DIGITAL MARKETING IN INDIA – OPPORTUNITIES AND THREATS

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ABSTRACT

Digital marketing is an umbrella term for the marketing of products or services using digital technologies, mainly on the Internet, but also including mobile phones, display advertising, and any other digital medium.

The way in which digital marketing has developed since the 1990s and 2000s has changed the way brands and businesses utilize technology and digital marketing for their marketing. Digital marketing campaigns are becoming more prevalent as well as efficient, as digital platforms are increasingly incorporated into marketing plans and everyday life, and as people use digital devices instead of going to physical shops.

Digital marketing such as search engine optimization (SEO), search engine marketing (SEM), content marketing,influencer marketing, content automation, campaign marketing, and e-commerce marketing, social media marketing,social media optimization, e-mail direct marketing, display advertising, e–books, optical disks and games, are becoming more and more common in our advancing technology. In fact, this extends to non-Internet channels that provide digital media, such as mobile phones (SMS and MMS), callback and on-hold mobile ring tones.

This paper is outcome of a review of various research studies carried out on Digital Marketing This paper examines development of digital marketing as well as emerging challenges and different opportunities of digital marketing in India.

Many companies, organizations, and communities in India are beginning to take advantage of the potential of digital marketing; critical challenges remain to be overcome before digital marketing would become an asset for common people.

INTRODUCTION

E-Marketing (Electronic Marketing) are also known as Internet Marketing, Web Marketing, Digital Marketing, or Online Marketing. E-marketing is the process of marketing a product or service using the Internet. It not only includes marketing on the Internet, but also includes marketing done via e-mail and wireless media. It uses a range of technologies to help connect businesses to their customers.

Marketing (DIGITAL marketing) is the marketing of products and services using electronic media such as the Internet (which includes search marketing, email marketing, E-CRM and social media marketing) but also now including the rapidly developing mobile marketing environment.

Digital marketing is becoming a hot topic in every business sector, and gradually plays a truly important role in any company's multi-channel marketing strategy.

It uses the Internet to deliver promotional marketing messages to consumers. It includes email marketing, search engine marketing, social media marketing, many types of display advertising (including web banner advertising), and mobile advertising. Like other advertising media, online advertising frequently involves both a publisher, who integrates advertisements into its online content, and an advertiser, who provides the advertisements to be displayed on the publisher's content. Other potential participants include advertising agencies that help generate and place the ad copy, an ad server who technologically delivers the ad and tracks statistics, and advertising affiliates who do independent promotional work for the advertiser.

HISTORY OF DIGITAL MARKETING

Considering the current volume of internet marketing business, it's hard to believe how young the internet marketplace is. While the timeline of internet marketing has been short, the cumulative events leading up to where we are now have impacted the entire globe faster than any marketing revolution in history. In 1994, spending for internet marketing totaled nearly nothing, but increased to over $300 million in 1995. Now, little more than a decade later, marketing spending and internet marketing business has exploded to nearly $200 billion (according to Forrester Research). Today, it's hard to believe in having an organization which doesn't have some kind of online presence.

When the internet was first introduced in the early 90s, it wasn't considered to be an advertising medium at all. Instead, the internet was treated as a tool for exchanging emails and digital information, but wasn't yet considered valuable for reaching customers. However, it wasn't long before marketing pioneers began to see the potential for internet marketing business as millions of web surfers logging on each day to find valuable and relevant information. Within just a few years, informative and educational marketing, as well as graphically enticing banner adsbegan to be show up. It wasn't long before results began to flood in which proved the value of the internet marketplace to even the most skeptical advertisers.

Most importantly, companies which had been spending huge chunks of their marketing budget on offline list building, begin to realize that they could accomplish the same thing via email and for much less. It wasn't long before everyone from industry giants such as Microsoft Corp. to small businesses began to build company sites and spend marketing dollars to attract qualified traffic. Next, search engine companies like Yahoo! began to create significant profits from advertising alone. Then came the great internet marketing business bust around the year of 2000, which marked the beginning of the end for interruptive marketing such as flashing banner ads. As interactive features were added to web pages, consumers were given the option of turning off marketing messages at will and they did. Then entered the age of education based invitational marketing, which crystallized with the creation of web 2.0 technologies. Suddenly, billions of "voices" began to rise all over the world, as the internet marketplace became as much a global community as it was an advertising medium. This led to a relational based marketing approach which has led to one of the most lucrative opportunities for solo entrepreneurs and small start ups

alike to make a small fortune working from their spare bedroom. Who knows where the internet marketing revolution will lead us, but one this is for sure: Those who understand the principles upon which the thriving internet marketplace is built will most likely never want for opportunities to create internet marketing business success and to earn solid income.

TOOLS OF ONLINE MARKETING

Display advertising - Display advertising conveys its advertising message visually using text, logos, animations, videos, photographs, or other graphics. Display advertisers frequently target users with particular traits to increase the ads' effect.

Web banner advertising - Web banners or banner ads typically are graphical ads displayed within a web page. Banner ads can use rich media to incorporate video, audio, animations, buttons, forms, or other interactive elements using Java applets, HTML5, Adobe Flash, and other programs.

Frame ad (traditional banner) - Frame ads were the first form of web banners. The colloquial usage of "banner ads" often refers to traditional frame ads. Website publishers incorporate frame ads by setting aside a particular space on the web page.

Pop-ups/pop-unders - A pop-up ad is displayed in a new web browser window that opens above a website visitor's initial browser window. A pop-under ad opens a new browser window under a website visitor's initial browser window.

Floating ad - A floating ad, or overlay ad, is a type of rich media advertisement that appears superimposed over the requested website's content. Floating ads may disappear or become less obtrusive after a preset time period.

Expanding ad - An expanding ad is a rich media frame ad that changes dimensions upon a predefined condition, such as a preset amount of time a visitor spends on a webpage, the user's click on the ad, or the user's mouse movement over the ad. Expanding ads allow advertisers to fit more information into a restricted ad space.

Interstitial ad - An interstitial ad displays before a user can access requested content, sometimes while the user is waiting for the content to load. Interstitial ads are a form of interruption marketing.

Text ads - A text ad displays text-based hyperlinks. Text-based ads may display separately from a web page's primary content, or they can be embedded by hyperlinking individual words or phrases to advertiser's websites. Text ads may also be delivered through email marketing or text message marketing.

Search Engine Marketing (SEM) - Search Engine Marketing, or SEM, is designed to increase a website's visibility in search engine results pages (SERPs). Search engines provide sponsored results and organic (non-sponsored) results based on a web searcher's query. Search engines often employ visual cues to differentiate sponsored results from organic results. Search engine marketing includes all of an advertiser's actions to make a website's listing more prominent for topical keywords.

Search Engine Optimization (SEO) - Search Engine Optimization, or SEO, attempts to improve a website's organic search rankings in SERPs by increasing the website content's relevance to search terms. Search engines regularly update their algorithms to penalize poor quality sites that try to game their rankings, making optimization a moving target for advertisers. Many vendors offer SEO services.

Sponsored search - Sponsored search (also called sponsored links or search ads) allows advertisers to be included in the sponsored results of a search for selected keywords. Search ads are often sold via real-time auctions, where advertisers bid on keywords.

Social media marketing - Social media marketing is commercial promotion conducted through social media websites. Many companies promote their products by posting frequent updates and providing special offers through their social media profiles.

Mobile Advertising - Mobile advertising is ad copy delivered through wireless mobile devices such as smartphones, feature phones, or tablet computers. Mobile advertising may take the form of static or rich media display ads, SMS (Short Message Service) or MMS (Multimedia Messaging Service) ads, mobile search ads, advertising within mobile websites, or ads within mobile applications or games (such as interstitial ads, "advergaming," or application sponsorship).

Email Advertising - Email advertising is ad copy comprising an entire email or a portion of an email message. Email marketing may be unsolicited, in which case the sender may give the recipient an option to opt-out of future emails, or it may be sent with the recipient's prior consent (opt-in).

OPPORTUNITIES FOR DIGITAL MARKETING IN INDIA

➢ Internet gives a wide access of potential customers. It has been estimated that a couple of billion people around the world use the Internet, and more are becoming aware of Internet with each passing day. So, marketing of business to such a large group of people is only possible through Internet.

➢ Internet is the only medium that is able to cross geographic and national boundaries.

➢ The cost of promoting a business on the Internet is cheaper than other mediums of marketing. This makes it easy for small and mid-sized businesses to advertise their products.

➢ Internet allows the ability to stay connected with customers on a real-time basis. If any discount going on, then it is easier to send an email to customers and they can buy the product instantly. Internet also allows to send multiple messages at the same time, which saves the tedious task of sending a newsletter to every client.

➢ Digital marketing facilitates an instant feedback from the customers. Customers can share about their experience after using the product.

➢ Digital marketing saves a lot of time and effort. Instead of having a customer service representative to answer the queries of customers, one can put all the information about the product or service on the Internet so that customers can go through it. The most common way of doing it is to have a section dedicated to frequently asked questions (FAQs) about the product so that customers get all the required information about the product or the service.

➢ Digital marketing allows your business to be available 24/7, which means increased sales and profits.

➢ One of the most important advantages is the fast availability of the information. The clients/users can easily get information, by navigating the internet, about the products that they wish to purchase, and besides that, they can check the information at anytime of the day.

➢ It allows the companies to save money, an aspect that is really taken into account by the companies since the online marketing campaigns don't require a large amount of investment.

➢ Presence on the Internet can help the expansion of the company from a local market to national and international markets at the same time, offering almost infinite expanding possibilities.

➢ On the internet everything can be measured, thus it's easier for the companies to know almost instantly if their campaign is working or not, what company or user is interested in their products, from what cities or countries are they, etc.

INDIA E-COMMERCE READINESS

In the latest couple of years, there has been a quantum growth in the number of internet users and the awareness towards the World Wide Web has increased in India. The various opportunities that it presents have been recognized and companies have started making plans to include internet, e-commerce and e-business in their scheme of things. The awareness and interest in the web related activities have been fueled by some factors, those are –

1) Easy Access to the Internet.
2) Reduction in the cost of procuring a internet connection.
3) Reduction in the cost of Personal Computers.
4) Reduction in the cost of web site hosting.
5) Availability of tools that support the web site hosting effort.

Thus there has been a rapid jump in the number of internet users in India as well as the number of portals offering e-commerce facilities has also gone up. The portals have also launched massive advertising campaigns for their portals invariably spreading awareness towards the concept and the facilities offered by e-commerce.

THREATS TODIGITAL MARKETING

- Although, Internet marketing allows a wider reach, the start-up costs of a website can be high. This includes the cost of the required software and hardware, and maintenance costs.

- There are still a lot of customers who use the Internet just for having more information about a product and prefer to buy it in person. For example, Internet marketing allows a customer to view how a phone looks like and its technical specifications, but customers prefer having a look at the phone in the store to get a hands-on experience.

- There are a lot of customers who are not proficient in using the Internet and focusing solely on Internet marketing can cause lose of such type of customers.

- The rules of the trade change rapidly in Internet marketing, and it requires constant attention and monitoring to ensure that the marketing strategy does not look out-of-date.

- The biggest disadvantage of Internet marketing is its vulnerability to fraudulent activities. There are a lot of illegitimate websites out there which look similar to original websites and rob the customers of their money. Spamming is also one of the biggest challenges for Internet marketing and confidential data can be easily stolen by hackers.

- Internet marketing lacks the human touch that is involved when a customer buys a product from a salesperson. This hampers the prospects of relationship building which plays an important part in repeat sales and word-of mouth publicity.

- Internet marketing depends heavily on technology, which is vulnerable to technical faults. For example, if a customer clicks on your advertisement but due to a technical

glitch, is unable to buy the product, he may easily become irate and take his business somewhere else.

- Slow internet connections can cause difficulties. If the companies build too complex or too large websites, it will take too long for users to check them or download them and they will get bored eventually.

- Other factor is the payment: many users still don't trust in the electronic methods of paying and give up buying online because of this.

- One of the major threat to digital marketing in India is may be the lack of trust of the users because of the constant virtual promotions that appear to be frauds. This is an aspect that deteriorates the image and reputation of quality and honest companies.

- Other disadvantage is the cash on delivery system, since it doesn't guarantee the 100% purchase of the product. This is also the case of thousands of users that dedicate themselves to daily mock big companies by ordering on the internet using false identities.

CONCLUSION

The present study revealed that main reason for growing importance of online marketing is the increasing literacy about internet among people. They have identified that internet is truly advantageous through which they can serve their various purposes mainly social networking, online shopping & media sharing (photo, music, video). This efficacy of internet has intensified their tendency of being online.

Today's consumers strongly feel that every company must use this efficacy to strengthen its marketing efforts. So that they will get motivated to use online marketing with the intent of getting access to exclusive content about the brand and getting discount and sharing their feedback about brand with the advertiser .

With the advent of internet technology, consumers' preference towards traditional marketing tools has decreased. Most popular traditional marketing tools are television & print media. The major benefits of online marketing are its capability of interaction between consumers and

advertisers followed by availability of wide range of information & ease of shopping. These benefits make online marketing superior than traditional marketing. But at the same time consumers are susceptible about the user-safety side of internet. They feel that online marketing is unsafe as it may lead to increase in frauds & privacy issue.

Although, there are some challenges involved in Internet marketing, it can be safely said that Internet marketing has led to increased transparency and ease of buying products. The need of the hour is to counter the challenges so that Internet marketing proves to be truly beneficial for all.

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