

Impact of Digital Marketing in India

¹K.P.R Senthil kumar & ²Dr.K.Sudhakaran

¹Assistant Professor of Commerce with Computer Applications, S.B.K College, Aruppukottai -626101, Tamilnadu (India)

²Associate Professor of Commerce, S.B.K College, Aruppukottai -626101, Tamilnadu (India)

ARTICLE DETAILS

Article History

Published Online: 03 Oct 2018

Keywords

Digital Marketing, E-mail, Mobile.

*Corresponding Author

Email: sbkkprsenthil[at]gmail.com

sudhakaran.sbk[at]gmail.com

ABSTRACT

Digital marketing is increasing in India with fast pace day by day. Many Indian companies are using digital marketing for gaining competitive advantage in market. Now many companies are using digital marketing for increasing their market share as well as sales. The information technology (IT) services was introduced in India in the second-half of the 1960s, but it picked up pace after the major economic reforms in India. Consumers globally have increasingly become equipped with electronic instruments such as laptops, smart phones, tablets and other data generating devices. The emergence of digital marketing in the marketing strategies of businesses is quite recent and primarily focused on acquiring more customers (Octane Research, 2015). In this Paper impact of digital marketing in India discussed in detail.

1. Introduction

Digital Marketing is a part of a digital economy. India is a fast moving nation towards digital economy and this movement has been accelerated with the demonetization of the Indian currency in the last quarter of year 2016. With its various government digital payment promotion schemes has been launched. Digital Market requires digital promotion and marketing strategies. Recent launch of reliance telecom Jio with the free & unlimited internet facilities has played a revolutionary roll. Now Indian consumer is spending more time on social media and suffering.

1.1 Digital

Digital describes electronic technology that generates, stores, and processes data in terms of two states: positive and non-positive. Positive is expressed or represented by the number 1 and non-positive by the number 0. Thus, data transmitted or stored with digital technology is expressed as a string of 0's and 1's. Each of these state digits is referred to as a bit (and a string of bits that a computer can address individually as a group is a byte).

1.2 Marketing

Marketing is a comprehensive term and it includes all resources and set of activities necessary to direct and facilitate the flow of goods and services from the producers to the consumers. Marketing is providing the right goods and services to the right people, at the right place, at the right time and at the right price with the right communication and promotion.

1.3 Digital Marketing

Digital marketing, the promotion of products or brands via one or more forms of electronic media, differs from traditional marketing in that it uses channels and methods that enable an organization to analyse marketing campaigns and understand what is working and what isn't – typically in real time.

1.4 Research Methodology

Secondary data is used in this paper. Data collected from various books, journal and various websites, which are specially related to the department of industrial policy and ministry of finance etc. tables are also prepared to understand and show the trends of digital marketing in India. Reports and publications of various associations connected with business and industry, agencies, government etc. are referred for this research paper.

2. Impact of Digital Marketing in India

Consumers globally have increasingly become equipped with electronic instruments such as laptops, smart phones, tablets and other data generating devices. These digitized consumers are the inspiration behind the companies digitizing their marketing and business strategies. The emergence of intranet, a system of interconnected electronic devices worldwide, is the crucial force behind this development.

This global phenomenon is also reflected in India. The level of spending on devices in the IT sector can be used as a proxy variable to judge the pace of digitization in India. According to the Gartner report (2013), by 2017 the spending in IT sector will rise to US\$92.9 from US\$67.4 billion in 2013 based on the sale of digital devices, exclusively the smart phones (Accenture, 2014).

The emergence of digital marketing in the marketing strategies of businesses is quite recent and primarily focused on acquiring more customers (Octane Research, 2015). According to a study by IAMAI-IMRB about 60% of the urban population appears online on various digital platforms (Times Internet and DMAasia, n.d.). In a survey conducted by Times Internet and DMAasia (n.d.) it was found that Smartphone users with pre-paid connection tend to spend 72% of their time on phone being online. The availability of 3G and 4G services has also boosted the demand for smart phones across metro cities and even Tier 2 and Tier 3 cities (Times Internet and DMAasia, n.d.). This implies that consumers can increasingly be in exposure of marketing on internet based platforms

especially smart phones. This is the reason behind the substantial growth of digital industries such as digital marketing

and e-commerce (Kausik, 2016).

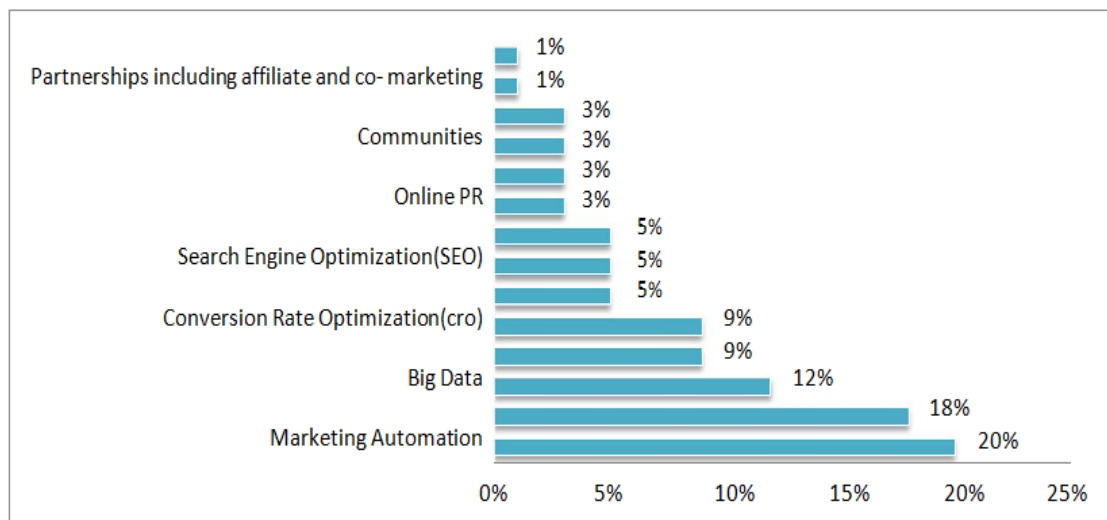


Fig 1: Digital Marketing Commercial Impact

Vachhani (2016) defines digital marketing broadly as an online and internet based marketing or offline marketing which involves use of various virtual space and electronic interactive tools. Digital marketing can take various forms ranging from search engine optimization (SEO), search engine marketing (SEM), e-commerce marketing, content marketing, influencer marketing, campaign marketing, social media marketing and optimization, e-mails, display advertising, e-books, games, etc Channels of marketing which are offline, but still operate on digital devices also come under the ambit of digital marketing. SMS and MMS, callback, on-hold mobile ring tones, electronic billboards, in addition to digital, television and radio channels are all various forms of offline digital marketing (Vachhani, 2016).

Internet marketing has also picked up pace in India. It involves advertisement of different images, texts, logos, video and audio clips, and animations on websites, smart phones, e-mails and within apps (Singh, 2015).

There is significant variability in budget allocations of companies to digital marketing. There are companies which are spending up to 12%, while there are also companies which allocate about 50-55% of their advertising budget to digital marketing. However, the general consensus among the Chief Marketing Companies remains that digital marketing will rapidly gain more ground in future (Times Internet and DMAasia, n.d.).

3. Expected trends in Digital Marketing

In the recent years, the number of social media users has increasing exponentially. Times Internet and DMAasia (n.d.) conducted an interview on 115 Chief Marketing Officers (CMOs) across various companies in India and found that among all the other marketing strategies, social media marketing appears to be the most promising. It allows them to track the impact of their marketing through measureable variables such as likes and shares, it also attracts and popularises their products with the targeted customers easily

and cost-effectively. Companies can research the trends on social media which helps them understand their customers.

Nowadays there are a wide range of digital communication channels which are used by the marketers to involve consumers in various marketing activities such as analysis, planning, implementation and dictating their choices while conducting research on the participants, promote their products and services and connecting the consumers with various processes of the business, compare between products before they make a final choice (Charan, 2014). Even after buying the products consumer are given the opportunity to reviews, comments, feedback and share them with others. Sharing on digital platforms replicate the 'word of mouth' marketing, that the marketers expected of consumers before the age of digital marketing.

The third annual survey conducted by CMO in partnership with Adobe and published in 2014 is a comprehensive survey which included an in-field six-month program which gathered quantitative information from 800 marketing executives and developed Dashboard of Digital Marketing Performance of Asia Pacific countries. The survey reports that countries in which the executives who recognize and support the digital marketing showcase better adoption of this marketing strategy. It lists India as one of those countries. Availability of skilled workforce is another driver of digital marketing which India also possesses.

The widespread adoption of Digital marketing has also been facilitated by the push factor from the stakeholders of this marketing strategy all over Asia Pacific. Sales teams and channel partners were found to be crucial in pushing investment in digital marketing up from 15% to 34% in the year 2014.

With the launch of ad-blocking services and faster internet services of smart phones, the year 2016 saw a significant rise

in the video content consumption and 'viralizing' of video on smart phones. In light of this development Times Internet and DMAasia (n.d.) find that more of content marketing will be seen on digital marketing platforms.

There is also a tendency in the market towards shifting the digital marketing business of the companies from ad-agencies to their in-house content creation and advertising capacity. Many CMOs find the performance of agency-led digital advertising dissatisfactory and plan to replace them with internally generated content (Times Internet and DMAasia, n.d.).

It is noted that 42% of the internet users access internet through mobile devices, while the rural areas have skipped the use of personal computers all-together and moved to smart phones such that 75% of the rural internet users access internet through their mobile devices. A large percentage of reservations for travelling on sites like IRCTC, Expedia and Make My Trip is through smart phones (Octane Research, 2015).

In the coming years the marketers aspire to capture data on their customers from different digital platforms, and on the basis of their analysis, synthesise their characteristics and behavioural traits and thus formulate personalised marketing experience and artificial intelligence based interaction to engage with them (Times Internet and DMAasia, n.d.).

The future of Digital marketing in India appears promising because of the Government's support as well, aside from various other factors. The government has launched the 'India Digital Plan' which promises that 250k villages in India will have internet, all public places to have Wi-Fi and every by 2019.

4. Conclusion

Digital marketing has increased in last a few years in India. Digital marketing such as search engine optimisation (SEO),

content marketing, influential marketing, content automation, e-commerce marketing, campaign marketing and social media marketing, social media optimisation, e-mail direct marketing, display advertising, e-books, optical disks and games, are becoming more and more common in our advancing technology. People have different views about it. But the fact is this digital marketing has tremendous potential to increase in sales provided business should have knowledge to implement it in right way. Benefits like increased brand recognition and better brand loyalty can be gained by effective digital media plan. Digital marketing campaign help in reduction in cost, boost in inbound traffic and better ranking in search engine.

5. Future of Digital Marketing in India

Day by day growing digital market in India is an evident that the digitization is taking place with a high speed. E-commerce website are providing all the goods and services through online portals online today. The increasing number of ecommerce websites.

WARC Survey shows that 35% of advertisers would increase their mobile advertising spend 50% or more by 2020 in India. According to the Group M report, consumer product makers will remain the most dominant sector in terms of ad spending with a 28% share of the total expenditure. Many advertisers will increase their ad spending to spur demand, helped by the buffer provided by low commodity prices, which have reduced their input costs. Thus, all reports and surveys conducted around the globe are showing that the digital marketing will grow more in coming years. Youth of India is very much technology friendly. By 2019, mobile devices are expected to reach around 10 billion units worldwide. So as more people use smartphones, tablets and other mobile devices, the potential of mobile market continues to grow.

References

1. Jain Ashok (2016), "Principles of Marketing", VK Global Publication Pvt. Ltd., ISBN 978-93-80901-53-4.
2. Kaushik Rajiv (2016), "Digital Marketing in Indian Context", International Journal of Computational Engineering and Management, Volume 19, Issue 2, ISSN (O) 2230-7893.
3. Rathore Amit, Pant Mohit, Sharma Chetan (2017), "Emerging Trends in Digital Marketing in India", International Conference on Innovative Research in Science, Technology and Management, ISBN 978-93-86171-20-7.
4. <http://www.emailmanager.com/en/blog/1/1512/benefits-and-importance-of-digital-marketing-beyond-seo-and-adwords.html>
5. <http://www.cloudcomputingtraininginchennai.com/digital-marketing-training-advantages-and-disadvantages-of-digital-marketing/>
6. <http://www.digitalvidya.com/blog/top-digital-marketing-agencies/>
7. <http://www.i2k2.com/blog/what-are-the-limitations-of-online-marketing/>
8. <http://www.livemint.com/consumer/>
9. <http://www.moneycontrol.com>