

A STUDY ON DIGITAL MARKETING IN INDIA: OPPORTUNITIES AND CHALLENGES

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ABSTRACT

The first approaches to digital marketing defined it as a projection of conventional marketing, its tools and strategies, on Internet. However, the particularities of the digital world and its appropriation for marketing have fostered the development of channels, formats and languages that have led to tools and strategies that are unthinkable offline. In India, the internet habitual consumers are rapidly increasing, and this is only set to escalate in the future. India's internet user base is estimated to reach 550 million by 2020 with a penetration of approximately 40 per cent, a significant increase from the current 35 per cent. This study concern with practical guideline for the online marketing and defining main terms and techniques of it. The outcome of this paper will be developed the understanding of main advantages and disadvantages of online marketing that would be useful for every organization that wants to market their products through internet and before wants to get acquainted with pros and cons of online marketing.

Keywords: Search Engine Optimization (SEO), 4G LTE market, Email Advertising, Social Networking, Intrusive Advertising

1. INTRODUCTION

Now it is a well-known fact that what we call 'marketing' has undergone substantial changes over the past two decades, and the key role in this transformation has been played by internet. Internet "refers to the physical network that links computers across the globe. It consists of the infrastructure of network servers and wide area communication links between them that are used to hold and transport the vast amount of information on the internet".

Introduction of internet have reshaped the structure and performance of different sectors, e.g. hospitality, travel, health and medicine, marketing education etc. Introduction of internet has changed the rules and marketing practioners have no way but to adhere to it. In fact marketing is just one of numerous fields have been substantially revolutionized by internet-based technological innovations. Halloway maintains that "Information and communication technology, as it is now known, has come to play a key role in all elements of the marketing mix, and the new term recognizes the importance of communication in the interface between a business and its customers". The most prominent point regarding the advent of Internet to the center stage of commerce and marketing is that Internet is not considered merely a new channel of promotion, a new type among other traditional, pre-Internet types of marketing goods and services. Quite contrary, it has brought about a turning point, a complete shift to a new business model, which results in an inevitable reconceptualization of the very nature of marketing. This new understanding is inevitable since new communication technologies have fostered a new dynamic environment in which marketer oriented, top-to-down, unilateral approach gives its place to a customer-oriented, bottom-to-up, reciprocal process.

1.2. What is Digital Marketing?

The first approaches to digital marketing defined it as a projection of conventional marketing, its tools and strategies, on Internet. However, the particularities of the digital world and its appropriation for marketing have fostered the development of channels, formats and languages that have led to tools and strategies that are unthinkable offline. Today, rather than a subtype of conventional marketing, digital marketing has become a new phenomenon that brings together customisation and mass distribution to accomplish marketing goals. Technological convergence and the multiplication of devices have led to an opening up of the ways in which we thinking about marketing in Internet and have pushed the boundaries towards a new concept of digital marketing use recentred, more measurable, ubiquitous and interactive. The development of digital marketing strategies offer much potential for brands and organisations. Some of them are as follows:

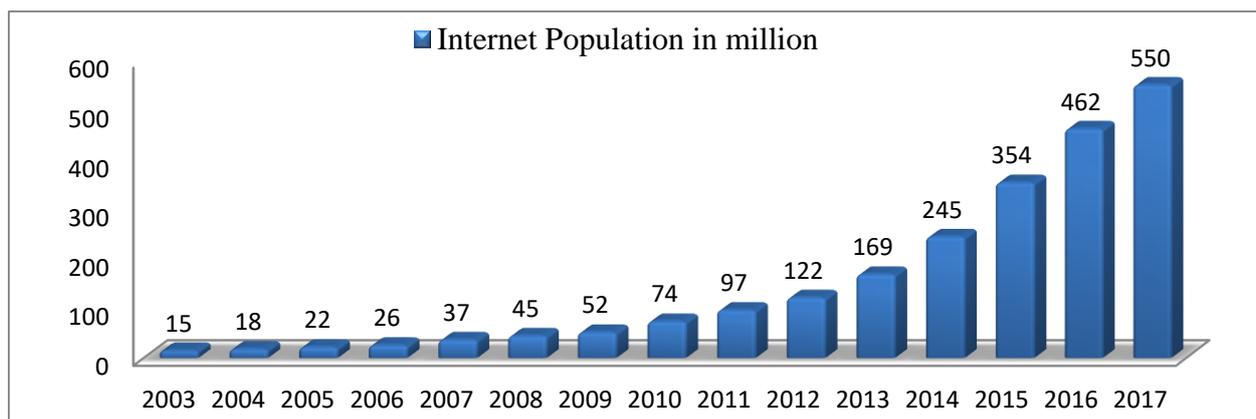
- **Branding:** Platforms and 2.0 services are a great opportunity to build a brand image on the Web due to their scope, presence and constant updates.
- **Completeness:** The possibilities to disseminate information through links offer consumers the chance to approach the organisation in a wider and customized way.
- **Usability–functionality:** Web 2.0 offers simple and user-friendly platforms for all in order to improve user experience and allow for their activities.
- **Interactivity:** In the context in which organisations try to forge long-term relationships with their audiences, Internet offers the possibility of having a conversation and therefore of generating a positive experience with the brand. Such interactivity can be basic, as product assessment, or become an all-encompassing experience.

- **Visual Communication:** In line with visual thinking, digital marketing offers marketers different image- and video-based tools. This is an attractive way of reaching audiences that can lead to greater engagement.
- **Relevant Advertising:** Easy segmentation and customisation of advertising in Internet maximise the output. Besides, free from the limitations of other media, this environment has allowed for more attractive advertising.
- **Community Connections:** Internet is a unique opportunity to connect organisations with their audiences and users among themselves. This connectivity can improve their experience and enhance the relationship with the product, brand or organisation.
- **Virality:** The essence of Internet as a Web of interconnected nodes makes exponential expansion of any content possible. Taking the model of WOM (word of mouth) communication, viral communication becomes more relevant due to connectivity, instantness and shareability of online platforms that enhance the dissemination of content.
- **Measuring Output:** Online platforms rank first in the availability of follow-up options and the possibility to assess output.

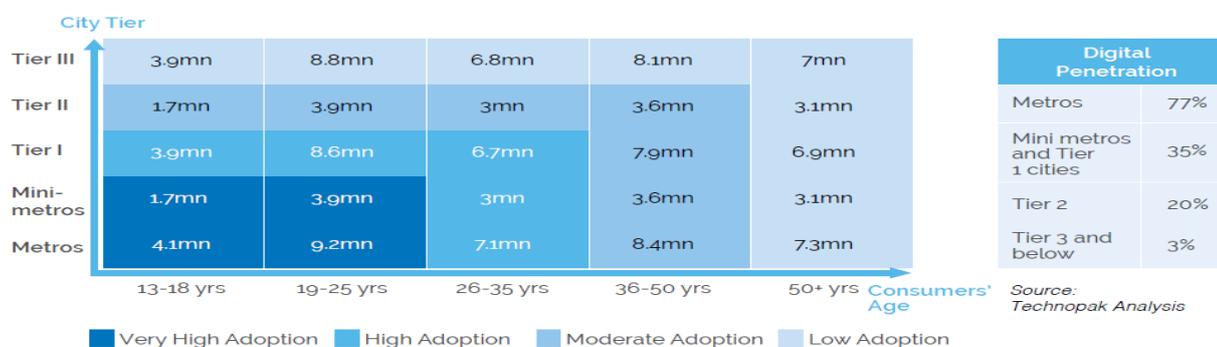
In any case, to make the best of all these possibilities, organisations must ensure that their Internet presence or their presence on their different 2.0 channels follows a strategy with concrete goals, in line with their brand or organisational image. Being on the Web without proper planning can not only mean a lost opportunity in terms of resources and potential, but also it can indeed have a negative impact on the organisation, as the audience, their needs and perceptions regarding the organisation are unknown.

1.3. Growth of Internet Users' in India

In India, the internet habitual consumers are rapidly increasing, and this is only set to escalate in the future. India's internet user base is estimated to reach 550 million by 2020 with a penetration of approximately 40 per cent, a significant increase from the current 35 per cent. The youth have the highest adoption rate of technology. With every third person in India being a youth, India will witness an incredible pace of Internet growth.



Source: IAMAI, World Bank, CNNIC, Technopak Analysis



According to Strategy Analytics Survey Report, India would overtake Japan to be the world’s 3rd largest 4G LTE market by 2016. It will also surpass US to be the world’s second largest smart phone market by 2017. Due to the declining selling price, there is a widespread adoption of smart phones resulting in an enormous surge in the number of mobile internet users in India. India is estimated to have 371 million mobile internet users by June 2016. Mobile internet users have seen much faster growth as compared to broadband users. This growth is expected to continue given the increase in the penetration of high speed Internet, driven by 3G and 4G (more recently) wireless technology.

India’s internet user base increased by 49 per cent in 2015. Mobile internet is primarily responsible for this growth, with 94 per cent of users accessing the Internet through their mobile phones in urban India. 65 per cent of the internet traffic comes from mobile phones. Smart phone users in India are estimated to grow at a CAGR of 38 per cent in the next 4 years. Most of this growth will come from device migration of feature phones to smart phones. Combining this with the increase in the Internet user population, a greater demand of digital learning products among the masses can be expected in the future.

2. REVIEW OF LITERATURE

Suguna and Selladurai in this paper highlighted the factors of SWOT analysis of digital marketing in India. A country (India) of over 1.25 billion people, every working professional is obvious to be familiar with digital marketing, whether he he’s a part of it or not. Simply speaking, digital marketing is the way to promote your products or services online. Penetration of Internet is around 20 per cent in India, which is less compared to US which has 80 per cent internet penetration and China which has up to 50 per cent. But 20 per cent of 1.2 billion people makes it 25 corer internet users and is having global rank 3 in Worldwide Internet users ranking. 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.

Niharika and Satinder in the present study reviewed in the past few years, the internet and e-commerce business activities have become one of the fastest growing technologies that playing a significant role in the daily life of human being. Today, E- marketing is one of the most emerging technologies in IT and E-Commerce sector. E- Marketing helps to find out the right audience to whom goods and services are to be provided by the business organizations. It consists of all processes and activities with the purposes of

attracting, finding, winning and retaining customers. The scope of E- Marketing is deemed to be broad in scope it does not only use to promote marketing over the internet but also helps in marketing as well through e-mail and wireless media. Here, they are analyzed to find out the opportunities and challenges of Internet marketing in India.

Afrina Yasmin, Sadia Tasneem and Kaniz Fatema's article focuses on the importance of digital marketing for both marketers and consumers. This study has described various forms of digital marketing, effectiveness of it and the impact it has on firm's sales. The examined sample consists of one hundred fifty firms and fifty executives which have been randomly selected to prove the effectiveness of digital marketing. They find out that the marketers are faced with new challenges and opportunities within this digital age.

Leeflang, Verhoef, Peter Dahlstrom and Tjark Freundt reviewed internet usage continues to explode across the world with digital becoming an increasingly important source of competitive advantage in both B2C and B2B marketing. A great deal of attention has been focused on the tremendous opportunities digital marketing presents, with little attention on the real challenges companies are facing going digital. The results reveal that filling "talent gaps", adjusting the "organizational design", and implementing "actionable metrics" are the biggest improvement opportunities for companies across sectors.

Rukchika Mahajan in her study stated that online marketing refers to a set of powerful tools and methodologies used for promoting products and services through the Internet. It includes a wider range of marketing elements than traditional business marketing due to the extra channels and marketing mechanisms available on the Internet. These are the valuable complements of traditional marketing methods whatever the size of the company or model of the business.

Rashi Singhal described in his study that marketers have been using electronic tools for many years, but the internet and other information technologies created a flood of interesting and innovative ways to provide customer value. The more the Internet settles into mainstream business, the more it spawns innovation and more change. E-marketing is traditional marketing using information technology but with some twists. The marketing transformation results in new business models that add customer value, build customer relationships, or increase company profitability. This in turn created a virtual market for actual products globally.

3. OBJECTIVES AND METHODOLOGY

3.1. Significance of the Study

This study concern with practical guideline for the online marketing and defining main terms and techniques of it. The outcome of this paper will be developed the understanding of main advantages and disadvantages of online marketing that would be useful for every organization that wants to market their products through internet and before wants to get acquainted with pros and cons of online marketing. As

well as this the study would be useful for taking actions for those who already promote their products in digital marketing but do not know what could be corrected and developed in order to achieve better results.

3.2. Objectives of the Study

The following are the main objectives of the study:

- To depict the concept of digital marketing.
- To assess the digital marketing environment in selected study area.
- To analyze opportunities and challenges of digital marketing.

3.3. Data Collection

The nature of the present study is perspective and conceptual. The universe of this study is digital marketing sector. To fulfill the above mention 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.

4. 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 intend to only provide more clarity to the readers on how and why the world is moving towards digital marketing.

4.1. 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.

4.2. 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.

4.3. 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.

4.4 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.

5. IMPORTANCE OF DIGITAL MARKETING

Below are some of the reasons why it is absolutely important for any business to invest in online marketing for their brands.

5.1 Cost effective

DM (digital marketing) is one of the best cost effective ways of advertising because marketing products on the internet is less expensive in comparison to physical marketing due to short chain of middlemen in online marketing as well as less expenses on the physical outlet of the showrooms and the use of marketing articles or social media in establishing an online presence is minimal and you don't have to incur cost of rental property and its maintenance because there is no need to purchase stocks in bulk for display in a store physically.

5.2 Convenient

Digital marketing enables to provide 24/7 services without worrying about the opening and closing hours of a physical store. It's also convenient to customers because they can browse your online store at any time and from any place worldwide and place their orders at their own convenient time.

5.3 Increase website traffic

The use of articles or social media as a marketing strategy will help to increase traffic to a business website. The more people visiting the site the more likelihood to closing with more sells and generating more interests of people in the products.

5.4 One-to-one Marketing

Internet marketing overcomes barriers of distance is overcome by Digital marketing because you can sell goods in any parts of the world without setting up a local outlet over there, thus the scope of target market becomes very wide. However, digital marketing desire to sell the product or services internationally will have to use localization services to ensure that your products are suitable for local markets and comply with local business rules and regulations. Localization of services includes translation and product modification which reflect the differences in local market.

5.5 Improves association

Better platform to build relationships with customers to increase customer retention level is provided by digital marketing. For example when a customer has purchased a product, first step to begin the relationship by sending a follow up e-mail to confirm the transaction and then thank the customer. You can also invite the potential customers to give product reviews on your website regarding the existing product and this will help to build a sense of association.

5.6 Personalization

By building a profile of their purchasing history and preferences, digital marketing will help a business to personalize offers for customers. You can do this by tracking the product information and web pages that helps to prospect, visit and make targeted offers which reflect their interests.

5.7 Enlarge sales

Internet marketing will increase sales because it provides the consumers opportunity to purchase the products online rather than physically going to a place or sending an order form by mail. This will increase the impulse rate of purchasing power resulting in an increase of revenue for business organizations and an excellent return on their investments.

5.8 Forever available to consumers

Using digital marketing techniques businesses can give their consumers a 24 hour outlet for finding the products they want; in physical outlets shopping is done in only normal working hours which impact the work schedule and lifestyle of the customers.

5.9 Better conversion rate

If there is a website to promote business organization, then your customers are only few clicks away from completing a purchase from your website. Unlike other media, e-marketing is seamless, which require people to get up and make a phone call, post a letter or go to a shop.

6. CHALLENGES OF DIGITAL MARKETING

6.1. Marketing integration

Multiple channels are employed by the sales efforts which are online and offline, e.g. email advertising, social networking, outbound call handling and so on. The problem faced with these is that they are supposed to serve a concrete and measurable goal as part of an integrated campaign even though they are often handled as different parts of the work. So to coordinate all marketing efforts must be a priority. Alongside the traditional campaign, e-marketing should be done and should not be tacked at the end of the business plan.

6.2. Security and privacy

Most people do not completely trust Web companies and, thus, they hesitate about offering information about themselves on the cyberspace. When companies that collect data are exposed to scammers and spammers, this is especially true. To adopt a sound policy and implement a fool-proof security measure, it becomes imperative for e-businesses. In a particular Encryption systems are a tool that online companies should seriously consider investing in.

6.3. Impersonal service

Electronic methods of providing customer service are used by businesses which are operating online, such as posting and emailing info on the website to answer possible user questions. Sometimes customers perceived this to as just too impersonal or uncaring. Merchants must develop efficient checkout procedures for selling goods via the Web, for addressing this problem. Hiring call handling services is also taken into consideration, so that customers can talk to real people when they have inquiries about problems that need instant answer.

6.4. Improving Brand Awareness

A big challenge for companies is that: primarily use the Internet to sell their products and services (tangible and intangible products). This is because, online adverts can be shut off by users unlike traditional advertising, (such as television, radio, billboard, and print) in which the campaign's message can be reinforced and repeatedly introduced to consumers at the marketers' will. So the challenge faced by web companies is to be more innovative in terms of advertisement.

6.5. Other Challenges Are As Follows:

- i. **Dealing with the IT Department:** There is a circle of IT vs. marketing for a long time. But, it's a time to understand that we need to be partner with our IT friends to implement our marketing programs more efficiently. In simple sense, we need them and they need us or we can say that both complement each other.
- ii. **Continuing Education:** Constant learning is needed by the marketers of 21st Century. It is said that knowledge in marketing comes with an expiration date and continues professional development is a necessity for up gradation. Take a class, get a certification, read a book, attend a seminar or conference whatever works for you, but keep learning.
- iii. **Bad Marketing:** Anyone can call themselves a web designer, marketer, consultant, SEO expert and so on. Poorly created and executed marketing programs degraded our profession and also create mistrust among clients, marketers and other related parties. By doing marketing in a right time or way helps you to tip the scale in favor of our own profession which helps in long run survival.
- iv. **Lack of Trust:** In general, identity theft, Spam, intrusive advertising and technological glitches have left many mistrusting of marketing. You are either part of the problem or part of the solution, you have to decide it.
- v. **Know-It-Alls:** Nobody is able to fully understand all aspects of marketing. There is simply too much to know, and whatever you do to know is changing at supersonic speed. If you are going to be an expert, you will have to get specialization in one aspect of e-marketing.
- vi. **Ethical Practices:** An unprecedented mass of un-ethical businesses has been spawned by the Internet. There have always been scam regarding bottom feeders and artists, but the Internet seems to have brought them out in epic numbers. Make sure that your own practices are squeaky clean and try to educate your customers about some of the pitfalls of e-commerce.
- vii. **Corporate Culture:** In many companies every department "owns" the website and no department "owns" the website. Websites should belong to marketing, not finance/operations/ IT or legal. When the committee doesn't have a clue, it is difficult to produce good marketing by committee. Collaboration is an important in this situation and your associates should provide 100 per cent input for this, but marketing should make the final decisions.

- viii. **International Commerce:** The Internet has made possible to provide products and services available around the world as close to customers and their living room (or wherever they have their computer). Unprecedented revenue flows in and out of foreign countries is allowed by this new world channel and that impact could eventually have a dramatic effect on our domestic economy. We have a lot in common with people of other countries in term of culture and traditions, but there are some differences as well which is known as Unity in Diversity. Understanding is the key for good international commerce as well as relations.
- ix. **Intellectual Property:** It has never been easier to steal someone else's hard work. Everyday everything from music to software, movies and images are lifted from the Internet. This is a bad thing.
- x. **Customer Expectations:** Never before customers had expected too much. Managing your customer expectations is vital to marketers, because if you don't know your competitors will, you are not able to survive in long run in the market. Without customers you will not have a business because customer is treated as a king of market, so take the time to get to know them, treat them with due care and respect, and in the same way you want to be treated as a customer.

7. CONCLUSION

Digital marketing has become essential part of policy of many companies. Nowadays, even for small business owner there is a very economical and efficient way to market his/her products or services. Digital marketing has no boundaries. Company can use any devices such as smart phones, tablets, laptops, televisions, game consoles, digital billboards, and media such as social media, SEO (search engine optimization), videos, content, e-mail and lot more to promote company itself and its products and services. In the next few years, online marketing in India will strengthen even further. However, long-standing sustainability directly depends on factors like changes in the market, innovations and interactivity by market players. Owing to increased penetration of credit cards and easy access of computing witnessed a promising growth. Moreover, bargain-hunting consumers are latching on this trend as Internet retailers are known to offer products at special discounted prices compared to store-based retailers. Consumers in the country can now truly expect a well streamlined, efficient and world-class shopping experience supported by the best technology. Digital marketing may succeed more if it considers user needs as a top priority. Companies should create innovative customer experiences and specific strategies for media to identify the best path for driving up digital marketing performance.

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