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Digital Transformation of Traditional Marketing in the New Industrial Era

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Abstract

This study looks at how digital technology has helped traditional marketing companies innovate their business models. The idea of business models has been evolving over the past 20 years, and digital technology is thought to be a crucial enabler for business model developments across several industries. This paper develops a comprehensive business model framework to systematically define its key constructs, followed by an analysis of how and why business models have changed. Finally, the paper explores the role played by digital technologies in business model innovations. The paper advances our knowledge of business model theory and the ways that digital technologies have been applied to promote business model improvements. Additionally, it considers how traditional marketing could encourage entrepreneurship and innovation in many economic areas. The most important details in this text are the objectives of the study, the research methodology and empirical findings, and the need of the study. The objectives of the study are to reach a larger audience at a lesser cost, to identify the satisfaction level of customers about online and traditional marketing, and to investigate how conventional marketing companies may successfully navigate the digital age and modify their business models to remain competitive and relevant. The survey of 105 respondents found that 39% always prefer to purchase online, while 14.3% never do. The study's overall goal is to offer useful information on how traditional marketing companies may successfully navigate the digital age and modify their business models to remain competitive and relevant.

Keywords: Business models, entrepreneurship, economic areas, digital technology, traditional marketing

INTRODUCTION

This study looks at how digital technology has helped traditional marketing companies innovate their business models. The idea of business models has been quickly evolving over the past 20 years, and both academics and business executives have shown a keen interest in it. Digital technology is thought to be a crucial enabler for business model developments across several industries. Although there are more research articles, journal special issues, and conference sessions on business models, the idea of a business model itself is still somewhat enigmatic, and there are many different ways to conceptualize a business model, which has slowed down the pace of cumulative study. Many new business model advances, especially the digital transformation of company models, are still not well understood. This paper develops a comprehensive business model framework to systematically define its key constructs (what), followed by an analysis of how and why business models have changed. Finally, based on empirical evidence from traditional marketing, the paper explores the role played by digital technologies in business model innovations. The paper advances our knowledge of business model theory and the ways that digital technologies have been applied to promote business model

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improvements. Additionally, it considers how traditional marketing could encourage entrepreneurship and innovation in many economic areas. The selection of the creative industries is based on their extensive coverage of both traditional (including publishing and the arts) and digital native sectors (e.g., video games). They serve as a major driver of economic expansion, the creation of jobs, and social cohesion, as well as a center for managerial experimentation and innovation, as well as new organizational and business practices that encourage entrepreneurship and innovation in other spheres of the economy. They are chosen to serve as a crucial domain for business model improvements utilizing digital technology as well as an ideal setting for a thorough investigation of the topic. A multi-stage, recursive learning approach is used to design, improve, and evaluate the holistic business model framework. It is designed to function as a planning tool for creating business model innovations as well as a cognitive instrument for comprehending business models. The following section examines earlier research and creates a comprehensive framework for business models. The research methodology and empirical findings are then discussed. The next step is a comprehensive analysis of business model developments enabled by digital technologies in the creative industries, and the identification of new trends. Discussion follows on the contributions to theory and practice. Three fresh topics for additional study are emphasized at the end.

REVIEW OF LITERATURE

Nurmalina Yusuf (2023) [1]: Particularly in the current era of digital change, the loyalty of traditional retail businesses to suppliers in business partnerships has not been extensively documented and investigated in Delhi National Capital Region (NCR). Their business potential, which is expected to be worth 817 trillion dollars annually, is immense. A total of 69% of Delhi NCR's total fast moving consumer goods (FMCG) retail industry revenue comes from this business value. The study also sought to determine the profiles of the respondents in reference to loyalty markers. 500 traditional retail store owners who were selected by proportionate stratified random sampling for an offline survey were the respondents. The findings demonstrate that the quality, commitment, and satisfaction of retail services are generally good. As this is happening, the website and merchandise need to be of higher quality. Just 24.6% of retail stores are unfaithful to their suppliers, compared to an average of 75.4%. These findings are helpful for supply firms looking to build, cultivate, and sustain the highest level of loyalty with traditional Indonesian retail stores.

Pascucci et al. (2023) [2]: Markets and society today require the use of digital technology, and digital transformation is quickly emerging as a major area of business innovation. However, due to the complexity of digital transformation, businesses are still unable to completely grasp and take advantage of its prospects. This study looks into how businesses are currently using digital technologies. The article investigates the effects of digital transformation on traditional marketing, including its role, organization, and instruments, because it can change the traditional process of value generation, which marketing is primarily involved in. The study used in-depth interviews with managers employed by businesses involved in several Indian industries as a form of qualitative research. The findings demonstrate that although frequently falling under the category of traditional tools, digital technologies are widely used by businesses and that enterprises are more "digitalized" than "digitally transformed”. Digital technologies have an impact on marketing by enhancing the capabilities of pricing, channel management, market analytics, and co-creating value with customers. Professional skill enhancements come in many forms, and organizational processes are made more efficient and adaptable by the application of a variety of knowledge and cross-functional experiences. The primary challenges and hazards associated with implementing digital transformation are examined, along with the research and managerial ramifications.

Rathore (2023) [3]: Since the previous few decades, fashion has become a status symbol, impacting our lives. Every company in the fashion business assists us in making our own decisions. The fashion business is well known for its different brands and their innovative techniques to meeting market demands. These various brands are always striving to grow brand awareness, sales, and profits; to that end, practically all of the companies are employing their best marketing methods to grab the market. This marketing plan provides an effective marketing strategy advice for L.K. Bennett to grow their wings in other regions. This marketing strategy suggestion is based on a review of L.K. Bennett, a British brand, and its marketing environment. We are concentrating on the India-based brand "LK BENNETT," which sells women's wear, in this marketing strategy. This marketing strategy will help 'LK BENNETT' identify the newest marketing trends and the best and most effective marketing techniques to get the desired results. This brand will carry out the created one-year marketing plan, ensure the success of the provided marketing plan, and closely oversee and monitor its strategic performance.

Cefis et al. (2023) [4]: The Fourth Industrial Revolution, which is frequently linked to the development of the digital transformation, has drawn more attention in a variety of academic fields. Future research on the subject will benefit greatly from the particular concerns that have already been highlighted by the associated research. Nonetheless, there is still a need for research with an "Industry and Innovation" viewpoint that addresses how businesses act, innovate, and perform in the new industrial paradigm. This special edition seeks to close the gap. The six research articles look at the determinants, patterns of development, and techno-economic implications of digital transformation from three different perspectives to examine how organizations deal with it. The special issue offers a unique vantage point for examining the new industrial paradigm because of the diversity of the theoretical frameworks, data sources, and empirical approaches, as well as the novelty and managerial/policy importance of their findings.

Veile et al. (2022) [5]: Digital platforms have been successfully used for a while in business-to-consumer industries, but they have only just made their way into the industrial business-to-business world. Rapid advancements, particularly in the context of Industry 4.0, have shown great potential for business models and inter-company interactions via digital platforms, areas that are particularly crucial for industrial marketing. This study offers light on how digital platforms alter industrial organizations' business models and interactions between companies in response to calls from academics and practice, a lack of empirical findings, and a lack of knowledge in the field. In order to distinguish between distinct platform kinds and roles, the authors used an exploratory case study design to examine a special sample of 11 platform instances from Germany and the United States. The research identifies recurrent trends in business model innovation and interactions between companies. A quasi-statistical methodology was used to elicit the results, which were then reviewed and evaluated in light of the most recent findings in the fields of platforms, business models, and industrial marketing.

Hong and Yang (2021) [6]: The goal of this study was to determine what made conventional market delivery apps successful as well as to guide traditional markets through the digital transformation process. The system characteristics of the app, distribution, products, and responsibility for customer replies are four elements that reflect the success factors of traditional market delivery apps. To determine their effect on the effectiveness of the activities, these factors were examined. A total of 148 proprietors of conventional market businesses were polled in order to gather data. The outcomes of the empirical investigation showed that the characteristics of the delivery system, the app system, and the product sales promotion have a major impact on the efficiency of the operations. On the other hand, the consumer reaction traits did not exhibit any notable effects. This might be as a result of certain apps not having the capability to check user ratings and reply correctly. Data from this study can be used to identify characteristics of traditional market delivery apps and make suggestions for creating development indicators of the traditional market delivery apps by examining their effects on operational performance, helping to revive traditional markets through digital transformation. Traditional market delivery apps are currently in the early stages of implementation and are gradually expanding.

Udovita (2020) [7]: The influence and effect of new digital technologies and business models on the value propositions of existing goods, services, and business models is referred to as digital disruption. In recent years, it has become rather overused. As the impact of digital disruption intensifies, industries are flocking to the middle of the digital maelstrom. To avoid the risk of becoming extinct from the market by doing so, the notion of digitalization has evolved, grown in importance, and transcended mere technological change. The study also intended to explore and present an answer to the most crucial issue, “what to transform?" The major research approach was a comprehensive review of the relevant literature, and the work is organized as a concept paper with a discussion of empirical findings. The paper concludes with some recommendations for future research aims and goals.

Frank et al. (2019) [8]: The most current developments transforming industrial companies are regarded to be servitization and Industry 4.0. While Industry 4.0 is typically associated with providing value to the manufacturing process, servitization is primarily focused on adding value to the consumer (demand pull) (technology-push). The literature lacks data about the interfaces and connections between the two developments, despite the fact that some scholars refer to them as complementing concepts. So, our goal is to create a conceptual framework from a business model innovation (BMI) perspective that links the concepts of servitization and Industry 4.0. Three servitization levels—namely, smoothing, adapting, and substituting—as well as three levels of digitization—are the foundation of the methodology (i.e., low, moderate, and high levels of digitization). The authors demonstrate that matching these levels yields nine feasible configurations that are categorized as manual, digital, and Industry 4.0-related services and can concentrate on smoothing, adapting, or substituting services. The authors support and exemplify these settings using reported cases from the literature. They also go over various degrees of difficulty for putting these combinations into practice. Furthermore, the study offers a basis for the expanding body of research on the convergence of servitization and Industry 4.0.

Lawrence et al. (2018) [9]: Some outdated marketing strategies have been phased out with the rise of the internet and replaced with more modern approaches to product promotion and marketing. The term "online research" has replaced the term "desk research”. This essay compares and contrasts traditional marketing with digital marketing, commonly referred to as internet marketing. The advantages and disadvantages of both traditional and digital marketing are also covered. Since the dawn of marketing, traditional marketing has been the conservative method of advertising. The dominant form of marketing today is digital marketing. Digital marketing is the practice of promoting goods and services over the internet. The conventional marketing strategies assist the digital marketing strategy. Both marketing strategies rely on one another.

Kotarba (2018) [10]: The article's objective is to outline the breadth of recent changes in the morphology of business models in contemporary businesses brought about by the rapid advancement of technology, referred to as "digital transformation” (DT). The improvements are presented using an improved business model canvas idea, with a general time cutoff set at 2000. Key components of the business model and the factors that influenced its change for the time before and after this measurement date are organized and commented upon, along with some useful findings and suggested areas for additional research.

RESEARCH METHODOLOGY

Objectives

The objectives of the study are as follows:

- To reach a larger audience at a lesser cost, firms may use online marketing.
- To identify the satisfaction level of customers about online and traditional marketing.

Research Design

Descriptive research design is used.

Period of the Study

Period of the study is 3 months.

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Sources of Data Collection

Primary data is collected from questionnaire.

Tools and Techniques

Tools used in the study are pie charts and graphs through Microsoft Excel software.

Need of the Study

The business environment has undergone tremendous change as a result of the digital age, and conventional marketing models have had to adjust to keep up. Businesses that do not embrace digital transformation run the danger of missing out on possible prospects for growth and innovation during the current industrial era by investigating how conventional marketing business models are being digitally transformed. The study's overall goal is to offer useful information on how traditional marketing companies may successfully navigate the digital age and modify their business models to remain competitive and relevant.

DATA ANALYSIS

Findings and Conclusion

- In a survey of 105 respondents, 39% said they always prefer to purchase online, while 14.3% said they never do (Figures 1–13).
- Only 14.3% of respondents strongly believe that they are highly attentive to all scams when doing online buying, while roughly 30% are unaware of such frauds and disagree that they are careful while doing online shopping.
- In all, 41.9% of individuals are extremely happy or satisfied with the quality of items in internet marketing, 41.9% are indifferent, and roughly 16.2% believe that the online products are not that excellent and disagree with their quality.
- Many people have different opinions about the advantages that traditional marketing has over online marketing, such as 27.6% believing that it is less expensive, 24.8 believing that it saves time, 19% believing that it provides a wide range of information, 16.2% believing that it is simple, and 12.4% believing that it is interactive.
- Traditional marketing is seen as an excellent source by 25.7% of respondents, satisfactory by 38.1% of respondents, fair by 23.8% of respondents, and bad by 12.4% of respondents.
- Online marketing has many more flaws than traditional marketing techniques, according to 83.8% of respondents, including privacy concerns, increased suspicion, increased scope of fraud, frequent interruptions, and a lack of demonstration, while 16.2% believe it has no flaws.
- A total of 41.9% people prefer traditional marketing whereas 58.1% people prefer online marketing.

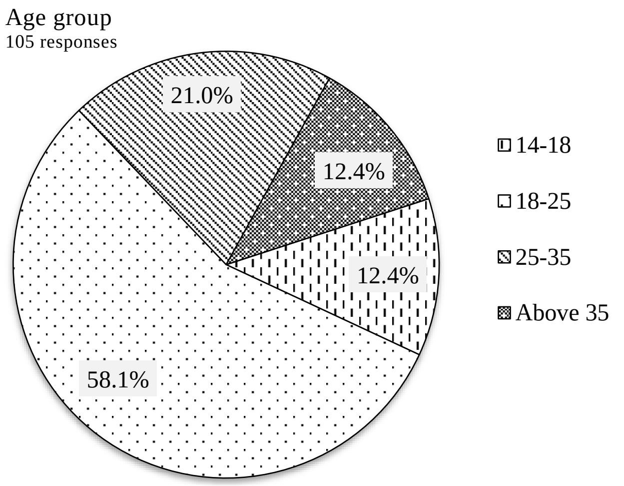

Figure 1. Pie chart shows the age group distribution of the respondents.

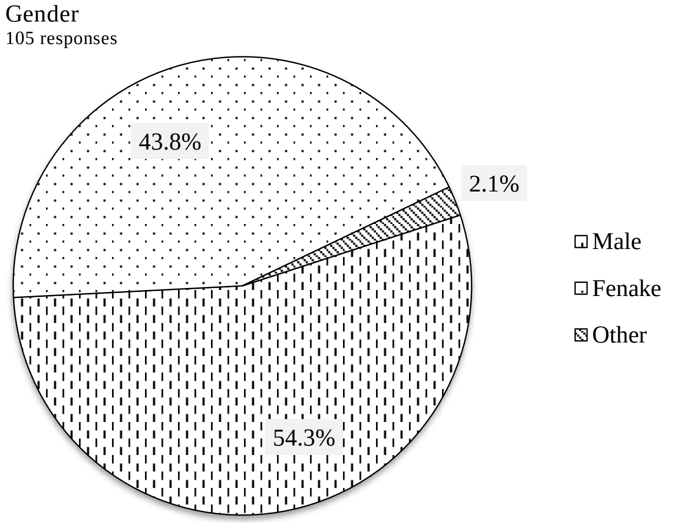

Figure 2. Pie chart showing the gender distribution of the respondents.

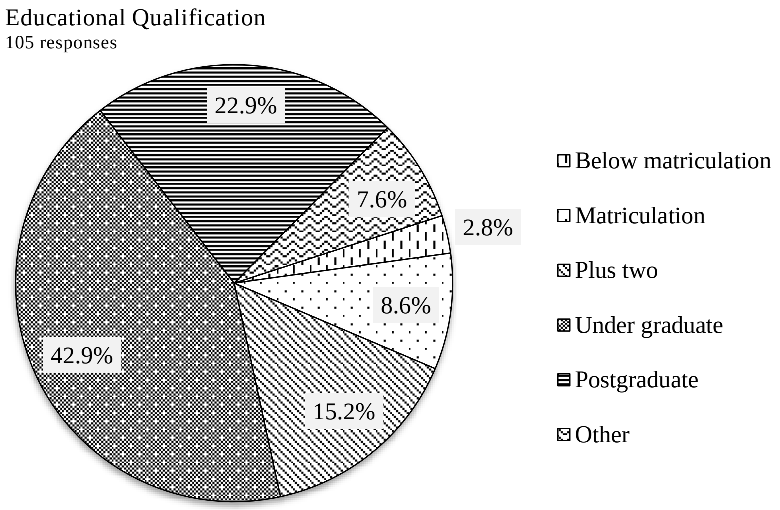

Figure 3. Pie chart showing the educational qualification of the respondents.

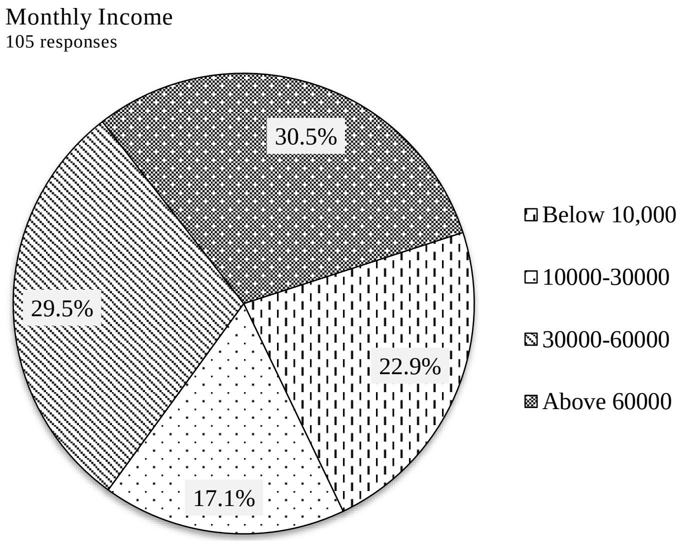

Figure 4. Pie chart showing the monthly income (INR) of the respondents.

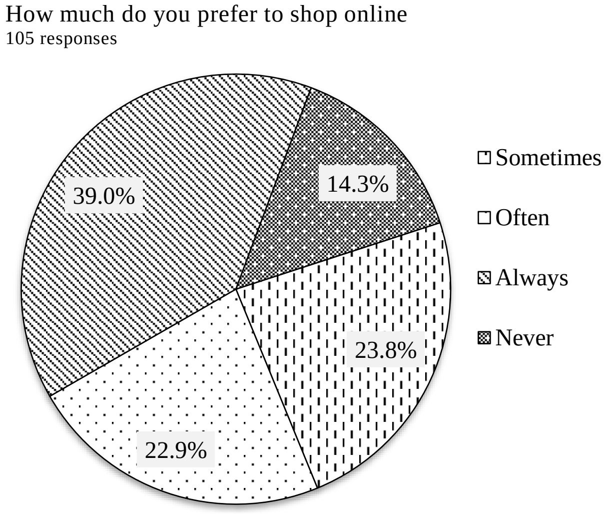

Figure 5. Pie chart showing how much respondents prefer to shop online.

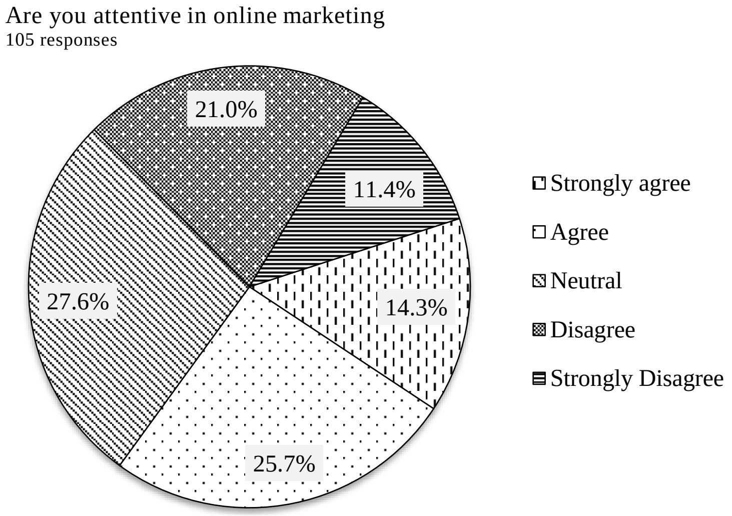

Figure 6. Pie chart showing respondents' attentiveness in online marketing.

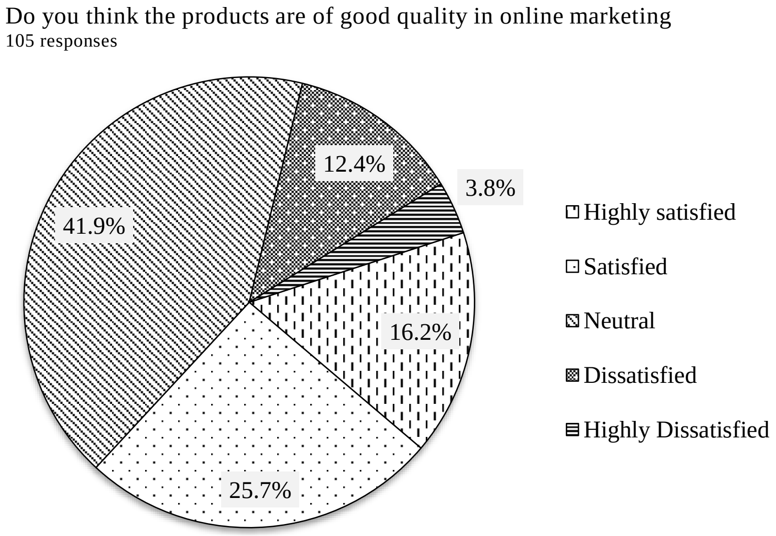

Figure 7. Pie chart showing respondents' thought that the quality of online market products is good.

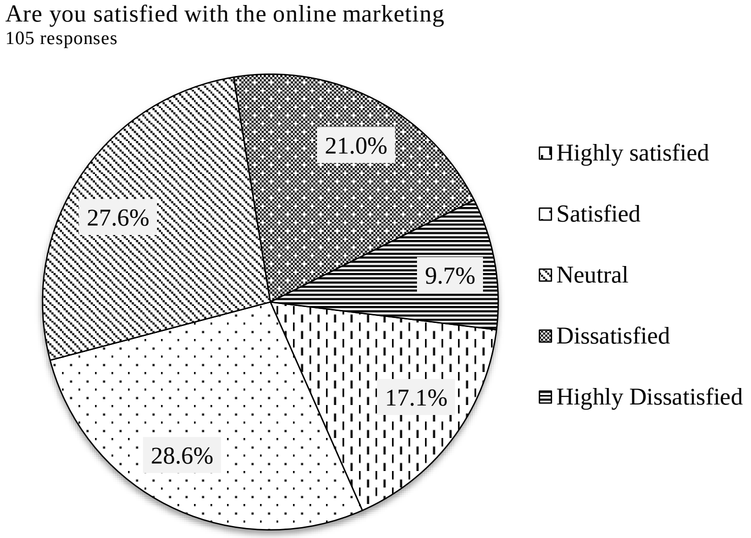

Figure 8. Pie chart showing the satisfaction level of respondents with online marketing.

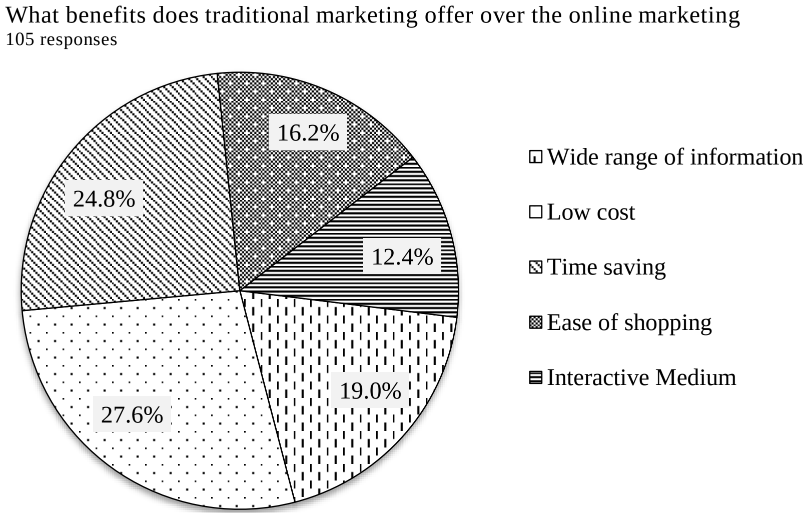

Figure 9. Pie chart showing the benefits of traditional marketing offer over the online marketing.

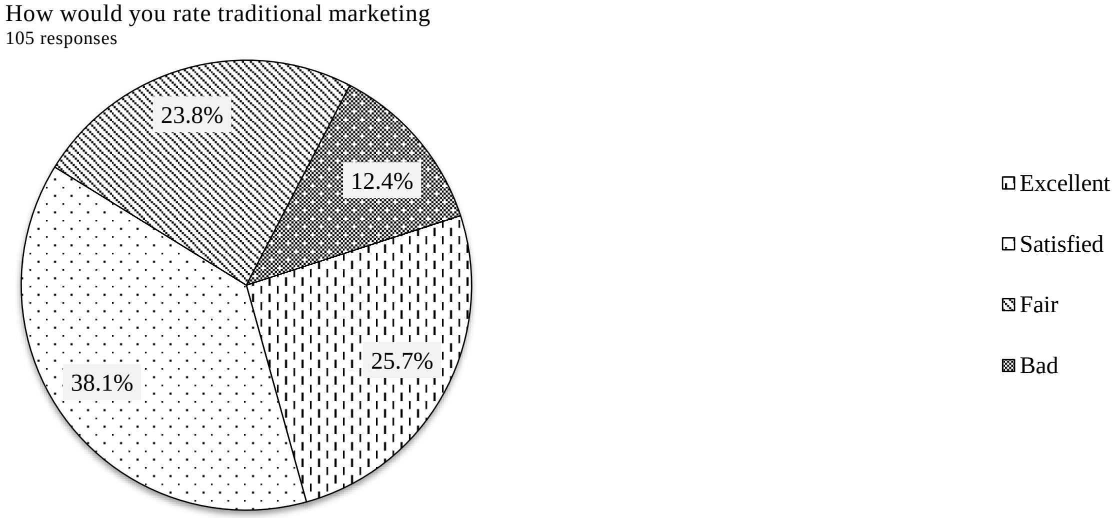

Figure 10. Pie chart showing the respondents' rating of traditional marketing.

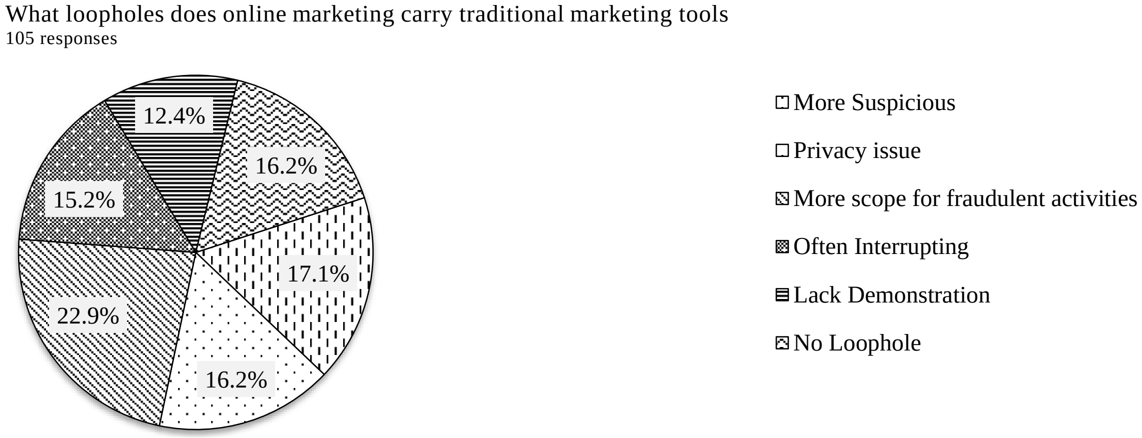

Figure 11. Pie chart showing loopholes in online marketing compared to traditional marketing.

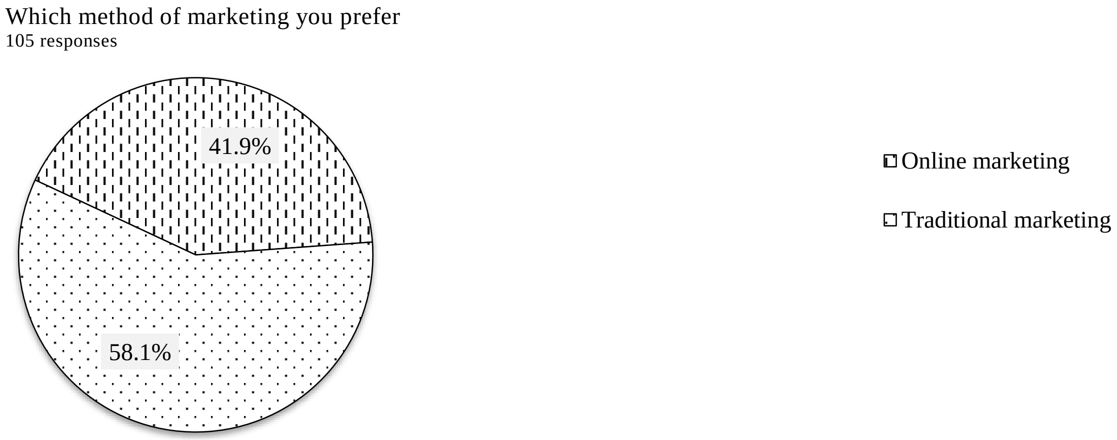

Figure 12. Pie chart showing respondents' preference for method of marketing.

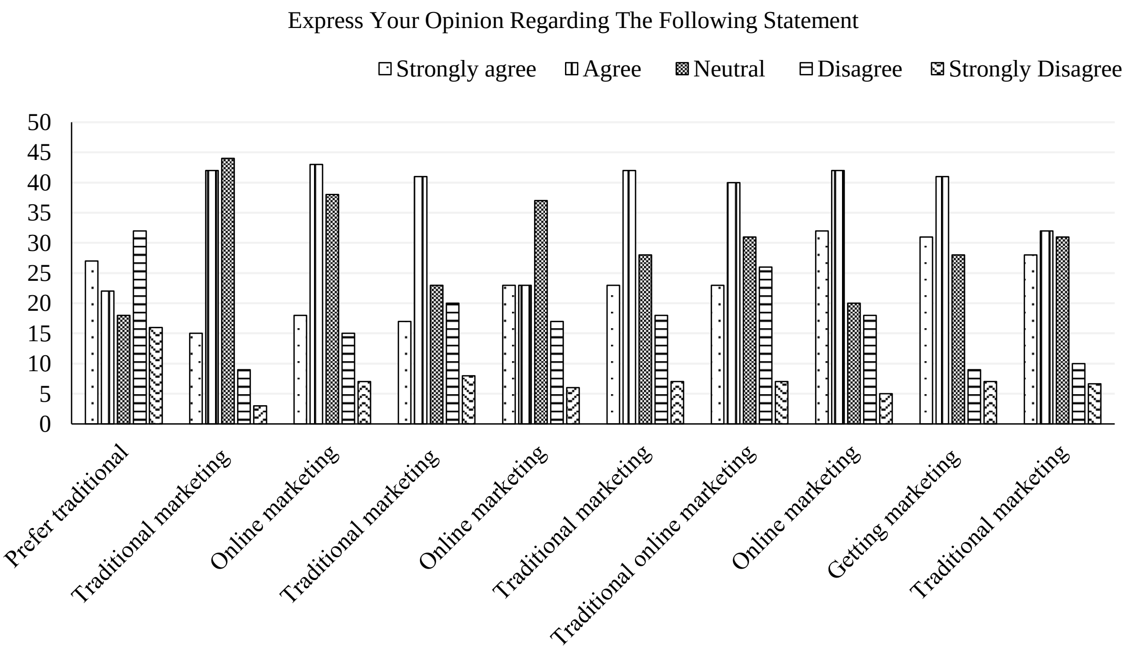

Figure 13. Bar chart showing the opinion of respondents of the following statements.

CONCLUSION

Traditional marketing's digital transition has changed the way businesses approach and implement marketing initiatives. It has increased reach, improved targeting and personalization, increased measurement and analytics, decreased costs, enabled interactive customer experiences, and linked marketing operations to changing consumer behavior. Adopting digital technologies and using them into marketing strategies is crucial for businesses to remain competitive and develop in today's market. Digital marketing has provided personalization enhanced measurement and analytics, decreased costs, enabled interactive customer experiences, and linked marketing efforts to changing consumer behavior. Adopting digital technology and incorporating it into marketing strategies is crucial for businesses to stay competitive and develop in today’s economy. Several individuals always like to purchase online, but many others never choose to shop online. Fewer individuals firmly believe that they are highly alert to all scams while buying online; however, more people are unaware of such frauds and disagree with being careful while shopping online. Some individuals are extremely pleased or satisfied with the quality of internet marketing items, while others have a neutral attitude, and yet others believe that the online products are not that excellent and disagree with their quality. Many people have different opinions about the advantages of traditional marketing over online marketing, such as the fact that it is low-cost, time-saving, provides a wide range of information, is easy to use, and is interactive. People believe conventional marketing is a great source; they are completely happy with it; they evaluate it as fair, while others believe it is poor. People believe that internet marketing has many more flaws than traditional marketing techniques, such as privacy concerns, being more suspicious, having more possibility for fraud, frequently interrupting, and a lack of demonstration, whereas they believe it has none. Finally, fewer people prefer traditional marketing, whereas more people prefer online marketing.

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