



A Study on the Impact of Recent Economic Reforms on E-Marketing in India

Prof. Akash Tiwari
Assistant Professor (MBA)
Sagar Institute of Research & Technology- Excellence,
Bhopal, M.P., India

Abstract

*"The most meaningful engine of change, powerful enough to confront corporate power, may be not so much environmental quality, as the economic development and growth associated with the effort to improve it. **Barry Commoner***

Since the time it gained independence on August 15, 1947, India has undergone several changes at all levels. The economic reforms have completely changed the reputation of the Indian economy in front of other nations and at the global platform. The recent economic reforms kick-started in 1991 brought about changes and expansion of the services sector. The economy received a massive boost after it was liberalized and changes were brought in the trade regime.

On the night of 8th November 2016, Hon'ble Prime Minister of India Shri Narendra Modi perhaps announced the most significant economical change during the lifetime of most Indians. It stated that 86% of our country's currency notes would cease to be legal tender in just 4 hours. Initially, people panicked but later on, this decision showed interesting facts and figures. Later, on August 3, 2016, the Rajya Sabha passed the crucial Goods and Services Tax (GST) Constitutional Amendment Bill which the Lok Sabha had already approved last year with 203 votes in favor and none against, in the 243-member House after a seven-hour debate. The main objective of the GST was to eliminate disproportionate Indian tax scenario. This step advocated for a uniform indirect tax levied on goods and services across a country like many developed nations are already doing.

These theories had its effect on the sector of E Marketing as well. E marketing refers to the use of the Internet and digital media capabilities to help sell your products or services. These digital technologies are a valuable addition to traditional marketing approaches regardless of the size and type of your business. It is also referred to as E marketing (i-marketing), online marketing or web-marketing. E-marketing provides businesses with access to mass markets at an affordable price and allows them to undertake a personalized marketing approach. But in the country like India, most of the e-business runs on Cash on Deposit.

The present study is an attempt to ascertain the impact of recent economic reforms in the e business of India. which not only can bring about the changes in the economic scenario of the country but also in the world of E commerce. The sample size will be 100.

Key words: *Recent economic reforms, demonetization, GST, E marketing.*

Introduction E- Marketing

Digital marketing is a marketing tact which involves latest technology and digital media in marketing for advertising, selling, and purchase of any product or service. It involves a consistent evolution of strategies for enhancing user traffic on website, their engagement and interest in business, conversion rate, ROI, and many more. Since Rural areas are still in developing condition so not able to understand their strategies and its benefits also people feel insecure for online payment and they have trust issues towards digital media. Although these thought cannot pull down growth of digital marketing in India. Young generation understand its benefit and exactly how to involve in digital marketing with high benefits.

Objectives of E- Marketing

Essentially, E- marketing is using the Internet to do one or more of the following:

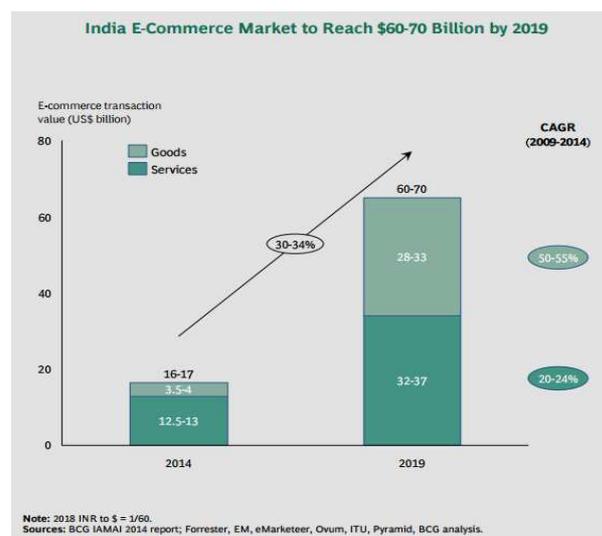
Communicate a company's message about itself, its products, or its services online.

Conduct research as to the nature (demographics, preferences, and needs) of existing and potential customers.

Sell goods, services, or advertising space over the Internet.

E-marketing growth in India 2017-2018-2019-2020

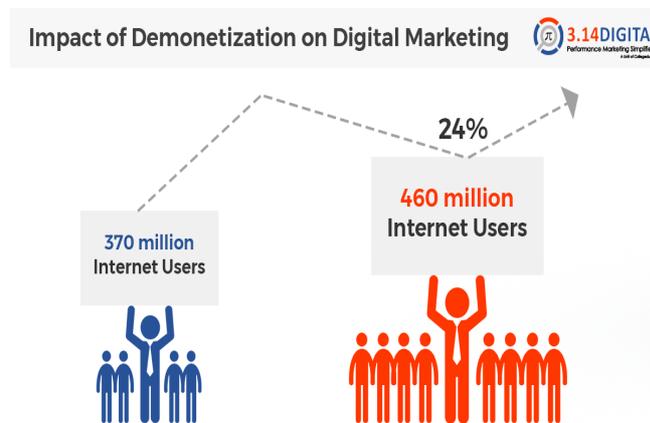
Digital marketing has a bright future in India because of various reasons and recent economic reforms are an added reason. This will bring an era of cashless economy and efficient tax system in India where digital media will be used for selling, and purchasing. Card or E-wallet plays vital roles in marketing sector instead of cash all because of lack of INR currency and its limited ace through bank and ATM. People moving towards Digital India and this is exactly how [Digital marketing](#) can be assumed as a great future in India in coming years. As digital marketing has various sectors and all of them has been impacted by recent economic reforms.



Linking Recent Economic Reforms & E- Marketing

Like any other country of the world India has also been striving for the reforms in all spheres of life including economic right from the time of attaining its independence till date. These reforms were even aided by the international economic institutions like IMF and WTO and were thoroughly studied by reputed committees formed at the different levels of the country. The recent economic reforms are major monetary step for the correction of economic status of the country. But when we try to compare these reforms with the older ones, we can easily figure out that the recent economic reforms (Demonetization & GST) are having more comprehensive and far reaching impact on the country's economy.

As recent economic reforms affect almost everything and every field of life, in this case, digital marketing can also be considered greatly affected in this context. Since recent economic reforms greatly affect selling and purchasing of goods with marketing strategies, so digital marketing is also impacted by this announcement in India. Recent economic reforms bring tremendous changes in digital marketing with some positive and some negative points as well. Various sectors of digital marketing are affected in different aspects. Just after announcement of currency ban in India, there is a great fall in marketing only because of scarcity of cash. People suddenly cancel almost all Cash on delivery order or many of them offering old currency to marketers which led to great loss. Although Cash on delivery is changing to card on delivery with aided effect of enhancing customer's relief still a temporary fall in digital marketing can be clearly seen but it is not for last long. Future will definitely brings positive change in digital marketing.



(source: google images)

In the case of GST, earlier tax system used to consider the advertising as a manufacturing expense which was subjected to VAT & sales tax & no input credit were available for the advertisers. But after the introduction of the GST era, the tax era expenses incurred under advertising will be available for input credit of 18% on taxes paid on advertisements. A study on GST showed that the GST would increase the ad spends of companies due to the low cost of creating an ad & as a result the advertising spend would increase by 10% of about INR 5000 crore for 2017-18.

Keeping this fact & figure in the mind, so far it can be assumed that advertising industry will not have any considerable impact from GST implementation. Most of the companies would want to invest the benefits strategically that they would be getting from the input credit system and will measure the impact rather than just throwing off the budget. Moreover, the companies will find it suitable to invest in paid ads in the Digital field as the availability of a large number of audiences and the measurability factor can still be considered as the biggest advantage in E-Marketing.



(source: google images)

Hypothesis of the study

The study focuses on the factors which mention the relevance of recent economic reforms on e-marketing in the context of India and its impact on the Indian market.

Research Methodology

Research Design

The research design for the study is descriptive. Respondents of different backgrounds have been interviewed for the research survey using a structured questionnaire. The study period was December, 2017.

Data collection

A sample size of 100 internet marketing users was taken on random and convenient sampling basis. The data is collected through structured questionnaire prepared and response personally



contacted to the respondents. The data is collected through primary and secondary sources both.

Data Analysis

The data so collected is analyzed with the help of statistical techniques like percentage, average etc. The major findings for the study are;

Break on Cash on Delivery Order Payments

The research revealed that majority of the respondents agrees that recent economic reforms brought a sudden fall in the COD orders because most of the people still have trust issues for online payment.

Problem in Acceptance Old Currency

The paper reveals that majority of the respondents agrees that the marketers stop accepting old currency of INR500 and INR1000 just after recent economic reforms which results in vast number of delivery returns for Cash on delivery order.

Forced Use of Online Payment Mode

57% of the respondents are of the view that this trend emphasize on payment through digital mode. Scarcity of cash forced people to use online payment mode or E-wallet. Special offers are being given on online payments.

Mass Cancellation of E- Marketing Orders

It shows that the respondents reflect a mixed response about the relevance of recent economic reforms leads to increment in delivery returns because of lack of cash which led to many orders getting cancelled and consequently results in heavy loss to marketers.

Heavy Online Discounts

Majority of the respondents were of the opinion that the process of recent economic reforms, E-commerce is going towards offering heavy discounts and drive sale offers to increase sale by online payment.

Increase User Traffic on Even Small Website

The research data collected further indicates that even the small websites like: big basket, grofers, etc., are accepting cards and online payment and scarcity of cash increased their user traffic.

Increase in App Downloads and their Use

Respondents seem to be equally divided on the trend of increase in app download and their use due to recent economic reforms as not only it gives a platform for better experience of marketing with special discounts and offers but it also provides an easiest way to track order with keep payment details safe for further use as well.

Observations and Findings

It has been observed by the study that the respondents believes and opines that recent economic reforms affected the trends of E- Marketing which is quite visible in the terms of the organizations future strategies to boost up their E- sales as well as the customers changing preferences for paying for the orders in the form of increasing use of credit and debit cards, net banking or in the form of various service portals of this nature like Paytm, MyWallet etc.

Conclusion

Recent economic reforms bring so many changes in daily life along with online marketing as well. These effects will change ecommerce and its growth in India for coming years the symptoms of which are already being on display in the lot of sectors of the Indian economy. Ecommerce moving towards fully digitalization and people and marketers will fully involve with through digital modes, like: cash on delivery changes with card on delivery, physical wallet changes with E-wallet, people will spend more time on online marketing instead going to local market, etc. So it can be a wise statement that ecommerce will have great future in nearby future and it wills obviously a favorite place for most of the need because of its transparency in marketing activities.

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Appendix

Table 1– Break on Cash on Delivery Order Payments

Attributes	Frequency	Percent
Yes	63	63
No	37	37
Total	100	100.0

Table 2 – Problem in Acceptance Old Currency

Attributes	Frequency	Percent
Yes	71	71
No	29	29
Total	100	100.0

Table 3 – Forced Use of Online Payment Mode

Attributes	Frequency	Percent
Yes	57	57
No	43	43
Total	100	100.0

Table 4 – Mass Cancellation of E- Marketing Orders

Attributes	Frequency	Percent
Yes	56	56
No	44	44



Total	100	100.0
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Table 5 – Heavy Online Discounts

Attributes	Frequency	Percent
Yes	63	63
No	37	37
Total	100	100.0

Table 6 – Increase User Traffic on Even Small Website

Attributes	Frequency	Percent
Yes	72	72
No	28	28
Total	100	100.0

Table 7 – Increase in App Downloads and their Use

Attributes	Frequency	Percent
Yes	51	51
No	49	49
Total	100	100.0

(All tables source: Primary data)