



# Trends And Challenges Of Digital Marketing Adoption In India

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## ARTICLE INFO ABSTRACT

The emergence of online marketing has totally transferred the market situation. It has provided companies with an equal opportunity to promote their brands at a global level. However, the impact of online marketing is not limited to businesses only: the kind of information that it extends has completely changed how consumers connect with different brands. The increase of the internet has twisted the traditional pathway to purchase on its head, as buyers are becoming increasingly knowledgeable. The modern consumer sees immediately through traditional push- marketing tactics, and has much higher expectations when it comes to brand's value intention.

**Key words:** Internet Marketing, Online Marketing, digital Marketing, Virtual Marketing, Retail Sector, e-commerce, Logistics Marketing, worldwide marketing.

## INTRODUCTION

Marketing strategies has been transformed into innovative and informative approach which specialized in consumer oriented now days consumer are more aware about the modern marketing activities particularly in internet marketing. It plays a major role in deciding purchase behavior of the consumer. Therefore, there is a need of understanding purchase behavior of consumer at every time with the help of factors. Consumers universal will spend nearly \$3.46 trillion online in 2019, up from \$2.93 trillion in 2018, according to the forecast from internet retailer, a digital Commerce 360 brand. The expected 17.9 %year-over-year growth in global network sales would be a decelerate from the 20.7% leap last year. The following are the leading e-commerce companies in the world.

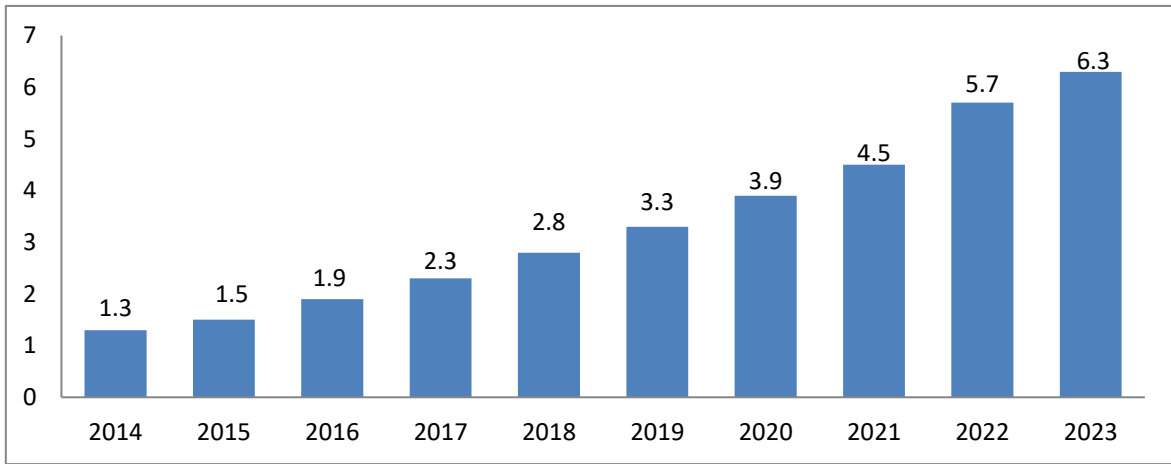
1. Amazon -US
2. Jingdong-china
3. Alibaba-china
4. eBay-US
5. Rakuten-Japan
6. B2W-Brazil
7. Zalando-Germany
8. Groupon-US

Table no.1 Total worldwide E-commerce Sales in (Trillions of U.S Dollars)

S.NO	YEAR	SALES IN TRILLIONS OF (U.S DOLLARS)	CAGR
1	2014	1.3	17.09%
2	2015	1.5	
3	2016	1.9	
4	2017	2.3	
5	2018	2.9	
6	2019	3.4	
7	2020	4.2	
8	2021	5.2	
9	2022	5.7	
10	2023	6.3	

Table no.1 reveals that the total worldwide E-commerce Sales in the year 2014,sales was amounted to 1.3 trillions of US Dollars but it well be increased to 6.3 Trillions of US Dollars but it well be increased in 2023.It shows that the CAGR is 17.09 percent

**Chart no.1 Total worldwide E-commerce Sales in (Trillions of U.S Dollars)**



**Indian E-Commerce Market**

The e-commerce has changed the way business is done in India. The Indian e-commerce market is likely to grow to US\$ 200 billion by 2026 from US\$38.5 billion as of 2017 .Much growth of the industry has been triggered by increasing internet and smart phone dissemination. The ongoing digital transformation in the country is expected to increase India’s total internet user base to 829 million by 2021 from 604.21 million as of December 2018. India’s internet economy is expected to double from US\$125 billion as of April 2017 to US\$250 billion by 2020, majority backed by ecommerce. India’s E-commerce revenue is expected to shoot from US\$39 billion in 2017 to US\$120 billion in 2020, growing at an annual rate of 51 percent, the highest in the world. Propelled by increasing smart phone penetration the launch of 4G networks and increasing consumer wealth, the Indian e-commerce market is expected to grow to US\$200 billion by 2026 from US\$ 38.5 billion in 2017 Online retail sales in India are expected to grow by 31 per cent to touch US\$ 32.70 billion in 2018, led by Flipkart, Amazon India and Paytm Mall. During 2018, electronics is currently the biggest contributor to online retail sales in India with a share of 4 per cent, followed closely by apparel at 29 per cent.

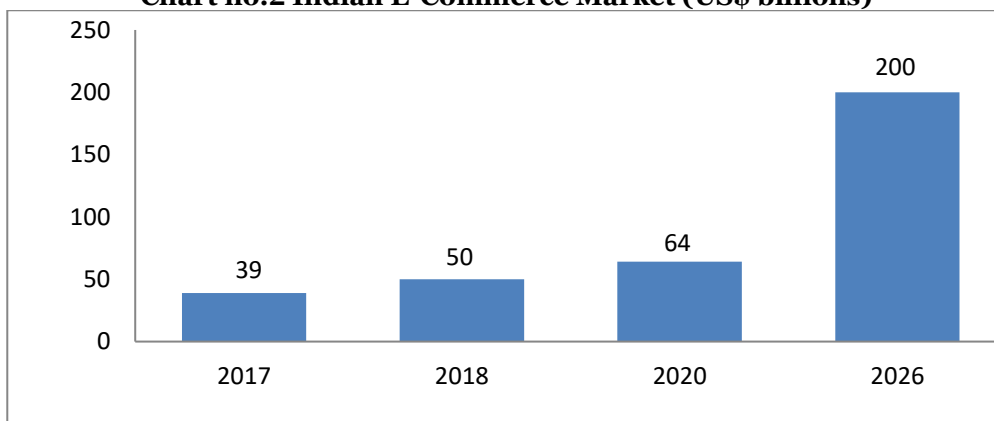
**Table no.2 Indian E-Commerce Market (US\$ billions)**

S. No	Year	Market( in billion USD)	CAGR
1	2017	39	50.48%
2	2018	50	
3	2020	64	
4	2026	200	

Sources: United Nations Industrial Development Organization Vienna, 2017.

Table no.2 reveals that the total Indian E-Commerce Market in the year 2017, Indian E-Commerce Market resulted to 39 USD Billion which has increased to 50 USD billion in 2018, 64 USD billion will be in 2020 and 200 USD billion will be in 2026.CAGR will be 50.48% during the year 2017-2026.

**Chart no.2 Indian E-Commerce Market (US\$ billions)**



### E-Commerce Industry in India

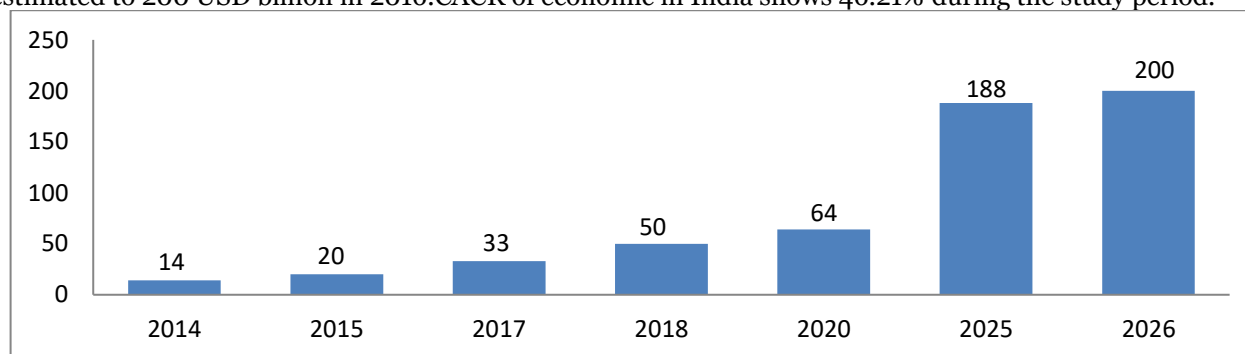
According to report available by International Monetary Fund and Central Statistics Office, India is among the highest growing economies in the world. Among several factors, a mindful patronization of online commerce, and an appearance of retail as a dominant market segment have contributed to the unprecedented growth of e-commerce in India. For the financial year 2016-2017, e-Commerce sales reached the US\$16 billion with a projection of a seven fold growth the next two fiscals as estimated by Morgan Stanley.

**Table no.3E-Commerce Industry in India**

S.NO	YEAR	Industry (in billion USD)	CAGR
1	2014	14	46.21%
2	2015	20	
3	2016	33	
4	2017	50	
5	2018	64	
6	2019	188	
7	2020	200	

Source: Economics Times, PWC, Financial Express.

Table no.9 reveals that the e-commerce industry in India. In the year 2014, economic industry in India amounted to 14 USD billion which has been increased to 50 USD billion in 2018 and future it will be estimated to 200 USD billion in 2026. CAGR of economic in India shows 46.21% during the study period.



### E-Commerce retail market.

The Indian market is ambitious by factors such as increased dissemination of internet and smart phones, focus on advertising, ease of shopping for customer, innovative payment options, deals and discounts and the rapidly changing lifestyle needs. Large players are diversified crosswise categories and are building their capabilities to service a number of these categories. In the coming years, the e-commerce retailing industry is expected to witness the consolidation and emergence of a few immense players. Further, changes in the FDI regulations could also increase the penetration of foremost players and help them gain higher market contribution by financial year 2020.

**Table no.4 E-Commerce retail market by value (2019)**

S.NO	PRODUCT	RETAIL MARKET (IN BILLION USD)
1	Electronics	47%
2	Apparel	31%
3	Home and Furnishing	8%
4	Books	7%
5	Baby Products	3%
6	Beauty and Personal Care	2%
7	Others	2%

Source: KPMG Report-e-commerce Retail Logistics India

Table no.4 reveals that the E-commerce retail market by value (2019). As regards electronic products retail market value constitute 47 percent, followed by Apparel (31%), Home and Furnishing (8%), Books (7%), Baby Products (3%), Beauty and Personal Care (2%), Others (2%).

Chart no.4 E-Commerce retail market by value (2019)

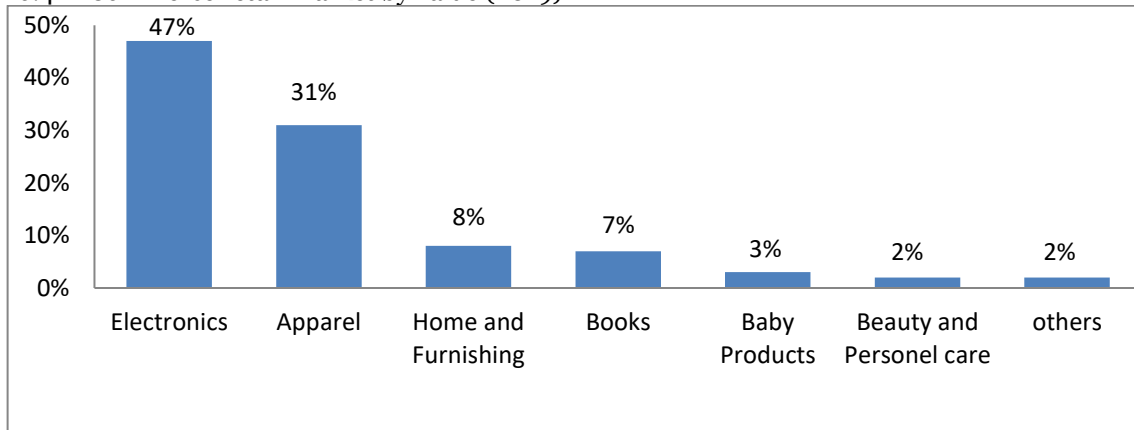
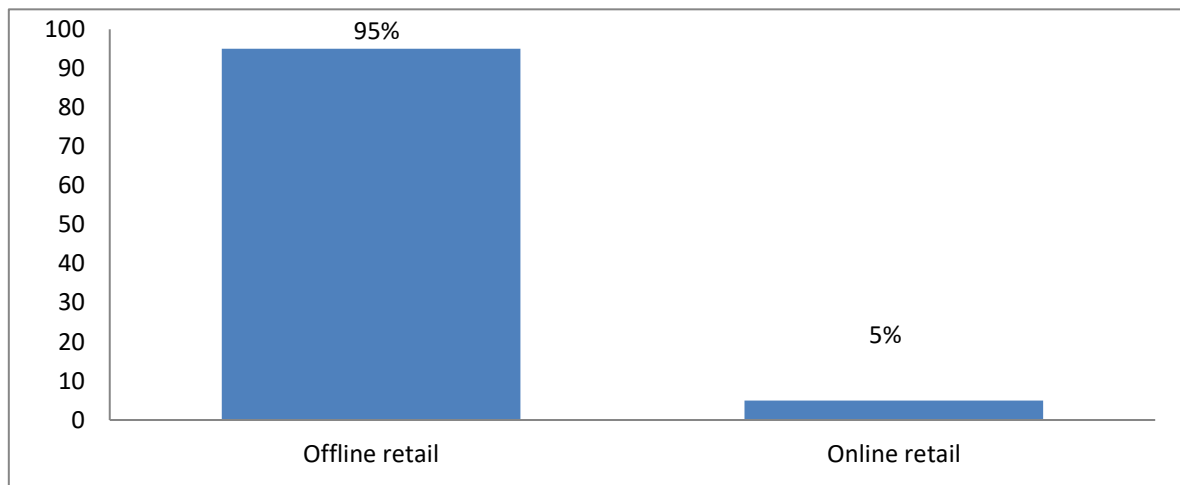


Table no.5 Online retail out of Total Retail in India (2020)

S.NO	RETAIL MARKET	RETAIL MARKET (IN BILLION USD)
1	Offline retail	95%
2	Online retail	5%

Table no.5 reveals that the Online retail out of total Retail in India (2020).Online retail constitute only 5 percent the total retail market in India where as offline retail constitute 95 percent in the total retail market. Chart no.5 online retail out of Total Retail in India (2020)



**The role of the logistics in e-commerce retail**

Logistics is a key enabler for the growth of the e-commerce retail industry and is increasingly emerging as a differentiator in terms of customer service and satisfaction. Logistics in e-commerce retail is evolving with growing business requirements and is acting as an important level for business growth. The logistics sector-specific to e-commerce retailing in India was valued at \$.2 billion in 2014 and is projected to witness a CAGR of 48 percent in the upcoming five years to reach \$2.2 billion by 2020.

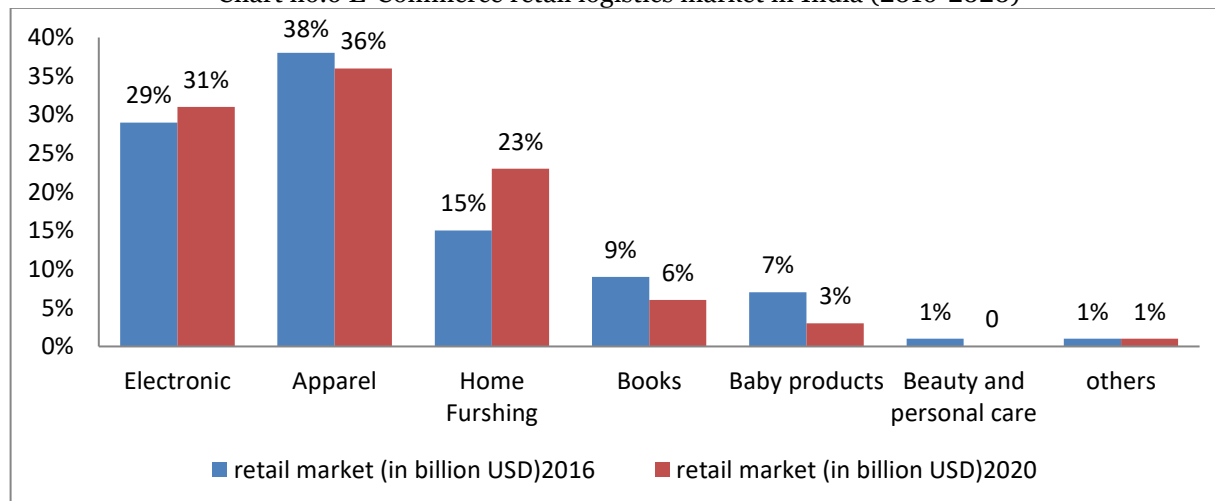
Table no.6 E-Commerce retail logistics market in India (2016-2020)

S.NO	PRODUCT	RETAIL MARKET (IN BILLION USD )2016	RETAIL MARKET (IN BILLION USD )2020
1	<b>Electronic</b>	<b>29%</b>	<b>31%</b>
2	<b>Apparel</b>	<b>38%</b>	<b>36%</b>
3	<b>Home Furnishing</b>	<b>15%</b>	<b>23%</b>
4	<b>Books</b>	<b>9%</b>	<b>6%</b>
5	<b>Baby products</b>	<b>7%</b>	<b>3%</b>
6	<b>Beauty and personal care</b>	<b>1%</b>	<b>-</b>
7	<b>Others</b>	<b>1%</b>	<b>1%</b>

Source: KPMG Report-e-commerce Retail Logistics India

Table no.6 reveals that the e-commerce retail logistics market in India (2016). In the year 2016, products of e-commerce retail logistics market in India constitute 29 percent of Electronic products ,38 percent of Apparel ,15 Percent of Home Furnishing ,9 Percent of Books ,7 percent of Beauty and personal care and 1 percent of other products .In the year 2020 e-commerce retail logistics market in India constitute 31 percent of Electronic products ,36 percent of Apparel ,23Percent of Home Furnishing ,6 Percent of Books ,3 percent of Beauty and personal care and 1 percent of other products.

Chart no.6 E-Commerce retail logistics market in India (2016-2020)



#### TOP 10 E-COMMERCE SITES IN INDIA 2019

The Indian internet and e-commerce background already counts of millions of users but it is still far from being mature. With a confounding 560 million internet users, Indian internet users are still only 41 percent of the total population of 1.36billion. Even though India is still a low –income country. Covid -19 issues and disruptions India’s e-commerce sectors will grow at a rate of 5% in 2021, with sales of \$56.6 billion. Indians are quickly getting used to e-commerce and its convenience, and they principally use mobile devices to access the internet and shop online for a growing arrangement of goods and services

#### AMAZON INDIA

Founded in the US in 1994, Amazon started as an online bookstore that afterwards diversified to product including media, electronics, and apparel, Furniture, Food, Toys and Jewelry. Having expanded to many countries, including India, Amazon has become the uncontested global leader of e-commerce and developed further into brick -and – mortar retail with the acquisition of whole Foods Markets, as well as publishing, Electronics ,cloud computing ,video steaming and production.

#### FLIPKART

Flipkart is a national leader of e-commerce in India. Founded in 2007, Flipkart was originally selling books, before its expanded to other popular categories including mobile phones ,Electronics ,fashion and lifestyle products. In 2018 Walmart, One of the largest American companies and leading platforms of e-commerce in the US, acquire 77 percent of flipkart for 16 billion US\$.

#### SNAPDEAL

Snapdeal is a diversified online shopping platform, giving products ranging from electronics and fashion to home appliances. Founded in 2010, Snapdeal has received several rounds of funding from famous investors, Including Alibaba Group, Foxconn and Softbank, to stimulate its growth and fight for the top sport in India’s e-commerce landscape.

#### INDIAMART

Founded in 1999, IndiaMart is an Online B2B bazaar for Indian companies. A competitor of Alibaba, India Mart allows manufactures, supplies, and exporters to propose their products directly through the platform to acquire contacted by its visitors. Since2014. IndiaMart has launched its e-commerce retail platform, Tolexo.

#### BOOKMYSHOW

BookMyShow is the most important show ticketing portal and retailer in India. Since its launch in 2007, BookMyShow has expanded to sell millions of tickets every month for movies, Sport events, plays and more. With the company’s success, BookMyShow has also expanded to other, opening subsidiaries in Indonesia, the United Arab Emirates, Sri Lanka, and West Indies.

**MYNTRA**

Myntra is a dedicated online fashion, home and lifestyle retailer in India. Launched in 2007, Myntra has developed a strong online presence, especially through its mobile applications. Acquired by the Indian e-commerce company Flipkart in 2014, Myntra has consolidated its presence in fashion e-commerce through the acquisition of its competitor Jabong.com

**FIRSTCRY**

A specialized e-commerce platform for kids cloths and infant care products, Firstcry is pioneer of e-commerce in India offering products from thousands of brands. Having expanded into franchised stores, Firstcry at the present also offers its products through tens of stores across numerous Indian cities.

**NYKAA**

Nykaa is a heavy retailer selling cosmetics, cloths and wellness products to Indian customers. Founded in 2012, Nykaa is originally a specialized store for beauty e-commerce selling products from multiple brands. Since then Nykaa has developed its own line of cosmetics and opened multiple brick-and-mortar stores across India.

**Img**

Img is an online pharmacy and healthcare information websites. Founded in 2015, Img provides online consultations, lab tests and a mine of medical information in order to better serve Indian market and population's need, and be able to direct its visitors to the right medicine or product from its shop.

**PAYTM MALL**

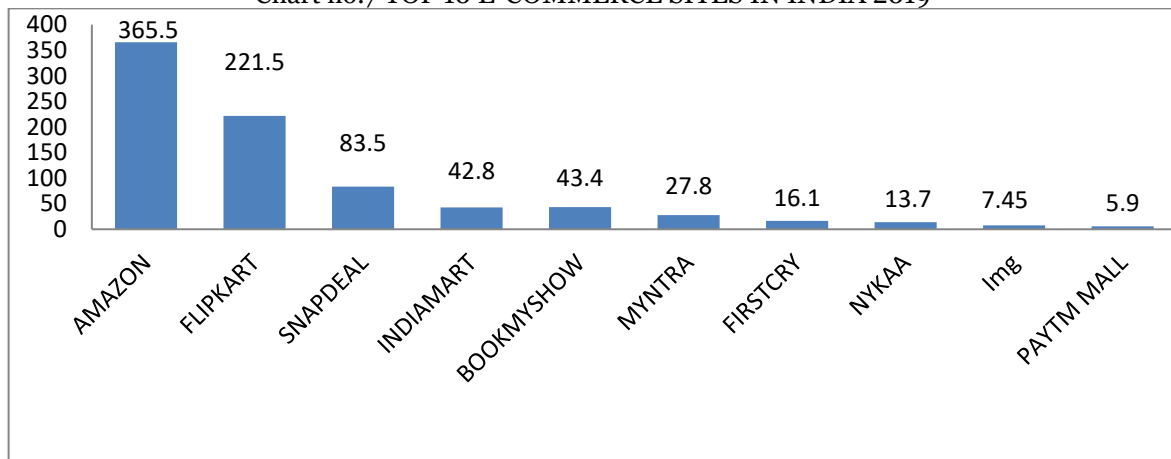
Paytm is an Online payment system, also providing a diversified online market place through paytm mall selling products ranging from men and women fashion to electronics and home products ,groceries and cosmetics ,kids and family as well as cars and other vehicles. it allows third parties to sell their products directly through their application using their paytm platform .

Chart no.7 TOP 10 E-COMMERCE SITES IN INDIA 2019

S.NO	TOP 10 E-COMMERCE SITES	IN MILLIONS
1	AMAZON	365.5
2	FLIPKART	221.5
3	SNAPDEAL	83.5
4	INDIAMART	42.8
5	BOOKMYSHOW	43.4
6	MYNTRA	27.8
7	FIRSTCRY	16.1
8	NYKAA	13.7
9	Img	7.45
10	PAYTM MALL	5.9

Table no.7 reveals that the Amazon India placed first in top ten e-commerce site in India in 2019 its viewers amounted to 365.5millions followed by the Flipkart (221.5 million), followed by the Snapdeal(83.5million), followed by the IndiaMart (42.8 million), followed by the BookMyShow (43.4 million) followed by the Myntra (27.8 million), followed by the Firstcry (16.1 million), followed by the Nykaa (13.7million), followed by the Img(7.45 million) , followed by the Paytm (5.9 million).

Chart no.7 TOP 10 E-COMMERCE SITES IN INDIA 2019



## CONCLUSION

Internet Marketing play a vibrant role the retail market of the country as well as in global level, perform uniform delivery and payment system to simplify the process of retailing India is one of the fast growing internet market country in the world with wide scope for internet marketing owing that internet penetration will be increasingly day by day with the help of introduction of information and communication technology enabled services to almost all the people in the country. Internet marketing has touched new heights with explosion in smart phones and tabs, so much so that the ones who were not even close to this field are now enthusiastic to use their brand promotion. This period has almost everybody with a social media account and the ones without such an account are accurately looked down upon for business purpose. So, the question that arises is of studying the consumer behavior in internet marketing.

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