

# A Study on Impact Digital Marketing in Industry in India

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### Abstract

*In this world of digitization, digital marketing is a vogue that is sweeping across the whole world. The trend of digital marketing is growing day by day with the concepts of Internet marketing that is turning into an important platform of digital marketing along with the electronic gadgets like the digital billboards, mobile, tablets and smart phones, gaming consoles, and many such gadgets that help in digital marketing. Flip kart with its innovative digital marketing has created a niche market in online stores competing with the conventional stores showing the power of online marketing. The case study analyses how Flipkart.com has brought in an array of digital and online marketing strategies to succeed and make it big in the digital marketing sector. The case also discusses how Flip kart has had a huge success in the online marketing sector as they brought in new insights into the digital marketing field. And a few years from now it will be eventually seen that the conventional marketing being replaced by digital marketing. Digital marketing is going to be top on the agenda of many marketers, and they might be looking for innovative ways to market online, reduce cost per lead, increase click-through-rates and conversion rates, and discover what's hot in digital marketing.*

### Introduction of Digital Marketing

Digital marketing means provide goods and services through the internet. We use those things for digital marketing such as mobile phones, tablets, display advertising, and any other digital medium. The means motive of Digital marketing is internet brand loyalty, brand awareness and to reach the customers in timely, relevant, personal and cost-effective manner.

### The Objective of the Study

- To study about Digital Marketing Industry
- To study about Impact of Digital Marketing
- To study about the Marketing Industry in India

### Methodology

Research Type: Descriptive Type

Data Collection: Secondary data Collected through leading Journals, reviews, chapter Books.

## Review of Literature

Gupta (2014) in her paper “E-Commerce: Role of e-commerce in today’s business,” presents a comprehensive definition of e-commerce while isolating it from e-business. The paper enlists the different e-commerce models, i.e., B2B, B2C, B2G and C2C, narratively analyzing the nitty gritty of each.

Rina (2016) also elaborates the different applications of e-commerce in “Challenges and Future Scope of E-commerce in India,” at the same time, defining the degree to which they are operational in the country.

Mishra & Kotkar(2015) trace the timeline and development of B2C e-commerce in “A Study on Current Status of E-Commerce in India: A Comparative Analysis of Flipkart and Amazon with its inception in the mid-1990s through the advent of matrimonial and job portals. However, due to limited internet accessibility, weak online payment systems and lack of awareness, the progress was very slow. The Indian B2C e-commerce industry got a major boost in the mid-2000s with the expansion of online services to travel and hotel bookings which continue to be major contributors even today.

Das & Ara(2015) observe in “Growth of E-Commerce in India” that though online travel and hotel bookings still control the lion’s share of the e-commerce market, their share has comparatively fallen over the years due to the recent augmentation and consequent rise of e-tailing services. There has been a tremendous surge in the volume of investment in this sector. With the e-commerce markets in the west reaching their saturation, investors see tremendous potential in the Indian market, in the light of which, many start ups have received funding from venture capitalists and private equity firms. China’s Alibaba Group and affiliate Ant Financial became the largest shareholders of One97 Communications, the parent of Indian e-tailer Paytm, by investing \$680 million, in 2015 (Aulakh, 2015). To tap the potential of what it regards as “underdeveloped internet economy” of India, Japanese investment company and technology powerhouse Softbank invested \$627 million into online retailing marketplace Snapdeal and \$210 million in Ola Cabs.

(Mac, 2014).¶ Similarly- New York firm Tiger Global Management has funded companies such as MakeMyTrip, Flipkart, Myntra and Quickr. The availability of funds has presented a favorable ecosystem and growth opportunities for big as well as small companies. It has enabled local startups to survive in cut-throat competition against foreign giants and has facilitated the penetration of e-commerce to every facet of human life; such that the differentiation between e-commerce and traditional business is getting blurred.

## Digital Marketing Industry in India

Digital Marketing industry in India is spread to almost all the business sectors. Some of the applications of E-Marketing are shopping and order tracking, online banking, payment systems, and content management.

The power of digital marketing allows geophysical barriers to disappear making all consumers and businesses on earth potential customers and suppliers. It is known for its ability to allow business to communicate and form a transaction anywhere and anytime.

Digital marketing industry in India is a booming career today. In a country with a rapid growth economy, it is expected to have a very high significant growth in Digital marketing career. The growth in digital marketing trends is making a very substantial impact on marketing and advertisement. The big picture of the Digital Marketing industry in India cannot be complete if the short preview of the past digital marketing statistics is not made.

Going back to history, International Journal of Advanced Research Foundation reveals the following in 2016.

Between 1971 and 1972, The ARPANET is used to arrange a sale between students at the Stanford Artificial Intelligence Laboratory and the Massachusetts Institute of Technology, the earliest example of electronics or digital commerce.

1979: Michael Aldrich demonstrates the first online shopping system.

1981: Thomson Holidays UK is the first business-to-business online shopping system to be installed.

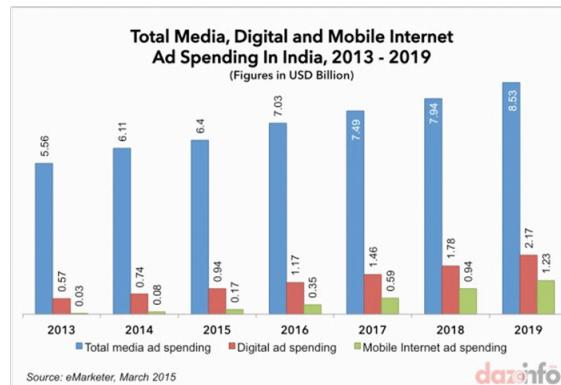
1996: India MART B2B marketplace established in India.

2007: Flipkart was established in India. Every E-marketing or commercial enterprises use majorly digital means for their marketing purposes.

In 2011, the digital marketing statistics revealed that advertising via the mobile phone and tablets was 200% lower than that of the following years. During this year, the net worth was \$2 billion. The growth was in a geometric progression as it rose to \$6 billion in 2012. The competitive growth demands for more improvement in the career works and professionals are being added to the field.

From 2013 to March 2015, the investment total increase was 1.5 billion dollars over the preceding years. There has been an impressive growth up till this present moment.

The report by the International Journal of Advanced Research Foundation revealed that summarized that India is getting to see the golden period of the Internet sector between 2013 to 2018 with incredible growth opportunities and secular growth adoption for E-Commerce, Internet Advertising, Social Media, Search, Online Content, and Services relating digital marketing.



Total Media, Digital and Mobile Internet Ad Spending in India (2013-2019)

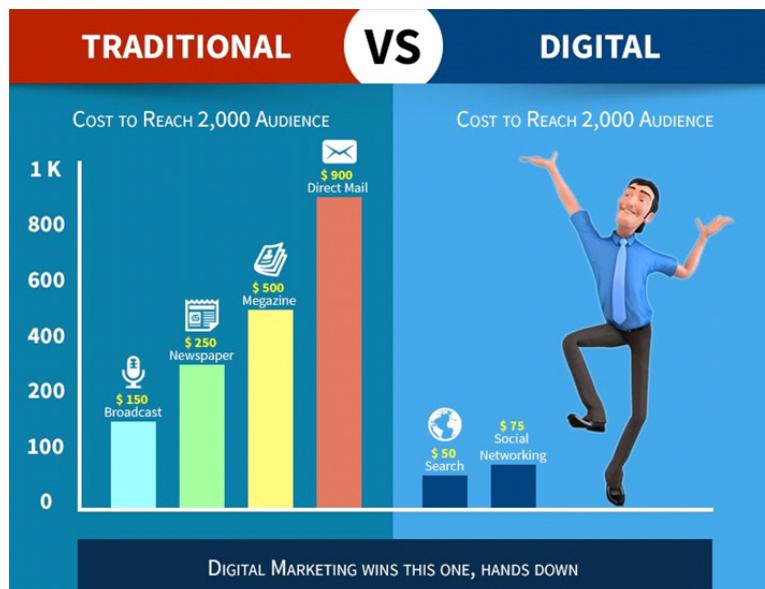
Today, the digital marketing industry in India is growing at its peak and is still continuous. Many factors are responsible for this growth. The use of communication tools has greatly changed in the year past. No one ever thought to have a credible deal online. The below figure indicates the digital marketing statistics.

The belief was that online information is virtual information full of lies. No one could listen to any online advertisement not to talk of purchasing groceries, furniture or clothes. The story has changed. Everything from marketing to sales can be done online. This is due to the trust that has been restored to online communication in India. This has helped the marketing initiatives. The revolution is from the communication industries. Low cost of the handset is now available making it possible for India to have about 600 million internet users which ultimately creates a fascinating business opportunity to sell to a growing population.

Moreover, the development in the digital marketing industry in India evident in the marketing shift from anonymity to identity. Interaction on the Internet now looks more physical as opposed to the anonymity of identity in the past. Also, marketing information's is moving along in the same line with entertainment. People of India needed an exciting spirit always. This targets their interest

in the marketing information. Several factors have been found to contribute to the growth of digital marketing in India. Before now, internet usage was only meant for the wealthy. There is now a great change in the lifestyle of the middle class. The Very majority now have access to the internet in India. Internet and 3G penetration revolutionized the marketing scenario for both consumers and the marketers. It was discovered that changes in lifestyle and standard of living had increased the level of consumption, quality and also the pattern of consumption. The quality of use in the urban centers of India is on a high side. This is because the majority doesn't have time for shopping. Apart from struggles to earn money, people want some other things to be done at their convenience. The following survey from people indicates the size of the Digital Marketing industry in India:

- 34% of the companies already had an integrated digital marketing strategy in 2016
- 72% marketers believe that the traditional model of marketing is no longer sufficient and this will make the company revenue to be increased by 30% by the end of 2017



In 2017, 80% of businesses will increase their digital marketing budget which may surpass the IT budget. Only the illiterates could not access the potentials of digital marketing because of the accessibility to computing devices and computer education. Many of the people in this category still don't trust the method of online payment, and they lack training in English Language and other foreign languages to market online in global markets.

The following are the channels that are playing an active role in the development of the digital marketing industry in India.

### **Mobile Marketing**

Digital marketing overview reveals that Social media has been playing a supporting role in marketing. Over the years, it has been noticed that 92% of social media users are from mobile devices. This enables the size of the digital marketing industries.

According to the research made by the Internet and Mobile Association of India (IAMAI, 2008), communication has become a real mass communication tools having about 286 million accounts in 2008. The Indian telecommunications market has tremendous growth opportunities and according to IAMAI is projected to exceed 500 million by 2010. According to TRAI, the numbers of a mobile subscriber based in India grew to 980.81 million users in the second quarter of 2015.

Adoption of the mobile device is getting higher day by day. SMS marketing is one of the true mass market media channels across many demographics before the convergence of mobile internet and mobile devices.

### **Video Marketing**

Growing need for the visual content has turned video marketing be one of the most appealing trends of digital marketing in 2017.

### **Email Marketing**



Email marketers of some of the most successful marketing agencies claim a return of \$40 for every dollar they invested. From the digital marketing overview, it was discovered that well-targeted email marketing would be one of the most effective ways of ensuring conversions in 2017. As shown from the figure below, email is one of the most effective methods for digital marketing as there is a facility to disburse messages to millions of people at a time.

### **Conclusion**

In India, Digital Marketing started to get visible around 2010. With the entry of e-commerce players like snap deal & Flip kart, the digital marketing arena started to pick. The industry growth between 2010 and 2017 has been tremendous. Various figures on the internet about Digital Marketing in India peg the growth at 25% to 40% on an annual basis coming to what is the future of Digital marketing in India? Digital Marketing will remain to be a robust growing industry at least for the next five years. There are a lot of reasons as to why I believe the industry is poised to grow at a staggering pace.

To begin with, see below a research report from Forester Research. The report which came out in Feb 2017 shows that India will be the fastest growing online retail country in the Asia Pacific. Further, it says that India should grow at a staggering 31% per annum the next five years.

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