

Opportunities and Challenges of E-Marketing 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. The terms e -Marketing, Internet marketing and online marketing, are frequently interchanged, and can often be considered synonymous. This paper is outcome of a review of various research studies carried out on E-Marketing. The present study has been undertaken to analyze the present trends of e-marketing in India & examine the challenges & opportunities of e-marketing in India.

Key words: Online marketing, offline marketing, Internet, Opportunities, 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 marketing¹. 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.

When trading in products or services takes place by using computer networks, such as the Internet, it is known as Electronic commerce (E-commerce or e-Commerce). Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online-transaction, inventory-management-systems

processing, electronic data interchange (EDI), and automated data collection systems. Modern electronic commerce typically uses the World Wide Web although it may also use other technologies such as e-mail. E-marketing includes email, websites and micro sites, search engine advertising, search engine optimization, co-registration, mobile marketing, and other technology-driven tools.

E-Marketing or electronic marketing refers to the application of marketing principles and techniques via electronic media and more specifically the Internet. The terms E- Marketing, Internet marketing, Web marketing, Digital marketing, Online marketing and Search engine marketing are frequently interchanged, and can often be considered synonymous. E-Marketing is the process of marketing a brand using the Internet. It includes a wider range of marketing elements than traditional business marketing due to the extra channels and marketing mechanisms available on the Internet. E-Marketing encompasses all the activities a business conducts via the worldwide web with the aim of attracting new business, retaining current business and developing its brand identity. In this paper we develop a framework that help researchers to find out the opportunities and problems related to internet marketing. E-marketing objectives define what you want to achieve through your e-marketing campaign. They set the reasons why your business wants to go online and allow you to estimate and monitor the progress of your online marketing activities. They also provide an incentive to focus on critical areas and formulate strategies to help achieve intended objectives .Different businesses may develop different e-marketing objectives depending on their individual circumstances.

REVIEW OF LITERATURE

An extensive literature review is done on the concepts and theories related to E-marketing. Several Industry experts, researchers and businessmen expressed their view on E-marketing as a powerful strategy in attracting the customers. The following are the opinions of different experts. The Internet is no longer a specialty technology as far as Socio Economic Class A and perhaps even B is concerned—it is more powerful than mass media as it is an utterly integral part of modern life and it is interactive. By online media almost no aspect of life remains untouched. As our lives become busier and cluttered, when it comes to researching and buying products it isn't surprising that consumers turn to the matchless, convenience of the Internet, (N.S.Muthukumaran, Director, Online Research, The Nielsen Company, India).

J Suresh Reddy has published article in Indian Journal of Marketing. Title of article is - Impact of Ecommerce 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.

Vikas Bondar 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.

Dr Subho Ray, President, IAMAI, said, —Consumer e-commerce is a major driver of the economy and we are happy that it has achieved a very decent size in India. It is perhaps the only sector which has operated under, sometimes, hostile and at all other times indifferent policy environment.

OBJECTIVES OF THE STUDY

There are the following objectives of the study:

1. To explain the concept of e-Commerce
2. To review the present scenario of E-Marketing in India
3. To review the latest E-Marketing trends in India
4. To Identify the Opportunities and Challenges of E-Marketing, in India

RESEARCH METHODOLOGY

The process used to collect information & data for the purpose of making business decisions. The methodology may include publication research, interview, surveys and other research techniques & could include both present & historical information. The researcher has used only

secondary data that has been collected from various articles, journals, books, websites etc. This has been used to study the conceptual framework, definition, present trends and some of the challenges and opportunities of e-commerce in India. All the data included is the secondary base and proper references have been given wherever necessary.

PRESENT SCENARIO OF E-MARKETING IN INDIA

According to the research done by OCTANR RESEARCH

- **Digital India:** State of Online Marketing in India 2016.
- **Customer Acquisition:** The primary focus for marketing activities to be carried out in 2016 for majority (58%) of India Marketers is Customer Acquisition.
- **For 50% India Marketers, e-Marketing revenue contribution is above 10%:** 85% of the Marketers are tracking revenues generated through e-Marketing activities for their business. 50% of Respondents report that e-Marketing activities are contributing more than 10% of share of their revenues.
- **Integrated Campaigns increase Conversion Rates:** 80% of India Marketers believe that integrated campaigns (Email, Social and Mobile) can result in moderate to significant increase in conversion rates.
- **Maximum Customer Engagement is achieved through Social Media updates:** For achieving maximum customer engagement (46%) followed by email campaigns (28%) Social Media updates were the top choice.
- **Top Marketing Activities for 2016:** As being planned for 2016 Social Media (66%) tops the list of marketing activities. Email marketing is voted by 53% of India Marketers. More than 50% of the Marketers are planning to increase investment in marketing activities.
- **Online Budget for Email Marketing:** India Consumers where 45%, respond positively to email offers (which are 3x of US Consumer). For 2016, we see a jump of almost 50% of India Marketers who will be increasing their investments by 31%-50% in Email Channel.
- **Influences of Social Media on Email Marketing:** In 2016, India Marketers are expecting a considerable impact of Social Media on Email Programs. The acceleration in growth of subscribers is expected by 31% of marketers, a 500% increase from 2015.

- **Email Marketing Segmentation Techniques:** For Email Marketing Segmentation, India Marketers show an increasing preference for Purchase History to be axis.

LATEST E-MARKETING TRENDS IN INDIA

According to the research conducted by Octane to understand the latest developments in Email Marketing, India Marketers have realized the potential of Email Marketing (53%), Social Media Marketing (66%), Websites (54%) have voted these e-Marketing activities in top three. Search Marketing (52%) and Mobile/SMS Marketing (45%) not left behind, reported a latest study done by Octane Research – State of Online Marketing in India 2016.

Despite this the report also highlights that there is a rise in the attention that marketers are giving to the digital space but, approximately 36% of India Marketers are not willing to spend more than 10% of their budget on e-Marketing. —46% of the India Marketers stated that E-Marketing generates 30% or more of revenue for them. This is a slight decline from last year, but 25% of the marketers reported that e-Marketing contributed between 10-30% their revenue.

The report has been revealed post an active participation from 450+ Indian marketers from 400+ Brands. The report also highlights the Email Marketing Trending Data, apart from the India e-Marketing Trends. Listed below are major Email Marketing trending data that are useful for marketers; for a complete data set download the report.

STRATEGIES IN E-MARKETING BY INDIAN COMPANIES

When entering an Internet marketing zone, a company should identify some important issues such as different target customers, another way to contact customers, Internet security, new competitors, etc. According to Chaffey et al. (2006, 20), to be successful in Internet marketing, the main strategic approach is needed to manage the risks and deliver the opportunities available from online channels. In a wide range of companies, based on their experiences of strategy definition they suggest a process for development and implement Internet marketing with different separated steps: Defining the online opportunity, selecting of the strategic approach and delivery result online. The authors also affirmed that the key strategic decisions including selecting target customer groups, specifying how to deliver value to these groups, for E-marketing are the same as strategic decisions for traditional marketing. Segmentation, targeting, differentiation and positioning are all keys to effective digital marketing.

In the 21st century for most people running a company, Internet marketing strategies are an indispensable part of the business plan. While small businesses such as local shops may require

some form of web marketing, any business that wants a broad customer reach should research the potential of a solid Internet marketing strategy. As commerce continues to go global, companies that lack an easy-to-find, accessible website – the cornerstone of web marketing – it will be hard to reach customers that don't live in the same town or have never heard of the company. Companies such as Thumbs up or Life style, businesses that aren't household names of global visibility begins on the Web. Having a sound Internet marketing strategy ensures the best chance of success.

Businesses continue to refine their tactics and strategy with a focus on:

1. **Engagement:** How to engage the audience and best connect (customer service).
2. **Audience:** How to find and target their audience
3. **Tools:** What are the best social media tools?
4. **Measurement:** How to measure their return on investment from their social activities?

OPPORTUNITIES OF E- MARKETING

- **Empowering Effect:** One of advantages of online marketing is related with its enabling effect especially on small businesses since "internets can extent market reach and operational efficiency of small and medium enterprises (SMEs)". In fact internet creates a kind of democratized environment in which marketing has been restructured in such a way that even small businesses are given a good chance to promote and brand their products on a much more larger scale.
- **Elimination of Geographic Barriers:** One of the key advantages of online marketing is that it removes all geographical limitation from the practice of buying and selling. So internet allows an unlimited global reach at on outstandingly lower cost. Due to massive cost of traditional media, global reach was once the exclusionary realm of huge Multinational Corporation, but the advent of cost-effective internet technologies has enabled smaller businesses to enjoy this kind of reach. Overcoming the geographic barriers, marketers are now able to present products and services to different groups of costumers across the universe with the simple condition that they have access to internet.
- **24 Hours / Seven Days Availability:** Internet now can provide customers with timely information due to its availability 24 hours a day, 7 days a week. So, due to the establishment of online shops, customers are now able to acquire information and shop online any time of day or night they wish and prefer. So there remain no time limitations

in this regard because online businesses have no special closing and opening times. People may visit physical markets after searching internet or the other way round they can surf internet for competitive prices after visiting physical stores.

- **Cost-Effectively:** It goes without saying that, compared with traditional advertising media channels, which are very resource consuming, online marketing via internet is clearly cost-effective and can accomplished its objectives at a fraction of the cost. For instance it is obvious that the cost of launching an ad online is far less than placing an ad in a magazine or on a billboard. The cost of establishing one's virtual presence, networking with other institutions and communication with consumers is significantly low.
- **Trackability:** Another aspect of the online marketing is its possibility of tracking. In fact "the track-ability of Internet Marketing is one of its greatest assets". Internet enables measurement of everything taking place on it. So, the number of clicks that a particular promotional piece receives and amount of website traffic is easily measured. In this way the marketer is enabled to track the visitors to her/his website and understand their behavior. Internet also allows the companies to find out whether their campaigns are working or not, what kind of customers are interested in their products, from where?
- **Personalization:** Personalization which comes with customization is another important aspect peculiar to marketing online through internet. So online marketing is a personalized marketing which is also called marketing to the Segment of One or "one-to-one marketing". In fact "since electronic interaction with customers allows the gathering of detailed information on the needs of each individual customer, firms can automatically tailor products and services to those individual needs". This process results in offering customized products to customers. In this way customers are send personalized messages which produces much greater impact compared with impersonalized, generic messages send indiscriminately to mailbox of customers. Personalization results in formation of sustainable relationship with customers.

CHALLENGES OF E-MARKETING

Since the boom of the Internet in the late 1990s, Web-based companies have been starting up every day. What is more, new opportunities for growth emerge daily, expanding the reach and capabilities of the cyberspace. However, for all its benefits and advantages, e-marketing faces

some problems that are unique to the industry. That is, Web-based enterprises have a special set of challenges that traditional brick-and-mortar businesses do not have. Some of the challenges faced by the businesses and the ways to overcome them are presented below:

- **Marketing Integration:** Most major marketing efforts utilize multiple channels, on- and offline. Email, Web advertising, and viral Internet marketing should serve concrete, measurable objectives as part of an integrated campaign. The problem with these is that they are often handled as different parts of the work when they are supposed to serve a concrete and measurable goal as part of an integrated campaign.
- **Security and Privacy:** Most people do not completely trust Web companies and thus are careful about offering information about them on the cyberspace. This is especially true when companies that collect data are exposed to spammers and scammers. To address this, it is imperative for e-businesses to adopt a sound policy and implement a fool-proof security measure. Encryption systems, in particular, are a tool that online companies should seriously consider investing in.
- **Impersonal Service:** Businesses operating online often use electronic methods of providing customer service, such as emailing and posting information on the website to answer possible user questions. This may be perceived by customers as just too impersonal or uncaring. To address this problem, merchants must develop efficient checkout procedures for selling goods via the Web. They may also consider hiring call handling services, so that customers can talk to real people when they have inquiries or problems that need instant answer.
- **Improving Brand Awareness:** This is particularly a big challenge for companies that primarily use the Internet to sell their products and services. This is because unlike traditional advertising (such as television, radio, billboard, and print) in which the campaign's message can be reinforced and repeatedly introduced to consumers at the marketers' will, online adverts can be shut off by users—they are more averse to it, too. Web companies are therefore challenged to be more innovative in their advertising strategies.
- **Other Challenges:** Other challenges are as
 - Low percentage of computer penetration
 - Internet connectivity.

- Low percentage of surfers entering into online transactions.
- Cyber crime.
- Dealing with the IT Department
- Intellectual Property
- Bad Marketing
- Lack of Trust

CONCLUSION

In conclusion, this paper has clearly shown that e-marketing impacts upon businesses in a number of important ways. When used effectively, e-marketing campaigns and strategies have the potential to reach customers in a speedy and low-cost manner and can provide promotion for a wide range of products and services. E-marketing also offers businesses the opportunity to garner data about their consumer base to an extent that has hitherto been very difficult to achieve via traditional marketing methods. The development of e-marketing and social media advertising has led to examples of businesses in recent years that appear to little more than categories and filter information relating to products and services on the Internet, taking a small cut from any transaction that may occur as a result. However, despite the global reach, speed and the extent of information that can be gained from e-marketing, there are a number of important disadvantages to this type of marketing that businesses must bear in mind. The technology driven approach of e-marketing leaves certain businesses vulnerable and overly-dependent upon technology. It also empowers dissatisfied consumers to a far greater extent than ever before and can lead to bad reviews that have the potential to greatly destabilize certain e-marketing campaigns and operations. However, despite these problems it is reasonable to conclude that e-marketing is on the whole a positive development for businesses and that despite certain dangers its impact upon businesses has been largely positive.

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