

# A CONCEPTUAL STUDY ON E – MARKETING AND ITS GROWTH IN INDIA

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## ABSTRACT

The speed and rate at which internet penetration will happen in India will depend on a number of factors. However, it is widely expected that the number of internet users in India will double from 190 million in 2014 to 400 million in 2018. Many Indian companies are using digital marketing for competitive advantage. Success of marketing campaign cannot be solely achieved by digital marketing only. Rather for success of any marketing campaign it should fully harness the capabilities of various marketing techniques available within both the traditional and modern marketing. Past studies show that more than 50% of the individuals who have access to the internet have a tendency to use the internet to make an informed decision before making a purchase. The massive Indian market is changing fast. Internet access is mainstreaming among professionals and the use of mobile is intensifying. The pace of change continues to be rapid with digital channels constantly growing in volume and strength. More people spend more time online in India every year, and the digital tools and sites they use play an ever-growing role in their lives. This study also highlighted the E-marketing, marketing through internet, mobile marketing, web marketing and role of social networks and their component in term of perceptual differences and features which are important to them according to the literatures.

**KEYWORDS:** E-mail Marketing, Social Network, E-Commerce, Online Retail, Mobile Marketing, Web Marketing.

## INTRODUCTION

Digital Marketing is any form of marketing products or services, which involves electronic devices. It can be both online and offline.

**According to institute of direct marketing** "the use of internet and related digital information and communication technologies to achieve marketing objectives."

**According to CAM Foundation** – "Digital Marketing is a broad discipline, bringing together all forms of marketing that operates through electronic devices – online, on mobile, on-screen. Over the years, digital marketing has developed enormously, and it continues to do so."

### Digital Marketing Industry in India

Digital Marketing industry in India is spread to almost all the business sectors. Some of the applications of E-Marketing are shopping and order tracking, online banking, payment systems and content management. The power of digital marketing allows geophysical barriers to disappear making all consumers and businesses on earth potential customers and suppliers. It is known for its ability to allow business to communicate and form a transaction anywhere and anytime. Digital marketing industry in India is a booming career today. In a country with a rapid growth economy, it is expected to have a very high significant growth in Digital marketing career. The growth in the digital marketing trends is making a very substantial impact on marketing and advertisement. The big picture of Digital Marketing industry in India cannot be complete if short preview of the past digital marketing statistics is not made.

The Very majority now have access to the internet in India. Internet and 4G generation revolutionized the marketing scenario for both consumers and the marketers. It was discovered that changes in lifestyle and standard of living had increased the level of consumption, quality and also the pattern of consumption. The quality of use in the urban centers of India is on a high side. This is because majority doesn't have time for shopping. Apart from struggles to earn money, people want some other things to be done at their own convenience.



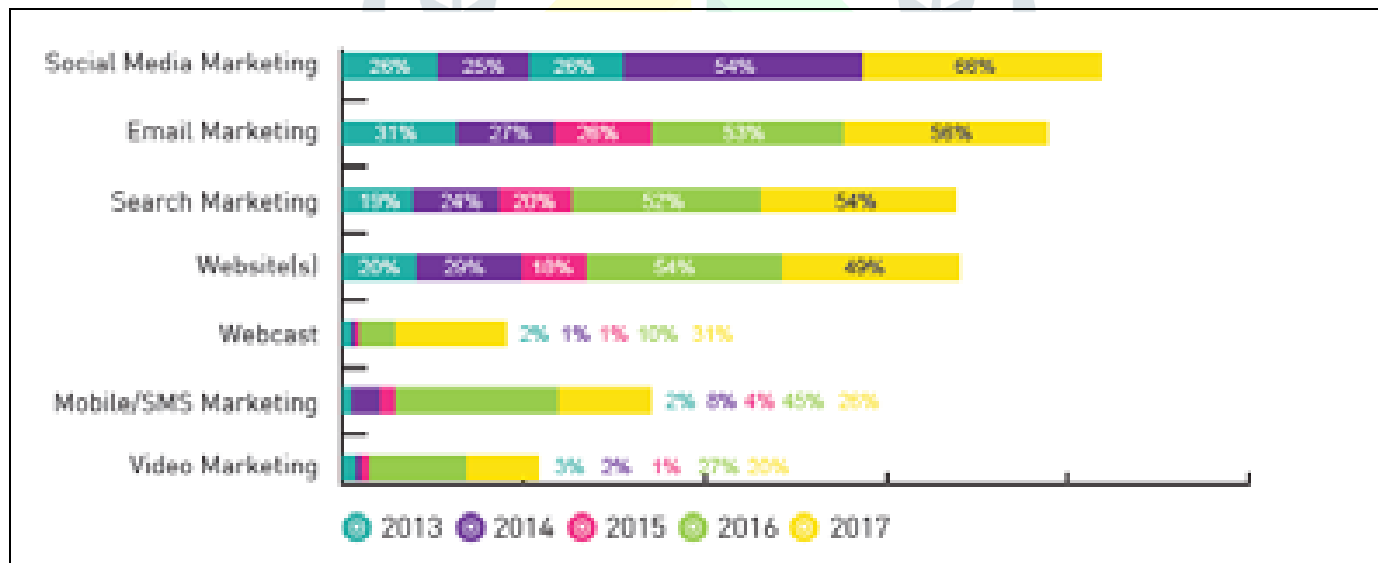
**Source:** Octane Research, January 2017

According to the research made by the Internet and Mobile Association of India (IAMAI, 2008), communication has become a real mass communication tools having about 286 million accounts in 2008. The Indian telecommunications market has tremendous growth opportunities and according to IAMAI is projected to exceed 500 million by 2010. According to TRAI, the numbers of mobile subscriber based in India grew to 980.81 million users in the second quarter of 2015. Adoption for the mobile device is getting higher day by day. SMS marketing is one of the true mass market media channels across many demographics before the convergence of mobile internet and mobile devices.

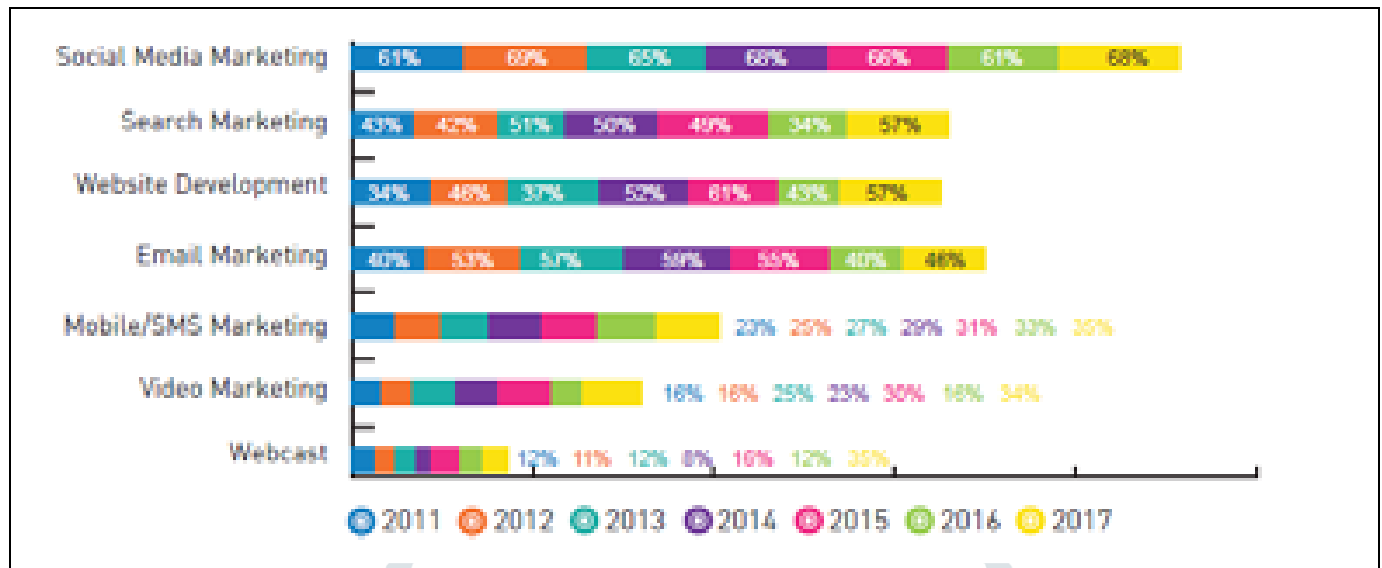
**Increase in Marketing Investment in 2017:**



**Top three Primary Digital Marketing Activities in 2017:**



Source: Octane Research, January 2017

**Increase in Marketing Investment in 2017:**

**Source:** Octane Research, January 2017

**OBJECTIVE OF THE STUDY**

1. To analyze the impact of E – Marketing on Consumers.
2. To Analyze the Impact of E – Marketing on Indian GDP.
3. To study the factors influencing towards online marketing.

**RESEARCH METHODOLOGY**

**Type of Data** The present study is quantitative in nature and secondary data will be used for the purpose of analysis.

**Source of Data**

The present study is based on secondary data. The sources of data include the facts released by: - www.allresearchjournal.com, www.ijmbs.com, www.eprawisdom.com, www.ijstm.com, Digital strategy Consulting.

**REVIEW OF LITERATURE**

**Bellman, Lohse and Johnson (1999)** examine the relationship among demographics, personal characteristics, and attitudes towards online shopping. These authors find that people who have a more .wired lifestyle. And who are more time constrained tends to buy online more frequently, i.e., those who use the Internet as a routine tool and/or those who are more time starved prefer shopping on the Internet.

**Swaminathan, Lepkowska-White, and Rao (1999)** refered vendor characteristics, security of transactions, content for privacy and customer characteristics as factors influencing electronic exchange.

**Bhatnagar, Misra and Rao (2000)** measure how demographics, vendor/service/ product characteristics, and website quality influence the consumers, their attitude towards online shopping and consequently their online buying behavior. They report that the convenience the Internet affords and the risk perceived by the consumers are related to the two dependent variables (attitudes and behavior) positively and negatively, respectively.

**Sultan and Henrichs (2000)** concluded that the consumer's willingness to and preference for adopting the Internet as his or her shopping medium was also positively related to income, household size, and innovativeness.

**Maignan and Lukas's research and Rowley (2000)** studied that the financial risks had been cited as a main reason to stop internet shopping and security had become a major concern both in online transaction relationships. Solomon (1998) studied the Consumer behaviour and said that it is the study of the processes involved when an individual selects, purchases, uses or disposes of products, services, ideas, or experiences to satisfy needs and desires. In view for the Internet to spread out as a retail channel, it is imperative to realize the consumer's mind-set, intention and conduct in light of the online buying practice.

**Miyazaki and Fernandez (2001)**, perceived risk affected consumer online purchasing behavior negatively. They also found that Internet experience is negatively related to the existence of concerns regarding the privacy and security of online purchase and the perceived risks of conducting online purchases.

**According to Rashad Yazdanifard, Internet Marketing (2011):** The Internet network is a marketing channel use by advertisers, marketers, and society to find the right combination of marketing mix to best suit customer's needs. It is important for a company of this era to have access to the Internet to be more successful. Internet marketing does not only target consumers, but also Internet advertisements client marketers from companies. This is so because companies prefer to hire specialist in creating a Web site. People always find themselves under stress of working long hours and they do not have enough time for social activities or even shopping.

**According to Dr. D. K. Gangeshwar E-Commerce or Internet Marketing (2013):** A Business Review from Indian Context International Journal of u- and e- Service, Science and Technology Vol.6, No.6 (2013), pp.187-194 advertisers and end-users can effectively use this modern platform to make life easier and faster. In the next 3 to 5 years, India will have 30 to 70 million Internet users which will equal, if not surpass, many of the developed countries. Internet economy will then become more meaningful in India.

**The report of 'PWC' (Price water house coopers private limited 2013)** as the customers' progress from research to purchase to fulfillment stages, their expectations change fast. E-commerce companies need to understand these change drivers and adapt their proposition accordingly.

**According to Ms. K. Sangeetha (E-Marketing),(Indian Journal of Research 2016)** "E-Marketing has emerged as one of probably the most innovative mediums for organizations to market many and services. It may be the art of identifying and understanding customer needs and creating solutions that delivers satisfaction for the customers, profits towards the producers and benefits for the stakeholders".

## IMPORTANCE OF E- MARKETING

Below are some of the reasons why E- Marketing is important not only for consumers but also for businesses.

- A.** Cost effective IM (internet 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.
- B.** Convenient Internet marketing enables to provide 24\*7 services without worrying about the opening and closing hours of a physical store. It's also convenient for your 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.
- C.** 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.
- D.** One-to-one Marketing Internet marketing overcomes barriers of distance is overcome by internet 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 if you want to sell the product or services internationally you 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.
- E.** Improves customer seller relationship Better platform to build relationships with customers to increase customer retention level is provided by internet. 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 community.
- F.** Always available to consumers using internet 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.



## Black Money & Unorganized Trading

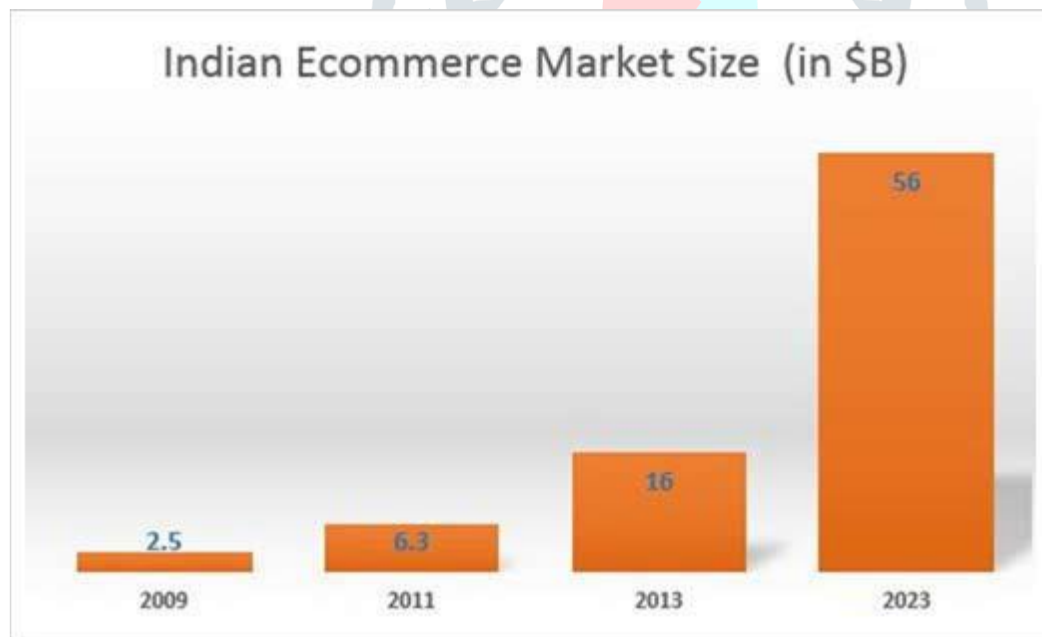
A recent study had pegged India's black market economy at over Rs 30 lakh crore or about 20 % of total GDP. This is even bigger than the GDP of countries like Thailand and Argentina. After Digitalization unorganized trading will also reduce because now in E- Marketing every transaction is done in a legal way if a consumer buy a single product of Rs. 100 than it will also done after completing all the regulations and paper work. And the amount PAID BY the consumer as a tax directly deposited to the government while in offline marketing most of the time consumer doesn't take bills from the shopkeeper and pay full amount to the shopkeeper so the part of taxation is kept by shopkeeper and the whole money will convert in to black money.

## Less Cash Economy

It is not possible to make India Cash-Less economy, but for the development and making transparency in the economy we can say use of less Cash is possible. So for making people familiar with E-Payment and use of plastic currency E- Marketing plays a very crucial role.

## GDP

Presently E- commerce contributes 0.2% in Indian GDP. The report by Goldman Sachs cited the "hyper growth in affordable smart phones, improving infrastructure, and a propensity to transact online," and expected that the E-commerce market will account for 2.5% of the India's GDP by 2030, growing 15 times and reaching \$300 billion.



**Source:** Octane Research, January 2017

From above data you can easily analyze the growth rate of digital marketing and its impact of online sales. With Digital marketing growth E commerce is also booming and touching new heights.

## Major Factors influencing on Online Shopping in India

- Access to Information
- The increase in number of computer users
- Reach to net services through broadband
- Middle-class population with spending power is growing.
- Rapid growth of cybercafés across India

There are about 200million of middle-class population good spending powers. These people have very little time to spend for shopping. Many of them have started to depend on internet to satisfy their shopping desires.

## CONCLUSION

Day by day growing Digital Market in India is an evident that the Digitization is taking place with a high speed. All reports and surveys conducted around the globe are showing that the digital marketing will grow more in coming years. Youth of India is very much technology friendly. Mobile devices are expected to reach around 3 billion units worldwide. So as more people use smart phones, tablets and other mobile devices, the potential of mobile market continues to grow.

When we discuss about Indian Consumers specially in all developing countries hesitate using E – shopping services due to security concerns, lack of physical approach towards product offered, delays in product delivery along with price & quality concerns. People are using traditional shopping from a long time so it is little difficult to change & accept new technology. The number of internet users is increasing day by day which attracts people who have an option to buy online. It was never thought that Indians would go in for e-shopping in such a big way. Ticketing, travel bookings and even books and movies seem fine to buy online.

Mobile devices and marketing through mobile recently by introducing smart phone have changed and these enhancements in technologies especially in mobile devices brings so many advantages that most of the firms have used moreover issues like acceptance and adoption, role of trust in this phenomenon and customer satisfaction are mostly discussed in relevant literatures, also considering this issue that study about aesthetic, beauty and design in mobile content also level of research related to this issue is still inadequate and future studies will be valuable. E-mail marketing because of cheap instrument, being cost effective and majority of respondent is consider as a unique way of distributing promotional messages and creates value for firms' customers.



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