

A Study on Digital Marketing and its impact on Indian Market

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Abstract - Digital marketing is the marketing of products or services using digital technologies, mainly on the Internet. The massive Indian market is changing fast. Internet access is mainstreaming among professionals and the use of mobile is intensifying. Digital media growth was estimated at 4.5 trillion online ads served annually with digital media spend at 48% growth in 2010. Digital marketing industry is worth \$68 Billion while other industries are struggling with growth rate of 5 to 10%. It making strong impact in the world of advertising and Marketing. Main growth comes from social media, with a mighty 241 million monthly users in July 2017. India claimed the first spot among the leading countries ranked according to the Facebook users leaving behind USA and Brazil. The massive growth of digital marketing in India is self-explanatory from the unprecedented jump of users from 0.5 to 59 percent. There is 9142.5 percent increase in the number of internet users from 2000 to 2017. India's digital growth story is both interesting and surprising. The country has embraced digitization so rapidly that it has created a large opportunity for online marketing. Day by day growing Digital Market in India is an evident that the Digitization is taking place with a high speed. This paper is an attempt to study the growth trends, various challenges and future of digital marketing industry in India.

Keywords - Digital Marketing, Growth, Social Media, Challenges, E-Commerce.

I. INTRODUCTION

E-Commerce industry is growing at an astounding rate in India and is expected to account for 1.61% of the global GDP by 2018. According to the research report of Goldman Sachs, India has emerged as the second largest Internet market in Asia after China with 100 million users in 2005. It estimates that Indian Internet Users will increase by 130% compounded annual growth rate (CAGR) from 0.5 million users recorded at end of 1998. As per preliminary findings of the NASSCOM survey, the total volume of E-commerce transactions in India was about Rs.131 crore in the year 1998-99. Out of this volume, about Rs.12 crore were contributed by retail Internet or Business-to Consumer transactions, and about Rs.119 crore were contributed by Business-to-Business transactions.

The survey also revealed that E-Business transactions in India are expected to exceed Rs.300 crore during 1999-2000. Out of this, about Rs.50 crore could comprise of retail transactions. For Business-to-Business transactions,

Indian industries are expected to reach online penetration of 2% by 2003 and 8% by 2008. According to a report by Forrester, India is set to become the fastest growing market in the Asia-Pacific region with an expected growth rate of over 57% between 2012 and 2016

II. OBJECTIVE OF STUDY

1. To study the growth trend of digital marketing India
2. To study the future prospects of Digital Marketing in India
3. To study the Challenges faced by the consumer while using the digital marketing tools in India

Digital marketing industry in India in the present:

Digital Marketing Industry in India is at the peak right now and will continue to grow. Few years back, people were skeptical to buy online, we never thought we would buy groceries, furniture, cloths online but now we book our shows online, tickets, everything is online and in mobile. Mobile has revolutionized the way we live today, lost cost handset, internet access thru mobile and the speed has changed the way how even we watch You Tube. As per IBEF.org (India Brand Equity Foundation), India's digital advertisement market is expected to grow at a compound annual growth rate (CAGR) of 33.5 per cent to cross the Rs 25,500 crore (US\$ 3.8 billion) mark by 2020. The Internet's share in total advertising revenue is anticipated to grow twofold from eight per cent in 2013 to 16 per cent in 2018. Online advertising, which was estimated at Rs 2,900 crore (US\$ 435 million) in 2013, could jump threefold to Rs 10,000 crore (US\$ 1.5 billion) in five years, increasing at a compound annual rate of 28 per cent.

Digital India initiatives, open mind set the digital marketing landscape plays a vital role today. The future of digital marketing will grow and we will also see rural digital marketing playing an important role too. When the industry is growing, we will also see challenges, security issues and other things, but this will happen to any industry.

Between 1971 and 1972, The ARPANET is used to arrange a sale between students at the Stanford Artificial Intelligence Laboratory and the Massachusetts Institute of

Technology, the earliest example of electronics or digital commerce.

1979: Michael Aldrich demonstrates the first online shopping system.

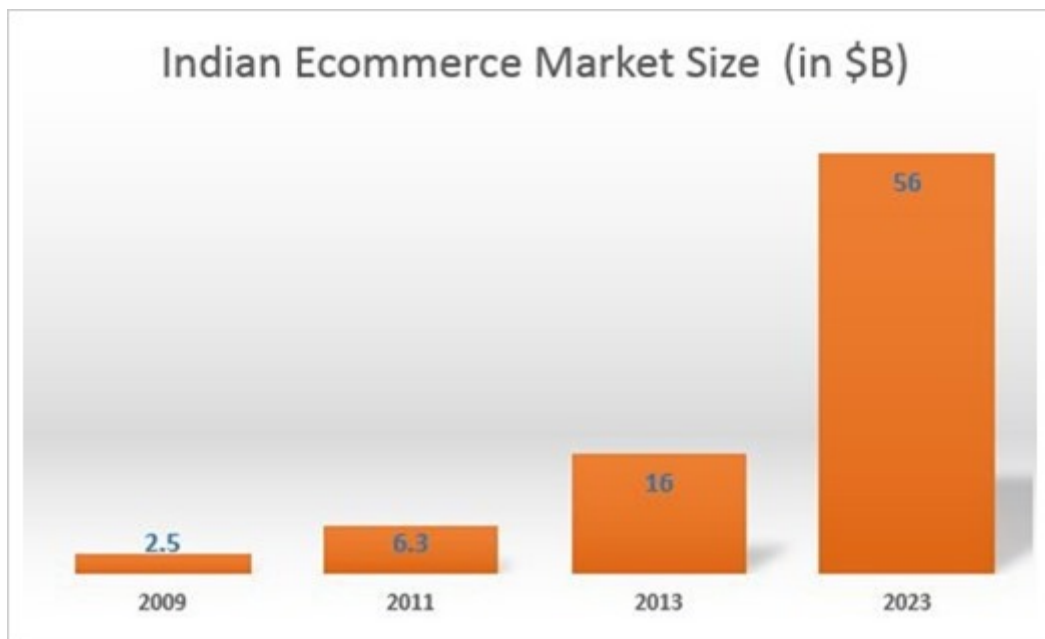
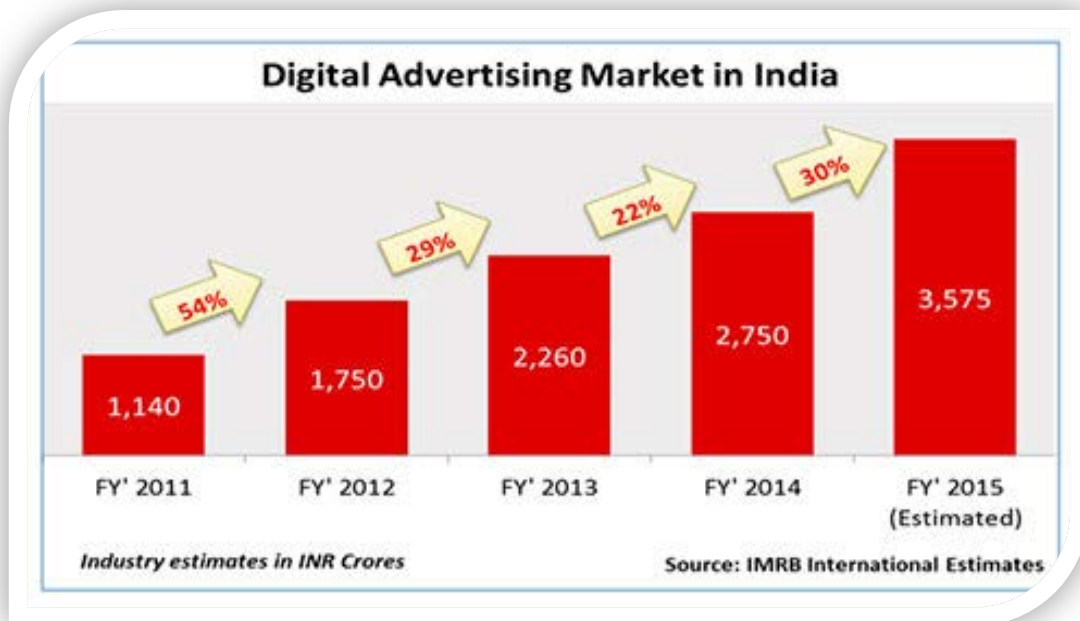
1981: Thomson Holidays UK is first business-to-business online shopping system to be installed.

1996: India MART B2B marketplace established in India.

2007: Flipkart was established in India. Every E-marketing or commercial enterprises uses majorly digital means for their marketing purposes.

In 2011, the digital marketing statistics revealed that advertising via the mobile phone and tablets was 200% lower than that of the following years. During this year, the net worth was \$2 billion. The growth was in a geometric progression as it rose to \$6 billion in 2012. The competitive growth demands for more improvement in the career works and professionals are being added to the field.

From 2013 to March 2015, the investment total increase was 1.5 billion dollars over the preceding years. There has been an impressive growth up till this present moment.



From above data you can easily analyze the growth rate of digital marketing and its impact of online sales. With Digital marketing growth E commerce is also booming and touching new heights.

Rank	Country	Internet Users	1 Year Growth %	1 Year User Growth	Total Country Population	1 Yr Population Change (%)	Penetration (% of Pop. with Internet)	Country's share of World Population	Country's share of World Internet Users
1	China	641,601,070	4%	24,021,070	1,393,783,836	0.59%	46.03%	19.24%	21.97%
2	United States	279,834,232	7%	17,754,869	322,583,006	0.79%	86.75%	4.45%	9.58%
3	India	243,198,922	14%	29,859,598	1,267,401,849	1.22%	19.19%	17.50%	8.33%
4	Japan	109,252,912	8%	7,668,535	126,999,808	-0.11%	86.03%	1.75%	3.74%
5	Brazil	107,822,831	7%	6,884,333	202,033,670	0.83%	53.37%	2.79%	3.69%
6	Russia	84,437,793	10%	7,494,536	142,467,651	-0.26%	59.27%	1.97%	2.89%
7	Germany	71,727,551	2%	1,525,829	82,652,256	-0.09%	86.78%	1.14%	2.46%
8	Nigeria	67,101,452	16%	9,365,590	178,516,904	2.82%	37.59%	2.46%	2.30%
9	United Kingdom	57,075,826	3%	1,574,653	63,489,234	0.56%	89.90%	0.88%	1.95%
10	France	55,429,382	3%	1,521,369	64,641,279	0.54%	85.75%	0.89%	1.90%

Growth in Indian Market is 14% YOY

<http://www.internetlivestats.com/internet-users-by-country/>
http://en.wikipedia.org/wiki/Global_Internet_usage

From above both of the images you can compare the growth of digital marketing of Indian market compare to rest of world. India in 2016 became world no 2 in internet uses by no of people throughout the world. As we see in 2014 India was on 3rd position where as now in 2016 it is on 2nd position. With a penetration rate of 34.5% India is a world 2nd most internet surfing population so it's clear there are still lot to go. The growth is rapid in this field and still a long way to go with higher pace that's the reason every fresher's and professionals looking to build their career in digital marketing.

USA has Internet penetration rate of 88% and even few of the European countries with more than 95% of penetration rate where as India still at only 35%. This shows the future scope of Digitalization in India.

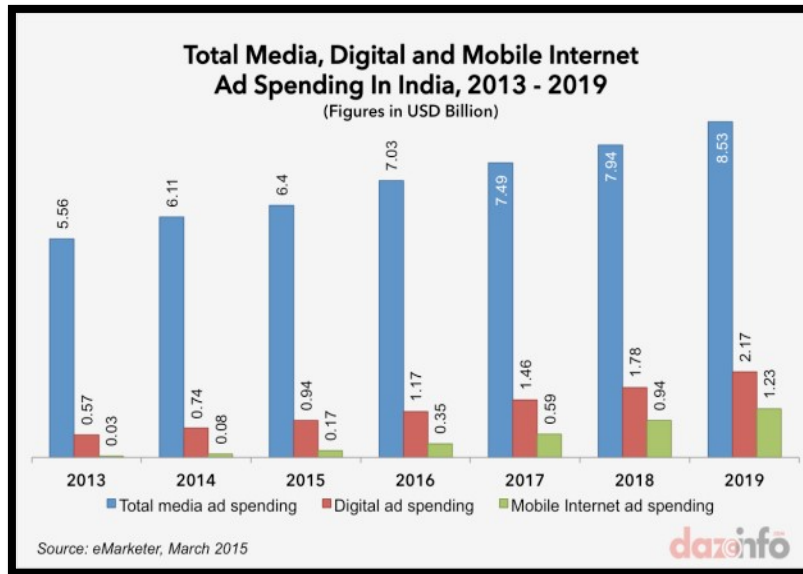
Internet Users by Country (2016)

#	Country	Internet Users (2016)	Penetration (% of Pop)	Population (2016)	Non-Users (internetless)	Users 1 Year Change (%)	Internet Users 1 Year Change	Population 1 Y Change
1	China	721,434,547	52.2 %	1,382,323,332	660,888,785	2.2 %	15,520,515	0.46 %
2	India	462,124,989	34.8 %	1,326,801,576	864,676,587	30.5 %	108,010,242	1.2 %
3	U.S.	286,942,362	88.5 %	324,118,787	37,176,425	1.1 %	3,229,955	0.73 %
4	Brazil	139,111,185	66.4 %	209,567,920	70,456,735	5.1 %	6,753,879	0.83 %
5	Japan	115,111,595	91.1 %	126,323,715	11,212,120	0.1 %	117,385	-0.2 %
6	Russia	102,258,256	71.3 %	143,439,832	41,181,576	0.3 %	330,067	-0.01 %
7	Nigeria	86,219,965	46.1 %	186,987,563	100,767,598	5 %	4,124,967	2.63 %
8	Germany	71,016,605	88 %	80,682,351	9,665,746	0.6 %	447,557	-0.01 %
9	U.K.	60,273,385	92.6 %	65,111,143	4,837,758	0.9 %	555,411	0.61 %
10	Mexico	58,016,997	45.1 %	128,632,004	70,615,007	2.1 %	1,182,988	1.27 %
11	France	55,860,330	86.4 %	64,668,129	8,807,799	1.4 %	758,852	0.42 %
12	Indonesia	53,236,719	20.4 %	260,581,100	207,344,381	6.5 %	3,232,544	1.17 %
13	Viet Nam	49,063,762	52 %	94,444,200	45,380,438	3.3 %	1,564,346	1.07 %
14	Turkey	46,196,720	58 %	79,622,062	33,425,342	5.1 %	2,242,750	1.22 %
15	Philippines	44,478,808	43.5 %	102,250,133	57,771,325	4.4 %	1,855,574	1.54 %
16	South Korea	43,274,132	85.7 %	50,503,933	7,229,801	1.2 %	522,375	0.42 %
17	Italy	39,211,518	65.6 %	59,801,004	20,589,486	1.7 %	666,922	0.01 %

Government Digital Literacy scheme and many others factor are giving a boom to increase internet users in India. Online shopping industry is also growing with a rapid pace which is still getting sales from major metros and mid level towns only.

Digital Marketing and advertising is influencing peoples to buy and sell online and e commerce is getting more and more sales. With a high growth through Digital marketing in business companies have starter spending more and more in Digital marketing as they are getting better ROI in Digital medium compare to traditional, another major benefits are all the expense and return are measurable which is not possible in Traditional Marketing.

Digital Marketing is a rapid career growth not only in India but also throughout the world. Companies are getting more and more dependent over internet to generate faster revenue for their business.



Total Media Digital and Mobile Internet Ad Spending in India (2013-2019).

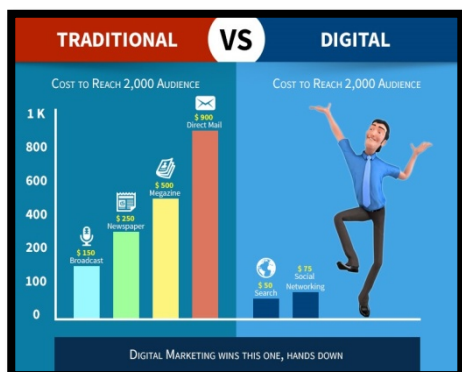
Today, digital marketing industry in India is growing at its peak, and is still continuous. Many factors are responsible for this growth. The use of communication tools has greatly changed in the year past. No one ever thought to have a credible deal online. The below figure indicates the digital marketing statistics.

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 2016
- 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 2017

In 2017, 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.

Digital marketing overview reveals that Social media has been playing a supporting role to marketing. Over the years, it has been noticed that 92% of social media users are from the mobile devices. This enables the size of digital marketing industries.



Traditional Marketing vs Digital Marketing



Mobile Phone Subscribers in India

According to the research made by the Internet and Mobile Association of India (IAMAI, 2008), communication has become a real mass communication tools having about 286 million accounts in 2008. The Indian telecommunications market has tremendous growth opportunities and according to IAMAI is projected to exceed 500 million by 2010. According to TRAI, the numbers of mobile subscriber based in India grew to 980.81 million users in the second quarter of 2015.

Future Trends of Digital Marketing in India

Digital Marketing will remain as the most powerful and result-oriented way of marketing in 2017 too, and some of my observations on current and future outlook of 5 key channels that will pay key role in deciding future of digital marketing in India are–

1. MOBILE MARKETING

To devise result-oriented marketing plans and campaigns, mobile marketing is going to play one of the most significant roles in 2017. Understanding customers' changing needs and characteristics lets marketers plan in a result-oriented fashion. As per stats-

- Current Outlook of Mobile Marketing in Driving Customer-Engagement- 40% (approx)
- Future Outlook of Mobile Marketing in Driving Customer-Engagement- 75% (approx)

From consumers' device usage perspective, Smartphone adoption and prevalence of mobile apps and messaging are going to be the topmost trends of digital marketing in 2017. From Facebook's Mobile Messenger, to Whatsapp and WeChat, Brands are developing bots to engage customers, and Facebook's Bot Engine for Messenger and Google's new assistance service introduced in Google I/O 2016 indicated towards the rise of Artificial Intelligence to provide more personalized and interactive assistance to consumers through mobile marketing.

- More than 52% of searches are done through mobile.
- 89% of Facebook Daily Active users come through mobile.
- 83% of Facebook advertising revenue comes through Smartphones.
- 92% of mobile media time is spent in Smartphone apps by consumers.

2. VIDEO MARKETING

Modern customers prefer to view a video content on company promos. Growing need for the visual content has turned video marketing be one of the most appealing trends of digital marketing in 2017. When a visual content

is well produced to communicate the message in an interactive and engaging way, conversions are always guaranteed.

- Current Outlook of Video Marketing in driving Customer Engagement- 37%
- Future Outlook of Video Marketing in driving Customer Engagement- 69%

Video content is swallowing up the content marketing and online marketers take advantage of its power to tempt more customers in quickest possible time. With booming mobile marketing, videos are now offered on mobile phones that fuel up the whole process. Video marketing is the most powerful way that companies use for –

- Introducing themselves
- Spreading their messages
- Promoting their products/services
- Increasing their reach and optimizing search ranking
- Boosting customer engagement and enhancing returns on investments

Different kinds of Trending Video Content are-

- Social Media Videos like Facebook Videos, Facebook 360 Videos, YouTube Videos, Snapchat Videos, etc.
- Use of GIF videos on different social media channels like Twitter & Facebook
- Product Description/Demo Videos and Landing Page Videos
- Storytelling with the help of live streaming videos
- Use of Videos in Email Marketing

3. EMAIL MARKETING

Email marketing is so effective in nurturing leads and ensuring conversions. Email marketers of some of the most successful marketing agencies claim a return of \$40 for every dollar they invested. Well-targeted email marketing will be one of the most effective ways of ensuring conversions in 2017.

- Current Outlook of Email Marketing in Driving Customer Engagement- 45%
- Future Outlook of Email Marketing in Driving Customer Engagement- 57%

Email marketing is the most important part of your business branding and you need to choose those trends that benefit with your customer profile and business objective. Your emails should reflect your quality and using

professional email templates should be the base of your e-mail marketing campaign in 2017. Some of the top trends of email marketing in 2017 are-

- Use of Email automation tools for sending and tracking of targeted and personalized emails that will let you understand more and more about your customer base like their demographics, tendencies, age, loyalty, etc.
- Integration of social media content in email marketing strategy is another trend that will see great rise in 2017. Marketers will preferably provide references to their social content within their emails.
- 2017 will see a decrease in email blast, as this year would be of customized mails. Mobile-friendly email marketing is another trend that will be quite popular within the domains of digital marketing.

4. SOCIAL MEDIA MARKETING

Social media changes quickly as there are dozens of new platforms arrive each year. The year 2017 will also be a host for the variety of new social media trends, and social media marketing will for sure be one of the most popular digital marketing channels for branding, optimization, lead generations and conversions.

- Current Outlook of Social Media Marketing in Driving Customer Engagement- 36%
- Future Outlook of Social Media Marketing in Driving Customer Engagement- 55%

As social media keeps evolving, it has a massive power to channelize marketing campaigns in innovative and effective ways. Social media is a medium that adeptly responds to new tech innovations, but at the same time, it also exceeds customer's expectations. Knowing future trends of social media and planning strategy as per that will ensure success for companies. Some of the key social media trends in 2017 are –

- Enormous evolution of Snapchat is going to be one of the most interesting, powerful and creative trends of social media marketing in 2017.
- Live video streaming is slowly changing the scenario of social media campaigns, and the trend will see great rise in next year too. Different platforms like Facebook live, SnapChat, Twitter, and Instagram all are blending live streaming videos that will let them be a top pick for marketers.
- Live videos also ensure 10 times more comments than pre-recorded videos, and such qualities will let them dominate social media marketing more efficaciously

- Instagram stories, social slideshow ads, social chats, etc. would be the top components of social media marketing in 2017.

5. Search & SEO Marketing

Search engines evolve constantly, and their changes prompt shift in marketers' ways of targeting audiences. To succeed, it is important for you to know latest changes of SEO marketing and employing effective search engine strategies accordingly. Mobile marketing and social media optimization has enhanced the frequencies of searches all across the globe, and as per statistics, 14 billion web searches are conducted each month through different search engines.

- Current Outlook of SEO Marketing in driving Customer Engagement- 21%
- Future Outlook of SEO Marketing in driving Customer Engagement- 40%

Some of the SEO trends that will turn out to be major hits in 2017 are-

- Link building will stay as a powerful SEO technique, mobile marketing will rock the house, and along with Google, other search engines will also play significant roles in ensuring great search results.
- Use of keyword search tools like Google's Keyword Planner, Moz's keyword Planner are going to be the most effective trends to know right keywords that your audiences search.
- Quality content marketing with perfect blending of video content would be another prudent practice that experts think as the most dominant future trend of digital marketing in 2017.

Digital Marketing Job Opportunities:

Digital Marketing skills in demand - Since marketing is the most important function for any business. New era of marketing is evolving i.e. digital era of marketing. Growth of digital world has changed the media consumption. Old traditional marketing methods are not enough to reach targeted customers. That's a good place to be in. If you learn digital marketing it will help you to accelerate your career growth.

1. Digital Marketing Manager - The salary package of digital marketing experts ranges from 15 to 20 lacs per annum. Depending upon the experience, it can go as high as 40 lacs.

2. Social Media Marketing Expert –

Social media jobs which are expected hot in next 2-3 years



3. Content Marketing Manager - content marketing managers can earn between 10 to 15 lacs per annum. The experience required for this post is minimum 3 years to 5 years.

4. Search Engine Marketer/ Specialist - Experience required: There is no specific range when it comes to experience for search marketing expert. It ranges from company to company. In small companies, the companies can hire freshers but some established companies would be needing experts with several years of experience.

Job Portal/ Job Description	No of jobs available				Average Salary(P.M.)
	Naukri.com	Shine	Times Job	Monster	
Content Marketing	35000	26500	61000	18540	18k to 1Lac
Digital Marketing Sales	37000	53000	12627	8765	22k to 45k
Email Marketing	3693	31000	66110	14458	15k to 25k
Social Media Marketing	107243	32000	61936	10823	15k to 35k
SEO Marketing	116868	2800	59866	10319	12k to 35k
Digital Marketing Manager	1093	58561	8000	2136	30k to 1.5Lac

*Depending upon your skills & experience in digital marketing there is no limit of earning in this field only if you know exactly, how to market

Biggest Challenges for Digital Marketing in Upcoming Years:

Digital marketing is always going to be a changing industry because the online world is changing rapidly. It's not just a matter of sites coming and going. It's also a change in the way people interact online, the software they use, the devices they use, and more. Staying on top of all these changes is always going to be a challenge. Here are some of the top challenges ahead for digital marketing:

- 1. Increased Security Risk-** As more information is shared online, there is more incentive for hackers to find ways to get through your security. We shop online, pay bills, and submit applications with private information, order copies of our birth certificates and other important documents, and much more. That's a treasure trove of data for thieves.
- 2. Cluttered Market-** There is billions of websites in a limited number of niches. How will you make your website stand out amongst the rest? SEO is just one way to help you rise to the top, but it is not enough. You have to find ways to provide unique and valuable content, you have to have an original voice, and you have to engage people.
- 3. Less Focus on Keywords** - In the past, keywords were the bread and butter of SEO. Find the right keywords and use them the right way and your site could shoot to the top of search results, helping you get more traffic and exposure. With all of Google's algorithm changes, keywords have become less important. They are still used, but they are not the focus. Instead, Google crawls your site to get a sense of the overall tone and scope. It's a topical approach rather than seeks and find.
- 4. More Ad Blockers-** The use of ad blocking software is growing exponentially, and the people who are not using them will soon be in the minority. That presents a big challenge for marketers, who will have a hard time getting people to even see their ads, let alone to act on them.
- 5. Increased Ad Costs-** The right advertising can help you get the exposure you need, but you're going to have to pay more for it. There is more competition than ever for advertising, and networks like Google and Facebook are pushing up prices across the board. For competitive niches, you'll have to year. Make sure that you're getting your money's worth by creating the best ads and placing them on the right networks.

III. CONCLUSION

To survive in today's competitive and frenzied market scenario; it is must for Indian businesses to have a well-integrated strategy for internet marketing in India. Without Digital Marketing, businesses may fall short of creating contemporary marketing strategies and hence, they may turn directionless. Digital Marketing scope in future of marketing will not only let businesses survives but also

thrives in the most result-oriented fashion. Including new techniques, following latest updates of Google and incorporating future trends of digital marketing will let your inbound marketing reap great benefits for you in 2017. In the year 2016, most of the industries were kind of struggling with a growth rate around 6 to 11%; only digital industry saw a growth rate of 41%, which is not going to be stagnant in 2017 as well. Digital Marketing will for sure remain as the most effective way of marketing in the future too, and it will be worthwhile for you to climb on to the digital bandwagon when the time is right, either career-wise or business-wise. From the nostalgic dial up connection sound in the 90's to the hi-speed Wi-Fi era, internet has become an indispensable part of our lives. With increase in digital marketing spending, government's initiative to propagate the agenda of Digital India and mobile device penetration to the remote areas, the possibilities are endless for digital marketers to help companies build a long-lasting online presence.

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