

Digital Marketing in India – Its Evolution and Growth

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Abstract

In the last decade, an enormous change has occurred in marketing and advertising industry of India. Indian market is considerably changing with the huge use of Internet and information technology. Marketing, which is the essential business activity of any business, has shifted from traditional platforms to modern digital platforms. Digital marketing is being used in different ways for marketing undertakings. Therefore, this research has focused on understanding the growth of digital marketing in India and how its evolution take place in a span of two decades. This research has adopted the qualitative research approach. The paper highlights some significant evidences in relation to growth of digital marketing in India and its evolution. Findings of the study further indicate that digital marketing will see rapid and continuous growth in India. This study concludes that digital marketing is very important for businesses as well as for consumers. Digital marketing has provided various opportunities for business growth and development

Keywords: *Digital Marketing, Evolution, Growth, Trends*

Introduction

Before we search into the scope of digital marketing in India, let's understand the importance of digital marketing. Today, almost everyone is online. The number of people who have access to the internet has expanded tremendously as a result of cheap data and affordable cellphones. This means that businesses may easily interact with their potential customers, communicate with them, build brand awareness, and sell them products or services through internet channels.

Businesses today use digital channels to engage with present and potential customers, such as social media, search engines, email, and websites.

Digital Marketing the combination of two words digital and marketing. Digital marketing is when we do the marketing efforts with the help of internet and electronic devices. Simply posting is not digital marketing. In digital marketing we need to use the strategy and identify the target audience, when to post, how to post, content these all factors involves digital marketing. Strategic approach plays an important role in digital marketing. Digital Marketing is often referred as Online Marketing, Internet Marketing, and Web Marketing. The above mentioned explanation of digital marketing covers the almost every single element of the modern practice. Few popular and commonly used Digital Marketing channels are:

- SEO (Search Engine Optimization)
- SEM (Search Engine Marketing)
- Social Media Optimization
- Social Media Marketing
- Email Marketing

- Content Marketing
- Affiliate Marketing
- Influence Marketing

Aims and objectives

The aim of this research is to conduct a critical review of existing literature, in order to understand the evolution of digital marketing in India and how the new technological trends are changing the shape of marketing activities for growth and development in India. Objectives of this research include-

1. To provide detail understanding of evolution of digital marketing in India
2. To study the growth of digital marketing in India

Research Question

“What are the stages of transformation took place in digital marketing and how growth has speeded up in past few years and how changing trends could impact business activities?”

Methodology:

Production of knowledge in the field of business and marketing research is growing rapidly. For generating new knowledge and understanding developing the knowledge through collective evidences has become necessary

This research has adopted the qualitative research approach and provides a review of existing literature in order to understand the evolution, growth and development of digital marketing in India with the current trends that derives industry growth.

Evolution of digital marketing

We begin from?

Door to door advertisement, word-by-mouth publicity, radio announcements, TV commercials – India always relied on traditional methods of marketing. Until the internet happened the marketing tools changed from humans to gadgets. It became easier to enter through a large part of the audience in minimal efforts. And as the number of laptop and mobile phone users keeps growing, digital marketing to spreads its wings wide and far.

There is no second thought that digital marketing industry in India is on its highest. It is now used the communication tools that has changed the method of marketing the product. There is a 40 % annual growth in digital marketing in India, thanks to the internet connectivity that has reached to over 50 crore people in India.

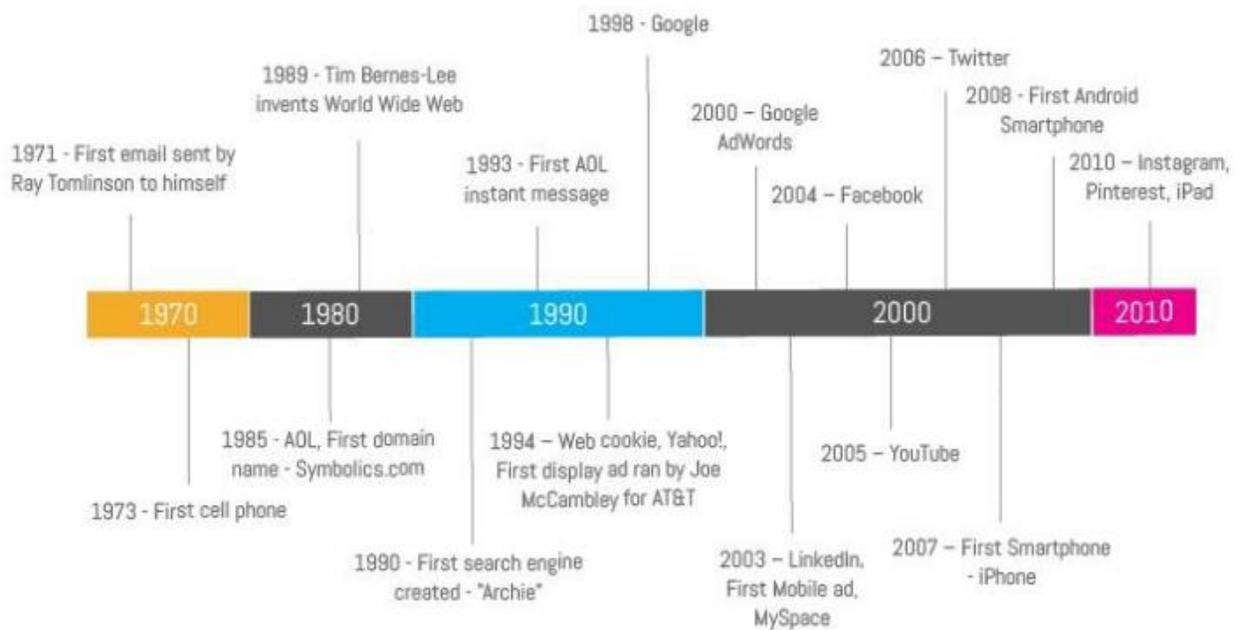
Transformation of digital from 1990 - 2014

- 1990–The first search engine, the term digital marketing was first used for the launch of Archie
- 1993 - First clickable web-ad banner was introduced

- 1994 - first e-commerce transaction was done and also was year of launch of Yahoo.
- 1997 - launch of social media site six degrees.com
- 1998 - birth of Google and Yahoo web search
- 2002 - launch of LinkedIn
- 2004 - Facebook, Gmail was live
- 2005 - launch of YouTube
- 2010 - Google Buzz and Whats App launched
- 2014 - launch of Facebook Messenger App

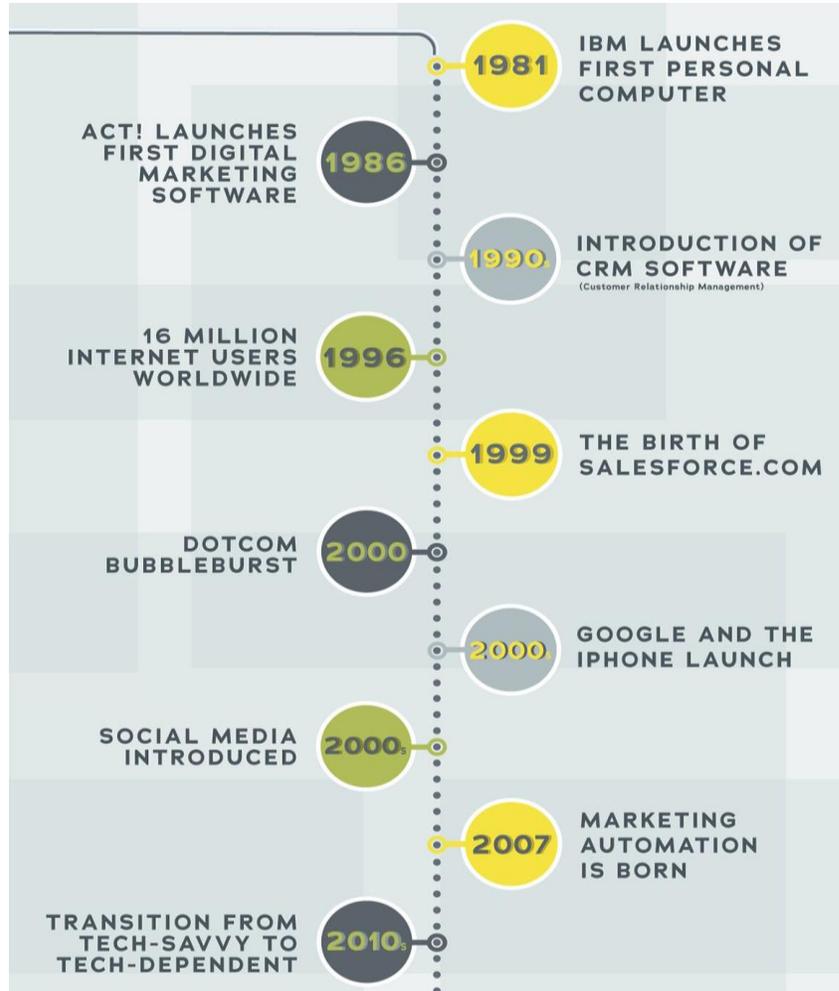
The following picture reveals the evolution of Digital Solutions and their respective impact on Digital Marketing-

Fig 1- Evolution of Digital Marketing



Source:<https://ijesc.org/upload/733c10474f720dcdfb426e99c3ccbd7f.Study%20of%20Trend%20in%20Digital%20Marketing%20and%20Evolution%20of%20Digital%20Marketing%20Strategies.pdf>

Fig 2 – Digital Marketing – Then and Now



Source: <https://twitter.com/InformaticsInc/status/887701145816371201/photo/1>

Era of Digital Marketing

1900-2000 Era:

The first digital marketing term was used in Archie search engine. Later the tool of marketing also increased as the year's progress and search engine websites like Yahoo and Google launched. Search engine helped users to find information right from the comfort of home. Marketers also started using SEO methods like excessive tagging and keyword stuffing, which gave a major enhancement to digital marketing.

The period of iPhone began in 2000 and the customers started for product searching using smartphone devices. Other smartphone companies too launched their models, giving more access of internet to users. However, for isolated people smartphone was still unreachable and so the internet.

2000-2010 Era:

In this decade it was observed that the solid growth & evolution of Digital Marketing. Reputed digital marketing agency in Delhi "Value4Brand" and other regions started using digital medium in a sophisticated method. In fact, in 2007, marketing automation was launched in 2007 to help companies to launch multi-channel marketing campaigns. In this period, Evolution of Digital Marketing was replacing physical counterparts like paper, film and optical. Data storage technology was becoming acquainted, further boosting digital marketing. This was also era in which Facebook, MySpace, LinkedIn and Twitter were launched, further improving the digital marketing trend. By the end of year 2010, the digital media growth projected to be 4.5 trillion giving employment to marketers in different areas of digital marketing.

2011-2018 Era

Specifically in India Digital marketing market was boosted due to the emergence of internet reach and 3G penetration. Large amount of people started using smartphone and opened their accounts on different social media platforms. There was a huge change in lifestyle of people and more users started getting engaged over social media. Experienced and the Best agency in Delhi started using effective internet marketing techniques to approach target audience.

This decade also witnessed tremendous growth in smartphone usage. According to Internet and Mobile Association of India (IAMAI) the total subscribers in India were 980.81 million by the end of 2015, which indirectly or directly pushed internet marketing further.

Growth of Digital Marketing in India

Informational and Communication technology has occupied the entire space with the urban India. Today's generation is digital. Digital marketing is a marketing platform to promote products and services online. In simple terms, we can say that digital marketing is about promoting our products to customers using the Internet. Many models of traditional marketing apply to digital marketing platforms. In every era, the market has evolved based on the customers' demands and selection.

When we consider the key indicators of success in marketing, the first thing we think of is the number of people reached through marketing practices. The internet's penetration has reached outstanding numbers. Looking at India alone, it boasts the world's second-largest number of internet users.

An Indian spends 4-5 hours each day on average reading through social media, emails, and websites. The expanding market for gadgets such as smartphones, computers, tablets, and other similar devices has only accelerated consumption and penetrated the market, allowing it to reach a bigger audience. The content on the internet has a significant impact on people's lives. The display of ideas through photos, films, texts, and other media has a solid foundation in people's thoughts, which translates into their daily lives.

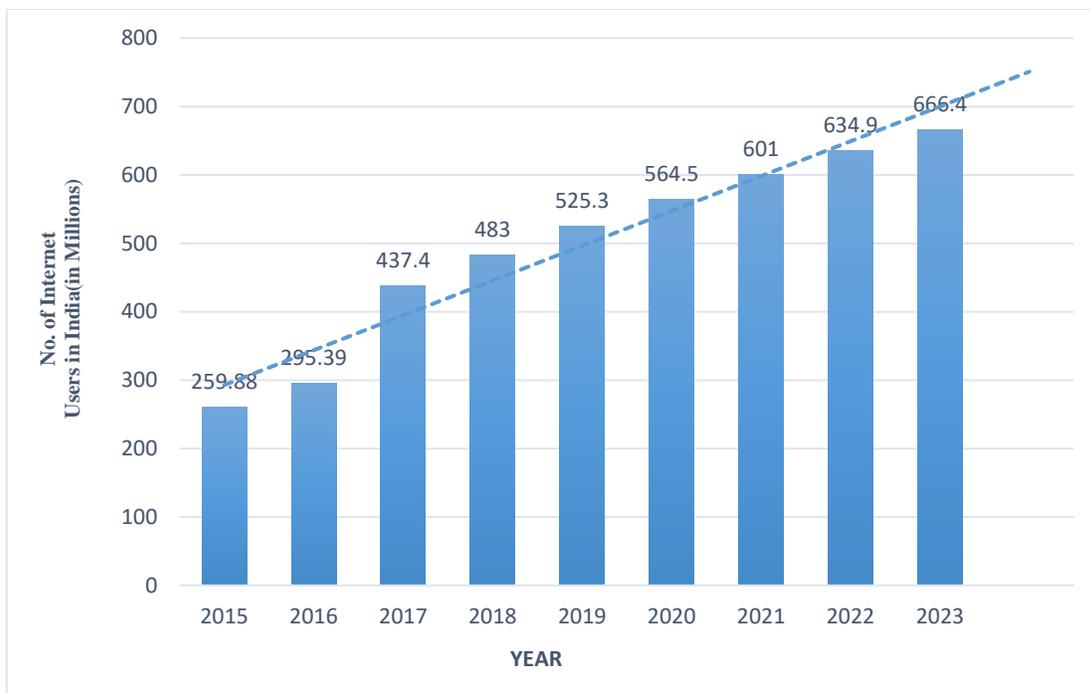
Digital marketing is all about influencing the audience online through various content mediums in order to boost a brand's influence. Because of the amount of time consumers spend on the internet, digital marketers can develop effective ways to influence consumer behavior. The appropriate strategy converts visitors into customers.

Digital Marketing is divided majorly into 10 types. Here is the list of various types of digital marketing are:

- Search Engine Optimization (SEO) - SEO stands for search engine optimization and as the name suggests, it is the science and art of getting your web-pages to rank higher in SERPs (search engine results page).
- Pay Per Click (PPC) - Pay-per-click marketing deals with paid search results on Google and involves bidding on specific keywords that will garner the most web traffic for you.
- Social Media Marketing (SMM) - Social media marketing is the use of social media platforms so as to connect with your audience and build your brand.
- Content Marketing - Content marketing is a sort of marketing in which relevant and consistent content is created in order to attract a certain audience.
- Email Marketing- Email marketing is a process of sending commercial messages to group of people via email.
- Influencer/ Affiliate Marketing –It is a type of online networking advertising which includes influencers to approve and make reference to your products.
- Viral Marketing- It is a type of marketing where consumers give or share information about the company's goods or services through social networks.
- Mobile Marketing - SMS marketing is a type of mobile marketing.(Sending marketing messages) via SMS and push notifications is a tried-and-true method of capturing the attention of the recipient, especially since more than 90% of such messages are opened right away. Radio& TV Ads - Radio &TV Ads are a form of marketing that uses radio or TV ads as a source of marketing
- Electronic Billboards - An electronic billboard is basically a large (or even giant!) screen made up of LED (light-emitting diode) bulbs whose lights are arranged and timed to create static, changing, or full-motion text and images

Trends of Digital Marketing in India

Number of Internet Users in India - Graph 1

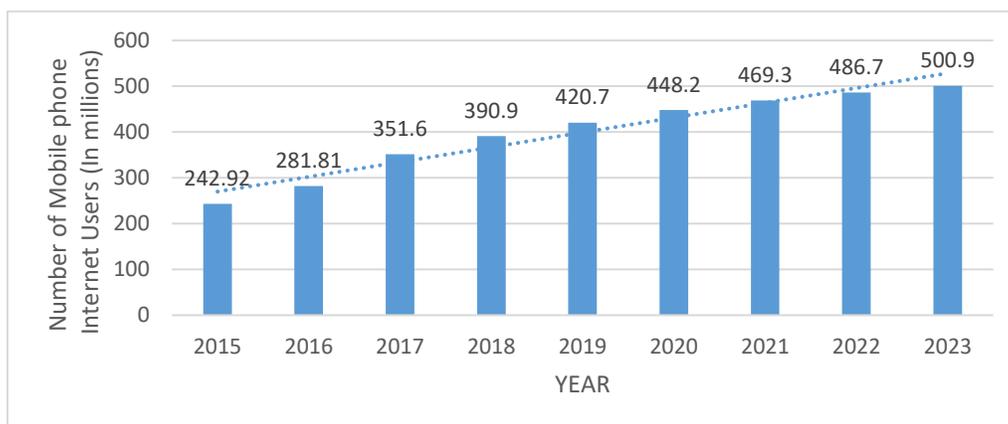


Source: Compiled by Researcher

From the above graph it is clear that the number of internet users is showing increasing trend. In 2015 it was 259.88 and it drastically increased to 564.5 in 2020 and it is expected to increase by 84.96% in 2023 compared to 2020. It clearly shows that many people are using internet in India.

Internet users India had already exceed 500 million in 2019 and it is expected to reach 650 million by the end of 2023. India is that the country with second highest number of internet users after china. As the internet users are increasing day by day ecommerce industry is additionally on a booming path. Businesses are diverting their advertising budgets away from traditional marketing and toward digital marketing.

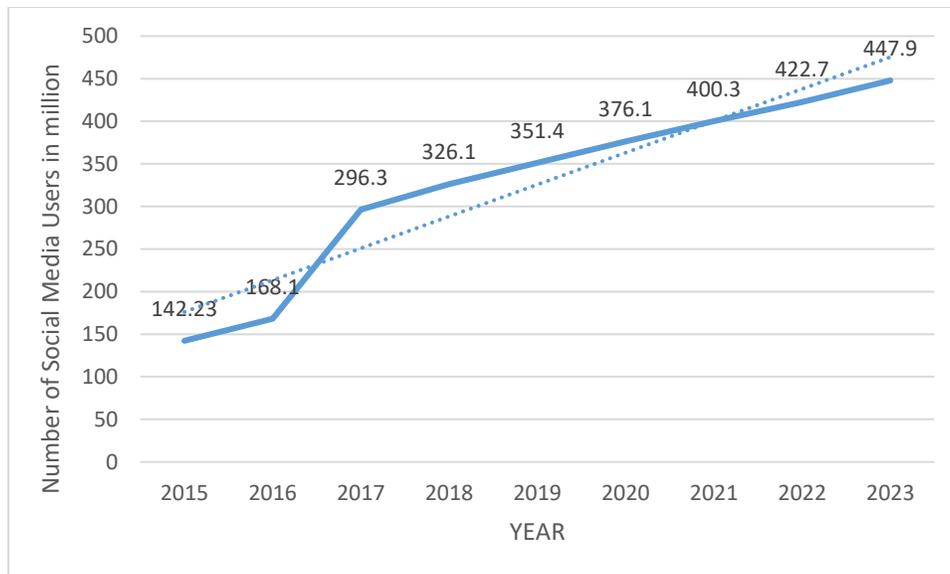
Number of Mobile Internet Users- Graph 2



Source: Compiled by Researcher

From the above Graph 2 it is observed that the mobile phone internet users are increased from 2015 to 2020 and also it is expected to grow in future. In 2015 the mobile phone internet users were 242.92 million and if we see it has grown to 448.2 million in 2020. It is also showing increasing trend. In 2018 and 2019 it has grown more than expected.

Number of social network users in India from 2015 to 2018 with a forecast until 2023 – Graph 3



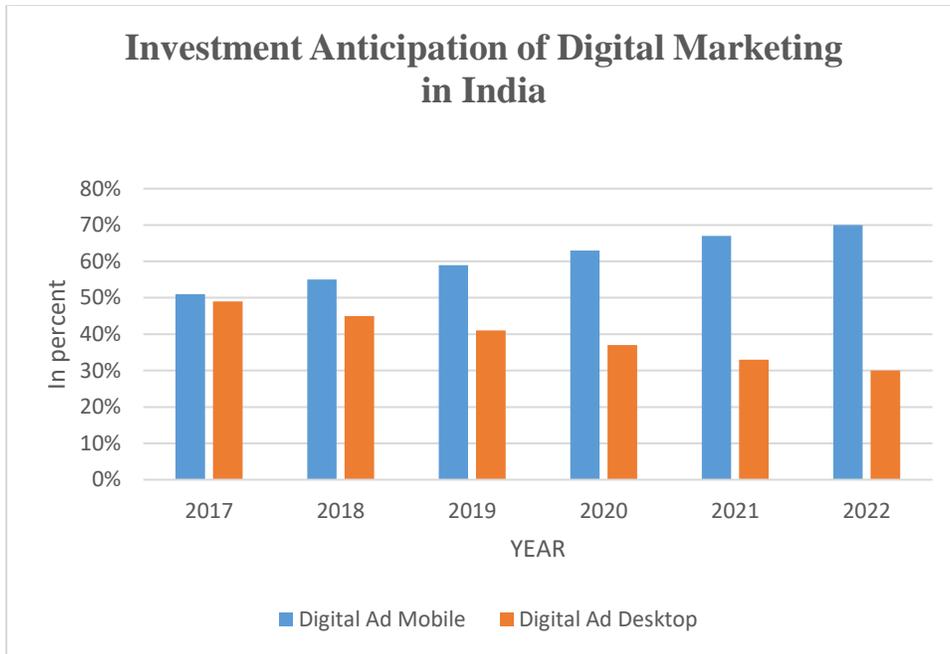
Source: Compiled by Researcher

The above Graph 3 of Number of social media users also shows the increasing trend. In the year 2015 the number of users were 142.23 million and speeded the growth to 376.1 million users in 2020 and expected to grow 447.9 million in 2023. Online marketers now view the worth of social media marketing for his or her business on a special perspective. There is a big explosion within the number of consumers who are using socials as a way of finding products and services that they have. Social networking is used by about 76% of businesses in order to achieve their marketing objectives.

According to one survey:

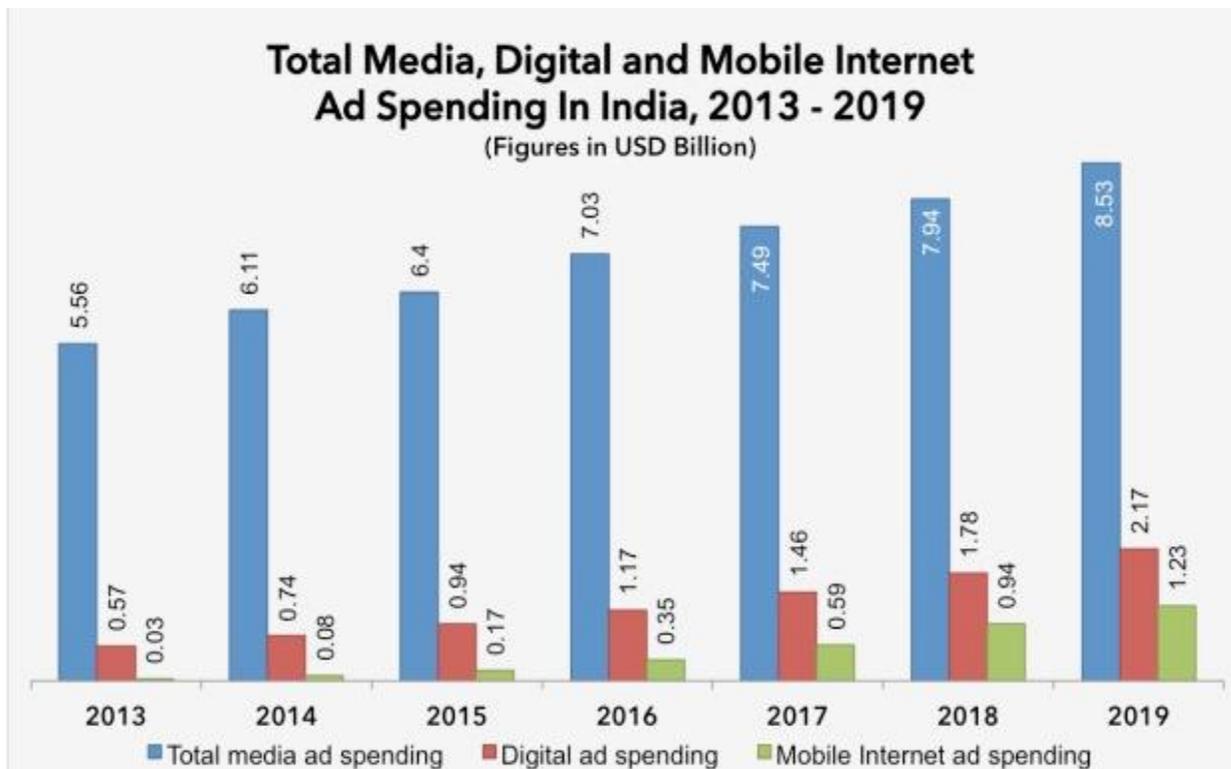
- 34% of companies were already on social media doing internet marketing by 2016
- 72% of internet marketing companies abolished traditional marketing technique and there was increase in the revenue of 30% by the end of 2017

Investment Anticipation of digital marketing – Desktop and Mobile – Graph 4



Source: Compiled by Researcher

Total Media, Digital and Mobile Internet Ad Spending in India (2013-2019) – Graph 5



Source: <https://www.digitalvidya.com/blog/growth-of-digital-marketing-industry-in-india/>

The Graph 5 shows total media ad spending, digital ad spending and Mobile Internet ad spending. It is observed that all the three are showing increasing. From 2013 to 2019 the total media ad spending is increased from 5.56 billion to 8.53, if we observe mobile internet ad spending has been drastically grown from 2018 to 2019.

Today, digital marketing industry in India is growing at its peak, and remains continuous. Many factors are responsible for this growth. The use of communication tools has greatly changed within the year past. No one ever thought to possess a reputable deal online.

Digital Marketing and advertising is influencing peoples to shop for and sell online and e-commerce is getting more and more sales. With a high growth through Digital marketing in business companies have started 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 isn't possible in Traditional Marketing.

Impact of Digital India By 2019

- Broadband in 2.5 lakh villages, universal phone connectivity
- Net Zero Imports by 2020
- 400,000 Public Internet Access Points
- Wi-fi in 2.5 lakh schools, all universities; Public wi fi hotspots for citizens
- Digital Inclusion: 1.7 Cr trained for IT, Telecom and Electronics Jobs
- Job creation: Direct 1.7 Cr. and Indirect at least 8.5 Cr.
- E-Governance & e-Services: Across government
- India to be leader in IT use in services health, education, banking
- Digitally empowered citizens public cloud, internet access

A two-way platform are going to be created where both the service providers and therefore the consumers stand to profit. Hence, the most focus of Digital India is to form the people of India to be digital and thus marketing companies should specialize in Digital Marketing for marketing of their products and services.

Current Scenario of digitization

India's population

- India had a population of 1.39 billion in January 2021.
- India's population increased by 13 million (+1.0%) between January 2020 and January 2021.
- 48.0% of India's population is female, while 52.0% of its population is male
- 35.2% of India's population lives in urban centres, while 64.8% lives in rural area

Internet users in India

- There were 624.0 million internet users in India in January 2021.
- The number of internet users in India increased by 47 million (+8.2%) between 2020 and 2021.
- Internet penetration in India stood at 45.0% in January 2021.

Social media users in India

- There were 400.0 million social media users in India in January 2020.
- The number of social media users in India increased by 130 million (+48%) between April 2019 and January 2020.
- Social media penetration in India stood at 29% in January 2020.

Mobile connections in India

- There were 1.06 billion mobile connections in India in January 2020.
- The number of mobile connections in India decreased by 15 million (-1.4%) between January 2019 and January 2020.
- The number of mobile connections in India in January 2020 was equivalent to 78% of the total population.

Conclusions

In recent years, India's digital marketing industry has exploded. The digital marketing business in India is thriving, thanks to increased investment and a bigger audience.

Since its inception in 1990, digital marketing has come a long way. Without giving specific credit to Google, the tale of digital marketing would be incomplete. We are in a golden era of digital marketing, thanks to Google's ongoing efforts, where there are no more flashy websites, doorway pages, sly redirection, or other such techniques.

About 70-80 percent of the population prefers to shop online, and e-commerce firms such as Flipkart, Amazon, Myntra, and others are making waves with their market dominance. All of this in a country where over two-thirds of the population still lacks access to the internet or smartphones. As more people gain access to the internet, India is set to see a digitalization revolution that will soon propel India to the top of the world's internet user rankings.

Online podcasts, web stories, entertainment, sports, business, social awareness, and career in India are becoming increasingly reliant on digital platforms for generating revenue, sharing information, and advancing the country. Digital Marketing is a promising industry with rapid career growth, increasing influences, and widespread activities.

Digital marketing is a fast-growing field not only in India but around the world. Companies are becoming increasingly reliant on the internet to generate faster money for their operations.

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