

# DIGITAL MARKETING IN ELECTRONIC COMMERCE SECTOR – NEED OF THE HOUR

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## **Abstract**

Modern media is no longer confined to a television or radio show, newspaper or advertisement. Instead, today's media from text to video and sound can be saved and shared electronically, using everything from desktop computers to small mobile devices. This electronic dissemination of media has had a powerful impact on the way people communicate for personal reasons, education and even business. However, digital media has not had only a positive impact on business. Electronic commerce sector is a segment which from its inception is using digital marketing techniques aggressively. The present paper will enable us to find out the different aspects and different marketing strategies in digital marketing that these companies use in order to create awareness about their market offerings, create a favorable buying experience and retain them and add prospective buyers in the long run. The present paper focuses on the relevance of digital marketing in e-commerce sector and also cites the examples of Amazon and Flipkart shopping websites.

*Keywords – Digital marketing, Marketing Budget, e-commerce*

## **Introduction to Digital Marketing and Electronic Commerce**

### **Digital Marketing**

Digital marketing is an umbrella term for the targeted, measurable, and interactive marketing of products or services using digital technologies to reach and convert leads into customers and retain them. It is a broad term that describes a set of marketing processes that encapsulates all available digital channels to promote a product or service or build a digital brand. The key objective is to promote brands, build preference and increase sales through various Digital Marketing techniques.

Online advertising is a marketing strategy that involves the use of the Internet as a medium to obtain website traffic and target and deliver marketing messages to the right customers. Online advertising is geared toward defining markets through unique and useful applications.



Source – [www.digitalvidya.com](http://www.digitalvidya.com)

### Electronic Commerce:

E-commerce has become an integral part of business in the modern world. It is generally associated with buying or selling a product by using the Internet as the platform. Information and communications technology (ICT) is used in e-commerce marketing to create and add to relationships among organizations and between an individual and an organization. At present, about half of the world prefers purchasing items online at their convenience. The cutting edge for business today is electronic commerce broadly defined electronic commerce is a modern business methodology that address the needs of organizations, merchants and consumers to cut costs while improving the quality of goods and services and increasing the speed of service delivery. The term also applies to the use of computer networks to search and retrieve information in human and corporate decision making.

More commonly, e - commerce is associated with the buying and selling of information, products and services via computer networks today and in the future via any one of the myriad of networks that make up the Information Superhighway. Combining a range of processes, such as Electronic Data Interchange (EDI), electronic mail (e-mail), World Wide Web. This movement has been broken up into two main sectors: business to business (B2B) and business to consumer (B2C). E -commerce comprises core business process of buying, selling goods, services and information over the Internet. The E - commerce information available on the Internet is huge and still growing.

The effects of e commerce are already appearing in all areas of business, from customer service to new product design. It facilitates new types of information based business processes for reaching and interacting with customers – online advertising and marketing, online order taking, and online customer service to name a few. It also reduce cost in advertising, sales and distribution by managing orders and interacting with a wide range of suppliers and trading partners, areas that typically add significant overhead to the cost of products and services. Finally e - commerce enables all the formation of new types of information based products such as interactive games, electronic books and information on demand that can be very profitable for content providers and useful for consumers. The companies believe that e - commerce can result in improved efficiency in finding and interacting with customers, in communicating with trading partners and developing new products and markets.

Clearly, a key element of e - commerce is information processing. All steps of commerce except for production, distribution and delivery of physical goods are forms of information gathering, processing, manipulation and distribution which computers and networks are perfectly suited to handle.

### **Review of literature**

A study by G. Reza Kiani, (1998) "Marketing opportunities in the digital world", highlighted impact of the World Wide Web. This paper also suggested the necessity of new concepts and models for marketers to manage their Web sites, and then presents the opportunities supporting the marketers' objectives in the new environment.

A study by Rolf Weiber, Tobias Kollmann, (1998) "Competitive advantages in virtual markets - perspectives of "information-based marketing" in cyberspace", gave emphasis to present the division of markets into marketplace and market space and evaluate the significance of virtual value chains in opening up further possibilities in the marketplace and market space.

In the study by Craig S. Breitenbach, Doris C. Van Doren, (1998) "Value-added marketing in the digital domain: enhancing the utility of the Internet", highlighted that the Internet marketing techniques detailed in this article provide tactics to maximize the utility of the Internet as a vehicle for marketing communications.

A study by Roberto Carneiro, Pedro Conceição, Artur Viana Fernandes, (2000) "Macau – the new digital bridgehead", threw light on the aspect that Digital Economy brings threats as well as opportunities, fast timeframes and narrow windows of opportunity. The Digital Economy is its chance to recapture the role of intermediary between East and West. The study focuses on the territory's digital landscape and infrastructure yields of an integrated set of policies and actions that could help create a sustainable digital cluster in Macau.

A study by Shari Donnenfeld, Andy Goodhand, (2000) "Digital Kids — Navigating and Making Sense of a World of Choice", highlights the findings from Nickelodeon UK's digital study designed to better understand the changed viewing dynamics in digital homes and how that will impact upon building brand loyalty.

A study by Adrian Slywotzky, David Morrison, (2001) "Becoming a digital business: - it's not about technology", observes that many senior executives equate "going digital" with specific phenomena such as the advent of the personal computer, the proliferation of e-mail, the growth of enterprise resource planning systems, or the popularity of the Internet.

A study by Ken Ducatel, (2001) "Balance of nature sustainable societies in the digital economy", states the information society is an engine of growth, but it must be kept on track if it is to serve wider social and environmental goals.

Jennifer Rowley (2002) in her paper, "Information marketing in a digital world", did an analysis of the role of information in the marketing processes associated with a digital world. In marketing communications, digital information can be a rich resource for organisations, consumers and communities.

Georgios I. Zekos, (2003) "MNEs, globalisation and digital economy: legal and economic aspects", focuses on the economic analysis of the role of MNEs regarding globalisation and digital economy and in parallel there is a reference and examination of some legal aspects concerning MNEs, cyberspace and e-commerce as the means of expression of the digital economy.

## **Need for Digital Marketing**

Many people use online marketing and digital marketing interchangeably because they do not realize that they have subtle but very important differences between them. Digital marketing uses all digital channels available to communicate with the target client/audience. Digital Marketing includes a large number of platforms for analyzing the behavior of the target client and helps in understanding how to better target them in the future. Digital marketing is a broad term that describes a set of marketing process that encloses all available digital channels to promote a product or service or build a digital brand. Online Marketing on the other hand, refers to marketing through the internet. This includes social media, E-mail marketing and search engine optimization (SEO).

Therefore, online marketing is part of a whole digital marketing campaign, yet it can stand by itself and on its own. Digital marketing, however, requires online marketing to be complete and thorough.

Lot of marketers believe that digital marketing is just a synonym of Internet marketing. At its core, digital marketing revolves around the Internet, which explains why people tend to believe that digital marketing and Internet marketing are synonymous. Nonetheless, they are different. Internet marketing falls under the category of digital marketing.

Internet marketing encompasses digital marketing services such as search engine optimization, display advertising, and email marketing; nonetheless, what about voice broadcasts, fax broadcasts, podcasting, wireless text messaging, mobile instant messaging, and mobile apps? Internet marketing is a subset of digital marketing. It is a fact the most important component since majority of the digital marketing activities fall within the boundaries of internet marketing. The latter channels and services transcend the narrow definition of Internet marketing. Digital marketing refers to mobile marketing, digital telephony, and digital video recorders as well.

With tighter marketing budgets these days, allocating spending and measuring return on investment are paramount for any business. Business owners and managers need real-time statistics to demonstrate the value of marketing initiatives. As a result, digital marketing has become an integral component of company marketing strategies. The needs for traditional marketing channels are converging with digital tracking methods, and in time, what we consider traditional, may transform into completely digital marketing formats.

## **Faster Information**

Digital Media enables companies to get their information across the public faster than ever. Instead of printing inserts and waiting for the Sunday paper to announce their sales, companies now can let the world know about an exciting promotion through email, social networking, their websites and Internet ads. In today's competitive business world time plays a very important role. Digital Marketing helps in saving time and thereby facilitates companies to reach out to their end users in a very short period of time and in turn serve them better.

## **Greater Reach**

By using the Digital media businesses can reach out to more customers than ever before. A simple promotion featuring a giveaway or a freebie can earn a business hundreds or thousands of Facebook fans and email and text message subscribers, meaning that the business can send a message to these consumers with just a touch of a button. However, digital media also means that those consumers can reach back. Through negative comments on Facebook page and other social networking sites, like Twitter and blog, customers can use digital media to take a complaint that would have otherwise been between the customer and the company.

## **Technology**

Using digital media means using new technology both to create and support the media. New technology can be an asset for today's businesses. When smart phones and laptops are adapted in order to use digital media, it

surely can positively influence other areas of business. For example, such mobile technology makes communication among employees much easier. It is only by using technology that we can metamorphose the way businesses are done in much simpler and effective way.

### **Options**

By using digital media, businesses now have many more options to choose from. They can choose from the right time and the best channel they should use to spread information out about their businesses. Instead of choosing among a TV or radio commercial or a print advertisement, they can now create media that is a combination of audio, visual, text and interactive media. This mixed media can appeal to a larger audience with differentiated preferences. However, it is also more costly to keep up with the ever-changing technology and may require the creation of new strategists who can think and create digital.

## **Digital Marketing Strategies**

### **1. Mobile Video Advertising**

Now a days, mobile video advertising is the buzz word in the market. Mobile advertising is the communication of products or services to mobile device and smart phone consumers. The mobile video advertising spectrum ranges from short message service (SMS) text to interactive advertisements. In fact, mobile video ad spend in the United States more than doubled from 2013 to 2014—up to \$1.5 billion—and is predicted to reach \$6 billion by 2018, according to e-Marketers.

### **2. Search Engine Marketing**

This portion of marketing is critical for a small business. It gives them a chance to compete with larger companies by being visible in search engines. Since people use search engines to find products both online and locally, it is important that the company place high in search results for words that relate to what they are selling. Professional Internet marketing firms offer this service under the name of search engine optimization.

### **3. Native Advertising**

In case of native advertising, one might not even know that he is reading native advertising until he's deep into it. That's because its format and writing style mirror the content of the website he is visiting, which creates a less disruptive advertising experience. In other words, the person thinks he is reading a story or column, but it's really an advertisement (Native Advertisement). Most major publishers are pushing a native advertising strategy these days. One may find it on every platform from the trendy Buzzfeed to the elite Wall Street Journal. One of the most famous examples of successful native advertising was its campaign with Netflix for the new season of "Orange is the New Black."

### **4. Content Marketing**

This strategy revolves around giving a prospective customer information about your product or service, as well as information in general. Everyone is trying to sell, but those that can inform are more likely to get sales. People will attribute a certain level of expertise to a company, and this instills confidence in the consumer. Content marketing in the past was often done with printed brochures and guide books, but today, this can be done with articles and other forms of information on a business's website.

## 5. Behavioral Targeting

If one has ever planned a trip online—booked a hotel room or scheduled a flight—and then started seeing ads for restaurants and attractions in his destination city, he has experienced behavioral targeting. Behavioral targeting uses web browsing and search data to better target ads toward the user's expressed interests.

## 6. Social Media Marketing

This type of marketing can be tricky. Everyone talks about social media, but the truth is, it can be difficult for companies to integrate social media with their business. The type of media used, as well how it is used, is dependent upon the type of business the person have. For some companies being in touch with their customers and giving them breaking news can be an important element of success.

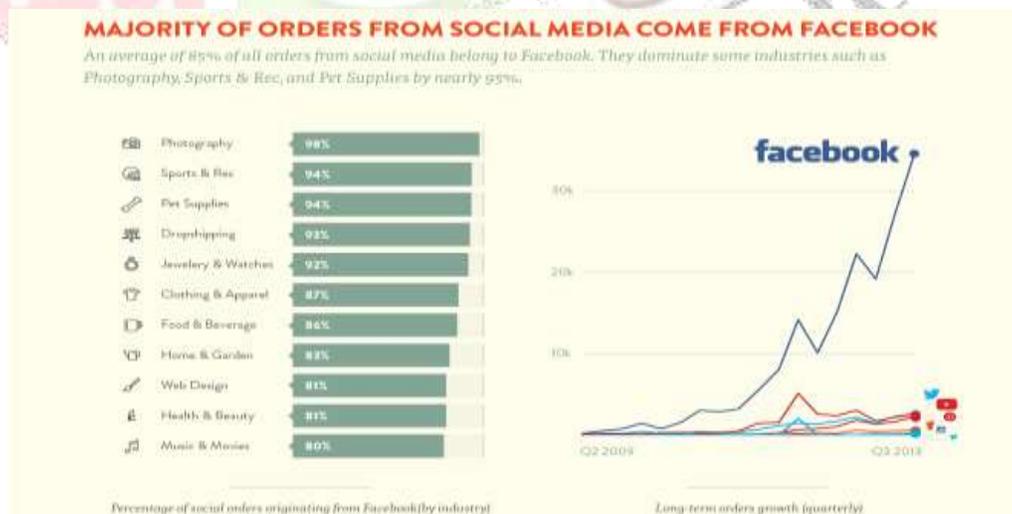
## 7. Email Marketing

This form of marketing is crucial to a small business online or offline. Essentially email marketing is about building a list of customers and prospective customers. This list of names and emails are people who are interested in your business, and you know this to be true because they have opted into this list themselves.

### Cases of Flipkart and Amazon

E-Commerce has effected radical changes in the business by providing net-enabled market for all manufacturing sectors. As per the study E-Commerce industry in the country is likely to be worth about USD 38 billion by 2016

Due to the usage of internet and mobiles it noted that 60-65 per cent of the total e-commerce sales are being generated by mobile device and tablets . In 2016, 80per cent of shopping queries were made through mobile devices, compared to 69per cent in 2014.



Indian ecommerce brand Flipkart and Amazon have locked horns again in an attempt to gain supremacy over Indian consumers with their respective sales and television campaigns. Flipkart was launched in October, 2007

by the duo, Sachin Bansal and Binny Bansal, both alumni of the Indian Institute of Technology, Delhi. As of today, it is the first billion dollar company in the Indian e-commerce context with 20,000 employees, 26 million registered users, technology that enables 5 million shipments/month, 8 million daily page visits and 13 state-of-the-art warehouses. Flipkart.com is India's leading marketplace with over 20 million products across 70+ categories including baby care, books, clothes, games and toys, home and kitchen, footwear, jewellery, laptops, etc. Their journey commenced with selling books in the year 2007 and progressed to consumer support 24x7 in the year 2008, to including music, movies and mobiles, cash on delivery in the year 2010. In the year 2011, Flipkart incorporated features such as card on delivery, dedicated logistics for faster delivery, 30 day replacement policy to having an in-house brand Digiflip in the year 2012. In the year 2013, they sold one hundred thousand books in a single day and offered same day guarantee. Four years ago when Flipkart kicked off its first flagship Big Billion Day sale, things went haywire. The e-commerce giant wasn't able to handle the unprecedented traffic and its owners were left apologizing to the shoppers. That's just an example of the mindset of Indian buyers towards e-commerce and the possibility of new opportunities in the market.

In the year 2014, they had a billion dollar funding, acquired Myntra, provided In-a-day guarantee and scheduled delivery. Flipkart allows payment methods such as cash on delivery, credit or debit card transactions, net banking, e-gift voucher and card swipe on delivery. Flipkart (2017).

Amazon.com is an international e-commerce company founded in 1995. The name reflected the vision of Jeff Bezos, to produce a large scale phenomenon like the Amazon River. With Amazon, Amazon announced its presence in the Indian e-commerce space. It also aimed at providing a trustworthy platform for the Indian retailers of all sizes to make their presence felt. Starting with books, movies, in due weeks Amazon introduced additional categories including mobile phones and cameras. It provides an array of services such as safe and secure online ordering experience, convenient electronic payments, cash on delivery, easy returns, consumer service with 24x7 support, and a globally recognized and comprehensive purchase protection provided by Amazon's A-to-Z Guarantee. Amazon is also accessible on mobile devices allowing consumers to shop anywhere. It also provides features such as the Search inside feature with the help of which users can browse inside books. Not only this, the store features a collection of over 12,000 titles in English and Hindi across DVD, Blu-ray, Blu-ray 3D, and Video CD formats. Amazon (2017). Amazon and Flipkart have inbuilt systems to facilitate marketing within their portal. They facilitate placing ads in product listing, suggested products, marketing emailers etc.

The future of e-commerce in India is not in terms of popularity but as to which company is at the finest position to dominate India's online shopping market. Both the companies are leveraging Digital Marketing in one way or another. Amazon is going to launch video content on its Prime service. With a hope to lure millions of Indian shoppers by offering movies and other video content, Amazon is planning to sell books, smartphones, and other products. Both the e-commerce giants are having different digital marketing approaches to expanding their online business. Flipkart and Amazon are fighting to become the number 1 e-commerce company.

The shift towards digital marketing from traditional advertising by online retailers Flipkart and Amazon had worked out well as awareness of last year's sale events—The Big Billion Days and Great Indian Festival—has increased significantly compared with previous years, according to a RedSeer study. Low-cost social media promotions have worked as a high-return channel of promotion for the retailers as a majority of the respondents are reached through this medium. This continues the trends started by Flipkart last year where it achieved high returns using primarily digital channels," said RedSeer.

## **Conclusion**

With the advent of E-commerce, the digital marketing has become a huge business factor that drives the effective business standards. The internet has given a huge opportunity for the new business standards and it is a welcome note for the buyers and sellers to make their business very easily. Consumers are better informed through the increased ability to access and sift an abundance of information anytime and anywhere. They are better connected through the ability to instantaneously communicate with others across time zones and social

strata. They are more communicative through the ability to publish and share their ideas and opinions. They are more in control through the ability not only to personalize their information and entertainment consumption, marketing messages, and the products and services they buy, but also gain satisfaction on demand. With the unfolding of modern technologies and preponderance of Digital Marketing (DM), businesses are doing all that they can to match up the pace. Businesses are either changing their plans of action into the digital one, or amplifying existing marketing strategies with digital advertising techniques.

The aim of the paper was to analyse different marketing strategies used by select companies in electronic-commerce sector and to outline the most distinguished factors that are being used in digital marketing to attract a buyer to purchase a product. Digital modes of communication and marketing are more adaptable, quicker, quantifiable and result-driven. Digital Marketing offers the same amount of benefits to marketers as it does to the customers. Both B2B and B2C businesses can effectively use diverse digital marketing mediums- The only thing that they need to pay heed upon is knowledge of latest digital marketing trends that suit their kind of business. Apt understanding and adept inclusion of best digital marketing practices and related trends will ensure the growth that your business deserves.

With the Digital commerce market having so much to offer to the country, one could only see internet and Ecommerce reaching not just the metropolitans and the major cities in India but also hitting the Indian Villages soon. Of course, it comes with its humongous set of challenges forcing even Flipkart to follow a marketplace (no-inventory) model. For now, its time to watch the big players battle it out in the ecommerce market.

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