

Trends and Development of Digital Marketing in Sri Lanka

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Introduction

The development in the information and communication technologies have brought a lot of new and accelerated the current processes of doing businesses. Marketing strategies and improvements have progressed. Marketing is a social process by which individuals and groups receive what they need and want by creating, offering and freely exchanging value-adding products and services with others.

Digital marketing is widely used to promote products or services and reach consumers through digital channels. It extends beyond Internet marketing, including channels that do not require the use of the Internet. These include mobile applications browsing, social media marketing, display advertising, search engine marketing and many other forms of digital media [1].

Even though the internet penetration of Sri Lanka is 32% in January 2018 while lower than global Internet penetration of 53% which indicates a massive opportunity to expose the businesses to digital marketing with the digital medium, still the adaptation of this strategy on current business seems to be low. Awareness about those media and strategy are becoming a need for a business to grow up and to be stable in the market. This research objective is to find out how digital marketing influences the growth of businesses locally and to seek opportunities to improve their marketing strategies to gain more values and profit.

Literature Review

A recent survey shows that marketing via Facebook has influenced 79 % of users to buy the products. According to Sri Lanka Police statistics, Sri Lanka has over 1.2 million Facebook users. Sri Lanka also uses Twitter, Instagram, and LinkedIn, but not within the scope of Facebook [2].

Mobile is exploding in terms of both mobile Internet and location-based applications that are now supported in the business world. Sri Lanka has

experienced an extreme increase in mobile broadband penetration in the past five years, with market penetration rising from 8% in 2012 to 21% in 2017, reflecting an increasing share of mobile customers [3].

Search engine marketing, Email marketing, Google facilities such as Google maps, Social media websites, forums, and blogs are widely being used in the business world for marketing, and currently, many businesses get the consultations from digital marketing companies. Paper per click (PPC) and Google analytics provide more information about the self and competitors among them. Sri Lanka Broadcasting Corporation (SLBC) was also able to make significant changes and increase the number of listeners in just three months to use social media for promotional activities [4].

Methodology

The approach to evaluate how digital marketing strategies influence the growth of the businesses is as follows in three steps.

Step 1: Data tracking and identification of popular business platforms in Sri Lanka.

According to the tech in Asia website which is a media, events, and jobs platform for Asia's tech communities the top 11 most popular websites in Sri Lanka has been selected to evaluate digital strategies used in those websites.

Table 1: Web traffic and Daily page views of the websites

Website	% of traffic from search	Daily pageviews per visitor
Ikman.lk	27.70	12.40
Hirufm.lk	38.20	3.82
Facebook.com	8.30	3.91
Google.com	0.80	9.20
Aliexpress.com	11.70	10.94
Ebay.com	20.00	7.10
Hirunews.lk	16.8	2.67
Youtube.com	16.10	4.79
Topjobs.lk	30.10	7.73
Espnricinfo.com	16.20	3.1
Instagram.com	13.00	3.17

Source: Alexa.com, 2018

Table 1 shows the web traffic, the percentage of all referrals that came from search engines over the tailing month and the estimated daily unique page views per visitor on the site [5]. These statistics interpret that how locally these websites are

popular among Internet users who indicate the opportunity for businesses that can take to sell their values to customers by reaching them.

Step 2: Identify favorite digital marketing channels.

Most of the time, businesses tend to use online media as a digital marketing strategy to reach more customers through social media such as Facebook.com, YouTube and Twitter. Despite the gained facts, some recent incidents happened locally and internationally. It is a proof that social media plays a significant role not only in the business sector but in a social and political environment which directly or indirectly influences the business sector. Facebook and Twitter played a formative role in shaping the course of important events during the 2016 US and 2015 Sri Lankan presidential elections. It allowed people to interact more strongly with the political landscape, controversy, and news surrounding the candidates involved. This force has made marketers focus more on social media marketing than on the other web medias available. AdWords like display ads and video on YouTube also popular in Sri Lanka. Since mobile phones users are quite high, the businesses believe that reaching non-users of the Internet through instant messages on product promotion and brand awareness via SMS also another potential method. E-mail marketing also mostly used in educational, promotional campaigns in Sri Lankan businesses which segment the target market appropriately.

Step 3: Identify how it would affect economically

Sales growth methods are generally categorized into four strategies that increase the customer base, increase the size of business transactions, increase the number of transactions per customer, and increase the prices of goods and services. Digital Marketing addresses one or a combination of these strategies through business visibility and lead generation that involves new customers. Each of the popular websites is being examined to identify the key factors they used to increase revenue through the above strategies.

Results and Discussions

The Effect of Social Media

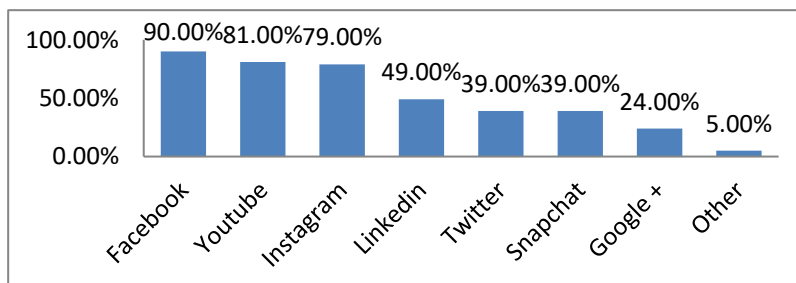


Figure 1: Social Media Channel Users in Sri Lanka

Figure 1 describes the social media users (percentage) through a survey conducted by Seven Media Group between December 2017 to March 2018 across Sri Lanka. It shows that 90% of Internet users are on Facebook, 81% on YouTube and 79% on Instagram which indicates that Facebook, YouTube, and Instagram will provide ample opportunity than others to capture a broad customer base as those have the higher percentage of virtual users.

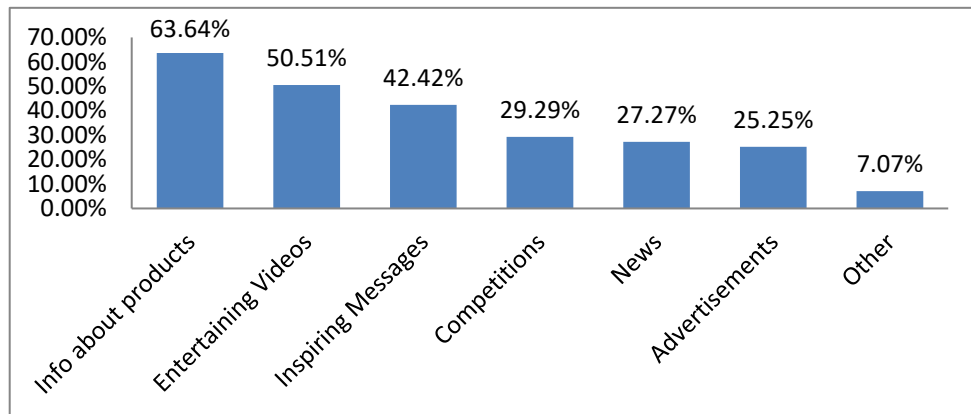


Figure 2: Brands do more on Social Media in Sri Lanka

Figure 2 describes the answers of users that they expect (survey conducted by Seven Media Group between December 2017 to March 2018) from social media that popular brands do promotion, 63.64% on Info about products, 50.51%, on entertaining videos, 42.42%, on inspiring messages, 29.29% on competitions, 27.27% on the news, 25.25% on advertisements and 7.07% for other activities. Video advertising will be the future as more and more people see videos as short as 6-second ads. Personalization is becoming more critical. People are more likely to respond to personalized information than to generic emails.

Following are few tips to encourage the customers and increase revenue and online traffic as identified through the research.

- Update the website focusing on responsiveness

Websites have enormous advantages of Search Engine Optimization (SEO) and mobile responsiveness to increase the customer base. Updating a site is also an excellent time to upgrade security features, which are essential to building consumer trust.

- Utilize PPC and Social Media Ads

It is important to realize that social media can be just as useful in controlling traffic to websites like Google. While fans for a page are not necessarily synonymous

with customers, Facebook's utility as a content distribution network makes the platform as useful as search ads on Google or video ads on YouTube. Investing in both forms of paid advertising can provide good returns for a business.

- Create more content

Content marketing is a great way to reach the audience while presenting the knowledge base of a business.

Conclusion and Recommendations

The statistics discussed in the results sections shows that there is a new trend that can be adapted for improving marketing strategy through social media which may increase the turnover of the product. There are several products in Sri Lanka being popular through some marketing strategies using social media such as Muchee, PizzaHut, Maxxis, United Motors. The google trends show that the search trends for Social Media and E-commerce websites growing together from 2014 to 2018. The Digital marketing strategy will be better and simple technique to promote a brand or product quickly to the local and global customer in future.

Sri Lanka is still adapting digital marketing media to the growth of the business, and there are few popular media uses to market products and services. Sri Lankans still show some degree of hesitation when it comes to making a purchase online for some reasons such as not believing things which are intangible, delivery matters and after sale services. Focusing on the new digital marketing environment increases the prospect that the single market will become part of the global marketplace. If marketers are already focusing on the global market, it is wise to focus on the broad spectrum of social media. The domain of Social Media is not only limited to Facebook and Twitter but also extends to Snapchat, Instagram and so on. Search Engine Optimization (SEO) let the business website better rankings so that it can be easily found for target consumers in Sri Lanka and other parts of the world, create a better user experience by building a more engaging site and improve conversion rate and thereby improve revenue generation.

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