DIGITAL MARKETING: OPPORTUNITIES AND CHALLENGES FOR CONTEMPORARY CONSUMERS

Ria Arora
Hindu College, University of Delhi

DOI: 10.46609/IJSSER.2022.v07i10.027 URL: https://doi.org/10.46609/IJSSER.2022.v07i10.027

Received: 20 October 2022 / Accepted: 29 October 2022 / Published: 4 November 2022

ABSTRACT

This paper explores the advent of Digital Marketing in the landscape of marketing and consumer relations. It explores the trajectory of the Digital Marketing landscape to understand the tools it uses and the timeline through which it has expanded to become an integral part of marketing strategies and consumer interaction today. The paper also attempts to track specific growth in India and the limitations that the digital landscape faces in terms of trust and accessibility of products.

Keywords: Digital marketing, Evolution, Opportunities, Challenges

Introduction

Digital marketing, also called online marketing, is the promotion of brands to connect with potential customers using the internet and other forms of digital communication. This can include email, social media, web-based advertising, text and multimedia messages as marketing channels. In a developing country like India, however, digital marketing comes with its challenges like unpredictable buyer behavior, data and security issues, lack of awareness and digital literacy. On the contrary, some advantages and benefits of it could be an increase in career opportunities, technological advancement, cost effectiveness and a big reach. Since the spread of Covid-19, customer behaviors have changed significantly, leading to a staggering increase in e-marketing in India. According to Goldman Sachs report, digital marketing career scope in the Indian market will be worth $160B by 2025.

Digital marketing has made significant progress in recent years in both developed and developing countries. Many local and international companies have largely placed their marketing activities online. The COVID-19 pandemic has significantly changed buying behaviors of consumers rendering it even more important for businesses to have an online presence and conduct e-
marketing activities - from providing the necessary and sufficient information about all the products and services that are marketed online, to effective buying and selling user interfaces.

Unlike traditional marketing techniques which involve promotion, and advertisement including flyers, billboards, TV ads, radio ads, advertisements, newspaper ads, etc, digital marketing involves marketing of any kind of business through digital media and devices such as Google, Facebook, Instagram, YouTube, etc. The four phases of Traditional Marketing are Interest, Awareness, Desire, and Decision whereas the four phases of Digital Marketing are Planning, Conversation, Content, and Sequels.

**Tools for digital marketing**

- **Search Engine Optimisation:** By making sure that the site ranks well in the list of results returned by a search engine, search engine optimization (SEO) aims to increase the number of visitors to a specific website.

- **Search Engine Marketing:** Search engine marketing is a form of Internet marketing that involves the promotion of websites by increasing their visibility in search engine results pages primarily through paid advertising.

- **Social Media Marketing:** Utilizing social media websites and platforms to advertise a good or service is known as social media marketing.

- **Email Marketing:** The act of sending a commercial message via email, usually to a group of people, is known as email marketing. Every email that is sent to a client, whether present or prospective, might be regarded as email marketing in the broadest sense. It entails sending adverts, requesting business, or asking for sales or donations by email.

- **Video Marketing:** Video marketing means using videos for promoting and telling people about a product or service. It helps increase engagement on digital and social channels, educates the audience, and allows companies to reach them with a new medium

- **Affiliate Marketing:** It is a marketing arrangement by which an online retailer pays commission to an external website for traffic or sales generated from its referrals.

- **Influencer marketing:** Influencer marketing is a form of social media marketing involving endorsements and product placement from influencers, people and organizations who have a purported expert level of knowledge or social influence in
their field.

Timeline of the Expansion of Digital Marketing

Digital marketing has evolved since the 1990s, when the word was first employed. With the advent of the internet and the creation of the Web 1.0 platform, the digital age truly began. Users of the Web 1.0 platform could locate the information they required, but they were unable to distribute it online. After the first clickable banner was introduced in 1993, Hot Wired bought a couple of them for their advertising. This signaled the start of the shift from traditional marketing to digital marketing. This slow transformation allowed new technologies to enter the digital market in 1994. Yahoo was introduced in the same year.

New search tools and engines including Alexa, LookSmart, and HotBot were introduced in 1996. 1998 saw the introduction of Yahoo web search, Google, and the Microsoft-launched MSN search engine. In terms of the history of digital marketing, 1999 was a pivotal year since it saw the introduction of web 2.0, which allowed users to contribute and share material rather than just consume it. Users were now active participants rather than passive ones. This served as the basis for broad sharing, social media websites, and similar things. During this time, websites like Wikipedia, Facebook, and blog sites all arose. In 2002, a social media platform for professionals called LinkedIn, was launched, that helped recruiters to find qualified people, and vice versa. In 2003, MySpace was the first social networking site to be launched; this was followed by Orkut, and later, Facebook. Businesses started paying close attention and recognising the opportunities that these platforms offered them. In a matter of minutes or even seconds, and for a very little cost, they could reach thousands of users. A new era in business began when businesses started aggressively marketing their goods and services on these platforms.

The history of digital marketing in India can be traced back to 1995 when VSNL launched internet services. However, till 2000, only 0.5% of the Indian population used the internet. It was after 2005 that the internet boom caught on, and the evolution of digital marketing in India commenced. In 2013, 15% of Indians were using the internet, and in the next 6 years, by 2019, the number of internet users in India crossed 525 million. According to Goldman Sachs report, digital marketing career scope in the Indian market will be worth $160B by 2025.

The spread of COVID-19 and the lockdown that followed changed the marketing methodologies and purchasing nature of the customer irreversibly. The lack of freedom and safety in being out in public places shattered the existing marketing avenues and gave rise to an increased demand for goods and services via remote resources like the phone and the internet. This led to increased social media usage as people working from home and more free time on their hands than ever before which provided marketers an great opportunity to advertise their products and
services on platforms such as facebook, instagram and twitter.

This free time and easy access to the internet revolutionized by Reliance Jio also led to a surge in demand for video content on streaming platforms like Youtube. Eventually, the demand shifted towards short form content causing platforms like TikTok to emerge and completely change how the users consume content. Social media marketing also gave rise to an immense increase in a type of marketing called as influencer marketing wherein the brands and companies would collaborate with famous internet personalities to advertise and give exposure to their products and services to their followers.

Discussion

Over the last few years, the Indian customer has been spoiled for choices that are present not only in brands, products and services, but the websites and platforms offering them too. In the context of the fastest growing Indian online market, the big players like Amazon.in, Flipkart.com, Snapdeal.com, etc. are in a competitive journey to expand their market share. Their biggest sales happen during the festive seasons.

In the year 2022 itself, millions of shoppers went online and shopped at these mega sales offered by Flipkart, Amazon and Myntra. The Big Billion Days (TBBD), Flipkart's annual signature event, saw 1.6 million app users active at once during its ninth iteration. Amazon.in, the main competitor of Flipkart, also claimed that Day 1 of the Great Indian Festival and Prime Early Access contributed to its busiest 36-hour period in terms of sales ever. These consumers were mostly from tier 2 cities. On the other hand, Amazon.in recorded the most Prime sign-ups in a single day — 1.9 times more than the previous year, with 68% coming from tier 2 and tier 3 cities. Small and medium-sized firms, start-ups, craftsmen, and female entrepreneurs provided the largest assortment of goods and sold close to 1 million unique items to clients in the first 36 hours. There was a 1.75x increase in seller sign ups during the 24-hour "Prime Early Access" period compared to an ordinary business day.

According to a survey by RedSeer, e-commerce retailers, led by Amazon and Flipkart, are predicted to corner sales worth $11.8 billion this season, more than double the pre-pandemic record of $5 billion in 2019. The figures are expected to grow by 28% from 2021, when the festival season brought in roughly $9.2 billion in revenue.

Challenges

In a developing country like India, South Africa and others, however, digital marketing faces a few challenges. First, there is a lack of internet access when it comes to poor, remote households. Although the access to internet services in India have significantly increased over the last
decade due to Reliance industries and the introduction of Jio networks and smart phones, good internet speed still remains lacking. E-Marketing requires customers to use new technologies rather than traditional media. An estimate generated by Statista highlights that owing to the expensive nature of internet connection in South Africa; only 31.1 million people have needed access to the internet out of which 28.9 million people can only access the same through use of mobiles.

From the buyers’ perspective, the inability of shoppers to touch, smell, taste or try on tangible goods before marketing an online purchase can be limiting. In such cases, having an efficient return and exchange policy could help promote sales.

Digital marketing awareness is low in Indian markets and digital literacy is a challenge for a county as populous as India. In addition to digital literacy, literacy in general is a challenge for India and other developing nations where a high percentage of the population is rural. Buyers also tend to fear from the issue of cyber-crime that vehemently affects their privacy. The personal information rendered by the buyers is thereby required to be effectively encrypted for countering cyber threats. Unauthentic sites are also a major risk. Software providing security systems to prevent hacking of websites and stealing valuable data from systems is the need of the hour.

**Conclusion**

To conclude on an optimistic note, Digital marketing might have its limitations but in a developing country like India, the opportunities offered by e-commerce and the rise of digital advertising are plentiful.

Growing population means growing demand for products and services. With demands at an all time high, there is a huge market for brands and businesses of domestic and international origin to target. Large populations also mean a great untapped potential and low level of competition.

Increase in digital marketing platforms would also promote research and development in Artificial intelligence and software which don’t just enhance marketing but are also useful in other sectors. For marketing, as AI continues strengthening its grasp across fields, it is expected that soon it will also be able to predict the likes of the consumers, therefore, becoming an asset to the brands.

One of the biggest advantages of digital marketing is that it has removed all geographical barriers. A product or a service introduced in the USA could have demand and access in India and vice versa.
While global reach is a significant advantage of digital marketing, it also improves local visibility which is especially important if a business relies on nearby customers. Local Search Engine Optimisation and locally targeted ads can be beneficial for companies trying to bring more customers to their doors.

Another advantage of digital marketing is that it can help brands reach a very niche audience with the help of analytics tools. Audiences can be filtered out and only the specific target audience can be reached out.

With the extensive reach offered by digital marketing, the investment costs are comparatively affordable and not a burden. The investment in digital marketing is significantly lesser than in traditional marketing, sometimes even 0. Hence, the Return on Investment on digital marketing efforts is considerably higher than traditional marketing. This also allows small-scale businesses and start-ups to make optimum use of digital marketing without causing very heavy stress on their budgets.

There is also increased scope for customer loyalty with frequent communication and more transparency between the business and the customer.

References


Joshi, Sujata & Domb, Menachem. (2017). Impact of Flash Sales on Consumers & E-Commerce
Industry in India. 11-19. 10.5176/2251-2012_QQE17.9.

