

Digital Marketing in Automobile Sector: A Comparison between Traditional and Digital Marketing Techniques

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Abstract

Digital marketing is the term used for the various promotion and advertising activities/techniques employed to connect to its customers through various digital methods. Digital Marketing helps in educating the end user about products, its features, values, pros-cons etc. and for their large scale promotions. The Auto market in India with quite a large number of potential buyers is flourishing with numerous of options/ varieties available with a combined cut throat competition where every company is facing survival challenges in the market. Under the prevailing circumstances and environment Digital Marketing is pretty helpful when it comes to promote brands, ideas, services and concepts. With the boom in IT & Communication sector, where almost every Indian is exposed to internet through computer systems or mobile or tablets; internet is gradually hitting the core of every industry including the Automobile industry and empowering the customer to seek relevant information about the everything one's desire.

The basic idea to write this paper is to deliberate on the fact that how Digital Marketing is affecting the decision making in the Automobile sector (Four Wheelers) in India. The study focuses on the comparison between the traditional ways of promotion and digital marketing techniques used in the Automobile Sector. The study is done on the basis of customer feedback given on the experiences they had during their pre and post purchase decision of cars through Digital Marketing and Traditional Buying Methods.

The study is conducted within the state of Rajasthan through structures Questionnaire. Various statistical tools are applied to compare the traditional marketing and Digital Marketing Techniques. It gives an insight to the marketers to how to place their product in this competitive market.

Keywords: Advertising, Automobile Sector, Digital Marketing, Promotion, IT & Communication

Introduction

Before the Internet age, buying an Automobile was considered tiresome with several visits to dealers and showrooms, comparison of features through complicated brochures on one hand and on other hand choosing a new vehicle was a relatively simple process; one involves his/her family members, colleagues, friends for recommendations, drive to showrooms to review vehicle

specifications, pricing etc. The growth in the sector of IT and Communication has given the power to the consumers to access information any time, any place, anywhere. The information related to Automobile purchase such as car model specifications, pricing, finance options, 360 degree view, virtual test drive, comparisons with other similar models etc is available 24*7, 365 days.

Internet can help in saving time and avoidance of money on frequent visits to the dealers through various website portals like cardekho.com, carwale.com etc. (more than 200 models are available). Internet has now become the paramount interface between customer and industry. Internet helps the customer to decide which car, model to buy before they enter a dealer's showroom.

Traditional Marketing in Automobile Industry

Traditional marketing is the term used for the various promotion & advertising activities or techniques employed for years to connect to its customers through print advertisements, newsletters, billboards, flyers, pamphlets, newspaper print ads, television commercials, radio jingles etc. The following figure shows the traditional marketing tools for Automobile sector

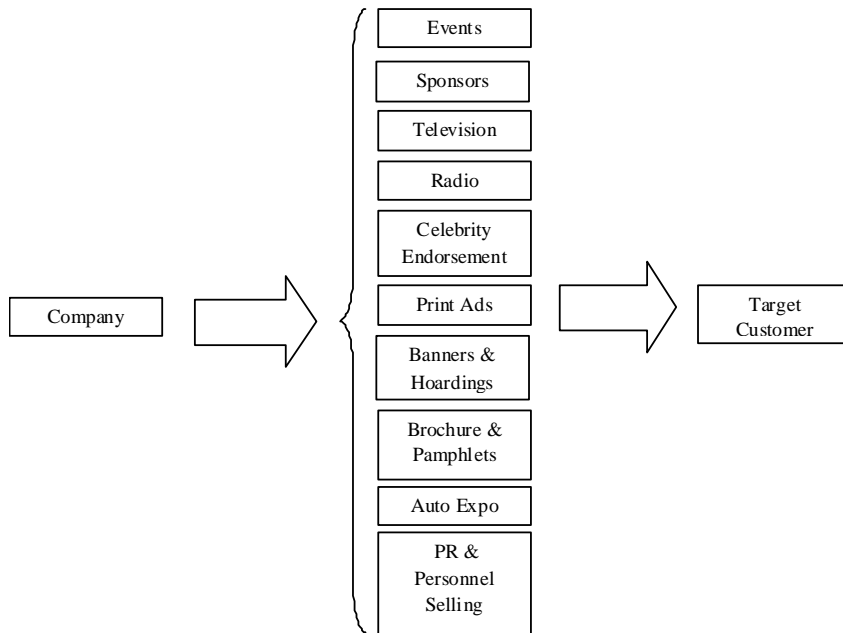


Figure 1 : Traditional marketing tools in Automobile Industry

Digital Marketing in Automobile Industry

Digital marketing is the term used for the various promotion & advertising activities or techniques employed to connect to its customers through various digital techniques such as Websites, Web portals, Blogs, Social Media, Mobile Apps, e-mails etc. The following figure shows the Digital marketing tools for Automobile sector

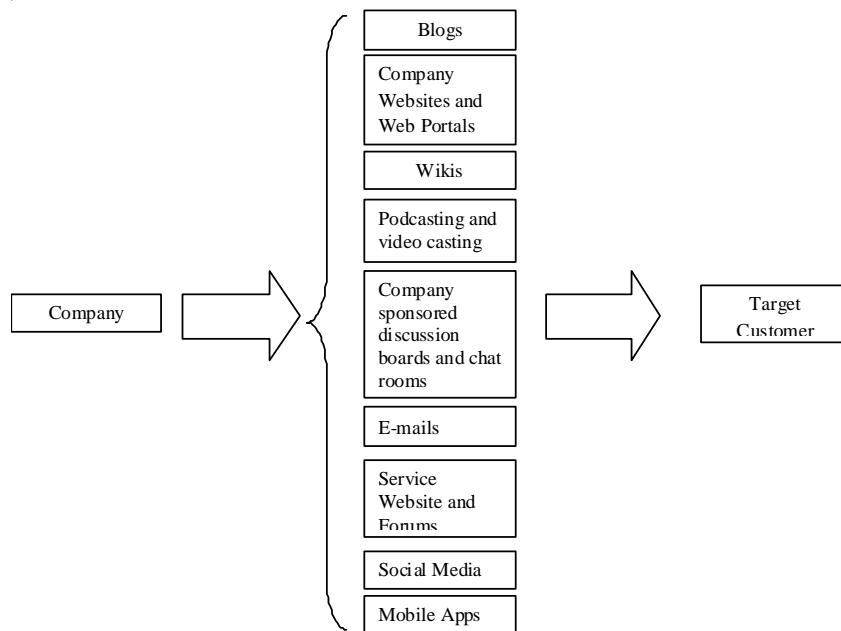


Figure 2 :Digital marketing tools in Automobile Industry

In India, the internet today has become the most powerful tool not only surfing for information or communicating with friends, family, colleagues but also for entertainment. India will see the sharpest growth in Internet users from 2013 to 2017, with almost double users. One can reach the consumers by marketing channel through mobile phones, laptops, personal computers, PDA's, tablets, e-mail etc. According to a report of Times of India, India has the third largest internet users' base in the world. India had also surpassed US in December 2014.

Literature Review

Clement Sudhakar and Venkatapathy (2009) studied the influence of friends colleagues/ peer group in the decision making with respect to purchase of cars in Coimbatore District. It was revealed in the study that influence was higher for the purchase of small sized and midsized cars.

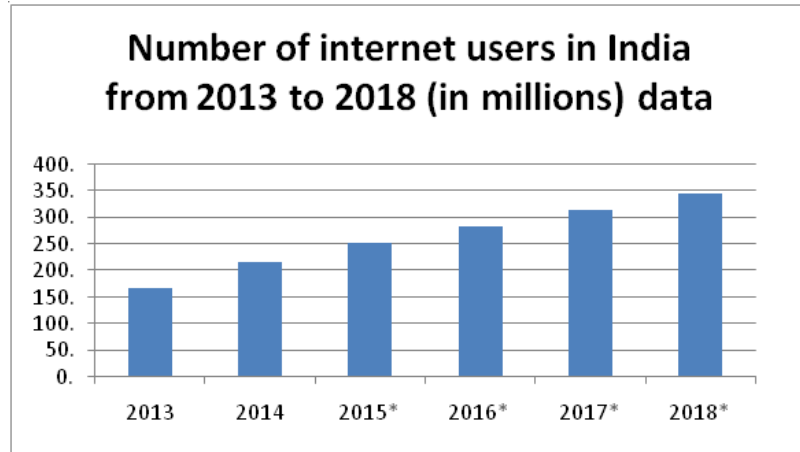


Figure 3. Internet users over the years (Source: statista.com)

Ruckman (2012) suggested that its win-win situation for both marketers and customers. Internet research becomes an increasingly important tool during the purchase processes; more marketers are seeing the advantages too. Companies are investing more into online marketing as it has following advantages:

- It can effectively reach the target customer.
- Faster and less expensive to conduct direct marketing campaigns.
- Measurable, which means that successes are identifiable and repeatable.
- Open Excess for 24-hours a day.
- Cost- effective, in the long run.

Natraj & Nagarjana(2012) studied that online consumer behavior is evolving and these companies should anticipate this evolution. Hence these companies have to take a brand new approach towards designing of their websites. As companies are targeting the potential market for online sales, they need to use latest technology to maintain the Quality of the content for their websites and make the websites user-friendly for ease of navigation which could lead to increased customer satisfaction and enhanced long-term relations.

Clement Sudhakar and Venkateshwar (2013) studied the New Media Influence on Compact Car Purchasing Decision Making in Tamilnadu. The new media had a positive impact on consumer view over the cars they are going to purchase. Each of the individual has a wide knowledge on the product before they are going to purchase a product. This study shows that new media i.e digital and social media has an impact over the car buyers who are internet savvy through their electronic devices like computers, laptops, mobile phones, tablets etc.

Lokhande and Rana(2013) studied the Marketing Strategies of Indian Automobile Companies with special reference to Maruti Suzuki Ltd. It was investigated that Automobile market today is very dynamic & competitive with a numerous of

variants available. The reasons behind the impressive growth of the Indian passenger car Industry are easy availability of vehicle finance, attractive rate of interest and convenient installments. Now it's more of a necessity than luxury. Maruti Suzuki India Limited is a famous brand amongst the Auto company in Indian Automobile sector due to its innovative strategic marketing, promotional, Brand positioning, advertising strategies. It was revealed that the success of company was due to its structuring and restructuring the marketing strategies and continuous innovation of product and services

Bagga & Gupta(2014) revealed that Digital Marketing is a very important tool for the promotions of new advancements and activities. Their study shows that number of people surfing the official websites of the companies for the product detail was found to be quite less, and it compels the companies to practice more and more promotion strategies through Digital means and Social Media Pages. It is imperative to gather the feel and liking of the customers for giving better competition to the other companies.

Sarita Devi (2015) studies the concept of social media marketing in Automobile Industry. The study shows that Automobile industry is growing at a faster pace and social media marketing is helping this sector to flourish in a refine manner. The study also revealed that Social Media marketing is a must as it creates brand awareness, customer loyalty, marketing mix feedback etc.

Research Methodology

Descriptive research design has been used in the study. The primary data has been collected through Questionnaire and secondary data has been collected by referring to Marketing Journals, Research papers, social networking sites and online blogs/forums/articles. The population considered is four- wheeler owners in Rajasthan or to be owners. Convenience sampling method is used with a sample size of 100 (56 male & 44 female). Data is collected through Structured Questionnaire. The data was analyzed through MS Excel by using ANOVA test.

Hypothesis

H0: Both Traditional and Digital Marketing tools are equally effective.

Analysis and Findings

To test the difference of opinion of population about the effectiveness of digital marketing and traditional marketing techniques, ANOVA (single factor) is applied to investigate the difference of mean.

Table 1 : Descriptive Statistics

Groups	Count	Sum	Average	Variance
Traditional	100	355.8333	3.558333	0.126192
Digital	100	379	3.79	0.722009

Table 2 : ANOVA Analysis

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	2.683472	1	2.683472	6.327441	0.012683	3.888853
Within Groups	83.97194	198	0.424101			
Total	86.65542	199				

Since $F > F_{critical}$, the null hypothesis i.e. “Both Traditional and Digital Marketing tools are equally effective” gets rejected and hence population does not have equitable view about both the methods of marketing. Looking at the data of mean, it may be concluded that the Digital Marketing Methods has the higher mean; hence digital marketing techniques are more preferred than traditional marketing methods.

The difference between the mean is not very high which also indicates that the importance of traditional techniques cannot be ignored.

During the survey a question asked i.e. ‘which method do you think would impact your decision for purchase of car?’. The study reveals the confused behavior or behavior which indicates some sort of dissonance in the mind of respondent.

- 35% of respondent think that digital marketing techniques would impact their decisions,
- 33% of respondent think that traditional marketing techniques would impact their decisions.
- 32% of respondent think that both traditional marketing and digital techniques would impact their decisions.

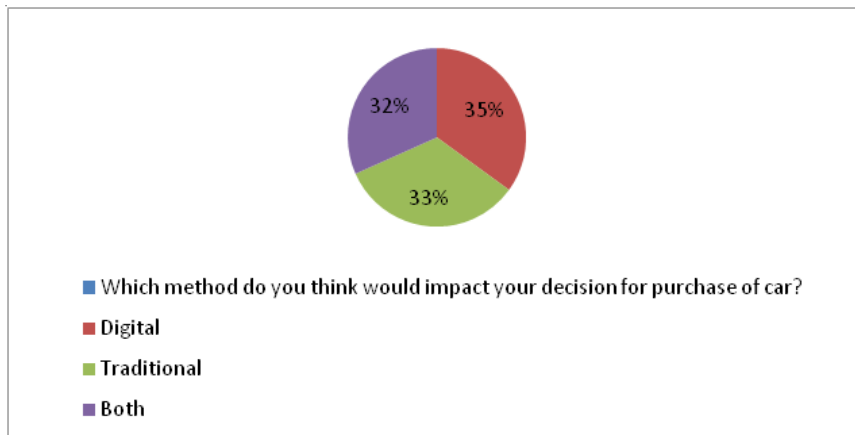


Figure 4. Impact of marketing techniques in decision making

The result leads to the conclusion that consumer still grade all the methods equally effective in their decision making.

Conclusion

Thus, completely replacing the traditional techniques will not suffice; both the techniques may go hand in hand. Previous studies indicated that traditional methods have a high success rate and are proven. Promotion through Digital Marketing is subject to only customers who are having an access to online medium. In traditional marketing business or service is reaching to customers through newspaper, television or radio and where as in digital marketing customer has to reach to business or service. The internet usage is increasing day by day which in turn progressing the digital marketing methods so now the automobile companies can concentrate on digital marketing in a healthy and prosperous way.

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