

E-MARKETING GROWTH & CHALLENGES IN INDIA



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ABSTRACT:

Electronic marketing is the youngest of the membership growth devices and has grown exponentially since mainstreaming a little more than two decades ago. E-marketing created a means of doing business defying time and space. It established speed, information flow and access in buying and selling of products. This in turn created a virtual market for actual products globally. This paper traces the growth and the challenges in the process of e marketing.

KEY WORDS: *Internet Marketing, Online, Consumers, marketing, Challenges.*

INTRODUCTION

Before the term e marketing evolved, the term 'digital marketing' was used in the 1990s. The rapid evolution of digital media created new opportunities and avenues for advertising and marketing. Digital marketing is often referred to as 'online marketing', 'internet marketing' or 'web marketing'. The term 'digital marketing' became popular over time, particularly in certain countries. In the USA 'online marketing' is



still prevalent, in Italy it is referred to as 'web marketing' but in the UK and worldwide, 'digital marketing' is the common usage.

An online marketer now needs to find where people are congregating online and needs to engage them in a meaningful way. Be it in matching with what they are looking for, watching how they interact and understand what they like or listening to their natural opinions on company or market and reacting to that.

Information technology has transformed the way people work. Electronic commerce has unleashed yet another revolution which is changing the way businesses buy and sell products and services. After the e-commerce Framework was announced by the U.S. government in 1997- at the time when internet was allowed to be used by commercial organizations. It was the US Government's announcement that all federal purchases would be made paperless that gave an impetus to this new way of conducting trade and commerce. The internet gave another boost to e-commerce. Internet marketing or online

marketing refers to advertising and marketing efforts that use the Web and email to drive direct sales via electronic commerce, in addition to sales leads from Web sites or emails. Internet marketing and online advertising efforts are typically used in conjunction with traditional types of advertising like radio, television, newspapers and magazines.

TYPES OF E-MARKETING:

a. Transactional emails:

These emails are usually based on a customer's action with a company. To be qualified as transactional or relationship messages, these communications have a primary purpose that must be "to facilitate, complete, or confirm a commercial transaction that the recipient has previously agreed to enter into with the sender", along with a few other narrow definitions of transactional messaging. The main purpose of a transactional email is to convey the information regarding the action. But, due to its high open rates, transactional emails are an opportunity to engage customers, to introduce or extend the email relationship with customers or subscribers, to anticipate and answer questions or to cross-sell or up-sell products or services.

b. Direct emails:

Direct email marketing involves sending an email solely to communicate a promotional message. In companies usually collect a list of customer or prospect email addresses to send direct promotional messages to, or they can also rent a list of email addresses from service companies, but safe mail marketing is also used.

PAST ASPECTS:

Even before the Internet there were many different ways to advertise, in different media such as radio, TV, newspapers, magazines, as well as via telemarketing or pamphlets. Usually the goal was to get a company- and/or product name, a statement etc. communicated to as many people as possible for the smallest price possible. When the Internet arose, a number of search options became available. Companies had the option to advertise themselves on a larger scale. Due to advertising perception at the time, many businesses were assumed to have great value, and thus traded on the stock exchange at extraordinary high rates. This collapsed in 2001 at what is commonly known as the dot-com bubble.

After the dot-com collapse, the Internet was almost disregarded because of many failing website-based businesses that had expectations to the market and assumptions about consumers. However, both consumers and companies continued exploring online options. Soon more substantial business models emerged; search advertising and e-commerce were the new possibilities. Enhancements in targeting advertising, and understanding how websites maintain visitors, became relevant. Researching consumer's behaviour and buying patterns online began to interest scholars.

ADVANTAGES OF E-MARKETING:

Global reach:

If there is no matter where you are or whom you need to reach, targeted email saves the way. Borders are no obstacles in email marketing.

Lower cost:

We add e-mail to the marketing mix, spend less time, money and resources than with traditional marketing vehicles like direct mail or print advertising.

Highly personalized:

E-Marketing enables to personalize and greet every person.

Faster response:

It's a time to receive responses through e-Marketing is one to three days, where you will get maximum responses on day one itself, while a direct mail campaign would take minimum 7 to 12 days to generate any responses.

Simplest:

Executing an email is simple and we can do it sitting at home without any extensive resources.

Measurable results:

There is a special tools are available that measure clickthrough rate, conversion rate, how a person one arrived at your website, and more, to enable to assess the success of different e-Marketing.

Need for the Study:

India will likely see the golden period of the Internet sector between 2013 to 2018 with incredible growth opportunities and secular growth adoption for E-Commerce, Internet Advertising, Social Media, Search, Online Content, and Services relating to E-Commerce and Internet Advertising. As we all know, India has a long way to go in the world of Digital Marketing as more and more Indians are spending time on the internet as compared to China and US.

Research Objectives:

In this paper we focus on the study of E-Marketing and online behavior of consumers. They also provide an incentive to focus on critical areas and formulate strategies to help achieve intended objectives.

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

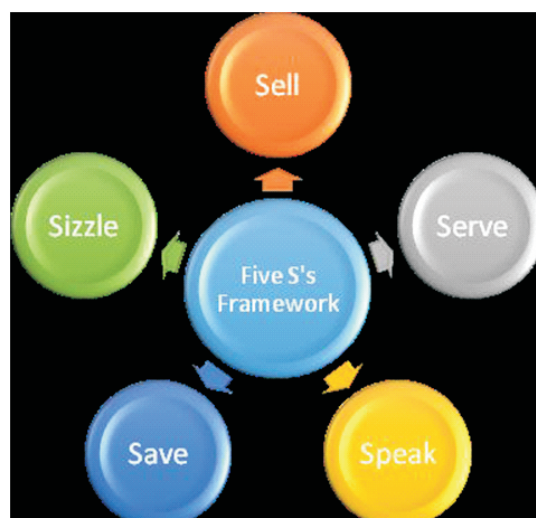


Fig.: Framework of E-Marketing.



Fig.: Types of E-Marketing.

Development and scope of e-marketing:

E marketing has universal applicability. It permeates all kinds of business namely, agricultural, industrial, medical tourism, governance, Education and so on. Some of the common applications of e-marketing are: Document automation, payment systems, content management, group buying, Online banking, shopping and order tracking, Teleconferencing, Electronic tickets which have become common with large and small businesses alike. The history of e marketing can be traced back to:

1. 1971 or 1972: The ARPANET is used to arrange a sale between students at the Stanford Artificial Intelligence Laboratory and the Massachusetts Institute of Technology, the earliest example of e-commerce.
2. 1979: Michael Aldrich demonstrates the first online shopping system.
3. 1981: Thomson Holidays UK is first business-to-business online shopping system to be installed.
4. 1996: India MART B2B marketplace established in India.
5. 2007: Flipkart was established in India.

India is one of the world's fastest growing e-commerce market³. This growth story is the result of increase in the number of internet users. Internet users in India were estimated to be 300 million in 2014. India has an internet user base of about 250.2 million as of June 2014⁴. The penetration of e-commerce is low compared to markets like the United States and the United Kingdom. India's e-commerce market was worth about \$3.8 billion in 2009, it went up to \$12.6 billion in 2013. In 2013, the e-retail market was worth US\$ 2.3 billion. About 70% of India's e-commerce market is travel related. India has close to 10 million online shoppers and is growing at an estimated 30% CAGR vis-à-vis a global growth rate of 8–10%.

Growth factors:

Individual or business involved in e-commerce whether buyers or sellers rely on Internet-based technology in order to accomplish their transactions. E-commerce is recognized for its ability to allow business to communicate and to form transaction anytime and anyplace. Whether an individual is in India or overseas, business can be conducted through the internet. The power of e-commerce allows geophysical barriers to disappear, making all consumers and businesses on earth potential customers and suppliers. Several factors have contributed to the growth of e marketing in India. There is sea change in the life style of the burgeoning middle class. Internet and 3G penetration revolutionized the marketing scenario for both consumers and the marketers. Rising standard of living has not only increased the level of consumption but also the pattern and quality of consumption. Busy urban lifestyles, lack of time for shopping, desire for variety and convenience and comfortable disposable income has changed the way Indian consumers prefer to shop today⁶. Some other factors helping the

online retail industry seeing good growth include smartphones offering accessibility to online shopping, aspirations of tier II & III cities, women becoming more tech savvy, evolving perception around branded products, impulsive buying and logistical convenience.

CHALLENGES BEFORE E-MARKETING:

1. Dealing with the IT Department:

There is a circle of IT vs. marketing for a long time. But, it's a time to understand that we need to be partner with our IT friends to implement our marketing programs more efficiently. In simple sense, we need them and they need us or we can say that both complement each other.

2. Continuing Education:

Constant learning is needed by the marketers of 21st Century. It is said that knowledge in marketing comes with an expiration date and continues professional development is a necessity for up gradation. Take a class, get a certification, read a book, attend a seminar or conference whatever works for you, but keep learning.

3. Bad Marketing:

Anyone can call themselves a web designer, marketer, consultant, SEO expert and so on. Poorly created and executed marketing programs degraded our profession and also create mistrust among clients, marketers and other related parties. By doing marketing in a right time or way helps you to tip the scale in favor of our own profession which helps in long run survival.

4. Lack of Trust:

In general, identity theft, Spam, intrusive advertising and technological glitches have left many mistrusting of marketing. You are either part of the problem or part of the solution, you have to decide it.

5. Know-It-Alls:

Nobody is able to fully understand all aspects of marketing. There is simply too much to know, and whatever you do to know is changing at supersonic speed. If you are going to be an expert, you will have to get specialization in one aspect of e-marketing.

6. Ethical Practices:

An unprecedented mass of un-ethical businesses has been spawned by the Internet. There have always been scam regarding bottom feeders and artists, but the Internet seems to have brought them out in epic numbers. Make sure that your own practices are squeaky clean and try to educate your customers about some of the pitfalls of e-commerce.

7. Corporate Culture:

In many companies every department "owns" the website and no department "owns" the website. Websites should belong to marketing, not finance/operations/ IT or legal. When the committee doesn't have a clue, it is difficult to produce good marketing by committee. Collaboration is an important in this situation and your associates should provide 100% input for this, but marketing should make the final decisions.

8. International Commerce:

The Internet has made possible to provide products and services available around the world as close to customers and their living room (or wherever they have their computer). Unprecedented revenue flows in and out of foreign countries is allowed by this new world channel and that impact could eventually have a dramatic effect on our domestic economy. We have a lot in common with people of other countries in term of culture and traditions, but there are some differences as well which is known as Unity In Diversity. Understanding is the key for good international commerce as well as

relations.

9. Intellectual Property:

It has never been easier to steal someone else's hard work. Everyday everything from music to software, movies and images are lifted from the Internet. This is a bad thing.

10. Customer Expectations:

Never before customers had expected too much. Managing your customer expectations is vital to marketers, because if you don't know your competitors will, you are not able to survive in long run in the market. Without customers you will not have a business because customer is treated as a king of market, so take the time to get to know them, treat them with due care and respect, and in the same way you want to be treated as a customer.

CONCLUSION:

E-Marketing has emerged as one of probably the most innovativemediums for organizations to market many and services.It may be the art of identifying and understanding customerneeds and creating solutions that delivers satisfaction forthe customers, profits towards the producers and benefits for the stakeholders. E-Marketing today encompasses productdefinition, product packaging, advertising, sales, too as, distribution.Increasing best small business advertising ideas needfor website marketing gives rise to a huge number of onlinemarketing professionals in all of the companies. Best StreetFestivals on Earth. In e-Marketing the consumer can buy thegoods with in a place. Thus, the consumer and the seller can get more benefit in e-Marketing.

This paper discussed the growth and the challenges in the ever expanding area of e marketing. Thisfield needs constant learning. One cannot overlook the fact that it is a technology driven approach.Thereis adire need to keep abreast of the latest in the field of computer science and information technology. Poorlycreated and executed programs create mistrust between clients and marketers. Spam, identity theft,intrusive advertising, technical snags, not keeping terms with contract / agreements, gap between orderedproducts and actual deliveries have created deep mistrust in e marketing. Hence the growth of e-marketingdepends also on the growth of business ethics on the one hand and consumer protection laws on the other. Inother words, the relevance of 'credibility' in business in general and e marketing in particular is mammothwhich can be addressed with skill development in the field of information technologies.While one has toadopt caution, e marketing offers a world of opportunities.

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