

FACTORS AFFECTING THE GROWTH OF DIGITAL MARKETING IN INDIA

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Abstract

Today Indian market is changing at faster pace day by day. Internet is medium through which marketers are making communication with the consumers. These days people spend more time online in India every day, they are now spending more time on WhatsApp, Facebook and on other social media as well as on internet surfing. Therefore the companies are selling their products online and also their products are available on the various social media websites, this way they are making their market digital market rather than going for the traditional markets. Digital marketing growth comes from social media, people nowadays spend their time on social media and that is a plus point for marketers. Digital Marketing in India is growing day by day at higher speed. Today Marketers are providing all the goods and services through online portals. It is only the way to gain a success in the Consumer Market. This paper is an attempt to focus on factors which affect the growth of Digital Marketing.

Keywords: Digital Marketing, Digital Market, Social Media, Online Portals.

Introduction

Digital Marketing is also known by the term **Online Marketing, Internet Marketing** or **Web Marketing**. There has been an immense growth in the digital marketing in India today. It is existing across all the business sectors starting from shopping, online banking transactions, bank payments, e-commerce activities therefore today digital marketing is considered term where products and services are marketed by taking the help of digital technology. Marketers are taking the help of smartphones as they know today consumers are available and they prefer to buy a products and services online.

In the combined study of CII and KPMG, India's digital advertising industry is growing at 33.5 percent (CAGR) (2015-2020) and by 2020 the value of Digital Advertising will exceed the Rs 255 billion. Therefore in India digital markets are growing globally and It is expected that the Digital Industry will produce more than 20 lakhs job in India by 2020. In the figure no 1 we can see the internet users are increasing every year. The number of internet users in India was at 450 million in December 2017. The numbers will get double by 2021 as digital transformation will take it to estimated 829 million. This number is growing at very fast pace in India for creating the digital platforms for products and services.

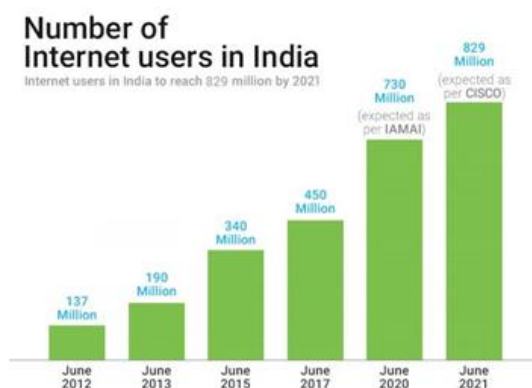


Figure 1: No of Internet User
Source: www.cisco.com

Review of Literature

Hoge (1993) explained transferring of goods or services from seller to buyer with the help of electronic media is known as electronic marketing (EM). In the nineteenth century E-Marketing began with the use of telegraphs. Electronic media has become the dominant marketing force after the invention and mass acceptance of the telephone, radio, television, and cable television.

Rowley (2004) told that by the use of online channel McDonald's brand messages and relationships were reinforced. The online communities for children, such as the Happy Meal website with educative and entertaining games to make customers close to themselves were built by McDonald.

Reinartz and Kumar (2003) found company gained the profitability by mailing efforts. The use of social media marketing helps the company in the reduction of the cost and increasing his reach to the customer. In comparison to the person selling or sales with the help of distributors the cost of a social media platform is typically lower. Generally, Social media is help companies in enhancing the reach and reducing the cost. (Watson et al. 2002; Sheth & Sharma 2005).

Chaffey (2011) in his research studies found that there is encouragement of customer communications by the website of the company. In digital Marketing, the most important technique is marketing with help of social media in which companies use social media form to distribute their messages to their target audience without paying to any third party like publishers and distributors. Digital marketing, electronic marketing, e-marketing and Internet marketing are all terms used for online marketing whether it is through interactive kiosks, interactive TV or mobiles, websites, online ads, Emails.(Chaffey & Smith, 2008)

Winer (2009) focused on the opportunity of advertising on blogs, which he describes as a website built around a theme where the user shares their opinions and encourages others to discuss.

Gruzd *et al.*(2011) found in his studies that the general availability of the internet has given individuals the opportunity to use social media, from email to Twitter and Facebook, and to interact without the need for physical meetings.

According to the Chenet al.(2011) individuals can easily share and access information with the rise of social media and online communities.

Lu & Hsiao(2010) told that for social interactions and sharing information online communities and social networking sites are an effective web technology.

Gangeshwer(2013) found that advantages of Digital Marketing to Consumers and Analysis of digital marketing technologies permit the customers to keep on with the company information rationalized .

Methodology and Objectives

The study is based on the secondary data which has been collected through reports, books, research paper and websites etc.

The present study is based on following objectives:

- 1) To study factors that affect the growth of digital marketing
- 2) To Study the reasons for the success of Digital Marketing.
- 3) To Study Significance of digital marketing.
- 4) To provide the Suggestions for improvements.

Factors That Affect Digital Marketing Trends

Digital Marketing in India is affected by many factors which are mentioned below:

- 1) **Technology** –It should be updated on a continuous basis. It should not be like that one technology

will be used till life time. Marketers should update the technology according to need of the society.

2) Channels – Channels help the marketers in getting connected with the marketer. There should be an analysis of cost and profit which is to be done of the various mediums.

3) Target Market – It is very crucial for the marketer to decide the target market while going for Digital Marketing. Today, 560 million people are using the internet and it is fruitless to advertise all the consumers blindly, consequently it will increase the cost. Therefore the publishing and sharing of the content should be according to the need of the market demand. Marketers should know atleast where he should advertise his product, he should know where consumer is more interested .If consumer is interested in mobile messenger he should advertise his product on mobile messenger, if consumer is interested in watching videos ,then he should advertise when he is seeing video, if consumer is interested in games then he should advertise during games or at the start of at the end of the game .In the similar marketer can advertise when consumer is doing mobile banking. Marketer should know the mobile activity of the consumer according to the figure 2.

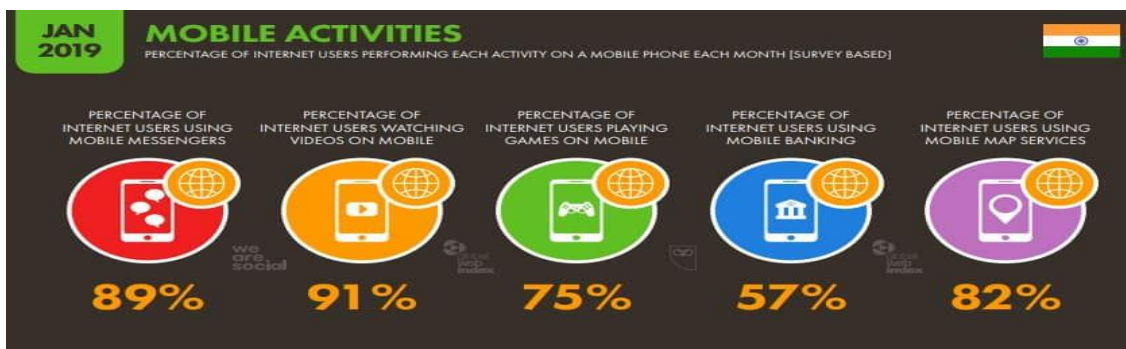


Figure 2: Mobile Activities

Source: <https://datareportal.com/reports/digital-2019-india>

4) Social Media – Today healthy and active social media accounts are maintained by the companies which help the companies in enticing new customers while existing consumers are retained by the social media. We can see the trend of social media in figure 3.

5) Budget – In comparison to the traditional marketing, digital marketing is cost effective. Digital Marketing saves the cost of the marketer.

6) Content – Good content brings more viewers .If the contents are filled with pictures and reasonable search keywords then it will attract the target market.

7).Offline and Online Integration – Consumers are generally visiting the websites for the information of the products and services. It is seen that most

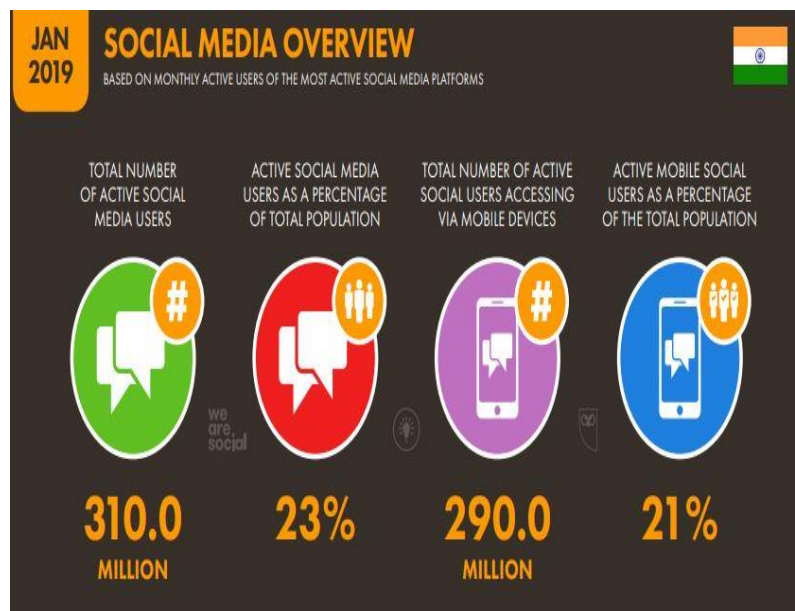


Figure 3: Trend of Social Media

Source: <https://datareportal.com/reports/digital-2019-india>

of the times consumers do not find correct data. Consumers also look up physical place of the marketer. Consumer also makes online reviews & directions for finding the marketer physical place. Therefore it is important for the marketer should integrate his market online and offline for his convenience.

8) Constantly Monitor Content – Due to the dynamic nature of Digital media, time to time consumers are modifying their choices. Therefore there is a need of constantly monitoring of the Contents by the marketer. Contents can be reviewed according to the response and feedback. (figure 4)



Figure 4: Content Streaming Activities

9) Flexibility – Consumer can see the product of any organisation online on their Smartphone from any geographic location. That's why it is flexibility for marketer to enter into the digital marketing domain.

10) Small Starting Cost –In comparison to the other mediums the starting costs of digital marketing are low.

11) Measurable – Everything in digital marketing is measurable.

Reasons for the growth of Digital Marketing in India.

- Through Digital Marketing we can reach to very large number of potential buyers globally.
- Changes or corrections can be done by the marketer any time.
- Digital Marketing works 24 hours a day, 7 days a week, 365 days a year.
- Different text, audio, graphics, and animations make digital marketing powerful.
- Digital Marketing is cheaper in comparison to traditional marketing as there is no printing costs, no postage costs etc are required.
- Digital Marketing manages complex customer relationships across a variety of channels.
- Digital Marketing responds to and initiates dynamic customer interactions.
- It extracts value from big data to make better decisions faster.

Significance of Digital marketing

Digital marketing has changed customers buying behaviour. The significance of digital marketing in the globalized era is as under:

- Digital marketing helps the consumers by providing them updated information about the company.

Many of the consumers are accessing internet from different places and getting the updated information of products and services provided by the companies.

(ii) Companies are engaging their consumers in various activities with the help of Digital marketing. Consumers are visiting the web portal of the companies, fetch the information and do purchase online and providing the feedback to the companies about their product and services.

iii) Digital Marketing is providing clear information about the products or services which further helps customers in purchasing and decision making.

(iv) Many companies are promoting their products with the help of Digital Marketing & it is also becoming the greatest advantage for the customer through which they can compare among products or services by different suppliers in cost and time. Customers need not to waste a time for gaining knowledge about products and services by visit a number of different retail outlets.

(v) Customer can buy a product online 24/7 all days there is no time restriction for buying a product.

(vi) Digital marketing provides a chance to share the content of the product or services to other consumers. An individual can easily provide and gets the information about the characteristics of the product or services to others using digital media.

(vii) There is regular change of prices or special offers by the companies on their products or services and this information is provided to the customers instantly and they can access it also through the websites.

(viii) Earlier Customers were first watching the advertisements on Television and then were going to find out relevant physical store for purchasing the products or services. But digital marketing helped the customers for instantly purchasing the products or services.

Suggestions

- 1) Companies should improve technical advancement which will accomplish the objective of digital marketing.
- 2) The feedback should be Collected and implemented provided by the consumer in the right way by the Marketer.
- 3) Transparent and good service to the consumer should be provided to the consumer before and after purchase.
- 4) There should be awareness among the Indian Consumers about digital marketing by the marketer.
- 5) Complete details about the product to the online shoppers should be provided by the marketer.

Conclusion

Today Digital Marketing has become important for many of the companies and they are adopting different models of digital marketing in their strategy nowadays. Micro Entrepreneurs are using the Digital Marketing as it is a very cheap and efficient way to market their products or services rather than adopting traditional marketing methods. Companies are taking the help of smartphones, tablets, laptops and social media, for promoting their company and their products and services.

In the next few years, Digital marketing in India will be the strength of the Consumer market because we know that long-standing sustainability directly depends on factors like changes in the market, innovations and interactivity by market players. Indian Consumers can now truly expect a well streamlined, efficient and world-class shopping experience supported by the digital Marketing.

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