# 2.0 Literature Review

This literature review is structure for scrutinizing the information available in scholarly articles, reports and dissertations for answering number of questions including:

* The concept of Digital Marketing
* The role of Digital Marketing in Communication Process
* The role of Digital Marketing Communication in Industrial Firms
* Challenges and Threats faced by Industrial Firms while applying Digital Marketing Communication Tools
* The management of Digital Marketing Communication Process to reap benefits

The main aim of this literature review is to identify the relevant studies available in the field of digital marketing and digital marketing communication for industrial firms in Australia and globally. All the data will be sourced from available prior literature for encapsulating the internet technologies that are being used by the industrial sector at a global level and in Australia (to be particular).

## 2.1 Digital Marketing

Digital marketing concept has ripened with the advent of digital technologies, mainly Internet in this globalized era. It is a broad marketing concept that entails advertisement through digital platforms including display advertisement, mobile phone adverts and promotions done by any other digital medium (Karjaluoto, Mustonen & Ulkuniemi 2015). The promotion of brands or products now days is done through digital marketing by the firms more vividly as it involves use of different channels and digital tools that allows the firms to analyze their marketing campaigns and follow the leads in a much quicker and authentic way.

According to Yamin (2017), digital marketing is the activity carried on by firms in which the marketers tend to meet the customers’ demands and needs at right time. Bernhoff and Li (2008) also defined digital marketing as a modern marketing tool that involves electronic devices, social media and commerce to carry different marketing messages to the end consumers efficiently and effectively. Teo (2005) also pointed out that companies are relying more on the digital marketing tools for promoting their products with the rapid growth and extensive usage of smartphones. Yannopoulos (2011) stressed on the importance of digital marketing tools by finding that it has remained to be a successful tool for managing customers needs effectively. Teo (2005) found digital marketing tools to be effective and useful for accomplishing high return on investment related to advertisements in Singapore.

Digital marketing tools are used by the businesses for leveraging their digital channels like Google Search, Yahoo Search, Emails, Facebook, Instagram, Twitter and personal Websites of brands in order to stay connected with their current customers and future prospective customers. Similarly, Koiso-Kanttila (2004) also found that the digital marketing tools help the businesses by delivering best results for firms in terms of improved navigations, customization and accessibility for marketing.

## 2.2 Digital Marketing Role in Communication

Digital marketing tools and disruptive information technology tools have tweaked the ways through which the companies communicate with external and internal stakeholders. Digital TV, mobile phones, internet, social media and other digital technologies have created opportunities for the firms to indulge into cost effective and interactive communication process between the company and its customers.

According to Merisavo (2008), the digital channels are being used extensively by the firms for cultivating the customers’ loyalty. There are different models available that aid the marketers to use digital channels for developing a sustained and effective communication process with customers. Charan (2014) focused on the use of digital communication channels by the marketers in order to stay connected with the customers. Though there are various channels that can be used for communication, however not all have the same impact. According to the study by Charan (2014), the customers are connected with the firm even after buying the products and can provide the firm with effective feedback by sharing their experiences. The overall impact of the digital media on communication process can be considered to be both appealing and sensitizing on one hand and distasteful and offensive on the other if malicious advertising is done through digital tools.

## 2.3 Digital Marketing Communication and Industrial Firms

The digital marketing tools are the ones that have emerged with the advent and development of internet technologies. It includes Twitter, Instagram, Facebook, Google, Yahoo etc. All these tools are mainly use for communication and marketing purpose. However, some platforms like LinkedIn are specifically designed for companies and businesses. According to Mulhern (2009), the digital marketing communication refers to the process in which digital marketing channels are used for creating, measuring and targeting the communication process that in turn enriches the existing relationship of firms with customers. According to Corniani (2006), digital marketing communication is done by the firms to directly engage with targeted customers who are active in the communication process. Modern consumers are now more accustomed and connected with digital technology as they exercise their control over content while making purchases.

Despite of ever-changing marketing communication channels, the shift in how industrial firms communicate with the stakeholders are also experiencing the change (Weber 2009). The reason why marketers are quickly adapting to digital marketing communication tools is due to its ability to give consumers enhanced interactivity and personalization options. At the same time, digital marketing is more effective and targeted as compare to traditional marketing. According to Rekha and Chauhan (2018), digital marketing communication tools are cost-effective and informative. The study also indicated that digital marketing has changed the marketing communication mix due to its close link with internet and information technology. It is also indicated that in the DMC, the customers are actually the content distributors and marketing communication creator. Wetime and Fenwick (2016) also identified DMC to be the root of customer relationship management in which customers are engaged into a two-way personalized communication process.

According to Rekha and Chauhan (2018), digital marketing communication tools offer several benefits to the firms as it is cheap, easy to be implemented and is able to generate the effective feedback along with interactivity and measurability. However, Wertime and Fenwick (2008) argued that the industrial firms find it difficult to choose the elements of digital marketing process that are best suited for the ongoing digital strategy.

According to Sharma (2002), the industrial firms use DMC for fostering the communication with customers, creating brand awareness, increasing efficiency of communication process and generating sales leads. On the other hand, Michaelidou et al. (2011) argued that industrial firms use DMC for attracting new customers, keeping current customers satisfied, increasing awareness and cultivating the customer relationships. Different industrial firms may have different agendas, however the tools used, are the same to achieve the agenda. Jarvinen et al. (2012) also highlighted that DMC helps the industrial firms in acquiring new consumer base through social media and other digital marketing tools.

## 2.4 Challenges of Digital Marketing Communication by Industrial Firms

Despite of being the modern way of marketing, DMC process has been facing several challenges. Due to increasing number of organizational layers and people involved in overall communication process, the industrial firms are facing several challenges. Kajaluoto et al. (2015) discussed that without efficient planning, the DMC process cannot be implemented effectively. The DMC process requires reintegration of traditional marketing communication process in a newly emerged electronic environment. Kajaluoto et al. (2015) also found three most discussed positive influences of DMC in industrial firms i.e. it enhances the customer relationships, improves the sales support and builds the brand.

Apart from several benefits, the risk of breach of confidentiality of businesses through social media and other digital media usage is also experienced (Kajaluoto et al, 2015). Corniani (2006) also highlighted a negative impact of supplier-buyer communication via digital media platforms on the other customer relationships. Godes and Silva (2012) suggested that around 90% of all the online customers make online purchases after reading the online reviews about the company. Kee (2008) also pointed out that reviews posted on digital media play an important role in purchase decisions made by the customers. Especially in the case of industrial products, where products are being sold in large quantities or have high prices for single product, reviews of such products plays an important role.

Van Doorn et al. (2010) argued that digitalization has empowered the customers to such an extent that they are influenced by experiences and comments of other customers instead of advertisements only. The industrial firms find consumers interacting with each other on digital media through discussion groups, product ratings, blogs and product reviews that directly influences their shopping behavior. Many industrial firms, hire other media companies to look after their social presence and interact with their clients on their behalf.

De Bruyn and Lilien (2008) also identified few of the challenges that industrial firms face during implementation of DMC. The study argued that the utility of social media and digital marketing is compromised as it might lead to unclear targeting of customers. Bodnar and Cohen (2012) pointed out that advertisement and communicating through digital media channels can result in production of such digital content that does not contribute towards existing effectively defined marketing communication objectives of the firms. Moreover, it was also discussed by Kajaluoto et al. (2015) that open discussions of customers on digital media can break the norms of business communication by threatening the confidentiality needs of industrial firms.

Verhoef et al. (2013) identified another challenge of DMC usage by industrial firms. It is argued that instead of engaging with customers through DMC, the firms tend to enrage them. As for this particular reason, it is important that industrial firms get the support of professional media firms, so that such issue can be avoided. Within the overall digital media environment, the customers can easily become the destroyer of brand value instead of creating the brand reputation. Verhoef and Lemon (2013) also argued that the brand building through digital media can result in weaker control over the customer relationship management process. Mangold and Faulds (2009) also argued that in traditional communication environment, the firms used to have higher degree of control over the information to be communicated with higher and lower end users. Now, with digital media, the firms might find it difficult to control the timing, frequency and content of marketing.

Leeflang et al. (2014) identified the risk of losing grip on customer insight due to excessive use of digital media for communicating. Due to large and complex big data, the marketers and firms are finding it difficult to track the customer behavior and needs. Moreover, due to it is generally difficult for the firms to measure the return on investment (ROI) generated through digital marketing tools. Charan (2014) also pointed out the creation of digital talent gap due to rapid expansion in digital media tools usage.

## 2.5 Management Plan of Digital Marketing Communication by Industrial Firms

Apart from the discussed challenges above, there are several managerial implications associated with DMC process in industrial firms. Kajaluoto et al. (2015) discussed that for a smooth and efficient DMC process, the industrial firms must ensure that the customers are fed the right information through digital media. It is also required by the industrial firms’ managers to focus on timely producing the information that is demanded by the customers related to supplier details, product specifications and company background. To do so, many companies make use of newsletters, that are usually sent to their existing customers on weekly basis, to update them about new products, policies or promotions. Another common method of doing is through blogs, many companies are actively involve in blogging through which they create content on regular basis and such content is shared through various social media platforms.

Smith and Blush (2002) highlighted the importance of quality of information and its impact on digitally influenced customers. For any business, regardless of its size and the nature of industry its operating in, when it comes to content, the quality plays a significant role. The study argued that the risk of buyers’ perception related to purchase decisions is directly influenced by the quality of information available digitally regarding the products, processes, services and company’s background. Bienstock and Royne (2007) discussed that the managers can utilize DMC fully by integrating personal selling along with digital media communication process in order to reap maximum benefits. However personal selling is not easy to be attached with industrial products, as for such reason a lot of emphasis is on the products itself.

Kajaluoto et al. (2015) also recommended for the industrial firms to integrate the use of digital communication channels within the firm first through internal blogging, social bookmarking and digital messaging notification system so that employees can become more equipped with digitalization process before externally applying it to customers. Doing so will make sure that when the same is done externally, the overall campaign is more accurate and free from any flaws. Similarly, the DMC process should be aligned with the broader marketing objectives of the company in order to experience premium customer relationship process.

Elawadi (2016) recommended the industrial firms to implement a proper customer insight tracking system so that the consumers’ views can be tracked down effectively and the competitors can be outperformed. This can be done through various online platforms, like google analytics that generate complete report about customers and their activity on company website. Similarly every social media platform generate their own reports, that can be use to analyse the activity of customers. It is also important for firms to set the degree of innovativeness for using the big data in an innovative way. It was also suggested for the firms to use key performance indicators for measuring the return on investment in this digital media age.

Berthon et al. (2012) also recommended firms to hire more skilled talented employees for managing their digital media process. Hiring of highly skilled employees can be daunting, but can solve several problems associated with implementation of DMC process. Outsourcing of digital media communication management can also be a suggested solution (Berthon, et al., 2012). According to Leefland et al. (2014), the most important solution to the DMC challenges is that the firms must create stronger capabilities in digital media analytics. The firms that lack knowledge in digital data, digital customer insights and digital metrics soon find themselves stuck in the web of digital failure. According to Verhoef and Lemon (2013), the firms must adapt to new digital era by focusing on developing the brand and customer relationship strategies, skill development and proposition development for taking the advantage of enhanced customer engagement through social media.

Conclusion:

For businesses regardless of their industry and size it is important for them to stay up to date and make proper use of the avaialable technologies that are out there in the market. Out of the available technologies, social media is considered to be the most effective technology when it comes to analyzing the effectiveness of communication. Though digital marketing is not something that any one can do, specially in the case of industrial firms when the firms are involved in selling industrial products. There are challenges that every industrial firm has to face when it comes to digital marketing, challenges like what platform to use, how often it has to be used, what should be the budget and so on. To address this challenge, firms are being advised to hire professionals or other agencies who specialize in digital marketing so it can be done properly.

Recommendation:

Digital marketing has transformed, how business market and advertise themselves. The companies used to market and advertise through traditional methods, however with the advent of digital marketing companies can now reach wider audience at a comparatively low price. For industrial firms it is very important that they select their digital marketing platform carefully, as not every industrial firm would want to market and advertise through Facebook. There are other platforms like LinkedIn, YouTube and Tweeter that would be more ideal for marketing of industrial products. Most importantly, digital marketing is not something that can be done by someone who has marketing knowledge, instead for proper digital marketing a professional team or an individual has to be hired who can look into the insights of customers and alter the strategies accordingly.

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