



# Internet Advertising: future of marketing in India

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We are living in the internet age, and the future belongs to the world-wide-web. Hence, it is but natural for businesses to expend their marketing budgets on internet advertising. As of 2017, the Indian advertising industry stood at INR 55,960 crore and with a projected CAGR of 11%, it is expected to touch the INR 77,623 crore mark.

Out of this, the comparatively new age channel of digital advertising stood at 15% of the total market and accounted for INR 8,202 crore. At present, TV commands the largest shared of advertising budgets at 40% (INR 22,526 crore). However, TV's hold in advertising domain is waning and it has a CAGR of 8% whereas the digital advertising is expected to grow at 4 times that of TV (CAGR 32%) and reach INR 18,986 crore by 2020. The market size is set to grow from 15% (2017) to 24% in 2020.

The transition from traditional to internet marketing has been evident for some time now. With the widespread access to internet and smartphones, customers are spending more time online than offline. Hence, every dynamic business, irrespective of its size or segment, wants to jump onto the internet advertising bandwagon. It makes perfect sense as good internet advertising helps sellers connect to the customers in a more engaging and real-time way. There are several factors that make internet advertising a trending phenomenon among 21st century businesses.

## The cost factor

Internet advertising is a lot more economical compared to print or television ads when it comes to campaign duration. The cost of a one-day pan-India print or TV campaign can often be as high as the amount the advertiser would have spent on a month-long digital campaign. Hence, cost-wise, online advertising scores better than the conventional means of advertising. For instance, an advertiser needs to spend lakhs of rupees to launch a basic television campaign, but, one can even spend a thousand rupees a day to run a highly targeted online advertising campaign.

## Lifespan of a campaign

The longevity of digital content is far superior to other conventional advertising. Digital media content, blogs, sponsored posts and social media content remains online even years down the line, thus offering leverage that the conventional advertising means can't match. An advertising campaign on electronic or print media runs only as long as the budgets are being spent, and gets taken off as soon as the expenses are cut. However, once a company publishes a paid article, blog or PR piece on digital platforms, it stays on irrespective of whether the campaign continued or was stopped. Content that is posted on websites usually remains there as long as the website operates.

## Reach factor

In conventional mass advertising, a brand can only put up an ad without having any genuine control over the reach of the campaign. However, in digital advertising, it is possible to narrow down the audience to near-precise level. An advertiser can define parameters like the location, education, language, earning level, designation and many other qualifying aspects. This creates a near personalized buyer persona to target. Moreover, since digital marketing has a social nature to it, the online ad campaigns often go viral and benefit the brand even beyond the dollars spent. The arrival of 4G and smartphones has already ushered internet into urban and rural homes alike and according to TRAI's estimates, the number of internet subscribers will touch 738 million by 2020. Thus, advertising online offers the widest reach possible for a brand.

## More time to connect with the target audience

In today's hectic and dynamic lifestyle, smartphones and social media have transcended boundaries and age groups. Thus, with access to internet on the go, people are spending more time online on mobile devices than TV or print. This popularity of social media, especially social media on smartphones is clearly reflected in the digital advertising spends on these two heads. Social media currently commands 28% of the total digital ad spend and is growing at a CAGR of 34% whereas the mobile advertising expenditure is expected to grow at 49% year-on-year and it is expected to constitute 60% of the total digital advertising spends in the country.

## Digital marketing and influence on purchase decisions

Modern consumers conduct research online, visit ecommerce sites, check product reviews, online videos, comparisons between different products, and so on. Social media platforms also have a major impact on the purchase decision making. Hence, a strong product marketing on these internet points is likely to drive in more sales than a costly television or print advertisement. It is due to this influence of digital and social media on purchasing decisions that saw Ecommerce lead the online ad spend with 19% of the total market, followed by FMCG, telecom and BFSI.

## Tracking and ROI

Conventional advertising is usually a one-way channel where brands do the talking without knowing who saw the ad or what impact it made on its audience. The reach is calculated based on potentially inaccurate criteria like the reach of a TV or radio channel or the circulation of a newspaper/magazine. However, digital marketing not only lets you define, who you want to show your ad to, it also tells you what all steps the audience took as a response to a brand's ad. The brands can find out how many sales a campaign generated, the revenue generated, the number of people reached and various other ROI-related factors. This ability to track and analyse the audience reaction helps brands improve or expand their marketing campaigns.

## MOST IMPORTANT Equal Opportunity Advertising

Digital advertising has democratized the world of marketing. Not only the deeply pocketed corporate houses, but also the bootstrapped start-ups or the local retail shops have access to the same marketing tools and techniques. Thus, entrepreneurs are in complete control of their marketing campaigns.

## Future of internet advertising

The Indian entertainment and media industry is growing rapidly and is expected to outpace the Asia-Pacific as well as global markets in terms of overall growth. India is presently ranked at number 9 in the world in terms of spending on digital marketing. With the demographic dividend available to the 21st century Indian marketers, the digital advertising sector is all set to steadily grown and become the leading advertising channel for businesses in the years ahead.

## Women-centric advertising

The biggest benefit of digital marketing is the precise nature of targeting it offers. These days, advertising is becoming increasingly women centric. There are various channels through which women audience can be targeted such as the following.

- Advertising on the shows watched by women on OTT/YouTube platforms
- Fashion websites
- Women-oriented websites and social platforms
- Campaigns exclusively dedicated to Women Causes
- Female Social Media influencers
- Leveraging the potential of trending wellness topics

## In conclusion

Internet-based advertising is growing much faster than the global average in India, and the country is already ranked among the top 10 countries in this regard. With the proliferation of internet and smartphones, it is bound to keep growing robustly year-on-year and an increased emphasis is now being given to women audience. However, despite the incredible benefits and cost-effectiveness, internet advertising is still some distance away from overtaking the conventional television advertising. The growth has been impressive and with the expansion of the markets and overall economic development, there is no doubt that India is well set to become an internet marketing powerhouse in the years to come!

## About the Author

Chandan Bagwe, is the Founder and Managing Director of C Com Digital. This ingenious leader founded the company two decades ago in 1998. He has successfully positioned his brain child to amass more than 100% year-on-year business growth in 2014. This can be attributed to consistent and immaculate services in online development and marketing along with recruitment of an experienced and specialized team under his stewardship. Chandan has established the company as the leading techno digital marketing agency in Mumbai essentially focusing on the digital publicity of brands by integrating Content Curation & Creation, influencer marketing, digital public relations and distribution of varied content via online channels including social, search and OTT.

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