

Growth of Online Marketing in India- A Study

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Abstract

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. Now Indian consumer is spending more time on social media and internet surfing. Thus the visibility of any product is more through digital medium than traditional marketing techniques. Digital marketing main growth comes from social media, people nowadays spend their time on social media and that is a plus point for marketing, there are more than 82 million monthly active users for Facebook and in India it is expected that the nation will have the world's largest Facebook population by 2017. Day by day growing Digital Market in India is an evident that the Digitization is taking place with a high speed. E-commerce website are providing all the goods and services through online portals online today. The increasing number of ecommerce websites. This paper is an attempt to study the growth trend of digital marketing in India.

Keywords

Digital Marketing, Growth, Social Media, E-Commerce.

Introduction

E-Commerce industry is growing at an astounding rate in India and is expected to account for 1.61% of the global GDP by 2018. According to a report by Forrester, India is set to become the fastest growing market in the Asia-Pacific region with an expected growth rate of over 57% between 2012 and 2016. The following are the key drivers of ecommerce

- Large percentage of population subscribed to broadband Internet, rapidly increasing 3G internet users, and a recent introduction of 4G across the country.
- Explosive growth of Smartphone users.
- Rising standards of living as result of fast decline in poverty rate.
- Availability of much wider product range.
- Competitive prices compared attractive to the customers.
- Increased usage of online classified sites, with more consumers buying and selling second hand goods.

Objective of Study

The following is the objective of the study

- 1) To study the growth trend of digital marketing India

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. Going back to history, International Journal of Advanced Research Foundation reveals the following in 2016. Between 1971 and 1972, The ARPANET is used to arrange a sale between students at the

Stanford Artificial Intelligence Laboratory and the Massachusetts Institute of Technology, the earliest example of electronics or digital commerce.

1979: Michael Aldrich demonstrates the first online shopping system.

1981: Thomson Holidays UK is first business-to-business online shopping system to be installed.

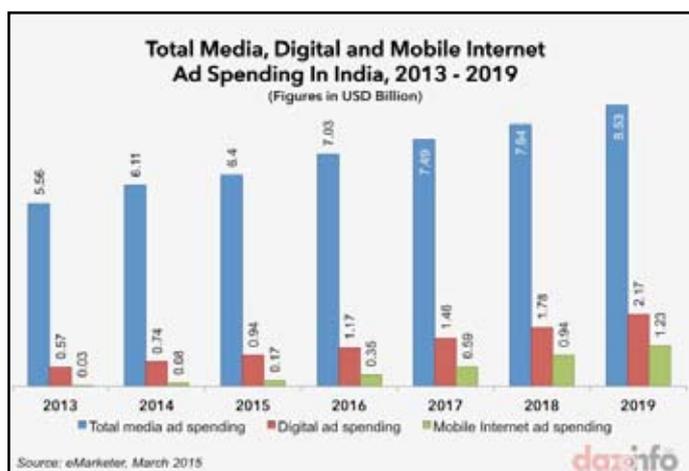
1996: India MART B2B marketplace established in India.

2007: Flipkart was established in India. Every E-marketing or commercial enterprises uses majorly digital means for their marketing purposes.

In 2011, the digital marketing statistics revealed that advertising via the mobile phone and tablets was 200% lower than that of the following years. During this year, the net worth was \$2 billion. The growth was in a geometric progression as it rose to \$6 billion in 2012. The competitive growth demands for more improvement in the career works and professionals are being added to the field. From 2013 to March 2015, the investment total increase was 1.5 billion dollars over the preceding years. There has been an impressive growth up till this present moment.

The report by the International Journal of Advanced Research Foundation revealed that summarized that India is getting to see the golden period of the Internet sector between 2013 to 2018 with incredible growth opportunities and secular growth adoption for E-Commerce, Internet Advertising, Social Media, Search, Online Content, and Services relating digital marketing.

Total Media, Digital and Mobile Internet Ad Spending in India (2013-2019).



Today, digital marketing industry in India is growing at its peak, and is still continuous. Many factors are responsible for this growth. The use of communication tools has greatly changed in the year past. No one ever thought to have a credible deal online. The below figure indicates the digital marketing statistics.

The belief was that online information is virtual information full of lies. No one could listen to any online advertisement not to talk of purchasing groceries, furniture or clothes. The story has really changed. Everything from marketing to sales can be done online. This is due to the trust that has been restored back to online communication in India. This has really helped the marketing initiatives. The revolution is from the communication industries. Low cost of handset is now available making it possible for India to have about 600 million internet users which ultimately creates a fascinating business opportunity to sell to a growing population.

Moreover, the developments in the digital marketing industry in India evident in the marketing shift from anonymity to identity. Interaction on the Internet now looks more physical as opposed to the anonymity of identity in the past. Also, marketing information's is moving along in the same line with entertainment. People of India needed an exciting spirit always. This targets their interest into the marketing information.

Several factors have been found to contribute to the growth of digital marketing in India. Before now, internet usage was only meant for the wealthy. There is now a great change in the lifestyle of the middle class. The Very majority now have access to the internet in India. Internet and 3G penetration 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.

The following survey from people indicates the size of Digital Marketing industry in India:

- 34% of the companies already had an integrated digital marketing strategy in 2016
- 72% marketers believe that traditional model of marketing is no longer sufficient and this will make the company revenue to be increased by 30% by the end of 2017.

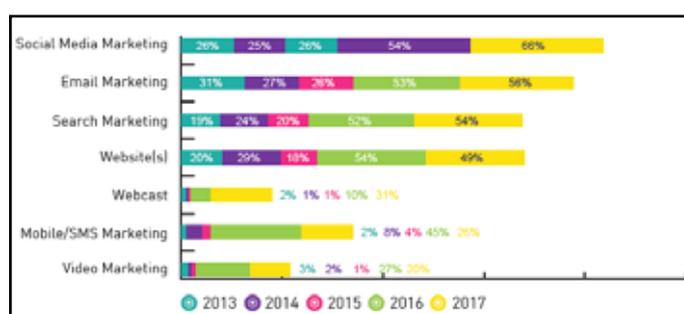
Mobile Phone Subscribers in India

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.

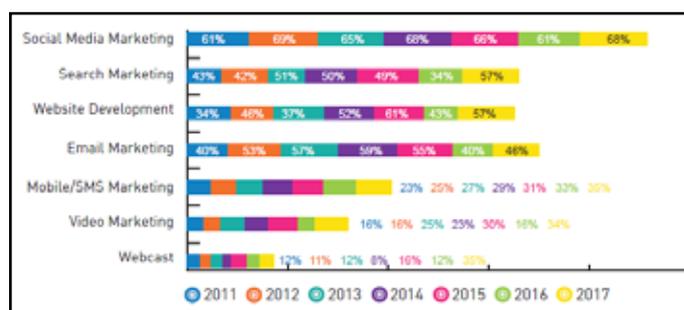
Increase in Marketing Investment in 2017:



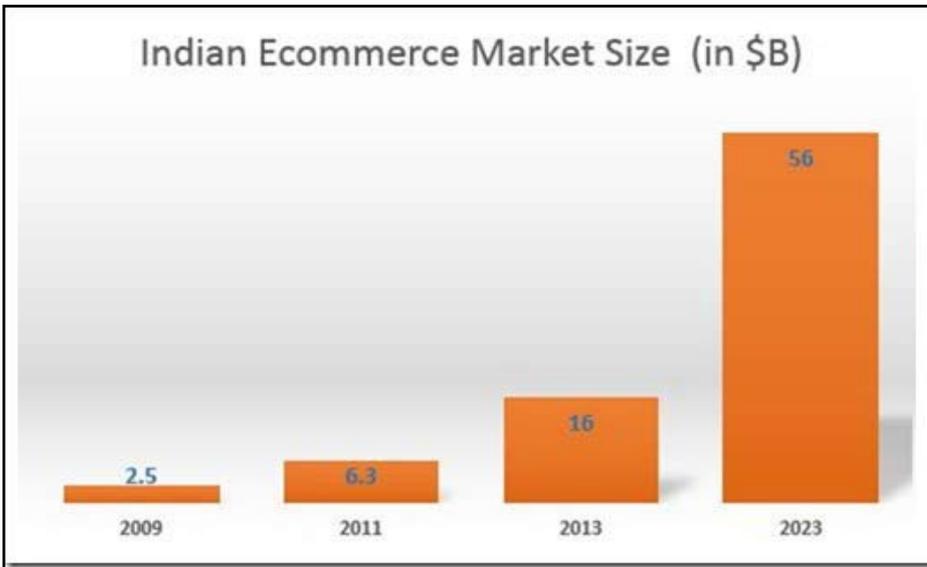
Top three Primary Digital Marketing Activities in 2016:



Increase in Marketing Investment in 2017:



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.

Rank	Country	Internet Users	1 Year Growth %	1 Year User Growth	Total Country Population	1 Yr Population Change (%)	Penetration (% of Pop. with Internet)	Country's share of World Population	Country's share of World Internet Users
1	China	641,601,070	4%	24,021,070	1,393,783,836	0.59%	46.03%	19.24%	21.97%
2	United States	279,834,232	7%	17,754,869	322,583,006	0.79%	86.75%	4.45%	9.58%
3	India	243,198,922	14%	29,859,598	1,267,401,849	1.22%	19.19%	17.50%	8.33%
4	Japan	109,252,912	8%	7,668,535	126,999,808	-0.11%	86.03%	1.75%	3.74%
5	Brazil	107,822,831	7%	6,884,333	202,033,670	0.83%	53.37%	2.79%	3.69%
6	Russia	84,437,793	10%	7,494,536	142,467,651	-0.26%	59.27%	1.97%	2.89%
7	Germany	71,727,551	2%	1,525,829	82,652,256	-0.09%	86.78%	1.14%	2.46%
8	Nigeria	67,101,452	16%	9,365,590	178,516,904	2.82%	37.59%	2.46%	2.30%
9	United Kingdom	57,075,826	3%	1,574,653	63,489,234	0.56%	89.90%	0.88%	1.95%
10	France	55,429,382	3%	1,521,369	64,641,279	0.54%	85.75%	0.89%	1.90%

Growth in Indian Market is 14% YOY

<http://www.internetlivestats.com/internet-users-by-country/>
[http://en.wikipedia.org/wiki/Global Internet usage](http://en.wikipedia.org/wiki/Global_Internet_usage)

Internet Users by Country (2016)

#	Country	Internet Users (2016)	Penetration (% of Pop)	Population (2016)	Non-Users (Internetless)	Users 1 Year Change (%)	Internet Users 1 Year Change	Population 1 Y Change
1	China	721,434,547	52.2 %	1,382,323,332	660,888,785	2.2 %	15,520,515	0.46 %
2	India	462,124,989	34.8 %	1,326,801,576	864,676,587	30.5 %	108,010,242	1.2 %
3	U.S.	286,942,362	88.5 %	324,118,787	37,176,425	1.1 %	3,229,955	0.73 %
4	Brazil	139,111,185	66.4 %	209,567,920	70,456,735	5.1 %	6,753,879	0.83 %
5	Japan	115,111,595	91.1 %	126,323,715	11,212,120	0.1 %	117,385	-0.2 %
6	Russia	102,258,256	71.3 %	143,439,832	41,181,576	0.3 %	330,067	-0.01 %
7	Nigeria	86,219,965	46.1 %	186,987,563	100,767,598	5 %	4,124,967	2.63 %
8	Germany	71,016,605	88 %	80,682,351	9,665,746	0.6 %	447,557	-0.01 %
9	U.K.	60,273,385	92.6 %	65,111,143	4,837,758	0.9 %	555,411	0.61 %
10	Mexico	58,016,997	45.1 %	128,632,004	70,615,007	2.1 %	1,182,988	1.27 %
11	France	55,860,330	86.4 %	64,668,129	8,807,799	1.4 %	758,852	0.42 %
12	Indonesia	53,236,719	20.4 %	260,581,100	207,344,381	6.5 %	3,232,544	1.17 %
13	Viet Nam	49,063,762	52 %	94,444,200	45,380,438	3.3 %	1,564,346	1.07 %
14	Turkey	46,196,720	58 %	79,622,062	33,425,342	5.1 %	2,242,750	1.22 %
15	Philippines	44,478,808	43.5 %	102,250,133	57,771,325	4.4 %	1,855,574	1.54 %
16	South Korea	43,274,132	85.7 %	50,503,933	7,229,801	1.2 %	522,375	0.42 %
17	Italy	39,211,518	65.6 %	59,801,004	20,589,486	1.7 %	666,922	0.01 %

From above both of the images you can compare the growth of digital marketing of Indian market compare to rest of world. India in 2016 became world no 2 in internet uses by no of people throughout the world. As we see in 2014 India was on 3rd position where as now in 2016 it is on 2nd position.

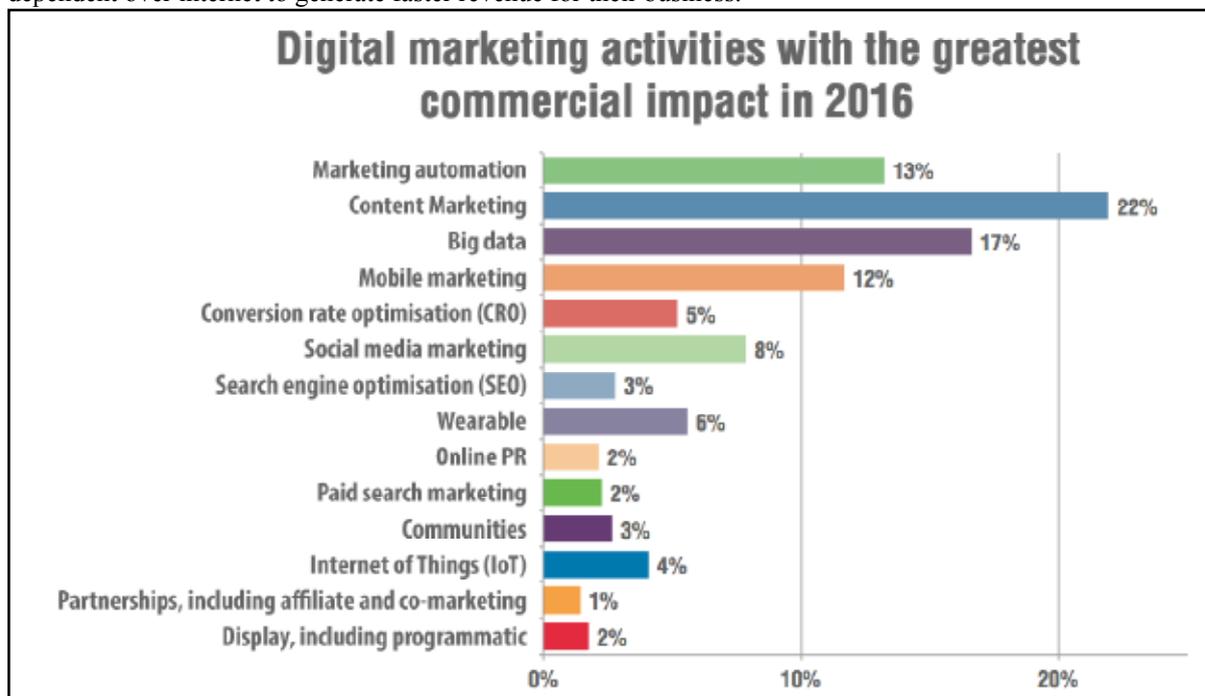
According to a study conducted by the Internet and Mobile Association of India, the e-commerce sector is estimated to reach Rs. 211,005 crore by December 2016. The study also stated that online travel accounts for 61% of the e-commerce market. By 2020, India is expected to generate \$100 billion online retail revenue out of which \$35 billion will be through fashion e-commerce. Online apparel sales are set to grow four times in coming years



With a penetration rate of 34.5% India is worlds 2nd most internet surfing population so its clear there are still lot to go. The growth is rapid in this field and still a long way to go with higher pace that's the reason every freshers and professionals looking to build their career in digital marketing. USA has Internet penetration rate of 88% and even few of the European countries with more then 95% of penetration rate where as India still at only 35%. This shows the future scope of Digitlization in India. Government Digital Literacy scheme and many others factor are giving a boom to increase internet users in India. Online shopping industry is also growing with a rapid pace which is still getting sales from major metros and mid level towns only. Digital Marketing and advertising is influencing peoples to buy and sell online and e commerce is getting more and more sales. With a hi growth through Digital marketing in business companies have starter spending more and more in Digital marketing as they are getting better ROI in Digital medium compare to

traditional, another major benefits are all the expense and return are measurable which is not possible in Traditional Marketing. High Demand of Managing Companies activity over Online marketing and improve company visibility has opened a new door or opportunity. Demand are higher then supply so Peoples have one new career stream as Digital Marketer which is flexible and providing high career growth.

Digital Marketing is a rapid career growth not only in India but also throughout the world. Companies are getting more and more dependent over internet to generate faster revenue for their business.



Source: Survey by smartinsights.com

Brands and marketers believe that content, mobile, wearables, big data, and marketing automation tools are the more trusted and promising digital marketing activities of 2016

E-Commerce and Advertising Facts From India

E-commerce in India is said to be the largest and most profitable for a new business start-up. India's Digital advertising market has grown at 33% annually between 2010 and 2016. E-Commerce in India is currently at 2 Lakh Crores and is predicted to grow 5 Lakh Crores in 2017. 77% of online users buy products exclusively on Social Media. 8% of Indian Internet Users has purchased at least one product online and by 2019 it is expected to grow by 64.4%. 59% users shop on tablets, 69% shop on Mobile devices, and 38% shop on weekly basis. 50% of shoppers buy products online based on recommendation through social media networks and 74% of customers rely on social media for making their purchase decisions. The sale of physical goods via digital channels in India amounted to 16.8 Billion U.S dollars in revenues.

Content Marketing Facts

42% of B2B marketers are active at content marketing and call it effective. 93% of B2B marketers are using content marketing over traditional marketing. 60% of marketers create one piece of content at least every day. 78% of consumers understand that a organization offering custom content are interested in building good relationship. Content Marketing is 3 times more effective and cost 62% less than traditional marketing. 78% of CMOs agree that custom Content is the future of marketing. Most effective B2B marketers are spending 39% of their marketing budget on content marketing. 73% of organization hires content strategist to take care of content marketing. Branded content are considered

72% more effective than magazine advertisements 64% of B2B marketers outsource content job.

Video Marketing Facts

Adding Video while sending email can increase 200-300% of click-through rate Video on a landing page could increase 80% of conversion rate. A full page ad with video can augment user engagement by 20%. A real estate ad with video receives 403% more inquiries than a listing without video. 64% of users decide to buy a product after watching video 96% of B2B marketers use video somehow in their marketing campaign, which reports 73% of positive response on ROI.

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.

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