



A Study of the Growth of Digital Marketing in Indian Scenario

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ABSTRACT –

Digital marketing is growing quickly in India. Many Indian businesses are using digital marketing to get more customers. The internet plays a big role in this growth. Because more people are using the internet for work and personal purposes, new ways to advertise and promote products have appeared. This article talks about how digital marketing is developing right now. The study looks into why people are interested in digital marketing. Three groups were studied: customers, companies, and third-party agencies. The findings show that all three groups agree that having good internet knowledge is important for the growth of digital marketing.

Keywords – Digital Marketing; Digital Media; Marketing; Promotions; Digital advertising

INTRODUCTION

Digital marketing is a way of promoting products or services using electronic devices. Digital advertising is also called online advertising, internet advertising, or web advertising. It refers to the promotion of goods or services through digital technologies. It is a type of marketing that uses internet-based messages to reach consumers. Digital technology includes the internet, mobile phones, and other digital media. In 1981, IBM launched the first personal computer, and at the same time, the Channel Net Soft Advertising Group, an advertising company, introduced the concept of digital marketing. They used digitalization to run various ad campaigns in soft form. They also tried out promotional ideas like Reader Reply Cards in magazines, where people could respond and get a floppy disk containing multimedia content (Kamal, 2016). The following figure shows the development and history of digital marketing.

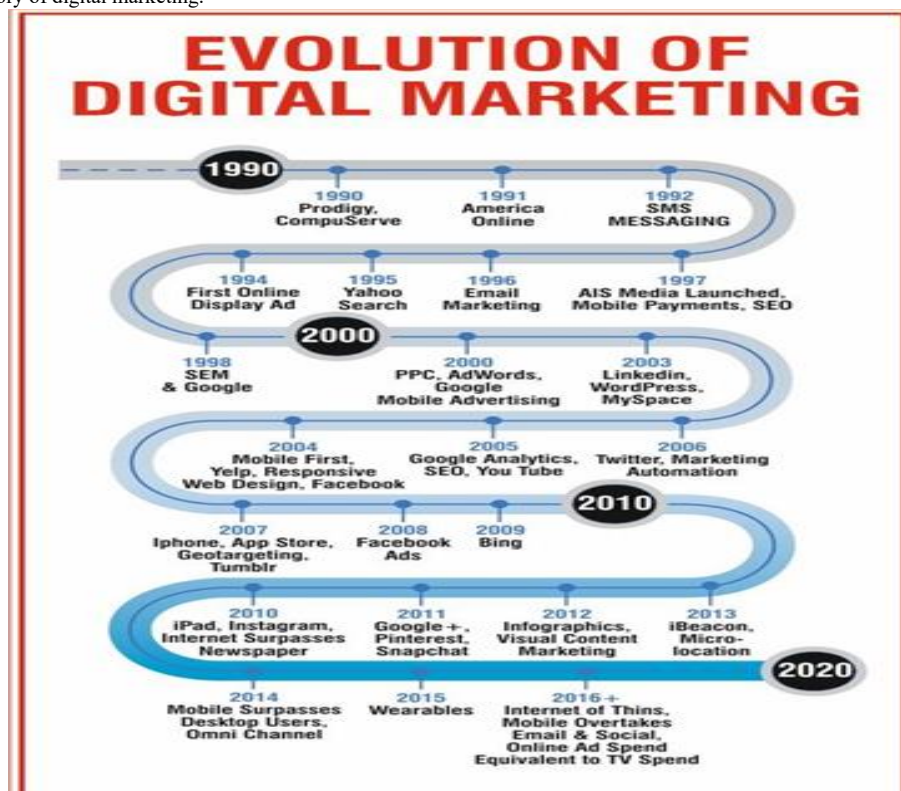


Figure 1: Evolution and History of Digital Marketing

Digital marketing is a collection of strong tools and techniques used to promote products and services over the internet. It covers more marketing aspects than traditional marketing because of the additional channels and methods available online. Digital marketing works quickly and requires the ability to think clearly, make decisions on your own, and be very creative. The internet makes life easier and more efficient. In today's world, digital marketing is playing a big role and is taking the place of traditional marketing methods.

ONLINE MARKETING IN INDIA

India had around 450 million internet users as of July 2018, which is about 40% of its population. Experts agree that the growth rate of internet usage is quite high. In India, the most common way to pay for online shopping is through cash on delivery, which accounts for 75% of all e-retail transactions. With a fast-growing economy, there is a big chance of growth in digital marketing careers. The rise in online marketing trends has had a major effect on how marketing and advertising are done. Communication tools have changed a lot in recent years. Many factors have helped digital marketing grow in India. Internet usage used to be limited to the wealthy, but now there is a big change in the lifestyle of the middle class. Most people in India can now access the internet. The spread of internet and 3G services has changed the marketing environment for both customers and marketers. A survey shows the size of the digital marketing industry in India:

- 34% of companies already had a digital marketing strategy in place in 2018.

- 72% of marketers think the traditional marketing model is no longer enough, and this is expected to increase company revenue by 30% by the end of 2019.

- In 2022, 80% of businesses plan to increase their digital marketing budgets, which might even exceed their IT budgets.

Only those who are illiterate cannot take advantage of digital marketing because they lack access to computing devices and computer education.

Many people in this group still don't trust online payment methods and also don't have the language skills needed to market products in global markets.

The main objectives of this study are:

1. To understand the role of digital marketing in the Indian context.
2. To find out the different reasons and programs that are influencing the growth of digital marketing.
3. To examine the views of three groups—consumers, businesses, and third-party agencies—regarding the growth of digital marketing.

The main hypotheses of this study are:

1. The growth of digital marketing is connected with the rise in internet usage.
2. Similar to traditional marketing, there's a strong relationship between businesses and third-party agencies in the digital marketing field.
3. The growth of digital marketing is amazing and unavoidable in today's globalized world.

III. REVIEW OF LITERATURE

Sharad Madhukar Dashaputre (2011) in his thesis titled "A study of the growth of internet marketing in Indian scenario" concluded that the increase in internet and mobile usage has led to the growth of internet marketing.

According to their study, all respondents agreed that internet is essential for the growth of online marketing, and people should be made aware of its importance. Most of them strongly believe that traditional marketing will be replaced by online marketing in the near future.

Susanne Schwarzl and Monika Grabowska (2015) in their study titled "Online marketing strategies: the future is here" emphasized the importance of studying customer behavior in all marketing activities.

Whether online or offline, customers behave similarly. The right strategy is needed to capture customer attention. Every company activity depends on the internet, so having at least one online department is important for a company's web presence. The main goal of a company should be to build a clear brand that represents its values and attracts both potential buyers and loyal customers, both offline and online.

Niharika Satinder (2015) in her journal titled "A study on internet marketing in India: Challenges and Opportunities" stated that online marketing offers a greater chance to gather information about customers compared to traditional methods.

In the coming years, online marketing will become stronger and make people's shopping habits more efficient and world-class. The use of credit cards has made online shopping easier.

Vladislav Yurovsky in his study "Pros and Cons of Internet marketing" concluded that internet marketing has both advantages and disadvantages.

Some of the advantages include empowerment, elimination of geographical barriers, targeting specific audiences, quick results, cost-effectiveness, reaching a wider or international audience, measurable outcomes, personalization, building relationships, and 24/7 availability. However, there are also disadvantages, such as copying of content, too many ads, a lack of seriousness, inconsistency in product quality, too much competition, negative feedback, dependency on technology, not being accepted by everyone, and a lack of trust.

D.K. Gangeshwar (2013) in his journal titled "E-commerce or internet marketing: a business review from Indian Context" mentioned that the current development in online marketing will be a valuable addition for researchers and academics, and it will also be helpful for practitioners, advertisers, and entrepreneurs. In the next three to five years, India is expected to have 30 to 70 million internet users, which will be comparable to many developing

countries. E-commerce is set to play a very important role in the 21st century, offering new opportunities to both large corporations and small businesses.

Dr.Amit Singh Rathore, Mr. Mohit Pant, and Mr. Chetan Sharma (2017) in their article titled "Emerging trends in Digital marketing in India" said that consumers are now searching more online to find the best products and services from sellers across India. Through various digital marketing techniques such as search engine optimization (SEO), search engine marketing (SEM), content marketing, influencer marketing, e-commerce marketing, campaign marketing, and social marketing, the speed of customer shopping has increased significantly. The use of social media has created new opportunities for digital marketers to attract customers through digital platforms.

RESEARCH METHODOLOGY

In this study, the focus on digital marketing is looked at from three different viewpoints: the consumer, the company, and the third-party agency. For each of these groups, three questionnaires were created. These questionnaires aimed to understand people's feelings about using digital marketing, the reasons behind the rise in digital marketing, and how it affects the sales of a company.

IV.DATA COLLECTION

Consumers – A total of 1000 consumers from various backgrounds and age groups were selected for the study.

Out of these 1000 responses, 88% were collected face-to-face by meeting them personally, 4% were gathered through phone calls, and 8% were collected via email.

Companies – The study included 100 companies in total.

Of these, 50% were from the service sector, 31% from the manufacturing sector, 12% from the IT sector, 6% from the education sector, and 1% from testing and research. Based on their turnover in rupees, 46% of the companies had a turnover of up to Rs 5 crore, 21% had a turnover between Rs 5 crore and Rs 50 crore, 17% had a turnover between Rs 50 crore and Rs 100 crore, and 16% had a turnover of Rs 100 crore and above.

Third Party Agency – There are not many third-party digital marketing agencies in the current situation, so a sample size of 10 was chosen.

Out of these 10 agencies, 10 were based in Mumbai, 2 each were in Pune and Noida, and 1 each were in Gurgaon, Jaipur, and Bangalore.

RESULT AND DISCUSSION

As mentioned previously, the data was collected by using survey method. Analysis was based on the 7 point Likert scale system.

Table 1 Likert Scale system

Response	Points
Strongly Agree	7
Agree	6
Agree to some extent	5
Undecided	4
Disagree to some extent	3
Disagree	2
Strongly Disagree	1

Respondents' views on the necessity of having mandatory internet awareness for the growth of Digital Marketing are shown in Figure 2. It shows that a large number of consumers and third-party agency respondents strongly agree. However, most company executives just agree.

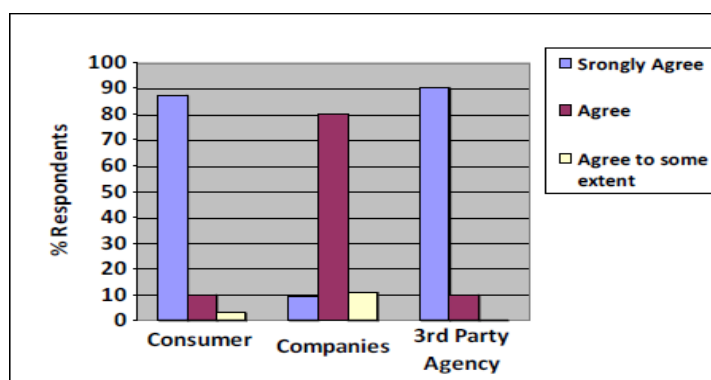


Figure 2 Internet Awareness for the Growth of Digital Marketing

It shows that 92% of consumers, 82% of company respondents, and 75% of third-party agency respondents strongly agree that Digital Marketing is experiencing growth today. It's important to note that no one expressed a negative opinion about the current growth of Digital Marketing.

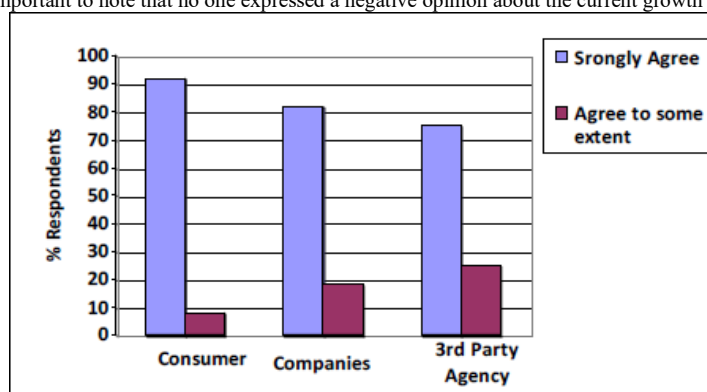


Figure 3 Growth of Digital Marketing

Figure 4 shows that 89% of consumer respondents and 70% of third-party agency respondents strongly agree that the number of people working in the field of digital marketing will likely increase in the near future to meet the growing needs of consumers. This view was also shared by 12% of company respondents. Additionally, 30% of third-party agency respondents agree that there may be more service providers in the digital marketing field in the future. However, 4% of company respondents and 1% of consumer respondents do not see an increase in the number of service providers.

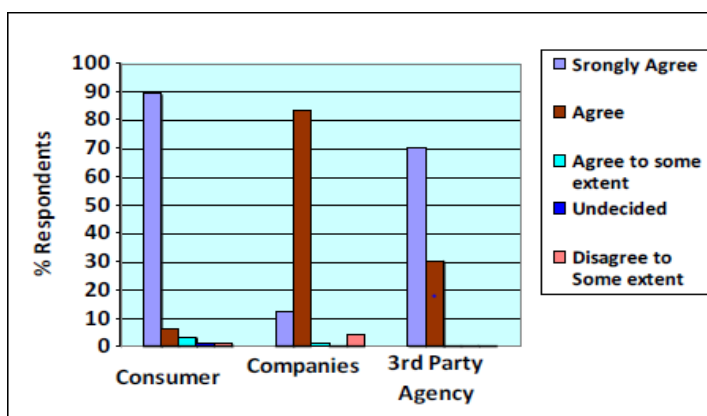


Figure 4 Increase in Number of Service Providers

Figure 5 shows that around 65% of the Consumer respondents strongly agree that the selected product or service will only lead to success in Digital Marketing. The success of Digital Marketing linked to a specific product is agreed upon by 81% of Company respondents and 30% of 3rd Party Agency respondents. It's surprising to note that nearly 50% of the 3rd Party Agency respondents don't credit any particular product or service as the reason for Digital Marketing success, meaning they disagree.

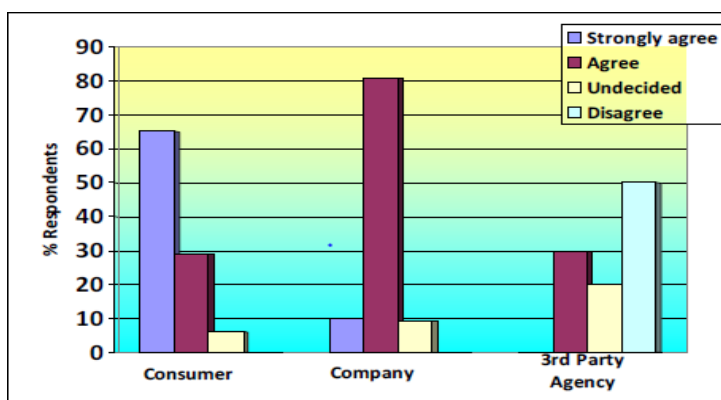


Figure 5 Success of Digital Marketing

Figure 6 that the reason ranked second by about 30% of all the respondents was to gain "Additional Revenue". In case of 3rd Party Agency 20% of the respondents feel that the use of internet media is the "Management Policy". This view is acceptable to only 11% of Consumers and 12% of Company Executives.

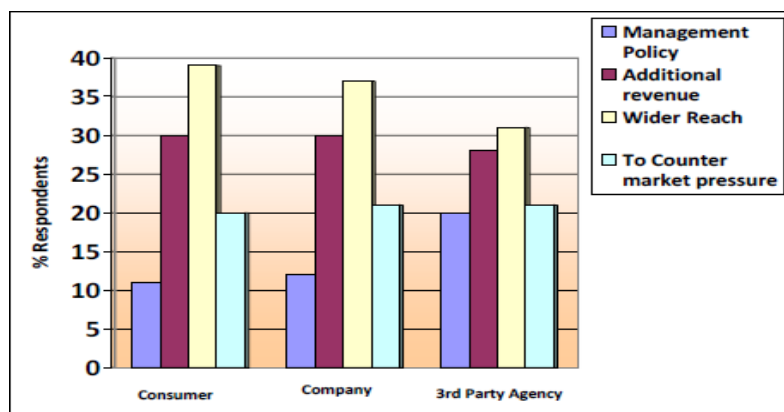


Figure 6 Reasons for Use of Digital Marketing by Company

Figure 7 displays that there are 70% consumer respondents who agree to some extent that the Digital Marketing would certainly help the company in branding of the product. Similar opinion was given by 40% of the 3rd party agency respondents.

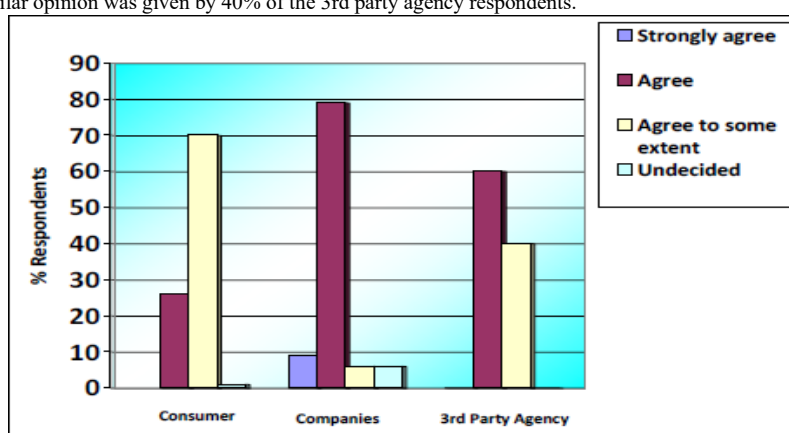


Figure 7 Branding Of Product

Figure 8 shows that over 50% of respondents from third-party agencies believe the turnover is significantly higher, possibly between Rs. 1200 crore and 1300 crore. About 32% of consumer respondents and 28% of company respondents estimated the turnover to be between Rs. 1000 crore and 1100 crore. More than 10% to 15% of respondents thought the industry turnover in digital marketing is Rs. 1300 crore or more. According to recent reports in Business Standards, the expected turnover for the digital marketing industry is around Rs. 13000 crore. Therefore, the potential of the digital marketing industry as determined by this study aligns with the expected figures.

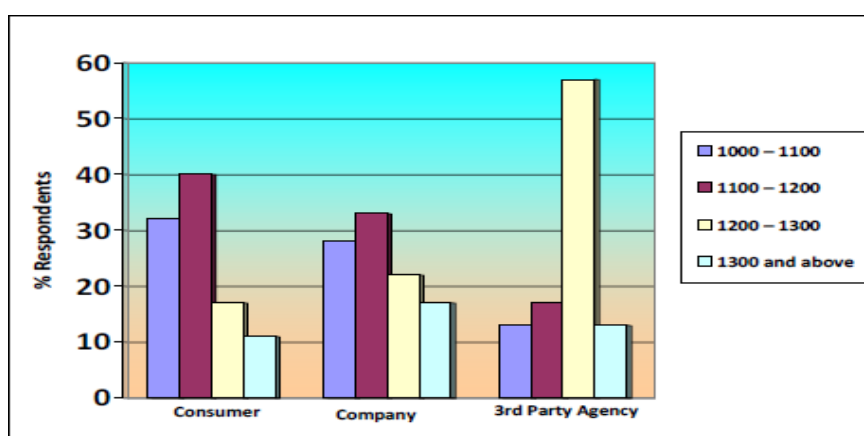


Figure 8: Digital Marketing Industry Turnover

CONCLUSION

Almost all the people surveyed agree that the rise in internet and mobile phone usage has led to a bigger growth in digital marketing. As more people use the internet, it's clear that consumers are becoming more interested in digital marketing.

In conclusion, this research shows that digital marketing is growing rapidly, and almost everyone agrees on this. The growth of digital marketing is closely linked to how much people use the internet. The impact of the internet age is clearly visible in the marketing field.

The main difference between traditional marketing and digital marketing is that digital marketing doesn't require a fixed network of channels. Most of the respondents think digital marketing is very important and believe it will become even more powerful in the near future, bringing in more money for businesses. Most of them also believe digital marketing will be very successful in the coming days.

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