TECHNOLOGICAL DISRUPTION IN DIGITAL MARKETING

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ABSTRACT

The role of marketing and advertisement cannot be underestimated in the present economic environment. According to IMARC, the global advertising market is expected to reach the US $ 875 Billion by 2026, with a CAGR of 5.2% as per the forecast period (2021-2026) (IMARC, 2019) Predominantly this spending is inclined towards digital ads over traditional print ads. In this scenario, it is vital to study and understand the major platforms for digital ads and the role of disruptive technological advancement. In this descriptive study, the author has examined the various forms of online advertisements, the cost and procedures involved in two of the most reputed social media platforms. The study concludes with a short case study concerning the impact artificial intelligence has on the operations of NETFLIX.

Keywords: Digital advertisement, social media marketing, Artificial intelligence, NETFLIX

INTRODUCTION

Online advertising can be described as promoting goods and services on the Internet to target customers. In the year 2016, it was estimated that 3.5 billion of the world's population which more or less translates to 45% of the world`s human race has the right to internet entry, with China leading the pack. With non-stop improvement in the area of Machine learning, Artificial Intelligence (AI) and other technological strides in online marketing, marketing maintain to get state-of-the-art with time. Digital marketing allows to market items to company's prospects at a low cost. Digital marketing's success or failure can be defined solely when compared to traditional marketing. The digital marketing campaign can be tweaked based on the results. These kind of digital marketing advertisements can be found in every corner of the world. The most

effective marketing plan is one that increases customer engagement and digital marketing strategies generate more engagement than traditional marketing. This article was constructed to apprehend the technique to perform internet marketing and the effect of AI in online advertisement. The impact of Artificial Intelligence on the operations of NETFLIX has been examined in detail in this study

Objectives of the article:

- To study important types of Online advertising
- To understand the procedure and cost involved in online advertisement
- Impact of AI in online advertisement concerning NETFLIX

CHAPTER 1: EIGHT POPULAR FORMS OF ONLINE ADVERTISING:

Display Advertising

Display Advertisement is a form of paid form advertising. Frequently used forms of display ads include banners, landing pages (LP's) and pop-ups. Unlike other forms of online advertisements, these advertisements do not show up under Display search results. Most usually found on sites and online journals their motivation is to divert clients' regard for the organization's item. Digital advertisements are exceptionally fruitful, especially in re-marketing strategy. According to Digital information world, "*website visitors who are re-targeted with display ads are* **70% more likely to convert** *on your website.*" (Pierre De Braux, 2019)

Search Engine Marketing & Optimization (SEM) & (SEO)

SEM and SEO promote content and increase the visibility of the advertisement through searches.

SEM: In this advertisement technique, the payment for the is decided based upon the number of times an individual clicks the ad than for the actual advertisement. These advertisements appear on the search engine results page. The business usually pays the search engine to advertise their search engine result page (SERPs). The relevance of the ads displayed on the results page is based on the keywords used in the search engine by the individuals alongside the results for the queries.

SEO: It is the combination of techniques used to promote a website to the top of the search engine results based on algorithms and other organic techniques like linking etc. Without involving payment to the search engine provider. Though SEO might not be regarded as a straight-out marketing technique, the value it adds in creating visibility to the product or service to a potential consumer cannot be ignored. With the technique of SEO, it is possible to rank the products and services in the top places in the SERPs.

Native Advertising

Native advertising is a form of paid advertising; these ads blend into the media format in which they appear. They are often found in social media feeds or recommended content. The key feature of Native ads is, they are non-disruptive, as they look like a part of the web page unlike banner ads or display ads which are easily recognized as advertisements by individuals.

Pay per Click (PPC)

As the name suggests the cost of these advertisements is based on the number of individuals who click on the ads and not based on the number of times the ads were seen or appeared to the individuals. Even if 100 individuals have seen the ad but only one person clicked it the cost revolves around that click alone. These ads are generally carrying an attractive tag line and an image. It is worth noting that 64.6% of people click on Google ads when they are looking to make an online purchase (Larry Kim, 2021)

Re-marketing

Re-marketing (or re-targeting) is a type of online advertising that brings the ad around the individuals multiple times. In this technique, the site drops an anonymous browser cookie and follows the user around the internet and send information to the re-marketing service provider on when the individual can be re-targeted. Statistics show that only 2% of web traffic brings positive results on the first visit, which means 98% of users leave without converting right away (Retargeter, 2021) Therefore, this technique proves very efficient to re-target a potential consumer and convert to a sale.

Affiliate Marketing

In this form of advertising the product of a company is promoted by affiliates targeting the same customer group. It works on a commission basis for every product sold by the marketing effort of affiliates of the seller. This form of advertisement is popular among bloggers and other individuals who have a significant number of followers who are looking forward to making a passive income.

CHAPTER 2 - PROCEDURE AND COST INVOLVED IN AN ONLINE ADVERTISEMENT:

Facebook ad campaigns

Advertising on Facebook is managed through Facebook Business. Ads are created and managed through the Facebook store, which has various details on ad performance and costs incurred. Facebook Business allows the user to classify advertising based on categories as follows:

- *Awareness*

  The Brand Awareness goal is for advertisers who need to reveal commercials to folks who are much more likely to respond to the ad.

  The brand recognition goal offers the user an *"estimated ad recall lift (people) metric"*, which suggests what number of individuals estimated could do not forget the advertisement if we requested them inside days.

  A brand-elevate study is needed for the maximum correct dimension of add recall in mind. However, in case the marketing campaign doesn`t meet the standards to accurately observe, the *estimated ad recall lift (people) metric* may be an available alternative.

- *Consideration*

  These advertisements focus on introducing new audiences to the business and establishing lasting connections with them. Through consideration

ads, the business can instigate people on Facebook to think about their products and services. Objectives of consideration ads in Facebook include:

Traffic – These ads aid in increasing the web traffic to a specific online destination where the viewers of the ad can acquire more information about the business, its products and services. It has to be noted that merely increasing the traffic to a particular destination does not guarantee conversion to sales in every instance.

Engagement – It involves placing ads through carousel posts or videos on Facebook, to engage the viewers in a present offer or an event

Lead generation – It allows business houses to attract potential customers through launching ad campaigns on Facebook. Unlike ads with Traffic or engagement objectives. Lead generation provides an opportunity for viewers to respond to the questions of the seller or vice-versa through a simple form or a call or over Messenger. The viewers of the ads placed on a campaign can tap on them to reach out to the business houses that have launched the ad.

- *Conversion*

  The goal "Conversions" should generate valuable actions on the business website, in the application or Messenger. These actions can include landing page visits, purchases, phone calls, messages, and more. To create ads under this objective the user should have access to Facebook Pixel or App Events for Apps or Conversions API for Websites.

BUDGET AND BID

The cost incurred in the Facebook advertisement is influenced by two components Bid and Budget. Budget denotes the total amount the business is willing to spend for a campaign, the budget can be fixed daily or for the entire life of the campaign. Bidding refers to how much the business is willing to spend for a particular action. Therefore, in Facebooks ad campaigns the business is always in control of how much they are spending and the way they spend their money. It should also be noted that Facebook follows country-based pricing and the average cost of cost per click (CPC) add is Rs 0.51 and Rs 2.26 and the average cost per 1000 impressions is Rs 9.30 with a minimum budget of Rs 40 per day (Shailesh Pandey, 2019)

Advertising on YouTube:

There are four categories of ads on YouTube with an average cost of Rs 0.70 to Rs 17 per click or view and it depends on the quality and popularity of the video in which the ad will be displayed or played.

- **In-search ads** – Advertisement appears above the YouTube search results
- **In-slate ads** – Advertisement appears in the suggested videos after your video ended
- **In-display ads** –Advertisement appears on the suggested videos beside the video you are watching
- **In-stream ads** – Advertisement plays before you can watch your video

Steps involved in YouTube advertising:

1. *AdWords Account creation:*

    The primary step is to create a Google Adwords account which helps in creating and managing the advertisement campaign and the budget. Google Adwords is an online platform that users pay to display various forms of advertisements within the Google ad network to the web users.

2. *Link AdWords and YouTube*

    AdWords and YouTube accounts should be linked together. It can be accomplished from the navigation menu by clicking "Linked YouTube accounts" on the Google Adwords page.

3. *General Settings*

    In this step, the desired budget per day is fixed. It is recommended to start small and scale-up. No payment is made to Google unless the viewer watches the ads all the way through. There is also more customization that can be allotted for bidding for the advanced advertisers.

4. *Set the Locations for the Ad to Show Up*

    This deals with the selection of countries, cities, regions, IP addresses, etc., going as broad or as specific as the marketer would like. The more specific, the better-qualified viewers will be targeted. To build brand awareness, being broader in selection might be helpful.

5. *Upload Your Video*

    The next step involves the selection of the video that has to be showcased. The video to be showcased is uploaded to Google Adwords account from YouTube. Therefore, to showcase the advertisement, the video has to be first uploaded to YouTube.

6. *Advanced Settings*

    This step allows the marketer to choose what days/time of the day the ads are to be shown and if there is a specific time to showcase the ads because a prospect is more likely to be compelled by the product and the start and end date for your new ads.

7. *Device Targeting*

    Through this option, one can choose specific devices they want to target, whether it is mobile, desktop, laptop, tablets, etc. One should select the devices based on what the target viewers might use when searching for the product advertised.

8. *Selection of demographics, topics & more*

    Here the marketer select age, gender, and narrow down on what topics the ads should be shown. Better results can be expected on being more specific in these selections. Being more specific with categories, words, websites, interests, and phrases the ads are to be shown, the audience will be better targeted.

9. *Choosing Keywords*

The Google Keyword Tool can be used to find relevant terms and specific keywords that the potential customers will use in searching for on YouTube. These keywords help in targeting the right individuals more efficiently and get as specific as possible. These terms are from Google's search engine, not from YouTube. They can still be useful in cutting down on some of the keywords that could cause the ad to be viewed by the wrong person. The longer the keyword, the more specific it is, and the more pertinent it will be to the business in capturing the right viewers.

CHAPTER 3: IMPACT OF AI IN THE ONLINE MARKET CONCERNING NETFLIX:

Netflix was initiated in the year 2007 offering video-streaming of its content to its subscribers. The company capitalized on the shift of viewers from regular cable television shows to media content online. This move was accepted across the subscribers, technology enthusiasts and Wall Street analysts alike.

Netflix conducted a contest "Netflix grand prize" in 2009 and offered a reward of USD 1,000,000 for the best algorithm for predictive analysis of the viewer's rating for a movie based on past ratings (Rokach Lior, 2021) During this stage, there was a limitation on the level of data available about the viewers for the analysis. Apart from Cust ID, Movie ID, past ratings and the date and time the movie was watched, there was no other data compiled.

With the launch of streaming as the primary mode of delivery there was scope for many other data points to generate data including but not limited to the time and date on which the movies were watched, time spent on selection of movies and the number of the times the playback was stopped and the causes for the pause and its effect on the viewer's experience based on the ratings. Using these data Netflix has built models that differentiate their customers based on many scales and provides them with the best offers and suggestions to customize their enterprise behaviour to become more customer-centric in their approach.

Use of Big data and Analytic in Netflix:

Predictive viewing habits:

The core of the efforts made by Netflix is to provide its customers to provide the customers with the best set of movies they might enjoying streaming. Netflix has employed people called "taggers" who are requested to watch the upcoming content and flag them into various categories based on the elements in the movie. Based on this input from the taggers Netflix brings up the list of suggestions to watch other productions which were tagged similar to those which were enjoyed by the viewers in the past. Netflix has created around 80,000 new "micro-genres" of movies based on viewing habits.

Netflix records the following data as well:

- When the viewer's pause, rewind or fast forward
- The relationship between the day and the content screened
- The date and time

- The area from which the streaming takes place
- The device used for screening
- Pausing and non-resuming of content
- Ratings of the content
- Keywords used in search
- Browsing and scrolling behaviour and others

They use these data for predictive analysis of customer behaviour and helps in maintaining a healthy CRM relationship.

Moving from content distributor to content creator:

This shift of Netflix towards content creation was also based on extensive data analytic. Netflix identified that the subscribers had a very strong preference towards the content directed by David Fincher and starring Kevin Spacey. Netflix bagged the rights for House of cards after outbidding HBO and ABC. They banked on this production to be the "Perfect TV show" based on their predictive model and they immediately launched two seasons of 26 episodes.

The scale on which Netflix would want to see their customers improve is the time spent by the consumers in streaming the content. This aspect of suggestion of content demonstrates the customer-centric approach followed by Netflix.

Quality of experience:

Netflix monitors the quality of experience of the viewers and its effect on the behaviour of the user. The primary aim is to reduce the lag in streaming the consumer's experience. From the physical location of the users, Netflix measures how the viewing experience can be optimized through the placement of data. Information on the causes of delay, whether it is due to buffering and/or bit rate. The use of big data and analysis has helped Netflix to position itself as the leader of the pack. Netflix follows the approach of various other distributors and production networks combined with innovation and efficient handling of data.

Defining plan of action:

The CRM practices of Netflix are highly dependent on the insights collected from their customers coupled with innovative techniques and Analysis CRM to improve their business. The other area in which Netflix outperforms is in the optimization of marketing campaigns. They target the customers based on the time spent by them across various electronic devices. It is done through the time spent streaming Netflix through various devices. Based on this information they perform ad campaigns that will return the highest ROI for Netflix. Netflix has a minimum of 80% success rate compared to 30% to 40% for other networks (Mario Gavira, 2018) These ads are set up using various data mining tools and building complicated algorithms to identify the behaviour of the customer and the likely hood of them being attracted to the content offered to increase the success rate.

Scope for further research

Further research can be conducted to study how stronger algorithms can be devoloped for digital marketing and also how companies can leverage Artificial Intelligence and Machine leraning and other technology platforms for marketing

CONCLUSION:

Online advertising is constantly growing in a steady phase and more so the technology involved in placing these ads on various online platforms and targeting the right set of the audience remains the key factor to increase the success rate of any form of advertisement. To achieve optimization of ad placements development in technology especially in the area of Machine learning and AI has been proved to be a tremendous advantage to marketers. Hence, marketers should constantly incorporate the best strategy based on their marketing objective to derive the best results from their ad campaigns across various online platforms.

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