

The Study of Digital Business Strategies in India

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ABSTARCT

The consumption of digital media has risen tremendously over the past few years in India. The exponential rise is seen due to easier and cheaper availability of internet by leading Internet Service Providers. The cut throat competition between the big players in the internet market has been proving beneficial for the users. This is forcing the business to go digital. But a detail study of various digital business strategies is important to avoid any surprises and losses. If one is aware about the pros and cons of the digital business strategies it will be easier to implement it and avoid mistakes. As it is obvious that the digital presence of any business is unavoidable but it is also important to have a detail study of digital business strategies to get maximum ROI (Return on Investment).

Keywords: *Business, Digital, E-Commerce, Growth, Internet*

1. INTRODUCTION

With the rise of the concept of Internet more and more companies are entering in to the market of digital business. From a matter of choice, digital presence has now become a compulsion for the startups as well as for the older companies. Due to the astounding growth of e-commerce in India all the business sectors are now making use of it at a greater scale.

At the early stages of development many people had doubts and fears about the digital presence of their business. These fears were true up to a greater extent because of the increasing incidences of online frauds and thefts. Such phenomenon made the sellers as well as the buyers to refrain themselves from implementing e-Business practices. After changes in the security practices and strict rules and regulations by the government the scenario began to change. The banking institutions and other business started to spread awareness regarding customer safety during online transactions. Due to the assured money transfers and safer online transactions the belief of customers began to regain.

Digital presence started to add greatly to the profit incurred by businesses there by attracting more and more people towards it. Thus it can be said that Digital business is on a rise and is expected to grow by leaps and bounds in coming years.

2. GROWTH OF E-COMMERCE INDUSTRY IN INDIA

The main reason for the faster growth of the digital business is its contribution to the rapidly growing economy like India. Due to extensive increase in the usage of mobile phones internet has become a very common thing. Hence more and more businesses are targeting audiences through online medium. Following chart shows the tremendous increase in the spending capacity of the people in India. It also reflects that the capacity is going to increase even more in the coming years (2019-2020).

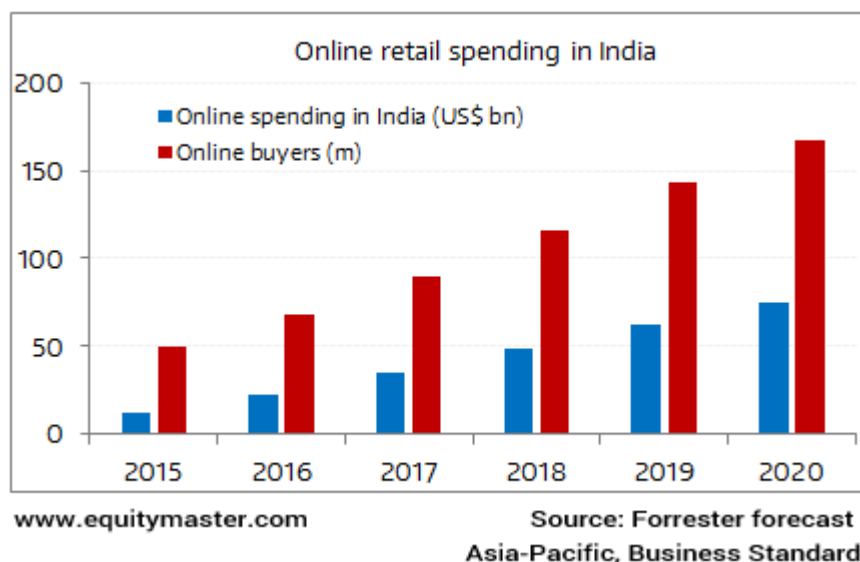


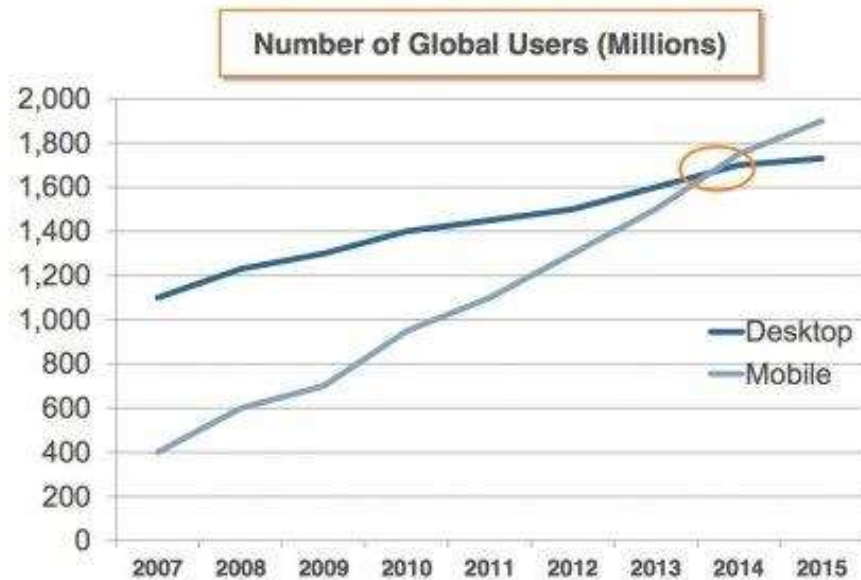
Chart No: 1

The people in India are actually making purchasing decisions unlike olden times when they used to search online, gather information about various products and then go to the actual market to purchase the same product. But the major player in the field such as Amazon, Flipkart, and Snapdeal etc. has changed this picture to absolutely opposite. Indian buyers are gathering information about the products (especially in case of mobile phones) through manual market and are making purchase decision through online portals.

There is a rapid growth seen in the internet users in rural areas due to the rising number of internet cafes which provides internet at a very cheaper rate. The easy and cheap availability of smart phones have also contributed to the rapid growth of digital business in India. After demonetization by the government of India the growth of online financial transactions is astonishing.

3. DIGITAL BUSINESS STRATEGIES

1) **Mobile Marketing** – It is one of the most booming types of digital business. As seen in Chart No. 2 there is a steep increase in the mobile users from 2007-2015 as compared to desktop users. The use of applications for almost every purpose is on the rise. These applications are extremely user friendly and convenient. Some applications which attracted the youth towards it include gaming applications, banking applications, dating applications, health related applications etc. The companies can easily target the audiences through location based marketing depending upon the availability of the customer in their business's vicinity. Mobile marketing also enables SMS marketing through which the non smart phone users can also be targeted. This SMS marketing is very useful for reaching to remote and rural areas of India.



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Source: Morgan Stanley Research

Chart No: 2

Source: https://wordstream-files-prod.s3.amazonaws.com/s3fs-public/styles/simple_image/public/images/marketing-for-mobile.jpg

- 2) **Social Media Marketing** - The situation in this area is changing day by day. Current events around social networks need to be constantly under control exploiting all the new features available. The magic of social networking is that the content is shaped by the users – that’s their most powerful weapon, while it also may be the biggest pitfall for marketers. The formation of community means that people within it can discuss their views and opinions on various things – from a complete nonsense, through politics to evaluation of services and products. The community opinion is then a far more forceful instrument than any other marketing method, because people trust each other more than to promotions.
- 3) **E-Mail Marketing** - E-mail marketing is probably the most important representative of the so-called “direct marketing” (the form in which two entities communicate directly). It is more than obvious from the title that we are talking about sending e-mails with a marketing purpose. Although it may seem very easy at first glance, this method is very often underestimated and consequently its potential gets destroyed. Other forms of direct marketing like various communication channels e.g. chats, instant messaging etc. are also used as a form of direct marketing. However, these are (usually) not used for reaching customers, but rather as a user support – resolving questions about products/services, technical support etc.
- 4) **Video Marketing** – Video marketing is the best way to connect with the audience directly as it provides a medium to bond with the customer’s emotions. It has got power to attract and excite the audience about the brand. Videos give the power to the marketer to connect to the audience digitally through a story which is the best medium

of impacting the brand on the customer's mind. Many businesses are now a day's opting for inspirational videos as it leaves a long lasting impact on the audience.

- 5) **SEO** – Search Engine Optimization is the technique to increase the in-flow of web traffic to the website. This technique is best suitable for digital businesses as it provides high ranking placement to the SERP (Search Engine Result Pages). There are many types of SEO's such as On-the-page SEO, Off-the-page SEO, violations .etc. Its main advantage is that it helps to increase the accessibility of the website to the search engine and improves the top ranking chances of the website.
- 6) **SEM** – Search Engine Marketing is a majorly paid service offered to increase the visibility of Search Engine Result Pages (SERP). It uses various methodologies such as keyword research and analysis, website popularity and website friendliness checker to optimize the websites. The characteristic feature of SEM is that it includes both paid and organic results and uses practices such as pay per click and pain tie ups with AdWords and Bing Ads.

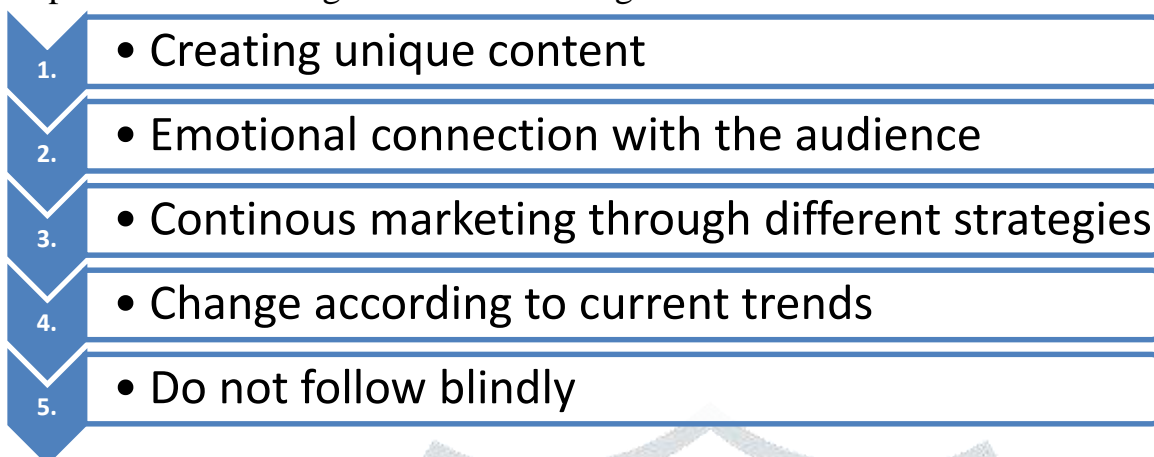
4. CHALLENGES IN INDIAN MARKET

Following are the factors which are posing as hurdles to the growth of digital business in India:

- 1) **Digital Illiteracy** - When it comes to India, digital illiteracy is still a big issue. Huge amount of digital illiteracy leads to exhortation of people from technology. Large amount of people fall prey to hackers and thefts especially from rural areas thereby making it hard to regain their faith in digital business.
- 2) **Retaining Clients** - As it is a challenge to get clients it is equally a challenge to retain them. There is a common observation that after certain amount of time the clients switch from one service provider to another. Coping up with the unrealistic client expectations is also a real deal.
- 3) **Implementing the change** - Many clients still prefer traditional marketing practices over digital ones. The established companies do not easily agree to come out of their comfort zone and opt for digital marketing which is a naive aspect for them.
- 4) **Money matters** – Investing in digital marketing practices is still hard to afford for many enterprises. Many companies spend thousands on traditional marketing practices but show reluctance towards digital practices without comparing the return on investment (ROI).
- 5) **Misinformation** – Indians easily fall prey to prank calls, false information and fraudsters. Many a time's people share their confidential information without confirming its truth. This leads to frauds, hacking and loss of money and data thefts.

5. CONCLUSION

The following chart shows the major aspects which need to be focused during the implementation of digital business strategies in India:



Following are the major conclusions:

- 1) There are many digital business strategies available in the market but only few are seen to be effective for the Indian market. The most effective are Search Engine optimization (SEO), Search Engine Marketing (SEM), Social Media Marketing (SMM), Video marketing, Email Marketing .etc.
- 2) These strategies vary in their implementation and Return on Investment (ROI). They need to be properly understood before implementation and even the customers need to have proper knowledge about the returns.
- 3) As the digital market in India is growing exponentially newer strategies are getting introduced day by day. But the strategies which have the capacity to involve and stick the customer digitally will be the winner.
- 4) Converting a lead into a customer is what counts at the last and that is only possible if the implemented strategy is innovative, creative and well connected to the customer.
- 5) There are huge challenges in the way of Digital business in India but its wider reach and super effectiveness is simply unavoidable.

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