
Role of Digital Marketing in Consumer Goods Retailing: Evidence from Vietnam In the Context of the 4th Industrial Revolution

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Abstract: The development of the 4th Industrial revolution has brought many changes in technologies that are set to change the business world. In Vietnam, retailers of consumer products have taken the advantage of the innovation to engage in digital marketing. The aim of this study is therefore to evaluate the significance of digital marketing in consumer goods retailing. The hypothesis developed for the research is that there is a certain link between digital marketing and consumer goods industry. To achieve its aim, the study uses quantitative research methodologies where data is collected through online questionnaires. A purposive sample of 580 respondents was used to obtain data. The information gathered was analyzed using Ms. Excel and SPSS packages. The study finds that most respondents knew about online sale of consumer goods through advertising ads on the web. The paper then draws a correlation between knowledge of marketing and the actual buying of goods. It is further established that majority of participants prefer buying goods online because it is convenient and cost-effective. The role of digital marketing in consumer goods retailing is explicitly outlined and linked to research hypothesis. By so doing, the study is said to have met its objective.

Keywords: Digital Marketing, Consumer Goods, Retailing, 4th Industrial Revolution

INTRODUCTION

The 4th Industrial Revolution has a significant impact on businesses all across the world (Schwab, 2017). In the wake of this revolution, digital techniques have been devised to meet the ever-growing internet population. Nowhere in the globe has this phenomenon been more pronounced than in the context of consumer goods in Vietnam (Jones & Pimdee, 2017). Vietnam is one of the most dynamic markets in Asia with a steadily increasing GDP. There has been a robust development of the consumer goods industry in this nation with many retailers coming up over the last decade (Knutsen, 2014). For a country with a population of up to 97 million citizens, there is a need for retailers of consumer goods to rethink on innovative ways of reaching the market (Minot, 2018). Many leading consumer goods retailers in Vietnam have embraced enterprise-level digital marketing models that have enabled them to craft innovative ways of dealing with the ever-changing consumer behavior (Maruyama, 2017). Digital marketing has been considered a new form of marketing because it provides companies with multiple opportunities for doing business (Chen & He, 2003). Its role in consumer goods is that it allows for personalized campaigns. Retailers in this industry have been making use of various platforms created by technology to build a personalized relationship with the consumers. The Industrial Revolution in Vietnam has brought massive technological breakthrough with the country has developed its broadband infrastructure and adopted 4G and 5G technology (Van & Anh, 2017). This means that most of the Vietnamese are connected to the digital platforms. In a similar opinion, most consumers are likely to use the technology to search for the products, purchase them as well as communicating with others about their experiences with the goods. Simultaneously, marketers in this field have opened more digital channels to take advantage of this shift in consumer behavior (McWilliam, 2006). The objective of this study is therefore to assess the role of digital marketing in consumer goods retailing.

PURPOSE OF THE STUDY

The main aim of this study is to explore the role of digital marketing in consumer goods retailing. To support its claim, the study cites evidence from the 4th Industrial Revolution in Vietnam. The revolution has brought many technological developments that may be used to influence consumer decisions. With this in mind, the researcher seeks to establish a link between digital marketing and consumer behavior. While thousands of researches have been previously carried out to examine the role of digital marketing, very few studies have linked the topic to consumer goods retailing. This is regardless of the fact that the consumer goods retailing is one of the biggest drivers of every economy. The study, therefore, seeks to fill the gap by providing evidence

from the Vietnamese case. Marketers can use the recommendations from this study with interest in the Asian market. Additionally, this study can also be used as a basis for further research.

LITERATURE REVIEW

Stephen (2016) defines digital marketing as a form of advertising that connects sellers with consumers through digital platforms. The digital platforms mentioned in this case include emails, websites as well as social media groups. As the world evolves and many people gains access to the internet, digital technologies becomes an easy way to connect with the consumers. A study by (Karjaluoto & Ulkuniemi, 2015) shows that use of digital marketing differs from traditional marketing in so many ways. One of the ways is the number of people of digital that digital media can reach over a given period. Unlike the traditional radio and TV marketing strategies, this kind of marketing can be reached by millions of consumers over a short period (Moore, 2012). The goal of this literature review is to analyze the works of various scholars on this topic.

In a separate study, (Figuié, 2018) defines consumer goods as products bought for final consumption by the consumers. In other words, these types of products are fast moving final products. Several studies have tried to link digital marketing and consumer goods. (Karjaluoto & Ulkuniemi, 2015) notes that use of digital marketing has revolutionized consumer goods industry as customers are able to access services at a click of a button. The advantage of this form of marketing is that digital technologies are independent of place and time (Chaffey, 2019). This means that users can access products irrespective of their location.

(Sussan & Acs, 2017) states that the digital marketing ecosystem consist of various components which play different roles in businesses. For consumer goods industry, the function of this kind of advertising is two-fold. First, it increases retailer effectiveness in that different varieties of goods are displayed for consumers to make decisions. Secondly, it promotes after purchase promotion in that satisfied consumers can be able to relate to others about how they feel about the product. Another importance of this form of marketing is that retail customers are able to access products at cheaper prices. This fact, combined with the fact that variety of goods are in display enables consumers to make better decisions.

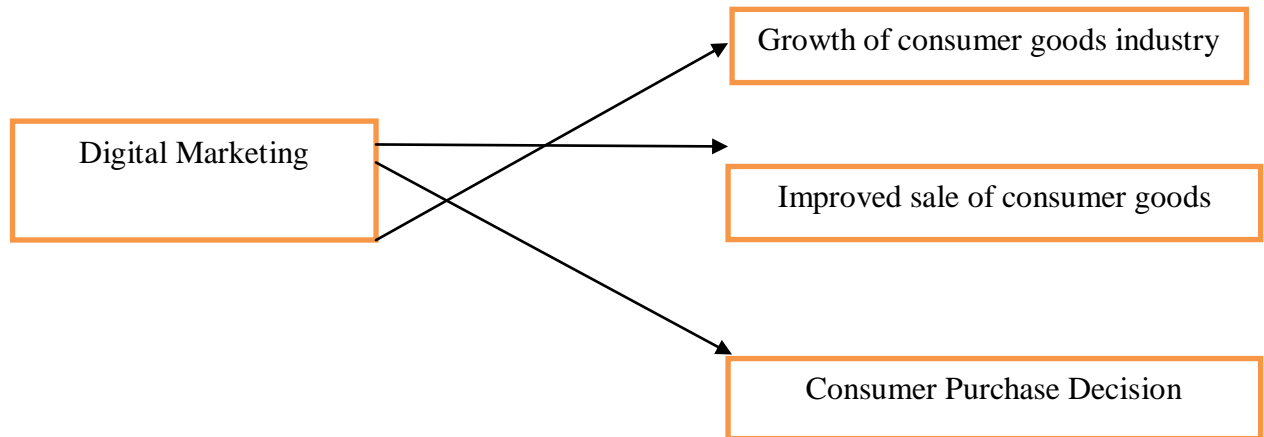
(Stephen, 2016) indicates that digital marketing is able to mix all kinds of consumer goods shoppers. Various customers have various tastes and preferences for products. In a similar opinion, bringing all varieties of consumer products on a single platform serve as a guarantee that the different needs for the consumers are met. Promotion element of digital marketing integrates the element of advertising and public relations (Stokes, 2011). In advertising, the aim is to ensure that consumers are aware of various products on offer. With this knowledge and awareness, users can search and pay for the goods online. The element of public relations maintains good relationship between the consumers and the sellers (Armstrong et al, 2015). In this view, individual retailers are able to get consumers' reactions and feedback concerning the products. This gives an opportunity to the sellers to improve the quality of their products and services.

A recent research by (Figuié, 2018) reveals that Vietnam's economy has been growing briskly and sustainably over the last one decade. The sale of fast moving consumer goods is also said to have greatly improved over the same period. Another factor to note about the country is that Vietnam's literacy rate has increased to 94.5% in 2018 (Phan et al, 2018). This means that majority of the population has the ability to read and write as well as exposure to basic technologies.

In a study about the landscape of digital marketing in Vietnam, Weber (2018) notes that the increasing trend is due to the majority youth population where young persons are said to spend much of their time online. This trend has a great impact on consumer goods industry with the leading consumer goods retailers having adopted the marketing strategy. An example of the retailers is AEON. The company has over years metamorphosed into one of the largest retailing groups in the world. (Larke, 2017) attributes this success to the online store launched in 2016 to cater for the fast expanding community of online shoppers. Besides AEON, other retailers such as Lottemart and Bigc have also started online shopping platforms to take advantage of these shoppers (Breu, & Tú, 2017). In this regard, it is evident that digital marketing has taken great hold of the Vietnamese consumer goods industry. With this in mind, the study now shifts into exploring the role of this marketing in the industry.

RESEARCH MODEL

The model used in this research is quantitative. (Osborne, 2008) notes that quantitative research models are used in real research projects where study variables are presented through questionnaires and surveys. The advantage of this model is that the researcher is able to summarize large information with greater accuracy (Bernard & Bernard, 2012). A large sample of 580 respondents was used in the research and thus making quantitative design the best model. The sample was obtained through purposive sampling where the participants obtained had different experiences in online shopping. The data from this design can be easily analyzed using statistical methods meaning that the researcher is able to obtain finalized results. The figure below shows the research model.



Hypothesis

Following the information given above, the study seeks to answer the following question; what role does digital marketing play in consumer goods retailing in Vietnam? To answer the question, the following hypotheses were developed.

H1: Digital marketing leads to the growth of the consumer goods industry

H2: Digital marketing leads to improved sales of consumer goods

H3: Digital marketing enhances consumer purchase decision

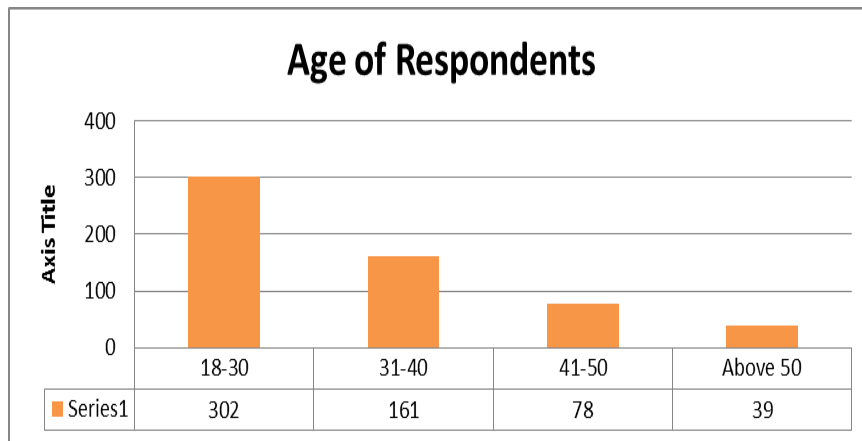
The method used in this research was quantitative. Quantitative research methods often put much emphasis on statistical and numerical analysis of data in order to get results (Vogt, 2006). The data for this method was collected by the use of questionnaires which were administered online to a convenient sample of respondents. The method of data of data collection was found to be relevant for a group of study participants largely involved with online buying. These kinds of methods enable easy gathering of information, are cost-effective and have lower margins of error (Cooper, Schindler, & Sun, 2006). Simple descriptive statistics and correlations were drawn between various variables in the study to achieve results. Ms Excel and SPSS packages were used for data analysis. In the course of obtaining data from respondents, informed consent of the participants was obtained and each respondent assured of the confidentiality of their information.

The researcher purposed to get a convenience sample of 580 respondents of persons who were of diverse age and gender. The bottom line for sample selection was that the participants would have access to internet and online shopping. The participants of this research were asked to volunteer through the internet and the sample collected was considered to be unbiased representation of the total Vietnamese population.

The main data collection instrument used for this research is questionnaires. A questionnaire is a set of questions for gathering important information from individuals. The basis for this instrument is that every participant is asked the same set of questions in a predetermined order. Online questionnaires were used because they were cheaper and easier to handle to handle. Given the diversity of Vietnam, online questionnaire was the easiest data collection method to use. The questionnaire was divided into two sections. The first consist of background information and basic data concerning digital marketing. The second section was used to capture the opinions of the participants on the topic. The opinions of the respondents in this section were measured by use of Likert Scale numbered from (1) 'Strongly Agree' to (5) 'Strongly Disagree.'

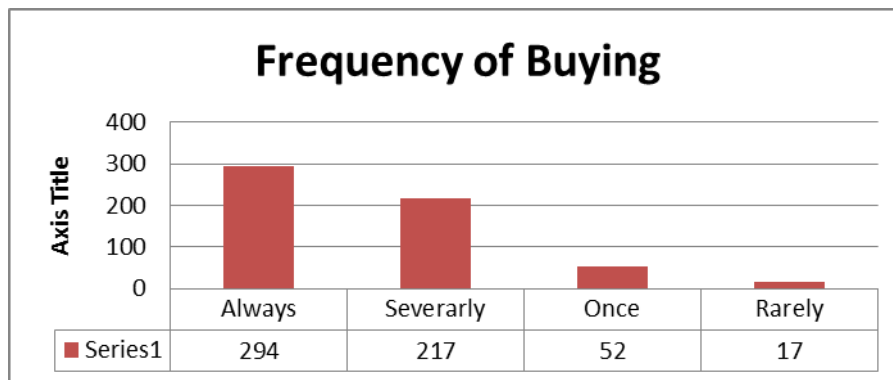
The purpose for testing these constructs is to determine whether the study meets the purpose of assessment. To measure the reliability of the study, the researcher administered the questionnaire to the same group of respondents thrice in a month. At the end, the researcher discovered a consistency of 97%, 95% and 96% respectively meaning that the study is reliable. The various constructs used in the study such as the relevance of digital marketing and its convenience to users are intangible concepts. Construct validity in this case measured the extent to which the questionnaire measured the role of the digital marketing. The high correlation (0.870) between knowledge of methods of digital marketing and actual buying of goods is prove that the study is measuring the right thing.

RESULTS AND DISCUSSION

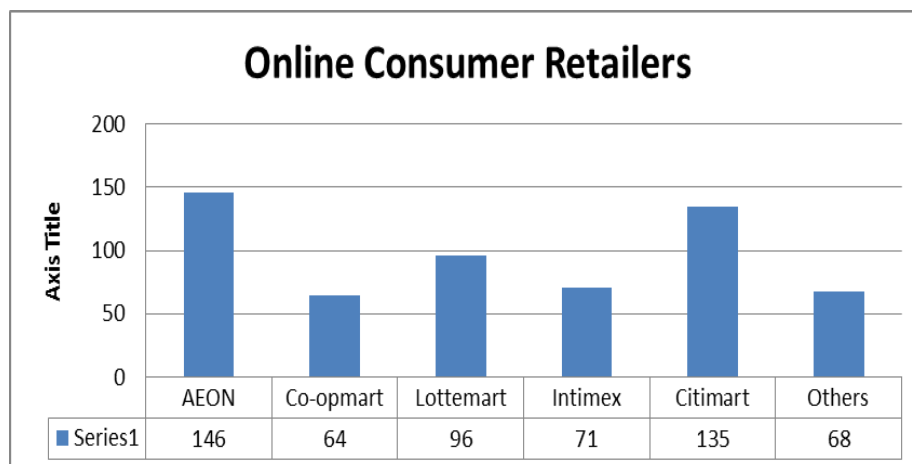


Regarding the gender of the participants; 44% of the respondents (257) were female while 56% (323) were male.

96% of the respondents confirmed to having experience in online of consumer goods



About knowledge on online buying, most consumers 74% learnt about it through advertising ads while the rest obtained the information from social media networks.



The following information was obtained from the Likert Scale

| | S. Agree | Agree | Neutral | Disagree | S. Disagree |
|--------------------------------------|----------|-------|---------|----------|-------------|
| Internet connected devise for buying | 139 | 420 | 3 | 18 | 0 |
| Always searching for goods online | 202 | 319 | 8 | 40 | 11 |
| Always visiting websites to buy | 165 | 242 | 86 | 63 | 24 |
| Do not worry about goods | 214 | 255 | 31 | 69 | 11 |
| Prefer buying goods online | 237 | 208 | 15 | 77 | 43 |
| Contented with buying goods online | 186 | 347 | 7 | 36 | 4 |
| Always refer my friends after buying | 101 | 214 | 183 | 64 | 18 |

| Correlations | | | |
|-----------------|---------------------|-----------|--------------|
| | | Knowledge | Buying Goods |
| Knowled ge | Pearson Correlation | 1 | .870 |
| | Sig. (2-tailed) | | .209 |
| | N | 5 | 5 |
| Buying Goods | Pearson Correlation | .870 | 1 |
| | Sig. (2-tailed) | .209 | |
| | N | 5 | 5 |

The analysis technique used in analysis data for the study is path model which involves casual modeling. The aim of this research is to show causal relationship between digital marketing and variables such as growth of consumer goods industry, improved sales of consumer goods and enhanced consumer purchase decision. Since the study has more than one construct, structural equation modeling was used. The assumption made in the course of the study is that there were few errors in measurements. The variables were analyzed using multiple regression and the following results obtained.

| Coefficients ^a | | | | | | |
|---------------------------|----------------------------------------|-----------------------------|------------|---------------------------|--------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 41.472 | 3.834 | | 10.817 | .000 |
| | Enhances consumer purchase decision. | 1.614 | .586 | .184 | 2.752 | .006 |
| | Improved sales of consumer goods. | -1.896 | .741 | -.182 | -2.560 | .061 |
| | Growth of the consumer goods industry. | .524 | .665 | .056 | .788 | .232 |

a. Dependent Variable: Knowledge of digital marketing

From the results shown above, relationship between dependent and independent variables can be drawn. The significance between digital marketing and enhanced consumer decision is 0.006 which is less than the standard alpha of 0.05. The null hypothesis is hereby rejected and it can be inferred that digital marketing does not always lead to improved consumer purchase decision. The other element includes the sale of consumer goods. The significance relationship here is 0.061 which is greater than the standard alpha. The null hypothesis is hereby accepted to mean that digital marketing leads to improved sale of consumer goods. Lastly, there is a high significance relationship between digital marketing and the growth of consumer goods industry. The connection here indicates that digital marketing will over time lead to the growth of the consumer goods industry. Accepting the null hypothesis in this case will mean that the study objectives are wholly met.

From the information presented above, most of the respondents were aged between 18 and 30 years of age. This age group includes the young people who have the biggest access to internet and online shopping platforms. These results agrees with the earlier finding by (Livingstone & Helsper, 2012) who notes that digital marketing is more effective among the young person's due to their proficiency in digital operations. Another aspect of the respondents involved in this study relates to their experience in online buying. Majority of the participants confirms to buying their consumer goods online because the method is cost-effective. This is in line with a study by (Todor, 2016) who links the success of online consumer goods to ranges of price discounts offered by retailers.

Majority of the participants in this study had internet connected devices making it possible to search and buy goods online. This finding is in line with earlier work by Stokes (2011) who notes that having internet enabled

devices enables potential consumers to easily access the goods. Digital marketing is highly dependent on internet meaning that both the buyers and the sellers should be proficient in online buying and selling (Ahuja, Gupta & Raman, 2009). This result is highly connected to the finding that consumers do not worry about goods because they are assured of always finding them online. The digital stores provided by most retail firms provide an opportunity for customers to obtain goods at the click of a button (Belk, 2014). Presence of many of online stores in Vietnam provides consumers with variety of options to choose from.

There are lots of variations and similarities between these findings and previously done works. Mogus (2015) for instance links digital marketing to economies. The writer establishes that digital marketing enables sellers to reach all types of buyers within a short period. Mogus further establishes that reaching many buyers results in more sales which lead to the growth of the economy. Similarly, this study draws parallels between digital marketing and the consumer goods industry at large. On research on online consumer purchasing behaviors (Ahaj, Gupta & Raman, 2009), writers demonstrate that effective advertising through the web increases for potential buyers to identify and buy the products. The insights from these writers are further supported by findings of this research which proves that there is a positive correlation between advertising through the web and the actual buying of products.

Another aspect of the study relates to how potential buyers get to know about the online sale of goods. The study finds that the majority of the respondents' visits on websites of various online stores to learn about the products on sales. These inferences contradict findings by Kannan (2017) who argues that the majority of online consumers search for the goods through the internet before deciding on the products to buy. From these results, it is evident that the findings from the study are reliable and have backing from previously done works.

There is a positive correlation between knowledge and experience in digital platforms and subsequent buying. Consumers who found out about consumer goods in the web prefer buying their products on-net. This means that there is a direct connection between marketing products through the web and the actual buying. In other words, it is evident that the digital marketing strategies used by a majority of retailers reaches the required target group. In this way, the hypothesis of the study can be said to have been met.

CONCLUSIONS AND IMPLICATIONS

The article evaluates the role of digital marketing in consumer goods retailing. From the findings of this study, it can be argued that most of the consumer goods retailers rely on web advertising to market their products. With the high internet connectivity in Vietnam, majority of the participants in this study confirms to searching and buying consumer goods online. Due to the convenience associated with this kind of buying, results from this research shows that majority of the respondents are contented with the services giving a leeway to repeat purchases. The study also finds that majority of users of consumer goods prefer online buying since it is cost-effective and reliable. In this regard, the paper establishes a positive relationship between digital marketing and the growth of consumer goods retail industry in Vietnam.

This article seeks to inform investors dealing with consumer goods on the importance of incorporating digital marketing. It evaluates the role of digital marketing and presents the various opportunities available for business persons in this sector. The study also adds to the wide range of literature concerning the topic. The findings from this study further agree with works from various scholars meaning that they can be effectively used to draw inference about various elements in the topic. Vietnam, being one of the fastest developing economies in Asia, the findings of this study can be extrapolated to similar economies in the region.

Literature concerning the role of digital marketing in business operations is fast growing. This study considers its relevance to consumer goods retailing with evidence from Vietnam. According to (Mogos, 2015) very few scholars have attempted to link the research to existing economies. Despite its success, this study does not explain how various kinds of digital environments impact consumer goods retailing. Future studies should therefore consider this aspect with specific emphasis on social media tools and how they can influence potential customers into purchasing consumer goods.

Secondly, future research should explore how marketers can take advantage of the innovation presented by the 4th revolution to advance their business operations. Additionally, having studied the opportunities that come with the technological advancement, it is important to note that the methods presented herein can be used as a basis for further studies. Scholars can use data and findings in this research as a background to future studies. Finally, as nations become more innovative and advanced in technology, digital marketing will become a new norm in business world especially in fast-moving consumer goods (Patrutiu-Baltes, 2016).

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