

Challenges and opportunities of digital marketing in India

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Abstract

In the past few years, the internet and digital marketing activities have become one of the fastest growing technologies that playing a significant role in the daily life of human being. Today, digital marketing is one of the most emerging technologies in IT and E-Commerce sector. Though businesses will continue to make use of traditional marketing methods, such as advertising, direct mail and public relation, digital marketing adds a whole new element to the marketing mix. Many businesses are producing great results with digital marketing and its flexible and cost-effective nature makes it particularly suitable for small businesses. Digital marketing is also referred to as Digital marketing (DM), online marketing or web-marketing, means using the internet to market and sell goods and services. Digital Marketing helps to find out the right audience to whom goods and services are to be provided by the business organizations. This paper discusses the challenges and opportunities of digital marketing and the ways to overcome the problems faced. In the first part, the basic concept of digital marketing is presented and analyzed. Second part of the paper is focused on challenges emerging in the new reality. Next part briefly discusses opportunities arising for marketers with electronic environment development. Finally conclusions are provided to find out the challenges and opportunities of digital marketing.

Keywords: digital marketing, consumers, services, challenges and opportunities

Introduction of Digital Marketing

Digital marketing is an umbrella term for the marketing of products or services using digital technologies, mainly on the Internet. The digital marketing its includes mobile phones, display advertising, and any other digital medium. The way in which digital marketing has developed since the 1990 and 2000 has changed the way brands and businesses utilize technology and digital marketing for their marketing. Digital marketing campaigns are becoming more prevalent as well as efficient, as digital platforms are increasingly incorporated into marketing plans and everyday life, and as people use digital devices instead of going to physical shops. Digital marketing such as search engine optimization (SEO), search engine marketing (SEM), content marketing, influencer marketing, content automation, campaign marketing, data-driven marketing and e-commerce marketing, social media marketing, social media optimization, e-mail direct marketing, display advertising, E-books, optical disks and games, are becoming more and more common in our advancing technology. In fact, this extends to non-Internet channels that provide digital media, such as mobile phones (SMS and MMS), callback and on-hold mobile ring tones.

Growth of Digital Marketing in India

Digital marketing is growing with a rapid pace not only in India but throughout the world as well. While all other Industry are struggling with a growth rate of 5-10%, Digital marketing industry is booming high and already achieved growth rate of 30% last year and estimated growth for year 2016 is 40% and the most important part is that growth rate is not going to be stagnant in coming years. As the internet

users are increasing day by day e-commerce industry is also on a booming path. Companies are shifting their advertising budget from traditional marketing to digital marketing strategies. User engagement over social networks and internet penetration rate has given a clear signal that online presence is not only necessary but it is must for all the business who want to grow in new era. Look at the few interesting fact which will change your perception if you still among those who believe internet marketing is not effective.

Importance of Digital Marketing in India

Below are some of the reasons why it is absolutely important for any business to invest in digital marketing for their brands.

- **Cost effective:** DM (digital marketing) is one of the best cost effective ways of advertising because marketing products on the internet is less expensive in comparison to physical marketing due to short chain of middlemen in online marketing as well as less expenses on the physical outlet of the showrooms and the use of marketing articles or social media in establishing an online presence is minimal and you don't have to incur cost of rental property and its maintenance because you will not have to purchase stocks in bulk for display in a store.
- **Convenient:** Digital marketing enables to provide 24*7 services without worrying about the opening and closing hours of a physical store. It's also convenient for your customers because they can browse your online store at any time and from any place worldwide and place their orders at their own convenient time.
- **Increase website traffic:** The use of articles or social media as a marketing strategy will help to increase traffic

to a business website. The more people visiting the site the more likelihood to closing with more sells and generating more interests of people in the products.

- **One-to-One Marketing:** Digital marketing overcomes barriers of distance is overcome by internet marketing because you can sell goods in any parts of the world without setting up a local outlet over there, thus the scope of target market becomes very wide. However if you want to sell the product or services internationally you will have to use localization services to ensure that your products are suitable for local markets and comply with local business rules and regulations. Localization of services includes translation and product modification which reflect the differences in local market.
- **Improves customer seller relationship:** Better platform to build relationships with customers to increase customer retention level is provided by internet. For example when a customer has purchased a product, first step to begin the relationship by sending a follow up e-mail to confirm the transaction and then thank the customer. You can also invite the potential customers to give product reviews on your website regarding the existing product and this will help to build a sense of community.
- **Personalization:** By building a profile of their purchasing history and preferences, internet marketing will help a business to personalize offers for customers. You can do this by tracking the product information and web pages that helps to prospect, visit and make targeted offers which reflect their interests.
- **Increases sales:** Digital marketing will increase your sales because it provides the consumers opportunity to purchase the products online rather than physically going to a place or sending an order form by mail. This will increase the impulse rate of purchasing power resulting in an increase of revenue for business organizations and an excellent return on their investments.
- **Always available to consumers:** Using digital marketing techniques businesses can give their consumers a 24 hour outlet for finding the products they want; in physical outlets shopping is done in only normal working hours which impact the work schedule and lifestyle of the customers.
- **Better conversion rate:** If you have a website of your business organization, then your customers are only few clicks away from completing a purchase from your website. Unlike other media, e-marketing is seamless, which require people to get up and make a phone call, post a letter or go to a shop.

Benefits of Digital Marketing in India

Clearly the world of technology, digital marketing and social media is having a significant impact on how we behave socially; act as consumers and how we do business so it could be fair to say that any business that does not adapt to the new era of marketing and communications is in danger of losing out. However, at the same time as I am passionate about all things digital I suggest you don't blinker your vision and miss out on any traditional media that your customers and prospects use and what currently works. It could be that a blended strategy of traditional and digital marketing can still yield returns for your business.

- **Level Playing Field:** Any business can compete with any

competitor regardless of size with a solid digital marketing strategy. Traditionally a smaller retailer would struggle to match the finesse of the fixtures and fittings of its larger competitors. Online, a crisp well thought out site with a smooth customer journey and fantastic service is king not size.

- **Reduced Cost:** Your business can develop its online marketing strategy for very little cost and can potentially replace costly advertising channels such as Yellow Pages, television, radio and magazine.
- **Simple to Measure:** Unlike traditional methods you can see in real time what is or is not working for your business online and you can adapt very quickly to improve your results. For measuring traffic to your site you can use Google Analytics to measure specific goals you want to achieve for your website or blog and most packaged email marketing solutions provide good insight into how many people are opening, reading and converting from your emails.
- **Real Time Results:** you don't have to wait weeks for a boost to your business like you would have to waiting for a fax or form to be returned. You can see the numbers of visitors to your site and its subscribers increase, peak trading times, conversion rates and much more at the touch of a button.
- **Refinement of Your Strategy:** Basically anything that you capture in your customer journey can be reported on and honed for greater success at the fraction of the cost of traditional marketing. After all, how annoying is it to get a couple of forms returned from a mailshot. Marketing online enables you to refine your strategy at any point in time and see any improvements or opportunities for further refinement almost instantaneously.
- **Brand Development:** A well maintained website with quality content targeting the needs and adding value to your target audience can provide significant value and lead generation opportunities. The same can be said for utilizing social media channels and personalized email marketing.
- **Far Greater Exposure:** your business can be seen anywhere in the world from one marketing campaign, the cost to do this using traditional method would be considerable. Plus once you have optimized the key word search content in your website you should see a long-term return on your investment and will be fairly low cost to maintain your ranking.
- **Viral:** How often do your sales flyers get passed around instantly by your customers and prospects, Online, using social media share buttons on your website, email and social media channels enables your message to be shared incredibly quickly, just look how effective it is for sharing breaking news. If you consider the average facebook user has 190 friends of which an average of 12% see their liked posts your one message has actually been seen by 15 new prospects, now imagine a number of them also like and share your message and their friends do the same mind blowing isn't it. However a word of caution, bad news can travel much quicker so make sure you have a risk management strategy to tackle negative press as soon as it is circulated.
- **Not Intrusive:** I know most people hate receiving sales mail shots or phone calls at inconvenient times on stuff

that they have little interest in. An online person gets the choice to opt in or out of communications and often it is relevant because they were the ones searching for it in the first place. Also, have you ever got frustrated receiving a regular email on a topic that interests and adds value to you? Nor me so don't underestimate the power of market segmentation and tailored marketing.

- **Greater engagement:** With digital marketing you can encourage your prospects, clients and followers to take action, visit your website, read about your products and services, rate them, buy them and provide feedback which is visible to your market. So it doesn't take long for good publicity to enhance the prospects of your business.

Problems of Digital Marketing in India

Digital marketing is a fantastic way to reach a huge audience with much lower set up and maintenance costs than 'traditional' media. That said, there are still a lot of challenges to overcome, and businesses often have the same issues when it comes to increasing engagement and conversions online.

- **Consumer expectation:** Meeting the expectations of a consumer base that is continually associated is their main challenge. Consumer-produced content can travel faster than at any other time, and it's additionally profoundly influential in consumer basic leadership. It's not just about comprehending what consumers want, as, or need right now it's about envisioning trends and demands with the goal that you can time your campaign flawlessly to make a viral sensation.
- **Data collection:** Data driven marketing is the business standard. Regardless, we're stuck in idle, concentrating on data collection. Most marketers are simply figuring out how to creep with regards to making data actionable at scale; and 2016 didn't see much improvement in that direction.

Abundance of tools: The greatest challenge confronting digital marketers nowadays is abundance. Marketers have never had more tools at their fingertips to make, oversee, advance, and promote digital content. Be that as it may, with greater accessibility comes greater responsibility. Marketers are currently expected to administer huge volumes of content over various platforms, make unified experiences that turn visitors into fans, followers, and leads, and at the same time measuring the performance of everything with a specific end goal to settle on more informed marketing decisions. It's hard to keep up and stay ahead of the curve.

- **Get more social traffic:** We talk about fans, shares, and engagement, but ultimately businesses want their social media efforts to result in traffic and conversions. If you have plenty of the former, but none of the latter, you need to start referring followers to your site. The average order value for a social media conversion is 59 (and growing), so your business could be missing out on a lot of revenue if you don't manage to convert social followers.
- **A small PPC budget:** On average, the top 3 paid ads in Google get 41% of the clicks for that term that's why you always need to make sure that your bids are competitive. However, most small businesses don't have huge PPC budgets to maintain good positions all day, every day. That's why you need to budget intelligently.

- **Reach on facebook:** The average Facebook post now only reaches 16% of its followers due to a recent algorithm change. It's no secret that Facebook wants to make money from advertising, so it's time that we started treating the platform as a premium business service rather than a free profile.
- **Improve email marketing click through rate:** The average CTR for business emails is 3.5% of course, that depends on your segmentation and list quality. Before you start email marketing, it's essential that you have consent to send people messages and you comply with CAN-SPAM legislation. Once you have everything ready, it's just a matter of honing and improving your approach to reach as many people as possible.

Challenges of Digital Marketing in India

Since the boom of the Internet in the late 1990s, Web-based companies have been starting up every day. What is more, new opportunities for growth emerge daily, expanding the reach and capabilities of the cyberspace. However, for all its benefits and advantages, digital marketing faces some problems that are unique to the industry.

- **Marketing Integration:** Most major marketing efforts utilize multiple channels, on- and offline. Email, Web advertising, and viral Internet marketing should serve concrete, measurable objectives as part of an integrated campaign. The problem with these is that they are often handled as different parts of the work when they are supposed to serve a concrete and measurable goal as part of an integrated campaign.
- **Security and Privacy:** Most people do not completely trust Web companies and thus are careful about offering information about them on the cyberspace. This is especially true when companies that collect data are exposed to spammers and scammers. To address this, it is imperative for e-businesses to adopt a sound policy and implement a fool-proof security measure. Encryption systems, in particular, are a tool that online companies should seriously consider investing in.
- **Impersonal Service:** Businesses operating online often use electronic methods of providing customer service, such as Digital mailing and posting information on the website to answer possible user questions. This may be perceived by customers as just too impersonal or uncaring. To address this problem, merchants must develop efficient checkout procedures for selling goods via the Web. They may also consider hiring call handling services, so that customers can talk to real people when they have inquiries or problems that need instant answer.
- **Improving Brand Awareness:** This is particularly a big challenge for companies that primarily use the Internet to sell their products and services. This is because unlike traditional advertising (such as television, radio, billboard, and print) in which the campaign's message can be reinforced and repeatedly introduced to consumers at the marketers' will, online adverts can be shut off by users they are more averse to it, too. Web companies are therefore challenged to be more innovative in their advertising strategies.

Opportunities of Digital Marketing in India

There are many more opportunities of internet marketing that

helps the online business more efficient. Digital marketing gives businesses of any size access to the mass market at an affordable price and unlike TV or print advertising, it allows truly personalized marketing. Some of the advantages of e marketing are:

- **Global Reach:** A website can reach anyone in the world who has internet access. This allows finding new markets and competing globally for only a small investment.
- **Lower Cost:** A properly planned and effectively targeted e-marketing campaign can reach the right customers at a much lower cost than traditional marketing methods.
- **Trackable, Measurable Results:** Marketing by email or banner advertising makes it easier to establish how effective your campaign has been. You can obtain detailed information about customers 'responses to your advertising.
- **24-Hour Marketing:** With a website the customers can find out about their company's products even if the office is closed.
- **Personalization:** If the customer database is linked to the website, then whenever someone visits the site, one can greet them with targeted offers. The more they buy from you, the more you can refine your customer profile and market effectively to them.
- **Speed:** Messages are delivered straight to the recipients' inboxes, instantly.
- **More Interesting Campaigns:** Digital marketing lets you create interactive campaigns using music, graphics and videos. You could send your customers a game or a quiz whatever you think will interest them.

Conclusion

In conclusion, this paper has clearly shown that challenges and opportunities of digital marketing. Digital marketing when used marketing is the way to promote your products and services through online. It includes digital marketing channels mobile phone, display advertising, social media advertising and any other digital medium. The digital marketing campaigns and strategies have the potential to reach customers in a speedy and low-cost method and can provide promotion for a wide range of products and services. The major benefits of digital marketing has are its Level playing field, Reduced cost, Simple to measure, Real time results, Refinement of your strategy, Brand development, Far greater exposure, Viral, Nor intrusive and Greater engagement. This article mainly focused on challenges and opportunities of digital marketing in India. The digital marketing many challenges is base on marketing integration, security and privacy, impersonal services and improving brand awareness. The digital marketing promote your products and services providing many opportunities refers to the Global reach, lower cost, Trackable and measurable results, 24-hours marketing, personalization, Speed and more interesting campaigns. The technology driven approach of digital marketing leaves certain businesses susceptible and overly-dependent upon technology. However, despite these challenges and opportunities it is reasonable to conclude that digital marketing is on the whole a positive development for businesses and that despite certain dangers its impact upon businesses has been largely positive.

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