

EMERGING TRENDS AND CHALLENGES OF ONLINE MARKETING IN INDIA

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Abstract

Online marketing or Internet advertising or web advertising is a form of marketing and advertising which uses the Internet to deliver promotional marketing messages to consumers. It includes email marketing, search engine marketing (SEM), social media marketing, many types of display advertising (including web banner advertising), and mobile advertising. This paper covered only the growth of the online marketing in India, online trends & online marketing shopping in India. This study is descriptive analysis. Secondary data have been collected from reputed journal, websites and magazines.

KEY WORDS: Online Marketing, Trends, Advertising, Social Media

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INTRODUCTION

“Online marketing, which is also called internet marketing or online advertising, is any tool, strategy or method of getting the company name out to the public. The advertisements can take many different forms and some strategies focus on subtle messages rather than clear-cut advertisements”. Concerning the Internet there have been many ideas and theories. Due to the fact that the Internet is rather a new phenomenon there is yet room for evolvement. At first marketer, quite naturally, considered online media as extensions of the space and time media, TV, Radio, and print. Advertisements during most of online advertising's first 10 years filled measured spaces on web pages with variously sized banners, rectangles, buttons, or leader boards. In fact, a good amount of early advertising industry work focused on defining such spaces, called Interactive Marketing Units, in order to standardize practices for the sale and delivery of paid advertising. Through the years, many experts have developed theories concerning online Marketing. Since the famous “Bubble” started collapsing in the late 90’s, speculations around the reason why it came to this point, has been many as mentioned earlier. In order to realize the potential and possibilities of the medium, it is important to understand what the Internet has brought of marketing communication. Internet Marketing has evolved from websites with company logos and contact information, through online product catalogues to a

two way communication tool (questionnaires and specific correspondence), and now, with Customer Relationship Management (CRM) a variety of new options are opening up. To understand e-communication and how companies use the internet as marketing/advertising tools, it is important to understand how it is adopted into companies and organizations.

India has an internet user base of about 354 million as of June of 2015. Despite being the second largest user base in world, only behind China (650 million, 48% of population), the penetration of e-commerce is low compared to markets like the United States (266 M, 84%), or France (54 M, 81%), but is growing at an unprecedented rate, adding around 6 million new entrants every month. The industry consensus is that growth is at an inflection point. In India, cash on delivery is the most preferred payment method, accumulating 75% of the e-retail activities. Demand for international consumer products (including long-tail items) is growing much faster than in-country supply from authorized distributors and e-commerce offerings. Largest e-commerce companies in India are Flipkart, Snapdeal, Amazon India, Paytm.

MARKET SIZE AND GROWTH

India's e-commerce market was worth about \$3.9 billion in 2009, it went up to \$12.6 billion in 2013. In 2013, the e-retail segment was worth US\$2.3 billion. About 70% of India's e-commerce market is travel related. According to Google India, there were 35 million online shoppers in India in 2014 Q1 and is expected to cross 100 million mark by end of year 2016.^[7] CAGR vis-à-vis a global growth rate of 8–10%. Electronics and Apparel are the biggest categories in terms of sales. India's retail market is estimated at \$470 billion in 2011 and is expected to grow to \$675 Bn by 2016 and \$850 Bn by 2020, estimated CAGR of 10%. According to Forrester, the e-commerce market in India is set to grow the fastest within the Asia-Pacific Region at a CAGR of over 57% in 2012-16.

As per "India Goes Digital", a report by Avendus Capital, a leading Indian Investment Bank specializing in digital media and technology sector, the Indian e-commerce market is estimated at Rs 28,500 Crore (\$6.3 billion) for the year 2011. Online travel constitutes a sizable portion (87%) of this market today. Online travel market in India is expected to grow at a rate of 22% over the next 4 years and reach Rs 54,800 Crore (\$12.2 billion) in size by 2015. Indian e-

tailing industry is estimated at Rs 3,600 crore (US\$800 mn) in 2011 and estimated to grow to Rs 53,000 Crore (\$11.8 billion) in 2015. Overall e-commerce market is expected to reach Rs 1, 07,800 crores (US\$24 billion) by the year 2015 with both online travel and e-tailing contributing equally. Another big segment in e-commerce is mobile/DTH recharge with nearly 1 million transactions daily by operator websites.

Objectives

1. To study the growth of the online marketing in India.
2. To study the online marketing sales in India
3. To analysis of online trends & online marketing shopping in India

RESEARCH METHODOLOGY

The study is based on secondary data taken from the annual reports of selected company and development of industries have been collected mainly from the books and magazine relating to the published paper, report, article and from the various newspapers research reports published and various websites.

REVIEW OF LITERATURE

Dr. Geeta Sharma (2016) Study of Internet Banking Scenario in India Financial sector plays an important role in the economic development of a country. A strong and healthy banking system is important requirement for economic growth. Indian banking industry, today is observing an IT revolution. A combination of regulatory and competitive reasons has led to increasing importance of total banking automation in the Indian Banking Industry. Information Technology has basically been used under two different avenues in Banking. One is Communication and Connectivity and other is Business Process Reengineering. Information technology enables sophisticated product development, better market infrastructure, implementation of reliable techniques for control of risks and helps the financial intermediaries to reach geographically distant and diversified markets. The shift towards internet banking is fuelled by the changing dynamics in India. By 2020 the average age of India will be 29 years and this young consumer base is internet savvy and wants real time online information. Indian banks therefore need to aspire high and move toward implementing a world class internet banking capability. The objective of the present paper is to examine and analyze the progress made by Internet Banking in India. The study is secondary based and analytical in nature.

GROWTH OF ONLINE SALES

Online retail now accounts for 0.8% of all retail sales in India, compared with a global average of 6.3%, and e-Marketer forecasts this would grow to 4.8% by 2019, when it is projected to be 12.8% globally. “This rapid growth in Asia-Pacific, coupled with faster Internet service and greater mobile uptake, is heating up the competitive landscape where large local players are increasingly vying for market share by improving their logistics and mobile platforms, and in some cases, moving entirely to an app-only service,” said Monica Peart, eMarketer’s director of forecasting. India has seen the fastest growth in the retail e-commerce section among the Asia-Pacific countries, growing 133.8% in 2014 and 129.5% in 2015. eMarketer also forecasts that this growth will stabilize to 23.9% in 2019, compared with an Asia-Pacific projected average growth of 23.5%. The following tables will explain the Growth of online sales. The percentage is exhibited in Table -1.

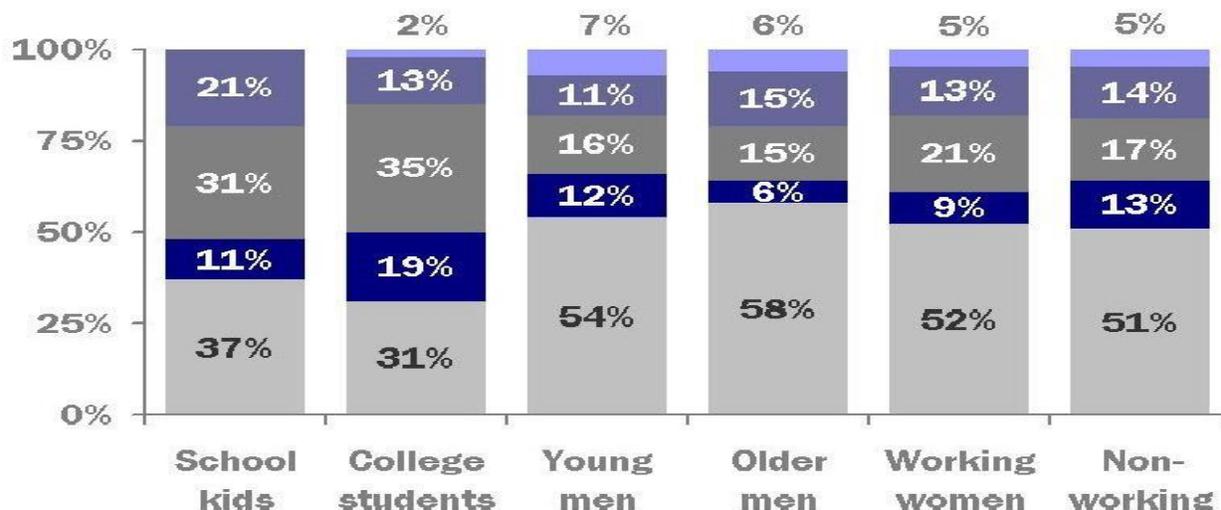
**Table-1
Growth of online sales from 2010 to 2015**

Items	Sales (%)	Items	Sales (%)
Men’s Clothing	17.4	Art	10.6
Groceries	16.7	Jewelry	8.9
Shoes	13.6	Auto Parts	8.1
Health Product, Vitamins, Supplements	13.4	Pet Suppliers	7.1
Computer and Tablets	11.4	Flowers	3.0
Cosmetics	10.9	Gift ,Shop, Cards	1.8
Wine & Liquors	10.8	Eye Classes & Contact Lances	1.3
Camera And Camcorders’	0.9	-----	-----

The table-1 shows that highest sales from 2010-2015 for Men’s Clothing (17.4%) and Groceries (16.7%), Shoes (13.6), Health Product (13.4), Computer Tablets (11.4) etc. online sales from 2010-2015 very low sales for Flowers(3.0%), Gift, Shop(1.8%), Eye Classes & Contact Lences(1.3%).

ONLINE ACTIVITIES IN INDIA

FIGURE-1



Source: IMRB International/ IAMAI internet. India

Online Marketing Trends

Internet retailing continued to have strong growth in 2015. The channel is extremely popular with consumers due to the convenience and low pricing online retailers can offer. Apart from the convenience and price, internet retailing has become one of the most sought-after channels due to the growth of smart phones in the country. As almost all online retailers have mobile applications, and every consumer in urban areas has a smart phone, shopping online literally has become the most common form of shopping. Consumers are shopping on the go, at the lowest prices possible.

Mobile

With widespread growth of tablet and smart phone use, access to the Internet through a mobile device will be available to about 60% of the population, or 215 million people, in 2015, according to emarketer.com. Mobile optimization will be an integral part of a website design now and in the foreseeable future. Websites will need to be mobile friendly, and mobile usability is a factor for Google search rankings. As access to the Internet through a mobile device continues to grow, businesses will need to adapt in all areas of digital marketing: responsive website, mobile ads and mobile designed content.

Social Media

Social media means that good customer service is the same as good marketing,” - Michael Hyatt, “Why Customer Service Is the New Marketing” “Social media networks also showed increase in membership and usage.

E-mail

Email marketing will continue to be a part of Internet marketing strategy and should be in sync with content and social media. According to exacttarget.com, most U.S. consumers (72%) prefer email marketing, and 40-60% of consumers are reading email on smart phones. Email needs to work across all devices. The number one priority for online marketers is to redesign an email to improve click through rates on a mobile device. In a recent survey of marketers 91% were using email marketing campaigns. Email capture via Facebook was found to be used 45% of the time, and 31% rate it as effective. General email signup on the website used by 74% of respondents. Respondents rate it as 42% effective. Sign-up requests specific to different sections of the website were used by 52% of participants and are 45% as effective.

Table-2

REACH OF KEY ONLINE CATEGORIES INDIA Vs WORLDWIDE

Reach Of Key Online Categories India Vs Worldwide	India (%)	World Wide (%)	Reach Of Key Online Categories India Vs Worldwide	India (%)	World Wide (%)
Search social networking and email are the top three key online categories for online communities in India, with social networking and email being significantly more popular categories in India rest of the world.					
Search/Navigation	87	85	Retail	54	63
Social Networking	85	73	Business/Finance	49	46
Email	78	61	Education	41	31
Downloads	64	58	Sports	40	32
Community	61	60	Travel	40	31
Multimedia	61	68	Games	31	50

Directories/Resource	59	69	Photos	26	27
News/Information	58	63	Internet Message	26	36
Technology	55	54	TV	21	35
Blocks	54	53	Health	17	25
Source: comscoremedia metrix,2011					
Notes: internet audience aged15+ accessing the internet from home or work.					

ONLINE SHOPPING IN INDIA

Online shopping (sometimes known as e-tail from "electronic retail" or e-shopping) is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser. Alternative names are: e-web-store, e-shop, e-store, Internet shop, web-shop, web-store, online store, online storefront and virtual store. Mobile commerce (or m-commerce) describes purchasing from an online retailer's mobile optimized online site or app. An online shop evokes the physical analogy of buying products or services at a bricks-and-mortar retailer or shopping center; the process is called business-to-consumer (B2C) online shopping. In the case where a business buys from another business, the process is called business-to-business (B2B) online shopping. The largest of these online retailing corporations are Alibaba, Amazon.com, and eBay, apple.com, flipkart.com., home shop 18.com. etc.,

**Table: 3
ONLINE RETAIL SITES: INDIA**

Online Retail Sites	Total Unique Visitors (000)	% Reach	Online Retail Sites	Total Unique Visitors (000)	% Reach
Amazon sites	6805	14.7	Naaptal.com	2145	4.6
Apple.com world wide.com	3426	7.4	bookmyshow	2125	4.6
Samsung group	2759	5.9	Myntra.com	2110	4.5
Flipkart.com	2675	5.8	Priceindia.in	2047	4.4
Homshop18.com	2286	4.9	Allibaba.com corporation	1973	4.3
Source: comscoremedia matrix(panel only),2011					

The table.3 shows that research highlight of Amazon popularly with the India with the Indian online community. Amazon site have nearly twice as many unique visitors as Apple.com.

Apple.com site have nearly third and fourth as many unique visitors as Samsung group and Flipkart.com. 60.47 % visitors to online sites in India.

Conclusion

Online marketing or Internet advertising or web advertising is a form of marketing and advertising which uses the Internet to deliver promotional marketing messages to consumers. Online marketing Eco-friendly marketing. Online marketing provides more employment opportunities not only to the producer but also to other people. Online marketing increase the buying attitudes and purchasing power of the consumers. Buyer can take own time for effective purchasing decision through online marketing.

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