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DIGITAL MARKETING: TRENDS, STRATEGIES, AND EFFECTIVENESS

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ABSTRACT

In today's digital world marketers are facing some new challenges, new technologies and opportunities in the market. Digital marketing is the utilization of electronic media by the marketers to promote the products or services into the market. The main objective of digital marketing is to attract more and more customers and allow them to interact with the various brands available in the market through digital media. This article focuses on the importance of digital marketing in today's world. Additionally advantages of digital marketing, effectiveness, some latest developments and strategies and ways to further increase the effectiveness of digital marketing are also presented in this paper

KEYWORDS: Digital marketing; Effectiveness; sCRM; E-Commerce; Personalization; Influencer marketing; Programmatic advertising

1. INTRODUCTION

Digital marketing has become a revolutionary force that is changing how companies interact, communicate, and provide value to customers in today's hyperconnected world. Organizations are moving toward more data-driven, customer-centric digital strategies as a result of the rapid growth of internet access, social media usage, and mobile technology, which has completely changed traditional marketing approaches. Search engine optimization (SEO), social media marketing, content marketing, email campaigns, artificial intelligence (AI)-powered analytics, and online advertising are just a few of the many online tools and strategies that make up digital marketing. These strategies are all intended to reach the appropriate audience through individualized and quantifiable communication. Organizations must adjust to rapidly changing trends including influencer marketing, marketing automation, video-based engagement, personalization, and the integration of AI and machine learning as consumer behaviors shift more and more to digital platforms.

In addition to redefining how brand awareness and customer loyalty are developed, these trends have a greater than ever impact on consumer choices. Additionally, the widespread use of real-time data



analytics allows marketers to precisely assess campaign performance, maximize marketing spending, and improve overall efficacy.

Despite its benefits, digital marketing has drawbacks, including the necessity for constant technological adaption, algorithmic changes, data privacy problems, and intense rivalry. Therefore, for companies looking to expand sustainably in a digital-first industry, knowing the most recent trends, practical tactics, and quantifiable results becomes crucial.

This research paper aims to analyze current digital marketing trends, evaluate key strategic approaches used by businesses, and assess the overall effectiveness of digital marketing in achieving organizational goals. By exploring emerging innovations and practical implications, the study contributes to a deeper understanding of how digital marketing continues to evolve as a critical driver of competitive advantage.

2. OBJECTIVES

This paper sets out the following objectives:

1. To examine the key components and strategies of digital marketing (e.g., social media, content marketing, SEO, programmatic advertising).
2. To evaluate the effectiveness of digital marketing tactics in building brand awareness and driving consumer engagement.
3. To analyze recent developments such as personalization, influencer marketing, and data-driven advertising and their impact on outcomes.
4. To review global digital marketing trends using hypothetical data and visualizations to illustrate channel usage and performance.
5. To suggest practical recommendations for marketers and propose directions for future research.

3. LITERATURE REVIEW

Research on digital marketing spans multiple areas including consumer behavior online, analytics and measurement, platform economics, and regulatory responses to data privacy. Dwivedi et al. (2021) provide a comprehensive roadmap for digital and social media marketing research, noting the need for multi-disciplinary approaches. McKinsey (2021) finds that personalization can materially improve



customer lifetime value when executed well. Belanche et al. (2021) and later meta-analyses show influencer effectiveness depends on authenticity and audience fit. Recent literature (2018–2024) also examines programmatic advertising—its efficiency gains as well as challenges around transparency and ad fraud (Rosário, 2023).

Region-specific studies document how mobile-first markets—such as India—adopted tailored strategies (localized content, regional languages, and lightweight creative) that differ from high-penetration markets. The pivot away from third-party cookies and the rise of first-party data strategies (2020–2024) have reshaped measurement and attribution frameworks, prompting research into privacy-preserving analytics and causal inference methods for digital attribution.

Methodological contributions include the use of randomized experiments for causal inference in digital advertising, advanced machine learning for personalization, and hybrid qualitative-quantitative approaches for influencer and content effectiveness evaluation. Overall, the literature emphasizes balancing technological capability with ethical and regulatory constraints.

4. History of Digital Marketing

Email was the first digital communication tool used for marketing, and its introduction in the early 1970s marked the beginning of the history of digital marketing. Targeted marketing was made possible in the 1980s by developments in computer and database technology, which allowed companies to digitally store customer data. When the World Wide Web and early search engines were introduced in the 1990s, the true change took place. Online advertising began with the appearance of the first clickable banner ad in 1994. Digital marketing through search engine optimization (SEO) and pay-per-click (PPC) advertising was further boosted by the emergence of large search engines like Google.

E-commerce expanded quickly in the 2000s, and social media sites like Facebook, YouTube, and Twitter emerged, enabling businesses to communicate with customers directly. The mobile revolution, data analytics, and growing automation-based personalization characterized the 2010s. Artificial intelligence, social commerce, influencer marketing, and short-form video platforms have transformed digital marketing into a constantly evolving, highly interactive, data-driven, and customer-focused sector in recent years.

5. Use in the Digital Era

Businesses in the digital age employ channel orchestration to assist clients at various phases of the decision-making process. Email aids in retention, social media outlets foster community and awareness, search engines handle intent-driven demand, and programmatic channels allow for scalability in prospecting and retargeting. In order to coordinate messages and customize consumer experiences across touchpoints, businesses are increasingly integrating CRM, marketing automation,

and analytics technologies.

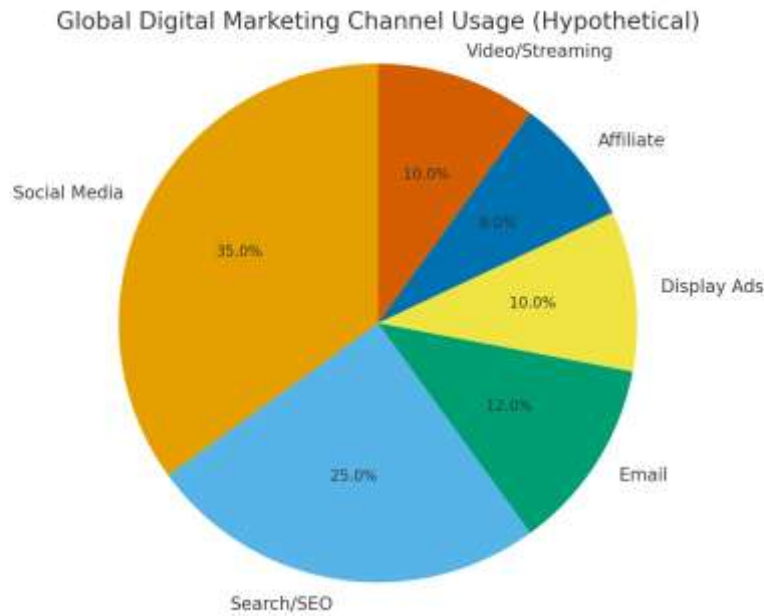


Figure 1. Global Digital Marketing Channel Usage (Hypothetical).

6. Competitive Advantage

Businesses can reach and engage customers more quickly, intelligently, and affordably thanks to digital marketing, which gives them a significant competitive advantage. Digital platforms, in contrast to traditional marketing, enable businesses to communicate with customers in real time, comprehend their preferences through data analytics, and provide highly customized communications. Long-term competitiveness is largely dependent on improving consumer satisfaction and bolstering brand loyalty. Making decisions based on data is a significant benefit. Real-time insights on consumer behavior, campaign performance, and market trends are produced by digital marketing technologies. This enables companies to reduce waste, distribute funds wisely, and optimize plans right away. Businesses that employ analytics, SEO, and targeted advertising have a quantifiable advantage over rivals who depend on speculation or antiquated marketing techniques.

Additionally, digital marketing increases market presence and reach. Social media, search engines, and mobile platforms allow firms to maintain a constant brand presence while reaching a worldwide audience at a reduced cost. Because digital channels lower entrance barriers and enable them to compete with larger corporations, small and medium-sized businesses gain a great deal. Additionally, firms can stand out in crowded markets because to advances like AI, automation, influencer marketing, and interactive content. Organizations may maintain a durable competitive

advantage in today's digital-first market, develop more quickly, and react dynamically to customer needs by using these cutting-edge techniques.

7. Effectiveness of Digital Marketing

Effectiveness varies according to execution, goal, and channel. While social media and content efforts may eventually increase brand equity, paid search frequently generates high intent traffic and quantifiable ROI. Simple cause-and-effect statements are complicated by cross-device behavior, offline conversions, and multi-touch routes. The following hypothetical graphic depicts a situation in which increased global marketing expenditure coincides with an increase in ROI as a result of improved targeting and measurement.



Figure 2. Global Digital Marketing Spend vs ROI (Hypothetical).

8. Latest Developments and Strategies

Hyper-Personalization and Generative AI:

Companies are increasingly utilizing generative AI (such as ChatGPT and Adobe Firefly) to produce on-brand material at scale, including copy and images.



- Real-time hyper-personalization is made possible by AI-driven predictive analytics. Ads, emails, recommendations, and website content can all be customized by marketers based on user behavior.
- "Brand voice locks," which guarantee that even AI-generated material maintains a consistent brand identity, are also becoming more and more important in AI technologies.

Search Evolution: AEO and GEO

- Answer Engine Optimization (AEO), which optimizes content especially for AI-powered response engines (such as LLM-based systems) so that companies show up in AI-generated search summaries, is becoming more and more popular.
- Another new tactic is Generative Engine Optimization (GEO), which involves customizing content such that generative AI (like ChatGPT and Google Gemini) recognizes it and uses it in responses.

Voice & Visual Search

- Optimization for **voice search** has become more important. Marketers are increasingly using natural, conversational language, long-tail keywords, and structured data (like schema markup) to rank better when people ask via voice assistants.
- **Visual search** is also booming: users can now discover products via images (for example through Google Lens or Pinterest Lens). Brands are optimizing their visual content (images) accordingly.

Short-Form Video & Livestreaming

- Short-form video platforms like **TikTok**, **Instagram Reels**, and **YouTube Shorts** continue to dominate engagement.
- AI-generated video content is becoming more mainstream: brands are using tools such as Runway ML and Synthesia to produce realistic video ads without heavy production costs.
- There's also a rise in **virtual livestreams**, sometimes mixing real people and AI avatars, potentially creating 24/7 "shopable" or interactive broadcast experiences.

Immersive Experiences (AR / VR)

- AR (Augmented Reality) and VR (Virtual Reality) are being used more for **interactive marketing**: e.g., virtual try-ons for fashion or makeup, immersive product demos.
- These immersive experiences help in reducing purchase hesitation, especially in e-commerce, by letting users "try before they buy."

Data Privacy & First-Party Data

- With the decline of third-party cookies, marketers are relying more on **first-party data** (collected directly from customers) to fuel personalization and targeting.

- Ethical marketing, transparency, and data privacy are becoming key differentiators: consumers increasingly care about how their data is used.

AI-Driven Media Buying & Creative Testing

- AI is automating media buying: systems dynamically select which ads to show, to which audience, and in real time pause low-performing creatives.
- Creative testing is being done at scale: multiple ad variations are automatically tested, and underperformers are dropped without manual intervention.

Multimodal Advertising & Explainable AI

- Cutting-edge research is pushing for **multimodal AI frameworks** — combining text, image, video to create hyper-personalized and adaptive ads.
- Tools like **SOMONITOR** use explainable AI + large language models to analyze competitor content, produce campaign insights, and generate content briefs.

Community-Driven & Authentic Engagement

- Brands are focusing more on **authenticity**: user-generated content (UGC) and community-led storytelling are becoming more powerful than celebrity-driven influencer marketing.
- Marketers are redirecting effort toward *micro-influencers* and even *virtual influencers*, especially in niche or emerging markets.

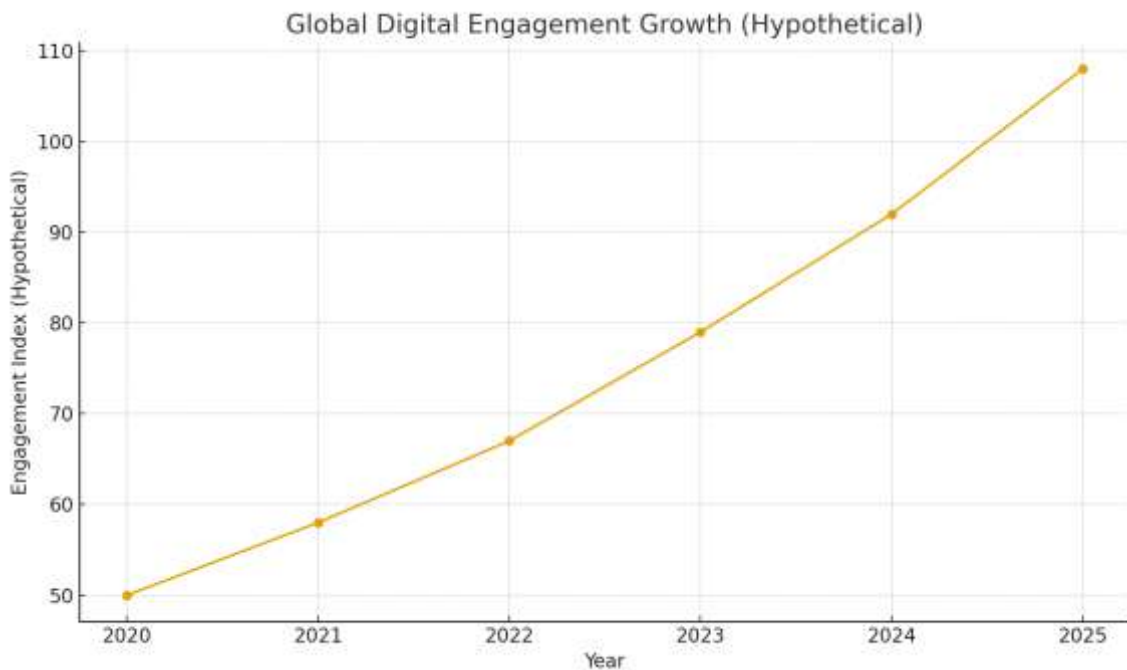


Figure 3. Global Digital Engagement Growth (Hypothetical).

9. Increasing the Effectiveness of Digital Marketing

Marketers can increase effectiveness by aligning content to customer intent, investing in measurement frameworks, leveraging personalization responsibly, and combining organic and paid tactics for efficient funnel management. A summary table of common strategies and their typical KPIs is provided below.

Key Digital Marketing Strategies (Summary)

Strategy	Primary Benefit	Typical KPI	Typical Cost Level
Content Marketing	Builds authority & drives organic traffic	Organic traffic, time on page	Low-Medium
Influencer Marketing	Builds awareness & trust with niche audiences	Engagement rate, conversions	Medium
Personalization	Increases conversion through tailored offers	Conversion rate, AOV	Medium-High
Email Marketing	Builds long-term customer relationships	Open rate, CTR	Low
Programmatic Advertising	Enables targeting & optimizes ad delivery	CPA, ROAS	High
Retargeting	Re-engages users to improve conversions	Conversion rate, CTR	Medium

Table 1. Key Digital Marketing Strategies (Summary).

10. CONCLUSION

The majority of businesses now consider digital marketing to be a fundamental skill. While new targeting and creative opportunities are made possible by technical advancements, marketers continue to struggle with measurement, privacy, and maintaining customer confidence. The hypothetical worldwide patterns depicted here point to sustained increases in digital spending and involvement, but success will depend on striking a balance between ethics and personalization. Future studies should investigate fair approaches for creator pay and data stewardship, as well as examine causal mechanisms in novel measurement regimes.

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