



## Impact of aggressive online digital marketing on sales in the Latin American and Caribbean regions

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### Abstract

The aim of this research was to study how aggressive online digital marketing improves sales. The study was implemented across 27 countries, 15 countries in Latin America and 12 islands in the Caribbean regions, over a period of 2 years. Professional advertising images were shared monthly with 27 different distributors of a US textile company specialised in interior design. The showrooms were expected to promote their businesses via email and on Facebook, Pinterest, Instagram, WhatsApp, Twitter and through their own websites. Data were collected from the 27 participant firms with the help of interviews. The results of the study showed a strong connection between the use of professional digital advertisement and the growth of these businesses, while the showrooms that used little or no digital marketing strategies decreased or stayed low on profits. The study also showed that the quality and the content of the advertisement received by customers and how often they received it had an impact on their perception of the brand and the new products offered by the company. Data also showed that the most professional and attractive websites belonged to the most successful businesses. This research has also made recommendations to businesses and to future researchers at the end of the article.

**Keywords:** Corporate social responsibility, digital marketing, email, online marketing, social media.

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## 1. Introduction

It is known that many successful international businesses are investing resources in online digital marketing through their social media platforms and websites (Pinheiro & Cristovao, 2014). Although vast amounts of businesses worldwide are investing in state-of-the-art digital marketing, many are not. This study's objective was to measure the impact of digital advertisement on sales increase. How crucial is it for a multinational company to have a presence in social media in the Latin American and Caribbean regions? Can a professional website bring more revenue to a local distributor than a low-cost site? The answers seem obvious as we are creating new businesses in the middle of a digital era. However, the Latin American and Caribbean regions are often seen as two big zones, usually ignoring the great differences found between and within them (Gwynne & Cristobal, 2014). There are islands in the Caribbean that are in essence 'European' (such as Barbados) and others that are a mix between Spanish and American cultures (such as Puerto Rico and the Dominican Republic). A similar phenomenon is observed in Latin America. Brazil, a large country where customers speak Portuguese, is located right next to Bolivia, a country with a small economy in which customers speak Spanish. Between these two countries, there are major differences in the access that customers have to digital advertisements. This factor will determine how much local and foreign businesses will invest in digital publicity in each market. In both Latin America and the Caribbean, the customers who have access to the Internet are the same clients who have purchasing power to buy high-end fabrics (fabrics to make curtains, sofas, bedspreads, pillows, table clothes, napkins, etc., both for residential and commercial) for their homes or businesses.

In investing in online digital marketing, firms should consider the *amount of time* that employees, managers, vice presidents and presidents of companies must assign to reach out to customers via email, WhatsApp, etc., and to post advertisements on social media and websites. Promoting a brand on the Internet can be very time-consuming (Ryan, 2017).

Online digital marketing has the ability to improve the face of marketing for organisations in general (Alekseeva, Stroganova & Vasilenok, 2019). In the study, they explained that organisations are in an era where large data are required; therefore, there is a requirement for technology that is able to gather large data or provide an avenue to reach a mass amount of people. Alekseeva et al. (2019) also explained that whereas digital marketing and email marketing are getting recognition in the new era, mobile marketing is quickly getting outdated.

Kawaf and Istanbuluoglu (2019) also researched on the importance of an organisation having a strong social media presence. They explained that for an organisation to survive in this era of digital literacy, the organisations have to make their presence felt in the digital space, mostly on social media platforms. Their research focused on fashion marketing and how reviews of previous clients on social media encouraged other clients to patronise the firm's products.

Porto and de Abreu (2019) in a research studied the 'investment in online advertising and return on sales'. They collected secondary data from marketing advertisements of firms on Google and Facebook, and its effects on sales. They concluded that it was expensive to outsource advertisement and marketing to professional agencies; however, they suggested that when an organisation has a huge budget for advertising, it is better to outsource the advertisement to an agency.

Mark et al. (2019) conducted a research on the use of catalogues and emails in marketing. In their article, they explained that unlike emails, even though catalogues are a more basic or traditional form of marketing, they have retained their advantages on certain clients, as they do not interfere in the digital space or lives of their clients. Consumers are, however, more empowered in this era and may have a negative perception of email marketing. It is therefore important that firms find the best way of sending emails that would appeal to customers and achieve the desired marketing response they intended (Hartemo, 2016). On the contrary, however, Anjum, Thomas and Prakash (2020) believed that generation Z deemed email marketing as obsolete. The research, however, concluded that other

digital marketing tools, such as social media marketing and personalised marketing, are more effective in terms of marketing to generation Z.

Previous literature also examined the marketing potentials of firms' corporate social responsibility. Pantani et al. (2017) examined the impact of the usage of a firm's corporate social activities in their marketing campaigns. The results of the research proved that majority of an organisation's corporate social responsibility had a marketing advantage and could be used to attract sales towards the company's products.

This study therefore intends to study how aggressive online digital marketing uses these marketing strategies outlined in the previous literature. Similar studies have been conducted in different geographical areas. Even in the Latin American and Caribbean regions, similar studies have been conducted. Nevertheless, this research would set a new pace in existing research as it combines various aspects, such as aggressive digital marketing, email marketing and improvement in the professional websites and its influence on sales. This research would be especially beneficial to firms working in the textile industry since the textile and interior design firms were the subject of study. Nonetheless, organisations in other industries can use the results of this study to re-strategise their marketing.

## 2. Methodology

This research was a longitudinal study, which stretched over a period of 2 years and made use of both quantitative and qualitative data that were collected from the participating distributors. There were 27 participants in this research's study. The participants were sampled purposively from 27 different countries. From the Caribbean, 15 distributors, 1 from each country were selected to represent 15 different countries. From Latin America, 12 countries were selected to represent the 12 different countries. Data from the participants were collected through interviews. The interview was centred on the improvements in the company's sales because of the various marketing strategies that were put in place at the beginning of the study. The research was conducted over a period of 2 years, between 2015 and 2019.

### 2.1. Procedure

One of the leading textile companies in the world, a corporation located in the United States, provided the data analysed in this article. The company distributes high-end products to the entire US market, Latin America, the Caribbean, Canada, Australia, the Middle East, Africa, Europe and Asia (Table 1). The main products distributed were fabrics and trimmings for drapery and upholstery, and wall coverings for interior design. The company works alongside recognised American interior designers.

Between July 2015 and July 2017, a strong digital online marketing campaign was implemented in the Latin American and Caribbean territories. The purpose of this project was to increase sales and make the six brands owned by this textile company known and visible in these two large zones.

**Table 1. List of participating countries**

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• Latin America	• Caribbean
• Argentina	• Aruba
• Bolivia	• Bahamas
• Brazil	• Barbados
• Chile	• Bermuda
• Colombia	• Cayman Islands
• Costa Rica	• Dominican Republic
• Ecuador	• Jamaica
• El Salvador	• Netherlands Antilles

- Guatemala
  - Honduras
  - Mexico
  - Panama
  - Paraguay
  - Peru
  - Venezuela
  - Puerto Rico
  - Turk and Caicos
  - Trinidad and Tobago
  - US Virgin Islands
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After the 2-year period, sales in each country were compared to the promotion of online digital advertisement carried out by these 27 distributors on their websites and through other digital methods, such as email, Facebook, Pinterest, Instagram, WhatsApp and Twitter. Besides promoting the products through the different social media networks, the distributors were also asked to improve their websites using the new digital advertising material provided. The advertisement provided was also meant to be emailed to their local customers at least once a month.

Interviews were conducted regarding the amount of time that the showrooms invested on promoting the products through online advertisement. Since modern customers watch multiple ads on websites, Facebook, etc., the textile company was curious regarding the positive or negative impact of an aggressive digital marketing campaign of its new products and its real impact on sales increase.

### **3. Results**

#### **3.1. Level of participation**

At the beginning of the study, 40.75% of the distributors did not show much interest in using digital marketing as a way to attract new customers. However, they still participated in the online marketing campaign. The other 59.25% showed interest in using the digital resources provided to improve sales. This last group kept requesting for more advertisements besides what they were receiving every month. They improved their websites or created new ones and started to promote professional advertisements on social media and via email. Most of them had to create accounts for their businesses on Facebook, Instagram and the other social media platforms.

The company educated each one of the 27 showrooms regarding the potential value of an aggressive digital marketing campaign, and how the modern customer tends to search for products online before making a decision on what to buy (Kacena, Hess & Kevin, 2013). Some countries, such as Bolivia, Costa Rica, Trinidad and Tobago and Jamaica, were not investing many resources in digital advertisement before the study was conducted. The Bolivian showroom declined to improve their website, arguing that their customers are more attracted to advertisement on Facebook than on websites. On the other hand, countries like Chile, Mexico and Brazil used all the resources provided from the first week of promotion, stating that the new customers were searching online before going physically to the stores.

#### **3.2. Customer response (sales) to online advertisement**

The textile company asked each distributor to have an active presence on the Internet, not only through their showroom's websites but also through email, Facebook, Pinterest, Instagram, WhatsApp and Twitter. According to the sales reached by each showroom after the 2 years, the overall percentage of use and response (sales) to online marketing (the estimated margin of error is approximately 5%) is presented in Table 2.

**Table 2. Customer response (sales) to online advertisement**

Digital Method	Percentage of sales originated by digital advertisement
Promotional emails to customers	32%
Advertisement on Facebook	24%
Advertisement on Instagram	23%
Showroom's websites	10%
Advertisement on Pinterest	8%
Advertisement via Twitter	2%
Advertisement via WhatsApp	1%

Based on the results of the correlation between the yearly sales and the amount of online advertisement promoted by the different networks, the *advertisement via email* was the most efficient way to promote new products online (32%). Customers knew the sender of the promotional emails, and those specific clients were interested in the new fabrics and wall coverings coming out; so most of them decided to read the emails. In addition, interior designers are constantly paying attention to 'fashion', so they concentrate on what is new in the market and the new tendencies.

*Facebook and Instagram* (24% and 23%, respectively) occupied the second and third places, respectively. These percentages corroborate that customers are being tremendously influenced by what they see on these two major social media networks. This confirms the remarkable impact that Facebook and Instagram have on customer behaviour. Together, Facebook and Instagram reached 47% of effectiveness, that is more than the advertisement promoted via email.

Showroom *websites* reached 10% effectiveness. Showrooms highlighted the importance of having a professional and attractive website because customers were able to find them on Google when searching for 'fabrics', 'wall coverings' or 'interior design products'. This information shows that a customer might visit a business' website once, but after the person retrieves the information needed from the site (for example, the showroom's contact telephone number), the visitor might become a customer of the store. 83.47% of the showrooms that utilised professional websites constructed by web designers (fast sites, with a professional look, etc.) increased their sales between 9% and 12%. The showrooms that did not have a website or created low-cost sites did not improve sales. The low-cost websites considered in this study had incomplete information to contact the showroom, were aesthetically unattractive, old fashioned or simply confusing. On the contrary, the professional websites looked clean and clear, with all the necessary information for the customer. They had specific data only, and professional photographers took the images of the products displayed, while the showroom's employees with their smart phones sometimes took the images on the least successful websites. A strong connection between successful high-end showrooms and good quality websites was observed. It seems like the website created for a showroom was a reflection of how the physical showroom looked like and how committed its owners and personnel were with the image of the business that they wanted to project to the customers.

Surprisingly, *Pinterest* ranked 5th place with only 8% effectiveness. Both the showrooms and the textile company had the perception that customers visited Pinterest more often in search of fabrics for interior design, but the study showed that Facebook and Instagram are the leading platforms in social media. *Twitter* (2%) showed that it is not a good platform to promote textiles and wall coverings for interior design, and *WhatsApp* (1%) is still used by customers as a more intimate tool, intended only to connect with friends, family or significant others. Even though it can be used as a way to communicate with customers, it is not the most effective way to promote new products. When the showrooms created groups on WhatsApp to promote new products, customers quickly left the groups. This is a reminder for businesses regarding the importance of respecting the customer's intimacy and privacy when advertising on social media (Vinerean, Cetina, Dumitrescu & Tichindean, 2013).

### **3.3. Amount of emails sent to customers**

During the course of 3 months, larger amounts of emails were sent to customers. 12.7% of the customers unsubscribed from the email list stating that too many emails bothered them. They also stated that they did not have enough space in their inboxes to receive so many emails. The best responses from customers occurred when they were emailed every other week, with short and brief emails that were visually attractive and offered some kind of discount or special promotion in which customers saved money or offered a service that would potentially help them recruit new customers (for example, a coupon for a 25% off on fire retardant fabric).

### **3.4. Impact of donations to charity**

Customers in all these countries were informed via email that the textile company had contributed to the Red Cross to help people affected by the hurricane that hit Texas on 2017. 33.7% of the customers in both regions replied to the sender congratulating the company for the donation. The high percentage of responses show that the donation made a positive impact on customers who valued the textile company for its humanitarian contribution (triangular relationship: 'emotion–image–brand'). Customers tend to be more opened to receive advertisement via email when the content of the emails showed that the company was helping someone or that it was supporting a humanitarian cause. According to customers, it gave them a sense of satisfaction, as they felt indirectly part of the contribution made by the company.

## **4. Discussion**

From the results of the study, the questions that this research sought to understand were answered, that is, 'How crucial is it for a multinational company to have a presence in social media in the Latin American and Caribbean regions? Can a professional website bring more revenue to a local distributor than a low-cost site?' From the results of the study, it was evident that just as it was necessary for firms in other parts of the world to implement aggressive and professional advertisements, it was also necessary for firms in Latin America and the Caribbean to have an active digital media presence. This research found out that the organisations that restructured and improved their social media presence, as well as digital marketing tools, improved their sales by a wider margin as compared to organisations that maintained their old ways of marketing. The usage of professional pictures for advertisement improved the image of the firms in the minds of their clients and prospective clients. Just as Alekseeva et al. (2019) explained, companies need an aggressive digital marketing strategy to transform an entire organisation. To this, the current study proved that this assertion was true.

The use of emails as an active marketing strategy was one of the interesting results of this study. Surprisingly, the use of emails improved sales than all the other marketing strategies that were incorporated in this longitudinal study. Contrary to the research of Anjum et al. (2020), that generation Z deemed email marketing as obsolete, this research proved that by applying strategic methods in sending emails, clients are more opened to business with a firm. This result supports the research of Hartemo (2016), who believed that by making an email appealing, sending it at an appropriate time and by making those visually appealing, firms are more likely to get sales. Anjum et al. (2020) were, however, right when they explained that social media platforms had the potential to win more sales for the organisation. This was evident in the results as the sales that were driven from Facebook and Instagram combined summed up to almost half of the increase in sales that the participant firms enjoyed. This means that collectively social media platforms have a higher advantage in driving sales than email marketing. Nonetheless, individually, email marketing tops the chart in driving sales if it is properly strategised.

Another interesting aspect of this research had to deal with the use of an organisations' corporate social responsibility as an advantage in marketing. Previous studies had asserted that this channel was used by some organisations used to get the trust and support of their clients since it gave the clients the satisfaction of being part of good cause. Pantani et al. (2017) specifically conducted a similar research in the Latin American and Caribbean regions and found out that corporate social responsibility had a great marketing potential for firms. In a digital era where most people are distracted by a lot of advertisements and digital media (Mark et al., 2019), the response (33.7%) from clients that the participants in this research received from emails proved that corporate social responsibility can be used as an advantage in this era of digital media distraction.

#### **4.1. Positive and negative perception of digital advertisement**

77.12% of the customers interviewed stated that they are daily bombarded with digital advertisement from many different sources. 62.9% affirmed that they stop watching videos on Facebook when the videos are interrupted by advertisement. Therefore, it could be very damaging for a brand to be connected with advertisement that makes customers feel uncomfortable. It seems like too much aggressive digital advertisement could also harm a brand more than helping it to reach new customers (Krush, Pennington, Fowler & Mittelstaedt, 2015). The study showed that a business must be present in social media, but in a way that makes customers feel comfortable with the brand, for example, through funny spots or through promotional videos at the beginning of trending videos that are short and clear. For example, when customers watch a video on Facebook many times, they will have to watch an entire advertising video. Customers will most likely watch the advertisement only if it lasts a few seconds and it is creative, funny and sends a clear message.

## **5. Conclusion**

Considering the cultural, linguistic and economical differences among the countries in Latin America and the Caribbean, the results found regarding the use of digital advertisement through social media were mostly the same in most markets. This could be explained in part by the impact of globalisation in these two large territories (Hirst, Thomson & Bromley, 2015).

Online digital advertisement continues to be a strong tool to increase sales. The businesses that invested resources on digital marketing increased their sales between 9% and 12%. Even though this increase could be explained by the sum of many different factors, the showrooms intentionally and aggressively worked to increase sales mainly through the promotion of online digital advertisement. The stores were able to attract new customers and to compete against other brands and local showrooms online. Many customers stated that they saw the products for the first time online or in the emails sent by the stores.

In both Latin American and the Caribbean regions, the customer who has the purchasing power is the same who has access to the Internet. For commercial projects, many companies search the Internet for suppliers before they physically visit a store, making online marketing crucial in both regions.

Being present in social media and websites makes a brand stay 'visible' for many customers, and positions a business in a platform where the store will most likely share space with its direct competitors. Because of the products shown on the advertisements (sofas, curtains, beds, etc.), customers became curious and inquired regarding the new brand. This shows once again the importance of being on the web through different platforms.

Facebook and Instagram continue to be the most effective ways to advertise online (advertisement on Google was not part of this study). When advertising via email, a company should email its customers no more than every other week in order not to disturb the customer, always working on making the client feel well about the brand and the new products. Clients tend not to read marketing

emails when the same sender sends them once a week. Customers stated that they had a limited amount of time to answer emails, so they only looked at the advertising emails when they were brief and attractive.

Finally, advertisement in which a business supports humanitarian causes can be very effective to connect in a positive way with customers.

## 6. Recommendations

This research recommends that firms should adopt a more professional way of advertising. Just as the firms in this research who resorted to cheap methods of advertisement did not improve their sales, other firms who do not invest in digital marketing may also find themselves struggling and eventually being kicked out of the market after a while. Professional advertising on digital media could cover professionally captured pictures that give a clear picture of what an organisation offers, a website that has all the information that a client may need, advertisements that are engaging and cut straight to the point and emails that are visually appealing and well-strategised. Organisations can also inculcate their corporate social responsibilities in their advertisements and emails to make clients aware of how the organisation is giving back to the society.

As suggested by Porto and de Abreu (2019), organisations can choose to outsource the digital marketing aspect of their operations to professional agencies if they have a big budget. Nevertheless, organisations that prefer to run their digital advertisements on a moderate level could build up an internal team that could represent them professionally to the client and to the world. Whereas aggressive online digital marketing goes a long way to improve an organisation's sales, it should be strategised. This is because if it were not well-handled, the results would be the exact opposite of the expected results, which is to drive in sales.

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