

THE EVOLVING LANDSCAPE OF DIGITAL MARKETING: TRENDS, IMPACTS, AND OPPORTUNITIES IN INDIA

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Abstract:

The rapid growth of the internet and mobile technology has brought significant changes to the field of marketing. The rise of digital marketing has become a critical component of any marketing strategy, enabling businesses to reach a global audience with minimal costs. This paper reviews the recent trends in digital marketing, including personalization, influencer marketing, video marketing, virtual and augmented reality, voice search optimization, social media platforms, chatbots, and mobile optimization. The literature review explores the effectiveness and impact of digital marketing on consumer behavior and the overall performance of businesses. Moreover, the study focuses on the growth and potential of the digital marketing market in India, driven by the increasing use of the internet and mobile devices, the growing adoption of e-commerce and online services, and government initiatives. The projections indicate tremendous growth potential for the digital marketing market in India, with the digital advertising market expected to reach \$2.2 billion by 2023 and the e-commerce market to reach \$200 billion by 2026. The study aims to provide insights into the usefulness of digital marketing, recent trends, and the impact on consumer purchase, and to offer recommendations for businesses seeking to leverage the opportunities of digital marketing in India.

Keywords : Digital marketing, Trends, Consumer, E-Commerce, SEO

Introduction

In today's digital age, the rise of the internet and mobile technology has led to a significant shift in the way businesses market their products and services. With the increasing adoption of digital technologies, digital marketing has become an essential component of any marketing strategy. The ability to reach a global audience with minimal costs is one of the key benefits of digital marketing, and businesses of all sizes have been quick to take advantage of this opportunity.

Digital marketing has evolved significantly in recent years, with new technologies and trends emerging regularly. This digital era will soon bridge the gap to come at par with the traditional market in the next few years (Wadhawan, N. (2016). Personalization is one of the key trends

that has become an important part of digital marketing strategies. Advanced analytics and machine learning enable companies to personalize their marketing efforts to better target specific segments of their audience. For example, companies can use data analysis to understand customers' preferences, behaviors, and needs to deliver personalized offers, recommendations, and content.

Another popular trend in digital marketing is influencer marketing. Brands are increasingly partnering with social media influencers to reach new audiences and increase brand awareness. Influencers are individuals with a significant following on social media who can promote products and services to their followers. For example, a beauty brand may partner with a beauty influencer to promote a new line of products.

Video marketing has become an integral part of digital marketing strategies as it is more engaging and shareable than text-based content. With the increase in video consumption on social media platforms, businesses are leveraging this trend to create engaging and informative video content for their audience. This type of content can help businesses to increase brand awareness, generate leads, and drive conversions.

Virtual and augmented reality technologies have become more accessible to businesses, allowing them to create immersive and interactive experiences for their customers. This technology has the potential to transform the way businesses engage with their customers, allowing them to create unique and memorable experiences that differentiate them from their competitors.

Voice search optimization is another important trend in digital marketing. With the rise of voice-enabled devices, companies are now optimizing their websites and content for voice search to improve their visibility in search results. This technology is changing the way consumers search for information, and businesses that optimize their content for voice search can improve their chances of appearing at the top of search results.

Social media platforms such as Tik-Tok, Instagram, and Facebook continue to gain popularity among users, making them an effective way for businesses to connect with their target audience. Companies can use social media to build brand awareness, engage with customers, and promote products and services.

Chat-bots and mobile optimization are also becoming increasingly important in digital marketing. With the use of AI and machine learning, companies can create chatbots that interact with customers and provide them with personalized recommendations, assistance, and support. Mobile optimization is crucial, as more consumers are using mobile devices to access the internet. Companies need to ensure their websites and digital marketing efforts are mobile-friendly to provide a seamless experience for their customers.

In conclusion, digital marketing has become a vital component of any marketing strategy. The landscape of digital marketing is constantly evolving, and businesses must stay up to date with the latest trends to remain competitive. Personalization, influencer marketing, video marketing, virtual and augmented reality, voice search optimization, social media platforms, chatbots, and mobile optimization are some of the key trends that businesses need to consider in their digital marketing strategies. By leveraging these trends, businesses can increase their brand awareness, engage with their customers, and drive conversions.

DIGITAL MARKETING IN INDIA

Digital marketing in India has seen tremendous growth in recent years and is expected to continue its upward trajectory in the coming years. The digital landscape in India is constantly evolving, and businesses need to stay abreast of the latest trends to remain competitive.

One of the main factors driving the growth of digital marketing in India is the increasing penetration of the internet and mobile devices. According to a report by the Internet and Mobile Association of India (IAMAI), the number of internet users in India is expected to reach 900 million by 2023, up from 622 million in 2020. Similarly, the number of smartphone users in India is expected to reach 829 million by 2022, up from 468 million in 2017. These figures highlight the immense potential of digital marketing in India, as businesses can reach a vast audience with their marketing efforts.

Another key driver of digital marketing in India is the growing e-commerce market. According to a report by the India Brand Equity Foundation (IBEF), the e-commerce market in India is expected to reach \$200 billion by 2026, up from \$38.5 billion in 2017. This growth is being driven by factors such as increasing internet penetration, rising disposable incomes, and the increasing popularity of online shopping. As a result, businesses are turning to digital marketing to reach customers and promote their products on online platforms.

Social media platforms are also becoming increasingly popular in India, with platforms such as Facebook, Instagram, and Twitter having a large user base. According to a report by the IAMAI, social media users in India are expected to reach 448 million by 2023, up from 351 million in 2020. This presents a significant opportunity for businesses to leverage social media to connect with their target audience and promote their products and services.

Furthermore, the Indian government has launched several initiatives to promote digital marketing and e-commerce in the country, such as Digital India and Make in India. These initiatives aim to increase the adoption of digital technologies in various sectors and encourage businesses to go digital.

In terms of digital marketing channels, search engine optimization (SEO) remains a crucial aspect of any digital marketing strategy. A study by Google and KPMG found that 89% of consumers use search engines to research a product or service before making a purchase. Therefore, businesses need to ensure that their website ranks high in search engine results pages (SERPs) to attract potential customers.

Social media marketing is another popular digital marketing channel in India. With the increasing popularity of social media platforms, businesses can use social media to engage with their target audience, build brand awareness, and promote their products and services. Influencer marketing, which involves partnering with social media influencers to promote products and services, is also becoming increasingly popular in India.

Email marketing, mobile marketing, and video marketing are other channels that businesses can use to reach their target audience. Email marketing can be used to target specific groups of customers and can lead to increased conversion rates. Mobile marketing can be used to reach customers on-the-go, while video marketing can be used to create engaging and informative video content for social media platforms.

In terms of digital marketing metrics, businesses in India need to focus on metrics such as website traffic, engagement, conversions, and return on investment (ROI). By tracking these metrics, businesses can evaluate the effectiveness of their digital marketing

LITERATURE REVIEW

Research and analysis on the various facets of digital marketing, including its definition, history, and present trends, would be provided in this part. Other digital marketing channels, including social media, search engine optimisation, email marketing, and mobile marketing, would also be covered in the material. The effectiveness and impact of digital marketing on customer behaviour and the general effectiveness of firms would also be explored in the literature review.

Digital marketing has evolved into a crucial component of companies' marketing strategies, which is one of the main conclusions from the literature review. According to a 2019 study by Sánchez, Rodríguez, and Gavilán, digital marketing enables companies to reach a wider audience, raise brand recognition, and enhance consumer engagement and loyalty.

The e-commerce companies' logistics also needs heavy investment in the initial stages which can be recovered when it is potentially utilized (Wadhawan, N., Arya R.K. (2020).

Personalization is a crucial component of digital marketing. According to a 2019 study by B. Li, Y. Liu, and Y. Liu, personalisation in digital marketing can boost client happiness, loyalty, and trust.

Another significant digital marketing medium is social media. According to a 2010 study by L.A. Kaplan and M. Haenlein, social media can be utilised for a variety of digital marketing tasks, such as raising brand recognition, interacting with clients, and generating leads.

SEO has also been determined to be essential for the effectiveness of digital marketing. According to a 2015 study by S. Zhang, H. Li, and X. Liu, SEO can raise a company's visibility in search engine results, which may result in more customers visiting the website and more sales.

Moreover, email marketing continues to be a key component of digital marketing. According to a study by M.A. Al-Saggaf and R. Al-Saggaf (2018), email marketing can be used to target particular client demographics and can boost conversion rates.

Another significant channel is identified to be mobile marketing, which includes SMS, smartphone apps, and mobile websites. According to a study by S.K. Kim, Y.K. Kim, and Y.H. Lee (2017), mobile marketing can be utilised to connect with clients while they're on the road and can boost engagement and sales.

India has experienced substantial growth in digital marketing in recent years, driven by expanding internet and mobile device penetration rates as well as consumer disposable income.

According to a 2018 report by KPMG and Google, India is anticipated to have 627 million internet users by 2021, an increase of over 30% from 2016. The usage of digital platforms for marketing and advertising has expanded in tandem with the increase in internet access.

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In India, the digital advertising market is anticipated to increase at a CAGR of 30% from 2018 to 2020, reaching INR 20,000 crore (USD 2.8 billion), according to a report by Google and Boston Consulting Group. The survey also noted the rising use of mobile devices for online shopping and internet access, with 829 million mobile phone users expected in India by 2022.

Another survey by eMarketer (2018) revealed that Google and Facebook account for the majority of digital ad expenditure in India, with the search and social media categories dominating the market. The report also emphasised the expanding significance of influencer and video marketing in India.

OBJECTIVE

1. To analyze the current state of digital marketing in India and identify the key trends and challenges facing businesses in this space.
2. To examine the effectiveness of different digital marketing channels and tactics in India, such as SEO, social media marketing, email marketing, and mobile marketing.
3. To understand the impact of digital marketing on consumer behavior and the overall performance of businesses in India.

TRENDS IN DIGITAL MARKETING

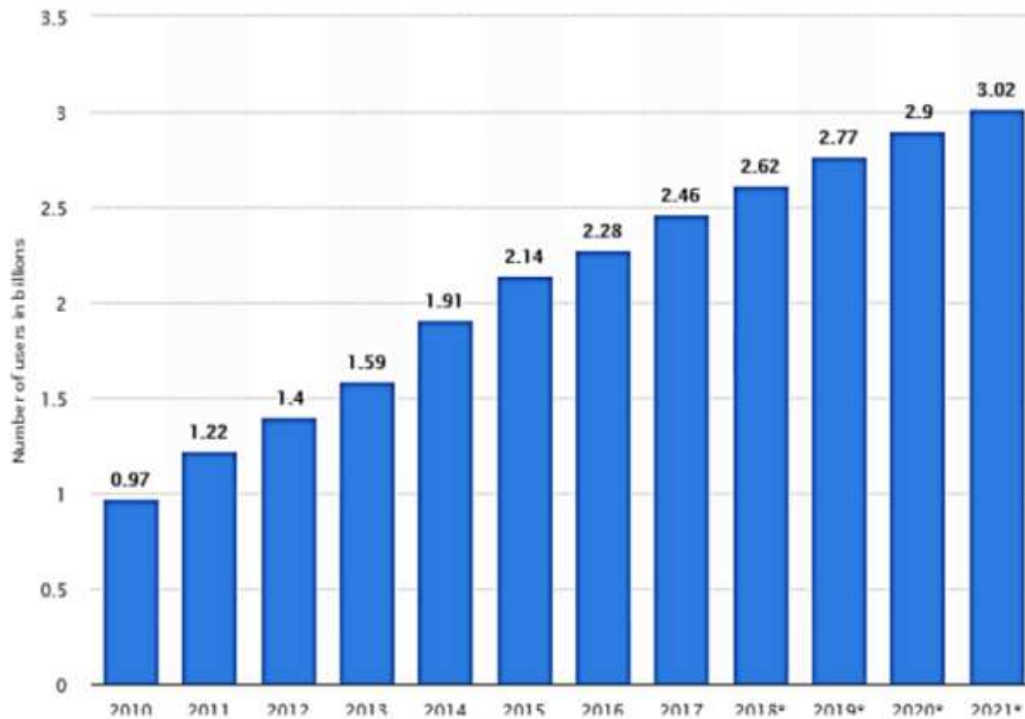


Fig: Number of social media users worldwide (from 2010 to 2021) (in billions) (The Statistics Portal, 2019)

The rise of artificial intelligence, the importance of video content, and the expanding usage of influencer marketing are some of the most significant trends in digital marketing.

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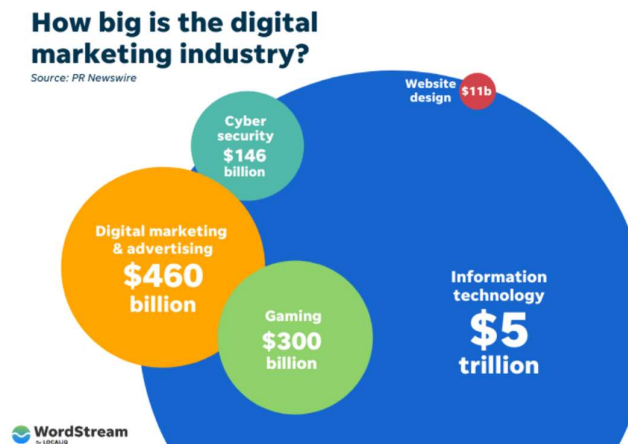
Machine intelligence For companies in the digital marketing industry, artificial intelligence (AI) has grown in importance. Artificial intelligence (AI) is being utilised to enhance the consumer experience and power more successful marketing efforts through chatbots and virtual assistants, personalised recommendations, automated ad targeting, and more. For instance, chatbots may communicate with clients around-the-clock, offer prompt and precise responses, and assist businesses in automating tedious chores.

Video Materials It's understandable why video content has grown to be among the most popular types of digital marketing. It may be utilised to convey a message in a manner that text and images alone cannot since it is interesting, simple to consume, and effective. Video platforms, including Instagram, Facebook, and TikTok, have grown to be crucial parts of any digital marketing plan.

Using influencers Influencer marketing, which involves collaborating with people who have a sizable following on social media platforms to promote a brand or product, is a result of the growth of social media. Influencer marketing has emerged as a powerful tool for firms looking to expand their reach and win over new clients. Businesses can more successfully market their goods or services by utilising the authority and personal brand of an influencer.

Statistical analysis The availability of enormous volumes of data has allowed firms to have a more thorough understanding of their clients and how they behave. As a result, data and analytics are being emphasised more and more in marketing. Today, companies may monitor client activity across a variety of channels and utilise this data to inform their marketing plans. As a result, marketing campaigns can be more precisely targeted and uniquely tailored to appeal to their target population.

Customization and Client Experience Businesses have been pushed to increase their attention to personalisation and customer experience as consumers become more discriminating and demanding. As a result, organisations are using marketing automation tools and technologies more frequently to build customised campaigns and interactions depending on the behaviours of specific customers. Businesses are also focusing more on providing satisfying consumer experiences, both online and offline, in order to strengthen brand loyalty and promote repeat business.



Source : Wordstream Report 2023. The Digital Marketing Industry

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In 2020, the market for digital advertising and marketing was valued at \$350 billion, and by 2026, it is expected to grow to \$786.2 billion.

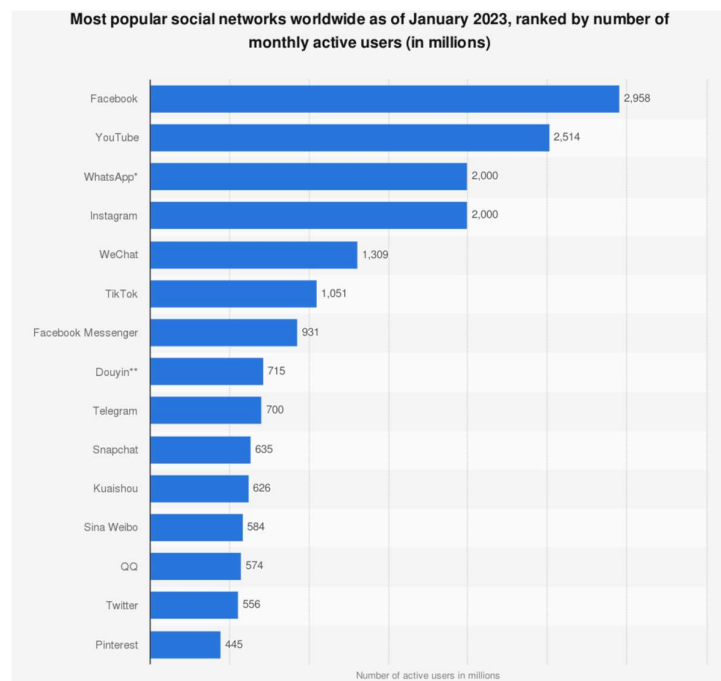
The market for digital marketing and advertising in the United States is presently valued at \$460 billion.

What is the digital marketing industry's growth rate?

The estimated 9% compound annual growth rate for digital marketing between 2020 and 2026. Search is expected to increase at a CAGR of 12.2%, but digital display is expected to develop at a rate of 15.5%. 40.9% of the global digital advertising and marketing market is made up of search.

Only this past year, 63% of firms boosted their budgets for digital marketing.

Business budget spending on digital marketing increased by 14% between 2020 and 2021.



Source: [Digital 2023: Global Overview Report, page 182](#) , Statista

With over 2.9 billion monthly active users, Facebook continues to be the most widely used social media network worldwide, according to a report written by S. Dixon and released on February 14, 2023. Facebook's parent company, Meta Platforms, also holds ownership of Instagram, Facebook Messenger, and WhatsApp, each of which has over one billion monthly active users. Facebook announced having over 3.7 billion monthly core Family product users in the last quarter of 2022. While the majority of the top social networks with over 100 million users originated in the United States, the research emphasises that Chinese social networks like WeChat, QQ, and Douyin have also become widely popular in their own countries. China's widely used video-sharing software Douyin even debuted TikTok, a worldwide variant of its network.

The report also mentions that the estimated global user base of social networking sites in 2022 was 3.96 billion, and that this figure is anticipated to keep expanding as mobile device usage and mobile social networks acquire popularity in previously untapped countries. The most popular social networks typically support many languages and enable users to interact with friends or others across boundaries related to geography, politics, or economics.

Overall, the study indicates that while regional social networks like Douyin/TikTok are becoming more well-known, Facebook and Meta Platforms continue to rule the social media ecosystem. Businesses have a tremendous potential to engage with clients and advertise their goods and services because to the rising global adoption of social media.



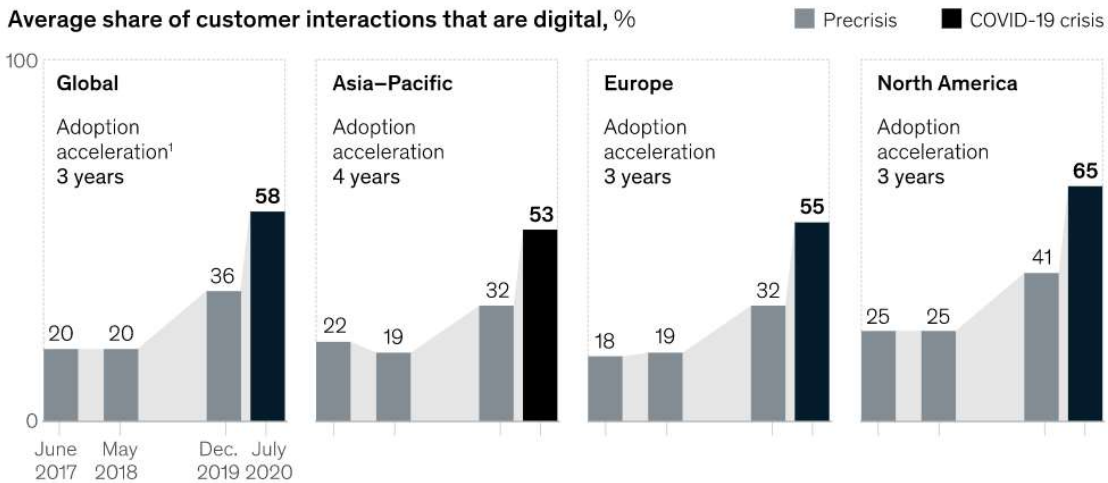
Source : Demographic Report 2023 of Internet Users, Statista

The internet is constantly changing how people communicate with one another, manage their daily lives, and exchange information. The internet has become a more essential component of our daily lives due to its rising effect on both small and major enterprises. The number of internet users globally in 2021 was 4.9 billion, which indicates that over two thirds of the world's population is presently online. Yet, despite the fact that there is a noticeable increase in the global digital population in many areas, access to and availability of the internet can vary greatly by location.

IMPACT OF DIGITAL MARKETING ON CONSUMER BEHAVIOUR

Consumer behaviour has been significantly impacted by digital marketing, which has helped businesses reach a wider audience, build brand awareness, and enhance customer engagement and loyalty.

The COVID-19 crisis has accelerated the digitization of customer interactions by several years.



¹Years ahead of the average rate of adoption from 2017 to 2019.

McKinsey
& Company

<https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/how-covid-19-has-pushed-companies-over-the-technology-tipping-point-and-transformed-business-forever#>

Personalization is one of the key ways that digital marketing has changed customer behaviour. Businesses are now able to tailor their marketing campaigns to more effectively target particular audience segments thanks to the usage of advanced analytics and machine learning. As a result, customers may be more satisfied, trusting, and loyal since they believe the business is aware of their wants and preferences.

Another significant digital marketing medium is social media. The popularity of social media sites like Facebook, Instagram, and YouTube is growing, making them crucial distribution points for digital marketing campaigns. Businesses may connect with customers using social media, increase brand recognition, and interact with customers in real time.

SEO has also been determined to be essential for the effectiveness of digital marketing. Increased website traffic and revenue may arise from improved search engine presence for a company. Businesses may reach a larger audience and draw in prospective consumers by optimising their website and content for search engines.

Digital marketing also includes email marketing, which enables companies to target particular clientele. By delivering targeted content to the correct audience, email marketing may enhance conversion rates.

Another significant channel is identified to be mobile marketing, which includes SMS, smartphone applications, and mobile websites. Mobile marketing may be used to interact with customers while they are on the go and enhance sales.

Digital marketing has, in general, significantly changed consumer behaviour by enabling firms to reach a wider audience, raise brand recognition, and enhance client engagement and loyalty.

Traditional marketing is the practise of promoting goods and services through conventional channels including print, radio, and television. This covers strategies including direct mail, flyers, pamphlets, and billboards.

On the other hand, digital marketing refers to the use of digital platforms and technology to advertise goods and services. Social media, email, search engines, and mobile applications are some examples of these techniques.

The degree of contact and involvement that each type of marketing offers is one of the key distinctions between it and digital marketing. In traditional marketing, the message is disseminated to a sizable audience in a one-way communication model with little chances for audience engagement or response. On the other side, digital marketing enables two-way communication and interaction, allowing customers to engage with businesses and give feedback in real-time.

The reach and targeting powers of conventional and digital marketing are another distinction. Conventional marketing techniques frequently target a large audience by broadcasting messages to them, regardless of their demographics or interests. On the other hand, using data and analytics to study consumer behaviour and adapt messaging to particular demographic segments, digital marketing enables far more exact targeting.

Digital marketing is often thought of as more cost-effective than conventional marketing in terms of price. This is so because, in contrast to more conventional techniques like television and print advertising, digital marketing strategies like email and social media are comparatively cheap to develop and disseminate.

FINDINGS AND CONCLUSION

These current developments are only a few instances of the numerous changes that are happening in the world of marketing, which is a discipline that is always changing. While it is hard to know exactly what the future will bring, it is certain that the companies who are able to adapt to these changes and seize new possibilities will prevail. In order to stay on top of the curve, it is critical for marketers to keep up with the most recent trends and technological advancements in the industry. Introduction As marketing is a sector that constantly changes, a number of key trends have emerged in recent years that are influencing how firms approach their marketing initiatives. The rise of digital marketing, the importance of data and analytics, and the increased focus on personalisation and customer experience are a few of the most significant developments.

In order to be competitive, businesses must keep up with the most recent developments in the fast expanding sector of digital marketing. Businesses may enhance their digital marketing efforts and get greater results by utilising influencer marketing, adopting new technology like AI and video, and other strategies. To stay ahead of the curve, it's critical for digital marketers to consistently keep informed about the most recent trends, try new methods, and be open to experimenting with new techniques.

In order for firms to remain competitive in the field of digital marketing, they must remain informed and adaptable.

With the use of numerous channels like social media, search engine optimisation, email marketing, and mobile marketing to reach customers and enhance performance, digital marketing has grown to be an essential component of firms' marketing plans. To remain

competitive in the field of digital marketing, companies must keep abreast of current trends and adjust to them.

In conclusion, expanding internet and mobile device penetration, rising consumer disposable income, and government attempts to encourage the use of digital platforms all contribute to the rise of digital marketing in India. The digital advertising business is dominated by the search and social media sectors, with Google and Facebook taking the lion's share of ad expenditure. In India, the significance of video and influencer marketing is also growing. Government programmes like Digital India, which aims to enhance the use of technology for the provision of government services and to encourage the use of digital platforms for business and commerce, have also contributed to the expansion of digital marketing in India.

In conclusion, conventional and digital marketing differ in terms of their traits, advantages, and disadvantages. While conventional marketing is well-established and has a broad audience, digital marketing is more cost-effective and can provide more precise targeting. To reach their target audience and accomplish their marketing goals, businesses might gain from combining traditional and digital marketing techniques.

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