

# The Effectiveness of Digital Marketing Tools in Building Long-Term Customer Relationships

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**Abstract:** Based on strategic management, loyalty marketing is a marketing strategy where a business employs incentives to expand and keep its current clientele. marketing initiatives aimed at encouraging repeat business from a certain firm. Email marketing, social media marketing, video marketing, content marketing, mobile-optimized websites, SMS text marketing, SEO, blogging, customer reviews, and websites are some of the digital marketing strategies employed in India to foster consumer loyalty. The well-known coffee brand Bru from HUL is the subject of a case study. Bru, the leading coffee brand in India, aimed to reward devoted customers for their purchases and re-engage its current clientele. This case study examines how the Hindustan Unilever company used free mobile airtime incentives to attract its target market of young women, creating a valuable database via digital airtime reward marketing.

**Keywords:** Digital Marketing, Customer Loyalty

## I. INTRODUCTION

Loyalty marketing is an approach to marketing, based on strategic management, in which a company focuses on growing and retaining existing customers through incentives. Marketing efforts designed to attract customers to make purchases again and again from a specific company. A structured approach that benefit the company like discounts, rewards, free merchandise, or exclusive access.

## II. BENEFITS OF LOYALTY MARKETING

- Loyalty programs create a competitive advantage
- Loyalty programs save money
- Loyalty programs improve credibility
- Loyalty programs improve customer relationships
- Loyalty programs improve customer experience
- Loyalty programs improve metrics
- Loyalty programs increase customer lifetime value
- Loyalty programs improve customer retention rates

## III. STRATEGIES USED IN DIGITAL MARKETING FOR CUSTOMER LOYALTY

Digital marketing strategies are highly effective when it comes to acquiring new customers and increasing loyalty among existing customers. When implemented in the right way, digital marketing strategies can help a business to significantly increase its customer retention rate and thereby boost profits. Below is a review of digital marketing strategies that a business can use to boost loyalty and increase customer retention.

### 3.1 Email Marketing

When it comes to boosting customer loyalty, email marketing is undoubtedly one of the most effective digital marketing strategies a business can use. One of the main reasons why businesses lose customers is lack of customer contact. Email marketing is a great way to keep in touch with your customers and let them know what's going on in

your business. Once you have built an email list, there are a number of different things you can do that over time will help to build loyalty to your business:

- Use Email to Send Special Customer-Only Promotions
- Use Email to Keep in Touch
- Use Email to Educate Your Customers

### **3.2. Marketing on Social Media**

In the cutthroat world of today, social media is the most potent tool available. When utilized properly, social media may increase income for any organization, but it can be especially helpful for building customer loyalty. Create More Meaningful Connections: First of all, social networking is a fantastic tool for creating enduring relationships with your clients. You can demonstrate to your clients that you really care about them and that you are the only brand they need to think about in this specific market by posting relevant information and having discussions on your social media platforms. Boost Customer Service: Businesses that provide excellent customer service are more likely to win over customers, thus companies may utilize social media to enhance this area of their operations. Businesses may utilize social media platforms like Facebook and Twitter to promptly respond to client inquiries and issues. The best part is that social media is a very public medium, so everyone seeing your profiles will be able to see how excellent your customer service is. Being engaged on social media is essential for success. Making a Facebook profile and never publishing anything on it is a waste of time.

Marketing using Videos A strong digital marketing technique that may help businesses make their brands come to life is video. In the end, video marketing may assist you in developing a closer relationship with your audience, which is crucial for retention. It also increases credibility and trust. Video marketing may be used in a variety of ways for your company: You may create and distribute films that show your clients how your company operates inside. It is possible to produce films that provide your viewers valuable information, such as pertinent insights, guidance, and ideas. You may make promotional movies to show off your newest goods and services to potential clients. You may use these films across all of your marketing platforms once you've produced them. For instance, you might upload them to YouTube and create a channel that offers your audience relevant information. Additionally, you might upload your movies to your corporate blog or email newsletters, as well as to social networking platforms like Facebook and Twitter.

### **3.3. Promotion of Content**

Producing and disseminating material that is relevant and helpful to your audience is the core of content marketing. This might take the kind of blog entries, articles, videos, downloadable reports, and more. It can even include setting up a unique community where clients can communicate with one another. In addition to helping your company become recognized as an authority in its industry, content marketing may increase customer loyalty by retaining your audience's interest in your product until they are prepared to make their next purchase.

Website Optimized for Mobile Since more and more people are using smartphones and tablets to access the internet, it is now crucial for every company to have a mobile-optimized website that adjusts to various screen sizes. Additionally, if mobile buyers run across issues like the site only being available on computers, they are more likely to leave. Businesses today must adjust to this expanding trend, particularly in light of the fact that over 50% of content consumption now takes place on smartphones and tablets. Having a mobile-friendly website increases customer loyalty: Enhancing the User Experience with Responsive Design Giving your consumers a positive experience whenever and wherever they engage with your business is a crucial part of winning their loyalty. You can be certain that a consumer will have a positive browsing experience if your website is entirely mobile optimized. Responsive design facilitates brand interaction: The more times a consumer engages with your company after making a purchase, the more likely they are to return and become a devoted client. People are more likely to engage with your business at more frequent intervals if your website is completely responsive and mobile friendly. For instance, they may check their smartphone while riding the train or their tablet while watching TV in the evening.

**Marketing using SMS Text Messages** Most of us use text messaging on a daily basis to stay in touch with friends and family. Some of the most well-known businesses in the world today utilize text messaging to interact with their consumers. The majority of messages are read within minutes of being sent, making it an excellent way to connect with your target audience and almost ensuring that your message is understood. When starting a customer loyalty program, text messaging might be the ideal technique. It may be used to provide information about: Exclusive deals for customers Invitations to events, customer surveys, etc. The secret to effective SMS marketing, as with any other marketing technique, is to use it selectively and only deliver highly targeted, relevant offers to the recipient. This is particularly crucial because text messaging is such a personal form of contact and individuals get quickly agitated when they receive a constant barrage of "spammy" commercial texts.

**SEO, or search engine optimization** You may initially be curious about the connection between increasing client loyalty and SEO. Although SEO is primarily focused on getting websites ranked highly in search results to attract new clients, it also has the unnoticed advantage of boosting client loyalty and producing high-quality content. You may also try to get backlinks to your website from reputable, high-ranking websites. Additionally, you should make sure that your website is optimized for market-relevant, focused keywords.

**Blogging** As we've already covered, developing connections and positioning your company as a reliable authoritative source are key components of increasing client loyalty. You can produce and share excellent, relevant material on your business blog that will be engaging and/or helpful to your clients. It may also be used to offer the most recent corporate news and provide consumers with an inside look at how your firm operates. By blogging, you position your company as an authoritative source. Blogging helps you establish a rapport with your readers.

**Reviews from Customers** According to research, the majority of today's customers check internet reviews before making their first purchase from a firm. However, you might also increase loyalty by using user reviews. Reviews from customers provide you insightful information: Reviews from customers, particularly unfavorable ones, provide you quite useful information that you may use to enhance your goods and services. You can significantly enhance your consumers' experiences and maintain their brand loyalty by getting a better understanding of what your business does effectively and what may be improved. Recall. Increase the reviewer's loyalty by answering their comments: It's critical to personally reply to customers who have left reviews to let them know that you have considered their suggestions. In addition to demonstrating your genuine commitment in providing excellent customer service, this engagement will help you and the client develop a strong connection.

**An Expert Website** Establishing a professional image with a well-designed website can help you draw in new business and keep hold of your current clientele. People are much more inclined to visit your website often if they find it helpful and simple to use, which raises client retention rates. In addition to being aesthetically pleasing, a good company website should make it simple for users to locate the information they need.

#### **IV. CASE STUDY: HUL BRAND-BRU COFFEE GIANT WINS LOYALTY WITH MOBILE AIRTIME REWARDS**

##### **4.1 Airtime Rewards**

As India's top coffee brand, Bru wanted to re-engage its existing customer base and reward loyal consumers for their purchases. This case study looks at how the Hindustan Unilever firm enticed its core audience of young women with free mobile airtime rewards- building a useful database in the process.

##### **Case Study**

Summary Coffee giant looks to reengage core audience of 25-44 year old females

- Rewards customers with free mobile airtime- big draw for low income customers
- Also reached out to retailers to build relationships and boost distribution in India
- Campaign attracted 188,000 customer entries in the first 22 weeks
- Permission trader audience of 150,000 to boost distribution

The Difficulty The campaign's main goal was to better understand Bru's consumers in order to create a permission database that Hindustan Unilever could use, as the company had previously struggled to identify loyal customers and gauge their involvement. Women between the ages of 25 and 45 make up the majority of Bru's customer base, and they use their phones to communicate with their loved ones. However, they depend on other family members to provide them money so they may recharge their cell phones since they are either housewives or low wage workers. The Resolution The company chose to respond to the demands of its audience by offering a free airtime incentive that functions as "cash" for mobile talk time, as the vast majority of Bru customers still use pay-as-you-go mobile contracts. However, unlike a discount, wholesalers farther up the chain were unable to absorb the incentive. The end merchants benefited as a result, as they began interacting with Bru on their own using their mobile devices. Launched in November 2014, Bru's comprehensive mobile marketing campaign is scheduled to conclude on December 31, 2015. In exchange for traders answering questions about their business needs and consumers answering questions about their shopping priorities and habits, Bru was able to provide free airtime to both customers and traders through mobile redemption of codes printed within the product packaging, regardless of their handset or mobile network. Every interaction was voluntary, with people choosing to participate. By using this strategy, Bru was able to create a comprehensive database on the intended audience, providing a more profound comprehension of this important market. How It Operated Targeted reminders were given to customers in an effort to boost the frequency of purchases and generate "Bru moments." Through other consumer databases, the reminders also increased campaign awareness. Offers were made to first- and second-level entrants to enhance their Bru purchasing habit in an effort to boost traders' sales. The basic margin and the accomplishment of specific goals, such as a minimum quantity buy, are combined to determine traders' margins. These extra incentives are often offered in the form of extra money or third-party goods. Due to supply chain complexities and rejection by certain value chain stakeholders, third-party goods often result in significant waste. Additionally, in big companies like HUL, whose goods are supplied via a variety of channels including general trade, contemporary trade, wholesale, canteens, out-of-home, etc., additional cash tends to cause channel disputes. Nonetheless, mobile talk time offered a great substitute to guarantee little waste or channel conflicts. As a result, it was an excellent way for Bru to compensate merchants who took part in the campaign.

## Results

The entire promotional campaign, targeted at traders and consumers, was done completely via mobile. This was the first time Hindustan Unilever had done this with any of its brands in India. Overall, the integrated campaign was very successful with both traders and consumers.

The most significant results of the campaign included astounding redemption levels of 48 percent for traders and 50 percent for consumers, compared to an average expected redemption of 2 to 3 percent. Furthermore, 55 percent of traders and 50 percent of consumers opted in to further engagement with the brand as a result of the campaign. Bru received a total of 2.7 million calls across both groups.

## Key Results for Each Target Audience:

### Traders

973,000 complete entries

Permission audience of 150,000

Over 40 percent of traders re-engaged with the campaign

277,000 traders engaged with the campaign, 98 percent of whom completed the profiling call.

### Consumers

189,000 completed entries, 94 percent of whom completed the profiling call

Permission audience of 180,000

Over one million calls made

22 percent of entrants repeated entry

131,000 new consumer profiles

The campaign attracted 188,000 entries in the first 22 weeks

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#### **V. CONCLUSION**

It is essential for Indian firms to have a well-integrated online marketing plan in the current competitive and hectic market environment. Businesses may not be able to develop modern marketing strategy without digital marketing. The potential of digital marketing in the future will enable companies to not only survive but also flourish in the most fashion that is focused on results. Using fresh approaches, staying up to speed with Google's newest changes, and embracing emerging digital marketing trends can help your inbound marketing succeed in 2017.

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