

Digital Media Marketing for e-Retailers in India

¹Isha Srivastava, ²Pooja Manvikar, ³Saurabh Sharma

¹Ernst & Young, Mumbai, India

^{2,3}IBM India Pvt Ltd, Bangalore, India

Abstract

Digital marketing has evolved and the purchase cycle has become more complex, as marketers struggle to find ways to get the maximum returns on investment. In India the web is now established as a mass market media channel for the wealthy. Email has become a mass market media channel for office workers and professional classes. While E-commerce has taken the world of retail by storm and captivated the imagination of an entire generation of entrepreneurs. Indeed digital media marketing plays a crucial role for e-Retailers. The primary objective of the current study is to understand digital media marketing for e-retailers and effective strategies which will help the ecommerce market to burgeon in India.

Keywords

Digital Media, Media Marketing, e-Retailers, Ecommerce, Analytics, Data Analytics, Social Media, Marketing Strategy.

I. Introduction

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. The key objective is to promote brands, build preference and increase sales through various digital marketing techniques. Marketers are eager to connect the dots between structured and unstructured data sources to complete the customer analytics story. Adding to the complexity of the digital channel proliferation, buyers are becoming much more sophisticated. In a recent survey conducted by Forrester Research, 82% of buyers researched online before making a purchase. This crucial data point is a huge eye opener for marketers who are still hesitant to invest in online marketing. As digital marketing is dependent on technology which is ever-evolving and fast-changing, the same features should be expected from digital marketing developments and strategies. This portion is an attempt to qualify or segregate the notable highlights existing and being used as of press time. Mobile (for SMS) is a mass market media channel across many demographics, but while mobile use is very high, mobile devices and the web will not properly converge until late 2010. The main changes in internet access have happened in the last five years and the internet has become an essential part of office life, and plays a key role in many homes. The number of people with access continues to rise, but so too does the time they spend online. Broadband access is growing fast, but the number of home connections lags behind comparable markets; however although the number of connections is low, a large number of people in high-end demographics have access. Significant infrastructure problems remain, creating a high cost for access compared to average wage rates.

The growth of internet use in India is attracting the focus of global brands, as well as changing the way national firms market themselves. The changes have been fast, and today to reach upmarket and professional audiences the internet has to be a core part of the strategy. The following facts can help the academicians and researchers to understand the size and performance of Digital India.

1. Out of India total population, 1/120 are tablet users, 1/10 are mobile users, 1/13 are social media users and 1/6 are internet users.
2. India's online population is growing steadily. In the year 2012-13, 73.9 million Indians surfed the Web via home or work computer.
3. The number of internet users increased to 350 million in 2015.
4. 86% of Indian web users visit Social networking site, Facebook leads the charge.
5. Also India is the fastest Mobile subscriber base in the world with 950 million mobile users.
6. By 2020, India e-Commerce market growth will be \$100 billion with 300 million online consumers.
7. The current size of e-Retail market in India is \$1.8 million.

The internet advertising industry remains young in India and behaves in a similar way to the Western European internet advertising industry 5-8 years earlier. It is enjoying fast growth, albeit from a low base. The sector is dominated by financial services, IT/mobile and recruitment, with consumer package goods and motoring accounting for only small shares of the national online advertising market. However Indian consumers have experienced web advertising from the start of their use of the web so there is greater acceptance than in some of the Western European markets at a similar stage in their growth. The market is nationally driven with extra campaigns coming from global brands, but most of the budget confined to national businesses. However, negative perceptions about advertising remain and on the whole national media have been sluggish to provide online services comparable in quality to those in the UK and USA. The following table gives the glimpse of types of digital media in India.

Table 1:

S.no	Media	Percentage
1	Search Engine	38%
2	Display	29%
3	Mobile	10%
4	Social Media	13%
5	Email	3%
6	Video	7%

II. Objective of Study

The primary objective of the study is to understand digital media in India. It also makes an attempt to get information about scope of improvement in marketing strategies of e-Retailers in India. The study gives a higher level picture about how ecommerce can adopt the boosting Indian media for marketing. The study has drawn conclusions out of real data, which will provide useful information to the e-retailers regarding effective digital media usage.

III. Analysis and Hypothesis

The massive Indian market is changing fast. Internet access is mainstreaming among professionals and the use of mobile is intensifying. The pace of change continues to be rapid with digital channels constantly growing in volume and strength. More people spend more time online in India every year, and the digital tools and sites they use play an ever-growing role in their lives. Smart marketers keep on top of the scale of change and ensure their marketing strategies and touch point’s mirror where the consumer is spending their time. These notes give a sense of the scale of change we’ve seen so far and implies the scale of what is coming.

As per our assumptions, e-Retailers can use the following mediums to improve the marketing with digital media.

A. Earned Media

Earned media in the digital world is a term used for generating traffic and customers through organic means instead of paid advertisement. Earned traffic can be gained through content marketing, search engine optimization, social media or editorial impact. Earned media does not involve advertising, and it is the complete opposite of paid media. It is a way of promoting your business without paid advertisements.

B. Paid Media

Using paid media is the fastest way for businesses to advertise their products and services. Paid advertisement comes in various flavors and forms. Paid search marketing involves paying for advertisements for your company to move high up in the search engine results page Company can also benefit from using display advertising in its digital marketing strategy. Display advertisements are ads that you pay to have placed on publishers’ websites.

C. Owned Media

Owned media is one of the best ways that your company can use to build relationships with its customers. Earned media and paid media may draw potential customers to your website, but owned media is what can help turn these potential customers into paying customers. Using owned media in your digital marketing strategy is essential. Owned media involves, for example, lead nurturing using email marketing. Email marketing is essential in order to build customer relations, and to turn potential customers into actual customers who purchase your company’s products or services. Email marketing typically involves sending out a newsletter periodically, which is filled with useful information for customers. If your company doesn’t already have one, it must develop a newsletter. If a person goes to your website and signs up for your newsletter, but they don’t buy anything, using email re-marketing is a great way to turn that person into a paying customer.

IV. Design

Based on the objective of the current study, we have chosen 10 Ecommerce brands. These brands has been chosen based on a mix of several factors, such as: community size, activity level on social media, prominence amongst the consumer base, media mentions etc.

Following parameters are analyzed:

1. Community Building
2. Content Strategy
3. Community Engagement
4. Customer Service
5. Sentiment

V. Analysis & Interpretation

The following are the list of ecommerce companies in India chosen present the analysis for the above mentioned factors.

- Flipkart
- Myntra
- Jabong
- HomeShop18
- Yebhi
- Infibeam
- Indiaplaza
- Snapdeal
- Pepperfry
- FashionAndYou

A. Community Building

Undoubtedly, Flipkart is leading the pack here with the biggest community on Facebook and Twitter. It boasts of 1.3 million Likes on Facebook and 40k followers on Twitter. Huge for the ecommerce stores, but representative of about 0.01% of the Indian population. By comparison, Amazon can count 5% of the US population as its fans.

The closest competitor on Facebook is Yebhi (1.29m likes) which has a growth rate 3x than that of Flipkart. Will there be change on top soon? I believe so.

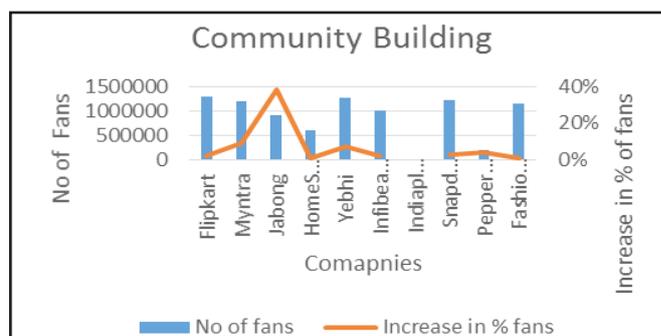


Fig. 1:

However, Flipkart doesn’t seem to be growing as quickly as some of its biggest competitors. In fact, Jabong.com, which boasts of a 860k strong community on Facebook grew at a phenomenal rate of 36% in the last month. That’s not an anomaly either, Jabong’s growth rate has been consistent throughout the month, with no surges in fan growth.

Other portals such as Myntra (8.7%), Yebhi (6%), Pepperfry (4.5%) and Snapdeal (2.8%) are going all out with community building but none can match the fast and furious pace of Jabong.

These brands, have realized (finally?) the potential of having a community and are on an acquiring spree off late. However, Flipkart is still miles ahead of everyone on Twitter with its 40000+ followers. Jabong comes the closest, with a community of 15k, but doesn’t seem to pose any serious threat to Flipkart’s dominance.



Fig. 2:

The rate of growth shown by Flipkart (4%) is also exemplary considering the number of fans it has. None of its competitors are adding as many new followers per month. This goes to show that Flipkart has mastered the art of community building on Twitter, which is – to be honest – a very tough nut to crack.

B. Content Strategy

Amongst all the Ecommerce brands, Flipkart was found to have the most unique content strategy. It celebrates various topics every month and it is these topics that lead the content strategy for that month.

The six-degree contest, the Q&A updates, the image posts are all centered on this chosen theme. That said, I am not sure why Flipkart is persisting with it, considering that it has one of the lowest PTAT (People Talking about This) numbers amongst its peers. The rest of the Ecommerce brands are not much different from each other as they are primarily sharing product updates (some are doing it way too much) and attractive fashion images.

On Twitter, Ecommerce brands are holding hashtag contests on a regular basis. It's perhaps because these tactics have resulted in a good traction for them that it's little wonder that they are persisting along the same road.

But brands like Flipkart and Jabong have left a clear mark on Twitter with their quirky way of communication. They don't talk in a warm friendly voice. Their communication with you is like a conversation or a text message exchange with your best college pals. From their respective growth rates, it does seem that they have managed to win many hearts thanks to this.

C. Community Engagement

For Ecommerce brands, it has been observed that posts that are visually appealing and are about apparels are the ones attracting the most amount of engagement from the community.

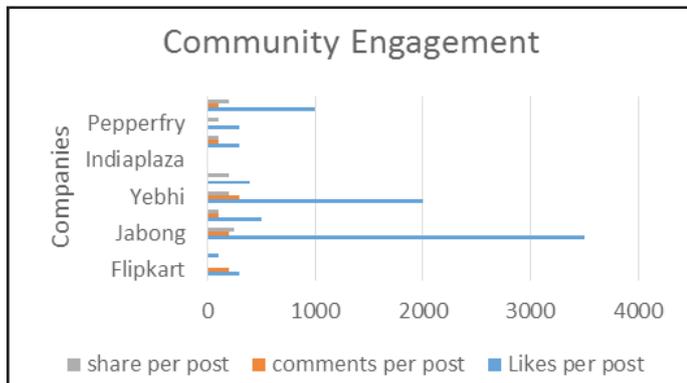


Fig. 3:

Even if the updates are self-promotional but are visually brilliant, they get a lot of traction.

As you can see, Jabong leads the pack here. Not only does it get the most amount of likes/comments on its updates, it also reaches a wider set of audience thanks to the high number of shares.

An average of 3k likes per updates is simply fantastic! Even Yebhi and FashionAndYou are doing a good job with engaging their fans on Facebook. One thing that came as a bit of a surprise and was sad to see was that a brand like Flipkart performing so badly on engagement. Although varied and unique, their content strategy doesn't appear to be working out for them. Or maybe their primary goal is not engaging?!

D. Customer Service

As a customer service channel, the Ecommerce brands are hyper-active on Twitter. On an average, 40% of tweets from these brands are in fact replies to their communities.

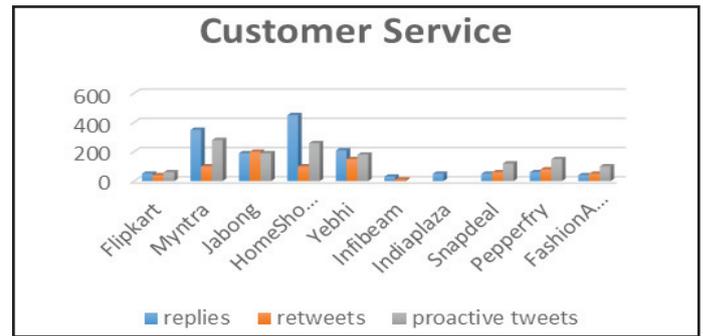


Fig. 4:

Amongst all of them, HomeShop18 has been the most active replying to its customers. Of all the 810 tweets it sent out, 441 of them were replies.

Closely following it is Myntra which has replied 358 times out of a total 727 tweets.

While a good number of replies can be seen as engagement from the brand, it also hints at the fact that their service may not be so good that it warrants complaints/queries from its customers. So let us check what kind of tweets they actually were:

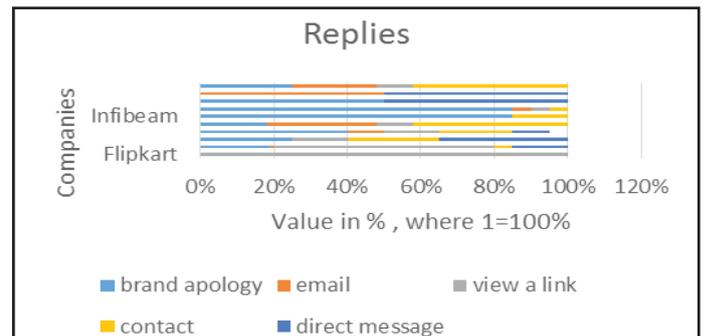


Fig. 5:

As you can observe, 40% of HomeShop18's replies were actually apologies, which means they need to improve their service offerings. But worst are Infibeam and Indiaplaza, which had more 80% apologetic replies.

In the case of Flipkart, you are not seeing the complete date because the customer service is now being handled by @flipkartsupport. But if you want to gauge how important a customer is to a brand, you only need to look at how quickly their concerns are addressed.

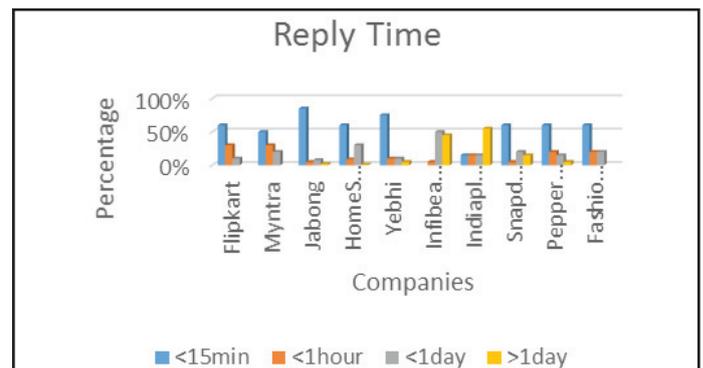


Fig. 6:

Yebhi ranks as the fastest on the buzzer here. The average response time (1hr 20 mins) for Yebhi is better than anyone else, with almost 80% queries being replied to within the first 15 minutes. Jabong is 2nd with an average response time of 2hr 20mins. But Indiaplaza and Infibeam again fall on the wrong side of the industry average. A poor online customer service channel is the worst thing to have when you are already battling a not-so-good service in the offline world.

E. Sentiment

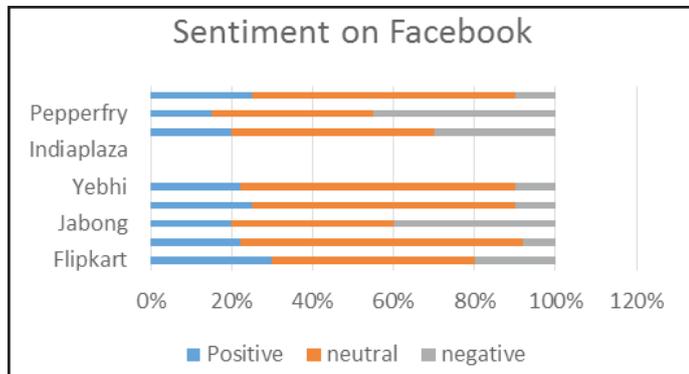


Fig. 7:

When it comes to Facebook, more than 30% of the fan posts on Flipkart’s Facebook page were found to have positive sentiments. HomeShop 18 and Myntra are closer to Flipkart with Myntra piping it with a smaller % of negative fan posts.

But on Twitter, the scenario is completely different. The chart shows the sentiment of tweets that the brand replied to:

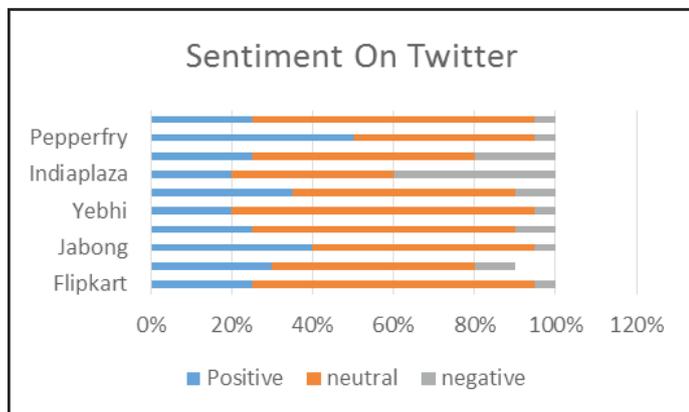


Fig. 8:

We have Pepperfry ahead of everyone, mostly replying to tweets that are positive in nature and Flipkart is far behind several of its competitors (although as mentioned, they mostly do their customer support from @flipkartsupport)

Indiaplaza appears to be dealing with a barrage of negativity as nearly 40% of the tweets it replies to have a negative sentiment. Of course, it could be the case that the brand is giving negative tweets priority before replying to the positive tweets.

References

[1] Social Media Strategy by socialsamosa.com.
 [2] Digital statistics- India, slideshare.com
 [3] Indian Digital Marketing by digitalstrategyconsultancy.com
 [4] Statistics by Unmetic Inc

[5] Digital media insights, 360insights.com
 [6] Bhatnagar, A, Misra, S., Rao, H. R., "Online risk, convenience, and Internet shopping behavior", Communications of the ACM (43:11), pp. 98-105, 2000.
 [7] Donthu, N.; Garcia, A., "The Internet shopper", Journal of Advertising Research, Vol. 39, No. 3, pp. 52-58, 1999.



Isha Srivastava is an Assurance Associate with Fraud Investigation & Dispute Services of EY India. She has completed her Bachelor of Technology in Computer Engineering from NMIMS University, Mumbai and has also pursued a Diploma in Dot Net Technologies from NIIT. She has been trained in Reporting Tools- SSIS and SSRS and has worked on various backend technologies in developing databases, analyzing data and effective reporting. Isha has been working with EY for the past 6 months. Even during

her short term of employment in EY, she has already worked on various sectors like FMCG, Construction, Satellite services, Banking, Consumer Goods(Beverages) and Ecommerce. She has investigated in Firms involving Beverages and Satellite Services. Wherein she utilized many SSIS Analysis to detect fraud. Isha has worked in investigations involving Detection of Fraud in payment methods, Favourism of Vendors through data analysis, Data Profiling, Checking Data authenticity of Valuations and ETL.



Pooja Manvikar is working as an Associate System Engineer with IBM India Pvt Ltd. She did her Bachelor of Engineering in Information Science discipline from University Visvesvaraya College of Engineering, Bangalore University, Bangalore. She has been trained in the Sterling Ecommerce SME. She is Application developer to the Ecommerce development and production support

team of one of the leading retailers in North America and Canada. She has been working with production support development team under Customer Order Management UI and functionality. She is also trained in ecommerce and Supply Chain Management. She has delivered outstanding outputs for the 10 big releases for the clients. Pooja actively took part in all the extra-curricular at College level and proved her leadership qualities. She also took part in the webinars held for the “Watson” by IBM Analytics.



Saurabh Sharma is working as an Associate System Engineer with IBM India Pvt Ltd. He has completed his Bachelor of Technology in Computer Engineering from NMIMS University, Mumbai. He has been trained in the Sterling Commerce Domain of Smarter Commerce Division - IBM & is currently associated with a leading e-commerce giant in United States & Canada. He has worked on

the buy online pick in store & ship from store UI functionality implementation. It was first of its kind in entire Sterling Domain of IBM. He also developed the course material on the webstore & delivered training to 30+ experienced professionals including architects, developers & freshers. Leadership comes natural to him be it taking new initiatives in office or being the President of the Student Body in college, Saurabh has left no stones unturned to push his limits to try new things.