

Digital Marketing in Indian Context

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Abstract

Digital marketing is rising in India with fast pace. 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. Startups who use digital marketing many times got failed. This study shows precautions to be taken for effective implementation of digital marketing to reap tremendous potential to increase in sales.

Keywords: Digital marketing, social network, ecommerce, online retail, start up and commandments.

1. 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."

Search Engine Optimization, Search Engine Marketing or Pay per Click Advertising, Social Media Marketing, Content Marketing, Mobile Marketing, Web Analytics, Marketing Automation, Content Writing & Rate Optimization are the popular and most-demanded areas in digital marketing.

It is the creative use of management information system (MIS) and technology which supports customers interaction with e-marketers. Marketers need to use technology and information and intuition to set brands and grab opportunities. E-Commerce has unleashed the revolution which is changing the way of doing business. In 1997 U.S. govt. allowed use of internet by commercial

organization. This gave impetus to new way of conducting trade and commerce.

In 2015 e-commerce activities get boost up with rapid expansion, multiplicity of campaign, deals based user acquisition and more. This shift in e-commerce become more noticeable with higher focus on consumer knowledge and retention, improvement in experience, and depth of assortment across an ever wider range of categories. E-commerce players are focusing on retention on existing customers and acquisition of new users.

To enhance loyalty of customers towards e-commerce as a category they are differentiating in leveraging data and assortment trends to finally move towards one to one marketing principle. Customers are rewarded for their loyalty with better experience across delivery, pricing, exclusive offer and return policies

Early e-commerce trialists and adopters have clearly understood and experienced the immense benefit of e-commerce. Therefore companies are scaling down mass media advertising description of e-commerce targeted early trialists and adopters. Main digital platform such as Google, Facebook, Twitter, You Tube etc. are rolling out more advertiser friendly products that are allowing smaller as well large players to market with high efficiency to early adopters. This is resulting in increase in digital marketing spending. Due to innovation of digital media coupled e-commerce players system is moving from application download and visit metrics to user metrics instead.

Investment made so far to generate early adopters of e-commerce are rotating into targeting late adopters through regional and vernacular offline media. Advertisers have finally accepted that there will be end of long form of advertisement and branded content will rise. Digital video-advertising even started issuing advisories asking consumers to keep edit length short. Brand are experimenting, to large extent, with expressing themselves through digital and youth content. This has driven wider choices of content, sharper entertainment propositions, and increase in the smart phone viewership dividend. Sustained

advertiser investment depends on how fast the emerging digital content industry adopts scientific measurement tool. Innovations in the core products are generating big impact on user acquisition and retention due to digital store and service experience. The players who are delivering gaining more consumer friendly products and service improvement are gaining more.

2. Some facts about Indian Digital Marketing Industry

- As per a report by IAMAI and Boston consulting group, India has one of the largest and fastest growing populations of Internet users in the world—190 million as of June 2014 and growing rapidly.
- According to a report, India will cross 500 million Internet Users Mark in 2020
- According to Direct Marketing Association, Digital Marketing Industry is worth \$62 billion
- According to eMarketer, advertising via mobile phones and tablets rose 180 percent, to \$4 billion in 2014
- According to a report published in The Hindustan Times, New Delhi digital advertising space in India is worth Rs. 6000 crore and video is Rs. 1600 crore of that. In 2016 the digital ad space will grow to Rs. 8100 crore and video will grow faster than search and classified.

According to a research firm eMarketer ecommerce sales in India are expected to grow from \$14 billion in 2015 to \$55 billion in 2018. India has seen the fastest growth in retail ecommerce among Asia-Pacific countries, surging 133.8% in 2014 and 129.5% in 2015. The combined gross merchandise value, or total value of sales of country's top three ecommerce places i.e. (Flipkart, Amazon and Snapdeal) in 2015 was \$13.8 billion exceeded that of the top 10 offline retailers, which stood at \$12.6 billion for the same period.

3. Reasons for rise in digital Marketing in India

Increase in internet penetration in the country has led to a substantial growth of other digital industries such as e-

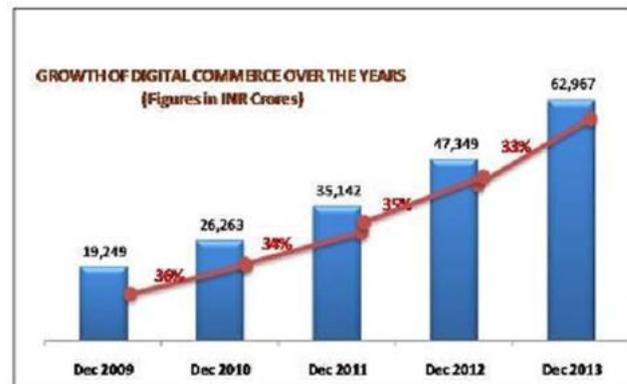
commerce, digital advertising and so on. Latest trends in digital marketing in India in web usage, mobile and search, social networking, shopping and online video are shaping the Indian digital marketplace and what it holds for the years to come.

Fig 1: India is now world third largest internet population



By adding 17.6 million users in 2013 and exhibiting a year-over-year increase of 31%, India becomes to be the world's third largest internet population leaving behind Japan. While in 2012, Mobile Internet grew 111 per cent, during 2013 the growth was 63 per cent. India registered a YoY of 28 per cent in 2012 and a YoY growth of 39 per cent in 2013 as far as the number of internet users is concerned.

Fig 2: Growth of Digital commerce over years



While in December 2007, the digital commerce market stood at Rs. 8,146 crore, by December 2012 it was worth Rs. 47,349 crore.

By December 2013, digital commerce in India grew to a whopping Rs. 62,967 crore.

The segment witnessed 35 per cent growth between December 2011 and December 2012 while it grew by 33 per cent between December 2012 and December 2013.

Fig 3: Online retail is on the rise



60% of web users in India visit online retail sites. Of the total online market products, consumer durables account for 34 per cent, apparel and accessories 30 per cent, books 15 per cent, beauty and personal care 10 per cent, and home and furnishing 6 per cent. Over 50 per cent of sales in these product categories take place in non-metro cities.

Fig 4: Majority of screen time still captured by Social media



- 86% Indian web users visit a social networking site
- 214 minutes are spent on Facebook by an average user
- There is 28% increase in facebook visitors in the last 12 months
- 59,642,000 users visited facebook on their PC's
- Facebook continues to be the number one social network and LinkedIn as number two while

Pinterest and Tumblr are the fastest growing networks.

Fig 5: Entertainment and online video continues to grow



- 74% of internet users in India visited an entertainment site
- 31.5 million viewers watched videos on YouTube making it the number one destination for videos
- 27% increase in the India online video Audience over a year
- 54,025,000 people watched an online video on their PC's

4. Indian companies using digital marketing for competitive advantage

Nestle's Every Day was facing threat from liquid milk in North-East. It has taken help of Facebook. Its teams created a three-second cinema graph- an image with some moving shots. It targeted women age 21 and above. The result was five percentage point increase in purchase intent and 14 point increase in ad recall.

Coca-Cola did a live video for its orange flavoured Fanta. Maybelline did a three dimensional video. Royal Enfield shot a 360 degree video for its new bike Himalayan. Lakme used a slide show format (its five times lighter than a video), and Cornetto made a three second Cinemagraph.

Pepsi Co. Beverages used Facebook during cricket World Cup in 2015 for brand building and generating the sale. Pepsi's Facebook campaign was the most recognised brands during the event. Pepsi Co. is using social media in a big way for building its brand equity.

A research conducted by Adobe and CMO Council has revealed that growing number of marketers in India are

leveraging digital marketing to increase their competitive advantage.

According to the study, India leads in the confidence in digital marketing as a driver of competitive advantage.

Ninety-six per cent of the Indian marketers have high confidence in the ability of digital marketing to drive competitive advantage. It is among the highest in Asia-Pacific APAC with only Australia leading with 97 per cent, the research said.

However, while Indian marketers believe that the key driver to adopting digital is a growing internet population (70 per cent in India against 59 per cent in APAC), their belief that customer preference and digital dependence drive the adoption of digital, and that digital can engage the audience, is lower than the APAC averages, it added.

According to 2014 Adobe APAC, India is an emerging leader in Digital Marketing, it has dipped in its own performance in 2015 as compared to the previous year. It is important to note that India scored much higher than the APAC average in 2014.

Customer preference and digital dependence would increase along with the increase in penetration of internet in the Indian market.

The study revealed that compared to their APAC counterparts, Indian marketers are receiving lesser support from channel and sales teams for increasing digital spends. However they are doing better as compared to 2014 suggesting that departments that have a customer interface are realising the importance of digital marketing in augmenting their efforts.

5. Impact of technology growth on traditional marketing

Due to technologies advancement at an exponential rate, the marketing paradigm has shifted to newer more customer and content centric approaches being delivered on the digital platform.

Traditional marketing like advertising, public relations, branding and corporate communications, lead generation etc. broadly relies on television, radio, telephone, and print media and telephone as a delivery medium. Contrary to that modern marketing techniques leverage the power of Internet and social media to reach to a more targeted set of audience.

Modern marketing techniques provide cost effective marketing platform with ability to reach millions of customers in a very short span of time. Businesses which invest heavily on only on digital marketing as their

marketing delivery tool, can substantially hurt their overall marketing success.

For success of any marketing campaign it should fully harness the capabilities of various marketing techniques available within both the traditional and modern marketing.

Activities like push marketing, lead generation, launch events and trade shows, television and print media can be used to integrate with social computing, customized content and control budget etc. to effectively reach the identified market segments and convert them into paying consumers.

With the rise of social media, changing business landscapes, and introduction of more educated customers, the businesses need to rethink about their marketing strategies and lay out a multi-channel marketing plan that carefully lays out an optimal mix of both the modern and traditional techniques best suited for the business.

6. Reasons for failure of digital marketing in startups

Probable reasons for failure of digital marketing in startups are as follows:

Measuring the Cost per Acquisition: A large percent of business owners fail to define key metrics and don't put relevant structure including using relevant tools to measure the progress of their digital marketing campaigns. Entire focus of measurability is on increasing reach in terms of views and visitors. While reach is necessary but it's not sufficient. Imagine if your website receives more than double the traffic of your competitors but if your website conversions are less than half of your competitors - you would still be having lower returns than your competitors. In addition to pay attention to increasing your website reach, pay attention to the entire customer funnel so as to meet your ultimate objectives is the key to success in leveraging digital media.

Believe that Digital Marketing belongs to Technology Department: A large number of startup founders don't believe that digital marketing is a marketing function. But they treat it as a technology piece. Although digital marketing leverages technology for reasons such as measurability or scaling up, it's still a marketing function. Expecting from technical team to create success of digital marketing is an obvious recipe for failure. This problem is not limited to startups even large corporations are also the victims of such treatment of digital marketing.

Think that outsourcing is the solution: Assuming that outsourcing will take care of end-to-end execution is one of the reasons for high failure rate of agency-client

relationships. This problem is bigger with the large corporation which are using outsourcing. By educating clients about the appropriate approach to leverage digital helps them restructure their thinking and processes related to digital marketing.

Hired a Digital Marketing professional on your ignorance: Hiring one or more digital marketing professionals without having clarity on overall digital marketing strategy is almost similar to outsourcing digital marketing responsibility to an external agency. Whether startups or marketing professionals they have to realize that they have an important role to play in creating digital marketing strategy, whether they want to work with an external agency or build an in-house team.

Doing Social Media because everyone else is doing: Like in other business functions, our decisions in digital marketing are largely influenced by what others are doing or what's popular at present.

Just because Social Media is the talk of the town is not a sufficient reason for a startup to invest in it. The choice of a digital media platform should be based on business objective and target audience rather on the popularity of a medium. Social Media may be useful for brand promotion for a large organization while Search Engine Marketing may be more appropriate for a startup if lead generation is the primary objective.

Expect overnight Success: Influenced by mind-blowing statistics associated with digital media platforms and by ever growing number of online businesses, every organization who embark upon the journey of digital marketing believes that it's a magical wand, which will solve their sales & marketing objectives overnight.

Although digital media is a powerful weapon to accelerate business growth, a sustainable success in digital marketing normally takes few months if not more and this journey to success would have involved few failures. Digital Marketing avenues such as Search Engine Optimization (SEO) require couple of months before a business can see good results. Expecting quick results normally leads to giving up on the not-so-visible but real progress campaigns, which would have produced desired goals if given the time it requires.

Underestimate the importance of Content: Digital marketing campaigns relies mainly on regular flow of high quality, relevant content, the requirement for which is highly underestimated by a large percentage of small businesses.

When faced with scarcity of content, either these businesses end up compromising on the quality of the

content or end up giving up their digital marketing campaigns.

7. Commandments of Digital Marketing

Consider Digital strategy as a part of Brand Strategy: Generally for brands, digital strategies are created in a complete vacuum from the overall brand strategy, or worse, no digital strategy is crafted at all. Since digital is the glue that ties the entirety of a marketing plan and tactics together, anything that happens online needs to ladder up to the higher objectives of the brand. An effective digital strategy is typically composed of a group of sub strategies to effectively plan and account for owned, earned, shared, and paid assets.

Innovating the Brands: Majority of brands have some form of goal around innovation. And that's important because innovations drive the business forward But innovation mean better not new. Your strategy should help you select your tactics, not the other way around. If you are seeking to use a tool or platform because you think it is innovative, and can't identify how or why it works for your audience, you're worshipping the shiny object and are destined to fail.

Put Interest of the Consumer First than their Own: Too often marketers approach digital from the mindset of their own (or their brand) objectives. Users crave value, utility, and having their needs met. This is especially true online where fractions of a second can make or break a potential engagement. Instead of focusing on your needs, try and determine what your users want and how you can insert your brand or your content into their lives in a way that makes sense.

Don't Imitate your competitors: Just because your competitor is doing something doesn't mean you should too.

Acknowledge the Importance of Smart Phone and Tablet: Usage of mobile phone and tablet has increased extensively. About 85% of HCP's are using a tablet in their practice and 1 in 3 people in the US now own a tablet as well. Increasing use of smart phones means your brand had better be ready to provide mobile optimized content, tools, and resources for your users.

Understand the Difference between Metrics and Analysis: There is difference between metrics and analysis. Metrics are just data. Metrics are just numbers. Analysis tells you what to do next. A common misunderstanding is that they are one and the same. Google analytics may be free, but can't give you any insight into what the numbers mean or where to go from here. Too often marketers collect (or

simply ignore) data and give no thought (or budget) into understanding it. The digital medium allows you to be nimble and react to your users with far greater speed and efficiency.

Maintain healthy relationship with stakeholders: Treat your employees, suppliers & distributors etc. accordingly so that they feel as a partner. Healthy company – client relationships are a true partnership where everyone feels comfortable bringing ideas and co-authoring success. Treat your organization people fairly and with respect and they'll bring results for you. With their help if you succeed, tell them. When they screw up, do the same.

Share your content with those who need it: Use wants to use contents as per their convenience when and where they want. You should take it positively if they decide to copy, share, link, or tweet it elsewhere. Your contents should be sharable and videos should be post able. Because your customers are true amplifier for your brand than anyone else.

Conclusion:

Digital marketing has increased in last a few years in India. People have different views about it. But the fact is this digital marketing has tremendous potential to increase in sales provided businesses should have knowledge to implement it in right way. Benefits like increased brand recognition and better brand loyalty can be gained by effective digital media plan. Digital marketing campaign help in reduction in costs, boost in inbound traffic and better ranking in search engines.

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