. In a matter of minutes or even seconds, and for a little cost, they could reach thousands of users. The start of a new era in business was welcomed by companies actively marketing their goods and services on these platforms.
2004	Internet advertising generated over \$3 billion in income in the US alone in 2004. The digital marketing sector was not only founded but also made a statement to the world that it was here to stay.
2005	YouTube, a platform for sharing videos, was launched. It now has millions of subscribers and users.

2006	Search engine traffic reached about 6.5 billion in only one month in 2006, which witnessed a sharp increase. To compete with Google & Yahoo, Microsoft replaced MSN and introduced a live search. Twitter was launched and over 10 million USD worth of e-commerce sales were made by Amazon.
2007	Both the Microblogging website “Tumblr” and the streaming service “Hulu” were introduced.
2008	China surpassed the US to become the nation with the most internet users. Music sharing platform Spotify was launched.
2009	Google Instant was launched, allowing users to view search engine results immediately.
2010	The mobile messaging app WhatsApp was launched. With “WhatsApp Business Account”, this App now gives a business several tools to market their goods and services.
2011	Google Plus and Google Panda were launched and web use overtook TV watching, particularly among the younger population.
2012	Budgets for social media marketing rose by a staggering 64%.
2014	Facebook Messenger and customized ads on LinkedIn and other social media sites were launched. Additionally, Mobile usage for browsing and shopping surpassed the use of personal computers this year.
2015	Inbound marketing growth, wearable technology, active content marketing, and predictive technology all had their beginnings.

Source: <https://webandcrafts.com/blog/history-of-digital-marketing/>

We see that new tools, platforms, and technologies are emerging every year in the field of digital marketing. Consumers can access products with digital marketing at any time, day or night. The majority of marketers (99%) use the social media platform Facebook as their primary channel. 97% of users of Twitter also use it afterwards. Instagram is currently becoming popular, especially among the younger generation or “Millennials” who favour it over other social media sites.

#### **DIGITAL MARKETING TACTICS & STRATEGIES:**

The goal of digital marketing tactics is to advertise a brand’s goods to a specific audience. To achieve this by utilizing a variety of channels, including e-mails, mobile apps, social media, live searches, and websites. Both in B2B and B2C industries, these tactics facilitate quicker communication. Digital marketers employ several strategies, some of which are described below:

#### **SEARCH ENGINE OPTIMIZATION (SEO):**

Use an SEO plan to rank the website in Google searches. It’s a method, essentially, for boosting the organic traffic to your website. This tactic works by incorporating certain keywords that

potential buyers use when searching and which are relevant to your offering. In other words, digital marketers employ popular search terms to narrowly target their searches which, if done correctly, will appear on the top Google page.

### **PAY PER CLICK (PPC):**

Advertisements are another way that digital marketers may increase website visitors. However, doing so will necessitate paying for each click a potential buyer makes on your website's advertisements. These commercials frequently appear on YouTube, and Facebook videos, in between google searches, or as image ads.

### **CONTENT MARKETING:**

Quality content creation is a key component of content marketing strategies because it will increase brand awareness and foster trust between businesses and potential customers. A few examples of content-rich media that digital marketers can use to spread awareness include blogs, videos, infographics, e-books, and case studies.

### **SOCIAL MEDIA MARKETING:**

Social media is the major entry point to a large commercial market for digital marketers. Digital marketers will use brief, densely packed pieces with lots of information and eye-catching images to reach a wider audience. Additionally, they'll produce enjoyable videos that deliver the message to potential customers.

### **E-MAIL MARKETING:**

E-mail Marketing, also known as Newsletter Marketing, calls for carefully crafted and targeted e-mail content that addresses the brand's audience. When previously active clients have been inactive for a while, the e-mail marketing method is useful. Everything from goods & services to special bargains, giveaways, and blog links that take readers to the website can be included in the e-mail.

### **AFFILIATE MARKETING:**

A form of the digital market known as affiliate marketing involves advertising a brand on the website in exchange for a share of the profit from each sale. This is negotiating for a third party or an affiliate to promote a brand on their blog or channel in exchange for payment, subscriptions or registrations typically produce that charge.

### **IMPACT OF DIGITAL MARKETING ON SERVICE SECTORS:**

The largest sector in India is the service sector. In the services sector, the predicted 2020–21 Gross Value Added (GVA) at current prices is 96.54 lakh crore INR. Of India's total GVA of 179.15 lakh crore Indian rupees, the services sector accounts for 53.89%. The industry sector makes up 25.92% of the GVA, which is Rs. 46.44 lakh crore. While the agricultural and related sectors account for 20.19%.

SECTOR DIVISIONS	% CONTRIBUTION
Agriculture	20.19
Industry	25.92
Tertiary (Service) sector	53.89

Source: <https://www.jagranjosh.com/general-knowledge/gdp-of-india-sector-wise-contribution-1630060794-1>

Sector	Constant Prices(INR crores)	% Share	Current Prices (INR crores)	% Share
1. Service sector	6758989	54.27%	9654259	53.89
(a) Trade, hotel, Transport, Communication, and services related to broadcasting	2208388	17.73%	2941477	16.42%
(b) Financial, real estate, and professional services	2872815	23.07%	3950786	22.05%
(c) Public administration, defence, and other services	1677786	13.47%	2761996	15.42%

Source: <https://www.jagranjosh.com/general-knowledge/gdp-of-india-sector-wise-contribution-1630060794-1>

After analysing the contribution of various service sectors to GDP of the India, three service sectors have been taken for the current study. In this research paper, the impact of digital marketing on financial services, travel & tourism, and hotel services has been studied.

### IMPACT OF DIGITAL MARKETING ON FINANCIAL SERVICES:

The rivalry is becoming strong with the spread of technology in nearly every aspect of our lives, particularly among financial institutions and services. To stay competitive, financial institutions urgently require digital marketing. To increase consumer interaction and earn their trust, digital marketing for financial services is the main objective. Digital marketing techniques must be put into action if financial institutions want to increase their visibility and reach more potential clients. Financial institutions have started setting aside a percentage of their budget purely for digital marketing across a variety of channels to make this work. Some facts regarding how digital

marketing is impacting financial services are as follow:

- Since 77% of people use mobile payments, it is important to investigate this market utilising the appropriate marketing initiatives
- According to the Digital Banking Report, in 2017 34% of financial institutions dedicated 50% of their budget to conventional media, and 15% of companies committed more than half of their budget to online media. This suggests that financial institutions are modernising and seizing chances.
- The majority of businesses use the top social media platforms like Facebook and YouTube as their digital partners. Digital marketing efforts for financial services are most often done using segmented and multichannel marketing. Companies like American Express and Chase prefer Facebook as their digital partner, while Citi and Discover prefer YouTube, according to a Mintel analysis.
- It is not surprising that Gen Z and millennials make up the majority of the workforce in the business.
- About 84% of millennials are delighted to use digital services for their banks or financial institutions, according to a report by Accenture.

#### **IMPACT OF DIGITAL MARKETING ON TRAVEL & TOURISM:**

The travel and tourism sector has been impacted by the development of digital marketing and will continue to be impacted. It is now a crucial instrument for running the company. The secret to success in the tourism industry is to understand the primary forces behind travel and tourism, which include geographic diversity, government initiatives, the creation of customized packages, changing consumer dynamics, readily available financing, and the advantages of customized packages for the target market. Online resources are abundant compared to traditional promotion strategies that rely on printed materials. The web/mobile app is the preferred option for instant information because there are no limitations or restrictions on information search. It's crucial to have a continuous online presence to control the brand and build equity. Additionally, users contribute their insightful thoughts, write reviews, and share graphics to reach a wider audience online. Another important truth is that digital marketing can target niche markets where buyers have certain needs. Using as examples: ecotourism, adventure tourism, medical tourism, etc. With the internet, it is now possible to provide essential information to meet specific demands. The table below demonstrates how the major characteristics of Indian travellers are evolving rapidly due to rising reliance on digital media.

Significant characteristics of the tech-savvy Indian traveller		
1.	Online travel searches	Most travellers utilise the internet, and 67% of them even use voice search while planning a vacation.
2.	Mobile Friendly	71% of people use smartphones for searching and making

		reservations, and 82% said they would find it convenient to have digital boarding passes and e-tickets.
3.	Avid Social Media User	83% of people utilise videos and pictures that friends have posted on social media as part of their research before travelling, and 83% believe that being able to stay in touch while travelling is very important.
4.	Seeks Discounts	85% of people use price comparison websites to seek bargains, and 58% believe that it takes a lot of time to locate the cheapest price.
5.	Values Online Reviews	91% use review sites, yet only 52% are satisfied with their trustworthiness.
6.	Wants Free Wi-Fi	75% select accommodations without Wi-Fi fees

*Source: KPMG-FICCI 'Travel and Hospitality gone digital report (2018)*

Statistical data showing the impact of digital marketing on travel & tourism are as follows:

- According to India Brand Equity Foundation (IBEF), the travel and tourism industry will contribute a total of US\$ 275.2 billion to India's GDP by 2025, up from US\$ 136.3 billion in 2015. India's third-largest source of foreign exchange earnings is travel and tourism. Cruises, adventure, medical, wellness, sports, MICE, eco-tourism, film, rural, and religious tourism are just a few of the unique travel options it offers. Both domestic and foreign tourists are aware of India as a destination for spiritual tourism. The travel and tourism industry in India is expanding at a CAGR of 10.2%.
- According to www.w3trainingschool.com, the digital marketing sector witnessed a growth of 30% in 2015 and is expected to rise by 40% in 2016. The growth rate is also expected to increase more quickly going forward. Indian Internet users are expected to number half a billion by 2018. (Source: BCG Analysis). By 2023, the Indian e-commerce market would be worth \$ 56 billion.

### **IMPACT OF DIGITAL MARKETING ON HOTEL SERVICES:**

In this current, dynamic 21st-century scenario, one of the hospitality sector's most flourishing industries is the hotel business. With the advent of digital marketing tools, this sector has set out to reach an ROI that is twice as high as it was previously. To grow their business effectively, hotels have already started accepting reservations online. Customers who choose the advance hotel booking option can reserve rooms for the desired dates. A digital marketing plan may be the best fit for driving business to new heights in the hotel industry. The hotel sector is certainly not mean an exception to the goal of digital marketing to transform several industries. Online spending increased and became more heavily focused on corporate expansion. Nowadays, the average person can afford



to travel. Throughout the year, millions of individuals plan to visit their favourite places. In the hotel business, there is a highly competitive market that provides digital marketing with a new shape, giving visitors a variety of options so they can enjoy their trip and stay in the hotel of their choice. There are several sites available today where businessmen can promote their hotels. Statistical data showing the impact of digital marketing on the hotel industry are as follows:

- Properties with at least one photo have a 138% increase in interaction and are 225% more likely to get a booking inquiry.
- 55% of people have liked a hotel's Facebook page to learn more about it.
- Nearly 60% of all hotel bookings are made online.
- After a favourable hotel experience, 40% of customers are inclined to write a review, while 48% of guests would do the same after a negative one.
- Conversion rates for hotels that have a lot of great photographs on their websites rise by 15%.
- 76% of people upload pictures from their vacations to Facebook and other social media.
- When compared to websites without videos, websites with videos have a 53 times higher chance of showing up on Google's first page of results.

#### **CONCLUSION:**

The evolution of digital marketing has changed the marketing era. Recent tactics and strategies of digital marketing help every sector to grow. But the service sector is the largest contributing sector to the GDP of the Indian economy, impacted by the growth of digital marketing. Today's focus of digital marketing is engaging with both existing and potential new audiences through the use of internet technologies. Tablets, smartphones, and other electronic devices have proliferated due to the speed at which technology is developing. Likewise, those who have social media and e-mail have been buying through digital media. People can browse the web considerably more easily thanks to search engines. Additionally, the decision-making process for purchasing financial services, deciding about travel places, and for selecting hotels for staying during travel has become much easier, thanks to product reviews and promotional videos that assist customers. The revolution shook the service sectors a few years ago and it has completely changed how businesses & service sectors interact with customers.

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