



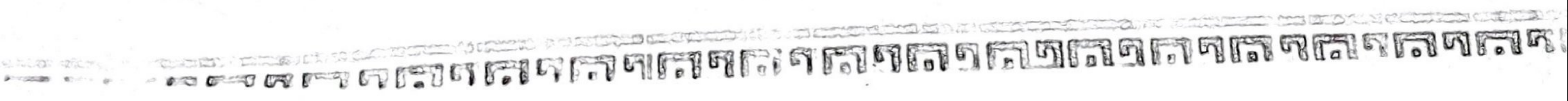
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CAPE RESEARCH FORUM  
in Association with  
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VIVEKANANDA COLLEGE  
Agastheeswarum

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This is to certify that Mr./Mrs./Dr. S. GEETA, ASSISTANT PROFESSOR IN COMMERCE,  
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# COMMERCE AND MANAGEMENT IN DIGITAL ERA

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14.	Entrepreneurship in Digital Era Dr. J. KATASIGAMANI	127 - 131
15.	An Empirical Proceeding of E-Learning Swayam in India Dr. M. ANNAMI	132 - 139
16.	Impact of ICT on Teaching in Digital Era T. KRISHNAYANI	140 - 149
17.	Role of Financial Inclusion in Empowering rural Communities in India Dr. H. JOYANTHI, K.K. MANJU @ MAHALAKSHMI	150 - 159
18.	Role of Technology in NPA Crises P. GEETHA	160 - 166
19.	Role of Information Communication Technologies in Education Sector R. MAHESWARI	167 - 177
20.	An overview of Tourism and Hospitality Industry in the Digital Era Dr. M.P. ASHA KUMARI, Dr. C. SUBATHRA	178 - 182
21.	A study on Employees Perceptions Towards E-Hrm in Private Sector Banks of Kanyakumari District Dr. L. SANKARI PRIYA, RAJ VASANTH KUMAR	184 - 195
22.	Impact of Mobile Phone Usage Among College Students EVELYN PRISCILLA J, VENCI CANDIDA. X, PUKASH SIOBA S	196 - 201
23.	Growth and Development of Digital Marketing Era in India Dr. S. GEETHA	205 - 211
24.	A Study on Awareness of Customers towards Green Banking with special reference to SBI in Nagercoil Dr. S. R. EASWARI, Dr. L. SANKARI PRIYA	216 - 221
25.	Influence of Children on Parents in their Purchase Behaviour - (A Study with special reference to Fmcg in Kanyakumari District) T. MUTHU LAKSHMI, Dr. P. SINGH, Dr. L. SANKARI PRIYA	222 - 231
26.	A Study on the urge of Implementing Digital Entrepreneurship KRISHNA KUMAR. R, Dr. M.P. ASHA KUMARI	232 - 241

# GROWTH AND DEVELOPMENT OF DIGITAL MARKETING ERA IN INDIA

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## ABSTRACT

*Now-a-days, digital marketing plays an important role in the field of marketing. Its scope and opportunities will be elaborate in future. Due to the increasing role of internet in commerce, online marketing practice has gained more momentum. Companies, both large as well as small are rapidly integrating online marketing into their marketing strategies and policies, for cost effectiveness, increased accessibility, availability of real time information and increased interactivity. It overtakes our ordinary traditional style of business. Youngsters, who are using smart phones used to purchase their goods on e-marketing rather than the ordinary marketing. Most of them prefer this, because of time consuming. I felt that the study about digital marketing is very significant. This paper concentrated about the growth and development of digital marketing.*

*Key Words: Digital Marketing, Traditional, Time Consuming, Internet Marketing, Marketing Strategy, Mobile Commerce*

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## INTRODUCTION

Marketing plays an important role for the economic development of any country. According to the American Marketing Association defines, marketing as “the performance of business activities that direct the flow of goods and services from producer to consumer or user”. Digital marketing is the marketing of goods and services by using digital technologies mainly on internet including mobile phone, display advertising and any other digital medium. It

encompasses all marketing efforts that use an electronic device or the internet. Businesses leverage digital channels such as search engines, social media, email, and their websites to connect with current and prospective customers. Digital marketing is a transaction of buying and selling on online. Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, internet ,marketing, online transactions processing, electronic data interchange (EDI),Inventory Management System and automated data collection systems. Modern Electronic commerce typically uses the World Wide Web for at least one part of the transaction life cycle, although it may also uses other technologies such as e-mail. E-commerce clearly has a positive impact on business sector. We are in smart world. Each and every person having smart phone know about the world at a second. No one have time to purchase directly from shops. Many people prefer digital market, which helps them to buy anything at a click. More and more customers adopted digital payment types through all channels, using their phones, cards and even watches to complete contactless payments. Over the last few years e-commerce delivery timescales have drastically reduced and become much more precise. As retailers continue to complete to achieve the perfect digital marketing experience and the importance of customer loyalty and experience will come to the forefront.

#### **Digital Marketing -Definition**

Wikipedia defines, “Digital marketing is an umbrella term for the targeted, measurable, and interactive marketing of products and services using digital technologies to reach and convert leads into customers. The key objective is to promote brands, build preference and increase sales through various digital marketing techniques”.

The marketing of products or services by using digital technologies mainly on internet, but also including mobile phone, display advertising and other digital medium to reach the ultimate consumers. The key objective is to promote brands through forms of

digital media. Digital marketing extends beyond internet marketing to include channels that do not require the use of the internet. There are primarily four factors that are driving the evolution of digital marketing they are technology, storytelling, first mover advantage and mobile focused digital marketing.

#### **OBJECTIVES OF THIS STUDY**

1. To analyze the growing trend of digital marketing.
2. To identify the role of digital marketing in the business world.
3. To analyse whether the consumers getting quality and standard of goods through digital marketing
4. To analyze the limitations of digital marketing.
5. To make valuable suggestions for the improvement of digital marketing..

#### **Statement of the Problem**

In India, digital marketing business is very popular among the people both in urban as well as in rural areas. In this marketing, the people have a good opportunity to purchase quality product with low price. Present generation is the only beneficiaries than the old generation. If the window shoppers are not maintaining the quality, and stabilize the price of their product, then these businesses will not to become a successive business in future. Some digital marketing sellers often cheat the people, by way of selling low quality product with high price and sometimes they are not delivering the product at a proper time. So I felt that study about this area is very important.

#### **Scope of Digital Marketing**

The scope and opportunity of digital marketing is very wide and elaborate. The scope of this business is undoubtedly going to increase year after year. A recent report by the internet and mobile association of India shows that a fast growth of around 50% is to be expected in the coming five years. The primary attribute to this growth is undoubtedly the rise of 3G/4G mobile internet users and large number of smart phone users; because the same mobile commerce is expected to change how business transactions happen

in India. The scope of digital marketing is turning out to be more famous day-after-day according to the market demand. And this requirement is generating innovations worldwide focused on delivery time, ease of transactions and several features served by digital marketing.

### **Growth of Digital Marketing**

From 2013 to March 2015, the investment total in digital marketing was increasing 1.5 billion dollars over the preceding years. There has been an impressive growth up till this present moment. The report by the International Journal of Advanced Research Foundation revealed that summarized that India is getting to 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 digital marketing. Statistics indicate that in 2021, Indian internet traffic is estimated to be 291 times bigger than it was in 2005. Various studies estimate the growth of digital marketing in India at 25 percent to 40 percent annually.

In the year 2016, online shopping will increase by 45%, resulting in \$327 billion in sales. The latest digital marketing growth forecast from e-marketer is that digital marketing sales will increase 23.2% in 2017. It will account for one-tenth of total retail sales. Total retail sales will reach \$22.737 trillion by the end of this year, up 5.8% from 2016. This projection shows a growth of digital buyers. Digital market continues to develop very rapidly in spite of world economic crisis and other negative effects. According to e-marketer research, average growth rate in the world is 18-20%, per year, that is 10-12% of all retail sales in countries with advanced economy. According to numerous forecasts this number will increase up to 20% in next few years. In the previous technological revolutions, productivity gains have in the long run helped to improve the living standards of the people it is one of the main goals of development.

## **Benefits of Digital Marketing**

Trading activities done by the businessmen and consumers through an electronic medium, without using any paper documents. Digital marketing is widely considered the buying and selling of products through the internet. For the development of any type of business, e-commerce is unavoidable and it places a major role for the improvement of all businesses. The merits of this digital marketing are listed below:

1. Faster buying and selling procedure, as well as easy to find products.
2. Low operational costs on better quality or services.
3. Easy to start and manage the business.
4. Easy to reach the consumers without any theoretical/geographical limitations.
5. Online marketing encourages cashless transactions.
6. Consumer can easily select products from various options without moving around physically.
7. There is in no need of physical company set up.
8. If the company satisfying the need of consumers by supplying good quality product, then it gives a good name among the public and the company get more orders, which leads to earn more profit.
9. This digital market benefits to both sellers and buyers in the way of easy to purchase to the buyers and easy to sales for the sellers.
10. Online marketing encourages the online financial exchanges and currency exchanges for trading purposes.
11. The businessmen gathering and using demographic data through web contacts and social media.
12. Online shopping sites offered retail sales directly to the needed customers.
13. The trading activity expanded to foreign country also; in that case our government earns more foreign exchange, which leads to improve the economic development of our country.

## Analysis and Interpretation

### Analysis No.1

**Table No.1 Classification of Respondents on the basis of Gender**

Serial Number	Digital Marketing Consumers		Percentage
	Category	Number	
1	Male	45	60
2	Female	30	40
	Total	75	100

*Source: Primary Data*

A Survey has been conducted from 75 respondents, those who are purchased their needed goods through digital marketing. Sixty percent are male respondents and forty percent are female respondents. Male respondents are more than female respondents because male are not ready to go many shop to purchase their needed things, they select their product at a spot only but female have a tendency to select their product by proper verification only. The question asked them about whether they purchased quality goods through digit marketing or not.  $\chi^2$  test is used to prove the fact.

### Analysis No.2

**Null Hypothesis:** There is no significant difference of opinion between the digital marketing consumers towards the product quality, they purchase on digital marketing.

**Table No.2 Classification of Digital Marketing Consumers on the basis of Product Quality**

Quality Goods	Digital Marketing Consumers		Total
	Male	Female	
Yes	35	12	47
No	10	18	28
Total	45	30	75

*Source: Primary Data*

**Table No. 3 Expected Frequencies**

28.2	18.8
16.8	11.2

**Table No. 4 Calculation of Chi-square test**

O	E	O-E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
35	28.2	6.8	46.24	1064
12	18.8	-6.8	46.24	2.46
10	16.8	-6.8	46.24	2.75
18	11.2	6.8	46.24	4.13
$\Sigma(O-E)^2/E$				10.98

$$x^2 = \frac{\Sigma(O - E)^2}{E} = 10.98$$

$r = (r - 1)(c - 1) = (2-1)(2-1) = 1$  For  $\gamma = 1$   $x^2$  0.05 = 3.84

Inference: The calculated value of  $x^2$  (10.98) is higher than the table value (3.84). Hence the null hypothesis is rejected at 5% level of significance. So it is concluded that there is significant difference of opinion between the respondents regarding the quality of goods purchased on digital marketing.

**Analysis No.3**

**Table No. 5 Total Media, Digital and Mobile Internet, Ad Spending in India, 2014-2018**  
(Figures in USD Billion)

Year	Total Media and spending	Digital and Spending	Mobile, Internet and spending	Total
2014	6.11	0.74	0.08	6.93
2015	6.40	0.94	0.17	7.51
2016	7.03	1.17	0.35	8.55
2017	7.49	1.46	0.59	9.54
2018	7.94	1.78	0.94	10.66
Total	34.97	6.09	2.13	43.19

Source: E-marketer, Secondary Data

Trend Analysis is used to find out the growth of digital marketing in India

Table No.6 Calculation of Trend Values (Figures in USD Billion)

Year	Total Digital Marketing(Y)	Deviations from 2016(X)	XY	X <sup>2</sup>	T V (
2014	6.93	-2	-13.86	4	6
2015	7.51	-1	-7.51	1	7
2016	8.55	0	0	0	8
2017	9.54	1	9.54	1	9
2018	10.66	2	21.32	4	10
	$\Sigma Y=43.19$	$\Sigma X=0$	$\Sigma XY=9.49$	$\Sigma X^2=10$	

Trend Analysis is used to find out the future estimate of digital marketing

$$Y = a + bX \quad \Sigma Y = Na + b\Sigma X \quad \Sigma XY = a\Sigma X + b\Sigma X^2$$

$$\Sigma X = 0, \quad a = \Sigma Y / N = 43.19 / 5 = 8.638$$

$$\Sigma XY = a\Sigma X + b\Sigma X^2 \quad \text{If } \Sigma X = 0, \text{ then } \Sigma XY = b\Sigma X^2$$

$$9.49 = b \times 10 \quad b = 9.49 / 10 = 0.949$$

$$a = 8.638 \quad b = 0.949$$

$$Y = 8.638 + 0.949 \times 3 = 11.485$$

$$Y = 8.638 + 0.949 \times 4 = 12.434$$

$$Y = 8.638 + 0.949 \times 5 = 13.383$$

$$Y = 8.638 + 0.949 \times 6 = 14.332$$

**Inference:** In the year 2019 the digital marketing will be estimated to be 11.485 billion dollars, in the year 2020 -12.434 billion dollars, in the year 2021-13.383 billion dollars and in the year 2022 it will be estimated to be 14.332 billion dollars. It proves that there is a growing trend.

### Findings and Drawbacks of Digital Marketing

Even though the online marketing gives so many benefits, it suffered from some drawbacks. Many common people are not

interested to purchase the necessary products through online marketing due to some reasons. They are listed below:

1. Sixty Percent of the respondents are male and forty percent are female. Male prefer digital marketing more than that of female, because female prefer traditional marketing than digital marketing.
2. By applying  $X^2$  test, the customers those who are purchasing goods on digital marketing have difference of opinion about product quality. The opinions of the male consumers are differing from the opinion of female consumers about the quality of the products they purchased in the digital marketing.
3. By applying trend analysis, the digital marketing have a growing trend in the future years
4. There is no guarantee for product quality.
5. Mechanical failures can cause unpredictable effects on the total processes.
6. Consumers are often cheated by the businessman by supplying low quality products with high price.
7. As there is minimum chance of customer interactions with company, the customers loyalty in always on a check.
8. Any person good or bad can easily start this business with small capitalization, and there are some bad sites which eat up customer's money.
9. There are no proper legal provisions to control these businesses.
10. There are many hackers and peddlers who look for opportunities and thus they create a commerce site, service, payment gateways, all are always prone to attack.
11. Some companies are cheating the consumers by way of supplying good quality products at a first time and after getting bulk orders they are giving low quality products. Sometimes they are not supplying any goods and these sites gone away and eat up customer's money.

12. The consumers are not able to take any legal actions against this cheating company, because they have not any proper addresses, all transactions are done by way of online only.
13. Physical touch of the product is not possible, so there are so many variations in the quality of the products.
14. Many middle class people are not trusted with these online companies, and they feel that the life span of these companies will be very short and they are not always able to supply quality goods.

#### **SUGGESTION FOR IMPROVEMENT**

1. Digital Marketing traders should always maintain to supply quality products to satisfy their customers, if they do so; consumers always prefer e-commerce.
2. Only youngsters prefer digital marketing, but the middle age people and old age people do not know about this type of businesses. Besides they do not believe this type of business. If all types of customers prefer, then this business will always going to upward trend.
3. The government should take proper steps to control the bad sites doing this business.
4. Some legal provisions like registration, licenses, filing of annual return, submission of accounts etc, are necessary for the existence of these types of businesses.
5. Some window shopping facilities are also provided by the company at different places so as the consumers make sure about their quality product.
6. The cheated customer should easily approach the consumer's court without any formalities, and the court will punish the cheating company without any delay.
7. The scope of this business expanded not only all over India but also to foreign country. If our central government should regularize these types of business, it will improve our GDP and also increase our foreign exchange.

8. This digital marketing business people kept their go down or storage in all over the country near cities or town, they are often affecting from theft, fire, flood and other natural calamities. In such circumstances the government should protect the businessmen by way of giving subsidy and also giving loan facilities at low rate of interest.
9. Now this digital marketing business is mostly used by the youngsters only, but if it is used by the middle age people and old age people, the business will attain the saturation period. For that some awareness programs should be introduced by the government as well as the company.

### CONCLUSION

In the modern era, the growth and development of this digital marketing is unavoidable, because everyman in this world have a busy schedule, and he has no time to purchase his necessary things on ordinary marketing, so he is in need of digital market to purchase his needed things. In future this type of business will develop in almost all type of marketing, and it replaces the traditional marketing. The government takes necessary steps to regularize this digital marketing business to protect the consumers from the cheated businessmen.

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