CHAPTER 2

LITERATURE REVIEW

Literature review chapter has been divided into various sections namely the consumer behaviour in digital environment, reasons for using digital channels of communication, impact of digital marketing on consumer buying decision process, association between demographic profile and use of digital channels of communication, application of decomposed theory of planned behaviour in understanding usage intentions of digital marketing communication and impact of digital marketing communication on consumer behaviour while buying a car. The chapter presents a systematic and comprehensive review of prominent studies concerning digital marketing communication and identifies the research gap.

2.1 CONSUMER BEHAVIOUR IN DIGITAL ENVIRONMENT

Consumer behaviour has undergone significant changes in digital environment (Ricciuti, 1995; Kotler, 2000). There has been an increase and improvement in digital technologies and channels. Today, consumers are researching, evaluating and buying everything from clothes, appliances, gadgets, grocery, insurance, to big tickets item like cars and homes online. This is happening because internet, mobile and social media educate the customers in the informative, interesting, indulging and participative manner irrespective of product category (Kierzkowski et al. 1996; Gay et al. 2007; Wertime and Fenwick, 2011, Hawks, 2015). Most common online activities performed over internet are communication, internet banking, searching for information, accessing digital content and uploading self-created content.

Cotte et al. (2006) advocated that unique characteristics of the internet offer new techniques facilitating fruitful and interesting interaction among the customers, with the organizations and the wider e-marketplace. For many consumers, internet has become an indispensable part of their life (Sople, 2011). On an average, an internet user in India spends nearly 5 hours online every day. The favourite activity over internet for Indians remains social networking as more than half time of internet user is spent on social media. Social media users spend 26% more time in social networking over internet rather than watching TV. Majority of the social media users in the country are younger than their global counterparts with the average age of 23 years or younger. People check their mobile phones on an average, every 6.5 minutes and 150 times a day. 81% of smartphone users never switch off their phone. 72% social media users
log into social networking sites using mobile devices. People research online about a product before buying it (Kemp, 2015).

Consumers have become more empowered in digital environments. They can receive and send the digital information as per their requirements. They exercise their choice in selecting what digital information they want themselves to be exposed to (Prahalad and Ramaswamy, 2004a). Consumers are not the passive receivers of the content like in traditional communication subjected to the hard sell (Lee, 2014). Marketers are taking consumers’ permission before sending the marketing information. Marketers are engaging consumers with the exciting digital content and consumers are also sharing the digital information with others through social media (Corniani, 2006).

2.2 REASONS FOR USING DIGITAL CHANNELS OF COMMUNICATION

Today, digital has been accepted as frontrunner of marketing communication around the globe owing to its specific characteristics benefitting consumers and marketers. Almost all the notable academicians and researchers have unanimously agreed over the salient features of digital marketing communication which include being interactive, measurable, customized, informative, relevant, individual, quick, entertaining, compatible, convenient and cost effective. Researchers have also expressed their united opinion about the capabilities of digital marketing which include enabling customer participation in the form of creation and sharing of digital content, initiation of a dialogue and giving feedback which ultimately empowers the customers whereby they can choose and demand the content of their choice and can also exercise the control over the marketing communication (Dahiya, 2013). This section briefly explains the characteristics of digital marketing communication which make it desired communication channel of modern era.

(a) Interactive: Interactivity is one of the most prominent reason for which consumers prefer digital channels of communication over the traditional communication channels. Deighton (1996) defined interactivity as ability of a medium to produce output as per user’s input/needs. The specific user’s needs include the content in the form of graphics, games, animation, text, audio and video (Adikesavan, 2014). He further asserted that interactivity is possible only when a medium is able to target individual consumers and respond according to the individual’s requirements. Kierzkowski et al. (1996) in their study stressed that digital marketing enables marketers to deliver real-time, personalized services and content and deals with one consumer at a time. Prahalad and Ramaswamy (2004b) in their study affirmed that interactivity leads to value creation among consumers as consumers participate in product evaluation and receive content or services as per their criteria. Bird (2007) asserted that digital communication enables marketer to consider its prospect as an individual customer rather than seeing him or her being a constituent of mass market. Smith (2011) also examined in his study that internet and social networking sites are interactive in nature that empower the customers by offering them the content of their choice and facilitating sharing that ultimately helps them in taking informed purchase decisions. Kaptyukhin et al. (2013) found that interactivity, measurability and precise targeting are the dominant characteristics of digital marketing. Kaufman and Horton (2014) in their study reported that new age digital channels have expanded the platforms for interactivity and augment
the experience of marketers-customers interactions. Yasmin et al. (2015) in their study also reported digital marketing communication channels as capable of generating feedback along with being interactive and measurable. Rekha and Gayatri (2015) in their study stated that digital marketing communication is interactive in nature which is perceived as a significant usefulness by the target audience over the traditional marketing communication.

(b) Measurable: Kierzkowski et al. (1996) in their study described digital marketing communication as measurable which deals with ability of digital medium to test and track the important communication parameters like mail views, mails clicked, bounce rate*, message read, downloads, subscription, video views, posts likes, shares, conversion rates to name a few. Merisavo et al. (2007) and Ferrar (2010) in their respective studies purported that result of various digital communication campaigns could also be measured effectively which are very difficult to measure in traditional marketing. Hemann and Burbary (2013) in their study detailed that various measurement tactics like cookies*, the special software and analytics can be applied to various digital channels namely websites, social media and mobile phones. The study further stated that promotion due to buzz*, word of mouth* and viral communications* can also be measured effectively. Ryan (2014) in his study also attributed digital media as measurable whereby every action of a consumer could be tracked and marketer could compare the results against Key Performance Indicators*. Marketers could also compare the efficiency of various digital channels in terms of tracking ability and most appropriate channel might be chosen consequently. Yasmin et al. (2015) in their study also stated digital media had the capability to track the cursor movements of the consumers. Digital technologies bank upon database technology* which helps marketers knowing the behavioural patterns of its customers due to its tracking ability (Egan, 2007). Accenture (2014) in its study reported that about half of consumers don’t mind tracking of their activities online if tracking leads to relevant results for them.

(c) Informative: Wind and Mahajan (2002) in their study elaborated that digital channels offer unimaginable quantity to information to the customers. Consumers, with the help of sophisticated search and indexing engines, get an instant access to unimagined informative resources available over digital channels. They further asserted in their study that digital channels give, variety of the information, to the consumers that involve, information about products and services of brands, others’ opinion in the form of reviews and recommendations, comparative analysis and information about transaction and payment for goods and services to name a few. The information is available in different engaging and interactive formats like text, pictures, audio and videos. Bauer et al. (2005) in their study concerning mobile marketing, one of the leading digital channels, identified that information and entertainment value are the central acceptance drivers of mobile marketing. Muller, Damgaard, Litchfield, Lewis and Hörlne (2011) in their study examined that internet the core component of digital marketing, provides consumers with much better and instant access to information than the traditional channel. The study further explained that consumers make use of supplier and manufacturer websites, comparison websites, discussion forums, recommendations from other consumers and friends and social media as important sources of information.

* See Glossary given in the end for details.
(d) Relevant: Jones, Malczyk and Beneke (2011) in their study described digital marketing as relevant whereby the digital channels have the capability to offer the information as desired by the consumers i.e. to their preferred device, location and time. Kirkpatrick (2012) affirmed that consumers avoid irrelevant information and prefer the relevant digital content. The author defined relevance as insights based on data which help a marketer delivering targeted communication to individual consumer. The study further claimed that consumers penalize the marketers for offering irrelevant content as 46% of the consumers unsubscribed from email programs, 41% of consumers thought about ending a relationship and 22% ended the relationship with the marketer because of irrelevance in the study. Syme (2015) defined relevance in social media as delivering information at the right time, right place, to the right consumer through the right device. He further explained that relevance deals with strength of relationship whereby marketer truly understands its consumers, their needs, reasons of buying and value perception of consumers about marketer’s products and services. Major search engine Google and social networking giant ‘Facebook’ use special kind of ‘relevance algorithms’ and scores to deliver the relevant content to the consumers.

(e) Customization: Customization which deals with ability to alter as per user’s needs, interests and tastes is also one of the important reasons which facilitated the increased usage of digital channels of communications. Allen (1999) defined customization as the ability to offer something different other than the standard offering based on the users’ request. He further explained that internet has the ability not only to customize but also to individualize the content as per users’ requirements. He explained individualization as an interactive conversation with the users by uniquely identifying a consumer and offering tailor made content or services. Web content adapts itself according to the personal profile and offers customers relevant, new, different and unexpected content. Wilson, Daniel and McDonald (2002) in their study stated that interactive digital technologies allow targeting specific customers and building fruitful relations with them. Digital marketing communication offers fragmented attention to the audience. Rather than aiming at masses, this productive medium interacts with individual target audience with their preferred channel (Wind and Mahajan, 2002) and establishes a dialogue rather than a monologue. Negi and Saklani (2003) in their study concerning online media stated that customization is the chief factor facilitating online purchase in comparison to traditional purchase. Jones et al. (2011) in their study claimed that consumers want to be addressed individually rather than being a part of a broader mass without unique identification of its members. The study further ascertained that digital technologies have the capability to target the people precisely due to wealth of information available over digital media (Kaptyukhin, Romanov, Zhidkova and Danchenok, 2013; Morrison, 2015)

(f) Compatibility: Compatibility refers to the ability of digital communication to deal and interact with the varied capabilities of different digital devices, browsers, operating systems and text formats through which consumers access the digital content (Ryan and Jones, 2012). Contemporary digital channels have the capabilities to provide easy and quick access to digital content without altering the latter’s configuration (Wigmore, 2013). Compatibility plays an important role in adoption of new age technologies. Generally, consumers prefer the technologies requiring the least changes in the existing behavioural patterns. Now, consumers access digital marketing
information from number of digital devices namely the laptops, desktops, smartphones and digital TV. So, it becomes necessary to provide a seamless experience to the consumers across all the screens leaving behind the barriers of compatibility issues with different browsers, coding language, screen size, operating systems and formats. Digital marketers design the digital content in number of layouts which provide the responsive capability to the digital content as per users’ screen. Marketers also use the programming queries in the digital content which produces the output as per users’ device capabilities like screen size, browser, resolution properties and orientation etc. Cross device compatibility is also ensured by the marketers to make the digital content available across variety of digital devices (Loving, 2013). Marketers are designing the specific websites for most used digital devices of today namely smartphones, tablets and mobile phones, known as mobile optimized sites, which facilitate easy navigation and quick loading of pictures and videos. Mobile optimized sites also reap the benefits of mobile functionality like tap to call, message and e-mail. Consumers consider compatibility of digital content so important that around 60% of customers might leave the website if latter is not compatible with their digital devices as per a study conducted by Google (McAuliffe, 2012). Studies conducted by Kink and Hess (2008), Delafrooz et al. (2009) and Muller et al. (2011) also ascribed digital marketing communication as compatible which also accounted for its increased usage.

(g) Convenient: Digital media are considered convenient to use both for marketers and consumers. Convenience in digital media is refers to ease of use, 24*7 availability, compatibility of digital information with digital devices, saving time and money and finding one stop solution for information, comparisons, sharing, recommendations and purchase (Becherer and Halstead, 2004). Consumers are increasingly making use of digital technologies as they don’t find digital technologies too complex to use. Moreover, emergence of digital devices is also making the access of digital content possible leaving behind the barriers of time and place. Consumers could access the digital content at their preferred time, place and device. It is very easy for consumers to save, share, recommend and respond to the digital content (Swaminathan, White and Rao, 2005). Egan (2007) in his study discussed that digital technologies have eased the feedback process whereby a consumer could communicate with a marketer by various means like websites, SMS, emails, free posting and others. Muller et al. (2011) in their study described the convenience of digital media in terms of easy information accessibility whereby it was stated that consumers make efficient use of various digital channels to fetch the required information quickly and easily. Nguyen (2014) attributed online technology easy to use whereby consumers feel at ease while interacting with new technology.

(h) Cost effective: Digital marketing communication is considered less costly as compared to traditional marketing (Kierzkowski et al. 1996; Verma and Varma, 2003). Ferrar (2010) in his study attributed cost effectiveness of digital media as the most important driver that replaced expensive and less measurable traditional media. Charan and Jaiswal (2012) in their study concerning mobile banking stated that internet has emerged as the cheapest medium of communication. Saluja and Singh (2014) in their study concerning social media accepted that social media is very cost effective in comparison to its traditional counterpart which is also contributing in its huge and varied usage by the marketers. Muller et al. (2011) in their study stressed that
consumers consider digital technologies cost effective which ultimately leads to online purchase. Klososky (2012) in his study concerning social networking sites examined that digital technologies create the conversation and build on-going relationship with customers at comparatively inexpensive cost. The inbound nature* of digital channels is helping marketers reducing the cost of contacting the customers and generating more leads than the traditional marketing having outbound nature*. ‘Hubspot’ in its annual study on inbound marketing proclaimed that traditional channels of communication are getting less effective as 45% people never open the direct mail, 85% people fast forward through TV commercials, 84% people don’t stay on the website with excessive advertising and 91% people have unsubscribed from e-mails. Hubspot’s study further stated that digital marketing having inbound focus generates 54% more leads than the traditional marketing and costs 61% less than traditional outbound marketing (Hubspot, 2013).

2.3 IMPACT OF DIGITAL MARKETING COMMUNICATION ON CONSUMER BUYING DECISION PROCESS

Digital marketing communication has exerted one of the strongest influences over the consumer buying decision process (Gay et al. 2007). Consumer buying decision process can be understood with the help of five stages decision making steps including need recognition, search for information, evaluation of alternatives, selection and purchase and post purchase behaviour (Kollat et al. 1970). Digital marketing communication which offers relevant, personalized, interactive and huge quantity of information affects all the stages of consumer decision making process right from need recognition to post purchase behaviour. The section explains the impact of digital marketing communication on each stage of consumer buying decision process.

2.3.1 Need Recognition

Jayawardhena et al. (2003) suggested that stimuli that trigger need recognition might come from a number of diverse sources that could initially be either online or offline; especially as many organizations use both channels for communication. Online marketers might influence the buying decision process of online consumers by using traditional marketing in combination with adequate online experience or web experience (Constantinides, 2004). Digital channels have the capability to make customers realize the difference between desired and actual stage. Geissler (2002) believed that a website should prompt a customer’s interest in online store and capture the relevant customer’s information to develop the interest or on-going relationship.

Maklan et al. (2001) proclaimed that role of internet may be more on some stage of consumer buying decision process than the others. The study further stated that internet might or might not affect the need recognition stage of the consumer decision making process. Marketers should try to prompt need recognition stage of the consumers by either contacting them directly or by banner advertising. The study however acknowledged that customers might turn a blind eye to these promotional

* See Glossary given in the end for details.
tactics as they do in offline promotion. In case of already existing need, the internet was found affecting the search stage of consumer decision making process the most in travel and automotive industry. Internet saves time in searching and provides unbiased vast information. Hausman (2014) in the study concerning impact of social media on consumer decision making process stated that social media shape the needs in the recognition stage and even set a kind of norms for the people in the group over social media. Gross (2014) in his study found that the influence of social media differs according to the various stages of the consumers buying decision process. The study further detailed that impact of social media diminishes as the consumer progresses through the stages of buying decision process, thereby mostly affecting the initial stages of consumer buying decision process.

2.3.2 Search for Information

Shim, Eastlick, Lotz and Warrington (2001) describe information search as a process by which consumers gather information from various sources about the goods and services before a purchase is made. It has been acknowledged that digital marketing communication sheds its maximum impact on search for information stage of consumer buying decision process across product categories like clothing, fashion, kitchen appliance, laptops, desktops, mobile phones, tablets, TV, air tickets, games and cars (BCG Study, 2013). Consumers prefer web as an information source for being easy, quick and cheap (Bakos, 1997; Shapiro and Varian, 1999; Gay et al. 2007, Kink and Hess, 2008). Customers might use various digital channels initially for inspiration and then later on for information (BenMark and Masri, 2015).

Consumer electronics were the most searched product category searched by 35% of the consumers over internet followed by apparels and accessories searched by 30% of the customers. Books, beauty and personal care, home and furnishing, healthcare and baby products were also among the most searched product categories over internet as per a report of Google India (Google India, 2013a). Another study conducted by Google India (2013b) concerning female users reported that female users in India actively search for categories like apparels, food, baby care and skin care.

Majority of the consumers are making use of online channels for getting information and researching about products before making a purchase decision (PWC Study, 2012). GE Capital (2013) reported that 81% of consumers made online research before purchasing. Study conducted by Nielsen Global Smartphone Insights (2013) reported that 40% of consumers banked upon digital channels of communication for getting information about products. Morrison (2014) reported 81%, Srivastava, Srivastava and Pai (2014) reported 85% and Mitra (2015) reported 76% of consumers resorting to digital information sources before purchasing.

Use of digital channels of communication as information source is not limited to metropolitan cities as consumers from Tier I and Tier II cities are also researching about products and services over digital channels before making purchase. A study conducted by ‘Nielsen’ in twelve Tier I and Tier II Indian cities concerning multi-brand retailers reported that 40% of the consumers researched online before making an offline purchase decision. 69% of the consumers made the decision about model and
brand before entering the retail store (Nielsen, 2013). Another study by Mohapatra (2012) also stated that 83% of the online searches related to purchase were from the Tier II cities involving ‘Kochi’, ‘Kanpur’, ‘Bhubneswar’ and ‘Vadodara’ whereas 53% consumers from Tier I cities made the purchase related online searches. The study further elaborated that 90% of the consumers looked for prices, 55% looked for photos and 20% looked for product reviews over online platforms. Higher research intensity was observed for highly priced products.

Kink and Hess (2008) in their study accepted that consumers prefer search engines more than the traditional source of information. Study conducted by Fleishman-Hillard (2012) also agreed with the findings of Kink and Hess (2008) and stated that 89% of people used search engines as major source of information followed by ‘Facebook’ which was used by 62% of people. The study further purported that 79% consumers followed brands over social networks online.

Jonathan (2012) stated that social media affects all the stages of consumer buying decision process but it greatly affects the information search and post purchase stage. Funde and Mehta (2014) stated that social media was used by 65% of consumers for fulfilling their informational needs mainly because of perceived convenience, effectiveness and perceived credibility. Customers participate over social media by adding comments and reviews to the blogs, news, photos and videos. They also actively participate in discussions over online forums and vote for their favourite brands. Consumers’ attitude is also found significantly affected by the social media (Muthiah and Kannan, 2015). Nielsen study (2014b) concluded that content available over social media fulfills 54% of consumer’s information needs necessary for making a purchase decision. Consumers value the third party content, expert reviews and non-branded content more than the marketer’s content during buying decision process.

Ioanaș and Stoica (2014) asserted that majority customers seek information from manufacturer’s website, search engines, discussion forums and comparison websites etc. Search engines along with online forums and social networking sites are the most used by the customers. Contemporary digital communication channels like smartphones, digital TV, digital outdoors etc. are emerging as the primary information sources for majority of the customers before making a purchase decision (Dahiya, 2013).

Charan (2014) while assessing the impact of digital marketing on consumer behaviour emphasized that consumers make use of various digital channels of communication in their purchase decision journey. They consider digital channels as important sources of information which also facilitate the purchase. Moore and Benbasat (1991) and Tanakinjal, Deans and Gray (2010) attributed mobile phones as a contemporary communication channel providing instant connectivity irrespective of location, specific and relevant information through calls, SMS, MMS, alerts, notifications, apps, value added services and high speed data services to mobile users (Pandey and Shukla, 2010). People are found using mobile devices for activities like shopping, browsing products, comparing price, reading product reviews, getting in-store price comparison, receiving online coupons and purchasing products (Yang and Kim, 2012). A study conducted by xAd Research (2015) unveiled that mobile phones have overtaken laptops as the preferred digital choice for searching information as 50%
consumers found mobile as the most important device for research. Consumers use their mobile phones for researching about products and visit the store well-prepared for purchasing the products. The study further proclaimed that smartphones were used more at home as compared to on the move as 64% consumers were using their smartphones at home and 36% were using on the move.

YouTube as a communication channel excels over traditional communication channel. ‘User Generated Content’ greatly shapes and affects the brand attitudes (Reino and Hay, 2011). Google study (2013b) reported that 40% of female users in India considered YouTube as the most important information source. Another study conducted by ‘Pixability’ Study (2014) revealed the consumers view YouTube before making a purchase decision and also get influenced by the videos available on YouTube. The study further stated that primary activities conducted by consumers over YouTube include researching, discovering new products and watching others’ reviews. The videos that a consumer considers for decision making not only include the branded videos from marketer’s side but also the videos uploaded by other consumers and experts.

Study conducted by Akrekar (2010) concerning interactive digital television, one of the contemporary and emerging digital channels in India asserted that consumers use digital TV not only for watching standard programs but also use it for playing games, making telephone calls along with surfing about products and services. Consumers also use new age digital television for online shopping, e-banking and e-learning.

### 2.3.3 Evaluation of Alternatives

Evaluation over digital platform deals with bringing together and analyse the information gathered in the search stage. Online technology helps completing this task as majority of websites allow consumers to save and compare the searches made by the consumers (Charan, 2014). Consumers read the blogs and reviews and hold online discussions about products and services they are considering buying. They also scan YouTube videos and participate in discussion forums, and tweets. They trust their peers for referrals and warnings (Giamanco and Gregoire, 2012). Consumers are increasingly relying on other consumers’ reviews to make purchase decisions online (Ludwig et al. 2013). 69% consumers read product reviews before making any purchase. On average, a consumer visits three online stores before making a purchase (Sharma and Rehman, 2012; Fleishman-Hillard, 2012; Morrison, 2014). Social media sites like ‘Facebook’ and ‘Twitter’ along with other review sites are used as platforms to share positive and negative reviews by the consumers (Charan, 2011).

Both positive and negative reviews affect the purchase decisions, as in a study conducted by Dimensional Research (2013), 90% of consumers accepted that they were affected by positive reviews whereas 86% of consumers were affected by negative reviews. Positive reviews prompted buying whereas negative reviews discouraged users from buying. Reviews from friends have a greater impact than the other users (Funde
and Mehta, 2014). Mir and Rehman (2013) asserted that consumer have faith in UGC* (user generated content) because of its impartial nature. Consumer activities over social media including comments, ratings, favourites and subscriptions, are believed to have both the positive and negative details without any vested commercial interest (Jonathan, 2012). Hinckley (2015) in its study conducted with 1,000 consumers through ‘Google Consumer Surveys’ revealed that online reviews affected the major purchase decisions like appliances, smartphones and cars of 67% of consumers. The study also reported that 70% of the customers didn’t go ahead with the purchase of the brand with many negative reviews.

Sople (2011) also agreed with the fact and asserts that social influence is a powerful contributing factor to purchase decision in market space. Individual customers rely on a kind of collective wisdom and give more weightage to consensus recommendations rather than the experts’ advice and manufacturer’s claim. The author also appreciated the fact that modern technology is supporting the emergence of online brand ambassadors who share their brand experiences with their friends in the social networks and help spreading the word (like / dislike) about the brand they were using or had already used. Web community has a big impact on the behaviour of consumers. It is similar to reference group’s influence on consumers. Online reviews are similar to word of mouth in influencing purchase decisions. Moreover, consumers who influence others are also getting influenced by others consumers (Sridhar and Srinivasan, 2012). Friends in the networking groups also give unsolicited recommendations by sharing pictures, liking pictures and videos and updating the status. Consumers over social media evaluate more emotionally rather than rationally (Hausman, 2014).

Ioanăs and Stoica (2014) in their study explained that consumers over digital platforms face the problem of information overload. Consumers use various filter rules to sort out the most relevant information and avoiding the information overload. These rules include decision of not accessing the complete information available over digital channels, banking upon the well-known brands and acting on the recommendations of peers and friends. A study conducted by GE Capital Study (2013) divulged that consumers comprehensively conduct online research especially in comparing prices and finances. The study further detailed that consumers access online information even in store with their mobile phones to find the best value deal.

Hennig, Gwinner, Walsh and Gremler (2004) and Lerthaitrakul and Panjakajornsak (2014) stated that e-word of mouth is created on digital platforms when consumers share reviews, opinions, recommendations, news and experiences with other consumers which help other consumers in making an informed decision. Heriyati and Siek (2011) and William and Buttle (2011) and in their studies accepted that e-word of mouth positively affects the consumer decision making process especially for teenagers and new age customers and negative reviews affect the decision making process more strongly in a negative manner than the positive reviews affect the decision making in a positive manner.

* See Glossary given in the end for details.
Hooda and Aggarwal (2012) in their study found that consumers prefer online sources of information because they believe they are better informed about product characteristics and have the opportunity to fetch best value deals over online platforms. Another study conducted by Ioanăs and Stoica (2014) revealed that consumers trust recommendations and reviews more than the marketer’s claims made through their websites and advertisements. Consumers in digital environment have become prosumers which means both the consumers and producers of online content. Halzack (2015) in his study found that web has made information search and comparison easier than ever which has reduced impulse buying decisions and increased potential for taking informed decisions. Edelman and Singer (2015) stated that customers use technology in evaluating products and services more actively by adding and removing products over time and giving feedback about products thereby pressurizing brands to deliver greater experience regularly.

2.3.4 Selection and Purchase

Purchase in online environment could entail various activities like making a purchase decision online, a donation to a charitable cause, subscribing to a newsletter, joining an online community, downloading a pdf map for directions and many other numerous actions (Gay et al. 2007). Consumers are making use of digital channels in purchase decisions (GE Capital, 2013). The study conducted by Negi and Saklani (2003) that aimed to analyse the most bought product categories online revealed that gift items, garments, home appliances and food items were the most bought online items. Another study conducted by Hooda and Aggarwal, (2012) claimed that most of the customers were engaged in buying e-tickets, e-billing, e-banking and online shopping over e-marketing channels.

Google India’s study (2013a) revealed that about 8 million people shopped online in India in the year 2012 and apparel and accessories were the most online shopped product categories. 84% of customers purchased apparel and accessories which were followed by electronics shopped by 71% of customers. 64% of the customers bought beauty and personal care online whereas 62% of customers bought books. Household products were purchased by 61% of customers. Frequency of purchase was found highest for the apparel product category. Cash on delivery was found the most preferred payment option opted by 74% of internet users, followed by debit card opted by 18% and credit card opted by 5% of internet users. Factors like cash on delivery mode of payment, quick delivery, availability of branded items and exciting offers were cited as the major motivators facilitating online shopping. Ioanăs and Stoica (2014) in their study found the consonance with the previous studies and revealed that in online shopping, customers purchase electronic products, clothing, appliances, cosmetics and shoes more than any other product category.

Big ticket items like homes are also getting affected by online searches as 53% of real estate search queries over internet in India are with the purchase intentions. ‘Tata Housing’ was able to sell about 50 homes online in ‘Google India Online Shopping Festival’ (Ramakrishnan, 2014). Study conducted by Forrester Research in association with Google India (2014) covering 50 Indian cities estimated that India would have more than 100 million online shoppers by the end of the year 2016. The study further
revealed that 50 million new online buyers would be from Tier I and Tier II cities and 71% non-buyers plan to buy from online sources in near future.

Jarvenpaa, Tractinsky and Vitale (2000) concluded that trust in an internet store is a salient determinant of online shopping. George (2002) considered privacy, trustworthiness and experience as key issues while making an online purchase. According to some others, websites characteristics, individual perception and consumer psycho-demographic characteristics, characteristics of the seller and social context affect online consumer buying behaviour (Agarwal and Karahanna, 2000; Moon and Kim 2001; Torkzadeh and Dhillon, 2002). Hedonic motivations that include navigation and convenience are the main motivators for people using internet marketing (Childers, Christopher, Peck and Carson, 2001). However, Park and Kim (2003) stated that information quality, user interface quality, and security perceptions are the factors that are significantly related to each consumer’s site commitment and actual purchase behaviour. Negi and Saklani (2003) cited customization and online availability of exclusive and wide variety and of products as major reasons facilitating online purchase. Chi (2011) said personalization and meeting new people are the major motivations for active digital participation of customers. BCG in its study revealed that 37% of Indian consumers cited convenience of shopping from home as the major driver for online shopping. 30% customers attributed discounts and 29% customers credited wide variety of products as the major motivators for online buying (BCG Study, 2013). Delafrooz, Paim, Haron, Sidin and Khatibi (2009) and Khalil (2014) in their studies concerning factors affecting online shopping claimed that online shopping is much easier than physical shopping and consumers could avoid long queues over digital media. Moreover, product finding is also easy over digital media as typing keyword over digital channels would directly lend to the desired product’s page featuring all the vital details.

Many studies also tried to investigate the reasons for not using digital channels of communication while buying. Maklan et al. (2001) in their study accepted that online communication channels suffer from lack of human touch and instant gratifications. Google India (2013a) highlighted barriers to online shopping which included fraudulent practices, sub-standard products, inability to bargain, touch and try the product before purchase, and sharing of personal and financial details. Study conducted by eMarketer, (2015d), also cited non-authentic and technical nature of digital communication inhibiting the use of digital communication while buying. Forrester and Google India study (2014) cited poor internet speed, dissatisfactory customer service and complex return process as major deterrents towards e-shopping. Ioanas and Stoica (2014) in their study also attributed information overload over digital channels as major barrier that leads to confusion in the consumers’ mind. The study further stated that consumers might stop searching all the information available because of increasing search cost and confusion and may apply traditional rule of thumb to arrive at a decision. Study conducted by Charan (2014) cited misleading, offensive and malicious information as primary factor discouraging the use of digital communication. Singh (2014) in his study attributed security and safety of the information as the prime concern of the customers using mobile banking.
2.3.5 Post-Purchase

Post-purchase evaluation over digital platforms starts as soon as transaction gets completed. Consumers start expecting to receive an e-mail/ SMS regarding the confirmation of the order. Many things like speedy confirmation of the order, timely delivery and quality of delivered product determine the customer satisfaction (Gay et al. 2007). Chiu, Chang, Cheng and Fang (2009) focused on online repurchase and contended that consumer trust and consumer satisfaction are the key antecedents of continued purchase. Jayawardhena, Wright and Masterson (2003) contended that emergence of virtual communities motivate customers to post and share the post purchase behaviour.

75% females in a study conducted by Google India (2013b) accepted that they forwarded their purchased brands to other females and 25% shared them online. Another study conducted by Hausman (2014) revealed that consumers are engaged in post purchase activities over social media platforms which include sharing the experience after product’s purchase, making recommendations to others based upon own satisfactory experiences and disparaging or denouncing the brands in case of negative or dissatisfactory experience after purchase. The similar findings were reported by Charan (2014) while assessing the impact of digital marketing on consumer behavior. The study conducted by Barhemmati and Ahmad (2015) which aimed to analyze consumers’ insights using social networking sites claimed that consumers view the posts of the company and give their feedback about the products and services of the company and co-create the value. Another study conducted by Mangold and Faulds (2009) also acknowledged the impact of social media on consumer buying decision process and revealed that post purchase behaviour over social media is reflected in the form of satisfactory or dissatisfactory comments, statements or opinions.

2.4 DEMOGRAPHICS AND DIGITAL MARKETING COMMUNICATION

Many studies aimed to establish a link between demographics and digital communication channels usage. Kierzkowski et al. (1996) in their study asserted that there is a new breed of digital consumers. These users are the people who tend to be young, well-educated, and richer than average. Cotte et al. (2006) identified four groups of online consumers, with different intentions and motivations namely the exploration, entertaining, shopping and information. Jayawardhena, Wright and Dennis (2007) also organized online consumers in four groups namely the price sensitive, rational consumers, brand loyal buyers and comfort-oriented buyers. Study conducted by Google India stated that 75% of females, who buy online in India, are in the 15-35 years age group. The study also revealed that females who research online belong to high income group category (Google Study, 2013b). BCG study in India revealed that 50% of Indian online buyers are in the 18-24 years age group (BCG Study, 2013). Joshi and Upadhyay (2014) in their study involving 1327 online shoppers from metropolitan, Tier 1 and Tier II cities demonstrated that male customers dominate the online buying in India and young customers belonging to 25-30 years age group are the most likely to purchase online. The study further stated that 42% of consumers belong to middle and high income group working in private service shop online.

Another study conducted by Ioanas and Stoica (2014) proclaimed that most of online buyers are young. People belonging to low income groups are more likely to search for information over online platforms before making a buying decision. Females make more online searches than males and are leading in online purchases. However, study conducted by Negi et al. (2002) didn’t find any significant association
between usage of online media and age, education and income. Another study conducted by Hooda and Aggarwal (2012) also failed to detect any relationship between gender and e-marketing usage. The study also revealed that people in high income group are more aligned towards e-marketing because of lack of time. The study was successful in establishing a significant relationship between income, age, occupation and e-marketing usage. Charan and Dahiya (2015) in their study related to digital marketing tried to establish a connection between important demographic variables namely age, income, occupation, gender and education with the usage of digital channels of communication. The study concluded that age, gender and occupation had no association with digital channels of communication usage. However, the study successfully established that post graduate consumers belonging to high income group used YouTube and smartphones as information sources.

2.5 UNDERSTANDING THE USAGE INTENTIONS OF DIGITAL COMMUNICATION: THEORY OF PLANNED BEHAVIOUR (DECOMPOSED)

Assessing the impact of technology on consumer behaviour has always been a complex task involving integrated set of factors related to culture, sub-culture, personal and psychological aspect (Hawkins, Best, Coney and Mookerjee, 2008). Researchers assert that technology usage has been found significantly affecting from attitude (Chandra, Goswami and Chouhan, 2012; Chiu, Hsu, Sun, Lin, and Sun, 2005; Chu and Lu, 2007), recommendations from friends (Chang and Chin, 2010; Thakur and Srivastava, 2013), relatives and family (Dahiya, 2014), skills, capability and resources (Giantari, Zain, Rahayu and Solimun, 2013; Wee et al. 2014). Study conducted by Chandra et al. (2012) revealed that customers have positive attitude towards social media as they believe social media help them taking a right purchase decision. They also consider social media trustworthy and unbiased information source. The study also revealed that positive customers’ attitude towards social media supports purchase decisions. Chiu et al. (2005) in their study concerning online purchase intentions revealed that perceived ease of use directly affected attitude which in turn affected the purchase intentions. Chu and Lu (2007) in their study concerning online music adoption stated that perceived usefulness had an impact on attitude which ultimately affected the purchase intentions. Dahiya (2014) in her study revealed that recommendations and opinion of family, friends and relative of the consumer affected the technology usage in purchase journey. A study conducted by Takhire and Jooshari (2015) reported that electronic word-of-mouth and purchase intentions had positive relationship with customer decision making process in online shopping, whereas perceived risks had negative relationship with trust and purchase intentions. The study highlighted that consumers trust the electronic word of mouth and thereby reduce the risk associated with online buying. Consumers also tend to share negative word of mouth after post purchase dissonance. The study also postulated that purchase intentions were positively related to actual purchase. Li and Zhang (2002) carried out an extensive and systematic review of consumer behaviour and stressed that attitude, intentions and purchase behaviour were the most used dependent variables while assessing the impact of online technology on consumer decision making, whereas personal characteristics, product and service characteristics and website’s quality were the most used independent variables. Intentions to use digital marketing communication have been well researched by the researchers across product categories like books, music fashion accessories, clothing, banking, online gaming, internet and social networking sites usage, green marketing, online trading, personal health, road safety and mobile banking etc; thereby revealing useful consumers’ insights. However, such comprehensive researches have not been
observed in extended problem solving product category like car, especially in Indian context.

Technology is of little or no use unless it is accepted and used by the intended group of customers (Oye, Iahad and Ab.Rahim, 2012). With the rapid proliferation of new age technologies with which marketers are striving hard to reach and influence their target customers and spending huge sums of money in due course; the issue of technology adoption become more important than ever (Chau and Hu, 2001). There remains a strong need to study the individual user acceptance of technology not only to justify the increased marketing spend towards these contemporary technological platforms by the marketers; but also for the potential of such technologies in bringing paradigm shift in customer acquisition, retention and management (Sharma and Mishra, 2015). Impact of digital marketing communication which is a technology driven process can be successfully analyzed by using adoption based theories and models like Theory of Reasoned Action (TRA), Technology Acceptance Model (TAM), Theory of Planned Behaviour (TPB) and Decomposed Theory of Planned Behaviour (DTPB) providing meaningful insights about consumer behaviour (Davis, Bagozzi and Warshaw, 1989; Davis, 1989; Ajzen and Fishbein, 1975; Ajzen, 1991; Liao and Cheung, 2001). These technology adoption theories and models apprise researchers about the set of explanatory variables accounting for the known properties of the phenomenon under study, thereby enabling researchers to predict the particular occurrence (Samaradiwakara and Gunawardena, 2014). Also, these models facilitate the explanation and prediction of a phenomenon by providing a theoretical illustration of real world (Burch 2003).

‘Theory of Reasoned Action’ proposed by Ajzen and Fishbein (1975) states that intentions are the precursor to the actual behaviour. Intentions to behave in a particular way are formed on the basis of attitudinal beliefs and subjective norms. TRA suffered from the drawback of assuming the behaviour of the person to be volitional only which otherwise could also be subjected to resource constraints (Ajzen, 1991). ‘Technology Acceptance Model’ proposed by Davis in 1989 was also known to predict the purchase intentions. TAM was developed on the basis of the much studied Theory of Reasoned Action by Fishbein and Ajzen (Davis, 1989). TAM proposes that the beliefs of perceived usefulness and perceived ease of use are fundamental in forming an attitude towards an information system, which in turn forms behavioural intention, following by actual system use (Davis et al. 1989). Davis defines perceived usefulness as the belief of users that technology usage would improve the performance. Perceived ease of use deals with beliefs of the users that system would be effortless to operate. Lee, Kozar and Larsen (2003), Karahanna, Straub and Chervany (1999) and Agarwal and Prasad (1998) modified TAM by adding variables like experience, self-efficacy, perceived risk and social influence, cognitive absorption, playfulness and compatibility which enhanced the predicting ability of TAM. TAM also failed to explain situations where behavioural intentions were deeply influenced by social context and consumer co-creation of value (Baron, Patterson and Harris, 2006).

The limitation of TRA and TAM were resolved by ‘Theory of Planned Behaviour’ (Ajzen, 1991) which stated that behaviour of an individual could be better explained considering the rational constraints. Theory of Planned Behavior is used when behavior is planned. It attributes that human behaviour is guided by three types of contemplations which are behavioural, normative and control beliefs. Behavioural beliefs deal with consequences of the behavior and their outcome evaluation determine the attitude of the person. Attitude in technology mediated communication is referred to consumers’ feelings of favourableness and unfavourableness towards usage of online/digital communication. Normative beliefs deal with the perception of other persons
in the users’ circle of influence about the desired behavior. The normative beliefs along with motivation to comply form the subjective norms as per Theory of Planned Behaviour. Subjective norms refer to perceptions of consumers towards their referent groups including important people like friends, family and peers. Control beliefs deal with the perception regarding the presence or absence of the factors which might inhibit or facilitate the performance. These beliefs in aggregation form the perceived behavioral control, the third construct of TPB. Perceived behavioural control consists of consumers’ perception about necessary skills, ability, knowledge and resources to use the technology. All three constructs namely attitude, subjective norms and perceived behavioural control form the usage intentions. Intention refers to the person’s readiness to perform a particular behavior, and is considered precursor to the actual behavior. TPB further postulates that actual usage is determined by usage intentions and perceived behavioural control.

TPB had stronger prediction ability than TRA and was widely used in information technology related studies (Ajzen, 1985; Mathieson, 1991; Taylor and Todd, 1995b; Harrison, Mykytyn and Riemenschneider, 1997). TPB also was not able to explain how people planned their behaviour and the way planning mechanism was related to planned behaviour. Researchers like Rogers (1983); Bandura, Freeman and Lightsey (1999); Chau and Hu (2001) and Gillenson & Sherrell (2002) asserted that it was not sufficient to study all the relevant beliefs in one single unit and ‘decomposed’ the belief structures of TPB.

Taylor and Todd (1995a) further deconstructed TPB’s three individual constructs namely attitude, subjective norms and perceived behavioural control and named it as decomposed TPB. Attitude was decomposed into three factors piggy riding the ‘Theory of Diffusion’ namely perceived usefulness (relative advantage), perceived ease of use (lack of complexity) and compatibility. Perceived usefulness deals with the relative advantages and benefits of the new technology over its predecessor. Perceived ease of use deals with effortless usage of new technology and compatibility dealt with fitting of new technology in the existing value system and needs of the users. Subjective norms were decomposed into friends, family and relatives. Subjective norms considered both interpersonal and external influences affecting technology usage. Perceived behavioural control was deconstructed into self-efficacy, resource facilitating conditions and technology facilitating conditions. Self-efficacy is defined as judgment of the individual about his/her capabilities to perform the desired behaviour. Resource facilitating conditions deal with availability of the resources like time, money, internet and devices in order to use the technology. Technology facilitating conditions involve the beliefs about authenticity, trustworthiness and compatibility of the technology with other digital devices.

Decomposed TPB works well over the drawbacks of other prevalent models like TRA, TAM and TPB. Unlike TRA, decomposed TPB handles the situation really well when behaviour of the person is not 100% volitional and under some constraints. Decomposed TPB excels over TAM in situations where behavioural intentions are deeply influenced by social context and consumer’s co-creation of value (Baron, Patterson and Harris, 2006).

effective use of DTPB model in explaining the usage intentions towards evidence based medicine. Dos Santos and Okazaki (2013) illustrated the successful use of DTPB in predicting usage intentions towards e-learning. Sahli and Legohérel (2014) in their study concerning online tourism products also confirmed the explanatory power of decomposed TPB.

Many researchers compared the contemporary models and found DTPB explaining more variation in usage intentions in comparison to other models. Taylor and Todd (1995b) also conducted a study to compare TAM, TPB and decomposed TPB keeping the common constructs and concluded that decomposed TPB had better explanatory power than the TAM and TPB. Legris, Ingham, and Collerette (2003) used TAM and TAM2 to predict the usage intentions towards an innovative technology and asserted that explanatory powers of both versions of TAM can be significantly improved if social beliefs and capability beliefs can be added to TAM. Hung and Chang (2005) compared TAM, TPB and DTPB in assessing Wireless Application Protocol (WAP) usage intentions and revealed that DTPB explained more variation than pure TPB and TAM. Lin (2007) also compared TAM, TPB and decomposed TPB for predicting usage intentions and claimed that decomposed TPB excelled over TAM and TPB. TAM explained 41% variation in usage intentions and 31% in actual usage. TPB explained 46% variation in behavioural intentions and 30% variation in actual usage. Decomposed TPB explained 57% variation in behavioural/usage intentions and 33% variation in actual usage. Decomposed TPB explained actual usage slightly better than TAM and TPB. Behavioural intentions were best explained by Decomposed TPB. Attitude, the important construct for all the models explaining behavioural intentions was best explained by decomposed TPB which explained 63% variation in attitude. The study concluded that although decomposed TPB was complex than TPB and TAM, but the model was more effective in predicting usage intentions and provided meaningful insights towards understanding usage intentions.

Rouibah and Ould-Ali (2007) while testing the six competitive models in predicting the intentions to use SMS banking proclaimed that DTPB had the largest explanation for usage intentions. Huh, Kim and Law (2009) compared TAM, TPB and DTPB for predicting the usage intentions towards hotel information system and asserted that DTPB best explained the usage intentions. Smarkola (2011) in the study concerning computer’ usage intentions in class room compared TAM and DTPB and asserted that DTPB explained users’ intentions better than TAM. Hou (2013 and 2014) while assessing the users’ acceptance of business intelligence used TAM, TPB and DTPB and postulated that DTPB explained maximum variation in usage intentions. Further the author stated that DTPB provide more detailed explanation for subjective norms and perceived behaviour control. Brown, Venkatesh and Hoehle (2015) compared seven contemporary models explaining technology usage and conjectured that DTPB along with TPB and Model of Adoption of Technology in Households (MATH) excelled in explaining usage intentions over other models.

As the present study intended to know the factors if any, that can be leveraged by the marketers to effectively market the given product, Decomposed Theory of Planned Behaviour was used in the study (Fig. 2.1). The model also understands the consumers’ intentions to use digital marketing communication while buying a car.
Indian passenger car marketers have been one of the top digital media spenders for about more than half a decade (Mehra, 2012). Digital marketing communication is affecting both the Indian car buyers and marketers (Maklan et al. 2001; Kumar and Singh, 2013). A press release of India’s largest car marketer, ‘Maruti’ stated that an emerging segment of Indian car buyers desire an integration of people, technology, processes and physical experience at showroom bundled together which could give them the unique car buying experience (Maruti Suzuki India, 2015). Review of available literature showed that in Indian context, researchers have emphasized upon the features and factors affecting car purchase decisions especially in offline environment (Sudhahar and Venkatapathy, 2005; Chidambaram and Alfred, 2007; Kaushik and Kaushik, 2008; Banerjee, Walker, Deakin, and Kanafani, 2010; Gupta, 2013; John and Pragadeeswaran, 2013) and have not considered the effect of digital communication on entire buying decision process in entirety. However, there are few recent studies conducted by Kumar (2012), Bagga and Gupta (2014), Agrawal & Arockiadoss (2012) and Samson, Mehta and Chandani, (2014) which either primarily advocate the usage of digital media by Indian car marketers or highlight the awareness creating capability of online media among Indian car buyers.

The purchase journey of a car involves a number of different phases from need recognition, search for information, evaluation to purchase and post-purchase, dominated
by digital channels (Nielsen, 2012). Indian car buyers use digital channels of communication as an information source; evaluate the various brands online, pay attention to reviews, opinions and comments of other customers, peers, friends and experts, join the online communities, discussion forums, social networking pages of car brands, subscribe to newsletters and promotional e-mails and finally express their experience and opinion over digital platforms (Kusuma, 2015). Hutter, Hautz, Dennhardt and Füller (2013) proclaim that although new age technologies present novel challenges and opportunities for the marketers as car buying decisions are majorly getting affected from digital communication, still the exact outcome of technological usage is disputed and marketers also yet need to understand the effect on buying decisions.

This section presents the tabular brief of major studies and reports which recognized the effect of digital marketing communication on consumer behaviour while buying a car in India.

Table 2.1: Tabular Brief of Major Studies concerning Digital Marketing in Indian Passenger Car Market

<table>
<thead>
<tr>
<th>Author/Organization (Year)</th>
<th>Major Findings of the Study</th>
</tr>
</thead>
</table>
| 1. Philip (2009)          | ● 75% of Indian car buyers evaluated the various brands online which ultimately affected the buying decision.  
                               ● 31% Indian car buyers made the car buying decisions based on mobile advertisements.  
                               ● 22% of car buyers were influenced by web banner advertising.  
                               ● Consumers were also found engaging in online interaction with dealers. |
| 2. Capgemini (2009)       | ● Manufacturer Website, automotive blog, online forums, video sites were the most used information sources for Indian consumers while buying a car.  
                               ● 75% consumers bought the car from the dealers having maximum positive online comments whereas 57% didn’t buy from the dealers having negative comments.  
                               ● Indian consumers used internet in order to avoid the direct interaction with the dealer. |
| 3. Webchutney (2010)      | ● Indian automobile sector was one of the highly impacted sectors by online searches and social media.  
                               ● Automobile was the most researched sector online.  
                               ● 72% consumers considered internet as a primary information resource.  
                               ● 61% of Indian car owners were evolved internet users as they were using internet for last 5 years.  
                               ● Most common consumer activities over internet included accessing website, expressing opinion in forums and discussion forums, joining social networking pages and giving recommendations to others.  
                               ● 81% consumers preferred manufacturer’s website as the information source.  
                               ● 65% consumers preferred review sites and 61% opted for social networking sites as major information sources while buying a car.  
                               ● 84% young Indian consumers (25-39 years) expressed their desire to buy a car online.  
                               ● 62% consumers shared their car related experience online. |

continued
Table 2.1 (continued)

<table>
<thead>
<tr>
<th>Study</th>
<th>Observations</th>
</tr>
</thead>
</table>
| 4. Capgemini Study (2011-12) | • Digital channels of communication were affecting the car purchase decisions.  
                                      • Car buyers in India expected an immediate response from dealers in response to a query.  
                                      • Financing for the vehicle was made easy by the digital channels of communication.  
                                      • Mobile phones and smartphones were the preferred digital devices used while buying a car.  
                                      • Latent demand for completing the entire decision making process online was increasing for Indian consumers. 52% Indian customers expressed their desire to carry out the car-buying process online.  
                                      • Fast and easy transaction was the major motivator for buying a product online followed by possibility of getting price discounts. |
| 5. Google (2011)             | • Indian consumers were ahead of consumers in ‘US’ and ‘Europe’ in using the internet to research for cars and bikes purchases.  
                                      • Majority Indian consumers used internet as the first place to do their research before deciding on the vehicle of choice. |
| 6. Nataraj and Nagaraja (2012)| • There was a steady increase in online communities and forums of Indian car buyers.  
                                      • Consumers found the consensus recommendations very encouraging generated from social media.  
                                      • Consumers used other people’s opinion expressed over internet in evaluating and selecting the car brand. |
                                      • Internet was rated more important information source than traditional communication channels.  
                                      • People checked brands’ websites, read reviews, and visited social networking sites and community forums in the consideration phase.  
                                      • Internet created awareness for the vehicle and influenced the buyers’ decision making process.  
                                      • 50% of the car buyers researched online before visiting the showroom.  
                                      • 54% changed their brand consideration set after online research.  
                                      • 56% customers watched video online.  
                                      • 48% rated YouTube as an important information source.  
                                      • 42% consumers considered search engine the most important information source.  
                                      • There was a 125% year-on-year growth of auto queries on mobile phones. |
| 8. Accenture (2012)          | • Consumers demanded better online support, recommendation and personalization while buying a car.  
                                      • Manufacturer’s website, recommendations from friends, social media and family were the most influencing factors affecting car buying decision.  
                                      • 58% Indian consumers referred to social media reviews while buying a car.  
                                      • 59% Indian consumers expressed their desire to have an online chat with dealers.  
                                      • 54% Indian consumers expressed their desire for a mobile enabled website.  
                                      • 13% of Indian consumers expressed their desire to buy a car online. |

continued
| 9. KPMG (2013) | - In Indian automobile industry, consumer interactions were shifting from traditional to digital platform.  
- Need recognition stage of buying decision could be triggered by online display ads, content marketing and mobile advertisement.  
- Consumers were consulting friends, family, business and experts through digital media for information and guidance while buying a car.  
- 65% Indian consumers researched online before buying a car for getting information about features, pricing and comparative review.  
- 72% prospective car buyers researched over internet before buying a car.  
- 72% consumers were affected by digital word of mouth available via online discussion and review forums.  
- 62% customers referred third party websites as an information source.  
- 44% consumers already made a decision about brand and model through online sources before visiting the dealer.  
- 53% consumers expressed their desire to purchase the car online. |
| 10. Bagchi (2013) | - 70% consumers were using social media to know about other customers’ recommendations, reviews and experiences while making car purchasing decisions.  
- Major online activities by the consumers while buying a car included reading reviews, comparing prices and model, looking for technical specifications and watching videos while making a car purchase decision.  
- Consumers also used Smartphones for an enhanced digital experience. |
| 11. Capgemini (2013) | - Social media had a significant impact on car buying especially on young customers.  
- 50% customers were likely to purchase the vehicle with positive comments and reviews over social media whereas 35% were not likely to purchase the vehicle with negative comments.  
- Customers expected dealers to be present virtually along with physical presence in order to give them personalized buying experience. |
| 12. Nielsen (2014a) | - 50% of Indian consumers adopt Research Online, Purchase Offline method while buying a car.  
- 48% of car consumers used online platforms for information.  
- Consumers favoured digital channels because of its ability to offer unbiased information.  
- Consumers looked for technical specifications of the vehicle, car comparison and expert reviews over online platforms.  
- 43% of the customers made the car buying decision on their own whereas 33% sought the opinion of their friends and family.  
- There were increasing numbers of female buyers in luxury segment. |
Table 2.1 (continued)

| 13. C+R Research (2014) | • Consumers made use of both online and offline information sources while buying a car.  
                        | • Digital channels were emerging as popular and increasingly used information sources.  
                        | • Majority of the customers used 2-3 major informational sources.  
                        | • 75% of consumers used online sources as one of the major informational sources.  
                        | • Consumers found websites the most trustworthy, helpful and important source of information.  
                        | • 50% of the consumers used independent research sites as the most important source.  
                        | • Search engines were used by 49% of people.  
                        | • 63% of people used their mobile phones even at dealership.  
                        | • 68% Indian consumers used online sources to decide about the dealer’s showroom.  
                        | • 50% of consumers didn’t believe in contacting dealers before the visit.  
                        | • Consumers contacted dealers before the visit using emails, online chats and mobile phones.  
                        | • Car buyers visited only one to two dealers’ showrooms before making a final purchase.

| 14. Charan and Dahiya (2015) | • Indian car buyers used websites as their most preferred digital channel of communication, followed by digital outdoors, smartphones and YouTube while buying a car.  
                                 | • Digital marketing communication affected the entire decision making process right from information search to post purchase.  
                                 | • Digital marketing communication reduced searching cost and visits to showroom and facilitated easy comparison and informed decision.

| 15. Jaleel (2015) | • Majority of Indian consumer started their purchase decision journey with digital channels.  
                     | • Online searches for cars increased at a compounded rate of 54% every year since 2009.  
                     | • Website was the most used information source.  
                     | • Consumers used manufacturer’s website, search engine, dealer’s website, expert reviews website, news website; online magazines, vehicle specific online magazine, social networking sites and online discussion boards during car buying journey.

| 16. Mogensen (2015) | • Digital activities of the consumer over internet were labeled as micro-moments.  
                        | • The study listed five most important moments which namely, which car was the best moment, was that right for me moment, can I afford it moment, where should I buy it moment and was I getting a deal moment.  
                        | • Digital communication affected all micro-moments.  
                        | • Evaluation was the most affected stage by digital marketing communication.  
                        | • 69% consumers relied upon videos to complete the early researches and evaluation about cars.  
                        | • Mobile emerged as the most important digital channels used throughout the purchase decision journey.

continued
### Table 2.1 (continued)

<table>
<thead>
<tr>
<th>Source</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>17. J.D. Power Report (2015)</td>
<td>- Internet penetration was increasing among car buyers as new information</td>
</tr>
<tr>
<td></td>
<td>source.</td>
</tr>
<tr>
<td></td>
<td>- 52% consumers accessed manufacturer's web sites, 40% surfed the auto</td>
</tr>
<tr>
<td></td>
<td>section of consumer or news website, 35% gained information from dedicated</td>
</tr>
<tr>
<td></td>
<td>car web sites/forum and 27% preferred dealer's web sites while searching</td>
</tr>
<tr>
<td></td>
<td>about cars.</td>
</tr>
<tr>
<td>18. CarDekho.com (2015)</td>
<td>- 75% car buyers in India were beginning their buying decision process with</td>
</tr>
<tr>
<td></td>
<td>online research.</td>
</tr>
<tr>
<td></td>
<td>- 66% of the consumers searched about cars using their smart phones.</td>
</tr>
<tr>
<td>19. Capgemini (2015)</td>
<td>- 49% people relied upon dealer/manufacturer websites whereas 43% used</td>
</tr>
<tr>
<td></td>
<td>search engines as major source of information while buying a car.</td>
</tr>
<tr>
<td></td>
<td>- Web forums were used by 19% of consumers whereas 12% used social media</td>
</tr>
<tr>
<td></td>
<td>pages and 9% made use of their Smartphone apps.</td>
</tr>
<tr>
<td></td>
<td>- Websites was the most popular digital channel for Indian consumers while</td>
</tr>
<tr>
<td></td>
<td>buying a car.</td>
</tr>
<tr>
<td></td>
<td>- 80% people in India were substantially influenced by the positive reviews</td>
</tr>
<tr>
<td></td>
<td>about cars available over digital channels.</td>
</tr>
<tr>
<td></td>
<td>- Consumers demanded personalized experience and quick response to their</td>
</tr>
<tr>
<td></td>
<td>queries to ease out the evaluation process.</td>
</tr>
<tr>
<td></td>
<td>- 95% consumers expected a marker to respond to their query within a day</td>
</tr>
<tr>
<td></td>
<td>whereas 69% expected a response within four hours.</td>
</tr>
<tr>
<td></td>
<td>- 48% of consumers expressed their desire to receive weekly information from</td>
</tr>
<tr>
<td></td>
<td>dealer or marketer between purchase and delivery of the vehicle.</td>
</tr>
<tr>
<td>20. Bruce (2015)</td>
<td>- A car buyer checked an average 10 dealers’ website before deciding the</td>
</tr>
<tr>
<td></td>
<td>final dealer to visit for.</td>
</tr>
<tr>
<td></td>
<td>- Customer’s visits for dealers’ showrooms reduced from 5 times ten years</td>
</tr>
<tr>
<td></td>
<td>ago to an average of 1.6 times.</td>
</tr>
<tr>
<td>21. Nair (2015)</td>
<td>- Digital channels reduced the visits to the showrooms as essential activities</td>
</tr>
<tr>
<td></td>
<td>involved in car buying such as comparing various brands, short listing of the</td>
</tr>
<tr>
<td></td>
<td>brand and dealer; were conducted online.</td>
</tr>
<tr>
<td>22. Harwani, (2015)</td>
<td>- Consumers attributed price discounts, an opportunity to buy a vehicle not</td>
</tr>
<tr>
<td></td>
<td>locally available and easiness of digital media as major contributors towards</td>
</tr>
<tr>
<td></td>
<td>usage of digital media while buying a car.</td>
</tr>
<tr>
<td></td>
<td>- 57% of the respondents expressed their desire to buy the car online.</td>
</tr>
<tr>
<td></td>
<td>- Car buyers expected to receive post purchase communication especially</td>
</tr>
<tr>
<td></td>
<td>between the purchase and delivery.</td>
</tr>
<tr>
<td></td>
<td>- Preferred communication channels for the post purchase communication</td>
</tr>
<tr>
<td></td>
<td>included for e-mail, smartphones and websites.</td>
</tr>
<tr>
<td>23. Accenture (2015)</td>
<td>- 80% of the consumers were making use of some form of digital technologies</td>
</tr>
<tr>
<td></td>
<td>to research about cars.</td>
</tr>
<tr>
<td></td>
<td>- Consumers gave preference to personalized information, virtual car demos</td>
</tr>
<tr>
<td></td>
<td>and online comparison sites in the consumer buying decision process.</td>
</tr>
<tr>
<td></td>
<td>- Most Indian consumers were influenced by the car websites and online</td>
</tr>
<tr>
<td></td>
<td>automotive publications while buying a car.</td>
</tr>
<tr>
<td></td>
<td>- 82% consumers were interested in online financing negotiation for cars.</td>
</tr>
<tr>
<td></td>
<td>- 84% of Indian consumers expressed their desire to complete their entire</td>
</tr>
<tr>
<td></td>
<td>car-buying process online.</td>
</tr>
<tr>
<td></td>
<td>- 63% of consumers also expressed their appetite for using new online</td>
</tr>
<tr>
<td></td>
<td>channels for car purchase.</td>
</tr>
</tbody>
</table>
- 25% consumers added a new brand in their consideration set over digital platforms during the search and 50% consumers bought that brand which was initially not in the favourite list.
- 45% of the of the car buyers in the study considered social media as an important source of news about a company, its brands, services etc. along with being the most important communication channel.

25. eMarketer (2015b)  
- Car buyers were hesitant in making online buying and booking for a vehicle in India.
- Only 15% of the consumers in developed country like Germany booked car online and a miser 6% paid online for a new car online.

26. xAd Research (2015)  
- 21% of people who researched about cars on their mobiles were likely to purchase within the hour whereas 38% planned to buy within a week and 15% intended to do so within a month.
- Activities like joining a consumer forum, subscribing to newsletter, following social networking sites pages of the car marketers, preponing the buying decision and buying a vehicle on the basis of consensus recommendations were included in purchase decisions of car buyers.

- Car buyers not only demanded quality products but also the satisfying experience in a digitally connected environment.
- Consumers demanded seamless experience across various digital channels, personalized information recommendations and quick feedback mechanism from marketers’ end

<table>
<thead>
<tr>
<th>Table 2.1 (continued)</th>
</tr>
</thead>
<tbody>
<tr>
<td>25% consumers added a new brand in their consideration set over digital platforms during the search and 50% consumers bought that brand which was initially not in the favourite list.</td>
</tr>
<tr>
<td>45% of the of the car buyers in the study considered social media as an important source of news about a company, its brands, services etc. along with being the most important communication channel.</td>
</tr>
<tr>
<td>25. eMarketer (2015b)</td>
</tr>
<tr>
<td>Car buyers were hesitant in making online buying and booking for a vehicle in India.</td>
</tr>
<tr>
<td>Only 15% of the consumers in developed country like Germany booked car online and a miser 6% paid online for a new car online.</td>
</tr>
<tr>
<td>26. xAd Research (2015)</td>
</tr>
<tr>
<td>21% of people who researched about cars on their mobiles were likely to purchase within the hour whereas 38% planned to buy within a week and 15% intended to do so within a month.</td>
</tr>
<tr>
<td>Activities like joining a consumer forum, subscribing to newsletter, following social networking sites pages of the car marketers, preponing the buying decision and buying a vehicle on the basis of consensus recommendations were included in purchase decisions of car buyers.</td>
</tr>
<tr>
<td>Car buyers not only demanded quality products but also the satisfying experience in a digitally connected environment.</td>
</tr>
<tr>
<td>Consumers demanded seamless experience across various digital channels, personalized information recommendations and quick feedback mechanism from marketers’ end</td>
</tr>
</tbody>
</table>

2.7 GAP ANALYSIS

It was observed from the available literature that consumers are experiencing a significant change in their behaviour in digital environment. Marketers are also using digital channels due to their inherent capabilities. One can expect surge in overall usage in time to come with the improvement in the digital stats of our country. Digital marketing communication in such competitive situations, presents itself as a novel and cost effective medium to the marketers with an unprecedented edge over its traditional counterpart. It was thought necessary to study a subject area in marketing communication that scores over traditional communication not only in terms of cost effectiveness but also in benefits both for marketers and consumers.

One could see many studies in the areas concerning internet marketing, online marketing and digital marketing from the technology’s perspectives. One could also notice the studies explaining the impact of digital channels like websites, videos, and social media on consumer behaviour in categories like clothing, travel, fashion, music, games, online banking and entertainment to name the most popular. However, car as a product category has not been adequately researched by the researchers. There are few research organizations like KPMG, GE, Accenture, Nielsen, Capgemini etc. which periodically publish their reports focusing on influence of digital media on car buying; still one doesn’t find much if he/she wants to understand the influence of digital marketing communication on entire buying decision journey of an Indian car buyer. So, it remains yet to be seen how the digital marketing communication about a product like car which lies in extended problem solving category affects the consumer decision making process of Indian car buyers. Although, it has already been established that
majority of the customers use digital channels while searching and evaluating the products and services, still capability of digital channels in stimulating the need of car buying largely remains unknown. So, this study attempts to fill this academic void by conducting an academic study that would precisely study the impact of all contemporary digital channels of communication on each stage of consumer buying decision process. The current study made use of Engel, Kollat and Blackwell Model which focuses on five stages of consumer buying decision process in order to assess the impact of digital marketing communication while buying a car.

There remains little research about the preferred digital channels of communication while searching for information about cars as majority studies have used the phrase ‘digital media’ as a collective term for representing all the content based digital platforms and device. The current study would reveal the most preferred contemporary digital channel used by the customers in each stage of buying decision process. Many studies tried to examine the demographic details of the consumers using digital media, yet there remained a need for the study that could precisely analyze the demographic variables, so that marketers might use them for effective segmentation. The current study tries to overcome the limitation by comprehensively understanding the demographic profile of the consumers along with making an attempt to discover the important customer segments for marketers to target.

Attitude, the most important construct in consumer behaviour is also known to effect consumer buying decision, yet it has not given its due importance in literature especially while buying a car. The study elaborates the concept of attitude related to digital marketing communication while buying a car and its impact on intentions to use digital marketing communication. Existing studies accepted that measuring the impact of digital marketing communication on consumer buying decision making process is a difficult task, given the complex nature of consumer behaviour. The current study however, made an effort to quantify the impact of digital marketing communication by identifying its major determinants and subsequent effects on usage intentions and actual usage by employing one of the most successful models used in technology related studies i.e. DTPB (Decomposed Theory of Planned Behaviour). It was also observed in the literature that although consumers use digital channels of communication in their purchase decisions, still there are few deterrents, which were not explained in detail. This study also tries to explain the deterrents affecting the usage of digital marketing communication which if resolved by the marketers would benefit them greatly.

2.8 CONCLUDING REMARKS

The literature review chapter undertook a deliberate and concrete view of the studies concerning the changing consumer behaviour in digital realm, characteristics of digital marketing communication and impact of digital technologies on consumer buying decision process. In general, the studies accepted the impact of digital marketing communication on consumer buying decision process across a number of product categories. However, there remains a need to study the impact of digital marketing communication in extended problem solving product category like car. The chapter also mentioned the notable studies concerning demographic association with digital channels of communication and reasons deterring the usage of digital marketing
communication. As a clear and precise opinion couldn’t be made about the association of demographic profile of the customers using digital channels and reasons for not using digital channels of communication while buying a car on the basis of available literature, there is a need of a study unraveling such important associations. A comprehensive review of studies regarding intentions to use digital communication was taken and out of all contemporary models, DTPB was found explaining maximum variation in the intentions to use digital communication. However, DTPB was not being used in explaining intentions to use digital marketing communication while buying a car as per available reviewed literature. The chapter also listed the important studies mostly conducted by marketing research organizations to demonstrate the effect of digital marketing on consumer behaviour while buying a car. Substantial academic studies were not found in the available literature review especially in India which might document the effect of digital marketing communication on entire buying decision process while buying a car. So, there remains a need for a study to better understand the effect of digital marketing communication on entire buying decision process along with intentions to use digital communication while buying a car. The present study is an attempt to fulfill all important gaps identified through available literature review. This chapter is followed by the research methodology chapter which will focus on problem statements, formulation of objectives and hypotheses, data collection sources and methods, sampling technique and data analysis plan of the study.