

ROLE OF DIGITAL MARKETING IN INDIA

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How is the Future of Digital Marketing Bright in India



Abstract

The digital revolution has impacted both consumers as well as businesses. Over the past few year's the technology and form used has changed drastically. Earlier, the Internet was only a source of information but now it has transformed into a place where people gather to share their experiences and stories, a stage for discussion and debate and a source of entertainment. Social networking has inclined the way of using internet further, it has become a platform to reach masses. Businesses are in hurry to take rewards of

increasing internet usage, hence given rise to digital marketing. Strategists are no longer stuck to traditional modes of marketing, internet has been proven a superior platform, because of speed and mass coverage to reach targeted population. India being an emerging economy and a largest market has vast potential to take advantages of fastest growing digital marketing industry. This study will outline the opportunity and potential of digital marketing in Indian market. The study will be reviewing all the relevant literature on digital marketing in Indian context.

Background

Door to door advertisement, word-by-mouth publicity, radio announcements, TV commercials – India always relied on traditional methods of marketing until the internet happened! The tactics of marketing shifted from humans to gadgets. It became easier to penetrate a huge segment of the market with nominal efforts and as the number of laptop and mobile phone users kept increasing, digital marketing spread its wings wide and far. The initial examples of digital connectivity were shown with the introduction of Michael Aldrich online shopping system. Then the Thomson Holidays UK was launched, followed by the India MART B2B in 1996. It was finally in 2007 that the launch of Flipkart, an e-commerce marketing website changed the outline of marketing in India. What followed was a rise in the number of people picking up mobile phones, online shopping, at-home delivery, and internet marketing as a means to popularize the brands and over the years the Digital Marketing Industry has flourished by bringing a huge percent of business online with its promising ability to create a global network and prosper even the small businesses internationally. According to the International Journal of Advanced Research Foundation, India is experiencing a golden period of digital marketing growth since 2013 and the trend still continues.

Introduction

Digital marketing is the use of electronic media by the marketers to endorse the

products or services into the market. The whole notion of Digital Marketing is more competent, effective, result-oriented and measurable making it very different from traditional marketing. The traditional way of marketing is all about print media, door to door marketing, radio and TV commercials, bill boards and in numerous other ways.

However, traditional approaches had forced client reachability and extent of driving clients' purchasing. In addition, traditional marketing methods were not quantifiable. Let us understand noticeable difference between Traditional Marketing & Digital Marketing-

Difference b/w Traditional Marketing & Digital Marketing

Traditional Marketing

- Communication is unidirectional in traditional marketing.
- Medium of communication in traditional marketing is generally billboards, door to door marketing, emails, and letters.
- More time consuming
- It is best for reaching local audience.
- It is not possible to measure the effectiveness of a traditional marketing campaign.

Digital Marketing

- Communication is bidirectional.
- Medium of communication involves social media websites, email, blogs, chats, apps etc
- Less time consuming
- It helps to reach global audiences.
- Effectiveness can be easily measured

Advantages of Digital Marketing

- **Brand development**

Your business is not just about the name and products you offer. It is about the voice and the message you want to come across your desired market. Building your brand through direct campaigns and personalized content can bring you closer to your customers. You may want to let them experience the unique proposition and value of your brand.

- **Personalization**

Unlike TV or print advertising, it allows you to personalize your campaign. It has the ability to find your target audience, interact with your prospects and know exactly what they are looking for. Getting to know your audience and interacting with them helps create brand loyalty and create your reputation

- **Wider reach**

It allows you to expand your presence and reach a huge number of customers. The website and your social media pages can be viewed globally thus making your market global. This also allows you to have an equal foothold with big and established enterprises which are dominating the traditional marketing scene.

- **Accessibility**

Digital marketing makes you accessible to your customer as well. If you have a brick and mortar establishment, your online

presence makes it easier for your customer to stay connected to your business. Your existing customers may want to leave to reviews for a good store experience and place a recommendation for their friends. Your clients also want to know your store location, services you offer, store hours availability and basically what you specialize in.

- **Greater engagement**

Traditional marketing methods may not give the engagement you can achieve in digital marketing. It allows you to get hold of your customer's attention as long as possible until you have already created brand loyalty with them and long enough for you to build a credible reputation. Continuous engagement helps you survive this competitive world. It allows you to stay competitive and relevant by actively engaging with your customer through various media channels. This can be achieved with a regular blog post, relevant and timely social media contents, an engaging post like polls, event promotions and other promotional offers.

- **Lower cost**

The thing that makes digital marketing business-friendly is cost-efficiency. You spend comparatively much less than a traditional marketing campaign which is a very problematic method for small businesses as they have a limited budget for advertisement. Small business and start-ups will save a lot of cash as well as struggles in advertising their products and services by just using digital marketing. Use social media to leverage your internet marketing. Properly plan your campaign, know your target market and use the best

tool, so you can reach your potential customers at a minimal cost.

- **Measurable results**

One great Merit of digital marketing over traditional methods is that it is quantifiable. Every strategy you create can be quantified. Web analytics, blog lead generation, social media metrics and various other online tools used to achieve result makes it easier for you to find out if your marketing efforts are working or not.

By measuring your campaign and knowing its effectivity in real-time, you can adjust your tactics to yield better results and greater success in translating your products and services to your niche market. This reason should be enough for you to try investing and creating your digital marketing campaigns.

Disadvantages of digital marketing

Though this has been one of the best technological advancements for a business of all sizes, it has also its fair share of downsides and challenges that you should be aware of.

- **High competition**

With the growing numbers of users, a digital marketing platform has been one of the toughest competitions there is. According to a study, 90% of mobile phone users are not certain of the brand they want to buy from and about 33% have purchased from a brand other than the one they had in

mindbecause of the information provided by another brand.

- **Dependability on Technology**

The internet is prone to errors. Links may not work, landing pages may not load and page buttons just don't simply do its job. This may be some of the reasons your prospect clients will move from your brand on to next.To avoid this, always make sure to run a test in your website, proofread your contents and make sure that your campaigns will work on its targeted niche.

- **Time-consuming**

One of the most challenging parts of digital marketing campaigns is time. Unorganized tactics and strategies may take most of your time and finding enough time to devote to your campaign on a daily basis become difficult. This will lead to bad results as you spread thin to other areas in your business.Create a definite digital marketing strategy. Set your goals and find your niche market. One may always want to improve company sales or influence brand awareness and make this as your plan's foundation. Focus on a strategy that you think your company needs the most. Plan and curate well your content. Use online digital marketing tools like HubSpot, Ahrefs and social media posting and scheduling tools like Hootsuite and Tweetdeck.

- **Security and privacy issues**

Amidst your aim to be on top of your target market's mind, security should always come first. Website protection is something one needs

to take seriously as a digital marketer. Security is crucial in meeting your goals. You should secure your network and safeguard your networks connections by using firewalls and encrypting tools like VPN. Learn how cyber threats like phishing, identity thief, fraud or scams work to better equip yourself.

Effective Digital Marketing Channels

1. Websites (Content Marketing)

Website is a must-have tool for one's business as it offers one with a steadfast platform where one can educate audiences about brand, products, and services. This requires a solid understanding of your target audience and an effective content marketing strategy.

Whatever the size of your company, a website can give your business the online presence it needs to communicate and/or sell to prospects. In fact, another study showed that 69% of Americans have purchased an item online. Whether your business is concerned with e-commerce or it's something that's more service-oriented, be it B2C or B2B, you should definitely invest in a website.

2. Email

There are several reasons why it's so hard to dislodge email as a channel that delivers medium to high ROI for your business, but the one thing you can't take away from email is its versatility. Even though email may not be the newest

technology available, it allows you to apply the latest trends in content marketing, such as personalization and automation, without affecting your marketing budget.

3. Social Media

Social media marketing is on this list for some very worthwhile reasons. From being a channel used by people to establish their personal connections, it has grown into something grander, bigger, and better than what it was originally intended to be.

These days, you can reach out to potential buyers by engaging them in a more personal and authentic fashion. As such, it's easier to direct your efforts toward organic social media marketing since the platform was initially designed to foster interactions rather than sell to your prospects. You must invest time in cultivating relationships with your target market as you try to understand the needs and interests of your buyer personas.

4. Organic Search (SEO)

When prospects or customers look for products or services, they'll tend to go with whoever ranks higher. Standing out from the competition at this stage means that you'll be capturing new opportunities organically, driving a consistent flow of leads down your sales funnel.

As long as you adopt modern SEO best practices—keyword research, blog post optimization, and linkable content creation—improving rankings on search engines will come a lot easier.

5. Paid Search (SEM)

The merit of using paid search is that your ads are shown over and above organic search results, making them more visible and desirable to users. Even if you have to pay for every time a user clicks on your ad, there's still a lot of value—monetary and otherwise—that can be had from paid search. Being above organic results means you're still capturing that engaged searcher before they even have a chance to see their other options (your competitors).

6. Mobile

The number of mobile phone users is increasing by the day, and this trend is expected to continue in the years to come. Due to this, it makes sense only to serve promotional content to mobile users. And thanks to geo-targeting strategies where location information is used to recommend products or services more conveniently, customer experience can be consistently improved as well.

Smartphone users are spending about 90% of their time using apps and games, which makes mobile apps a lucrative marketing channel. Last but not least, mobile can collect customer data, which you can then use to map out a mobile marketing strategy that produces results.

7. Display Ads

Display ads allow you to use images, audio, and video to communicate your advertising message better. These are shown on articles, blogs, websites, email platforms, social media, and various other digital channels that offer ad placements.

In comparison to search ads, display ads generally have lower cost-per-click as there's more advertising space available across the web than on a search engine. The core difference is that you don't target keywords. Display advertising success depends on how well you can match your ad to the host website's audience to drive conversions.

One of the great things about display ads is their ability to track users for retargeting. For example, if a user lands on your website and doesn't convert, you can track them with a cookie and retarget them with a relevant display ad later on. It should be no surprise to know that with this much contextual relevance, you'll be generating a lot more conversions at a lower cost-per-click (CPC)

Literature Review

- 1) Marketers are faced with new challenges and opportunities within this digital age. Digital marketing is the use of electronic media by the marketers to endorse the products or services into the market. It includes mobile phones, social media marketing, display advertising, email marketing, search engine marketing and many other forms of digital media. Even though spending per online buyer remains low, some 59% of online consumers in metropolitan India already make purchases online at least once in a month. There are numerous elements by which digital marketing is formed. All forms operate through electronic devices. These include online

advertising, email marketing, social media, text messaging, affiliate marketing, search engine optimization, pay per click etc. With rapid technological progress, digital marketing has transformed customers buying behaviour. It has brought various advantages to the consumers which include greater engagement, clear information, easy comparison with others, apparent pricing, 24/7 shopping etc. This paper is based on both primary and secondary data sources.

2) Digital marketing is the promotion of products and services through different forms of electronic medium. Keeping the benefits in view the government of India has initiated many policies and programs for digitalization process, so that with the use of the latest technology living standards can be improved. Digital India has been started with the aim to make India totally digital, so the focus of companies should be on digital modes for the marketing of their product and services. Digital Marketing is the utilisation of the Internet in order to reach the desired target market through various channels like social media, email marketing, blogs, multimedia advertising, search engine optimization etc. The research is exploratory in nature; it focuses on Literature feedback. Review, Newspaper, Journals, the personal experiences of the authors. Digital marketing serves the biggest advantage for the consumers by

allowing them to make comparison between the products or services by different suppliers in cost and time friendly way. Consumers don't need to visit a number of different retail outlets in order to gain knowledge about the products or services. Although a large number of firms are practicing digital marketing, it is not an easy job as there are a number of problems which need to be addressed while implementing Digital marketing. The major challenges which digital marketing may face include reaching target audience, creating relevant and rich content, Budget allocation, competition, lack of resources etc.

3) Digital marketing is the promotion of products and services through different forms of electronic medium. Search Engine Optimization, Pay per Click Advertising, Social Media Marketing, Email marketing, blogs Content Marketing, Mobile Marketing, Web Analytics, Marketing Automation, Content Writing & Rate Optimization are the popular and most-demanded areas in digital marketing. As per a report by IAMAI and Boston consulting group, India has one of the biggest and fastest flourishing populations of Internet users in the world. According to Direct Marketing Association, Digital

Marketing Industry is worth \$62 billion. Surge in net penetration in the country has led to a significant growth of other digital industries such as e-commerce, digital advertising etc. Latest trends in digital marketing in India which include web usage, mobile search, social networking, shopping and online video are influencing the Indian digital market for the years to come. A research conducted by Adobe and CMO Council has revealed that growing number of marketers in India are leveraging digital marketing to increase their competitive advantage. 96 per cent of the Indian marketers have high self-assurance in the ability of digital marketing to drive competitive advantage. It is among the highest in AsiaPacific APAC with only Australia leading with 97 per cent, the research said.

- 4) Digital Marketing industry in India is spread to almost all the business sectors. Some of the applications of digital Marketing are shopping and order tracking, online banking, SEO, email marketing, Blogs, payment systems and content management. The influence of digital marketing allows geographical barriers to disappear making all consumers and businesses around the globe to potential customers and suppliers. It is known for its capacity to allow business to communicate and form a transaction anywhere and anytime. Digital marketing industry in India is prospering

today. In a country like India which has a rapid growth economy, it is anticipated to have a very hugesubstantial growth in Digital marketing career. Today, digital marketing industry in India is growing at its peak, and is still continuous. Many factors are responsible for this growth. Day by day growing Digital Market in India is an evident that the Digitization is taking place with a high speed. A lot of reports and surveys conducted around the world are showing that digital marketing will prosper and flourish more in coming years. Youth of India is very much technology friendly.

- 5) E- Marketing is also known as web marketing and online marketing. Digital Marketing helps to find out the target audience to whom goods and services are to be sold by the business organizations. It includes all processes and activities with the purposes of attracting, finding, winning and retaining customers. There are various types of internet marketing, some which work alone, others which work in combination with others. Here are some types of internet marketing: search engine optimization, social media marketing, email marketing, blogs, multimedia marketing, pay per click etc. Some of the reasons why it is absolutely important for any business to invest in online marketing are cost effective, convenient, increase traffic, one to one marketing, increases sales, personalisation, better conversion rate etc. Some of the challenges

faced by digital marketing are marketing integration, security and privacy, improving brand awareness, bad marketing, lack of trust, ethical practises, corporate cultures, customer expectations etc.

RESEARCH METHODOLOGY

Research Design: For obtaining complete and accurate information, descriptive research is chosen. Descriptive research is inclusive of surveys and fact findings enquiries of various kinds.

Research approach: The approach adopted for this study is survey approach.

Research Instrument: The Research instrument employed within the study is Questionnaire. The questionnaire consists of only close ended questions.

Data Source: The information used for the study is primary data. Primary data is that data which is collected for the purpose of study by the samples taken. The primary data was collected by conducting a survey through a structured questionnaire.

Sampling Area: National Capital Region (NCR)

Sample Size: The sample size of the study is restricted to 150 respondents.

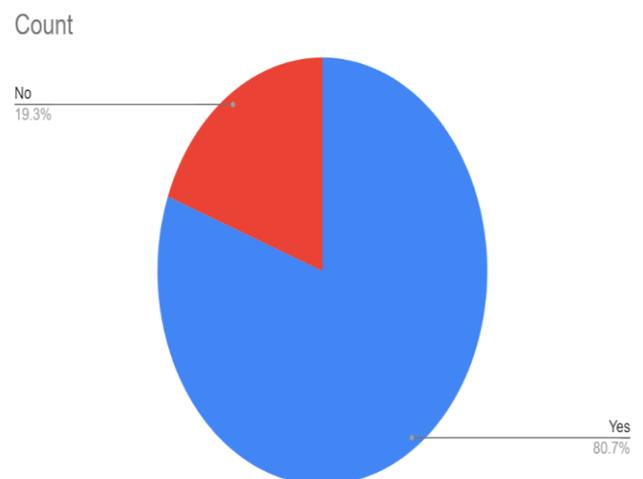
Sampling Procedure: The sampling Procedure used in this study is

Convenience sampling. It is basically a kind of non- probability sampling that involves the sample being drawn from that part of the population that is near hand.

DATA ANALYSIS

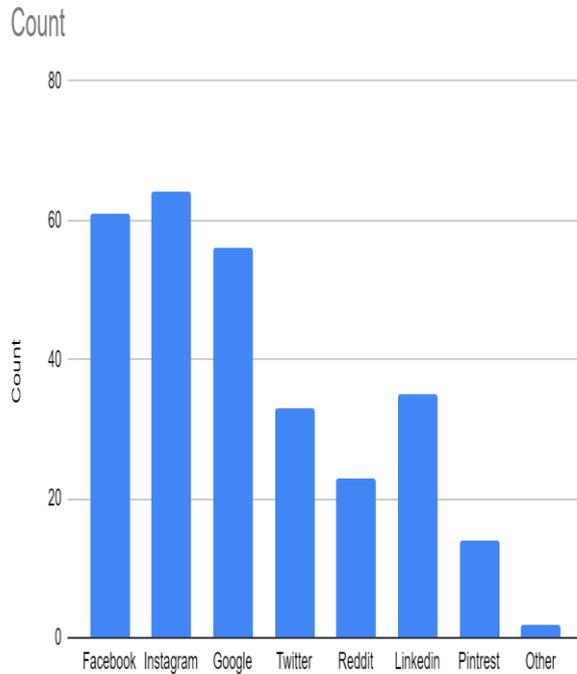
The data collected is quantitative in nature. The data is analysed through bar graphs and pie charts.

Q1 Do you use Digital Marketing?



As you can see about 80% of the people have answered yes for using digital marketing for promoting their goods and services. This clearly shows that though India is a developing country but still digital marketing plays a vital role in the economy and is quite prevalent and will be in the years too come.

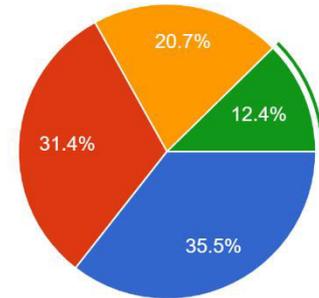
Q2 Which platforms to you use to run digital ad campaigns?



As you can see Instagram is the medium which has the highest number of users for running their digital ad campaigns. It is followed by Facebook which almost has the same number of users as Instagram. Google too is being used by a large number of people. These all are followed by mediums like twitter, reddit, LinkedIn and Pinterest which have comparatively less users.

Q3 How frequently do you run ads on a monthly basis?

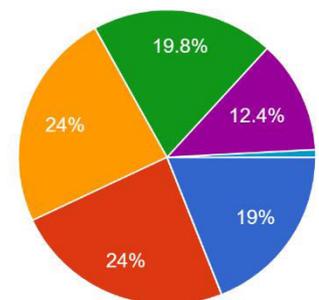
How frequently do you run digital ads on a monthly basis?
121 responses



From the above pie chart you can see that about 36 percent of the respondents are running their digital ads between 1-5 times per month. Around 32 percent of the people are running the ads between 6-10 times a month. It is followed by 21 percent of the people who are running it between 11-20 times a month and only 12 percent who are running more than 20 ads a month. It can clearly be seen that though a lot of people are using digital marketing as a medium but still its full potential is not being utilised in India yet.

Q4

What is your average monthly ad spend? (in Rs)
121 responses



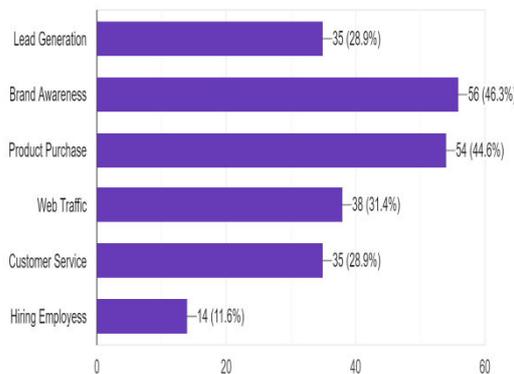
As you can see in the above pie chart 24 percent people are spending between

1000-2000 and 24 percent people are spending between 2000-5000 on digital ad per month. About 20 percent are spending between 5000-10000 on a monthly basis. 19 percent of the people are spending only 1000-2000 on a monthly basis. At last only about 12.4 percent are spending more than 10000 monthly. It is clearly visible that the investment in the digital marketing in India is not up to its full potential.

Q5

What were the primary Goals for your digital marketing?

121 responses

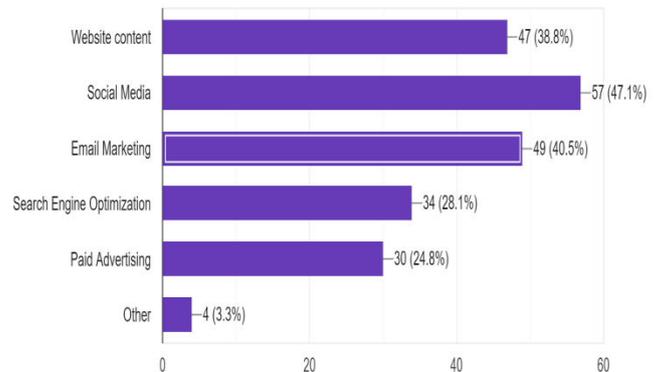


46.3 percent have told that their primary goal was brand awareness.44.6 percent people have opted product purchase as their primary goal for digital marketing.31.4 percent have opted web traffic as their primary goal .It is followed by lead generation and customer service who both have 28.9 percent and only 11.6 percent have opted hiring employees as their primary goal for digital marketing. It can be seen brand awareness and product purchase are the main reasons for using digital marketing as a medium.

Q6

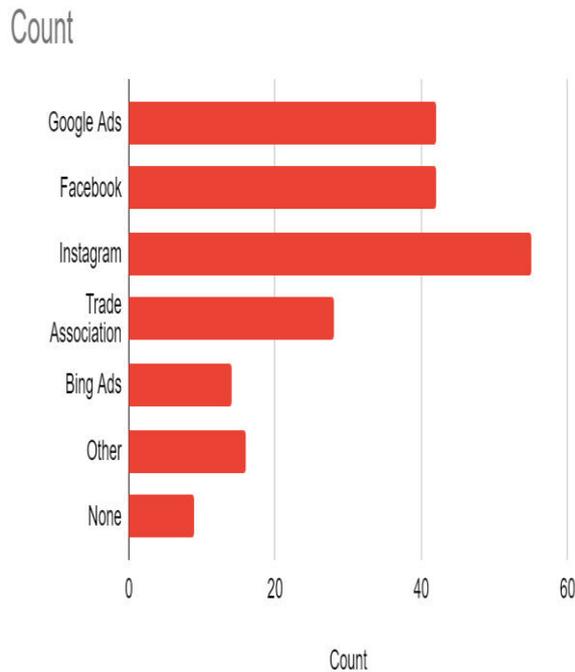
What digital methods were the most effective for your organisation?

121 responses



According to the respondents, social media has been the most effective method for their organisation. It is followed by email marketing which is about 41percent. Website content has been opted by 38.8 percent of the respondents as the most effective way. On the other hand SEO, paid advertising have been opted as less effective in comparison to the other methods.

Q7 What paid advertising are you doing?

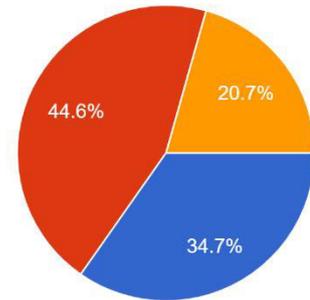


As you can see above 55 people have opted as using instagram as a medium for paid advertisements. 42 people have opted for each facebook and google ads as a medium for paid advertisements. 28 people have opted for using trade associations as a medium for their paid advertising. A very few people have opted for bing ads and other mediums and finally 9 people have opted for not using any form of paid advertising. It is clear that paid advertising play a critical role as most of the users are using some medium or th other for paid advertisments.

Q8

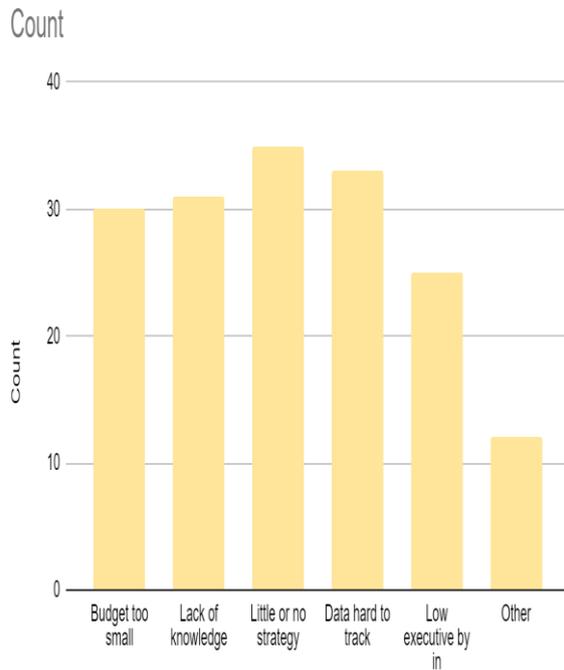
How Was your overall digital marketing performance in 2019

121 responses



As you can see 44.6 percent of the respondents said that they met their expectations. About 34.7 percent of the respondents opted that they exceeded their digital marketing expectations. About 20.7 percent of the population said they could not achieve the results they expected. This proves that most of the people are satisfied and achieving the results they expected through digital marketing.

Q9 What were the biggest challenges you faced in 2019?

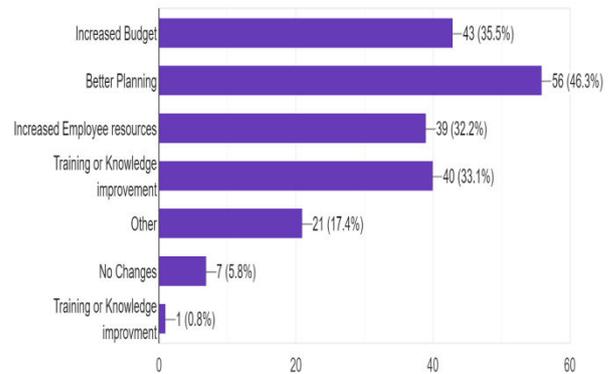


As you can see in the above graph, little or no strategy has been opted as the biggest challenge by the most number of respondents. It is followed by data hard to track and lack of knowledge which too have been opted equally by the respondents. A lot of people have also opted for organising a small budget for their marketing campaigns. Very less people have opted for any other challenges faced by them. In short these were the major challenges faced by people in 2019 for their campaigns.

Q10

How are you making your digital marketing strategy more effective in 2020

121 responses



As you can see in the above graph, 46.3 percent of the respondents think that better planning is the way to go for a better marketing strategy in 2020. 35.5 percent of the respondents think that increased budget for their campaigns would be the ideal strategy. 33.1 percent think that training would be the best strategy to increase the results from this medium. About 32 percent think that increased employee resources are the way to go with. These are the major factor that the respondents think will help them in establishing a better strategy for 2020.

Findings and conclusion

The important finding and conclusion of the study are highlighted below:-

- About 80 percent of the population is using digital marketing. This clearly shows that though India is a developing country but still digital marketing plays a vital role in the

economy and is quite prevalent and will be in the years to come.

- Instagram is the medium which is being utilized by the highest number of users for running their digital ad campaigns.
- The majority of the users are running their campaigns between 1-5 times on a monthly basis. It can clearly be seen that though a lot of people are using digital marketing as a medium but still its full potential is not being utilised in India yet.
- The majority of the respondents are spending between 1000-2000 and 2000-5000 on running the digital ad campaigns. It is clearly visible that the investment in the digital marketing in India is not up to its full potential.
- The primary goals for digital marketing were found out to be Brand awareness, product purchase and web traffic.
- The most effective tool for their successful digital marketing campaigns have been found out to be social media which is followed by email marketing and website content.
- The majority of the respondents if using paid advertisements are using Instagram, Facebook and google ads for this purpose where Instagram is in the lead.
- Most of the people exceeded their marketing expectations and a lot of

have met their expectations. A very few people were not able to meet their expectations. This proves that most of the people are satisfied and achieving the results they expected through digital marketing.

- Little or no strategy has been opted by the respondents as the biggest challenge they faced in 2019. It is followed by data hard to track and lack of knowledge which too have been opted equally by the respondents. A lot of people have also opted for organising a small budget for their marketing campaigns. These are the major challenges faced by the respondents.
- Most of the respondents think that increased budget, training and development, increased employee resources and better planning are the way to go for formulating a better strategy for 2020.

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ANNEXURES

Questionnaire

https://docs.google.com/forms/d/e/1FAIpQLSd0YMQONbXfsw5ecaKRn8jALW6HFHbP0ukjTCep_jxz3nOg/viewform?usp=sf_link

Form Responses

https://docs.google.com/spreadsheets/d/1p_g5-lusrG20StPnORl1VXWBn1DqX2WXoQcIWVvI8b_4/edit?usp=sharing