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Original Article

Traditional Markets vs. Digital Economy

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Abstract

The disparity between conventional marketing and online marketing is still a popular point of discussion. Traditional marketing can be described as marketing approach where there is no use of the internet in carrying out promotional activities. This process has been evolving throughout a long period of time, spanning a number of decades. But further with the technological developments, its application is limited to a great extent. When we begin to start our day every day, we encounter a number of ads on TV, in newspaper, or radio. When we take the outside, we can see the marketing promotion on the flyers distributed at the street. Furthermore, there are huge billboards on which films are advertised that are visible on all the main avenues. These movie advertisements are a special type of marketing that is geared towards capturing the interest of the passers by. This has led to the use of advertisements and banners in every country. Such advertisements might be different in the languages they use, depending on country or region. To illustrate, in Mumbai, the advertisements could be posted in both English and the Hindi language. This explains how classic marketing works, in which it attempts to capture people in any manner possible without the use of the internet. The conventional marketing methods might be more suitable to many businesses depending on the nature of the business. They can be compared to traditional methods of marketing, as the former is what their target audience may favor over their digital marketing.

Conventional marketing is particularly effective when targeting older age groups. All research and polls reveal that people older than 50 years are employed in television and newspapers a lot more frequently in comparison to 20s and 30s. This marketing plan is useful in building or expanding business with the support of larger local community. Small businesses mostly thrive using flyers and billboards throughout the city since the methods are effective in attracting the attention of the locals inhabitants.

Keywords: *Digital Economy, Digital Analytics, Traditional Market Tactics Market- Culture.*

Introduction

Even with the rise of global and international retail chains in many areas of the region, traditional markets continue to thrive and are experiencing a resurgence in several locations. In Vietnam, traditional markets have been essential to daily life, particularly in the past when communities operated under a self-sufficient and agrarian economy. These markets served as venues for trading daily necessities, while also providing opportunities for social interaction and the sharing of local news. The significance of these markets is aptly captured by the Vietnamese saying, "A market has its regulations; a village has its customs." Vietnamese traditional markets vary in form and size, ranging from small, simple hamlet markets to larger village markets that occur at crossroads, or town markets that feature proper shop houses (buildings that combine retail space with basic living quarters for the vendor). Markets can take place on any day, but they tend to be most crowded on the 2nd, 6th, 12th, 16th, 22nd, and 26th of the lunar month (Hưu Ngoc 2012: 178). A traditional economy represents one of the earliest types of economic systems, rooted in cultural traditions, historical context, and the surrounding environment. It is generally defined by small-scale, community-oriented economic activities, primarily centered around subsistence farming, hunting, fishing, and foraging. Economic choices are influenced by customs, traditions, and beliefs, which govern the production and distribution of goods and services.

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In these systems, economies are largely self-sufficient, and surplus goods are seldom generated. Bartering frequently serves as the main method of exchange among groups, with minimal dependence on formal currency or intricate financial dealings. This system typically emphasizes fulfilling immediate needs rather than promoting economic development or innovation.

Digital Economy: A new era of transformation

The digital economy, on the other hand, is propelled by digital technologies, chiefly the internet and electronic data, which facilitate the exchange of goods, services, and information. It signifies the amalgamation of digital technologies with economic activities, revolutionizing industries and economies worldwide. The digital economy has experienced swift growth, particularly with the rise of the Internet of Things (IoT), e-commerce platforms, and online services, establishing itself as a vital component of contemporary life. With the emergence of innovative technologies such as artificial intelligence (AI), big data, blockchain, and cloud computing, both businesses and individuals have enhanced access to new opportunities, increased productivity, and more streamlined services.

Key features of a digital economy:

Technological integration: Companies depend on digital tools, platforms, and online transactions for the creation, distribution, and exchange of goods and services.

Global reach: In contrast to traditional economies, the digital economy functions on a global level, facilitating cross-border trade and collaboration.

Data-driven: The gathering and examination of extensive data sets empower businesses to make well-informed decisions, improve customer experiences, and foster innovation.

Automation: Numerous tasks that previously needed human involvement are now automated, decreasing dependence on manual labor and enhancing efficiency.

Advantages and challenges of the digital economy:

Enhanced Efficiency: Digital technologies and automation optimize business processes, lowering expenses and boosting productivity.

Worldwide connectivity: The digital economy eliminates geographical limitations, enabling businesses to reach global markets and clientele.

Innovation and expansion: The digital environment encourages ongoing innovation, leading to the emergence of new industries, business models, and employment opportunities.

Challenges:

Cyber security risks:

The extensive adoption of digital platforms heightens the risk of data breaches and cyber-attacks, posing threats to privacy and security.

Job displacement:

The advancement of automation and AI may lead to job losses for individuals in conventional industries, resulting in challenges for the workforce.

Regulatory issues:

Governments find it difficult to keep up with the swift changes in digital technologies, which creates obstacles in taxation, privacy protection, and competition regulation.

Differences Between Traditional Market and Digital Economy

Feature	Traditional Market	Digital Economy
Primary Medium	Physical goods and brick-and-mortar stores	Digital goods and online platforms
Transactions	Primarily cash-based	Primarily digital and cashless
Reach	Limited by physical location	Global reach enabled by the internet
Data	Less emphasis on data collection and analysis	Heavily reliant on data to personalize experiences and drive decisions

The Advantages of a Digital Economy

Increased Efficiency and Productivity in Business-

Automating processes for production, standardizing and production and operations, and using real-time data can streamline workflows and boost productivity. So when we use digital economy in our business our income and profit will increased automatically.

Reduced costs

When making business decisions, it is vital to take into account two categories of costs: good costs and bad costs. Good costs are those that add value to the company, while bad costs do not yield any advantages. Recognizing the difference between these two categories is essential for sound decision-making.

Good costs aid the company in generating revenue or lowering expenses. For example, investing in new machinery can be regarded as a good cost if it results in higher production levels. Likewise, hiring more staff can be classified as a good cost if it improves customer service. On the other hand, bad costs are those that do not have a favorable effect on the financial results. They can even lead to financial losses for the company. For instance, the costs related to maintaining outdated equipment can be viewed as a bad cost if the maintenance expenses surpass the cost of purchasing new equipment.

Improved data and insights

Data encompasses the information you have collected – simply cold facts and figures like demographic information, behaviors, or activities.

The insights obtained from data signify the value and comprehension you gain after analyzing the raw data. They are the informed conclusions you arrive at by recognizing patterns and relationships within your data.

Think of data points as individual pixels, whereas the insights illustrate the entire picture that emerges when you zoom out and observe all the pixels together.

Traditional Market Importance

Definitions:

Traditional market refers to the conventional marketing and advertising methods that were common before the rise of digital platforms. It includes the utilization of physical media and direct strategies to promote products and services.

Benefits of Traditional Market

Advantages of traditional marketing include:

Extensive Reach: Traditional media such as television and radio can engage large audiences, including those who may not be online.

Physical Presence: Tangible marketing materials like brochures and billboards offer a lasting, physical presence that can be retained and revisited.

Localized Targeting: Traditional marketing methods can effectively concentrate on specific geographic regions and communities.

High Trustworthiness: Established media channels often project a sense of reliability and authority.

These benefits establish traditional marketing as a crucial component of a well-rounded marketing strategy.

Drawbacks of Traditional Market

The disadvantages of traditional marketing are:

Increased Costs: Traditional methods, including television and print ads, can lead to significant production and distribution costs.

Narrow Targeting: Traditional marketing often lacks the targeting precision available in digital approaches.

Challenges in Measurement: Evaluating the direct effects and return on investment (ROI) of traditional marketing efforts can be labor-intensive and complicated.

Diminishing Effectiveness: As digital media expands, traditional marketing techniques may find it difficult to attract younger, tech-savvy audiences.

Research Methodologies for Traditional Markets

Qualitative Methods:

Observation:

In-depth observation of interactions, transactions, and ambiance in physical markets.

Interviews:

Conducting one-on-one interviews or focus groups with market participants (traders, consumers) to gain insights into their experiences, motivations, and social dynamics.

Case Studies:

Comprehensive analysis of a specific traditional market to offer a rich, contextual understanding of its operations and challenges.

Research Methodologies for the Digital Economy

Qualitative Methods:

Digital Analytics:

Employing tools such as web analytics and social media insights to monitor user behavior, engagement, and conversion rates.

Economic Data Analysis:

Leveraging macroeconomic data and market-level statistics to assess the growth, reach, and impact of the digital economy.

Conclusions

Conclusion of the tradional market vs digital economy

Feature	Traditional Market	Digital Economy
Reach	Limited, often ,local.	Global. Universal
Cost of the Product	Can be high due to production and distribution.	Lower overhead, but can be a cost-intensive infrastructure build.
Targeting	Broader, less precise.	Highly targeted and precise.
Measurability	Difficult to track and measure results of the sales and Production	Very Easy to track and measure through metrics like click-through and conversion rates.
Interactivity	Primarily one-way communication.	Two-way communication with real-time feedback and engagement.
Flexibility of the product	Static; changes are difficult after launch.	Dynamic; easy to edit and adapt campaigns on the fly.
Best For sales	Building strong local brand recall and trust.	Achieving broad reach, cost efficiency, and data-driven insights.

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Conflicts of interest

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