

## **ONLINE MARKETING IN INDIA**

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### **Abstract**

This paper deals the conceptual knowledge of online marketing or ecommerce, literature review, current and future aspects of e-commerce in Indian context. This paper discussed about the top motivator factors of shopping online. The present development would be a valuable addition to researcher and academicians; and useful theory for practitioners, advertisers, and entrepreneurs.

### **Introduction:**

The massive Indian market is changing fast. Internet access is mainstreaming among professionals and the use of mobile is intensifying. The pace of change continues to be rapid with digital channels constantly growing in volume and strength. More people spend more time online in India every year, and the digital tools and sites they use play an ever-growing role in their lives. Smart marketers keep on top of the scale of change and ensure their marketing strategies and touch points mirror where the consumer is spending their time. These notes give a sense of the scale of change we've seen so far and implies the scale of what is coming.

### **Review of literature:**

J Suresh Reddy 26 has published article in Indian Journal of Marketing. Title of article is "Impact of E-commerce on marketing". Marketing is one of the business function most dramatically affected by emerging information technologies. Internet is providing companies new channels of communication and interaction. It can create closer yet more cost effective relationships with customers in sales, marketing and customer support. Companies can use web to provide ongoing information, service and support. It also creates positive interaction with customers that can serve as the foundation for long term relationships and encourage repeat purchases. Even cyber shopping allows customers to sit in the comfort of their homes and purchases their goods. One can shop any kind of product or service in the mind of the night and from any part of the world. 2. Vikas Bondar<sup>27</sup> has published his article on "sales and marketing strategies". Internet is a really good thing. The Internet gives people a greater amount of information as we need. It is the best way to get a comparison of the products that we need. If we are interested in buying, it is best for us to check the Web sites. Also if we would like to make our own Web page we can do this, without paying a lot of money. From where do we set all this information? The answer is from advertising, which we see, everywhere: on TV, on the Internet, in the newspapers and more. Year after year we get more and more new, interesting information and in the future the Internet use will increase more than now. This article explains how internet is useful tool for advertisement. 3. V.Kumar and Denish Shah have published research paper entitled "Pushing and Pulling on the Internet" The internet is fast emerging as a domain sales channel. The Internet is expanding & it influences consumer which shifts the consumer behavior. It has changed the way product awareness is created<sup>28</sup>, developed new modes of product consideration. It also creates new means of purchasing products. This has brought new opportunities, challenges and threats (in the form of competition) to both existing and new business. Literature on web theory is scant because it is a relatively a new area and the technologists at the forefront of Web design are typically not sufficiently academically inclined to formulate the relevant theories (Day, 1997). While previous research has examined Internet usage (Teo, Lim, & Lai, 1999), commercial websites (Gonzalez and Palacios, 2004), website design (Kim, Shaw, & Schneider, 2003), website effectiveness from the consumers' perspective (Bell & Tang, 1998), pricing paid placements on search engine (Sen et. al., 2008), and bidding (Bernard and Simone, 2011). This form of online advertising emerged in 1998 [Fain and Pedersen 2006], rapidly has become the central business model of the major search engines [Jansen and Mullen 2008], and is one of the most rapidly growing segments of the online marketing area [SEMPO Research 2009] Search engine has become a necessity for people to surf the web [Hsien-Tsung Chang, 2011]. It is a simple user interface is designed. Any user simply fills in several fields and the system makes the decision about what to find, where to search and how to look at. The threshold of search is lowered. SEM is an internet marketing model aiming at promoting the ranking of websites in the search engine's search results page which can make a web site introduce into more web users and website traffic [iProspect 2008]. Li-Hsing HO et. al., (2011) explained about exploration of SEO technology applied in internet marketing, Kesharwani and Tiwari (2011) studied the importance of website quality towards the success or failure of any e-vendor. Khan and Mahapatra (2009) studied that the quality of internet banking (i-banking) services in India from customer's perspective. Malhotra and Singh (2007) carried out a research to find the i-banking adoption by the banks in India. Thus, it is high time that India should act fast and decisively in order to use the growing electronic trade to our advantage

**Objectives:**

- a) To review the present status of online trading in retailing in India.
- b) To identify the problems in online trading in retailing from the point of view of providers and consumers.
- c) To provide suggestions to popularize online trading and increase the profitability of online retail companies in India.

**Recent trends:**

E-Commerce in India is one of the fast growing sectors of India's Digital Economy. The leader in retail e-commerce Flipkart recently announcing that it crossed \$ 1 Billion in sales early this year , this development has sent many small e-commerce companies scrambling to gather a piece of the online e-tailing action. One of the pioneers of the Indian IT Industry , Mr Narayan Murthy recently announced that he would partner with Amazon India to launch a joint venture to create a new e-commerce [entity](#) for the Indian Market. CARE ratings recently released a detailed pdf report on it's assessment of the fast growing e-commerce sector in India which can be accessed below. E-Commerce is gaining momentum globally with Asian economies like China, India and Indonesia being the fastest growing e-commerce markets. E-commerce in India is growing at a fast pace with an estimated size of Rs.43,930 crore in FY13 and a CAGR of 43.8% (FY08-13). As per the internet world stats.com – The [top 20 countries in the internet](#) by number of users as on June 30, 2012, India ranks 3rd after China and US. The ecommerce industry is mainly dominated by the travel segment which accounts for more than 70% of the transactions of industry and e-retail's share in e-commerce stands at approximately 12.5%.

The Indian e-commerce industry comprises two key business models: B2B (90% of market share) and the remaining 10% comprise of B2C. India and China, unlike US are characterized by 'Marketplace Model', while US follows inventory-based/independent model. 'Market Place' model only provides platform to a large number of manufacturers/traders (especially MSMEs) to advertise their products (which translates to benefit the MSMEs in the form of increased turnover) as well as manages related functions and in turn the entity earns commission from sellers for goods and services. The B2B players do not carry inventory while in the other model-B2C, the merchant owns the goods. Currently FDI is restricted in B2C model in India.

Today's consumer, especially the middle-class urban and semi-urban India, who are increasingly pressurized due to paucity of time as well as lured by convenience and increased use of plastic money are all leading way to more online consumption. Furthermore, favorable demographic profile (75% of internet users are aged between 15-34), limited geographical reach by brick & mortar model, increasing internet penetration, increasing smartphone usage & declining data charges offer high market potential for e-retailing in India.

The survey conducted by ASSOCHAM Social Development Foundation (ASDF) involved interactions with 500 shoppers in the age group of 16 to 35 years each in ten cities of Delhi, Mumbai, Chennai, Bangalore, Kolkata, Ahmedabad, Chandigarh, Ludhiana, Lucknow and Jaipur. About 40 per cent of those surveyed across the aforesaid cities said they prefer to shop online considering convenience to shop anytime during the 24 hours and one can collect detailed product information. Besides, one can research variety of products available and can easily compare prices from different vendors anywhere in the world.

**Majority of consumers also said they shop online to purchase products that cannot be found in malls and the local markets.** Around 25 per cent (most of these comprised high-income consumers residing in suburbs, NCR cities) of the respondents said they prefer to hangout and shop at swanky malls, upmarket shopping complexes as they not only boast of multi-brand availability under one roof but provide air-conditioned, dust-free atmosphere.

A total of 20 per cent of those interviewed said they prefer to shop at local traditional markets because of the familiarity with ambiance, ease of access, variety of goods, early opening and late closing times and shop owners' relationship with loyal customers. A meagre 15 per cent of shoppers said they prefer to shop at specialty stores rather than making a voyage to a mall or looking for a good bargain at traditional markets as they can get specific stuff from specific stores. Consumers in Mumbai ranked number one among top five cities, with almost 65 per cent of Mumbaikars saying they prefer shopping online and cited rising fuel prices as one of the primary reason they do not want to loiter around malls, traditional shopping hubs.

Delhi ranked on third spot after Ahmedabad. As per the results of ASSOCHAM survey 45 per cent of Delhiites prefer shopping online, 30 per cent prefer to shop in traditional markets like Sarojini Nagar, Green Park, Lajpat Nagar central market, Karol Bagh, Janpath, Paharganj, Sadar Bazar and Chandni Chowk. Around 15 per cent of respondents said they prefer to visit a mall for their shopping needs while, 10 per cent said they prefer shopping at specialty stores.

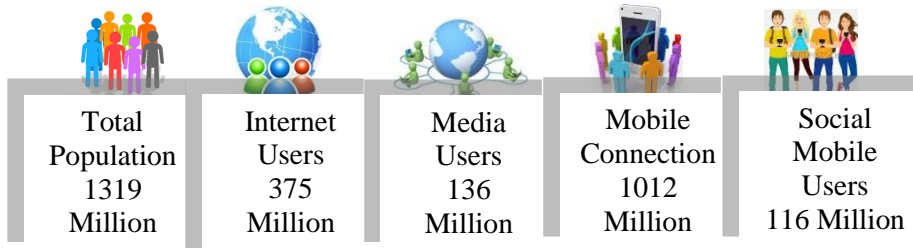
**Methodology:**

In this paper to present statistical data , pictorial graphics, text, cylinder bar diagrams and percentage land shape box diagrams are used. Illustrating the paper the data are collected through secondary data through websites, text books and annual reports.

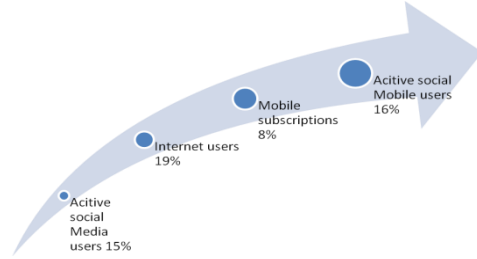
**Limitation:** Collected data are only limited to January 2016.

**Data analysis:**

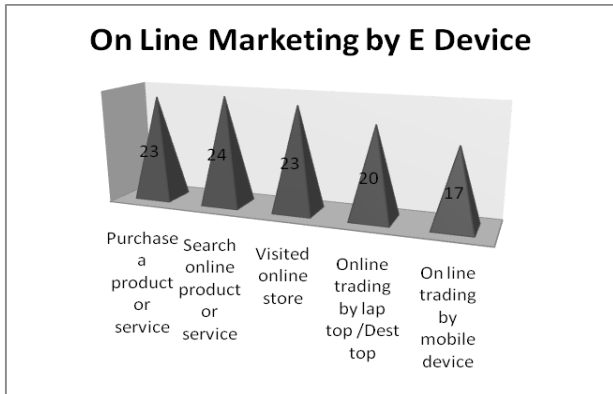
**Digital users in India as on 31<sup>st</sup> Jan 2016**



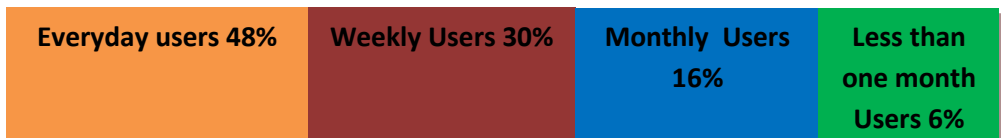
**Annual Growth in Digital Users along with**



**On line marketing by E Device**  
 (Collected the data from 1<sup>st</sup> Jan 2016 to 31<sup>st</sup> Jan 2016)



**Internet Users in India as on 31<sup>st</sup> January 2016**



**Findings:**

By study the one on line marketing the following matters revealed as follows;

- a) More than 28% people are used the internet, the online marketers may be used this criteria of internet users by making advertisements through mails and common social websites.
- b) It is the better growth in internet users at 19%. It is meant online marketing in India is increased every year. It will be the best opportunity to get market share by focusing customer retaining strategy.
- c) To laptop / desk top computer manufactures, it will be very good opportunity to produce more and more the products because the most of the customers are making on line marketing by using laptops or desk tops at 20% than mobile users.

- d) At least the 48% of internet users are using the internet every day. By taking this point the online marketers are to be concentrated the customers every day to develop their brand.

**Conclusion:** *The online retail industry in India is likely to be worth Rs 7,000 crore by 2015 due to easy availability of broadband services and increasing internet penetration across the country, apex industry body ASSOCHAM said today.* Buying-selling trends received from leading online shopping portals indicate the online retail market currently stands at Rs 2,000 crore and is growing at a steady annual rate of 35 per cent. India is set to become the third largest nation of internet users in the next two years with a large chunk of youngsters eager to adopt new technologies with rapidly changing lifestyles. Online trading is here to stay and will be extensively used in future. Leading online retail traders are finding out the ways to retain profitability and long term sustainable development. Globally also the challenges are similar in nature. Indian entrepreneurs said this latest focus on business fundamentals points to growing maturity of the local market. In past, everyone was looking at who the leaders will be. Now the market leaders are emerging and no one doubts the viability of e-commerce.

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