



Research Paper

The Challenges of Digital Marketing in Oyo State

Dr Isaac Olufemi Adesuyi
*Department Of Business Administration
Elizade University
Ilara Mokin
Ondo State, Nigeria*

Mr Ikhedosa Kevin Omorodion
*Department Of Business Administration
Ignatius Ajuru University Of Education
Port Harcourt
Rivers State, Nigeria*

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I. INTRODUCTION

The dramatic increase in the internet and the decoration of its usage has facilitated the development of electronic commerce, which was described as the movement of buying and selling, or the trading of products, service and information between and among the organizations and individuals all the way through computer networks including the internet (Laudon and Traver, 2001). When investigating in internet/internet marketing, strategic thinking would bring to the best rewards (David Scanlon 2009)

Establishing and maintaining links made to order communication with customers during the transaction could be expensive. Communication channels could be used gather important customer feedback and to measure customer satisfaction, either they are satisfied or not. However, most customers gather information on products, make their comparisons and then go or visit a local store to make a purchase.

Internet marketing is becoming a useful significant strategy for the company to promote, advertise and interact with more customers over the internet. This is expectantly true in the environment where internet shopping or internet purchasing was still new and consumers are less familiar and often more skeptical towards internet shopping, but slight is known about them. Therefore, in order to know and understand consumers' needs and wants, it is very important for us to have a survey and study to find out the impact of the internet marketing in computer industry towards customer satisfaction.

Digital marketing is an umbrella term for the marketing of products or services using digital technologies, mainly on the internet but also including mobile phones, display advertisement and any other digital medium.

The way in which in which digital marketing has developed since the 1990s and 2000s, has changed the way brands and businesses utilize technology and digital marketing for their marketing.

Digital marketing campaigns are becoming more prevalent as well as efficient, as digital platforms are increasingly incorporated into marketing plans and everyday life and as people use digital devices instead of going to physical shops.

Digital marketing has been recognized by all business entities and now it is growing faster with every passing day. Soon, it will become easier for small businesses to compare their large-scale competitors at the same platform. Digital marketing has become a crucial need of small as well as large scale businesses in today's digital environment.

Digital marketing plays a significant role in today's highly competitive world. Companies, personalities, even voluntary or religious organizations, use it in some form-such as Event Management, Image Management, Internet Marketing etc. either to promote a product or to promote a point of view.

Significantly, marketers will study consumer behavior to understand the many factors that led to an impact purchase decision. Those who develop digital marketing strategies begin by identifying relevant

markets and then analyzing the relationship between target consumers and the product services or brand. Often, to gain insights, marketers employ techniques borrowed from other disciplines.

It is desirable that the marketer should also measure the effectiveness of digital marketing and in the face of results, design qualitative changes in his marketing program. The appraisal of marketing program should result in the business becoming economically viable, but the degree of its effectiveness vi-a-vis the amount spent on digital marketing cannot be measured directly as put rather helplessly by Wanamaker. The potential buyers make the buying decisions not only due to digital marketing they see but also due to many other economic and social factors. The effectiveness of digital marketing is a function of several variables. The problem is that the organization cannot measure the impact of one variable alone.

Digital Marketing Strategies

The list of digital marketing strategies is also constantly evolving, but here are some of the strategies most businesses are using: Pay-per -Click Advertising, Paid Search Advertising, Single Engine Optimization, Paid Social Media Advertising, Social media Advertising, Conversion Rate Optimization, Contact Marketing, Native Marketing, Email Marketing and Affiliate Marketing.

As you can see from the list above, there are a lot of different ways to market your business online, which is why many businesses either hire an agency to manage their digital marketing efforts or pay for an in-house marketing team and marketing automation software to cover their marketing needs (for an in-depth comparison of these options,

Lohrke et al. 2006 Carroll and Wagar, 2001). Even though social media marketing may have become a huge part of organizations marketing strategy., enterprises ought consider how to engage in the most effective way with potential and already existing consumers. (Lohrke et. Al. 2006)

Digital marketing is based on online channels with the highest frequency of use, they are dynamic, they can change from year to year and are always influenced by market trends. In short, Digital marketing constantly uses review analysis, explanation, promotion process and helps to establish stronger brand customer relationships, helping to effectively identify consumer relationships and attract attention. The impact of this type of unconventional has been great, affecting sales and the number of customers dictating at best commercial tendencies.

If most clients interact with social media, firms should also interact with social media. In the past, marketers have used email, direct marketing, telemarketing information websites, television, radio and other mechanisms to disseminate information related to the firm or its products. The World Wide Web has been used to present marketing messages through page views and advertising to reach large members of people in a short period of time. It serves as an advertising tool that shaped surfer behavior.

Living in the digital age, when everyone has access to the internet, it is logical to switch to this type of marketing and intensive use of companies, the emphasis is on customer feedback, which is evaluated by the company and the assimilated, full presentation of services, the consumer is initially attracted by the type of bait, the next step will be to present him a full set of specific source of search information, communication is a key element, as a specific monologue of the company initiated by the company is removed and the dialogue is established through social platforms, brand and negotiation.

Digital marketing is a sub-sector of host products such as downloadable music, and primarily to communicate with stakeholders such as customers and investors, about the brand, products and business progress.

II. LITERATURE REVIEW

According to Kung, changes in technology and consumer behavior have always been key factors in changing media strategy. However, how these elements differ and are therefore complex. It is important to have a clear understanding of what we mean by 'digital marketing'

Professor George Day of Wharton has identified a growing gap between the accelerating complexity of markets and the ability of most marketing organization to understand and cope with this complexity. While market fragmentation and rapid change forces are everywhere, we believe that the use of the Internet is a major driver of widening the gap.

In the book of 'Digital Marketing' the essential guide to New Media Digital Marketing Kent Wertime and Fenwick talk about how blogs and social networks can promote their brand increase sales. Here's a quote from the book 'Advertising needs to be placed where consumer' attention is focused. In the age of Internet and digital devices, people are spending more and more time in virtual space, and this must be taken into account by all marketers'.

Researchers such as Doyle and Ruth (1992), indicate that the aim of relationship selling is to earn the position of preferred supplier by the development trust in the key account over a period. Berry (1983) suggest that relationship marketing is about attracting, developing, and retraining customer relationships. Companies that adopt a relationship marketing approach makes every effort to keep their current customers through

maintenance and promotion of a mutually beneficial long-term relationship with them. Rather than only focusing on maximizing the efficiency and volume of individual sales which is the main objective of the transactional marketing approach (MacMillan et al.,2005). The RM approach has resulted in increase customer cooperation, increased purchases and decreased customer defection (Morgan and Hunt, 1994). Ndubisi and Natarajan, (2016) mentions further positive outcomes like customers satisfaction, trust, commitment and loyalty.

Relationship marketing is built through communication which leads to stronger relationship by helping to resolve disputes, align goals and uncover new value-creating opportunities (Morgan and Hunt (1994). It involves having a close communication with the firm's customers which leads to benefits such as reduced uncertainty, managed dependence, exchange efficiency and social satisfactions from the association (Spekman et al, 1985) Relationship marketing also includes investing a lot of time and effort by the organization, however, can be seen as a barrier for SMEs due to the fact that these firms have a smaller number of employees, with fewer resources than larger business. Also, since the costs of acquiring resources must be lower than the gains. (Morgan and Hunt,1999)

Petel, V.P. (2010), says, "Efficient Advertisement pushes the economy of the industry which in turn purchases the economy of the country" Advertising is a link between production and consumption and yet it is integral part of marketing.

An exhaustive study on digital marketing and publicity has been done by Sexena, S.S (2013) Surveys the prevalent practices and methods in India and appraises the contributions made by advertising and publicity to the business and social cultural enlightenment of the public

III. STATEMENT OF THE PROBLEM

The digital audience is very varied in income classification and internet accessibility. The income of targeting specific audience is an issue with digital marketing, company incur a lot of cost targeting a specific audience since digital marketing goes to a broader audience, cost of targeting digitally the right audience is higher.

The allocation of funds to media audience for digital marketing is based on which media outlet reaches the right audience. Even with survey it is impossible to know which media outlet will suffice for the specific audience. It is an issue trying to alternate funds mainly to that unknown media.

There is a heavy strain of company funds and resources with reality to competition. There is likely to be a bunch of specific e-marketing skills which will make it difficult to responds to competition threats efficiently.

Customers have the impression that the quality of goods is inferior to the quality of goods you inspect and produce directly, it amounts to spending more to have committed order.

The fear of shipping something different is from what was ordered.

Both customer and companies are not able to have a long-lasting relationship. There are gaps the literature review have not addressed empirically. Some of the gaps to be addressed

- (i) ability to target the right audience
- (ii) knowing which media houses are performing so as to be able to allocate funds
- (iii) Ability to classify the right income group for advertisement.
- (iv) Ability to convince the customer that products advertised are not of inferior quality but exactly are advertised.
- (v) Being able to convince customers to make pre-payment before shipping.

OBJECTIVE

General objective is that media advertisement is effective in attracting customers, and the cost of advertisement is minimal.

Specific Objective

1. H₀ Digital advertisement target the right audience
2. H₀ Knowing which media / digital outfits are performing can be known.
3. H₀ Digital advertisement can identify the right income group for the product
4. H₀ Digital advertisement can convince potential buyer that the price / units advertised are not inferior to the product purchased
5. H₀ Digital advertisement can convince customers to make pre=payment before shipping.
6. H₀ Digital advertisement is tempered by anti-brand activities.

IV. METHODOLOGY

Primary data using questionnaires distributed to company executives and customers in selected in Cities in Oyo State.

The Three Cities selected are Ibadan, Oyo and Ogbomosho. These are the three largest cities in Oyo State, and each city has a university.

A sample is drawn to overcome the constraints of covering the entire population with the intent of generalizing their findings to the entire population.

Purposive sampling technique is relied upon in order to solicit information that is available from the variables of interest in the study which is purposefully designed in the model.

The selection criteria for the companies is based on most regular in digital marketing and for customers is based on the one who purchase 40% of their products by digital advertisement.

The percentage 40% is chosen by intuition,

The 5-point scale Likert is used for the questionnaire : Strongly Agreed, Agreed, Undecided, Disagreed, Strongly Disagreed.

Section A of the questionnaire covers the personal data of respondents while Section B covers impressions about digital marketing.

Chi-Squared analysis is used to test the hypothesis.

The formula for the chi-square test is given by $\chi^2 = \sum (O_i - E_i)^2 / E_i$

Where χ^2 =chi-square, O_i = observed value, E_i = expected value, Df- Degree of freedom, \sum summation .

The decision to accept or reject a particular hypothesis depends on the comparison between the value of chi-square (χ^2_o) and calculated value of the chi-square(χ^2_c)

If $(\chi^2_o) \leq (\chi^2_c)$, the null hypothesis is accepted.

If $(\chi^2_o) > (\chi^2_c)$ the null hypothesis is rejected.

Analysis : SECTION A

1. Age No Percentage (%)

Male 35 58.33

Female 25 47.67

Total 60. 100

Out of the 60 respondents 35 are males and have purchased at least 40% of the products from digital advertising which the remaining 25 are females giving a percentage of 58.33% for males and 41.67% for females.

2. Age Distribution

Age No Percentage (%) cumulative frequency(%)

L20 6 10% 10

20-35 13 21.67 31.67

36-45 17 28.33 60

> 45 24 40 100

Total 60 100%

66.33% of those who do digital purchasing are 36 years and above.

Percentage

The percentages that purchased at least 40% of their products amounted to 33% . we regard 40% as a patronage of digital advertising. 33% is regarded as unencouraging. Implying that the digital advertisement attracts about 33% of the online audience.

V. RESALE OR PERSONAL CONSUMPTION

The percentage for personal consumption was 72% while 28% of the purchases were for resale. However, this does not indicate the volume of the purchase. One purchase of resale could account for more than 15% of personal purchases for example.

6. Education of Respondents

21% had 0.Level education while 78% had above 0, Level education and other education, Hence they could all read, write and understand internet wordings.

7. Those that had internet connection at least 8 hours a day amount to 18% . Digital messages coming out at any time reaches a small percentage of potential customers and the cost of such digital messages could be enormous.

H₀ Digital advertisement does target the right audience

Status	Observed	Expected	$(O - E)^2 / E$
Strongly Agreed	6	15	5.4
Agreed	11	15	10.666
Undecided	19	15	10.666

Disagreed	17	15	0.266
Strongly Disagreed	7	15	0.5337

27.5319

Chi-square X^2

The calculated x^2 (chi-square) is 27.5319 which is greater than table $x^2_4 = 9.488$ at 4 degrees of freedom and at a 0.05 level of significance.

Hence the hypothesis that digital advertisement does target the right audience is rejected. The alternate hypothesis that it does not target the right audience is accepted.

9. H_0 Knowing which media performs adequately is easily known

Status	Observed	Expected	$(O - E)^2 / E$
Strongly Agreed	4	15	8.0666
Agreed	28	15	11.2166
Undecided	13	15	0.2666
Disagreed	10	15	1.666
Strongly Disagreed	5	15	0.666

X^2_c

21.883

12 H_0 it is not safe to make payments before shipping.

Status	Observed	Expected	$(O - E)^2 / E$
Strongly Agreed	9	15	2.4
Agreed	8	15	3.2666
Undecided	11	15	1.0666
Disagreed	16	15	0.666
Strongly Disagreed	20	15	9.6667
X^2_c	50		8.4665

The calculated x^2_c 8.4665 < the table x^2_4 9.488 at 4 degrees of freedom and at 0.05 level of significance. Hence the null hypothesis that it is not safe to make payments before shipment is accepted.

13 H_0

Status	Observed	Expected	$(O - E)^2 / E$
Strongly Agreed	5	15	6.666
Agreed	8	15	3.266
Undecided	11	15	1.066
Disagreed	16	15	0.066
Strongly Disagreed	20	15	1.662
X^2_c	50		12.776

The calculated x^2_c is greater than the table x^2_4 at 4 degrees of freedom and at 0.05 level of significance. $12.726 > 9.488$. Hence the null hypothesis that digital advertisement is not hampered by auto-brand activities is rejected and then alternate hypothesis that a digital advertisement is hampered by auto-brand activities is accepted.

VI. CONCLUSION

The patronage of digital advertising in Oyo State is encouraging as most customers purchased at least 40% of their products by on-line. More purposeful advertising is needed in order to be able to increase the percentage of products purchased on-line and also to increase wholesale purchase for retailing. Internet

connection for at least 8 hours a day was 18% which is not encouraging. Internet availability is beyond the advertisers.

Digital advertisement does not target the right audience, making resources put into advertisement not to fully achieve its purpose. Digital advertising is open to the whole public, making it difficult to identify the right audience. Since digital marketing is open to the public, the challenge of knowing which media performs optimally is there.

Also targeting digital advertisement to the right income group is also a challenge. The public is not stratified into income groups. Customers do not consider advertised inferior to directly purchased products. However, most customers are not willing to make pre- shipment payments.

They want to ascertain the quality of the product as advertised before payment. This is a challenge as this makes the products suppliers to take the risk of spending on shipment if the product is rejected.

More studies must be done for suppliers of products to gain more confidence and patronage from customers. Targeting the right audience remains a challenge as the public cannot be stratified into right and not useful audience. Internet availability is beyond the control of customers or suppliers. This remains a challenge of digital advertisement.

Within the short space of time allocated to advertising more studies need to be done so as to improve the clarity of the advertisements.

Appendix

Section A

1. What is your Gender Male () , Female () .
2. What is your age bracket < 20 years () , 20 – 35 years () , >35 years.
3. do you purchase at least 40% of your products on-line. Yes () , No ()
4. Are you purchasing for resale Yes () No ()
5. What is your level of education O'level () above O'level
6. Do you have access to internet at least 8 hours a day?

Section B

8. Digital advertisement targets the right audience S.A. () , A () , UD () , D () , SD () .
9. Knowing which media performs adequately is known. S.A. () , A () , UD () , D () , SD () .
10. Digital advertisement is targeted to the right income group S.A.() ,A() , UD() , D() , SD() .
11. Advertised products are inferior to the same products bought directly. SA () ,A() ,UD() , D() ,SD() .
12. It is not safe to make pre-payment before shipment. S.A() , A () , UD () ,D () , SD () .
13. Digital advertisement is not limited by anti- brand activities. S.A() ,A() , UD() , D() , SD() .

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