

Digital Marketing: The Future of Marketing: A Case Study

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Abstract: Digital marketing has taken India by storm! Almost every single company, be it small, medium or large have started doing marketing online to increase their sales. There are 1 million links shared, 2 million friends requested, and 3 million messages sent on Facebook every 20 minutes. Twitter users send 9,100 tweets every second. All the internet savvy Indians have at least one social media profile — and many use this profile daily. Whether you love it or hate it, communication on social media is a fact of life. So digital marketing is the need of the day to use this platform of communication.

Introduction: Recent few reports indicate:

2405 Photos uploaded on Facebook every minute, 8728 Numbers of Tweets happens worldwide per second, 1283 Average followers of twitter celebrity, 4829 Numbers of Pins done on PINTEREST per second, 3841 Video views on Youtube every second, 1680 Numbers of likes user does every year on an average.

The above facts indicate the rate of usage of digital media by the people. Using this digital platform to flourish the business prosperity is by no way a foolish decision, rather an intelligent move.

Ola Cab has best utilized the phenomenal growth of digital media.

The Bengaluru-based Ola that started as an online cab aggregator in Mumbai is today among the fastest growing businesses in India. Ola is managing to spread its wings from 4-5 cities to 100 cities across India with more than 200,000 vehicles. Not only this, 99% of its bookings are coming from the cab's app now. Ola is an app-driven company, it made prudent business sense for the company to tap into Facebook's network to meet its goals such as boosting brand awareness as part of its ChaloNiklo brand campaign on a large scale, targeting the right audience, increasing sales by 25%, boosting online searches by two times and increasing its customer base.

Meru Cab, Uber etc are also part of such digital revolution. Most of the startup companies are now a days are heavily depending on the digital marketing tool as an cost effective method of creating awareness about their brands. Not only startups, almost every single company, be it small, medium or large have started doing marketing online to increase their sales. Literally Digital Marketing is the future of marketing.

Ola has diversified their business recently into grocery delivery to compete with Grofers for hyper local delivery by using this digital medium only.

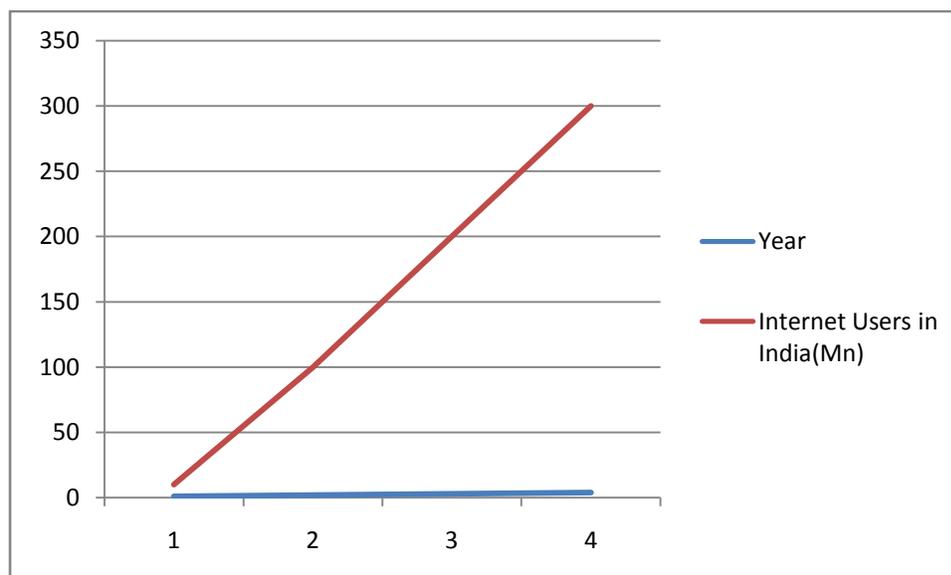
E-commerce giants like Flipkart has already launched the grocery store. Amazon has an express delivery platform – 'Kirana Now' in partnership with local retailers. Snapdeal has tied up with gourmet food retailer Godrej Nature's Basket. And now Ola has entered in this fight.

Why Companies are investing heavily on Digital Marketing?

Companies are heavily investing in Indian Market. Most common reasons behind such phenomenal growth of online/internet/digital marketing can best be described with the following facts:

1. Growth of Internet Usage Over the Year in Indian Market:

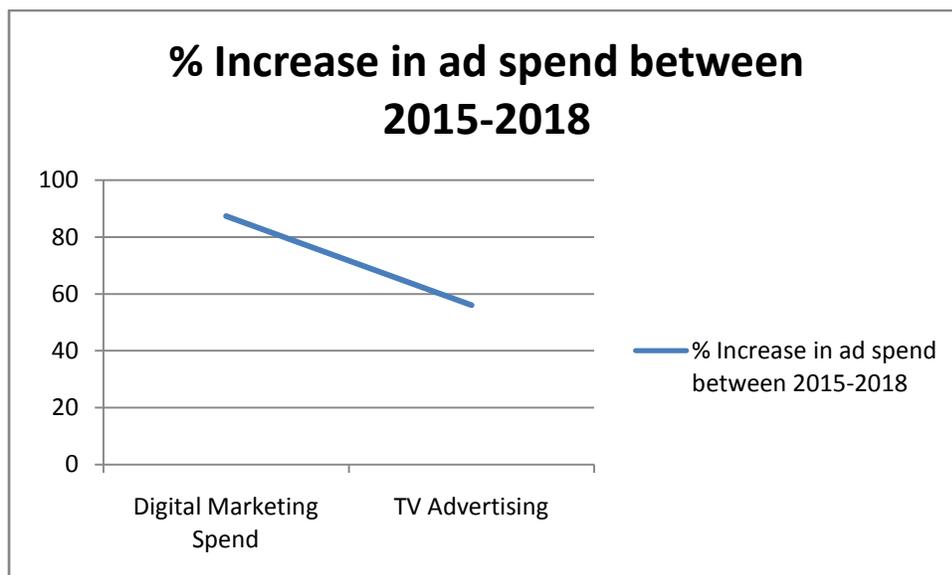
Year	Internet Users in India(Mn)
2000	10
2010	100
2014	200
2015	300



2. According to Magna-Global, India will be the most dynamic online ad spender in 2015:

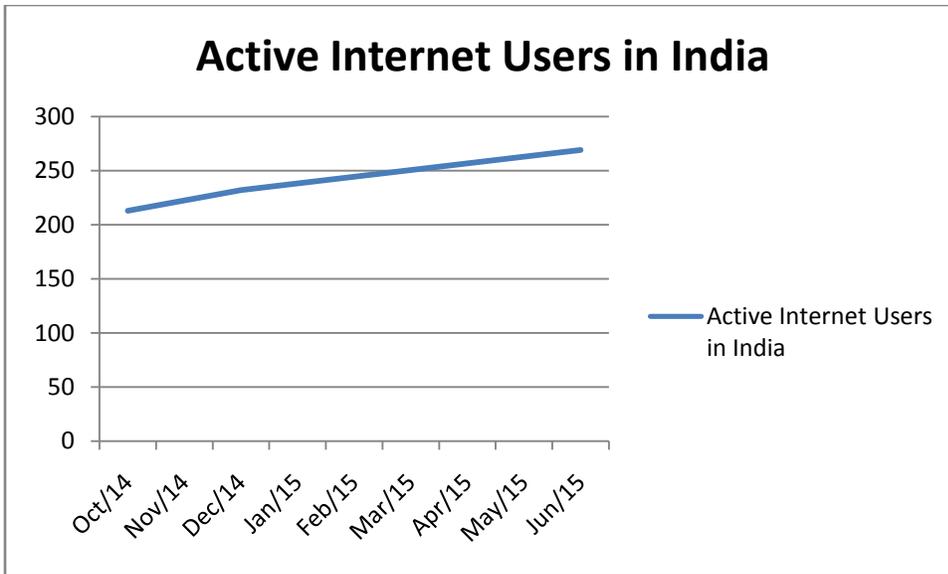
Year	2015	2016	2017	2018	% Increase
Digital Marketing Spend	55.1	69.7	88.1	103.2	87.29
TV Advertising	567.4	672.4	771.9	885	55.97

Type of Ad Media	% Increase in ad spend between 2015-2018
Digital Marketing Spend	87.29
TV Advertising	55.97



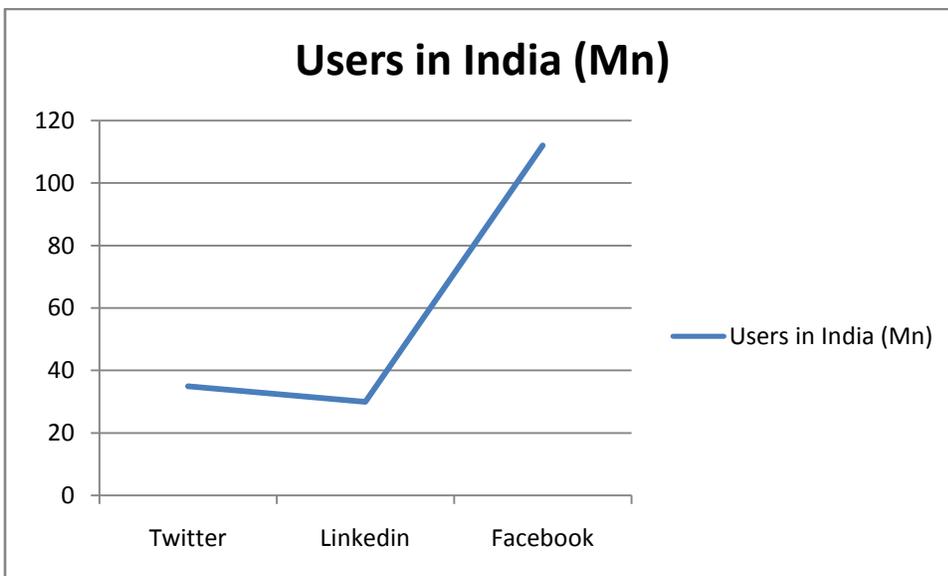
3. Active Internet Users in India:

Period	Active Internet Users in India
Oct-14	213
Dec-14	232
Jun-15	269



4. Social Media Revolution in India:

Type of Social Media	Users in India (Mn)
Twitter	35
Linkedin	30
Facebook	112



5. E-Commerce Revolution India:

Year	E-Commerce Market in India(Bn)
2014	3
2016	15

400% Increase in E-Commerce business is expected within 2016.

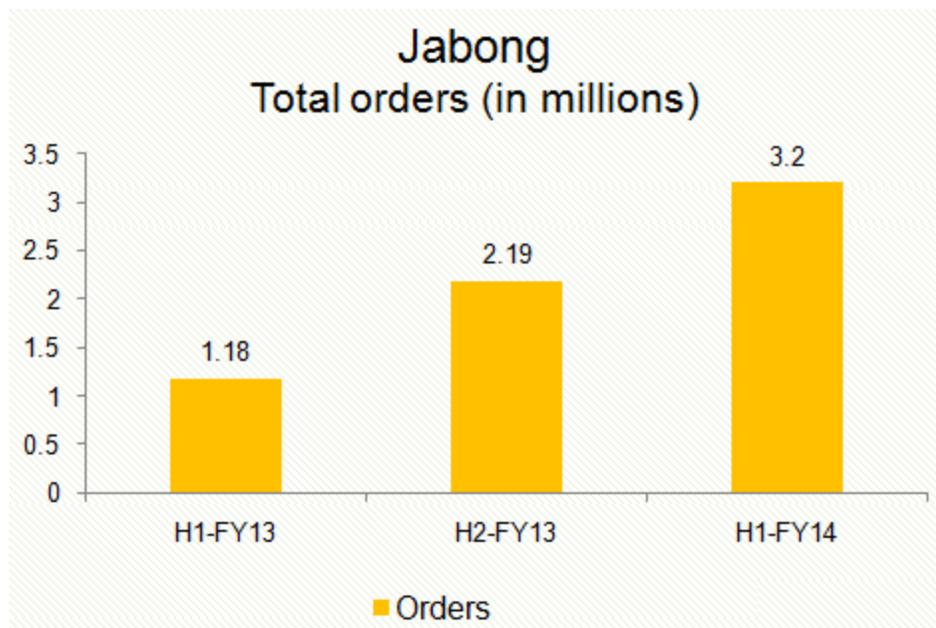
Above facts encourages all the corporate to increase their marketing spend in different forms of digital medias. Digital marketing is really paying off to the advertiser and results can be easily being seen instantly. So measuring advertising effectiveness is also very easy in this form of media as compared to other traditional media.

Facebook as a digital marketing media allow the advertisers to implement DAGMAR i.e. Defining Advertising Goal for Measuring Advertising Result in an effective way. If any Event Management Company wants to sell the tickets of their event in India, one of the easiest step they can take is to give an advertisement in Facebook and “Promote” it to reach targeted audience with a minimum budget. Link the Facebook advertisement with Indianstages.com so that whom so ever is click the Facebook advertisement they will be landed in Indianstages.com where they can purchase the tickets online. IndianStages.com will hand over the money to the advertiser after deducting an agreed %. So, here the advertiser can have an outcome based advertising plan which can be measured instantly.

E-Commerce Revolution: The Jabong Story: Jabong was launched in early 2012 by Praveen Sinha as an e-commerce portal to cater the fashion needs of men, women and kids across footwear, apparel, jewellery and accessories.

According to a report from internet analytics firm ComScore in September 2012, Jabong.com had the second-highest volume of traffic among Indian e-commerce websites, in just a few months of its launch. The platform counted 1.9 million gross orders in the first quarter of the financial year 2014, according to a disclosure by Kinnevik, an investor in Jabong.

The report further indicated that Jabong, in March 2014, had a total customer base of 2.9 million, as opposed to one million in the corresponding month last year. In December 2013, Jabong crossed \$25 million in revenue. The fashion e-commerce market in India is currently valued at \$20 billion and is expected to touch \$35 billion by 2020.



Success of Jabong encourages other players to get into digital mode retailing through Internet and other digital Medias.

As previously stated there is a projected 400% increase in Indian e-commerce business within 2016, the traditional retailers are also moving towards e-tailing as part of their business extension. Online presence of any type of business is the need of the day as it is the future of marketing.

Digital India Movement by Prime Minister: Narendra Modi:

Prime Minister Narendra Modi urged more companies to make electronic and digital goods, reviving his campaign promise to bridge India's digital divide backed by over \$70 billion (4.5 lakh crore rupees) in investment pledges. India's top businessmen including brothers Mukesh and Anil Ambani, Azim Premji and Sunil Mittal were present in Delhi as the PM launched the 'Digital India Week'.

Digital India is a massive tech push to provide electronic governance and universal phone connectivity across the country. The aim is to bridge the digital divide, bringing in large investments in technology manufacturing.

PM Modi spoke of the need to boost local manufacturing of electronics - the country's largest import after oil. "Why can't we make quality electronic goods that are globally competitive?" he said in a speech to a packed 14,000-seater indoor stadium.

Reliance Industries Ltd chairman Mukesh Ambani and Bharti Enterprises head Sunil Bharti Mittal led a roll call of industrialists sharing the dais with the Prime Minister, promising investments of over 4,50,000 crore rupees (\$71 billion) to back the government's initiative.

Besides investment, the initiative is also expected to create 18 lakh jobs. PM Modi said, "Make in India is important but 'Design in India' equally important for digital India."

The push to connect India and drive a national fibre optic network, approved by the previous Congress-led government in 2011, has made slow progress in utilizing technology to bring services and deliverables to those outside large towns and cities.

India's average Internet speed was ranked 115th globally in the first quarter of the year, among countries studied by services provider Akamai Technologies. India had just a little over 100 million broadband subscribers at the end of April, out of a population of close to 1.3 billion.

A growing economy and falling handset prices make India one of the fastest growing smartphone markets in the world, and PM Modi wants to harness that to drive social development in fields like education and health.

PM Modi has used social media and particularly Twitter, where he has 13 million followers, to style himself as a leader in touch with technology.

The earning of IRCTC is more than the total value of Flipkart and Amazon: We are amazed with the success of Flipkart, Amazon etc. But the report says the earning of IRCTC is more than the total value of Flipkart and Amazon.

Report indicates:

- More than 1.2 lakhs users can operate the site at any time. IRCTC can generate 7200 tickets per minute.
- The bandwidth of the server is 775MBPS-1GBPS.
- On an average, 432826 tickets are generated on daily basis.
- Nearly 42% of customers pay for IRCTC booking through Internet banking & 24% use Credit/Debit cards.
- IRCTC was listed top in most searched term of the year 2014 by Google India.
- IRCTC also provide I Ticket facility (like E Ticket) which means your ticket will be send by postal after booking through online.
- Here is the number of tickets generated in the last few years:

2010-2011: 9,69,11,000

2011-2012: 11,61,77,000

2012-2013: 14,06,88,000

2013-2014: 15,79,81,713

Funding is raining in internet marketing firms:

1) Bangalore based Elanic, an online marketplace for selling and buying women's pre-owned fashion goods has raised an undisclosed amount of seed funding from Singapore based Japanese venture capital firm Rebright Partners, Sachin Bansal and Binny Bansal backed-Tracxn Labs, and Angel investor Aneesh Reddy. Elanic was founded by Palkush RaiChawla, Abhilash Narahari and Aditi Rohan in 2015. The company plans for a pan India expansion with the newly acquired funds.

2) StitchWood, an online home decor marketplace managed by Tangramme Furnishing Solutions Private Limited, has raised a second round of angel funding of \$394K led by angel investment club Powai Lake Ventures. Other investors in this round include Ajeet Khurana and two other angels. The company previously raised \$100k from Ajeet Khurana and other angels. The company will invest the raised amount to grow its technology and operation team and as marketing spend, focusing on digital and social media.

3) Bangalore based Urban Tailor offers end to end tailoring services which own and operates by Vestido E-Tailoring Services Pvt. Ltd, has raised an undisclosed amount of seed funding from a group of angel investors (mostly ex-Myntra executives). The company will deploy the funds raised towards improving customer experience & marketing.

4) Bangalore based mobile focused train ticket discovery and prediction platform, ConfirmTkt has raised undisclosed amount of angel funding from multiple investors including Pravin Agarwala, an IT industry veteran. The company aims to utilize the raised funds to improve its technology, hire new talent and to grow as a ticket discovery tool which can show all the possible ways to get a confirmed ticket.

Above examples suggest investors are also relying on e-commerce/internet marketing industry.

Google's New Digital Initiative:

Google have recently announced a new feature called "Purchase on Google" that will allow users to buy directly from the mobile ads. User will see a "buy" button in some of the promoted mobile search results and clicking on the buy option will redirect them to the page where they can buy it.

Earlier Facebook and Pinterest also had started the feature to buy directly from the advertisements and now Google has also tried to make it easier for the customers to shop while using their site.

Pinterest had announced "Buyable pins" to buy some of the pins available on the dashboard last month and Facebook had also expanded a "buy button" to let shoppers easily purchases items advertised at the social network.

Conclusion: Marketing is the process of delivering right product, at the right price, at the right place with appropriate promotion. Digital Marketing allow us to implement this simple concept of marketing very easily, innovatively and efficiently which can ensure much higher level of consumer satisfaction. Digital Marketing is the future of marketing.

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