

“THE IMPACT OF INTERNET-MARKETING PRACTICES ON INDIAN MARKET”

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Abstract :

Marketing has pretty much been around forever in one form or another. Since the day when humans first started trading whatever it was that they first traded, marketing was there. Marketing was the stories they used to convince other humans to trade. The methods of marketing have changed and improved, and we've become a lot more efficient at telling our stories and getting our marketing messages out there.

Internet-Marketing is the product of the meeting between modern communication technologies and the age-old marketing principles that humans have always applied. Internet-Marketing is the process of marketing a brand using the Internet.

The major aims of this research are to explore the evolution and the impact of internet marketing on major areas of Indian economy, to analyze the different factors affecting the adoption of Internet or Electronic Marketing (E-Marketing) by enterprises and consumers. This paper also describes the new innovations taking place in e-marketing to improve Indian economy. Further it also focuses on the growth and future performance of e-marketing in India.

Keywords: Internet-Marketing, E-Marketing, modern communication technologies, ROI.

INTRODUCTION :

On average, India's Internet users spend 20 to 25 hours online per month. Internet users in Asia are much more active, with an average of 96 hours per month for Internet usage, indicating the scope to increase India's usage levels. Mobile Internet usage is growing at the rate of nearly 85 percent per annum, with nearly 75 percent of non voice usage being devoted to entertainment, where video and music streaming are major growth activities. The share of Indian digital consumers who use online media for search, awareness and research to purchase products is already high across multiple categories.

Internet-Marketing popularly known as E-marketing can be defined as marketing of products and services on electronic media. E-marketing is one of the latest and emerging tools in the marketing world. It include the creative use of internet technology including use of various multimedia, graphics, text etc with different languages to create catchy advertisements, forms, e-shop where product can be viewed, promoted and sold. It includes advertisements, product display, product navigation, 3-D products view, basket selection, checkout and payment. This form of marketing is equally applicable in most of the business models:

E-commerce — Direct sales of goods to the mass customer/consumer or the business customers.

Publishing Services — where advertisement are sold.

Lead-based websites — like policy bazaar, sulekha where sales leads are generated are sold to either third party or used in-house to convert them into sales through appropriate channel.

Affiliate marketing — a referral marketing strategy where reward is given for referring product, company, or website to other friends, relative or in nutshell other potential customer or target segment.



OBJECTIVES AND HYPOTHESIS OF THE STUDY:-

- The overall study is carried out to understand the significance and the impact of e-marketing on Indian economy.
- To study the evolution of e-marketing in India.
- To examine its existence in the major areas of Indian market.
- To discuss e-marketing adaptation challenges for Indian market.
- To analysis the growth and future prospects of e-marketing in India.

RESEARCH METHODOLOGY:-

- The study for the paper has been done on the secondary data, collected from the various sources such as published white papers, research journals, E-books and various magazines.
- Analysis has been made after analyzing the collected data.
- Finally an overall conclusion has been drawn on the analysis made.

THE EVOLUTION OF E-MARKETING IN INDIA:-

➤ **About 120 million Internet users with increasingly sophisticated usage:**

India's overall stage of development as an Internet market is still nascent, in terms of Internet penetration and high speed connectivity. Yet, India now has the world's third largest national digital population, with approximately 120 million Internet users in 2011. The number of Internet users in India has grown fivefold since 2005.

➤ **1995 to 1998:-**

Introduction and early growth the Internet was first introduced by the government owned agency, Videsh Sanchar Nigam Limited (VSNL), in August 1995. Coincidentally, the first mobile phone call in India was made in the same month. Internet services were initially restricted to the four big metropolitan areas: New Delhi, Mumbai, Chennai and Kolkata. By the end of 1998, there were more than one million Internet users and cybercafés became popular in the metros.

➤ **1998 to 2009:-**

The barriers for private players to provide Internet services were reduced drastically and many of them started offering Internet services in 1999—2000. By this time, the number of Internet users had grown tenfold since VSNL's days, reaching 10 million. The government introduced its first broadband policy. By the end of 2009, there were more than 60 million Internet users in India, predominantly accessed through PCs.

➤ 2009 to present:

The mobile revolutions were introduced in 2000, with the introduction of 3G services it provided a huge boost to mobile internet access. By the end of 2010, almost 40 percent of the 100 million users were accessing the internet through a tablet or a mobile device. The introduction of 4G services in the cities such as Bangalore and Kolkata is likely to provide further impetus to mobile based internet. Today India's nearly 120 million strong Internet user base is the third largest in the world.

TRANSFORMING MAJOR AREAS OF INDIAN ECONOMY THROUGH E-MARKETING:-

Business and the economy are inextricably linked with the development and implementation of new technology. Continuous growth of E-commerce is expected to have deep impact on structure and functioning of economies at various levels and overall impact on macro economy.

➤ Impact On Intermediation :-

Traditionally production, transportation and distribution play an important role. In physical world, because of large distance, producers and consumers cannot meet directly. The existence of intermediaries namely, distributors, wholesalers and retailers, this increase the transaction costs for both the producers and consumers. In the process of E-Commerce transactions, it is possible for the consumer to conduct and place an order with the manufacturer instantly and directly. E-Commerce technology brings about the benefits of more accurate and timely information flow, administrative saving, lowering total distribution cost, closer trading relationship, improved cash flows, and moving closer to the end consumers. No doubt that online ordering and delivery of product is reducing the role of intermediaries. Therefore, it is also feared that intermediaries would be completely eliminated in the E-Commerce economy.

➤ Impact On Agriculture Products:-

Many theoretical benefits of E-commerce in agriculture have been identified such as: (1) Promotion of information flow, market transparency and price discovery. (2) Facilitation of industry coordination. (3) Reduction or elimination of transaction costs. E-commerce in agriculture could also potentially tighten the supply chain and cut marketing margins and transactions costs in way that benefit smaller, local producers as well as local agribusinesses. It also enables a vast array of products to be transacted, usually at a price that is competitive with local retailers. E-commerce can also change the situation of small and marginal farmers.

➤ Impact On Labour Market :-

E-Commerce leads to the automation of some job functions and replaces others with self service operations, raising output per worker and dampening employment requirements in some occupations, as well as in the industries in which these occupations are concerned. E-commerce has spurred employment in industries producing software, and systems used by E-commerce and other occupations associated with websites and networks. But, perhaps the larger impact of Ecommerce on labour market can be seen in the form of online job search. Even then, online job posting has grown tremendously. Estimates place the number of online job boards at over 3000, the number of active resumes online at over 7 million, and the number of job posting at 29 million. Improvements in communication and control technology likely mean that people who monitor equipment or other workers can perform their task easily. Remote access to E-mail and company documents will enable many workers to perform some or all of their work from home to elsewhere.

➤ Impact On Cost, Price And Competition :-

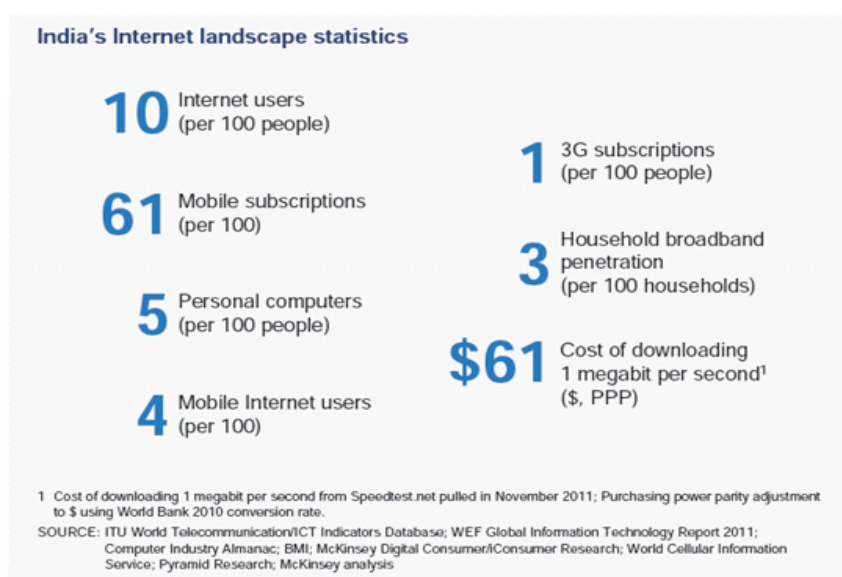
Logically, E-commerce reduces search and transaction cost. Reduction in transaction costs are motivating businesses to incorporate E-commerce into their business strategy. The Ecommerce lowers costs because, the Internet lowers selling search costs as well as, by allowing seller to communicate product information cost effectively to potential buyers, and by offering sellers new ways to reach buyers through the targeted advertisement and one-on-one advertising. By reducing search costs on both sides of the market, it appears likely that buyers will be able to consider more product offering and will identify and purchase products that better match their needs, with a resulting increase in economic efficiency. Thus E-commerce economy comes quite close to the features of the perfect competition, as larger numbers of buyers and sellers can instantly interact with each other. Many characteristics of ecommerce should increase competition because buyers will have access to a global marketplace and the ability to easily

compare price and product features.

The Growth and Future Prospects of E-Marketing in India:-

➤Current Scenario:-

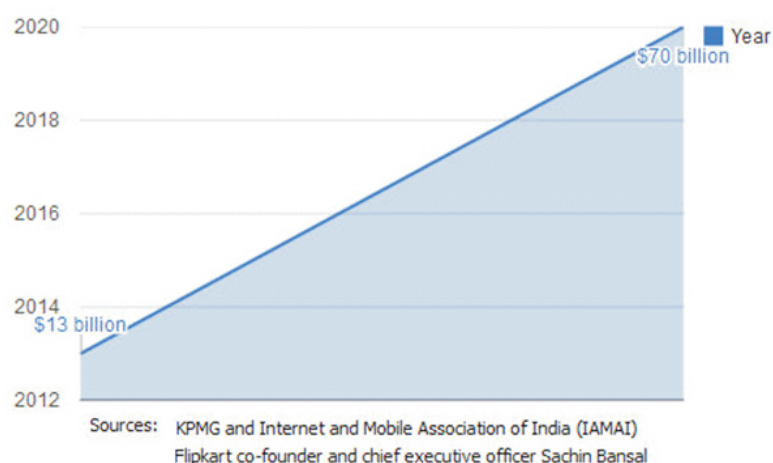
Leading Indian online retailers including Snapdeal and Fashion portal Myntra, expect to turn profitable in next two years signaling a seismic shift in an industry where so far growth has been pursued at the expense of the bottom line. Snapdeal, an online market place wants to be India’s first profitable e-commerce company and its largest mobile commerce company. This suggests that mobile will be a big driver in future. This company expects to reach about Rs.6220 cr. in gross merchandise sales by the next financial year. Flipkart is an Indian e-commerce company founded in 2007. It is considered as an e-commerce company that made online shopping popular in India. It deals with selling of variety of items, started with books and now home and kitchen appliances, mobile phones, digital cameras, watches, clothing and others. Flipkart India, the wholesale cash-and-carry entity of the online retail firm reported a loss. However the company claims that their business is growing at 100% annually.



➤The world’s second-largest online user base by 2020 :-

India’s young and growing population provides an opportunity to build an internet oriented economy. By 2020, there will be 360 million Indians between the ages of 15 and 30. Young people are nearly twice as likely as older people to use Internet related technologies such as smart phones and voice over Internet protocol, and they show much greater propensity to transact online and use electronic social networking modes that ride on India’s expanding 3G/4G telecom networks in urban centers.

India’s fast growing internet market relies to a greater degree on mobile telephony than in other countries. The rapid decrease in the cost of smart devices, the increasing availability of 3G/4G infrastructure, and the sharply declining cost of high speed access are providing strong momentum to the emergence of India’s Internet user base. These supply side enablers, coupled with increased awareness of and growing demand for sophisticated services among India’s young consuming classes, along with fierce competition, will enable more rapid Internet adoption in the future. It is really an achievement in country’s exploding e-commerce market. It is expected to reach the e-merchandise retailing sale at \$14 billion by 2018 and \$60 billion by 2023.



E-MARKETING ADAPTATION CHALLENGES FOR INDIA MARKET:-

➤ Challenges in Online Trading with View Point of Companies:-

- ◆ The world is used to conducting business and commerce on signed paper documents. Electronic documents and messages, without familiar signatures and marks have changed the scene and trade wants to be assured that the electronic world is safe. The e-commerce system must therefore offer at least the same level of reliability as that which obtains in the paper world. Thus the companies should work with maximum reliability.
- ◆ The legal requirement is to establish the authenticity of an electronic document or message. This includes integrity, confidentiality and non-repudiation of origin and receipt of electronic document in case of dispute.
- ◆ In e-commerce, there is a concern that in the absence of proper controls, it is relatively easy to change the electronic record. Proper controls need to be enforced in e-commerce transactions.
- ◆ Major legal issues for e-commerce are raised through the provision of services like Online Marketing, Online retailing e.g. ordering of products and services, financial services such as banking and trading of services,
- ◆ Unlike the traditional commercial world where different companies may have the same trademark in different products and services, in cyberspace, only one name can be assigned as Name.com. Thus, the company which registers its name for the domain name eliminates all others from using that name in the cyberspace.
- ◆ The other issue is copyrights. Copyright was developed in the printed world to protect the economic interests of the creative writers. However, the copyright law protects only the expression of an idea and not the idea itself.
- ◆ Different laws are applicable under different jurisdictions. A number of questions which are vital to the legality of commerce in cyberspace have arisen.
- ◆ The break even period is more up to 6-7 years.

➤ CHALLENGES WITH POINT OF VIEW OF CONSUMERS:-

- ◆ With the internet making inroads into almost all facets of everyday life, not only business information, but a large amount of personal information too is now digitized and stored on computers connected to the internet.
- ◆ Systems connected to internet are potential targets for destruction or tampering of data stored in them.
- ◆ There is a danger of cyber-attacks. There are challenges of hacking which means hackers can deface websites and steal valuable data from systems.
- ◆ Phishing is another challenge which refers to creation of e-mail messages referencing web pages that are replicas of existing sites to make users believe that they are authentic sites.
- ◆ Internet users are likely to face more privacy threats as marketers aggressively employ invasive tools to collect information. Marketers who were earlier scratching the surface of social media marketing are now peeling back the layers for understanding people and their behaviour on the internet.

SUGGESTIONS:-

- ◆ Small e-commerce companies should look towards marketing activities in malls and initiatives on the digital media which can be done for prolonged duration and is more sustainable.
- ◆ Marketers should be smart enough to draw a line between mapping and stalking which can turn away a consumer forever.
- ◆ Opting for cheaper and measurable digital campaigns instead of expensive traditional advertisements.
- ◆ Increasing viability of e-commerce.
- ◆ Online retailers have to build large volume of business to ensure profitability It will also help them to amortize technology and marketing cost.
- ◆ Consumer education and protection of their privacy.
- ◆ Efficient services like in time delivery and convenient payment.
- ◆ Several online retailers are hawking a range of personal accessories, home decor and utility items that are branded with images and logos of mainline political parties. E.g. NaMo and Aam Admi. They should grab the opportunities like election to promote their products.

CONCLUSION:-

E-marketing is rapidly changing the way people do business all over the world. In the business-to-consumer segment, sales through the web have been increasing dramatically over the last few years. Customers from developing countries are getting used to the new shopping channel. Today, more than 60% of people shop online as it is a comfortable mode of shopping by just click a mouse. Ecommerce brings changes our way of living, marketing.

E-commerce's prime driver is Internet which presents an hierarchical framework. The use of websites for small scales enterprises can create a major impact and global presence when compared to other Medias. The web are defined with no geographical boundaries or national boundaries.

In a nut shell we can conclude that e-marketing has a potential to grow, only proper boosting needs to be done both at producer and consumer level apart from government efforts.

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