

# “Understanding the Indian consumer buying behavior in digital era”

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## ABSTRACT

Internet is increasing with a pace of 50-100% per year. It is a source of various information and communication for millions of users. The global presence of Web has unlocked the roads to a new era in the communication media, which is creating opportunities for many businesses world-wide.

The internet in now days is the boost for any countries economic development. The strategic shift from sales concept to digital era is giving a right platform for both buyer and consumers. The ease of doing business in terms of communication and selling over the net has created a boom in various sectors.

In this paper I tried to explore the opportunities & potential of Internet Marketing in India in context with the various environmental factors. The impact of internet on the consumer buying behavior and variety of methods that can help the company persons to enhance their business by reaping the potential of the Internet are surveyed. The study also focuses on how Internet can hamper marketers and what are the norms and protocols that must be followed for successful Internet marketing.

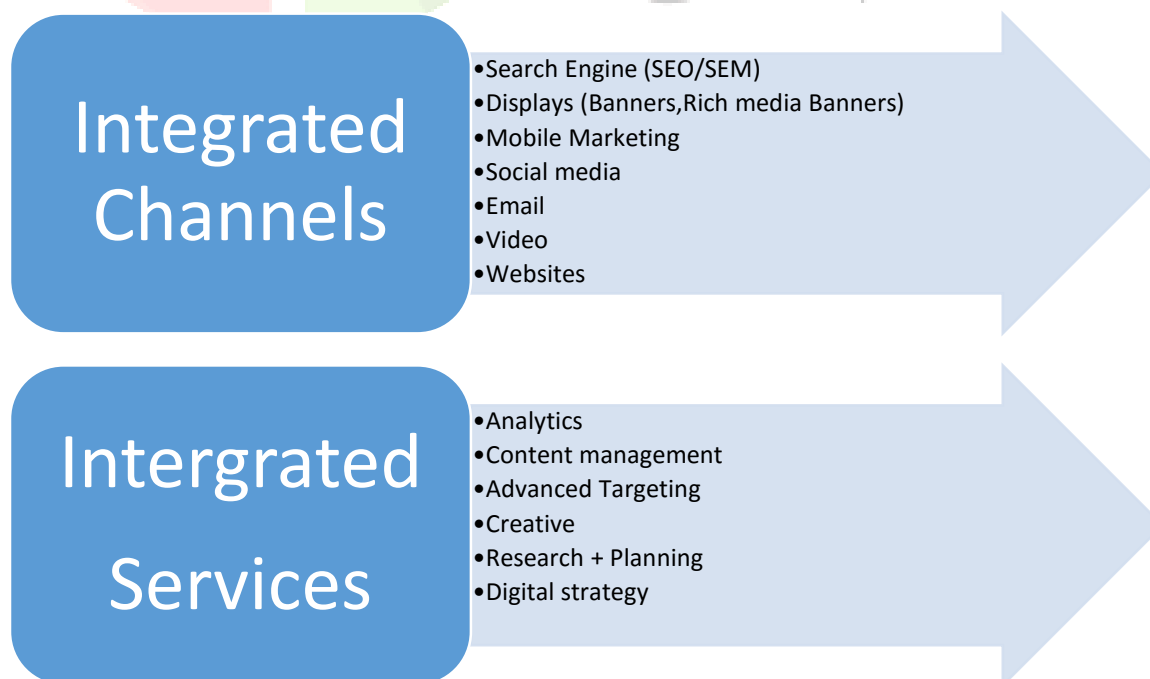
Keywords: Digital Marketing, Internet Marketing.

## Introduction

Digital marketing is the promotion of your business, organisation or brand using channels such as the Internet, mobile devices, television and radio in addition to using creative online advertising, video, podcasts and other such methods to communicate your message. Internet marketing in particular plays a huge part in any digital marketing strategy and is becoming the core of many organisations overall marketing strategies, particularly with regard to social media and viral marketing.

Digital marketing ecosystem is not only concerned with internet marketing and social media marketing, in introduction we discussed that peoples have a belief that internet or social media marketing are same but not same, be clear from beginning itself. Digital marketing ecosystem consists of internet marketing and social media marketing. They are just a channels for communication, digital ecosystem consist of integrating channels and integrating services.

## Digital Ecosystem



## Digital Marketing in Indian context

As per the recent study Internet Penetration in India is yet to cross 16% of the population however this population is 10 times more than the population of Australia. According to a recent survey report released by IMAI and IMRB, Internet penetration in India will cross 5 million mark by 2018. The number of mobile Internet users in India is expected to grow over 55 per cent to 371 million by June this year.

Of the 306 million internet users, 219 million users are from urban part of the country. The user base saw a growth of 71 per cent year-on-year. On the other hand, the user base in rural India went up 93 per cent from December 2014 to reach 100 million at the end of December 2018.

Now these reports and stats shows how India is moving in the Digital World. As you have seen there any many ecommerce store which is growing at rapid speed and there is a huge demand to resource to contribute in their needs. When demand is high supply is also required by becoming a Digital Marketers you can fit in to this Digital Marketing industry and earn a handsome salary.

“Social media is not a trend,” It is here to stay and constantly evolving .

Now is the time for health and fitness professionals to jump on board. Otherwise you are not only going to be lost, but you are going to be lagging ‘way behind your competition.’

In future, it will surely doubles. You can see this gradual growth since early 20th century.

Internet User Doubles = Business Competitors Doubles = Digital Marketing Grows

Day to day every physical businesses are migrating to online, due to constant growth on internet users.

Ex. Amazon, Flipkart and Snapdeal are the real time proofs, they are constantly improving their business targeting customers from all sources like PCs, mobile & tablets.

eCommerce industry / other business relaying digital marketing to achieve their targets.

So definitely, future of all businesses will be occupy by digital marketing enthusiasts.

While all other industries are struggling with a growth rate of 5 to 10 %, digital media industry is booming high with 30% growth rate. But the most remarkable point is that this growth rate is not going to be stagnant in the coming years. Scope for digital marketers in India will only get bigger and better in the years to come.

## LITERATURE REVIEW

In this modern age of internet almost every progressive business have web presence, some of people think that website is just a commercial requirement but others think that it is mandatory to run their company activities. These different theories about internet have been discussed a lot in recent marketing literature. In the past decade marketers have been arguing about the role of internet in marketing. In the start marketers used internet as communication tool but as time passed they realized the true potential of internet and the idea of Internet marketing evolved. Smith and Chaffey (2005) give a short and basic definition of Internet marketing as “Achieving marketing objectives through use of electronic communication technology”. According to Hoge (1993), Internet marketing is the transfer of goods or services from seller to buyer that involves one or more electronic methods or media. Internet Marketing began with the use of telegraphs in the nineteenth century. With the advent and mass acceptance of the telephone, radio, television, and then cable, electronic media have become the dominant marketing force. Hoge’s (1993) idea of Internet marketing is simple but it does not touch the important aspect of customer relationship. Strauss and Ansary (2006) defined Internet marketing in their latest book as the use of information technology in the process of creating, communicating, and delivering value to customers, and for managing customer relationships in ways that benefit the organization and its stake holders. This explanation tells that Digital Marketing is not only about selling products or providing services through IT but it is lot more than that. It is not just traditional marketing using the information technology tools but it’s a strategic model to achieve brand value and provide customer satisfaction .

On the other hand, the review of the relevant literature revealed that one of the main obstacles in the literature is the unclear way of dealing with the concept and definition of Digital Marketing. In this respect most of the researchers misused the term Digital Marketing; the majority of researchers are using the terms: Digital Marketing / Internet-marketing / E-commerce / E-business as equivalents or a deferent wording for the same meaning,

which is incorrect because they are deferent. For example, Digital Marketing has a broader scope than internet marketing since Internet Marketing (IM) refers only to the Internet, World Wide Web, e-mails. While Digital Marketing includes all of that plus all other Digital Marketing tools like: Intranets, Extranets and mobile phones.

In contrast with that, E-commerce and E-business have a wider and broader scope than Digital Marketing .

Digital marketing team is an umbrella team for the marketing of products or service using digital technology, mainly on the internet, display advertising, and any other digital medium, but also including mobile phones. Digital marketing activities are search engine optimization, search engine marketing, content marketing, and content automation, campaign marketing, and social media marketing, social media optimization, e-commerce marketing, display advertising, and

any other of digital media, e-mail direct marketing , optical disks and games ,callback and on-hold mobile ring tones. Latest digital marketing trends India they are: Search and e-commerce will go beyond Google to Facebook and twitter, Snap chat, Link to extremely engaged audience with live video streaming , Let consumers be the marketers of your brand ,Advertise to users through Instagram, Identify-based pay per click

marketing, changing the future of advertising, Target a person based on their interest on pinterest with an animated pin, Capitalize on the merge between healthy living and wearable technology, Create an omni-channel experience, etc..

The hottest upcoming digital marketing trends are: Efficient content marketing, Everything mobile, more value or video marketing, marketing Analytics, New payment method ,New technology such as Augmented Reality and wearable technology, more focus on customers creates more sales,

Social Media marketing is the use of Social Media's and Communities to Generate Public awareness of a product or services. social media marketing activities by delivering your brand and marketing message as posts, links, presentations, images, video, articles, news, short stories, questions etc. Social media marketing programs usually focus on efforts to produce content that grabs attention and encourages readers to share it across their social networks. Social media marketing is part of the internet marketing. Social media marketing techniques can be used by web developers for client, internet marketing, and key word- rich SEO information.

Digital Marketing Industry in India in present & future will remain as the most powerful and result-oriented way of marketing.

Mobile Marketing - To drive results from marketing campaigns, mobile marketing will play one of the most important role.

- Current Outlook of Mobile Marketing in Driving Customer-Engagement- 40% (approx)
- Future Outlook of Mobile Marketing in Driving Customer-Engagement- 75% (approx)

Video Marketing - Growing need for the visual content has turned video marketing to be one of the most effective channel of digital marketing to promote your service or brand.

- Current Outlook of Video Marketing in driving Customer Engagement- 37%
- Future Outlook of Video Marketing in driving Customer Engagement- 69%

Various kinds of video content:

- Social Media Videos like Facebook videos, Instagram Videos, Snapchat videos.
- Use of videos in email marketing campaigns
- Running video campaigns
- Email Marketing - One of the most effective digital marketing channel to generate leads.
- Current Outlook of Email Marketing in Driving Customer Engagement- 45%
- Future Outlook of Email Marketing in Driving Customer Engagement- 57%

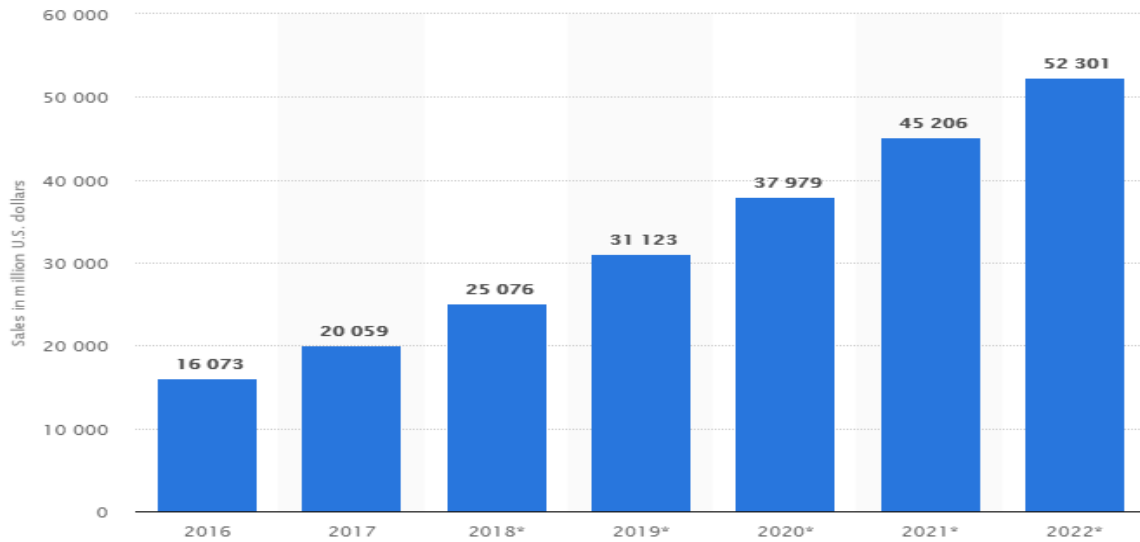
Social Media - One of the evolving digital marketing channel for branding, optimization,

lead generation, conversions

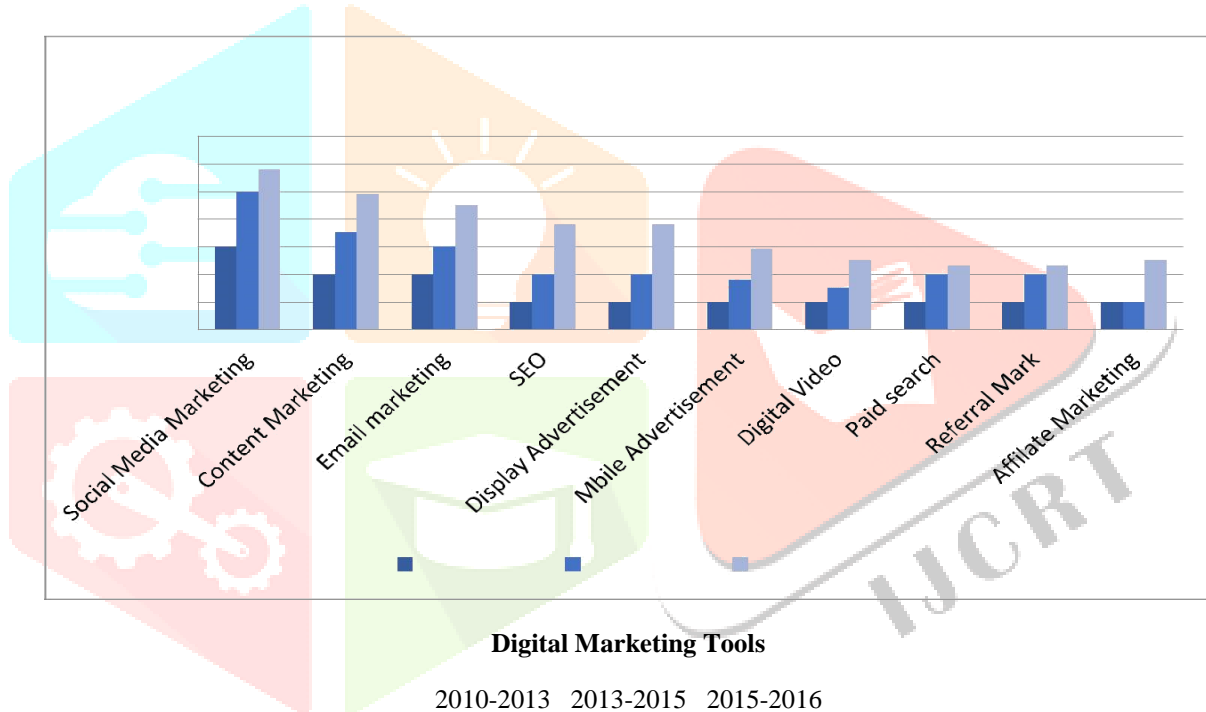
- Current Outlook of Social Media Marketing in Driving Customer Engagement-36%
- Future Outlook of Social Media Marketing in Driving Customer Engagement-55%

SEO & PPC - With the evolving growth of search engines & their changes will help marketers to target their audience more precisely to generate conversions.

- Current Outlook of SEO Marketing in driving Customer Engagement- 21%
- Future Outlook of SEO Marketing in driving Customer Engagement- 40%



Retail e-commerce sales in India from 2016 to 2022 (in million U.S. dollars)



**Research Methodolgy**

**Objectives of the study**

**Primary objective**

The main objective of the study is to understand the consumer buying journey in Digital era.

**Secondary objectives**

- To know affinity in customers for collecting information before purchase.
- To determine out the media, which is most important in creating stimulus in Indians
- To understand the media consumption of Indians.
- To figure out how Indian will purchase a product.
- To understand post purchase behaviour of Indian

## Scope

This study is useful for determining the consumer buying behaviour of Indians. It can able to help brands to reach their target group through appropriate media. It will present an idea to brands, based on where to invest in achieve their marketing objectives.

## Sample size

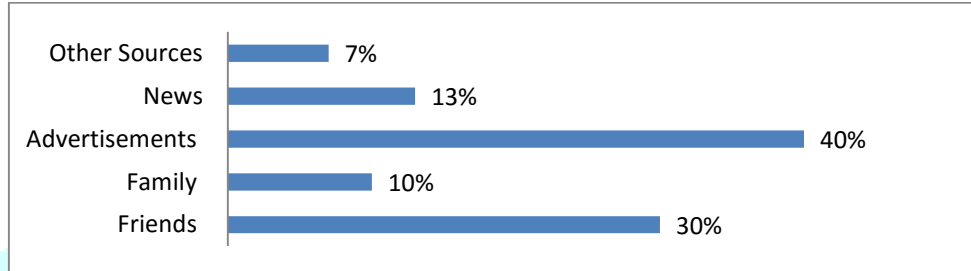
The number of sample units selected from the total population is called sample size. Sample size selected for this study is 200. Among them 146 are males and 54 are females.

## Tools

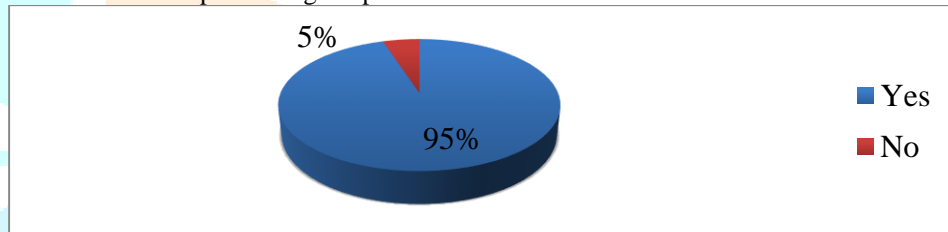
Tools used for this research is an online questionnaire, which consist of 16 questions.

## Data Analysis and Interpretations

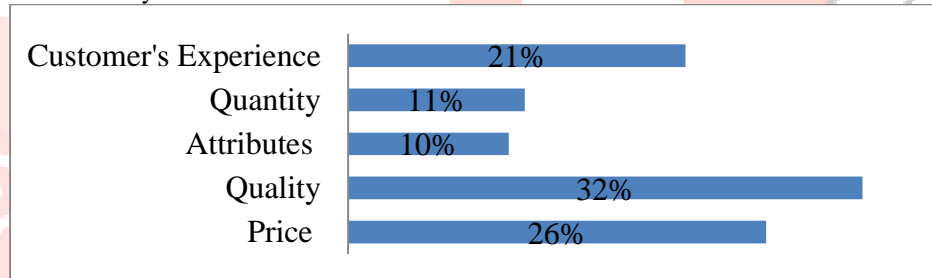
1) How do you get information about new Products?



2) Do you Collect information before purchasing the products?

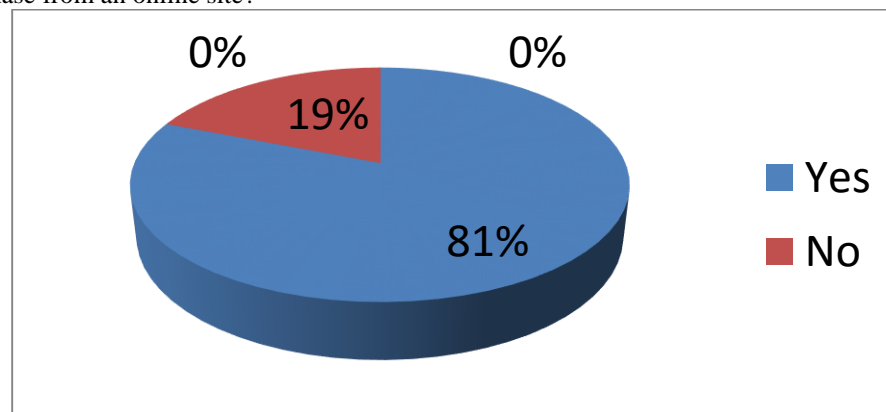


3) What type of information will you collect?

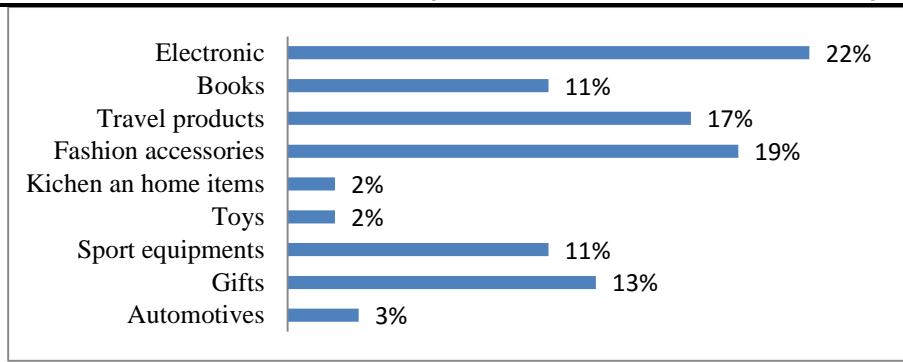


**Interpretation for 1 to 3:** Samples are highly information seekers, 95 % of the sample will do reach before purchase. Only 40% of the samples saying they get to know about a product through advertisements, 30% get to know from friends and 10% from family. 32% of samples are collecting information about quality of product the and 26% about price and 21% about customer experience

4) Did you ever purchase from an online site?

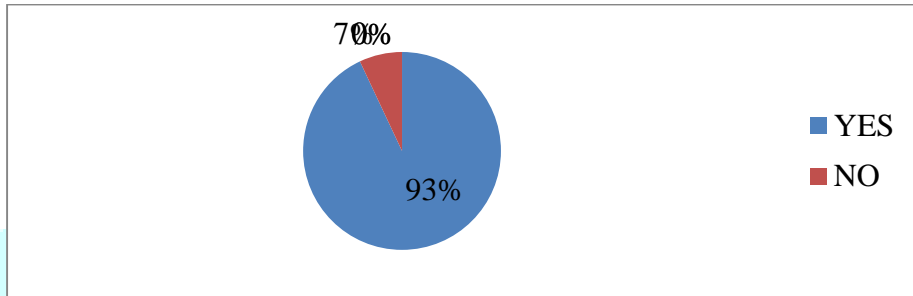


5) If yes, then what type of product / services did you purchase online?

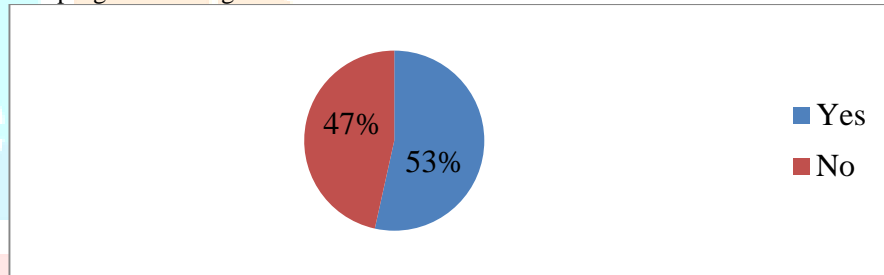


**Interpretations for 4 and 5:** 81% of the sample will make online purchases also; mostly they purchase electronic products, followed by fashion and travel accessories through online.

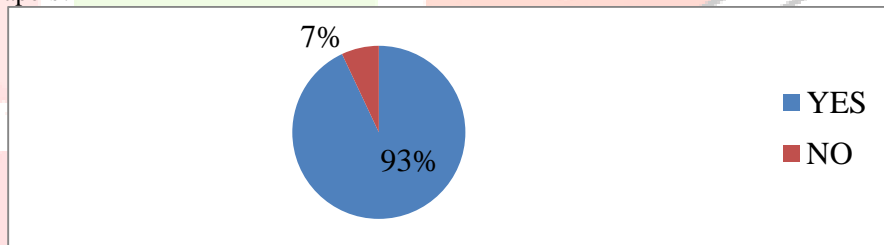
6) Do you watch television?



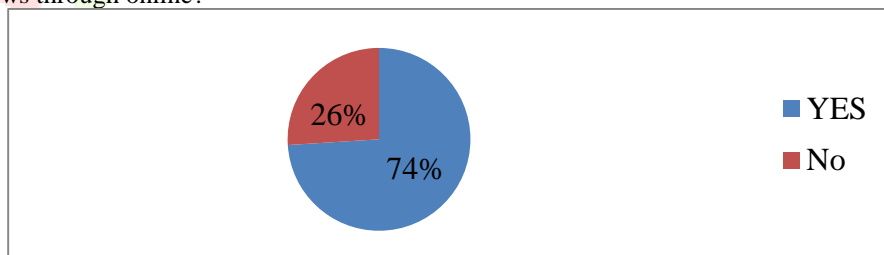
7) Do you watch television programs through online?



8) Do you read Newspapers?



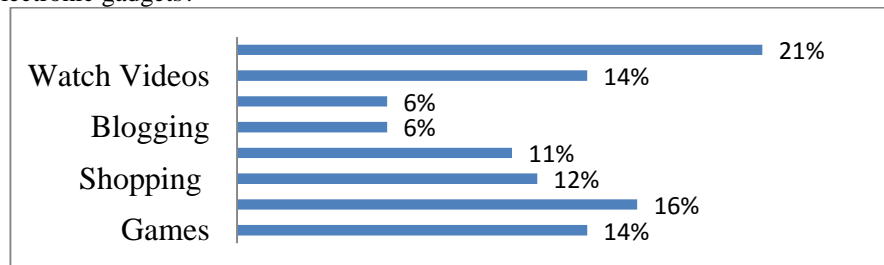
9) Do you read the News through online?



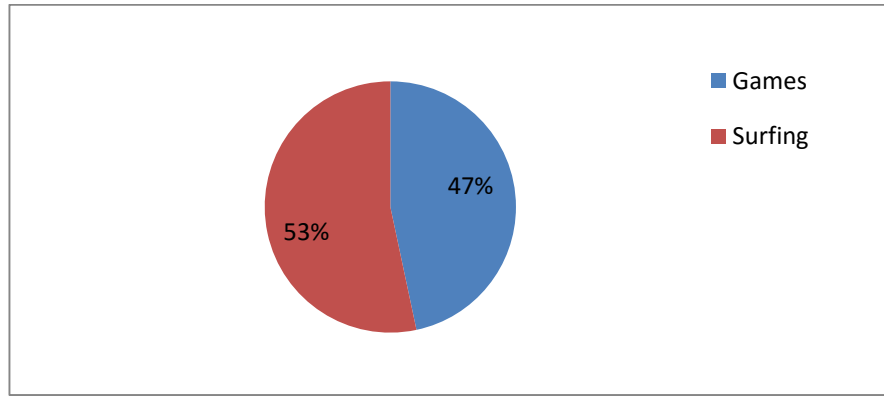
**Interpretation 6 to 9:**

93% of the samples are watching T.V. 53% of the samples is watching T.V programs through online portals. 93% are reading newspapers and 74% are reading news papers through online portal

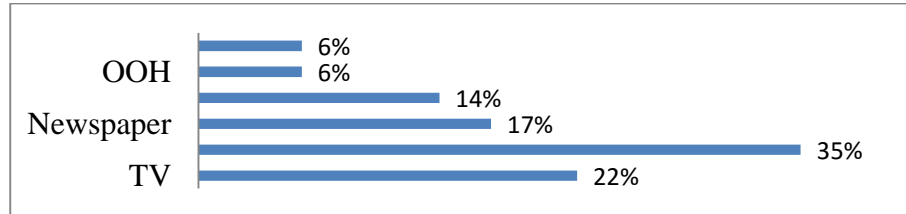
10) What you do with electronic gadgets?



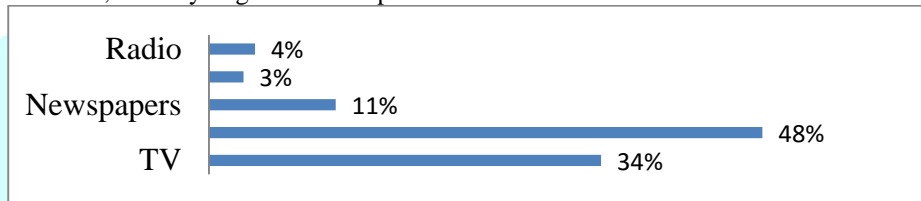
11) Do you ever notice advertisement?



12) If yes, from where?



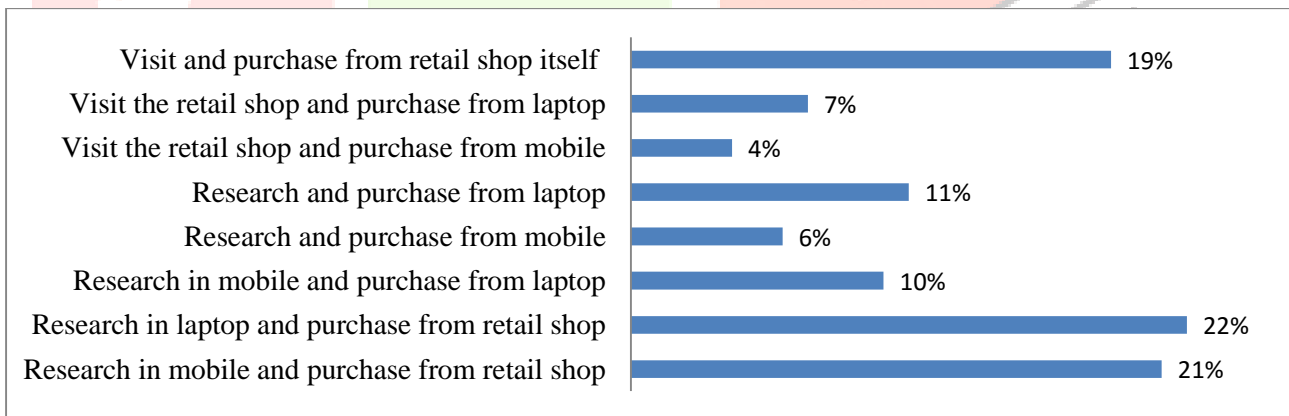
13) Mention one from of media, which you give more importance?



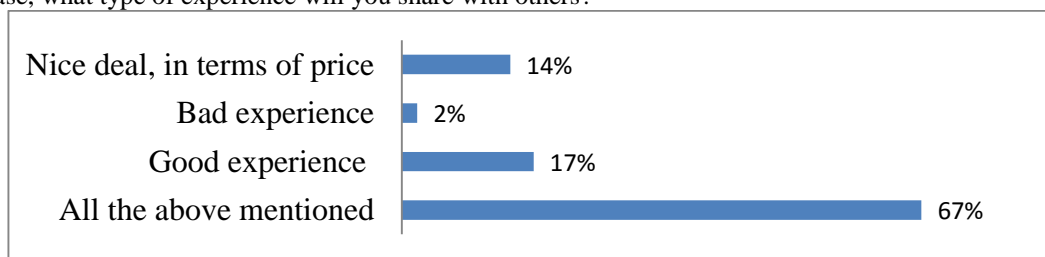
**Interpretation for 10 to 13:**

- 97% of the samples are seeing ads, among them 35% of samples noticed ads through online media, 22% on TVC and 17% on Newspapers.
- 48% of the samples are saying they have trust in online ads, 34 % are saying they have trust in T.V.

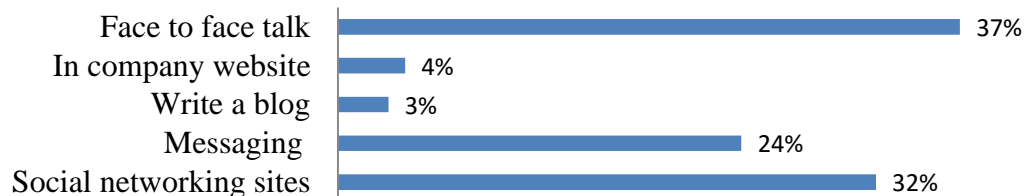
14) How do you normally purchase a product?



15) After purchase, what type of experience will you share with others?



16) How will you share your experience with others?



### Interpretation for 14 to 16:

- 22% of samples will do research on online and purchase from retail shop, 21% of the samples will do research in mobile and purchase from retail shop. But 19% of the samples will purchase directly from a retail shop only.
- 67% of the samples will like to express their experience with others; it may be a nice deal, good experience or bad experience with product.
- 37% will share their experience through face to face talk, 32% through social networking sites and 24% through messaging.

### Finding

- Indian customers are highly information seekers. They collect more information about quality, price and refer customer's experiences before purchasing a product.
- Advertisements have high impact for creating stimulus in Indian customers. But this stimulus will get in to action only through opinion leaders.
- Indian consumers have high tendency to go for online purchase. They have high affinity to go online for electronic products and apparels.
- One of the current trends in Indian youth and young Indians are watching the T.V programs via online portals. May be the main reason is convenience of time, they can watch programs which they had skipped due to some reasons.
- The same thing is happening for the newspaper also, people have more affinity towards online news portals. Here's the reason may be they can get news updates very early; they don't need to wait for daily newspapers.
- In both of these cases, one opportunity is lost for marketer and one opportunity is emerging for them to reach their T.G.
- More than 90% of the samples have a mobile or Smartphone and laptops or PC. 96% of samples have an internet connection is any of these gadgets, this showing the penetration of internet in India.
- If we take tablet, penetration in Indian is low. But it doesn't mean that no one is using tabs. More than 30% of samples have tablet. For brands they are getting three more platforms to reach their T.G and engage them.
- 33% of the samples are using these gadgets while they are with their friends, so just think about the reach. If one person noticed something which is cool and awesome they will surely communicate to others.
- 25% of the samples are using these gadgets while watching T.V; it's again a barrier for brands which use TVC only. 21% of the samples are using this gadget for chatting and 16% are using for surfing. What they are surfing? It can be about a product, local events or locations...etc.
- In this situation, one opportunity is again losing to brands and one opportunity is emerging for brands to reach their T.G.
- More than 90% of samples are noticing ads, among them 35% of samples noticed ads through online media, followed by TVC and Newspapers.
- 48% of samples are telling they give more importance to online ads and 34 % of samples give importance to T.V.C.
- From the first part of this research itself, we know that customers are highly information seeker. It may be the reason for high trust in online ads. They can search for more information after seeing an ad or online is the only two way communication channel for customers.
- 22% of the samples do research through their lap or PC before purchasing a product from the retail shop and 21% do research via mobile.
- Most of the Indians prefer to purchase from a retail shop only, but before going to retail shop they will seek information about the product through an online platform. Here is actually change happens in consumer buying journey, early times consumer belief a product only after seeing the product in a retail shop.
- But now Indian customers want to get conviction about a product before going to retail shop. So from a marketers view they want to convince their customers before going to a retail shop.
- Brands want to build a cool presence over digital platforms because the customer will do research about the product after seeing an ad or after getting stimulated.



- Brands are getting more touch points to reach target group in a cost effective manner.
1. Most of the real sector people actually understanding the value and opportunities of digital marketing.
  2. With the study of digital marketing we came to its emergence and extreme growth in today's scenario.
  3. What We found in client servicing is convincing clients is bit complex as they too have complete knowledge about the digital marketing and also explaining how we are better than others.
  4. Most of the sectors initially opt for the digital marketing channels name search engine optimization, search engine marketing and social media marketing and later they will think about other channels which mean these three channel high acceptance.
  5. It is easier to approach a company's if you first send them an E-mailer to related sector and then call them in fact sometimes the company itself call having seen the E-mailer.

### Conclusion

The successful completion of this research indicates that the future of marketing is in the hands of digital. Digital marketing is not only concerned with placing ads in portals, it consists of integrated services and integrated channels. Marketers want to use these components in an effective way to reach target groups and to build a brand. In this digital era marketer is not the custodian for a brand, people who are connected across the digital platforms are the custodians.

Brands want to build their presence over digital platform, because customers have high affinity towards digital media than other media's. More than that customers are highly information seekers and digital media is the only platform for two way communication between brands and customers.

Digital media is the best platform to convert a product to a brand. Because it is more cost effective and it provide lot of touch points to marketer. Brands can able to engage their target group in an effective way through digital platforms. Digital media is not only for engagement, brands can increase their customers or they can retain their existing customers. Digital platforms help to increase the impact of brand recall in target groups.

The research focused on the consumer buying behaviour shows that, Indian consumers are highly information seeker and they will do research about a product before going to a retail shop. So brands want to give platforms to consumers to understand their product or to get a really feel of that brand.

I honestly believe that this project report will be at most useful for marketers to understand the digital marketing and also to plan for future strategies.

I conclude my research by quoting again that "Brands can't sustain without digital presence".

### SUGGESTION

#### Technical Aspects:

- Finding the online presence of the client.
- Understanding why it is so weak.
- Identifying what solutions would be better for particular client.
- How to improve their presence, etc.

#### Managerial Aspect:

- To define SWOT for the client
- To define their requirements and the corresponding solutions.
- To define the gap analysis for the client.

#### Business Aspect:

- To find better business opportunity for ROW.
- To resolve the client's problem in terms of ROI.
- Competitive benefits and bets pricing offering.

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