GROWTH AND CHALLENGES IN E MARKETING IN INDIA

Ravi . R.Kosgi

Asst. Professor, Dept. of BMS, S.K. Somaiya College of Arts,
Science and Commerce, Mumbai.

Abstract : Electronic marketing is the youngest of the membership growth devices and has grown exponentially since mainstreaming a little more than two decades ago. E marketing created a means of doing business defying time and space. It established speed, information flow and access in buying and selling of products. This in turn created a virtual market for actual products globally. This paper traces the growth and the challenges in the process of e marketing .

Keywords: Growth And Challenges , E Marketing , membership growth devices .

INTRODUCTION

Before the term e marketing evolved, the term 'digital marketing' was used in the 1990s. The rapid evolution of digital media created new opportunities and avenues for advertising and marketing1. Digital marketing is often referred to as 'online marketing', 'internet marketing' or 'web marketing'. The term 'digital marketing' became popular over time, particularly in certain countries. In the USA 'online marketing' is still prevalent, in Italy it is referred to as 'web marketing' but in the UK and worldwide, 'digital marketing' is the common usage.

When trading in products or services takes place by using computer networks, such as the Internet, it is known as Electronic commerce(E-commerce or e-Commerce). Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online-transaction, inventory-management-systems processing, electronic data interchange (EDI), and automated data collection systems. Modern electronic commerce typically uses the World Wide Web although it may also use other technologies such as e-mail.E-marketing includes email, websites and micro sites, search engine advertising, search engine optimization, co-registration, mobile marketing, and other technology-driven tools.

E-commerce involves the following aspects2 :

1. Enabled by website, create virtual shops.
2. Create customer data bank.
3. Provide for business-to-business exchange of data.
 4. Contact customers by e-mail or fax
5. Use business-to-business buying and selling.
6. Defies all barriers of time and space.

Development and scope of e-marketing :

E marketing has universal applicability. It permeates all kinds of business namely, agricultural, industrial, medical tourism, governance, Education and so on.   Some of the common applications of e marketing are:Document automation, payment systems, content management, group buying,Online banking, shopping and order tracking, Teleconferencing, Electronic tickets which have become common with large and small businesses alike. The history of e marketing can be traced back to :

1. 1971 or 1972: The ARPANET is used to arrange a sale between students at the Stanford Artificial Intelligence Laboratory and the Massachusetts Institute of Technology, the earliest example of e commerce.
2.1979: Michael Aldrich demonstrates the first online shopping system.
3. 1981: Thomson Holidays UK is first business-to-business online shopping system to be installed.
4. 1996: India MART B2B marketplace established in India.
5. 2007: Flipkart was established in India.

India is one of the world's fastest growing e-commerce market3. This growth story is the result of increase in the number of internet users. Internet users in India were estimated to be 300 million in 2014.India has an internet user base of about 250.2 million as of June 20144.The penetration of e-commerce is low compared to markets like the United States and the United Kingdom. India's e-commerce market was worth about $3.8 billion in 2009, it went up to $12.6 billion in 2013. In 2013, the e-retail market was worth US$ 2.3 billion. About 70% of India's e-commerce market is travel related. India has close to 10 million online shoppers and is growing at an estimated 30% CAGR vis-à-vis a global growth rate of 8–10%5.

Growth factors :

Individual or business involved in e-commerce whether buyers or sellers rely on Internet-based technology in order to accomplish their transactions. E-commerce is recognized for its ability to allow business to communicate and to form transaction anytime and anyplace. Whether an individual is in India or overseas, business can be conducted through the internet. The power of e-commerce allows geophysical barriers to disappear, making all consumers and businesses on earth potential customers and suppliers

Several factors have contributed to the growth of e marketing in India. There is sea change in the life style of the burgeoning middle class. Internet and 3G penetration revolutionized the marketing scenario for both consumers and the marketers. Rising standard of living has not only increased the level of consumption but also the pattern and quality of consumption. Busy urban lifestyles, lack of time for shopping, desire for variety and convenience and comfortable disposable income has changed the way Indian consumers prefer to shop today6.Some other factors helping the online retail industry seeing good growth include smartphones offering accessibility to online shopping, aspirations of tier II & III cities, women becoming more tech savvy, evolving perception around branded products, impulsive buying and logistical convenience7.

Legal issues :

Legal issues of e-commerce in India are generally ignored by e-commerce websites. Foreign companies and e-commerce portals would be required to register in India and comply with Indian laws, as India is gearing up to regulate online business. Efforts are being made to regulate marketing websites dealing with various products online and violating laws of India .

Enforcement directorate (ED) of India has already initiated legal actions against companies dealing with Bitcoins in India. Tax liability of foreign companies like Google, Face book, etc. is also under consideration in India.Myntra, Flipkart and many more e-commerce websites are under regulatory scanner of ED of India for violating Indian laws8. The case of US-based transport application provider UberInc .is the latest example that can be cited. Similarly, illegal online sales of prescribed drugs by illegal online pharmacies of India are also under scrutiny of regulatory authorities of India

In India, the Information Technology Act 2000 governs the basic applicability of e-commerce. Further, e-commerce laws and regulations in India are also supplemented by different laws of India as applicable to the field of e-commerce. For instance, e-commerce relating to pharmaceuticals, healthcare, traveling, etc. are governed by different laws though the information technology act, 2000 prescribes some common requirements for all these fields9. The competition commission of India (CCI) regulates anti competition and anti trade practices in e-commerce fields in India.

Challenges in the context of skills :

The world is used to conducting business and commerce on signed paper documents. Electronic documents and messages, without familiar signatures and marks have changed the scene of trade. consumers want to be assured that the electronic world is safe. Therefore there is a genuine expectation that e-commerce system offerssome level of reliability. This includes integrity, confidentiality and non-

repudiation of origin and receipt of electronic document in case of dispute. In e-commerce, there is a concern that in the absence of proper controls, it is relatively easy to change the electronic record. The common problems are legal problems in trademarks and domain names. Anotherissue is copyrights. Copyright was developed in the printed world.However, the copyright law protects only the expression of an idea and not the idea itself. Internet communications know no geographical boundaries which is a major issue, whereas traditionally consumers are conditioned to territoriality. Different laws are applicable under different jurisdictions. A number of questions which are vital to the legality of commerce in cyberspace continue to exist.

 Some of the typicalskill challenges in the Indian context are :

1. High illiteracy in India is a barrier to growth of e marketing. Access to computers and computer education is a major challenge.
2. Lack of vocational education and training limits 'ICT Literacy'. Knowledge of web designing and techniques of product display and promotion is essential.
3.Training in English and other foreign languages to marketonline in global markets is must.
4.Training salesmen in communication skills and art of pursuation should be a continuous program because e-commerce doesn't allow the user 'to touch' the merchandise before purchasing it.
4. There is dire need for laws and special jurisdictions to address high levels of fraud in product quality, sale and actual delivery, and use of credit cards.
5.Many users still don't trust the electronic methods of paying.Software programmes need to be developed which prevent hacking, phishing and misuse of credit card details.
6. Unauthentic sites are a major risk. Software providing security systems to prevent hacking of websites and stealing valuable data from systems is the need of the hour.

CONCLUSION :

        This paper discussed the growth and the challenges in the ever expanding area of e marketing. This field needs constant learning. One cannot overlook the fact that it is a technology driven approach.Thereis a dire need to keep abreast of the latest in the field of computer science and information technology. Poorly created and executed programs create mistrust between clients and marketers. Spam, identity theft, intrusive advertising, technical snags, not keeping terms with contract / agreements, gap between ordered products and actual deliveries have created deep mistrust in e marketing. Hence the growth of emarketing depends also on the growth of business ethics on the one hand and consumer protection laws on the other. In other words, the relevance of 'credibility' in business in general and e marketing in particular is mammoth which can be addressed with skill development in the field of information technologies.While one has to adopt caution, e marketing offers a world of opportunities.

REFERENCES :

1.Devi .C.S and Anita.M (2013) : "E marketing challenges and opportunities"pg. 96 – 105 retrieved from www.ijsrm.in .
2. "Economics focus: The click and the dead". The Economist. 3–9 July 2010. p. 78.   Retrieved from http://www.economist.com/node/16478931 .
3."Evolution of e-commerce in India, PwC", 2014, retrieved from
 http://www.pwc.in/assets/pdfs/publications/2014
4. "India broadband penetration growth" retrieved from http://www.Internetworldstats.com/asia/in.html
5. "Internet World Stats", retrieved from http://www.Internetworldstats.com/asia/in.html
6."Consumer E-commerce in India retrieved
from"http://www.jumpseller.com/files/other/final_ecommerce_report07.pdf
7."Indian online retail market to cross Rs 88,000 crore by 2018" retrieved from
http://articles.economictimes.indiatimes.com/2014-10-28/news/55521315_1_indian-online-online-shopping-portals-internet-penetration
8. "Indian Government Is Planning A Legislation Mandating Strict Cyber Security Disclosure Norms In India". Centre Of Excellence For Cyber Security Research And Development In India (CECSRDI). Retrieved fromhttp://perry4law.org/cecsrdi/?p=544.
9. "Cash On Delivery May Harm E-Commerce In India". E-Retailing Laws And Regulations In India. 13 March 2012. Retrieved from http://ptlb.in.ecommerce.