# "ONLINE MARKETING IN INDIA IN THE 21ST CENTURY"

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*Abstract*
*From the beginning of 21st century, Internet has become a main source of information. It has also become a synonym for life for the new age people. With the growing popularity of Internet, the Online Marketing has become a new buzz word in 21st century and it is gaining more and more importance due to its wide scope. It has become an important and inevitable part of marketing process due to its increasing popularity among the population. The growing trend for internet has made the Companies to redesign their marketing strategies for incorporating the new changes in the trends and patterns of shopping of customers. The Companies are allocating a major portion of their marketing budget in online marketing activities. The social networking sites are commonly used as a platform for advertisement by many multinational companies to create awareness among the customers across the world.*

*According to the provisional estimate by the Census of India 2011, the country's total population has reached nearly 1.21 billion as compared to the 1.03 billion recorded in the previous census of 2001. This tremendous growth in population has led to an unprecedented scale of urbanization, with the share of urban population increasing to 31.0% in 2011 from 28.0% in 2001. With Country's growing population and increase in overall literacy rate, Internet offers to be the real growth engine of the marketing sector.*

*Electronic commerce has grown rapidly in recent years. However, surveys of online Indian customers continue to indicate that many remain unsatisfied with their online purchase experiences. Clearly, more research is needed to better understand what affects customers' evaluations of their online experiences*

*Keywords: Internet, Marketing Budget, Social Networking.*

## Introduction
Internet marketing (IM) is also known as digital marketing, web marketing, online marketing, or e-marketing. As the name states, it is the advertising of products or services over the Internet. However, it also implies marketing through the wireless media and through e-mail. Electronic customer relationship management (ECRM) systems are also categorized under Internet marketing. IM can be creative, as well as, technical through its design, development, advertising, and sales over the Internet. This paper is a secondary research regarding how E-commerce gradually forms part of our daily lives. It concerns different aspect of advertising in terms of electronic commerce.

## Objectives of the Research
The objectives of the research are:
1. To understand the difference in Online Marketing and Conventional Marketing.
2. To understand the emerging trends in Online Marketing.
3. To understand online marketing mix strategies for the Companies doing business in India.

## Research Methodology
- The research conducted is exploratory in nature
- The research is based on secondary data.
- The data has been collected from National and International Journals and through companies' websites.

*Online Buying versus Conventional Buying:* The basic difference between Conventional Marketing and Virtual Marketing is that conventional marketing operates on the basis of *market place* whereas virtual marketing thrives on *market space*. Virtual Marketing has almost succeeded in doing what conventional marketing has not been able to do. Virtual Marketing has a far wider reach with consumers who could be scattered all over the globe. In contrast, conventional marketing can reach only those consumers who live within a certain area of their market place. In Conventional Marketing, the consumers visit a physical shop where they can see and feel the products. They talk to a sales person about the product she/he wishes to buy, feels the product, goes to a few shops to compare among the products and in the end buy the product that she/he feels best suits his/her needs and budget. In Virtual Marketing, the *shop* though not necessarily a physical entity, still offers the consumers most of the services that they could avail of in a brick and mortar shop. Though consumers can't feel the product, they can see a photograph of the product and read about the specifications of the product before deciding to buy it. Unlike

conventional stores, online shops need not store their goods in advance. This helps in reducing the cost of inventory. Majority of online shops offer products at prices, which are comparatively less than the prices offered by conventional shops. These discounts are possible since the transactions are made directly between the consumer and the shop and the marketing intermediaries are eliminated in the process. An added advantage in Virtual Marketing is that consumers can compare products of different companies without moving. It is like having the whole global market at the consumer's fingertips.

**The World Wide Web (WWW)**
The **World Wide Web** (abbreviated as **WWW** or **W3**, commonly known as **the Web**), is a system of interlinked hypertext documents accessed via the Internet. With a web browser, one can view web pages that may contain text, images, videos, and other multimedia, and navigate between them via hyperlinks.

During the past decade, the popularity of the Internet has been growing explosively. An estimation of about 50 percent increase of the World Wide Web (WWW) per month and the numbers of websites double every 53 days. In 2003, the first generation of internet users was fresh graduates - fast to get the concepts of online commerce and shopping.
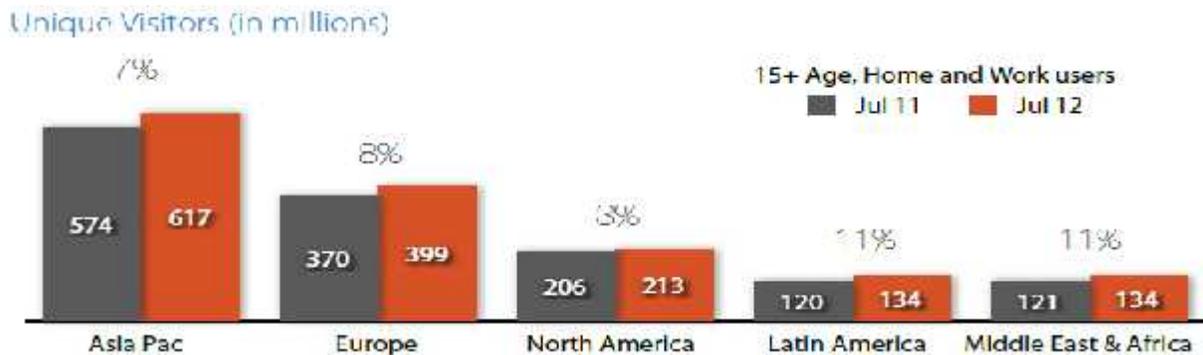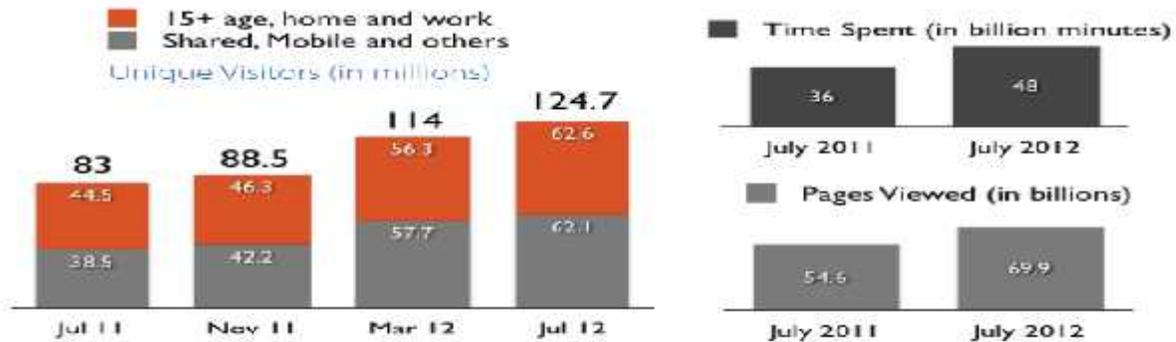


*BRIC Nations- A Comparison*

The average transaction sizes among some of the top retailers are as below:

Average transaction size

| flipkart.com | myntra.com | yebhi.com |
|---|---|---|
| $35 | $24 | $27 |

*India-Digital Achieves Critical Mass*



15+ age, home and work
Shared, Mobile and others

Unique Visitors (in millions)

Time Spent (in billion minutes)

Pages Viewed (in billions)

The chart above shows the total internet usage by two segments

i. 15+ age, home and work users

ii.Shared usage + mobile users + below 16 age group

Demographic Profile of Online users(July 12)
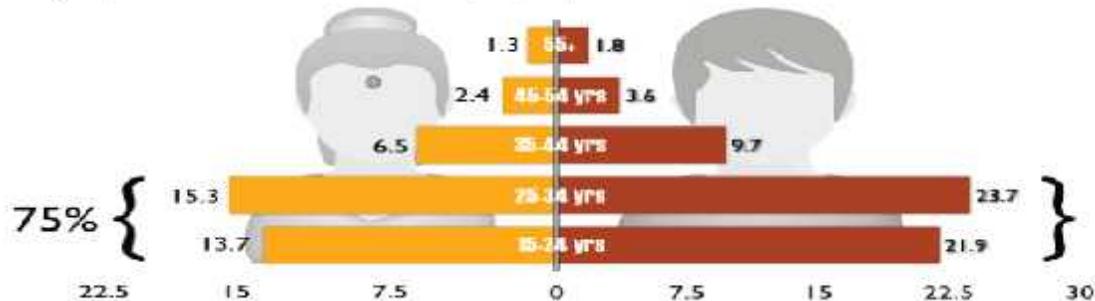


Unique Visitors (in millions)

% Reach: Top Retail Sites

| | Reach % in Jul 2012 |
|---|---|
| Amazon | 15.4 |
| Flipkart | 11.5 |
| Snapdeal | 11.1 |
| Jabong | 8.6 |
| Myntra | 8.5 |
| Homeshop18 | 6.5 |

Amazon is the most visited retail site with most of the traffic slipt among Amazon.com, ImDB and Jungles.com.

***Online Marketing: Latest Trends for 2013*** Things happen fast on the internet and if a Marketer wants to stay competitive then they are required to keep up with the latest trends. For almost every market, there are lots of online businesses competing, so a Marketer is needed to keep abreast of the latest internet marketing trends if they want their business to thrive. The barriers to entry on the internet are lower than in physical markets because of the reduced overhead and this means lots of competition is the popular business fields. The key is to use the latest marketing trends to make sure that the business will stand out.

There are plenty of websites offering marketing trends and advice, but a Marketer has to choose carefully because many are not updated often enough so the information is older and not very useful. What Marketer wants is up to date information that will put him on the cutting edge. A lot of the marketing ideas are good ones, but once lots of people start using them then they no longer serve to make your business stand out. And that is the goal.

Online classifieds and article marketing are two examples of trends that have been around and are quite useful at getting the sites of Companies into the search engine rankings. The most recent important trend is social networking. With the rise of Facebook, as well as MySpace, LinkedIn, and Twitter, people are focusing their internet experience around these social networking sites. To market successfully, a marketer is required to go to where the customers are, and right now that means on social networks. This makes advertising a little more difficult than on a normal commercial website because you cannot just buy advertising space. There are some innovative ways to advertise on Facebook however, many of them tied into features people want to add.

Another marketing trend that all sorts of companies are starting to take advantage of is blogging. Blogs are free and relatively easy to maintain and keep current and people like them. They are a great way to put Companies' information out there in a way that is more casual and seemingly more personal than traditional advertising. This fits the current trend that seems to be a result of push back against very forceful, in your face type advertising.

Today's consumers do not want to have advertising right in their face because they see so much of every day and they get immune. The blog puts information in a very non-pushy way that appeals to lots of people. And a blog is a great way to get the most up to date information out there. Blogs also allow the public to make comments which is a great way to foster communication that creates a bond between Company and its customers. This creates loyalty and will likely result in peat business and good word of mouth advertising which is always the best kind, and not just because it is free.

The last major marketing trend happening now is the use of video. More and more people have high speed internet connections now so they can watch videos without it being a hassle. Younger people are apt to start any search on the internet by looking for videos on the subject. The most effective videos are ones that offer useful information that the customer might be seeking and make the product advertising secondary.

For example, a bicycle company might produce a series of how to videos with bike riding tips and bike tuning tips. These are subjects that people will be searching for even if they are not looking for a new bike. They see the video and appreciate the information. They might not run out and buy a new bike right then, but when the time comes; they already have a good opinion of the company that created the videos.

Name recognition and a positive reputation can be created in a lot of ways that are not traditional forms of advertising. These trends are apt to continue to be more important as consumers get more and sophisticated and demanding. Consumers have so many choices because of the internet that businesses must use all the latest trends to create and maintain their reputation.

**Some Statistics about Internet Users across the world**
1. India may have 3rd largest number of Internet users by 2013.
2. "The number of people online around the world will grow more than 45 per cent to 2.2 billion users by 2013 and Asia will continue to be the biggest Internet growth engine".
3. "India will be the third largest internet user base by 2013 - with China and the US taking the first two spots, respectively," technology and market research firm Forrester Research said in a report.
4. "In some of the emerging markets in Asia such as China, India and Indonesia, the average annual growth rates will be 10 to 20 per cent over the next five years (2008-13)," the report said. India's number of Internet users was estimated to be 52 million in 2008".

5. In the next four years, about 43 per cent of the Internet users globally are anticipated to reside in Asia and neighboring China would account for about half of that population.
6. "The percentage of the global online population located in North America will drop from 17 per cent to 13 per cent between 2008 and 2013, while Europe's share will shrink from 26 per cent to 22 per cent.
7. The report said apart from China, other Asian countries with substantial online growth rates include India, Indonesia, Pakistan, and the Philippines.

**Demographics & Choice of Language of Indian Internet users**
1. 77 per cent of the Internet users are in the age group of 19-35 years
2. 51 per cent are salaried employees in corporate houses and 30 per cent live in metros.
3. Surprisingly, only 28 per cent of the respondents said they prefer to read in English when online

India's internet user base is mainly composed of youth segment, with majority user being ''young men'

**Most Popular Internet Activities of Indian internet user**
According to report most popular activities online are
- Emailing (91 per cent)
- Job search (72 per cent)
- Instant messaging (70 per cent)

Other popular activities are checking news and sports, downloading music and movies, and checking cricket scores.

**Internet Brands & Top of Mind Recall**
Among the brands surveyed by JuxtConsult, Google predictably has the highest top of mind recall, at 36.6 per cent, followed by Yahoo! at 31.5 per cent and Rediff at a distant 7 per cent. In terms of usage, Google is used by 28 per cent of the respondents, and Yahoo is used by 27.6 per cent of them. Rediff and Gmail follow with 8.6 per cent usage each.

**Projected Growth Rate for Internet advertising**
As per a KPMG & Group M survey of 2008 Internet advertising is seen at 840 crores in 2009 by KPMG and is expected to have one of the highest growth rates with an expectation to move to 2140 crores by 2013.

**Online Activities on Indian Websites**
JuxtConsult also surveyed the most used websites for specific online activities.
- According to the report, Yahoo! is most used for email (51 per cent users), instant messaging (53 per cent), online news (16 per cent), net telephony (25 per cent), astrology (25 per cent), cinema (14 per cent) and mobile content (12 per cent).
- Google is the most used website for information search in English (81 per cent), search in local languages (65 per cent), real estate (23 per cent) and online learning or education (32 per cent).
- Orkut is the most used website for friendship and dating (54 per cent), sharing pictures (38 per cent), social networking (66 per cent) and professional networking (44 per cent).
- Naukri is used by 42 per cent of the respondents for job search. Yatra is most used for travel (18 per cent), Zapak is most used for games (32 per cent) and eBay is most used for online shopping (33 per cent).
- In the financial world, Moneycontrol is accessed by 18 per cent of the users for financial news and information, while ICICI Direct is used by 31 per cent users for online share trading.
- Bharatmatrimony is most used (36 per cent) in online matrimony,
- YouTube is most used for video sharing (43 per cent)
- Cricinfo is used by 19 per cent of the users for sports.
- Raaga is the website most used for music (17 per cent)
- Rediff is used by 19 per cent of the users for buying or renting a movie CD.
- Only 28% people prefer to read in English when online. 65% users use Google for local language searches which show that there is a scope for regional languages on the web.

**Google Study**
According to Economic Times Google has conducted a study implemented by the strategic market research firm Media Screen to gain deeper understanding of Indian consumer behavior in the online space. According to the study
- 18% of all financial products are sold online in India
- Nearly 68% of consumers go online to research products that interest them

- Comparing costs and product details are the two most common online financial research activities.
- For Consumers undertaking research for banking services information sources are TV advertisements (41%), search engines (69%) and bank's website (47%).

Beyond this there is also a pitch for importance of Search Engine and Google with the study stating
- Nearly 67% of respondents use search engines for financial product research.
- 30% of consumers also use search engines to become aware of special rates/promotions and to access expert advice.
- Around 55% people see an online advertisement and click on them to learn more.

**Opportunities for online shopping in India**
'Online shopping in India could touch $34 billion by 2015 '.Online shopping in India which is at a nascent stage is poised to witness significant growth in the next few years, with the industry likely to touch $34.2 billion by 2015.

"It is estimated, that around 27 million (in India) are active mobile Internet users. Currently 4 percent are buying products, through mobiles and in next four years time, it can go up to 20 percent".Going by the current trend, the industry is expected to grow at a compound annual growth rate of 57 percent and is likely to reach $34.2 billion by 2015, he said. The number of mobile users in the country is expected to touch 1200 million by 2015.

The significant growth in online activity in India reflects that the evolving nature of the market and the Indian consumer. Opportunities in e-commerce are huge because of a large population base, changing consumer lifestyle and lack of infrastructure for bigger brick and mortar stores.

With more than hundreds of websites currently operating in the sphere and many more to join the space, it is obvious that e-commerce is going to be a game changer in India.

**Conclusion**
1. The Internet is certainly the place for businesses to expand, reach new markets and provide new services but there must be a balanced approach to the Internet.
2. Web 2.0 is incearsingly being used for advertising, product development and customer service.
3. 65% of respondents in the high technology industry feel that online marketing is important compared to 32% in the manufacturing industry.
4. One-third of companies that advertise online spend 10% of their advertising budget on online media.
5. Search engine advertisements rank highest in terms of perceived effectiveness.

**Scope For Further Research**
- *Research can be done to find out different strategies that may help companies to expand online business.*
- *Research can be done to find out why only certain online marketing websites fetch good amount of business.*

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