

# Indian Scenario and Digital Marketing

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## Abstract

*Digital marketing has taken a troll in India at speed of a jet. It is now being used excessively by many Indian Companies. However, success of a marketing campaign is purely not based on Digital marketing only and if a winning score needs to be obtained, one should munch on different techniques available in traditional and modern modes of marketing.*

*It also has been observed that startups using digital marketing alone, have either failed or could not perform up to the mark. This study is to discuss the measures that should be taken to effectively implement digital marketing, so that winning results can be obtained and high sales can be achieved.*

**Keywords:** Digital marketing, Social Network, SEO, Ecommerce, Online Shopping, Startups.

## Introduction

According to Institute of Direct Marketing, “Digital Marketing is the use of internet and related digital information and communication technologies to achieve marketing objectives.” Credulously it is any form of marketing products or services that involves electronic devices, both, online and offline.

Cam Foundation finds Digital Marketing as “A broad discipline, bringing together all forms of marketing that operates through electronic devices, online or mobile, or on screen. Over the years, digital marketing has developed enormously and it continues to do so”.

New terminologies are Search Engine Optimization, Search Engine Marketing, Pay Per Click, Content Marketing, Social Media Marketing, Rate Optimization, Bidding, Web Analytics, Marketing Automation, Mobile Marketing and so on. The routine dictionary has been appended with jargon of these new words, being used excessively. These are also the hot cakes of digital marketing and the areas with huge demand.

It is the use of MIS (Management Information System) and technology that supports a dialogue in between the customer and the e-Marketer. E-Commerce has unveiled the fervour, that is changing how the business is done now. In 1997 the Government of United States allowed the usage of internet to commercial organization. This did set a new trend in trade and commerce. Year 2015 marked a troll in the field of e-commerce. Quick expansion, multiplicity of campaign, acquisition of users based on deals and what not. This

transition in e-commerce became evident when the focus increased on consumer awareness and holding, experiences, improved grouping across a wider range of categories. Now the focus of the E-Commerce players is on retention of existing customers and acquisition of new users.

To build a strong relationship between customers and e-commerce, they are individualised in leveraging data. Customers are getting rewards for their loyalty through best pricing, exclusive offers, free delivery and return policies.

The initiators and adopters of e-commerce have been comprehended with the advantages and convenience of e-commerce and that is why companies started mass media advertising on digital social platforms like Google, Facebook, Twitter, YouTube etc. These platforms are also giving opportunities to the companies to market their products and grow their business. As a result, the growth of spending in digital marketing has broken all bars. Due to innovation of digital media coupled with e-commerce players, system is moving from application download and visit metrics to user metrics instead.

Early adopters of e-commerce are investing high in regional and vernacular offline media. Now trend has been changed from long advertisements. Digital advertising also started making short, edited and full of branded content advertisements. Brands are also willing to express themselves through digital and want to be connected with youth through content.

This has driven wider choices of content, sharper entertainment propositions and increase in the smart phone viewership. Rational advertisers are investing in such digital content industry which quickly adopts scientific tools. Innovations in the core products are generating big impact on user acquisition and retention due to digital store and service experience. The players who are delivering more consumer-friendly products and enhanced service are gaining more success.

## Some facts about Indian Digital Marketing Industry

- ✓ According to a report of IMAI and Boston consulting group, India has one of the largest and fastest growing populations of Internet user in the world— 500 million as of June 2018 and growing rapidly.
- ✓ Calculation says that the users of Internet in India will cross 512 million by 2022.
- ✓ According to Direct Marketing Association, Digital Marketing Industry is worth 12046 crores.

- ✓ According to eMarketer, the rate of advertising on mobile phones and tablets increases to \$59 billion in 2018.
- ✓ A report published in The Hindustan Times, New Delhi says about the digital advertising space in India is worth Rs. 6000 crore and video is Rs. 1600 crore of that. This will grow to Rs. 8100 crore in 2016. According to a research firm eMarketer, ecommerce sales in India are expected to grow from \$14 billion in 2015 to \$71.94 billion in 2022. Among all Asia-Pacific countries, India is fastest growing contry in retail e-commerce sector. The combined gross merchandise value, or total value

of sales of country's top three ecommerce places i.e. (Flipkart, Amazon and Snapdeal) in 2015 was \$13.8 billion exceeded that of the top 10 offline retailers which stood at \$12.6 billion for the same period.

The availability of Internet has increased the scope of digital Marketing in India, has also increased the growth of other digital industries such as e-commerce, digital advertising and so on. Latest trends in digital marketing in India in web usage, mobile and search, social networking, shopping and online video are shaping the Indian digital marketplace.

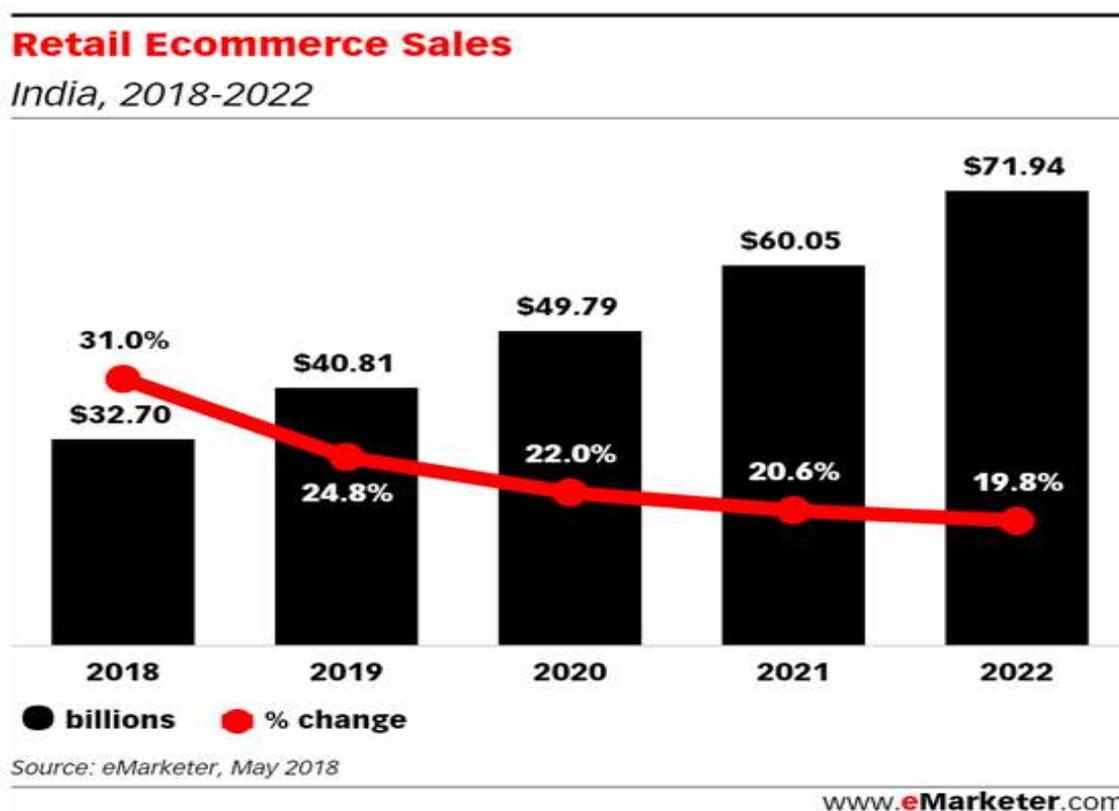


Fig. 1: Rise in Ecommerce sale in India

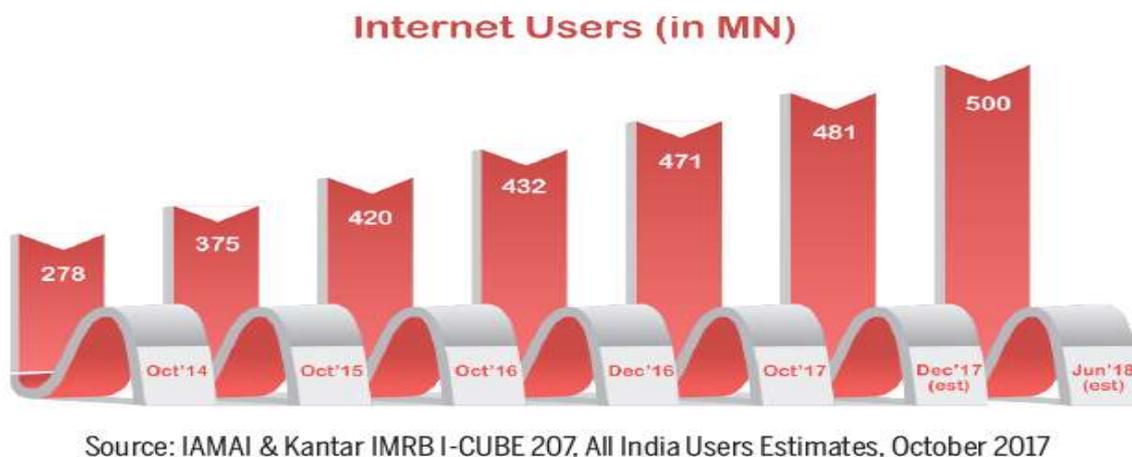


Fig. 2: India has world's third largest internet population.

In 2013, The numbers of internet user in India were 17.6 million and increasing immensely at the rate of 31%, India has become the world’s third largest internet population leaving behind Japan. While in 2012, Mobile Internet users grew by 111 percent, during 2013 the growth was 63 percent. India registered a YoY of 28 percent in 2012 and a YoY growth of 39 percent in 2013 in number of users and the strength of internet users has crossed 500 million in 2018.

In December 2007, the digital commerce market stood at Rs. 8,146 crore and it was of worth Rs. 47,349 crore by December 2012. By December 2013, digital commerce in India grew to a whopping Rs. 62,967 crore. The segment witnessed 35 percent growth between December 2011 and December 2012 while it grew by 33 percent between December 2012 and December 2013.

60% of web users in India visit online retail sites, out of that 34% visit for the consumer durables products, 30% for apparel and accessories, 15% for books, 10% for the beauty and personal care products and 6% visit for home and furnishing products. Over 50 percent of sales in these product categories takes place in non-metro cities.

- 86% Indian web users visit a social networking site.
- An average user spending 214 minutes on Facebook.
- The number of Facebook visitors are increased by 28% in the last 12 months.
- 59,642,000 users visited Facebook on their PC’s.
- Facebook continues to be the number one social network site and LinkedIn as number two, while Pinterest and Tumblr are the fastest growing networks.

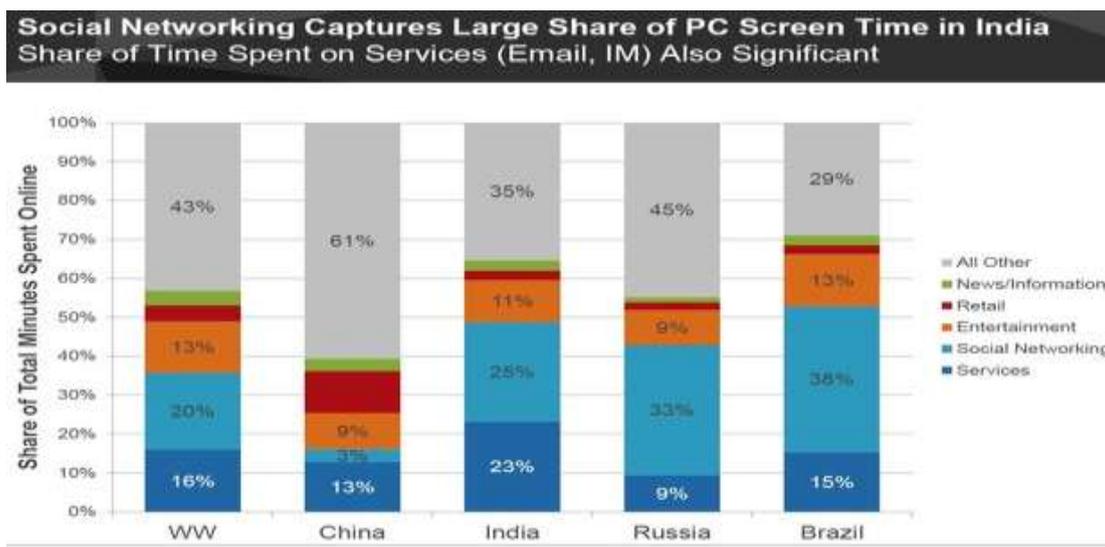


Fig. 3: Majority of screen time still captured by Social media.

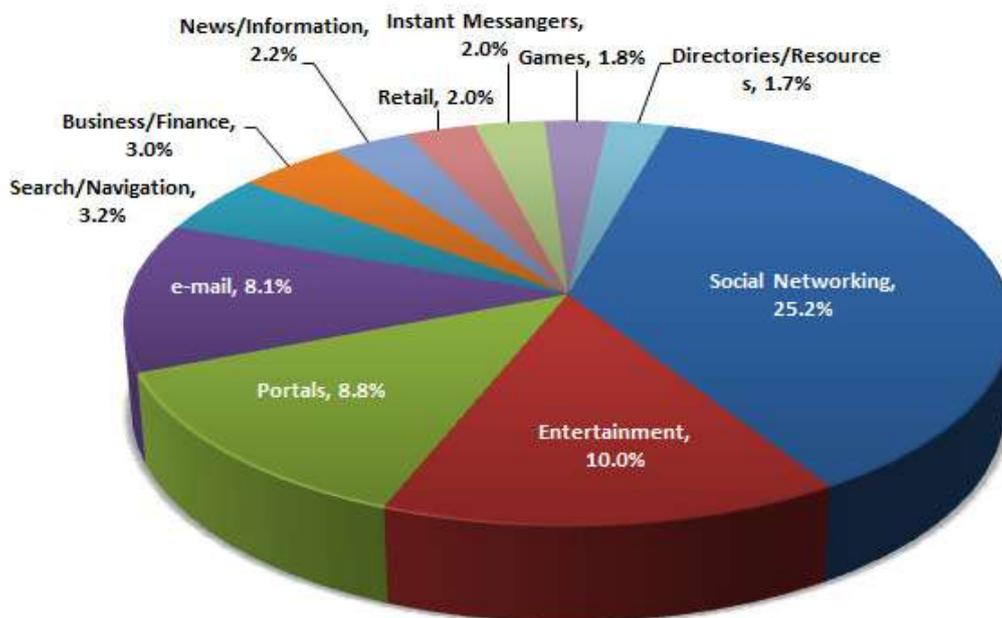


Fig. 4: Entertainment and online video continues to grow

- 74% of internet users in India visited an entertainment site
- 31.5 million viewers watched videos on YouTube making it the number one destination for videos
- 27% increase in the India online video Audience over a year
- 54,025,000 people watched an online video on their PC's

Indian companies are using digital marketing to sustain in competitive market.

Here are some examples:

- Nestle's Every Day was facing high competition from liquid milk sector in North-East. With the help of Facebook, its team created a three-second cinema graph-an image with some moving shots. It targeted women age 21 and above. The result was five percentage point increase in purchase intent and 14 point increase in ad recall.
- Coca-Cola did a live video for its orange flavoured Fanta.
- Maybelline did a three dimensional video.
- Royal Enfield shot a 360 degree video for its new bike Himalayan.
- Lakme used a slide show format (five times lighter than a video).
- Cornetto made a three second Cinemagraph.
- Pepsi Co. Beverages used Facebook during cricket World Cup in 2015 for brand building and generating the sale. Pepsi's Facebook campaign was the most recognised brands during the event. Pepsi Co. is using social media in a big way for building its brand equity.

Adobe and CMO Council conducted a research which has revealed that growing number of marketers in India are leveraging digital marketing to increase their business gain.

As per the study, India moves ahead to gain success through digital marketing. Ninety-six percent of Indian marketers are taking benefits of digital marketing. Research shows that this percentage is the highest in Asia-Pacific while only Australia is leading with 97%. However, Indian marketers believe that digital marketing lifted up only after growing of Internet population (70 percent in India against 59 percent in APAC) it has been their belief that customer preference and digital dependence have driven the adoption of digital and also its capacity to engage the audience is lower than the APAC averages, it added.

According to 2014 Adobe APAC, India is a rising leader in Digital Marketing, as it has dipped in its own performance

in 2015 as compared to the previous years. It has been noted that India's average is much higher than the APAC average in 2014. In the Indian market, along with the increase in the penetration of internet, customer preference and digital dependence are also expected to increase. The study revealed that compared to their APAC counterparts, Indian marketers are receiving lesser support from channel and sales teams for their increasing digital spends.

However, their performance is better as compared to 2014, suggesting that departments which have a customer interface have realised the importance of digital marketing in augmenting their efforts.

#### **Impact of technology growth on traditional marketing:**

Due to technologies advancing at an exponential rate, the marketing paradigm has shifted to newer and different aspect. Now, more customer and content centric approaches are being delivered on the digital platform. Earlier, traditional marketing like advertising, public relations, branding and corporate communications, lead generation etc. broadly relied on television, radio, telephone and print media and telephone as a medium for delivery.

However, on the other side, the aim of reaching to a targeted audience is achieved by modern marketing techniques leverage their power of Internet and social media. Modern marketing techniques are cost effective as they provide marketing platform with ability to reach millions of customers in a very short time span. Businesses which invest heavily only on their digital marketing as their major marketing delivery tool, can gradually hike their overall marketing success.

For success of any marketing campaign it should fully encapture the capabilities of various marketing techniques available under the label of the traditional and modern marketing. To effectively reach the identified market segments and convert them into paying consumers activities like push marketing, lead generation, launch events and trade shows, television and print media can be used to integrate with social computing, customized content and control budget etc. The businesses need to rethink about their marketing strategies and lay out a multi-channel marketing plan due to the steady rise of social media, changing business landscapes and introduction of more educated customers, so as to carefully lay out an optimal mix of both the modern and traditional techniques best suited for the business.

#### **Reasons for failure of digital marketing in startups:**

The most probable reasons for the failure of digital marketing in startups are as listed:

**Measuring the Cost per Acquisition:** Entire focus of measurability is on increasing reach in terms of views and visitors. A large percent of business owners fail to define key metrics and do not put relevant structure including using relevant tools to measure the progress of their digital

marketing campaigns. While reach is necessary, but it is not sufficient. Imagine if your website receives more than double the traffic of your competitors but if your website conversions are less than half of your competitors - you would still be having lower returns than your competitors. Paying attention towards the entire customer funnel so as to meet your ultimate objectives is the key to success in leveraging digital media.

**Believe that Digital Marketing belongs to Technology Department:** A large number of startup founders do not believe that digital marketing is a marketing function but mistake it by treating it as a technology piece. Although digital marketing leverages technology for reasons such as measurability or scaling up, it is still a marketing function. Expecting from technical team to create success of digital marketing is an obvious recipe for failure. Even large corporations are the victims of such treatment of digital marketing let alone the newbies.

**Think that outsourcing is the solution:** One of the reasons for high failure rate of agency-client relationships is the wrong assumptions made by the big companies that the outsourcing will take care of the end to end execution. This problem is bigger with the large corporation which majorly rely on them. However, this can be avoided by educating clients about the appropriate approach to leverage digital helping them to restructure their thinking and processes related to digital marketing and help it grow.

**Hiring a Digital Marketing professional on your ignorance:** Without having much clarity on overall digital marketing, hiring one or more digital marketing experts is almost similar to outsourcing digital marketing responsibility to an external agency. Startups or marketing professionals have to realize that they have an important role to play in creating digital marketing strategy, whether they want to work with an external agency or build an in-house team.

**Adhering to Social Media because everyone else is doing:** Just because Social Media is the talk of the town is not a sufficient reason for a startup to invest in it. The choice of the media based on business objective and clear demarcations can truly help gain popularity and can be rightly used to promote one's brand. A large organization can use Search Engine Marketing as it is more appropriate for a startup if lead generation is the primary objective.

**Expect overnight Success:** Although digital media is a powerful weapon to accelerate business growth, a sustainable success in digital marketing however normally takes few months if not more and this journey to success involves few failures. However, influenced by mind-blowing statistics associated with digital media platforms and by ever growing number of online businesses, every organization who travels upon the journey of digital marketing believes that it is like a magical wand, which will

somehow solve their sales and marketing objectives overnight. But, expecting quick results normally lead to giving up on the not-so-visible but real progress campaign, which would have produced desired goals if given the proper time it requires. Digital Marketing avenues such as Search Engine Optimization (SEO) require couple of months before a business can see good results.

**Underestimate the importance of Content:** The requirement for regular flow of high quality and relevant content is highly underestimated by a large percentage of small businesses entering the digital marketing campaigns. So, when faced with scarcity of content, either these businesses end up compromising the valuable key things or end up giving up their digital marketing campaigns.

### **Commandments of Digital Marketing**

**Consider Digital strategy as a part of Brand Strategy:** Generally, for brands, there are mainly two drawbacks. Either the digital strategies are created in a complete vacuum from the overall brand strategy, or worse, no digital strategy is crafted at all. Since digital is the main adhering force that ties the entirety of a marketing plan and tactics together, anything that happens online needs to ladder up to the higher objectives of the brand. An effective digital strategy is basically composed of a group of sub strategies so as to effectively plan and account for owned, earned, shared and paid assets.

**Innovating the Brands:** Goal around innovation is most basic for majority of the brands and that important because innovations drives the business forward. However, innovation means better not new. Your strategy should help you select your tactics not should not be the other way round. If you are seeking to use a tool or platform because you think it is innovative and if you cannot identify how or why it works for your audience, you are destined to fail.

**Put Interest of the Consumer First than Own:** Users crave value, utility and having their needs met. But, looking at the darker side, marketers approach digital from the mindset of their own (or their brand) objectives. This can be elucidated by the online programmes, where fractions of a second can make or break a potential engagement. Instead of focusing on your needs, if you try and determine what your users want and how you can possibly insert your brand or your content into their lives in a way that makes sense along with the completion of your motive. This would result in great success.

**Do not imitate your competitors:** Just because your competitor is doing something, does not mean you should too. Bringing up new strategies to go about things can make you stand out from the crowd.

**Acknowledge the importance of Smart Phone and Tablet:** Usage of mobile phone and tablet has increased extensively. About 85% of HCP's are using a tablet in their

practice and 1 in 3 people in the US now own a tablet as well. Increasing use of smart phones means your brand is better and ready to provide mobile optimized content, tools and resources for your users. This will help in marketing and will make it easy to operate.

**Understand the Difference between Metrics and Analysis:** This term is most often confused with. There is difference between metrics and analysis. Metrics are just data, just some number whereas analysis tells you what to do next. Google analytics may be free but cannot give you any insight into what the numbers mean or where to go from here. Too often marketers collect (or simply ignore) data and give no thought (or budget) into understanding it. So, the digital medium allows you to be nimble and react to your users with far greater speed and efficiency.

**Maintain healthy relationship with stakeholders:** Treat your employees, suppliers and distributors etc. as a partner. Healthy company – client relationships are a true partnership where everyone feels comfortable bringing ideas and co-authoring success. The famous saying, "Give respect, take respect" comes true in this scenario. If you treat them with due respect, they will provide you with definite success. With their help if you succeed, tell them. When they screw up, do the same. This feedback mechanism is must for a healthy growth and relationship between the employees and the company.

### Conclusion

The scope for digital marketing has increased in last few years in India. People have different views about it. But the fact is, this digital marketing has tremendous potential to increase in sales of any business. One should have knowledge to implement it in right way. Anyone can take

advantages by increased brand value and customer's loyalty with effective digital media plan. Digital marketing campaign helps in cost reduction, boost inbound competitions and better ranking in search engines.

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