

Growth of Digital Marketing in India

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ABSTRACT

The world is transitioning from analogue to digital and marketing is no exception. The use of digital marketing is growing in parallel with technological advancement. Internet users are rapidly increasing and digital marketing has benefited the most because it is primarily dependent on the internet. Consumer purchasing habits are shifting and they are consistently favouring digital marketing over traditional marketing. The main objective of this review paper is to investigate the impact of digital marketing and how important it is for both consumer and marketer. This paper starts with a brief introduction to digital marketing and then highlights the medium of digital marketing. The difference between traditional and digital marketing and the pro's, cons and importance of digital marketing in today's era. The fact that India's digital market is always expanding is proof that digitization is advancing quickly. Today, e-commerce websites offer all products and services via online portals.

Keywords: Internet Marketing, Social Media, Current marketing trend, E-commerce.

INTRODUCTION

The digital marketing sector in India has almost universal reach business divisions. Among the uses of electronic marketing are tracking of purchases and orders, internet banking, and payment methods and content administration. Geophysical obstacles are overcome thanks to the power of digital marketing, making all consumers and companies on the planet potential clients and providers. It is renowned for enabling companies to communicate and complete a transaction at anytime and anywhere. India's digital marketing sector is now experiencing rapid growth. Significant rise in the field of digital marketing is predicted for a nation with a rapidly expanding economy. The development of digital marketing trend has a significant impact on marketing and advertising.

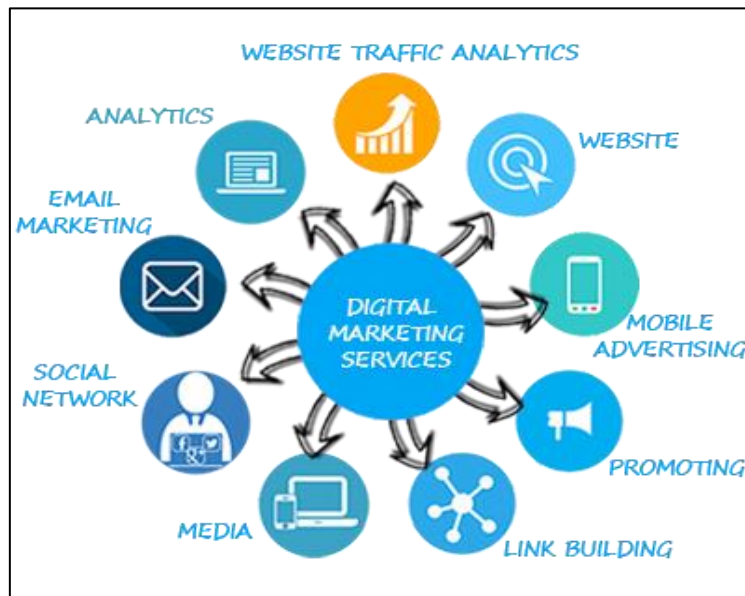
Digital marketing is a type of marketing that promotes products and services through all the Internet and online-based digital technologies such as desktop computers, mobile phones and other digital media and platform. Digital marketing plans have integrated into marketing plans and everyday life and as people increasingly use digital devices instead of visiting physical stores, digital marketing companies have become more common, employing a combination of search engine optimization (SEO), search engine marketing (SEM), content marketing, influencer marketing, content automation, campaign marketing, data driven marketing, e-commerce marketing, social media marketing, social media optimization, e-mail direct marketing, display advertising, e-books and optical disks and games have become a common place. Non-internet channels that provide digital media, such as television, mobile phones (SMS and MMS), and call-back and on hold mobile ring tones, are examples of digital marketing. Digital marketing is distinguished from online advertising by its expansion into non-internet channels. This paper mainly focuses on conceptual understanding of digital marketing, how digital marketing helps today's business and also study current issues in the form of examples.

According to a report by Forrester, India had predicted to increase at a rate of approximately 57% between 2012 and 2016, making it the Asia-Pacific market with the quickest rate of expansion. In India, the e-commerce sector has expanded at an incredible rate, and by 2018, it has contributed 1.61% of global GDP.

The following are the main forces behind e-commerce.

The country recently saw the debut of 4G and 5G a large percentage of the population has broadband Internet subscriptions, and users are growing quickly.

- The exponential rise in smartphone usage.
- A rise in living standards as a result of the rapid drop in the poverty rate.
- A significantly broader selection of products is available.
- Competitive pricing that appeal to customers.
- A rise in the number of people using online classified services to buy and sell products.



HISTORY

The advancement of digital marketing is intimately connected to the advancement of technology. One of the first significant events occurred in 1971, when Ray Tomlinson sent the first e-mail, and his technology established the platform for people to send and receive files via different machines. However, 1990 is more widely recognised as the beginning of Digital marketing because this is when the Archive search engine was created as an index for FTP sites computer storage capacity was already large enough in the 1980's to store massive amount of customer data companies began to prefer online techniques such as database marketing over limited list brokers.

The term "Digital Marketing" was first used in the 1990's with the introduction of server/ client's architecture and the widespread use of personal computers, customers relationship management (CRM) applications become an essential component of marketing technology. Due to Fierce Competition Vendor's were forced to incorporate more services into their software, such as marketing, sales and service applications. Online marketing, internet marketing and web marketing are other terms for digital marketing. Overtime, the term "Digital Marketing" has grown in popularity. Online marketing is still used often in the USA Digital Marketing is also known as web marketing in Itlay. Particularly since 2013, the term "Digital Marketing" has become the most used worldwide. Digital advertising spending increased by 48% in 2010, with an approximate 4.5 trillion internet ads served annually. Business that utilise Online Behavioural Advertising (OBA) to target specific internet used account for an increasing share of advertising, however OBA also presents privacy and data protection issues for consumers. We can learn about digital marketing which are more than E-commerce is only through self-efforts and few institutions like Web Marketing Strategies (WMS). Brand's may connect with consumers through digital media and encouraged personalised engagement with their goods or services.

OBJECTIVES OF THE STUDY

1. To study the growth of Digital Marketing in India.
2. To examine India's consumer Internet purchasing patterns.

NEED OF THE STUDY

The marketing world is evolving quickly and quickly marketing is becoming more prevalent. The company must comprehend the new marketing paradigm and adopt its business practises accordingly. The study will assist the reader in comprehending the importance of establishing an online presence and the value of digital marketing.

LITERATURE REVIEW

SMEs don't appear to be taking full advantage of the new digital tools' potential, which prevents them from taking advantage of the opportunities they present. The findings also beg the question of whether SMEs have grasped the fundamental transformation in communication brought about by digitization. Due to their limited understanding of digital marketing, SMEs don't seem to be keeping up with technological advancements. Most of the SMEs that were surveyed do not utilise the new digital tools to their fullest capacity, which prevents them from receiving the full benefits of using them. (Taiminen, Heini; Karjaluoto, Heikki, 2015) Today, we are surviving under digital era, advance technologies, social media and internet marketing have a significance impact on the way of consumers, online business companies. Due increase in to this increasing growth of digital revolution has positive effect on the continuous market demand and supply. But even if the new era of communication has arrived, experts advise businesses to continue using traditional methods and to strive to integrate digital marketing with established businesses to meet their objectives. (Raluca Dania Todor, 2016)

A contemporary marketing idea that is well-known in the field of new technologies is called "digital marketing." Digital technology advancements have paved the way for the creation of the cyber-consumer and the cyber-business. The adoption of new customer connection models is made possible by the digital revolution. What obstacle must businesses that want to grow their market shares overcome? The core of digital marketing and all of its resources may be meaningless to a business that wants to reduce customer service expenses to increase revenue and streamline the sales process. (Arthur Sauicki, 2016)

The base of digital marketing is only Internet while using digital technologies. This is fully online process of marketing of products and services. It also includes a various digital intermediaries such as mobile phones and display advertising. On the other hand, various digital channels such as E-mail, search engines, social media, websites to connect with customers where they spend much of their time and form website to leverage business. Digital marketing has a bright future for long term sustainability. (Dr. Mrs. Vaibhava Desai). For businesses, the Internet is the most effective tool (Yannopoulos, 2011).

The role of digital marketing has changed dynamicaly and commercial impact on business activities. Due to this various positive impact has been seen in economic activities like control inflation, recession, unemployment as well as increasing economic growth rate. Increasing the trend of digital marketing now a days various customers prefer online marketing and online marketing support selling, buying, trading of products or services. Hence, Internet marketing support to their customer for decision making, providing accurate and timely information of various products. With the help of internet few companies can use internet for marketing such as Google.com, Yahoo.com, Amazon.com and Youtube.com (Dr. Madhu Bala, Mr. Deepak Varma, 2018) Tools for online services are more influential compared to more established communication channels.(Helm, Möller, Mauroner, Conrad, 2013).

In particular for products where buyers can read reviews and leave comments about personal experiences, blogs as a digital marketing tool have successfully increased sales income. Online evaluations have become a tremendously effective component of firm's overall marketing strategies (Zhang, 2013). The focus of the digital marketing strategy is on how personalization, improved campaign management, and improved product, marketing design, and execution make marketing more efficient. Many businesses now consider using digital channels for marketing to be crucial to their overall strategy. There is now a very affordable and effective way for small business owners to sell their goods or services. Digital marketing is limitless. (Pinaki Mandal, Prof. Nitin Joshi, 2015)

Research Methodology:

Research Design: The present study is based on exploratory and descriptive research method. As a purpose of this study data have been collected on all India bases.

Data Collection: The paper is based on secondary data. The various articles, newspapers, researches, various websites and the information on internet have seen studied. The company related information and data are used which is available publically on the websites of the companies.

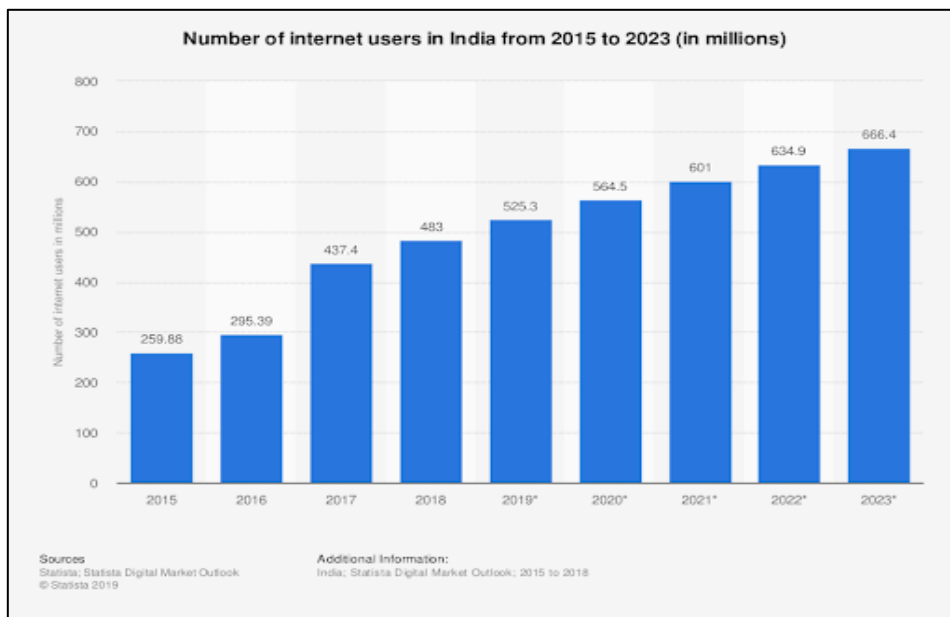
GROWTH STATISTICS OF DIGITAL MARKETING IN INDIA

Not just in India but all across the world, digital marketing is experiencing a significant growth in the job market. Companies are becoming more and more reliant on the internet to boost their earnings more quickly. In India, in 1996 India MART B2B marketplace was established. In 2007, Flipkart was established in India. The majority of digital means is for marketing purpose and to develop e-commerce.

According to data on digital marketing, smartphone and tablet advertising in 2011 was 200 percent less prevalent than it was in the years that followed. The net worth was \$2 billion during this year. The increase followed a geometric development, reaching \$6 billion in 2012.

According to reports, India has the largest and most lucrative e-commerce market for new businesses. Between 2010 and 2016, the digital advertising market in India increased by 33% yearly. A greater level of career work improvement is required due to the competitive expansion, and more professionals are entering the area. The overall amount invested increased by 1.5 billion dollars between 2013 and March 2015. Up to this point, there has been an outstanding growth. India experienced the Internet sector's "golden period" between 2013 and 2018, according to a report by the International Journal of Advanced Research Foundation, with enormous development potential and secular growth adoption for E-commerce, online shopping, social media, and internet advertising Services and content related to digital marketing.

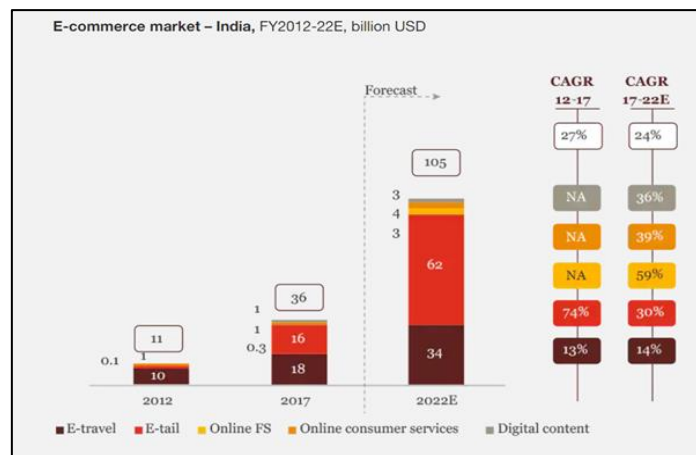
World wide differences in internet user's numbers and penetration rate are significant. While internet penetration rates in less developed nations stayed around 50%, those in more industrialized nations go as high as 80%.



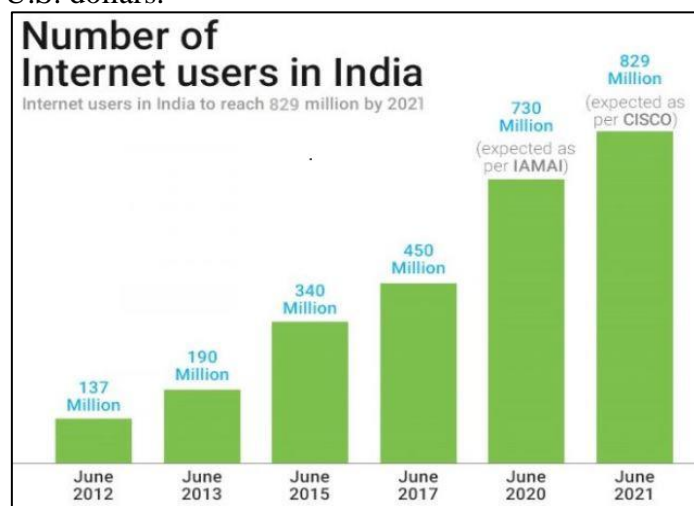
World wide differences in internet user's numbers and penetration rate are significant. While internet penetration rates in less developed nations stay around 50%, those in more industrialized nations go as high as 80%. Additionally, there are 4.57 billion internet users worldwide, but only 3.24 billion of them are in the top 20 countries. The rest of the world has only 1.33 billion internet users. India has only a 50% internet

penetration rate, but it already has the second-largest internet user population in the world, only behind china.

- An rise of 26% or Rs. 13,683 crore in digital advertising was seen in 2019 compared to 2018.
- According to recent survey by Dentsu Aegin Network, advertising saw overall satisfactory 9.4% growth rate.
- India’s digital media sector was estimated to be worth 221 billion Indian rupees in 2019.
- The total value of the Indian advertising market was Rs. 68,475 crore by the end of 2019.
- The sector is anticipated to increase by 10.9% by 2020’s and exceeding Rs. 75,952 crore.
- In India there will be 564.5 million internet users on mobile devices by 2020 and in 2022 it is 601 million internet users has shown. In 2023 it will be shown estimated internet users are 666.4 million.
- On average, countries digital media sector was predicted to experience a steady increase of 23% compounded yearly between 2018 and 2020.
- The current year growth rate for the digital marketing sector is predicted to be 27% and by the end of 2020 it would be worth Rs. 17,377 crore.
- According to a different survey, by the end of 2020, digital marketing in India is predicted to increase by 10.9% and reach a value of Rs. 75,952 crore. The given estimation of projecting it will surpass 414 billion rupees by 2022.



- Digital marketing will grow at a CAGR of 27.4% to cross the Rs. 50,000 crore, the end of 2025. According to a different survey it is projected to show a growth rate of 11.83% and it will reach the market size of Rs. 1,33,921 crore by 2025.
- In India, in 2024 E-commerce sector is the highest share in digital marketing has the anticipated revenue to grow to 71.0 billion U.S. dollars.

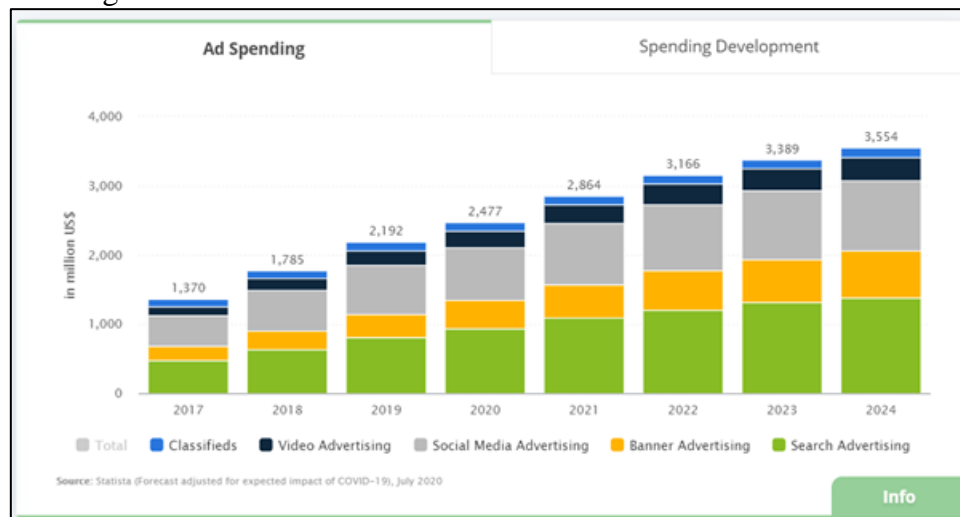


According to a research released by the Internet and Mobile Association of India, 346 million Indian's engage in online activities such as e-commerce and digital payments (IAMAI). According to the IMAI research titled "Internet in India", the number of online transaction during pandemic two years prior to the coronavirus pandemic in India reached a new high of 51%, up from 230 million in 2019. India has 692 million active internet users in 2019. As per the expected report of IMAI, currently India has reached 730 million internet users in 2020. And According to a CISCO research India has increased 829 million internet users in June 2021. According to the research, India will reach 900 million internet users by 2025. In India, the top three online activities for users are social networking, entertainment and communication. As per the IMAI research, a user most frequently use text and email for communication and also indicates that voice and Indian languages will be the main growth drivers in the future. Online gaming, e-commerce and digital payments are still more prevalent in the country.

ADVERTISING EXPENDITURES ON DIGITAL MARKETING

The Indian digital marketing sector is currently experiencing it's fastest-ever growth. There are numerous factors behind this increase. The use of communication tools has evolved significantly during the last year. Nobody ever considered having a trustworthy deal online.

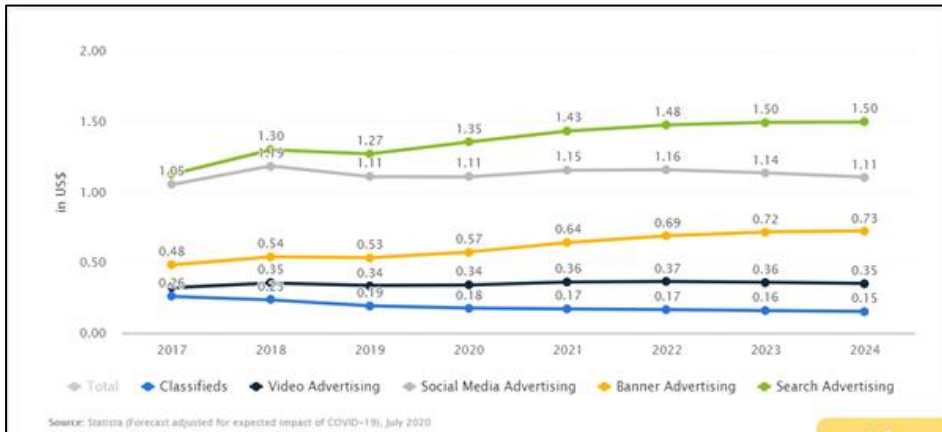
It was thought that material found online was made up and full of lies. No one was able to listen to any internet advertisements that did not mention buying food, furniture, or clothing. The plot has substantially modified. Online activities range from sales to marketing. This is because online communication in India now enjoys a higher level of trust. This has greatly aided marketing efforts. The communication industries are driving the revolution. With the availability of low-cost smartphones, India currently has over 749 million internet users, which opens up an exciting commercial potential to market to a rising population. India was the second largest online market in the world.



- In India, social media has highest share of 28%, which leads advertising expenditures on digital media.
- The contribution of social media to Indian digital advertng pie is Rs. 3835 crore.
- The Indian digital advertisement distribution is as display media 21%, paid search 23%, and online video 22%.
- Digital advertising spend in India was around Rs. 160 billion in 2019.
- As per the survey, by the end of 2020, Ad expenditure in the digital advertising market reached US dollar 2477 million.
- In India, the largest segment in digital market is Search Advertising in 2020. It has an expected market volume of US dollar 944 million.
- By the end of 2022, Ad expenditure in the digital advertising market is expected to reach US dollar 3166 million.

- Due to fast growth in digital marketing the Indian advertising expenditure will increase to US dollar 3389 million in 2023 and in the year of 2024 it will expected to be US dollar 3554 million.

AVERAGE AD SPENDING PER INTERNET USER

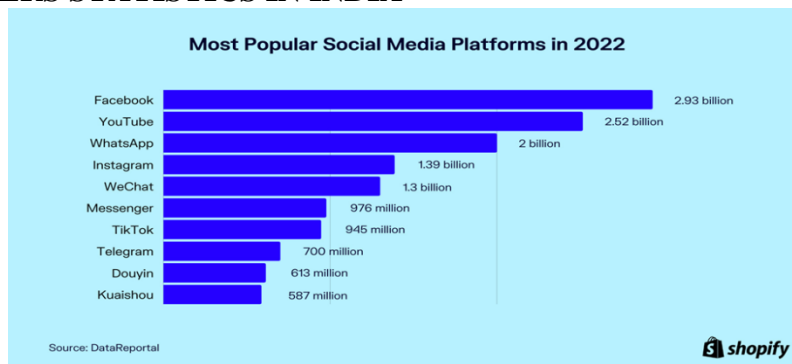


In 2020, with the help of online video, display media and social media. The contribution of mobile advertising is more as compared to desktop advertisements. By the end of 2020 contribution of paid search is predicted to reduce from 25% to 23%. Share of mobile advertisement was 63% while of desktop advertisement was 37% in 2020.

In 2022, the classified segment average Ad spending per internet user is US dollar 0.17. In 2023 it is expected to reach US dollar 0.16 and in 2024 it will be US dollar 0.15. As per the survey, above graph of classified segment average Ad spending per internet user showing decline.

As per survey, in India graph of average Ad spending per internet user of banner advertising and search advertising is showing steady increasing in the year 2022. In the year 2023 and 2024 it will expect to increase continuously.

SOCIAL MEDIA USERS STATISTICS IN INDIA



More over 50% of Indians had access to social media in 2020. It was predicted that 67% of the population would be using social networks by the year 2025. This was made possible in part by a thriving telecom sector that offered inexpensive mobile data and Reliance Jio, which paved the way for affordable digital communication for the average Indian. (Source: Statista.com)

Social network users in India from 2019 to 2025, with estimates until 2025

year	% of social network users
2019	46.44%
2020	50.44%
2021	54.58%
2022	58.31%
2023	61.66%
2024	64.68%
2025	67.4%

(Source: Statista.com)

In 2022, 4.74 billion people use social media globally, which equals 59.3% of the world's population, according to research from Kepios. With 190 million new users joining social media since this time last year, the number of social media users has also increased over the past 12 months. Given the accessibility of the internet, 518 million people in India used social media in 2020. There are currently 491 million active Facebook users, 534 million Whatsapp users, and 503 million Instagram users among the 1.40 billion people who call India home.

CONCLUSION

Today's focus of digital marketing is on employing internet technology to connect with and engage both current and potential audiences. Currently, digital marketing is upending industries and altering how companies interact with their customers. Many businesses now consider using digital channels for marketing to be crucial to their overall strategy. There is now a very affordable and effective way for small business owners to sell their goods or services. It is critical to realise that digital marketing involves much more than just producing advertisements. In addition to simply promoting products or services, it covers branding, customer involvement, and UI improvement. The aforementioned digital marketing data and forecasts show that the market is currently enjoying itself and looking forward to the best period of time. In the near future, it is also creating a variety of interesting chances for corporate growth. Indian consumers have, in fact, embraced digital marketing with open arms. However, a lot of firms have yet to go digital and capitalise on being accessible online. However, the aforementioned statistics show that over the next ten years, an increasing number of firms will go online and use digital marketing to interact with consumers and increase sales.

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