ON-LINE MARKETING IN INDIA:
GATEWAYS AND PITFALLS (CONSUMER PERSPECTIVE)

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ABSTRACT

On-line marketing is gaining continuous popularity in the present era. Simply speaking on-line marketing is the composite of two words, on-line which means internet and marketing which means buying and selling of goods and services. So, it can be said that on-line marketing refers to purchase and sale of goods and services with the help of internet. This paper aims to study the various advantages which a consumer gains through on-line marketing and the various disadvantages which a consumer faces by on-line marketing. In addition, the present study also gives emphasis on the various aspects related to the popularity of on-line marketing in India and the different obstacles behind proper growth of on-line marketing in India.

Key words: On-line marketing, Amazon, Flipkart, eBay, Snapdeal.


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1. INTRODUCTION

Usually buying and selling of products are achieved mainly through physical shops, wholesale and retail stores and even through big shopping malls where both buyer and seller meet physically. The consumer visit a shop select the product which suits him the most and make the payment to the seller either in cash or through debit or credit cards. But recently, a new concept of buying and selling has evolved which has changed the entire scenario of marketing. With the advent of e-commerce the commercial transactions are now being carried out electronically. E-Commerce has opened yet, another door which has changed the way a seller used to sell his goods and services. Today, a consumer has an option to purchase his desired goods and services without visiting the shop. This had been made possible through on-line
marketing. On-line marketing refers to buying and selling of goods and services with the help of web.

In order to purchase goods and services through on-line marketing, a consumer has to follow these simple steps:

- Open the desired on-line marketing website on computer or mobile phone. For example, www.flickr.com, www.eBay.com and so on.
- Select the desired product from among large number of alternatives available on the on-line site.
- Provide delivery address to the site.
- Make payment either through on-line account or through debit or credit cards.

2. OBJECTIVES OF THE STUDY

1. To have a synopsis of major on-line players.
2. To study the various advantages enjoyed by consumers through on-line marketing.
3. To highlight the various disadvantages which a consumer faces by on-line marketing.
4. To study the reasons behind popularity of on-line marketing in India.
5. To draw attention on the various obstacles behind proper growth of on-line marketing in India.

3. GLOBAL SCENARIO

“Amazon” the world’s largest on-line marketing store formed in 1994 with its headquarters in Seattle, Washington is an American public company founded by Jeff Bezos which provides on-line marketing services throughout the world with the help of its 183,100 employees. The major products sold by Amazon includes movies, music, computer games, computers, mobile phones, clothing, shoes, jewelry, books, furniture, toys for babies and kids, tablets, automobile parts, camera, headphones, speakers etc.

Another, popular on-line marketing store “eBay” was founded by Pierre Omidyar in 1995 with its headquarters at San Jose, California. It is also an American multinational corporation which employs more than 34,600 employees and sells goods and services on-line in major parts of the globe. The main products delivered by eBay consists of books, cameras, cell phones and smart phones, watches, clothing for men, women, kids and even babies, television, printers, scanners, laptops, desktops, jewelry, sports and games items, video games, furniture’s and even cars, motorcycles and trucks.

4. INDIAN SCENARIO

“Flipkart” an Indian on-line marketing company established in 2007 by Sachin Bansal and Binny Bansal is also engaged in providing on-line shopping services throughout India. It has more than 33,000 employees with its headquarters situated at Bangalore, Karnataka. It also offers enormous variety of products such as mobile phones, computer peripherals, mobile accessories, watches, shoes, sandals, all types of clothing for men and women, headphones, earphones, tablets, television, washing machines, refrigerators, air conditioners, home and office furniture’s, kitchen and
dining items, books and stationary items, automobile parts and accessories, sports and games items and so on.

Yet, another popular on-line marketing store “Snapdeal” was started by Kunal Bahl and Rohit Bansal in 2010. This Indian company has more than 5,000 employees with its headquarters situated at New Delhi, India. It offers a collection of 10 million products from more than 100,000 sellers to the consumers which are scattered in more than 5,000 cities and towns across India. The core products offered by this site includes mobiles and tablets, computers, laptops, television, cameras, home appliances, clothing and fashion items for men and women, toys for babies and kids, bags and luggage, jewelry, sports and fitness items, automobile parts, books etc.

5. ADVANTAGES OF ON-LINE MARKETING TO CONSUMERS:
On-line marketing offers a number of advantages to consumers out of which the key advantages can be high lightened as follows:

1. **Decrease in Price:** On-line marketing is not required to maintain retail and wholesale shops as a result of which their investment in fixed assets declines which in turn reduces the costs. This cost reduction helps to cut down the prices of goods and services due to which a consumer can get his desired product at a lower price through on-line marketing.

2. **Saves time and labor:** A consumer is not required to visit different stores and shops to purchase his desired product if he is using on-line marketing service, which saves precious time of a consumer. All a consumer has to do is to select his preferred product on the web, provide delivery address to the on-line site and make the payment either through on-line account or through debit or credit card.

3. **Extensive Reach:** On-line marketing is capable of covering extensive geographical areas which is not possible through traditional marketing. A consumer can enjoy the services of on-line marketing in all the areas where internet facility is available.

4. **24x7 Marketing:** As against to traditional shops which become defunct at night and during holidays, a consumer can order for his desired product even at night and on holidays through on-line marketing.

5. **Offers Massive Variety of Goods and Services:** On-line marketing stores deals with enormous number of manufacturers and sellers which enables these on-line stores to maintain massive variety of goods and services under one roof. A consumer can select his desired product from a wide range of options available with these on-line stores.

6. DISADVANTAGES OF ON-LINE MARKETING TO CONSUMERS
A coin has two faces, and on-line marketing is no exception to this. Despite a number of advantages which are provided by on-line marketing to consumers, there are certain disadvantages which a consumer faces by on-line marketing. The major disadvantages faced by consumers through on-line marketing can be enumerated as under:

1. **Not Suitable for Uneducated Consumers:** On-line marketing can be used only by educated consumers and that too by the consumers who posses knowledge about computers.

2. **Not Suitable for Consumers Residing in Areas having no Web Connections:** On-line marketing is suitable only for the consumers residing in regions having an internet connection. Internet is the central hub for all the on-line transactions. In
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the absence of internet connection a consumers will not be able to purchase online.

3. **Not Suitable for Perishable Products**: On-line marketing does not deals with perishable products such as milk, bread, eggs and other eatable items.

4. **No Option of Trial before Purchase**: As against traditional marketing system, on-line marketing do not provide an option to try and touch the product before purchase. For example a consumer purchasing a shirt from an on-line store may not be able to touch it and try it in order to test its quality and fit.

7. **KEY DRIVES FOR ON-LINE MARKETING IN INDIA**

In the year 2014 Indian internet user base was estimated to be 243 million. In 2009 the Indian e-commerce market worth around $ 3.8 million. In 2013 the worth of Indian e-commerce marketed up to $ 12.6 billion. The on-line in shoppers in India were estimated to be 35 million in 2014 and are projected to surpass 100 million mark by the end of 2016. The key aspects behind escalating recognition of on-line marketing in India include:

1. Increase in population at a faster pace.
2. Very large number of internet users in India.
3. Continuous increase in standard of living among Indian society.
4. Continuous improvement in internet speed with the advent of broadband for laptops and desktops.
5. Continuous and tremendous increase in the number of smartphone users.
6. Improved internet speed for smartphones with the help of 3G and 4G services.
7. Availability of massive range of goods and services as compared to traditional shops.
8. Availability of goods and services at a cheaper price as compared to wholesale and retail stores.

8. **IMPEDEMENTS BEHIND PROPER GROWTH OF ON-LINE MARKETING IN INDIA:**

India is third largest internet userbase in world. Despite this fact the infiltration of internet in India is low as compared to other markets such as France, U.S. and U.K. The major encumbrance behind proper growth of on-line marketing in India may be summarized as under:

1. **High Illiteracy Rate**: One of the major factors responsible for sluggish growth of on-line marketing in India is high rate of illiteracy. Still today a very vast population of India resides in rural or remote areas. Among these areas there are certain regions where access to education is low or rather negligible.

2. **Lower Access to Computer Education**: In order to conduct on-line marketing transactions one must have proper knowledge about computer. In India the access to computer knowledge particularly low in rural and remote areas.

3. **Not Suitable in Slow Internet Regions**: On-line marketing is suitable only for fast internet regions. Prolonged downloading of web page due to slow connections may lead to loss of interest of consumer to purchase products on-line. In India there are still many areas where broadband facility is not available.

4. **Lack of Trust**: Lack of trust in on-line mode of payment is yet another factor responsible for slow growth of on-line marketing in India. Many consumers in India still do not trust electronic mode of payment due to which they revoke on-line purchase.
5. **Menace of Hacking:** Computer hackers possess a major threat for on-line marketing. These hackers can steal precious data from the systems of on-line stores.

9. **CONCLUSION**

This paper attempts to make a deep analysis with regard to various aspects related to on-line marketing. A coin has two faces and on-line marketing is no exception to this old proverb. One aspect of this paper is to study the advantages and disadvantages of on-line marketing to consumers. On one hand it takes away certain advantages from consumers such as it is suitable only for consumers possessing computer knowledge and moreover, it do not provide an option to consumer to touch and try the goods before actual purchase. But on the other hand it offers numerous advantages to consumers such as reduction in price, saving of time and labor of consumer, availability of gigantic variety of products under one roof and so on.

The above discussion makes it clear that on-line marketing is a boon for consumers as with the help of on-line marketing “consumers can now enjoy shopping even when they are not at shop”.

The other aspect of this paper is to examine the gateways and pitfalls of on-line marketing in India. There are certain factors which are responsible for leisure growth of on-line marketing in India such as high illiteracy rate, lower access to computer education, lack of proper internet speed in certain region and so on. On the other hand there are other factors also, which are boosting up the quantum of on-line marketing consumers in India such as regular increase in number of persons using computers, smartphones and internet, continuous increase in standard of living, improvement in internet speed with advent of broadband and 4G services etc. Due to these advantages on-line marketing is gaining incessant popularity in India today and will also be widely used in future. Zero investment in physical shops around the globe is a key benefit offered by on-line marketing which tempts new entrepreneurs in India to start their own on-line marketing stores.

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