

# A Study Of The Growth Of Digital Marketing In Indian Scenario

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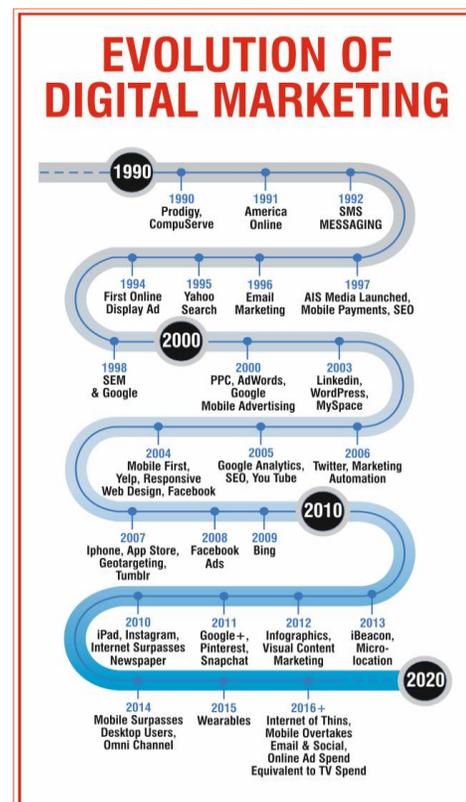
**Abstract** – Digital marketing is expanding in India with rapid pace. Several Indian companies are using digital marketing for competitive lead. Most part as decisive role is played by internet in digital marketing. Widespread incorporation of the internet for both business and private use has generated many new channels for advertising and marketing activities. This article mainly focuses on the growth of digital marketing in the present scenario. The study undertaken intends to discover the phenomenon related to the inclination in digital marketing. Hence three entities namely Consumers, Company and Third Party Agency were taken into contention. Results of this study reveal that all entities agree regarding mandatory internet awareness for the growth in digital marketing in this study.

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

## I. INTRODUCTION

Digital Marketing is marketing of goods or services, which involves electronic devices. Digital advertising is widely referred to as ‘online advertising’, ‘internet advertising’ or ‘web advertising’. Digital advertising means the advertising of goods or services by means of digital technologies. The form of marketing which revolves around internet based promotional messages to target the consumers. Digital technology includes internet, mobile phone or any other digital media. In 1981 the first PC was

launched by IBM and for the first time Channel Net Soft Advertising Group an ad firm which attempted to involve many ad campaigns in soft form with the support of advertising digitalization launched the digital marketing concept which give raise to promotional trials such as Reader Reply Cards predicted in Magazines and in return acquiring the floppy disk which comprises of multimedia content (Kamal, 2016). The below figure shows the evolution and history of digital marketing:



**Figure 1: Evolution and History of Digital Marketing**

Digital marketing is a set of powerful tools and methodologies used for promoting products and services through the internet. It includes wide range of marketing elements than in traditional business marketing due to the extra channels and marketing mechanisms available on online. Digital marketing moves at the speed on light to keep up a strong foundation with the judgment to think critically, act independently and be relentlessly creative. Internet is an element to make the life easy and faster. In the present scenario we can see that digital marketing plays a major role replacing the traditional marketing.

## II. ONLINE MARKETING IN INDIA

India has an internet user's base of about 450 million as of July 2018, 40% of the population. The industry consensus is that growth is at an inflation point. In India, cash on delivery is the most preferred payment method, accumulating 75% of the e- retail activities. In country with a rapid growth economy, it is expected to have a very high significant growth in digital marketing career. The growth in online marketing trends is making a very substantial impact on marketing and advertisement. The use of communication tools has greatly changed in the year past. 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. 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 2018

- 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 2019

In 2019, 80% businesses will increase their digital marketing budget which may surpass the IT budget. Only the illiterates could not access the potentials of the digital marketing because of the accessibility to computing devices and computer education. Many of the people in this category still don't trust the method of an online payment and they lack training in English Language and other foreign languages to market online in global markets.

The objectives of this study are as follows:

1. To study the role of digital marketing in Indian scenario.
2. To identify various reasons and schemes that affecting the growth of digital marketing.
3. To study the opinions of three entities viz. consumer, company and 3rd party agency with regard to the growth of digital marketing.

The hypothesis of the study are as follows:

1. The growth of digital marketing is related to the increase in usage of internet.
2. Alike traditional market there exists strong relationship between company and 3rd party agency in the field of digital marketing.
3. The growth of digital marketing is incredible yet inevitable in today's era of globalization.

## III. REVIEW OF LITERATURE

Sharad Madhukar Dashaputre (2011), in his thesis "A study of the growth of internet marketing in Indian scenario" came to a conclusion that an increase in the use of

internet and mobile has resulted for the increase in the growth of internet marketing. Based on their study all the respondents agree that internet is mandatory for the growth of online marketing and hence people should be given awareness of internet. Most of them strongly agree that traditional marketing will be replaced by online marketing in the near future.

Susanne Schwarzl and Monika Grabowska (2015), in their study on the topic "Online marketing strategies: the future is here" said that studying the customers' behavior is important in all the type of marketing activities. Whether it is online or offline customers behave in the same way. An apt strategy should be used for bringing the attention of customers. No company activities move without internet. So it is important to have at least one online department for the company's web presence. The main goal of company should be to create a clear defined brand which represents the companies values and catch potential buyers and loyal consumers attention offline as well as online.

Niharika Satinder (2015), in their journal "A study on internet marketing in India: Challenges and Opportunities" says that online marketing develops a greater opportunity to get information relating to customers as compared to traditional methods of marketing. In the next few years online marketing will strengthen more and makes the shopping habits of the people more efficient and world class. Because of the use of credit cards the online shopping became easier.

Vladislav Yurovsky, in his study "Pros and Cons of Internet marketing" came to a conclusion that there are advantages as well as disadvantages for internet marketing. Some of the advantages are empowering effect, elimination of geographic barriers, target reaching, immediate results, cost effective, reaching wider or international

auditory, measurable result, can be personalized, relationship build, 24 hours/ 7 days availability. Internet marketing also have some disadvantages such as copying, too much add cutter, unserious perception, unconformity to the product, too much competition, and damage by negative feedback, technological dependence, and were not embraced by all people and lack of trust.

D.K Gangeshwar (2013) in his journal, "E-commerce or internet marketing: a business review from Indian Context", remarked that the present developed in online marketing would be a valuable addition to researcher and academicians and useful theory for practitioners, advertisers and entrepreneurs. In the next three to five years India will have 30 to 70 million internet users which will equal many of the developing countries. E-commerce is set to play a very important role in the 21st century, the new opportunities that will be thrown open, will be accessible to both large corporations and small companies.

Dr.Amit Singh Rathore, Mr.Mohit Pant, Mr. Chetan Sharma (2017), in their article "Emerging trends in Digital marketing in India" says that the consumers are looking and searching more on internet to find the best products and services from the sellers around India. By different techniques of digital marketing such as search engine optimization (SEO), search engine marketing (SEM), content marketing, influencer marketing, e-commerce marketing, campaign marketing, social marketing etc. the shopping speed of the customers have been increased vastly. The usage of social media has created new opportunities for digital marketers to attract the customers through digital platform.

**IV. RESEARCH METHODOLOGY**

In the present work, the study of digital marketing mainly comprises of a consumer perspective, company perspective and third party perspective. Three questionnaires were prepared for each entity. The questions were related to know the attitude towards the use of digital marketing by the company, reasons for the growth of growth marketing and the impact on the volume of turnover of the company.

**V. DATA COLLECTION**

**Consumers** – The sample size of 1000 consumers from different walk of life and with different age group were taken. Of the total sample of 1000 consumers, about 88% of responses were face to face i.e. by contacting them personally, about 4% were contacted on Telephone and 8% by means of Email.

**Companies** – The sample size of 100 companies was targeted for this study. Of these 100 companies, 50% from service sector, 31% of companies were from manufacturing sector, 12% from IT sector, 6% from educational sector and 1% from testing and research. Based on the turnover of the company(in Rs) about 46% companies were found to have turnover upto Rs 5Cr, 21% between Rs 5 Cr to Rs 50 Cr,17% between Rs 50 Cr to Rs 100 Cr and 16% with Rs 100 Cr and above.

**Third Party Agency** – The number of 3rd party agency in today’s scenario is less and thus sample size of 10 for 3rd party digital marketing agencies was finalized. Of these 10 agencies were from Mumbai, 2 each from Pune and Noida, 1 each from Gurgaon, Jaipur and Bangalore.

**VI. RESULT AND DISCUSSION**

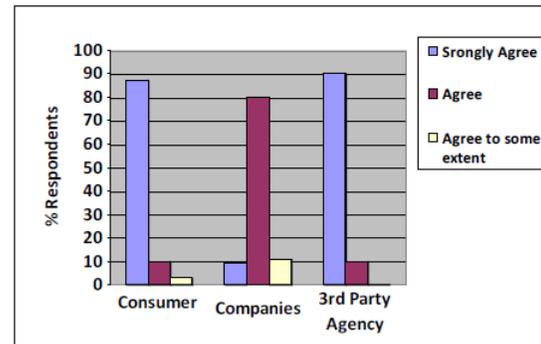
As mentioned previously, the data was collected by using survey method. Analysis was based on the 7 point Likert scale system.

**Table 1**

**Likert Scale system**

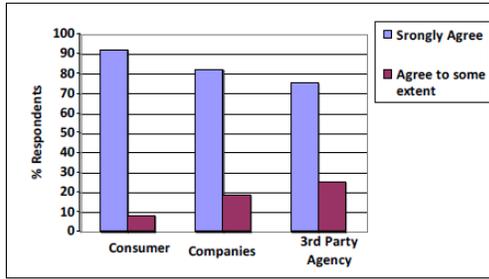
Response	Points
Strongly Agree	7
Agree	6
Agree to some extent	5
Undecided	4
Disagree to some extent	3
Disagree	2
Strongly Disagree	1

The opinion given by respondents about having mandatory awareness of internet for the growth of Digital Marketing is further depicted from Figure 2 wherein large number of consumers and 3rd party agency respondents are found to Strongly Agree. However most of the company executives are found to agree to have mandatory awareness of internet for the growth of Digital Marketing.



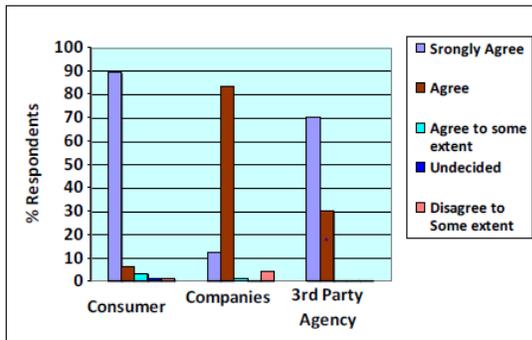
**Figure 2 Internet Awareness for the Growth of Digital Marketing**

Figure 3 displays that 92% Consumer, 82% Company and 75% 3rd Party Agency respondents Strongly Agree to the present day experiencing of the growth of Digital Marketing. It is important to note that none of the respondents had expressed negative opinion regarding the ongoing growth of Digital Marketing.



**Figure 3 Growth of Digital Marketing**

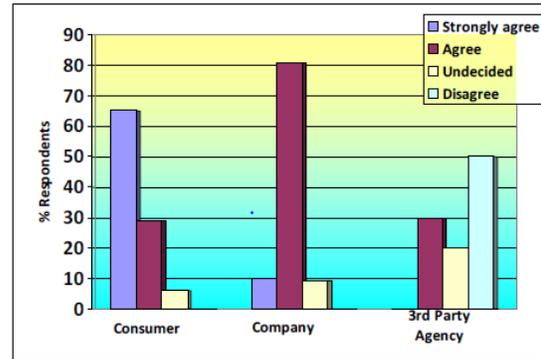
Figure 4 reveal that 89% of Consumer and 70% of 3rd Party Agency respondents Strongly Agree that number of players in the field of Digital Marketing is bound to increase in near future so as to cater to the increasing needs of consumers. This view was also supported by 12% Company respondents. Besides this 30% of 3rd Party Agency respondents Agree regarding possibility of rise in number of service providers in field of Digital Marketing. The increase in number of service provides in future however could not visualized by 4% and 1% of company and consumer respondents.



**Figure 4 Increase in Number of Service Providers**

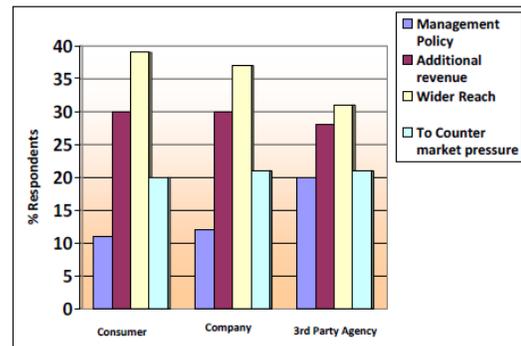
Figure 5 shows that about 65% of the Consumer respondents Strongly Agree that selected product/ service will only result for success in Digital Marketing. The success of Digital Marketing that related to certain product is agreed by 81% and 30% of the Company and 3rd Party Agency respondents respectively. It is surprising to see that nearly 50% of 3rd Party Agency respondents do not give credit to any one product/service which

could result for the success of Digital Marketing hence these respondents disagree.



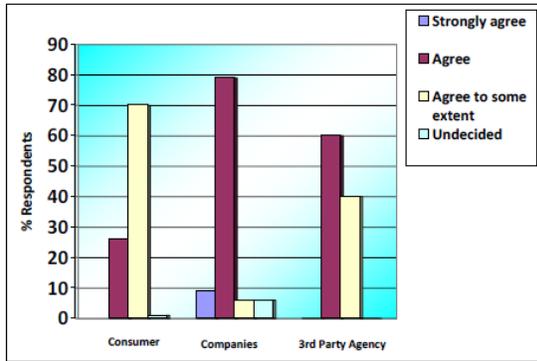
**Figure 5 Success of Digital Marketing**

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.



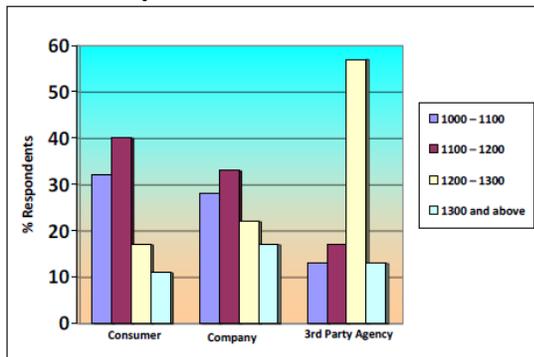
**Figure 6 Reasons for Use of Digital Marketing by Company**

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 more than 50% of 3rd party agency respondents estimates that the turnover is much higher and may range between Rs.1200 Cr. to 1300 Cr. There were 32% consumer and 28% company respondents having their estimation about the turnover to be between Rs.1000 Cr. to 1100 Cr. There were more than 10% to 15% of the respondents who estimated the industry turnover in Digital Marketing to be Rs.1300 Cr. or above. According to recent reports in Business Standards the expected Digital Marketing industry turnover ranges between Rs. 13000 Cr. Hence the expected potential of digital marketing determined by the present study is found to be correct.



**Figure 8: Digital Marketing Industry Turnover**

**VII. CONCLUSION**

Almost all the respondents agree that the increase in use of internet and mobile has resulted for the increase in the growth of Digital Marketing. Hence with the increase in use of internet it is largely observed now a

days that the consumer’s inclination to have access towards Digital Marketing is increasing significantly.

Finally to conclude the finding of this research work it can be noted that the growth of digital marketing is certainly a phenomena experienced by almost all the respondents. The growth of digital marketing is directly related to the increase in the use of internet. Hence the effect of internet era is experienced in marketing sector.

The only variation found between traditional marketing and digital marketing is that there is no compulsion of channel network in digital marketing. Most of the respondents have judged the importance of digital marketing and hence have commented that in near future the potential of digital marketing is bound to increase and also this will generate more revenue for companies. Most of the respondents agree that digital marketing will be successful in coming days.

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