

## “Effectiveness of Personalized Marketing in The Digital Era: A Study with Reference to Digital Marketing”

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### Abstract

In marketing, personalization is the action of designing and producing in ways that resonate with customer preferences. Personalization of content and goods based on consumer preferences can reduce customer fatigue and time spent making decisions, lowering cognitive load. [1] Digital Marketing is cutting down the gap between the brand and the customer and is offering the gross information about the product at their fingertips. So it has increased the fierce competition among the companies. Also, with the growing and ever-changing trends, the tastes and preferences of customers are also changing. One size does not fit every customer's needs. They want something unique and appealing. Thus, they want a great Customer Experience. [2] To gain an understanding of the importance of personalised marketing in this environment, this research study demonstrates the diverse efficacy and influence on business due to digitalization in this new technology era.

**Keywords:** *Personalization, Customer Preferences, Digital Marketing, Digital Era*

### Introduction

"Digital Marketing" is defined by the Digital Marketing Institute as "the use of digital channels to promote or market products and services to targeted consumers and businesses." A greater audience can be reached in a shorter amount of time. Technological advancements have resulted in significant loss of traditional marketing firms and departments' customer base. People have shifted to tablets, phones, and laptops, which are where digital marketers have made the most progress.[4]. Personalization in digital marketing involves using data about customers to create more relevant and personalized experiences. This can include directing advertisements and marketing messages to specific customer categories depending on their interests, demographics, and behaviour. [6]

As consumer behaviour changes, customers today expect all of the benefits of current technology, such as accessibility, speed, efficiency, accuracy, and cost cutouts, yet still expect a friendly, competent human being to greet them while delivering services to them. They are on information oversupply which is again the fruit of digital technology and if they don't believe that marketers are truly trying to solve their problems, make their lives simpler, or add value, then all the marketing Efforts are pointless. In short, personalisation allows firms to differentiate themselves. up with one-to-one experiences that really resonate with customers, perusing them to stipulate your products or services in the future. [2] New age technologies, artificial intelligence (AI), machine learning (ML), and deep learning (DL) are raising the bar every year to hyper-personalization. Hyper-personalization is the process of analysing online and offline behaviour, search history, lifestyle, purchasing patterns, tastes, and so on, in order to determine the best product or solution possibilities for each individual consumer.[5]. 2 Despite the benefits of personalisation, organisations must use it in an ethical and transparent manner. Customers should be aware of how their data is being used and be able to opt out of personalisation. Businesses must also be clear about their data collecting and use practises. [6]

### **Review of literature**

- 1) The use of digital technologies in marketing was considered by **Shobhana Chandra (2022)**, this study bridges the knowledge gap through a bibliometric review using performance analysis and science mapping. The study concluded Future research directions for personalised marketing are encouraged, with a focus on new-age technologies such as artificial intelligence, big data, blockchain, the internet of things, and wearables to explore new ways to curate personalised experiences across online and offline channels. [1]
- 2) The traditional type of marketing is more directed towards big customer segments in specified areas. Marketing has grown into an extreme kind of segmentation as a result of technological advancement, where marketing targets the individual consumer based on their specific requirements and preferences. This has sparked debate about whether personalised marketing causes privacy problems or benefits in the view of the consumer. David Fridh and Teodor Dahl (2019) investigated consumer perceptions of personalised marketing and how these perceptions influenced purchase decisions. [7]

- 3) The article described the problems and criteria for the development of marketing in the era of the Marketing is surely affected by the digital economy. According to the study's conclusions, Orazymbetova, Akmaral, and Bekmurzayev (2020) are confident that marketing in the digital economy is essential. undoubtedly affects marketing. Based on the findings of the study, **Orazymbetova, Akmaral & Bekmurzayev (2020)** were convinced that marketing in the era of the digital economy, as well as all activities in the present time need to use modern formats of the global trend using. [8]
- 4) **Shen, Anyuan (2014)** did an exploratory study of customers “lived” experiences of commercial recommendation services to better understand customer expectations for personalization with recommendation agents. They discussed the managerial and research implications of findings in their research.[9]
- 5) **Neeraj Arora (2008)** summarized key challenges and knowledge gaps in understanding the choices that both firms and customers make in a personalization/customization environment in this paper. This paper reviewed two major forms of one-to-one marketing-personalization and customization – and identified areas for future research. [10]

### **Objectives**

- 1) To study the effectiveness of online marketing tools to Personalize the offerings.
- 2) To investigate the relationship between personalized marketing and conversion rates in digital marketing.
- 3) To explore the factors that influence the effectiveness of personalized marketing in digital marketing.

### **Research Methodology**

Sampling Universe- Vasai-Virar City Municipal Corporation Region

Sampling Technique - Convenient & Stratified Sampling

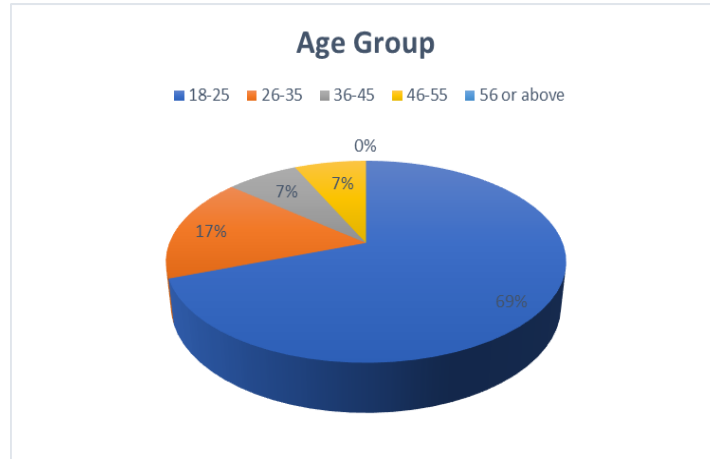
Sample Size - Approx. 150

Data Analysis Tools – Excel Tools like Pie-Chart, Bar-Graphs, Pivot-Tables etc.

### **Interpretations & Findings**

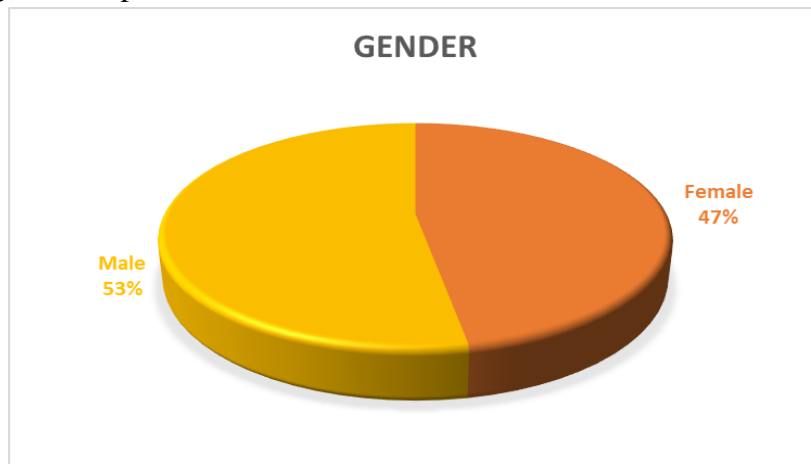
The data was collected using google form which was sent to the sample group who were residing in Vasai-Virar region. Maximum participants belonged to

the age group ranging from 18 to 25 i.e., Young adults / Gen Z and also age groups 26-35 & 36-45 i.e., Millennials participated in the study too. Less participation was observed from the age group 46-55 i.e., Gen X. No participation was observed for age group 56 or above i.e., Boomers.



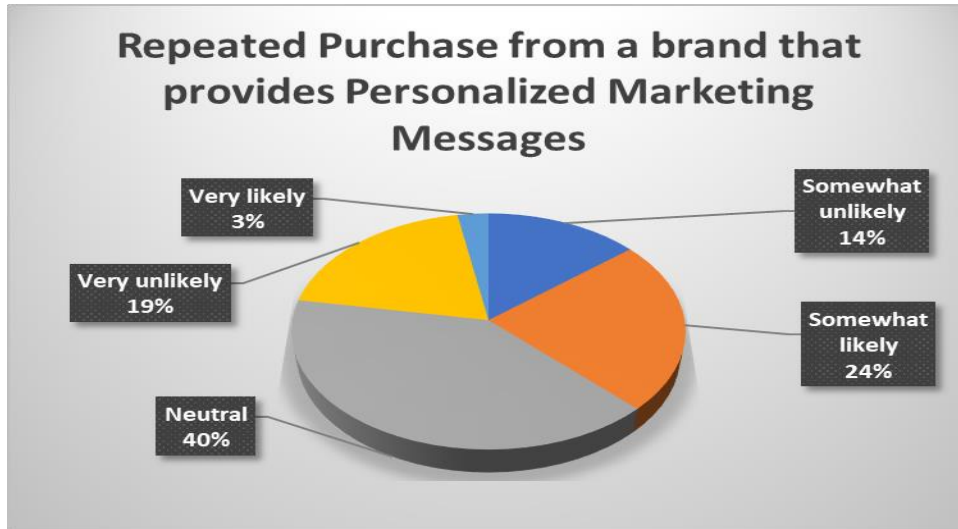
**Figure 1-a:** Age group of respondents

Amongst the respondents, 47% were Female and 53% were Male.



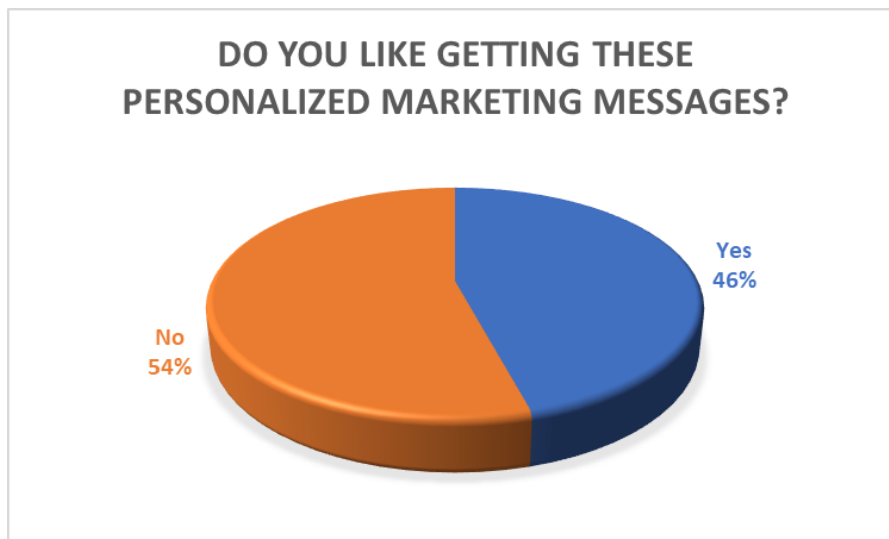
**Figure 1-b:** Gender of respondents

27% of the respondents are likely to purchase products & services repeatedly through online platforms based on the customised messages sent to them. As it is observed that 40% of them are neutral about the repeat purchase, it can be inferred that most of them are likely to go for repeat purchase online.



**Figure 2:** How likely are the respondents to make repeat purchase from a brand

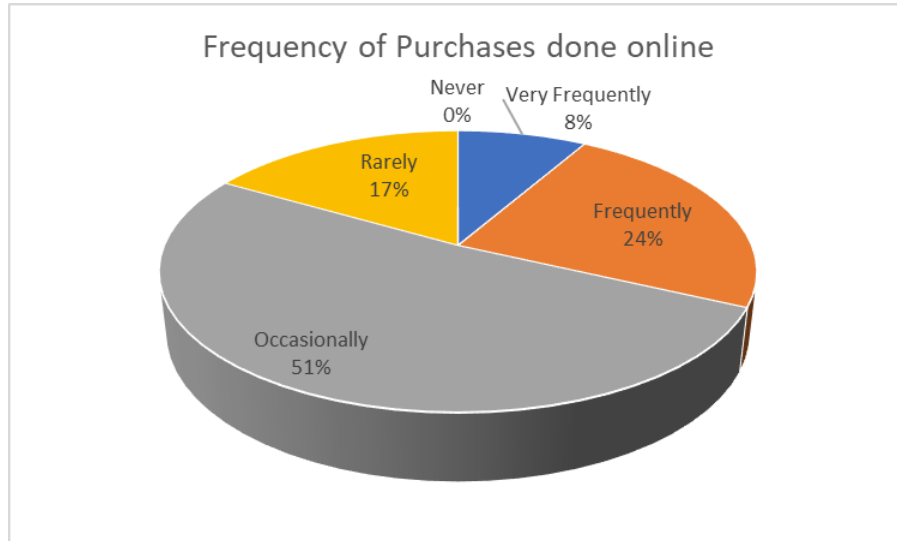
46% of the respondents are positive about receiving personalized marketing messages, which clearly indicates that people are keen to receive personalized messages through online mode and there is a scope for the marketer to expand their business through personalized online marketing.



**Figure 3:** Do the respondent like getting these Personalized Marketing Message

It is seen that frequency of purchase is responded as frequently by 24% respondents and 8% respondents said that they purchase products very frequently. So, it is observed that the majority of the respondents are purchasing products & services online. This

interpretation is supported by the responses that 51% of them are purchasing online occasionally.



**Figure 4:** Frequency of purchases done online

| Frequency of purchases based on Personalized Marketing Messages |                   |              |                  |               |              |                        |
|---|-------------------|--------------|------------------|---------------|--------------|------------------------|
|   | <i>Every time</i> | <i>Often</i> | <i>Sometimes</i> | <i>Rarely</i> | <i>Never</i> |                        |
| <b>Personalized Marketing Messages Engagement</b>               | Responses         | Responses    | Responses        | Responses     | Responses    | <b>Total Responses</b> |
| <i>Neutral</i>  | 2                 | 4            | 14               | 36            | 8            | <b>64</b>              |
| <i>Somewhat likely</i>  | --                | 6            | 10               | 10            | 2            | <b>28</b>              |
| <i>Somewhat unlikely</i>  | --                |              | 2                | 12            | 6            | <b>20</b>              |
| <i>Very likely</i>  | --                | 2            | 2                | 4             | 2            | <b>10</b>              |
| <i>Very unlikely</i>  | --                | --           | --               | 8             | 14           | <b>22</b>              |
| <b>Total Responses</b>  | <b>2</b>          | <b>12</b>    | <b>28</b>        | <b>70</b>     | <b>32</b>    | <b>144</b>             |

**Table 1:** Frequency of purchases done online based on Personalized Marketing Messages & Participation in Personalised Marketing Messages

From the above table, it is observed that 10% of the respondents are often likely to engage with online purchasing based on personalized marketing messages &

still 28% of them are still likely to get engage themselves. At the same time there is considerable percentage i.e. 48% of the respondents are positive about engagement. So, it is inferred that customers are now ready to receive personalized marketing messages are even they are purchasing products & services based on this marketing strategy.

It is also observed that 26% of them are likely to engage with personalized marketing messages. But a considerable chunk of 45% is neutral about the same, which can possibly be converted by marketers in perspective buyers of their products & services.

This indicates that there is a wide scope for marketers to sell their goods & services online through personalized marketing programs.

### **Conclusion**

In conclusion, this research paper throws light on the success of personalized marketing in the digital era, particularly in the context of digital marketing. According to the findings of this study, personalised marketing is an effective method for engaging and retaining clients in the online marketplace.. The study found that a significant portion of consumers, around 32%, are now making their purchases online, indicating a significant shift towards online shopping. Moreover, the research indicates that 27% of the respondents were willing to make repeat purchases online, demonstrating the potential for businesses to build brand loyalty through online channels.

Furthermore, the study shows that personalised marketing messages are likely to be well-received by consumers in the digital realm. Specifically, 46% of the respondents expressed their willingness to receive personalized marketing messages online, suggesting that there is considerable potential for personalized marketing to be a powerful tool for businesses seeking to enhance their online presence. Personalised marketing is a marketing approach that is personalised to the individual needs and desires of the customer. interests of individual consumers, and it can be used to build strong and lasting relationships with customers. By providing personalized content, businesses can deliver value to their customers and strengthen their brand reputation.

The findings of this study have significant implications for digital marketing strategies, as companies seek to navigate the ever-changing online landscape. In today's digital age, personalized marketing can help businesses increase their online presence, drive sales, and build strong relationships with their customers.

By utilising the power of personalized marketing, businesses can create a competitive edge and achieve long-term success in the online marketplace. Overall, this research paper provides important insights into personalised marketing's success in the digital age. With the continued growth of the online marketplace, it is essential for businesses to adopt marketing strategies that engage and retain customers effectively. Personalized marketing is a potent instrument that should be incorporated into any successful digital marketing strategy.

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