

A STUDY ON DIGITAL MARKETING IN INDIA - OPPORTUNITIES AND CHALLENGES

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ABSTRACT

This piece of research work aims at understanding the preferred emerging media options used for marketing. In the Internet age many new methods used for product promotion and marketing. This paper mainly studies the development history of digital marketing and existing significance including the difference and contact between digital marketing and traditional advertising and also the relationship between digital marketing and the Internet industry .The purpose of the under taken study is to examine the effectiveness of online digital media advertising and also about emerging media options used for marketing.

Keywords: Media, Marketing ,Digital, Internet and Advertising

INTRODUCTION

Nowadays, the use of digital channels such as the Internet, e- mail, mobile phones, and digital television in marketing has increased, and marketers need to understand how to use these channels for different purposes. It is rather difficult to find definitions of digital marketing from the literature and the term is not very commonly used. Many companies use the strategy of digital marketing to adapt its company and the successful adoption of technologies depends on the perceived ease of use. Digital Marketing Strategy emphasizes how digital technologies make marketing more effective because they allow for individual attention, better campaign management, and better product, marketing design, and execution.

BACK GROUND OF DIGITAL MARKETING

The development of digital marketing is inseparable from technology development. One of the first key events happened in 1971, when Ray Tomlinson sent the first email, and his technology set the platform to allow people to send and receive files through different machines. However, the more recognizable period as being the start of Digital Marketing is 1990 as this was where the Archie search engine was created as an index for FTP sites. In the 1980s, the storage capacity of computers was already big enough to store huge volumes of customer information. Companies started choosing online techniques, such as database marketing, rather than limited list broker. These kinds of databases allowed companies to track customers' information more effectively, thus transforming the relationship between buyer and seller. However, the manual process was not as efficient.

A SHIFT OF MARKETING FROM TRADITIONAL TO DIGITAL:

The development of digital marketing is inseparable from technology development. In 1971, Ray Tomlinson set the platform to allow people to send and receive files through different machines. Digital marketing's development since 1990s and 2000s has changed way brands and businesses use technology for marketing. In the 2000s, with more and

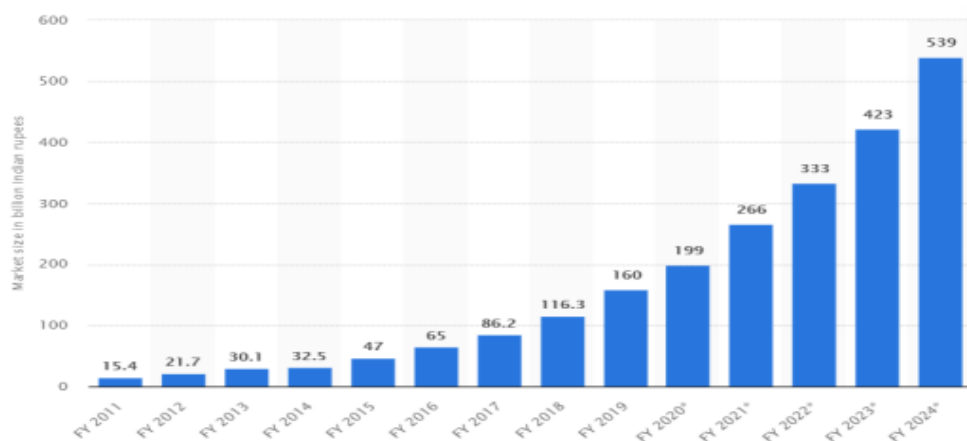
more Internet users and the birth of iPhone, customers started searching products and making decisions about their needs online first, instead of consulting salesperson, which created a new problem for the marketing department of a company. These problems made marketers find the digital ways for market development. As digital platforms are increasingly incorporated into marketing plans and everyday life, and as people use digital devices instead of visiting physical shops, digital marketing campaigns are becoming more prevalent and efficient. In 2007, the concept of marketing automation was raised to solve the problem above. Marketing automation helped companies' segment customers, launch multichannel marketing campaigns and provide personalized information for customers. Digital marketing became more sophisticated in the 2000s and the 2010s, when the proliferation of devices' capable of accessing digital media led to sudden growth. Statistics produced in 2012 and 2013 showed that digital marketing was still growing. With development of social media in the 2000s, such as LinkedIn, Face book, YouTube and Twitter, consumers became highly dependent on digital electronics in daily lives. They expected seamless user experience across different channels for searching product's information. The change of customer behavior improved the diversification of marketing technology. Worldwide digital marketing has become the most common term, especially after the year 2013. Digital media growth was estimated at 4.5 trillion online ads served annually with digital media spend at 48% growth in 2010.

During 2011 and 2025, digital marketing evolved from a focus on websites and basic social media to a sophisticated, data-driven, and AI-powered discipline. The period was defined by the rapid rise of mobile technology, the dominance of social media, and the push for hyper-personalization, driven by data and automation.

DIGITAL MARKETING STATISTICS IN INDIA

By the financial year 2024, this was expected to rise to roughly 539 billion rupees, demonstrating a significant increase in the industry area. (Statista)

Figure 1.2: Market Size of India's Digital Advertising (FY 2011-2024)



Source: Statista. (2019) Market Size of India's Digital Advertising. Available from:

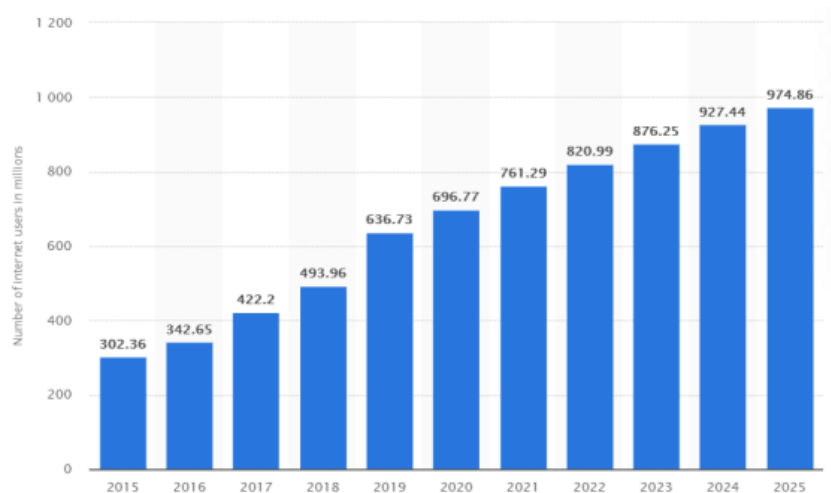
<https://www.statista.com/> (Accessed: 25th June, 2019)

As per the report of IMAI-Kantar ICUBE 2020 research published in Economic Times, in the next five years, the active Internet users in India is predicted to rise by 45 percent and will be reaching approx. 900 million by 2025, which were roughly 622 million in 2020. (Suginraj, 2017) with the reference of International Journal of Advance Research Foundation, has

explained that India has been experiencing a golden time of digital marketing growth since 2013 and the trend is expected to continue at least through 2020.

As per a report of Statista (2020), there will be over 700 million internet users in India in the year 2020, and this is going to rise approx. 974 million users, which will indicate a large market for internet services. In fact, India was listed as the world's second-largest internet market in 2019, trailing only China. The number of internet users is expected to rise in both urban and rural areas, showing a dynamic increase in internet access.

Figure 1.3: Number of Internet Users in India



Source: Statista. (2021) Number of Internet Users in India. Available from:
<https://www.statista.com/> (Accessed: 28th April, 2021)

The vast majority of internet users in the country use their mobile phones to access the internet. Across the country, the number of smartphone users was roughly equal to the number of internet users. Some of the causes leading to India's mobile heavy internet access include the low cost of mobile data, a growing smartphone user base, and the utilitarian value of smartphones compared to desktops and tablets. Despite the country's enormous number of internet users, internet penetration levels took longer to catch up. At the same time, women in India have far fewer internet users than men, and this disparity is even more pronounced in rural areas. Similarly, due to a lack of internet literacy and technological know-how, internet usage among older persons in the country is lower. India's digital footprint has enormous capacity to develop if underprivileged populations, such as women, the elderly, and rural residents are encouraged to use the internet.

REVIEW OF LITERATURE

The impact of digital marketing plays an important and significant role for the business organizations. The following related literature is reviewed to fulfil or to meet the objectives of the study. For this purpose, different researcher articles, books, journal, research papers are analysed and reviewed.

Verma&Munjhal (2003) identified Brand choice decisions are influenced by factors like quality, price, availability, packaging, and advertisement. Brand loyalty is influenced by customer behavioral and cognitive patterns, with age and demographic variables being less significant than gender and marital status.

Naidu (2004) in his study The study analyzed rural consumers' awareness of consumer

movements, finding that it is qualitative and cannot be directly measured quantitatively. The awareness was measured through responses to questionnaires on consumer movements, cosmetics, banking services, drugs, food products, tooth pastes, and hair oil. No fixed value or scale was found to measure the awareness.

Leeftang, Verhoef, Peter Dahlstrom and TjarkFreundt reviewed Internet usage is rapidly increasing globally, making digital a key competitive edge in both B2C and B2B marketing. Companies face challenges in going digital, with talent gaps, organizational design adjustments, and actionable metrics identified as major areas for improvement.

NEED AND IMPORTANCE OF STUDY

As technical improvements and advancements are growing at a pace in all the sectors, Digital Marketing has become an important and vital feature or factor for business organisations in all sectors. Market research is one of the most important considerations for any firm looking to gain a significant competitive advantage in the marketplace. The current study, titled "A Study on Digital Marketing in India" focuses on understanding the many types of opportunities and challenges of digital marketing on Indian firms, as well as customer perceptions of digital marketing or one of its subsets, digital advertising. Firms will have a detailed understanding of the various functions of digital marketing, its good and negative effects, as well as what customers think about this growing technical breakthrough in the field of marketing, i.e., digital marketing, by following the findings of this study. The opinions and impressions of customers are critical to every company's success. This work is significant since there is relatively little research being done on this topic, and there are very few specific papers available in this sector. The study's conclusions and findings will aid businesses that are utilising or planning to use digital marketing in the future in understanding the role, scope, and impact of digital marketing on businesses.

SCOPE OF STUDY

Scope of digital marketing is tremendously increasing. As internet is continuously dominating the world. It has changed the lifestyle of every individual as people are spending maximum of their time on internet or working over internet. The current study has wide scope for business organisations in different sectors as study has been carried out to find out different impacts of digital marketing on Indian firms and also the perception of customers about digital marketing. This will help to solve different future research issues and helps the business organisations as well as the customers in decision making. This study will bring out the different factors of digital marketing which are impacting the businesses positively or negatively so that businesses will get to know whether to make use of digital marketing or not. This study will also reveal challenges faced by businesses in implementation of digital marketing strategies. The results and findings of the study will help the businesses which are using or starting digital marketing to know the role, scope and impact of digital marketing on businesses in future.

RESEARCH ISSUES

The Internet is increasingly dominating the world in different ways. In the present scenario, everyone has easy access to internet. People are spending a maximum of their time on internet by using media like smartphones, laptops, and other electronic gadgets. This lifestyle has attracted business organizations to shift their marketing approach towards digital marketing. They are making use of digital technologies to expand their penetration in comparison with market share.

By keeping the implications of digital marketing into consideration and research gaps in the

relevant field, the following research issues are proposed in the present research.

- What are the different worldwide trends in the usage of digital marketing?
- What are the favorable factors towards adoption of digital marketing?
- What is the cost of campaign setup, infrastructure, and other basic requirements and facilities?
- What benefits business organizations are getting after the adoption of digital marketing?
- Which factors encourage business organizations most towards the adoption of digital marketing?
- What strategies are being used by business organizations to reap the maximum benefits of digital marketing?
- What are the challenges and benefits business organizations are facing after the adoption of the same?
- What are the perceptions of consumers toward digital marketing?
- How social media presence is important for business organizations?

Objectives of the Study

The following are the main objectives of the study:

1. To study the emergence of digital marketing in the Indian scenario
2. To depict the concept of digital marketing.
3. To assess the digital marketing environment in selected study area.
4. To analyze opportunities and challenges of digital marketing.

Research Design: In present study we used Descriptive Research Design.

Data Collection:

The nature of the present study is conceptual. To fulfill the above mentioned objectives, secondary data has been used by ascertain from various reports published and Internet. Primary data also being collected from discussion of various customers who are actively participate in online marketing.

PRINCIPLES OF DIGITAL MARKETING

Content Capital: With apparently endless quantities of content out there, it probably comes as no surprise that a disturbing amount of this content is total garbage. Successful digital marketing will set itself apart from the junk by resting its laurels on solid, engaging and sharable content.

Simplicity=Efficiency: Want people to thoroughly connect with your digital marketing message? Then keep it simple. All too often we see potentially amazing digital marketing initiatives miss the mark simply because they got a little overzealous and overcomplicated.

The Customer Connection: You have to know your customer. This digital marketing principle may seem pretty basic, but it is often lost in the struggle to create the next 'big' idea. The best angle is one that captures and enraptures the attention of your customer by speaking directly, clearly, and as we've already stated, simply to them.

Pimp your Vitals: The majority of customers visit your website to get the most basic of basic information, like location, street address, email address and phonenumber. Make sure these vital details are super easy to find.

CHANNELS OF MARKETING



1. Content marketing

Content marketing is a marketing strategy used to attract, engage, and retain an audience by creating and sharing relevant articles, videos, podcasts, and other media. This approach establishes expertise, promotes brand awareness, and keeps your business top of mind when it's time to buy what you sell.

2. Search engine optimization (SEO)

SEO stands for 'Search Engine Optimization', which is the process of getting traffic from free, organic, editorial, or natural search results in search engines. It aims to improve your website's position in search results pages. Remember, the higher the website is listed, the more people will see it.

3. Email marketing

Email marketing is a direct marketing channel that lets businesses share new products, sales, and updates with customers on their contact list. Email marketing is a type of direct marketing that uses personalized emails to educate your email list about your product or services.

4. Social media marketing

Social media marketing (SMM) is a form of internet marketing that uses social media apps as a marketing tool. These social media platforms enable brands to connect with their audience to: build a brand; increase sales, drive traffic to a website. The six types of social media, though this can be broken down in many ways, include social networking, bookmarking, social news, media sharing, micro blogging, and online forum sites.

5. Video marketing

People spend a third of their time online watching videos. Videos even help make buying decisions. A number of big companies have created some of the best video ads and viral videos as a part of their marketing strategies. Two great examples are the Always "Like a Girl" campaign and Geico's "Hump Day" ad.

6. Pay-per-click advertising (PPC)

PPC or pay-per-click is a type of internet marketing which involves advertisers paying a fee each time one of their ads is clicked. Simply, you only pay for advertising if your ad is

actually clicked on. It's essentially a method of 'buying' visits to your site, in addition to driving website visits organically.

7. Affiliatemarketing

Affiliate marketing is an advertising model in which a company compensates third-party publishers to generate traffic or leads to the company's products and services. The third-party publishers are affiliates, and the commission fee incentivizes them to find ways to promote the company.

8. Influencermarketing

Influencer marketing is a type of marketing that uses influencers to promote a brand to a larger market. Influencers are opinion leaders with a social following base. They appear as experts or trustworthy sources of information.

9. Partnershipmarketing

Partnership marketing is based on shared interest between two companies or entities and seeks to build brand awareness for both through product offerings or provision of other benefits to consumers. Google sponsored Wi-Fi at Starbucks is an example of partnership marketing.

10. Referralmarketing

Referral marketing is a marketing tactic that makes use of recommendations and word of mouth to grow a business's customer base through the networks of its existing customers. Referral marketing is an organized process where you reward your customers for sharing your brand or products with their friends, family

11. Mobilemarketing

Mobile marketing may include promotions sent through SMS text messaging, MMS multimedia messaging, through downloaded apps using push notifications, through in-app or in-game marketing, through mobile websites, or by using a mobile device to scan QR codes.

12. Displayadvertising

Display advertising appears on third-party websites and uses video, image, or text elements to market products or services. There are many types of display advertising. Banner ads are an example of display advertising. So are desktop and mobile leader board ads.

TOOLS OF DIGITAL MARKETING

Social media platforms: Common part of any integrated marketing strategy, social media platforms like Facebook, Instagram and Snapchat are a great way for marketers to engage with their audiences and generate buzz around their brand. In addition to the standard features these platforms offer, there are also some features that are designed specifically for marketing.

Design tools: Part of digital marketing is design and this is especially common when it comes to creating ads and content like social media posts and blog posts. Because digital marketing is such a design heavy field, doing it effectively wouldn't be possible without design.

Analytics tools: Another set of helpful tools for digital marketers are analytics tools. These include everything from Google Analytics to social media analytics tools like Facebook Insights and Twitter Analytics which provide metrics related to engagement and help marketers optimize their campaigns.

DIGITAL MARKETING: SWOT PERSPECTIVE

SWOT analysis of digital marketing is to say in brief, SWOT analysis is an in-depth analysis of any topic by bringing out the Strength, Weakness, Opportunity and Threat of it. This helps the user to understand all the aspects of the topic, both negative and positive. Through this blog it is intended to only provide more clarity to the readers on how and why the world is moving towards digital marketing.

STRENGTH OF DIGITAL MARKETING IN INDIA

- Easy to target and reach more audience at a cheaper price.
- Campaigns can be easily customized and made more targeted as per our business requirements.
- As the world is more dependent on the internet, it helps the business to reach out and connect with the people on a larger scale.
- Saves a lot of money as compared to the traditional way of marketing as it is cheaper and efficient.
- Being recognized as a brand has become much easier.
- The options are not confined to one or two, there are many options and people can choose to switch from one to the other if plan as does not work and that does not cost a great loss of money.
- Promotion of small business is easy as it is cost effective.
- Entrepreneurs find it very useful as they do not need a huge budget for this and it gives them huge platform to make a mark on the digital world.
- You do not require a large team to do digital marketing campaigns unlike the traditional manner which in turn saves money, time and labor and also increases the ROI.

WEAKNESS OF DIGITAL MARKETING IN INDIA

- A challenge to reach the population which is still not using the internet.
- High chances of failure of digital marketing campaigns because of confusion due to the availability of many different marketing options.
- Keeping pace with new trends and technology.
- Need of deep understanding of changing human behavior and requirements.
- If your brand or product is not justifying the users need, then the chance of getting bad reviews in public is very high, which in turn might damage the reputation.
- Damage control of bad reviews or complaints on social media or digital platform is a huge task and can even lead to the closing of businesses.
- Data Analysis is still a very big concern and very few people are professional in it as not many are able to understand what data actually says.

OPPORTUNITY OF DIGITAL MARKETING IN INDIA

- More and More employment for the youth as this field is just growing and number of professionals are less.

- Increase the reach of your brand, therefore, leading to direct profit.
- There are lots of ways through which owners earn money apart from their primary business, e.g. giving space for ads on website, affiliate marketing in e commerce etc.
- If the digital marketing comes everywhere in a full-fledged manner it will help the country itself to become digital that means major chunk of our population will start leading a life which will be smarter and faster.
- It will help our Indian Government Organizations to become digital.
- All the operation from railways, municipal organization etc. will become faster and smoother.
- Storing of valuable and confidential data of the government organizations will be easy and secured.
- The Dream of making “Digital India” can become true.

THREAT OF DIGITAL MARKETING IN INDIA

- If it doesn't work perfectly then chances of back fire is higher i.e. it might damage the brand name.
- Due to ever changing trends of different marketing areas and ever changing rules of search engine for optimizing the content, continuous awareness is required, which is very difficult.
- Storage of data with full security is still a big question mark.
- Analyzing the data in a wrong way can lead to damaging results which is found in a lot of companies.
- With the growth of this digital platform, customers have become more vocal about their feelings and opinions, and with the availability of this platform they have the power to damage as well as advocate for any brand, which is a high risk for the marketers.
- Day by day it is engulfing all the traditional ways of marketing, which ultimately might even lead to Television being left as the only source of traditional marketing.

PROS AND CONS OF DIGITAL MARKETING:

Digital marketing allows marketers to see accurate results in real time. If an advert is put in newspaper, it is difficult to estimate how many people actually flipped to that page and paid attention to ad. There's no surefire way to know if that ad was responsible for any sales at all. Yet digital marketing would help you to know reach for your product/service, to get engaged with prospective customers, to have global reach, to promote in personalized manner. However, with digital marketing have some setbacks. Digital marketing is highly dependent on the internet. Because internet may not be accessible in certain areas or consumers may have poor internet connection. It has lot of clutter, so marketers find it hard to make their advertisements stand out, and get consumers to start conversations about an organizations brand image or products. But still large amount of competing goods and services that are also using same digital marketing strategies can be the disadvantage. Some companies can be portrayed by customers negatively as some consumers lack trust online due to the amount of advertising that appears on websites and social media that can be considered frauds. Even an individual or small group of people can harm image of

an established brand. Digital marketing disseminates only information to prospects most of whom do not have purchasing authority/power. Hence reflection of digital marketing into real sales volume is suspicious.

CHALLENGES OF DIGITAL MARKETING

- Customers are more savvy or informative than marketers
- Customers are increasingly demanding better quality and reliability in the products
- Customer wants, needs and expectations are changing more rapidly
- Marketers operate in a market where all customers want mostly the same thing
- New products and services are coming to market more quickly than in the past
- Competitors have introduced multiple brands for their products and competition for sales is
- Media are being more fragmented and expensive for advertising the products
- Competition is now global
- Competition is well established and entrenched
- Information technology is having a significant impact on business practices
- The accountability of the marketers has been increasing rapidly towards their customer

CONCLUSION

To summarize, digital marketing is the way to go for any business which hopes to capture global interest in its products. As such, digital marketing may not be easy to sustain but with the emergency of social media tools, such as Facebook or Twitter, organizations can still achieve the best. It is not necessary to struggle to have in place a web site in order to have a web presence, but the aforementioned tools can be effective to achieve this end. The parting note would be to have strong and reliable legal provisions that will make digital marketing beneficial to organizations that depend on it. Digital marketing never stands still. It's a field that's always evolving, with new internet marketing trends like artificial intelligence and video marketing growing at rapid rates. Even more established areas like SEO continue to shift year by year, and digital marketers must never stop learning.

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