

OPPORTUNITIES AND CHALLENGES TO DIGITAL MARKETING IN DEVELOPING COUNTRIES

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ABSTRACT

Digital marketing is often referred to as 'online marketing', 'internet marketing' or 'web marketing'. The term digital marketing has grown in popularity over time, particularly in certain countries. In the USA online marketing is still prevalent. In Italy, digital marketing is referred to as web marketing. In the UK and worldwide, however, digital marketing has become the most common term, especially after the year 2013. Digital Marketing is the process of marketing a brand using the Internet. The main aim of digital marketing is to make the customers interact with various brands through use of technology on internet. In comparison to traditional marketing everything remain the same, change lies only in the options available to customers. This review article looks at the opportunities and threats to digital marketing in developing countries. In this article we have tried to discuss few problems such as education, awareness, privacy, internet etc faced by digital market in developing countries like India and Nigeria.

Keyword: Digital marketing, Developing countries, e-commerce, online marketing

I. INTRODUCTION

Today's world is a world of digitization and every country wants to digitize their services (Services like:Consumer distribution,subsidies,their education services,etc).Governments of developing countries now creates a deeper understanding of the policies and practices that are involved in digital marketing. Digital marketing is the promotion of products or brands via one or more forms of electronic media and differs from traditional marketing in that it involves the use of channels and methods that enable an organization to analyze marketing campaigns and understand what is working and what isn't – typically in real time.

Digital marketers monitor things like what is being viewed, how often and for how long, sales conversions, what content works and doesn't work, etc. The rapid evolution of digital media created new opportunities and avenues for advertising and marketing. 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.

The use of digital marketing in the digital era not only allows for brands to market their products and services, but also allows for online customer support through 24/7 services to make customers feel supported and valued. The use of social media interaction allows brands to receive both positive and negative feedback from their customers as well as determining what media platforms work well for them. As such, digital marketing has become an increased advantage for brands and businesses. It is now common for consumers to post feedback online through social media sources, blogs and websites on their experience with a product or brand.^[20] It has become increasingly popular for businesses to utilise and encourage these conversations through their social media channels to have direct contact with the customers and manage the feedback they receive appropriately.

Word of mouth communications and peer-to-peer dialogue often have a greater effect on customers, since they are not sent directly from the company and are therefore not planned. Customers are more likely to trust other customers' experiences. It is increasingly advantageous for companies to utilise social media platforms to connect with their customers and create these dialogues and discussions. The potential reach of social media is indicated by the fact that in 2015, each month the Facebook app had more than 126 million average unique users and YouTube had over 97 million average unique users.

Digital marketing undertakings include search engine optimization (SEO), search engine marketing (SEM), content marketing, influencer marketing, content automation, campaign marketing, and e-commerce marketing, social media marketing, social media optimization, e-mail direct marketing, display advertising, e-books, optical disks and games, and any other form of digital media. It also encompasses non-Internet channels that provide digital media, such as mobile phones (SMS and MMS), callback and on-hold mobile ring tones.

II. DEVELOPMENT OF DIGITAL 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 :

- 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.
- 1979: Michael Aldrich demonstrates the first online shopping system.
- 1981: Thomson Holidays UK is first business-to-business online shopping system to be installed.
- 1996: India MART B2B marketplace established in India.
- 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.

III. DIGITAL MARKETING CHALLENGES

1. E-Marketing requires customers to use new technologies rather than traditional media.
2. Low speed internet connections are other barriers.
3. From the buyers perspective, the inability of shoppers to touch, smell, taste or try on tangible goods before marketing an online purchase can be limiting. However there is an industry standard for e-commerce vendors to reassure customers by having liberal return policies as well as providing in-store pick-up services.
4. Cyber Crime: many consumers are hesitant to purchase items over the internet because they do not trust that their personal information will remain private. Encryption is the primary method for implementing privacy policies.
5. Low marketing education: Digital marketing education is still generally low in developing countries.
6. Preferences for foreign Products
7. Low patronage for Non-essential Products and services
8. High cost of production: Marketing has suffered dearly in most developing countries because virtually all production techniques are imported from the developed world. The cost of acquiring equipment and other inputs used for production locally to boost marketing is sometimes extremely exorbitant for the poor developing countries to buy and finance. To worsen matters, the bulk of Africa's production is mainly in agricultural products that contribute less to GNP or Net National income of their various economies. This is because these products are sold at lesser prices in the world market. The income generated from them can only buy little from all that is needed to encourage domestic production, in order to enhance marketing. Where it is possible to import the equipment, the production techniques and skillful manpower requirement is sometimes too expensive to bear, hence the high cost of some local products when compared to the same foreign brands. This reason strengthens consumer's preference for imported products and results to low demand for locally made goods. This affects the marketing potentials of the home industries and equally has an adverse effect on macro-marketing of developing countries.
9. Few competitive opportunities
10. Over regulations of business by government: Another major problem that has bedeviled the performance of marketing especially in Nigeria has been the issue of government regulations and interferences in the activities of businesses and corporate firms. For instance, the over regulation of the Nigeria economy especially between 1970-1985, including the enactment of the indigenization decree, which excludes foreign interest from certain investment activities as well as the existence of a complex bureaucratic requirements for

direct and portfolio investment were among the major constraints that hindered the development of marketing climate and foreign investment inflow (Balogun, 2003).

11. High illiteracy in India is a barrier to growth of e marketing. Access to computers and computer education is a major challenge.
12. 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 and Lack of vocational education and training limits 'ICT Literacy'. Knowledge of web designing and techniques of product display and promotion is essential.

IV. OPPORTUNITIES TO DIGITAL MARKETING IN DEVELOPING COUNTRIES

Despite the numerous problems confronting marketing in developing countries, there exists prospects and opportunities for future growth and development of marketing as the pivot of developing economies. These prospects are explained as follows;

1) Growing Population: Before multinational companies establish their hold in any country they expect to have a ready market for their products and services. No business flourishes where people are not living or where it is not habitable by people. Developed countries with their small population and saturated domestic markets prefer marketing their products and services to emerging markets in developing countries. Nigeria being one of the most populous nations (about 120 million people) in Africa is a ready market for both domestic products and foreign brands. This is because marketing does not operate in a vacuum but requires a large population of people with the willingness to do business and patronize businesses. Therefore the high and growing population of developing countries is an attractive incentive, as they represent large potential markets.

2) Absence of Competition and Large Unexplored Markets: By virtue of their large populations and underdevelopment, developing countries have large markets that are not yet served or are partially served. Thus they are not as saturated as those of developed countries. Hence, there is hardly any form of intensive competition especially amongst serious manufacturers like "ANAMCO" a motor manufacturing assembly in Nigeria. The economies of these nations hold great opportunities for innovators, investors and marketers to enjoy booms in their markets with much challenge from competitors within and outside.

3) Attractive Government Incentives: Trade policies in most developing countries are becoming quite favourable to both local and foreign investors. These incentives include profit tax holidays, reduced or even free customs and excise duties, liberalization of immigration and profit repatriation laws for foreign investors. There are also improvements in infrastructural facilities that will ginger the performance of marketing in these economies. According to Pearce (1998) liberalization encourages the adoption of policies that promote the greatest possible use of market forces and competition to coordinate both marketing and economic activities.

4) Growing Affluence: Quite a large number of the consumers in developing countries are becoming affluent. This will enable them to have reasonable discretionary income and purchasing power. This means that a growing number of the consumers in many developing countries can now afford luxuries and other products they could not purchase in the time past. In Nigeria the business climate is expected to improve tremendously with the President Musa Yar Adua's seven points agenda, the people will become more empowered and their

purchasing power will be enhanced for both consumption and investment purposes. The government has equally taken the issue of workers/staff remuneration seriously, such that salaries now come as at when due and the take home package of most developing countries these days is quite commendable when compared to what it was few years back. Available data from the Nigeria living Standard survey conducted in 2003/2004 indicated that the incidence of poverty exhibited a downward trend. It declined from 70% in 2000 to 54.4% in 2004 and it is expected to decline more in the years ahead (CBN, 2005). This of course presents brighter prospects for marketing.

5) Availability of Cheap Production Inputs: Most developing countries are endowed with abundant human and material resources that are yet untapped. For example, according to CBN (2000) Nigeria remains endowed with abundant natural resources, good weather conditions and a large population. These will be readily handy for companies and businesses to exploit. Despite the high level of poverty and low exchange values of the national currencies of developing countries, labour and raw materials or inputs are often found to be cheap and it is envisaged that in the nearest future it will be cheaper because of better opportunities and more goods will be produced for consumption. The absence of serious competition also makes it easy to source these production inputs and reach different market segments. This is why most multinationals are more marketable and profitable in developing countries than their industrialized counterparts.

6) Rapid Economic Development: Quoting Olakunori (2002), the economies of developing nations are growing rapidly as a result of the efforts being made by their various governments and the developmental agencies of the United Nations towards this direction. This results to income re-distribution and increased purchasing power and discretionary income are also enhanced. Thus, it is expected that the demand for products to satisfy higher order needs will increase and the general atmosphere of business in the continent will become more conducive and all these mean well for marketing in sub-Saharan Africa and Nigeria in particular.

V.CONCLUSION

This paper discussed the growth and the challenges in the ever expanding area of Digital marketing. This field needs constant learning. One cannot overlook the fact that it is a technology driven approach. There is 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 Digital marketing

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. Despite the numerous problems facing marketing in developing countries, there are good prospects for the future, hence marketing is the answer to the underdevelopment of developing countries. When adopted and practiced, marketing will help to develop appropriate technologies as developing nations provide for the needs of the people and enhance their standard of living, create job opportunities for the unemployed, wealth for entrepreneurs, a means towards affording

education and enjoyment of leisure. Therefore the government and individuals are encouraged to join hands and see to the development and appreciation of marketing in all the economies of developing countries.

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