7th
Annual

Digital by Default

Digital India 2017: Marketing Trends and Forecast

Octane Research, January 2017

#VoIM

Octane Research.in

Octane Research

TABLE OF CONTENTS

INTRODUCTION
ANNUAL STATE OF ONLINE MARKETING IN INDIA

DIGITAL BY DEFAULT
Annual State of Online Marketing in India

The numbers are impressive: 300 million Internet users already in India and another 200 million Indians set to join by 2017. However, the more interesting story lies in the changes taking place behind those numbers. The Indian consumer's online consumption habits are already very different from a year or two ago. Armed with the latest digital technology, the new online consumer's expectation gravitates towards digital services that are real-time, personalised and convenient. The 7th edition of Digital India Report seeks to analyse existing digital marketing models in India, understand their challenges and devise strategies that can enable India Marketers to effectively engage with the new social-global-mobile consumer.

This edition 'Digital by Default 2017' is divided into 3 major parts that creates the Voice of India Marketers (#VoIM). First part of the research study has data on how digital marketing space in India is evolving and the trends in digital from 2011. The second part of the research study tracks how Digital 1:1 Marketing (Email & SMS) has changed and how digital marketers in India are leveraging it and the top 5 Recommendations on the last part.

As always, we meticulously and enthusiastically analysed the information gathered from this year's research project and sincerely hope that it will guide you in your e-Marketing decisions and initiatives. We hope this industry research study will create conversations in your organization - on the role of technology in marketing, importance of content marketing and the rise of Digital 1:1 Marketing (Email & SMS).

I would like to take this opportunity to once again thank all the 350+ India Marketers who participated in our survey and who helped our research by sharing their views, insights and ideas. It would not have been possible to sustain this unique research series without the continuous support of the India marketing community over the last few years. We count on your feedback, inspiration and suggestions for making this research report even more useful for you.

We would be glad to hear your comments on this edition which you can share with us at research@octane.in or at the survey link https://www.surveymonkey.com/r/Digitalbydefault

Sincerely,

Swati Mehta
Marketing Manager
Octane Marketing
engage@octane.in
#VoIM

For the previous editions of the reports and other Digital Marketing Research projects, please visit octaneresearch.in.

INTRODUCTION
Digital India 2017: Marketing Trends and Forecast

The hype is real.

As Indian consumers populate the internet (1,326,801,576 and counting), a goldmine of digital consumers is in the making and India Marketers can no longer rely on tried, true and tested marketing tactics to tap them. The internet has enabled marketers to track and analyse how, where, when and in which part of the online world their target audience is located. To execute this data driven marketing strategy, India Marketers' game plan needs to be digital by default.

The evolution of digital technology has transformed both the consumer and marketer. Initiatives like Digital India campaign have heralded positive and promising changes to create a digitally empowered society. A study by the Boston Consulting Group expects the internet to contribute $200 billion to India's GDP (5 percent of total GDP) by 2020. Thus, as our lifestyles change, undoubtedly corresponding marketing strategies should follow suit. While Digital technology has multiplied the touchpoints of interaction between marketers and consumers, our research has shown that a key challenge for India Marketers is in understanding how to tailor personalised and real-time strategies for engaging the expanding and diversified digital consumer base.

This research report aims to identify challenges faced by India Marketers in strategizing and executing digital marketing campaigns, create frameworks for understanding and resolve those challenges based on demonstrated practices to help marketers advance against their challenges. We welcome your opinion and feedback on the same.

a. India Internet Users.
http://www.internetlivestats.com/internet-users/india/

b. The Changing Connected Consumer in India. Boston Consulting Group. April 23, 2015.
https://www.bcgperspectives.com/content/articles/center-consumer-customer-insight-marketing-changing-connected-consumer-india/

TOP 7 HIGHLIGHTS

1. Customer Acquisition and Engagement
Customer Acquisition is the primary marketing goal to be carried out in 2017 for a majority of India Marketers (63%).

2. Top Marketing Activities for 2017
Social Media Marketing (66%) tops the list of marketing activities being planned for 2017, followed closely by Email Marketing (56%) & Search Marketing (54%).

3. Digital Marketing Investment and Budget
About 19% of marketing budget was allocated to Online Marketing activities by India Marketers. A quarter of India Marketers plan to increase their investment in Digital Marketing Activities by more than 21% in 2017.

4. Maximum Customer Engagement 2016
Social Media Marketing (40%) and Email Marketing (32%) delivered the Maximum Customer Engagement in 2016.

5. Analytics & Tools
60% India Marketers integrated Google Analytics to analyse their emails. Although a majority of India Marketers receive subscribers from Gmail (78%) only 32% of them use Google Postmaster to analyse the performance of their emails on Gmail.

6. Content Marketing
Blogs & Newsletters (68%) and Social Media (65%) form a major part of India Marketers' Content Marketing initiative with Brand Awareness (69%) and Engagement (62%) being the key benefits of Content Marketing.

7. Mobile Marketing
89% India Marketers have adapted their Email Marketing and Websites to accommodate the smartphone savvy customer. 46% India Marketers believe that more than 50% consumers will view their emails on smartphones in 2017.

RESEARCH METHODOLOGY

The 2017 study of Octane Research's Annual State of Online Marketing reached out to India Marketers via online links, offline forms and face-to-face meetings. In addition to this, Octane Research collaborated with Industry Associations - DMAi (Direct Marketing Association of India), RAI (Retailers Association of India), IAMAI (Internet and Mobile Association of India) and Digital Defynd who helped in framing the research's architecture and enabled greater participation our survey. This collective effort resulted into an active participation of 350+ India Marketers from 300+ companies. This has contributed to the making of '**Digital by Default. Digital India 2017: Marketing Trends and Forecast'** one of the largest digital marketing research in India.

The study itself is divided into three parts:

1. How Digital Marketing space in India has evolved in 2016 and the trends in digital marketing from 2011 to 2017.

2. Digital 1:1 Marketing (Email & SMS) has changed and how digital marketers in India are leveraging it.

3. **Recommendations towards the future of Digital Marketing in India 2017.**

We modelled the survey questions on the following lines:

○ How effectively do companies in India use e-Marketing or Digital Marketing tools and metrics?

○ What in the opinion of India Marketers, should be the broad marketing goals for 2017?

○ To what extent does e-Marketing help in achieving marketing goals? What are modern e-Marketing budgets, and what is the Return on Investment (ROI) given by e-Marketing channels?

○ What is the importance of mobile (Smartphones/Tablets/Apps) in the marketing plans?

○ Content is king-however, how do India Marketers utilize Content Marketing online?

○ Which Social Media Marketing tools help gather maximum Customer Attention?

○ Which strategies are employed to make email and SMS Marketing more effective?

○ How effectively are India Marketers gauging the performance of their Digital Marketing campaigns through tools like Google Analytics, Google Postmaster and other software?

RESEARCH PARTICIPANTS

The Annual India Digital Marketing in India 2017 study attracted industry professionals (CEOs, CMOs, Founders, Directors, Marketing Heads and Marketing Managers), who share their insights and ideas about the state of Online Marketing in India. This 2017 study has seen an active participation from 350+ Marketers and 300+ companies across India - with 31% of said companies having annual revenue above Rs.100 Cr.

The industries that we covered during the research (and their participation percentage) are:

1%	Automobile	13% IT
11%	Media and Entertainment	4% Telecommunication
9%	BFSI	4% Manufacturing
2%	Real Estate	3% Travel, Tourism and Hospitality
4%	Retail and Distribution	12% e-Commerce
3%	Healthcare and Pharmaceutical	12% Services and Consultancy
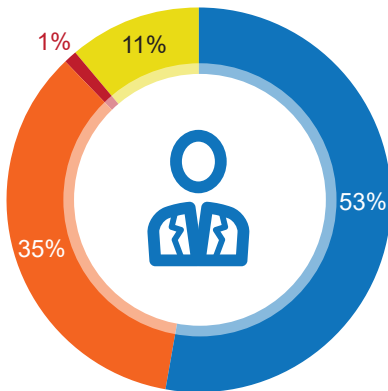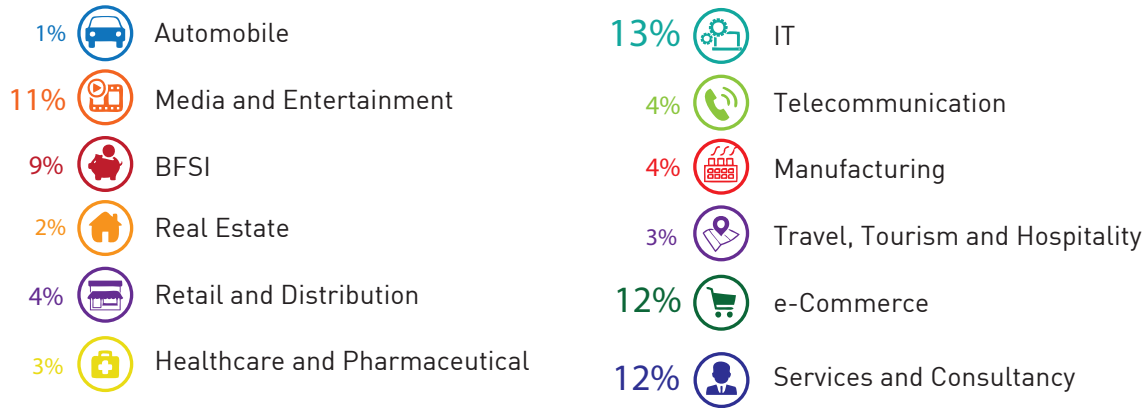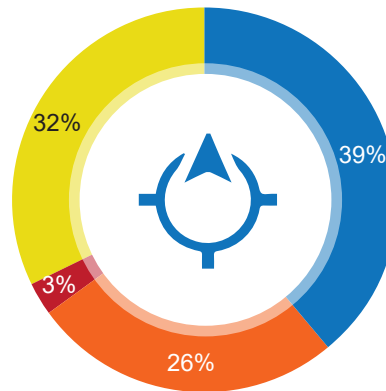
Graph No. 1

Management Level

- ○ Top Level
- ○ Mid Level
- ○ Junior Level
- ○ Others

Graph No. 2

Region Wise Participation

- ○ Northern India
- ○ Western India
- ○ Southern India
- ○ Eastern India

SELECTED LIST OF RESEARCH PARTICIPANTS

accenture · amazon · Aricent · askme.com · ASUS · AUTOPORTAL

AVIVA · BARCO Visibly yours · bharti AXA redefining general insurance · bharti AXA · Birla Sun Life Insurance · BlueStone.com

bookMyPacket.com · C. Krishniah Chetty & Sons · Capgemini · cleartrip · Cognizant · Credit Sudhaar

DELL · Deloitte. · Digital Vidya · Domino's · Dr Lal PathLabs · eClerx

Entrepreneurship Development Institute of India · Eroslabs · fork · GENPACT GENERATING IMPACT · Godrej INFOTECH · Google

GroupOn Technologies · GVK BIO · Haldiram's · HARMAN · HCL · HDFC Life Sar utha ke jiyo!

HeadHonchos · hp · HFCL GROUP · hindustantimes · HITACHI Inspire the Next · Honeywell

HT Media · IBM · ICICI Bank · igp.com Indian Gifts Portal · ITMI INDIA TODAY MEDIA INSTITUTE · INFINIA SERVICES & SOLUTIONS

Infosys · ITC Enduring Value · ixigo · kotak Kotak Mahindra Bank · KPMG · LARSEN & TOUBRO It's all about Imagineering

LAKMÉ	LocoVida Build | Grow | Earn	MAD HOUSE	maidentales	MAX INDIA LIMITED	Mc Graw Hill Education
medlife all things health	mGage A Vivial Company	Microsoft	Mindtree Welcome to possible	MissMalini.com	Morgan Stanley
NEC	neo@Ogilvy	Nineteen SHOPNINETEEN.COM	Ogilvy	paytm	rage
RELIGÁRE Values that bind	BOSCH	KHELPLAY Rummy.com (Sachar Gaming Pvt. Ltd.)	SAP	Schneider Electric	sesame inspire innovate A Speridian Company
SETU Save and Empower The Underprivileged	SHOP CJ	SHOPCLUES.COM	shopmonk	भारतीय स्टेट बैंक State Bank of India The Banker to Every Indian	TATA TATA CONSULTANCY SERVICES
TATA MOTORS FINANCE LIMITED	TATA	Tech Mahindra	TGI FRIDAYS	WESTIN HOTELS & RESORTS	theorem
tikona Digital Networks	TIMESINTERNET	tinder	TITAN COMPANY	TOYOTA Quality Revolution	Transaction Capital Credit Health
tyroo	UltraTech CEMENT The Engineer's Choice	uti UTI Mutual Fund	VERMILLION	vodafone	Vogel Business Media
voonik.com	WIPRO Applying Thought	WizIQ	WOOBLY	XAVIENT Information Systems	Zenith Malaysia

VOICE OF INDIA MARKETERS

#VoIM

VOICE OF INDIA MARKETERS
#VoIM

1. Primary Marketing Goal for 2017:

68% of India Marketers voted Customer Acquisition as their Primary Marketing Goal, followed by Brand Awareness and Customer Retention.

> For Retail sector, Customer Retention (63%) is the Primary Marketing Goal, as compared to rest sectors.

What is your Primary Marketing Goal for 2017?

- 3%
- 18%
- 16%
- 63%

- ◎ Customer Acquisition
- ◎ Customer Retention
- ◎ Brand Awareness/Engagement
- ◎ Others
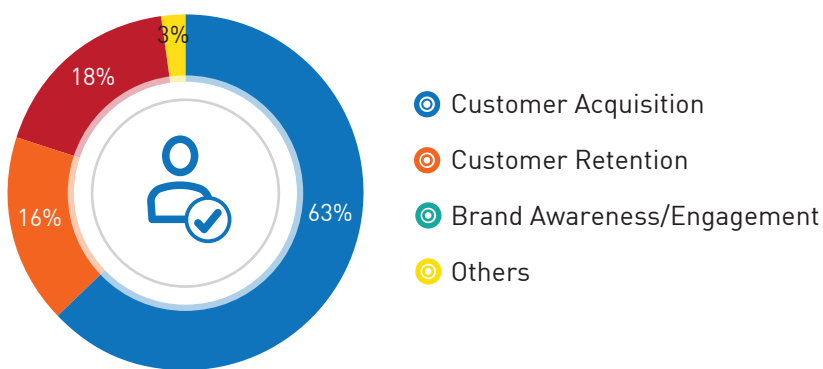
Graph No. 3

2. Digital Marketing Activities that will see increase in budget in 2017:

48% India Marketers plan to increase more than 10% of their budget in Digital Marketing Activities for 2017.

By what percentage are you planning to increase your budget for Digital Marketing in 2017?

- 10%
- 22%
- 10%
- 20%
- 15%
- 23%

- ◎ Less than 5%
- ◎ 6% to 10%
- ◎ 11% to 20%
- ◎ 21% to 50%
- ◎ Over 51%
- ◎ Don't know
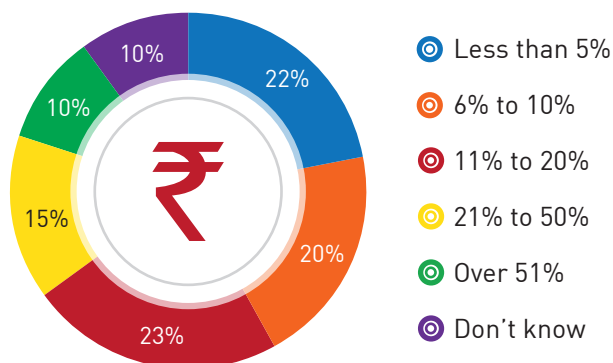
Graph No. 4

3. Top three Primary Digital Marketing Activities in 2016:

Social Media Marketing (66%), Email Marketing (56%) & Search Marketing (54%) were the top three Primary Digital Marketing Activities for 2016.

For BFSI sector, the top three Primary Activities were, Social Media Marketing (72%), Email (57%) and Website (48%).

Which of the following were your Primary Digital Marketing Activities in 2016?

66%
Social Media Marketing

56%
Email Marketing

54%
Search Marketing

49%
Website(s)

31%
Webcast

26%
Mobile/SMS Marketing

20%
Video Marketing

Graph No. 5

4. Digital Marketing Budget allocated for 2016:

33% India Marketers allocated more than 30% of their marketing budget to Digital Marketing Activities.

For 2016, approximately what percentage of your marketing budget was allocated to Digital Marketing Activities?

24%
17%
10%
10%
13%
26%

- ◉ Less than 10%
- ◉ 11% to 30%
- ◉ 31% to 50%
- ◉ 51% to 75%
- ◉ Over 75%
- ◉ Don't know
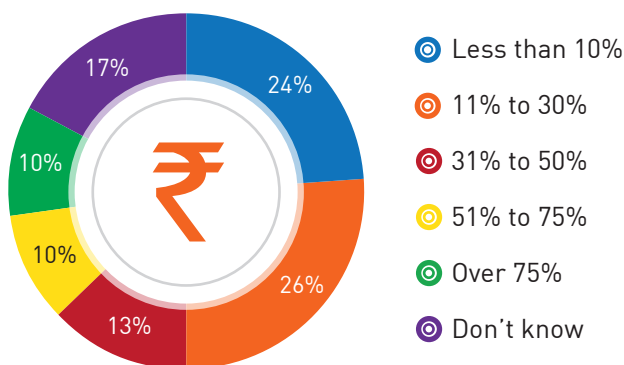
Graph No. 6

5. Digital Marketing Channel which saw increase in budget for 2016:

Social Media Marketing dominated marketing budget of India Marketers for 2016 by 41%. While Social Media Marketing has been the top key marketing investment since 2011, a considerable decline of 9% has been observed in the marketing budget. Social Media continues to dominate marketing channels of India Marketers.

For e-Commerce, Search Marketing (40%) saw the increase in budget for 2017.

Which Digital Marketing Channel saw an increase in your budget for your 2016?

- Social Media Marketing
- Email Marketing
- Search Marketing
- Mobile/SMS Marketing
- Video Marketing
- Others
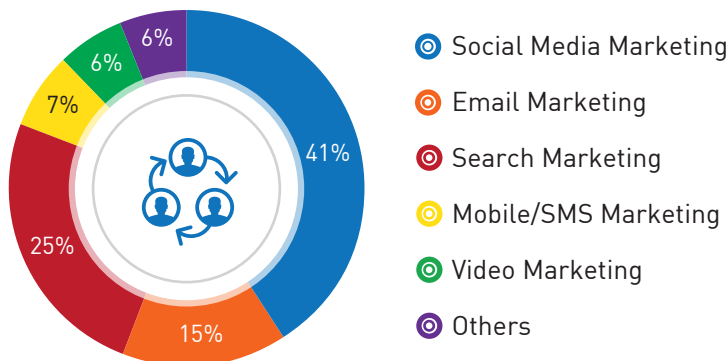
Graph No. 7

## 6. Digital Marketing Channel offering best ROI:

One of the key features of Digital Marketing is real-time ROI measurement. Metrics such as Google Analytics, Google Postmaster and Kissmetrics enable marketers to measure the real time impact of their strategies on their KPIs.

44% India Marketers voted Email Marketing as the Digital Marketing Channel that offered the best ROI for each 1 rupee invested in 2016. This was followed closely by Facebook (36%).

For Travel sector, Social Media Marketing (45%) gave them the best Return on Investment in 2016.

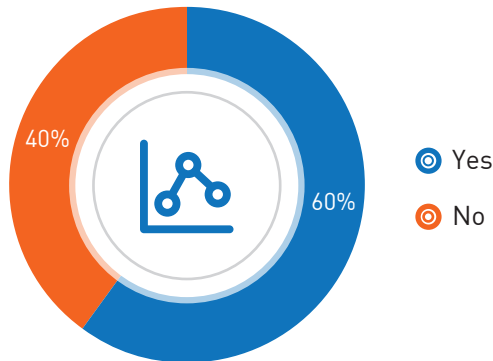For each 1 rupee of investment, which digital channels offers the best ROI?

- Email Marketing
- Facebook
- LinkedIn
- Instagram
- YouTube
- Twitter
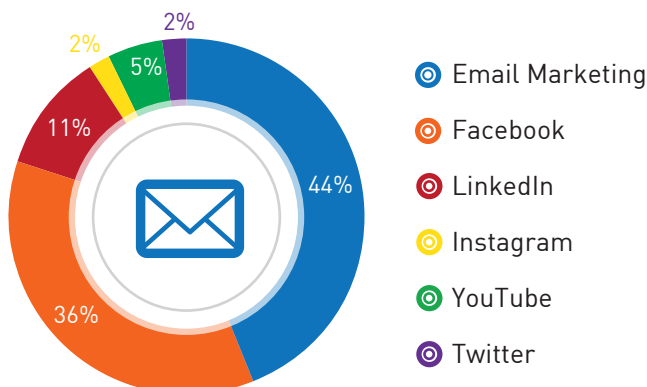
Graph No. 8

7. Use of Google Analytics:

Keeping up with global trends, 60% India Marketers integrated Google Analytics with their emails.

Have you integrated Google Analytics with your emails?

40%
60%

⊙ Yes
⊙ No

Graph No. 9

8. Use of Google Postmaster Tool:

32% India Marketers use Google Postmaster to analyse the performance of their emails on Gmail. Google Postmaster, a tool launched by Google in 2014 helps in effective tracking and analysing of emails on Gmail.

Do you use Google's new tool - 'Google Postmaster' to see how your emails are performing on Gmail?
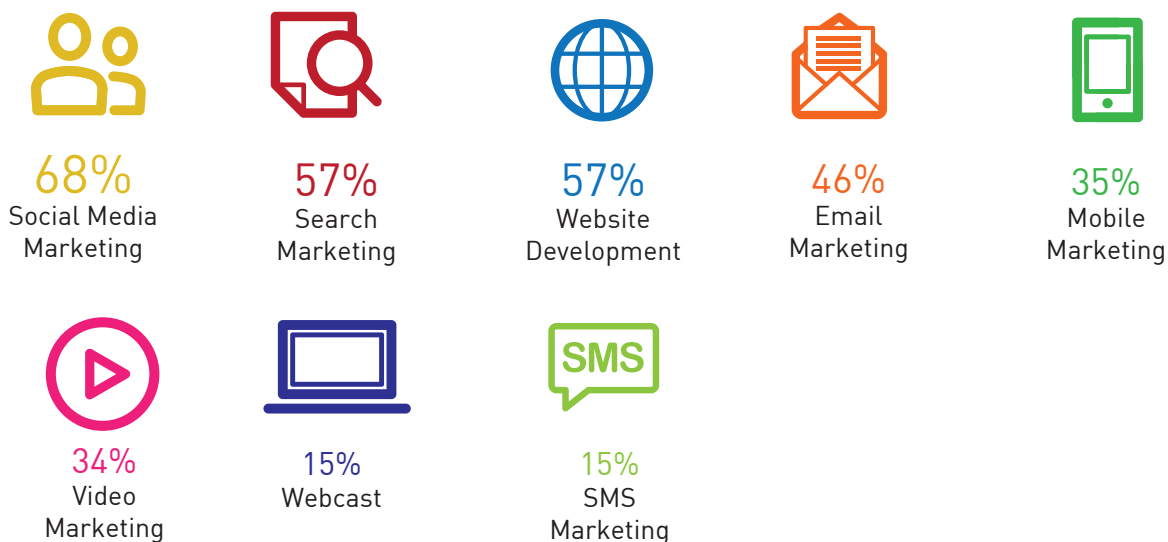

32%
68%

⊙ Yes
⊙ No
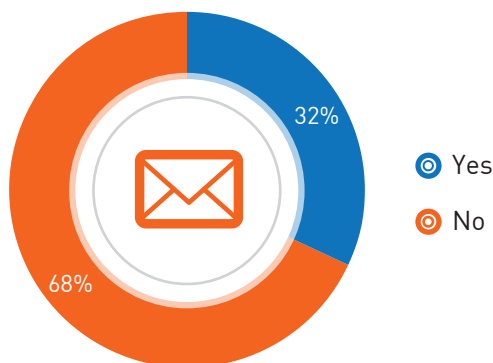
Graph No. 10

9. Increase in Marketing Investment in 2017:

Social Media Marketing (68%), Search Marketing (57%) and Website Development (57%) have been voted as the top three channels that India Marketers will focus their KPIs on for 2017. Website Development has seen a surge in popularity by 23% among India Marketers from 2016.

> For Services & Consultancy sector, Social Media Marketing (47%), Search Marketing (42%) and Email Marketing (40%) will see an increament investment for 2017.

Which of the following Digital Marketing Activities will see an increase of your Marketing Investment in 2017?

68%
Social Media
Marketing

57%
Search
Marketing

57%
Website
Development

46%
Email
Marketing

35%
Mobile
Marketing

34%
Video
Marketing

15%
Webcast
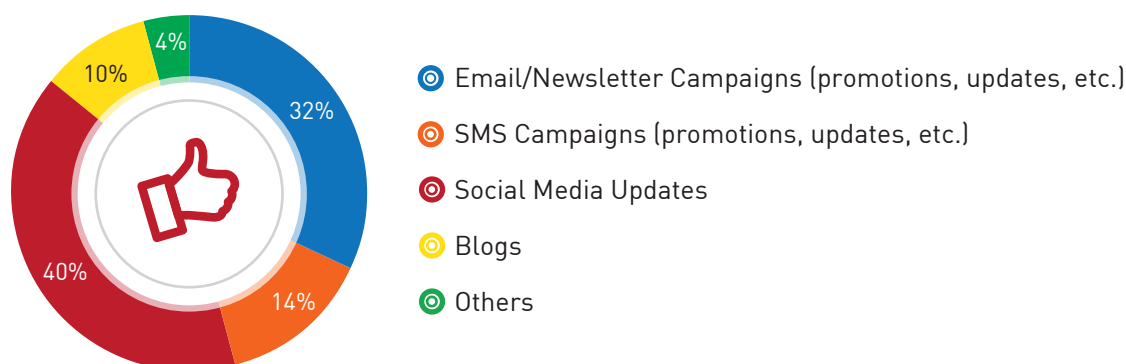
15%
SMS
Marketing

Graph No. 11

10. Maximising Customer Engagement:

Social Media Updates (40%) and Email/Newsletter Campaigns (32%) were the best performing digital channels that delivered Maximum Customer Engagement in 2016.

> For Media & Entertainment, rated Social Media Marketing (60%), followed by Email Marketing (35%) as their digital channel for Maximum Customer Engagement.

Which digital channel gives you Maximum Customer Engagement?

- 4%
- 10%
- 32%
- 40%
- 14%

◎ Email/Newsletter Campaigns (promotions, updates, etc.)

◎ SMS Campaigns (promotions, updates, etc.)

◎ Social Media Updates
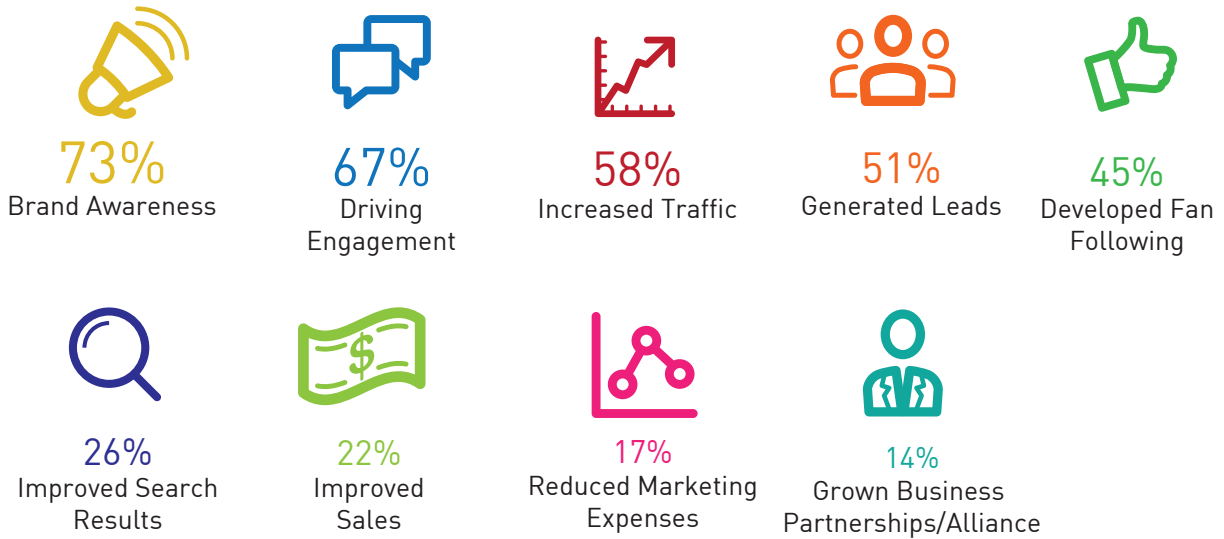
◎ Blogs

◎ Others

Graph No. 12

11. Benefits of Social Media in Marketing Practices:

Brand Awareness (73%), Driving Engagement (67%) and Increased Traffic (58%) were voted as the top three benefits of Social Media Marketing by India Marketer for 2016.

> For IT/ITES sector Engagement with Customers (73%), Increased Traffic (71%) and Developed fan following (58%) were top 3 benefits by Social Media.

How has Social Media Marketing benefitted your marketing efforts?

73%
Brand Awareness

67%
Driving Engagement

58%
Increased Traffic

51%
Generated Leads

45%
Developed Fan Following

26%
Improved Search Results

22%
Improved Sales

17%
Reduced Marketing Expenses

14%
Grown Business Partnerships/Alliance

Graph No. 13

12. Content is KING:

Brand Awareness (69%), Engage Newer Audiences (62%) and Attract & Retain Existing Customers (53%) were voted as the key benefits of Content Marketing.

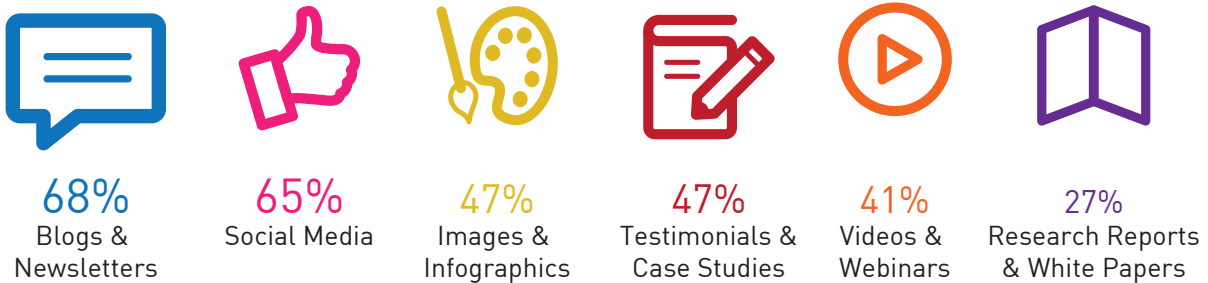How Content Marketing helps you in?

Increase in Brand Awareness	Engage Newer Audience	Attract & Retain Existing Customers	Lead Generation	Innovation through thought Leadership
69%	62%	53%	46%	44%
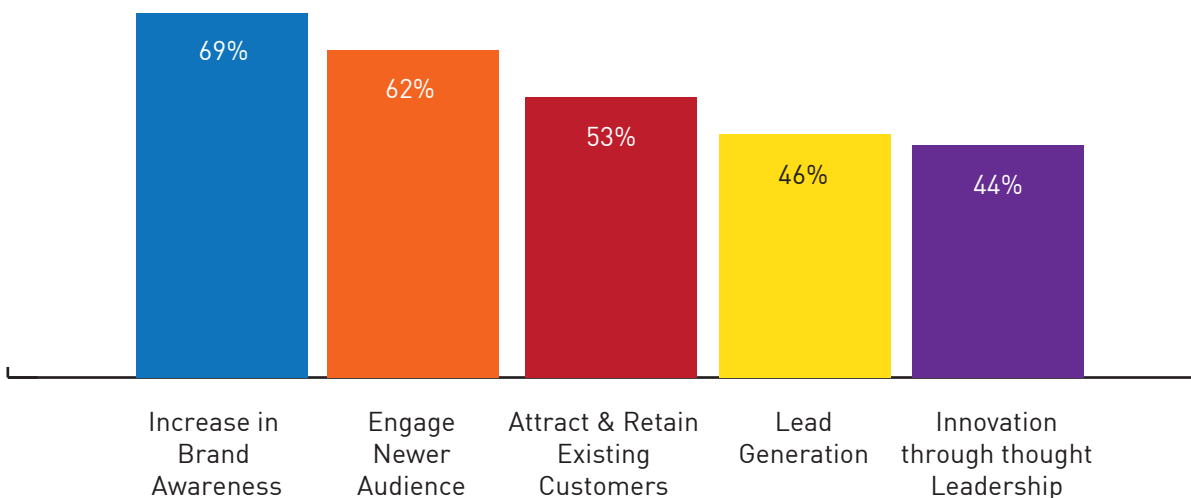
Graph No. 14

13. Effective Content Marketing Tools:

Blogs & Newsletters (68%) and Social Media (65%) form a major part of India Marketers' Content Marketing initiatives. Videos & Webinars (41%) are catching popularity among India Marketers.

How do you deploy Content Marketing for your business?

68%	65%	47%	47%	41%	27%
Blogs & Newsletters	Social Media	Images & Infographics	Testimonials & Case Studies	Videos & Webinars	Research Reports & White Papers

Graph No. 15

14. Mobile Marketing Strategy:

89% India Marketers have adapted their Email Marketing and Websites to accommodate the smartphone savvy customer.

With the arrival of smartphones, apps and emails on the go, has your Email Marketing strategy adapted to the change?

- 11%
- 22%
- 13%
- 17%
- 37%

◉ We have a responsive website

◉ We send responsive emails

◉ We have both responsive website and emails

◉ We have a mobile app

◉ Still to deploy responsive design website
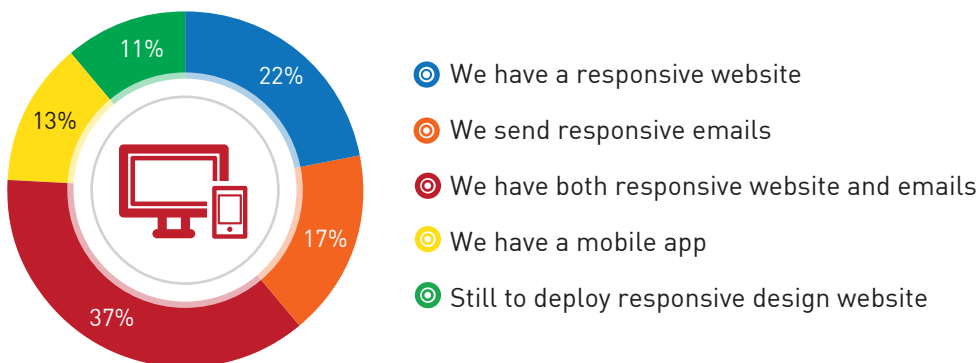
Graph No. 16

1. Primary Marketing Goal for 2017:
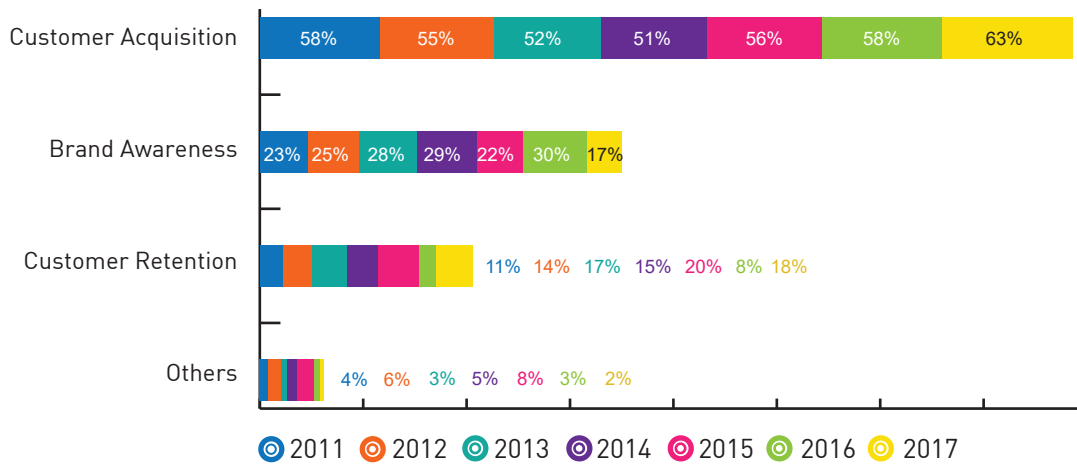
For 2017, India Marketers voted Customer Acquisition (63%) as their Primary Marketing Goal followed by Customer Retention (18%) and Brand Awareness (17%).

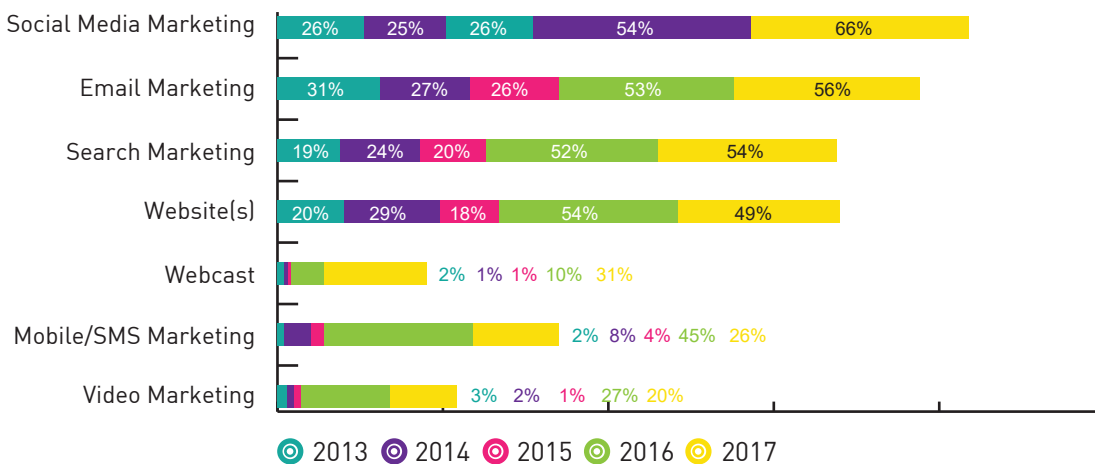What is your Primary Marketing Goal for 2017?

Customer Acquisition: 58% | 55% | 52% | 51% | 56% | 58% | 63%
Brand Awareness: 23% | 25% | 28% | 29% | 22% | 30% | 17%
Customer Retention: 11% | 14% | 17% | 15% | 20% | 8% | 18%
Others: 4% | 6% | 3% | 5% | 8% | 3% | 2%

● 2011 ● 2012 ● 2013 ● 2014 ● 2015 ● 2016 ● 2017

Graph No. 17

2. Top three Primary Digital Marketing Activities in 2016:

While Search Marketing and Social Media Marketing showed a consistent popularity, Mobile/SMS Marketing and Video Marketing saw a drop of 19% and 7% respectively. Email Marketing showed a steady increase of 30% since 2014.

Which of the following were your Primary Digital Marketing Activities in 2016?

Social Media Marketing: 26% | 25% | 26% | 54% | 66%
Email Marketing: 31% | 27% | 26% | 53% | 56%
Search Marketing: 19% | 24% | 20% | 52% | 54%
Website(s): 20% | 29% | 18% | 54% | 49%
Webcast: 2% | 1% | 1% | 10% | 31%
Mobile/SMS Marketing: 2% | 8% | 4% | 45% | 26%
Video Marketing: 3% | 2% | 1% | 27% | 20%
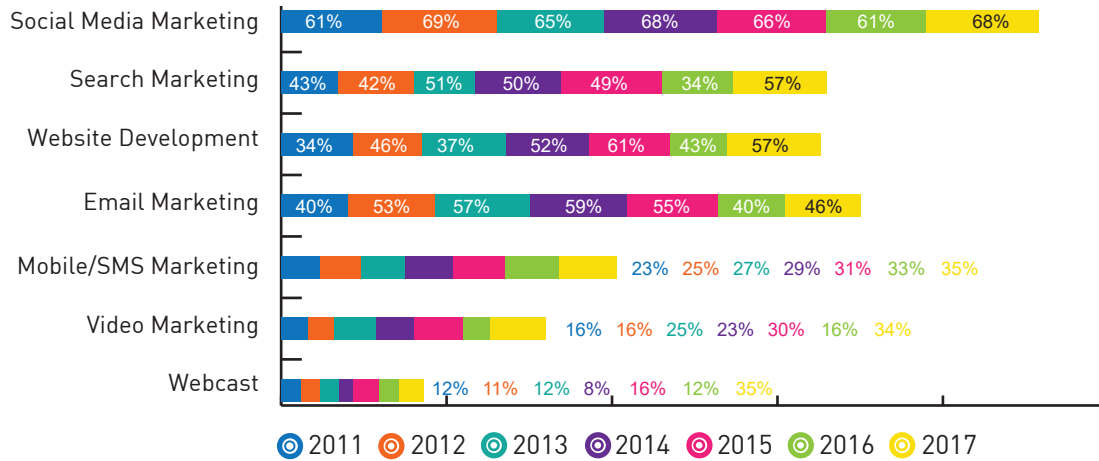
● 2013 ● 2014 ● 2015 ● 2016 ● 2017

Graph No. 18

3. Increase in Marketing Investment in 2017:

Website Development has seen a surge in popularity by 14% among India Marketers from 2016.

Which of the following Digital Marketing Activities will see an increase in your Marketing Investment in 2017?
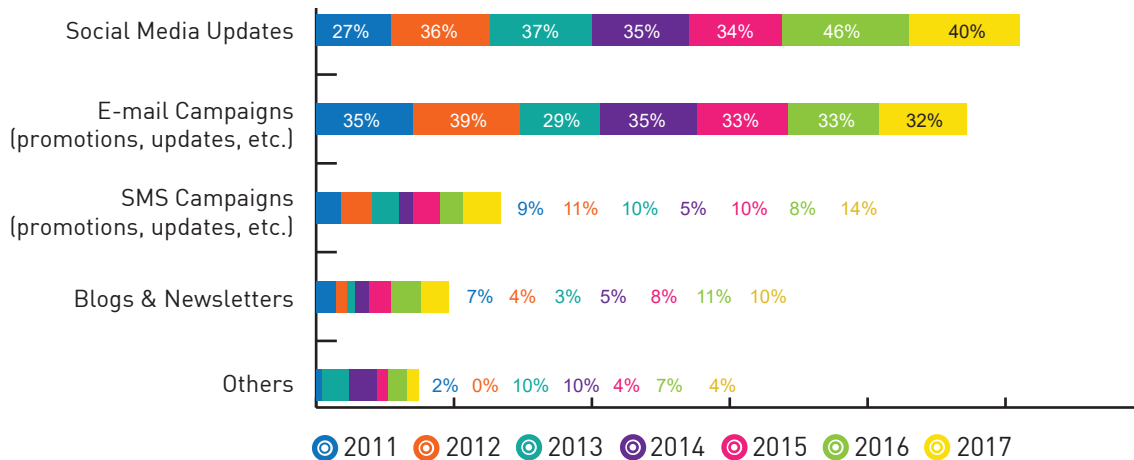
	2011	2012	2013	2014	2015	2016	2017
Social Media Marketing	61%	69%	65%	68%	66%	61%	68%
Search Marketing	43%	42%	51%	50%	49%	34%	57%
Website Development	34%	46%	37%	52%	61%	43%	57%
Email Marketing	40%	53%	57%	59%	55%	40%	46%
Mobile/SMS Marketing					23%	25%	27% 29% 31% 33% 35%
Video Marketing					16%	16%	25% 23% 30% 16% 34%
Webcast					12%	11%	12% 8% 16% 12% 35%

Graph No. 19

4. Maximising Customer Engagement:

While Social Media Updates still drives maximum Customer Engagement, it has seen a slight fall (6%) when compared to 2016. Email Campaigns (32%) showed a consistent trend since 2013.

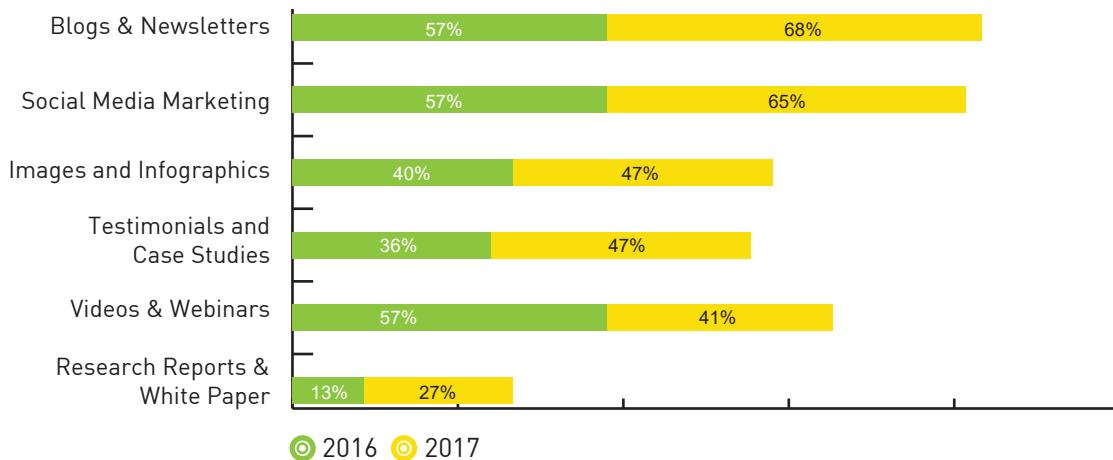Which digital channel gives you Maximum Customer Engagement?

	2011	2012	2013	2014	2015	2016	2017
Social Media Updates	27%	36%	37%	35%	34%	46%	40%
E-mail Campaigns (promotions, updates, etc.)	35%	39%	29%	35%	33%	33%	32%
SMS Campaigns (promotions, updates, etc.)					9%	11%	10% 5% 10% 8% 14%
Blogs & Newsletters					7%	4%	3% 5% 8% 11% 10%
Others					2%	0%	10% 10% 4% 7% 4%

Graph No. 20

5. Effective Content Marketing Tools:

As compared to 2015, Videos & Webinars saw a considerable decline of 16% in popularity among India Marketers. This could possibly be because of the integration of videos in various Social Media Channels which allow brands to communicate with their target audience directly via Social Media.

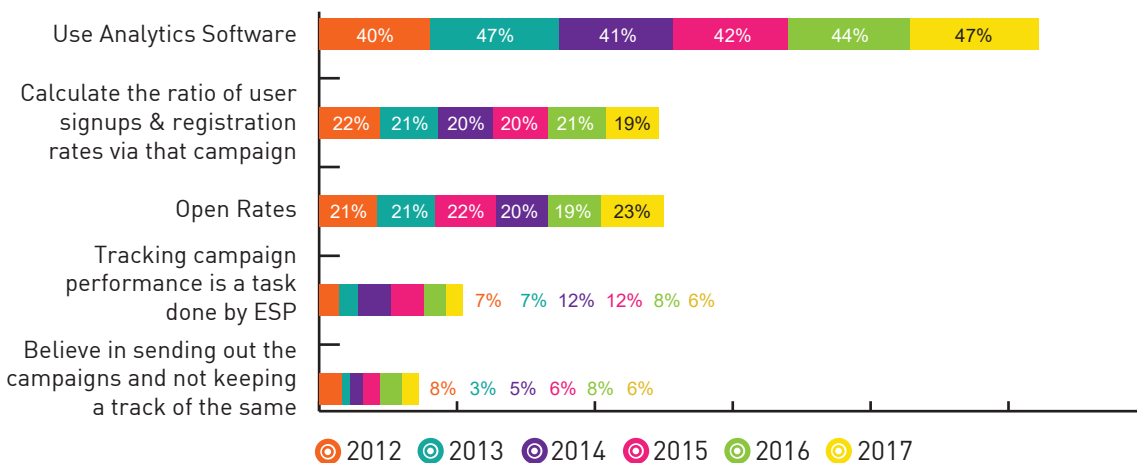How do you deploy Content Marketing for your business?

Category	2016	2017
Blogs & Newsletters	57%	68%
Social Media Marketing	57%	65%
Images and Infographics	40%	47%
Testimonials and Case Studies	36%	47%
Videos & Webinars	57%	41%
Research Reports & White Paper	13%	27%

Graph No. 21

6. How to keep track of your campaing's success:

Using Analytics Software (47%) is the most common way for the India Marketers to track the success of their campaign, followed by open rates (23%).

How do you keep track of your campaign's success?

Category	2012	2013	2014	2015	2016	2017
Use Analytics Software	40%	47%	41%	42%	44%	47%
Calculate the ratio of user signups & registration rates via that campaign	22%	21%	20%	20%	21%	19%
Open Rates	21%	21%	22%	20%	19%	23%
Tracking campaign performance is a task done by ESP	7%	7%	12%	12%	8%	6%
Believe in sending out the campaigns and not keeping a track of the same	8%	3%	5%	6%	8%	6%

Graph No. 22

EMAIL MARKETING TRENDS AND FORECAST (2011 - 2016) + 2017

EMAIL MARKETING TRENDS
AND FORECAST 2017

1. Email Campaign Success Rate:

47% India Marketers 'Use Analytics Software' to track their Email Campaigns. Surprisingly, 20% marketers still analyse just their Open Rates to measure their campaigns' success. Measuring Open Rates in conjunction with the Click Rates is far more effective as it shows how a marketer has successfully engaged its reader/consumer.
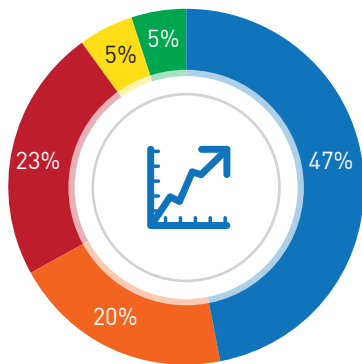
For e-Commerce sector, 70% of India Marketers use analytics software tools whereas	For Travel sector the Open Rates (36%) are the way to keep track of their Email Campaign Success.

How do you keep track of your Email Campaign's Success Rate?
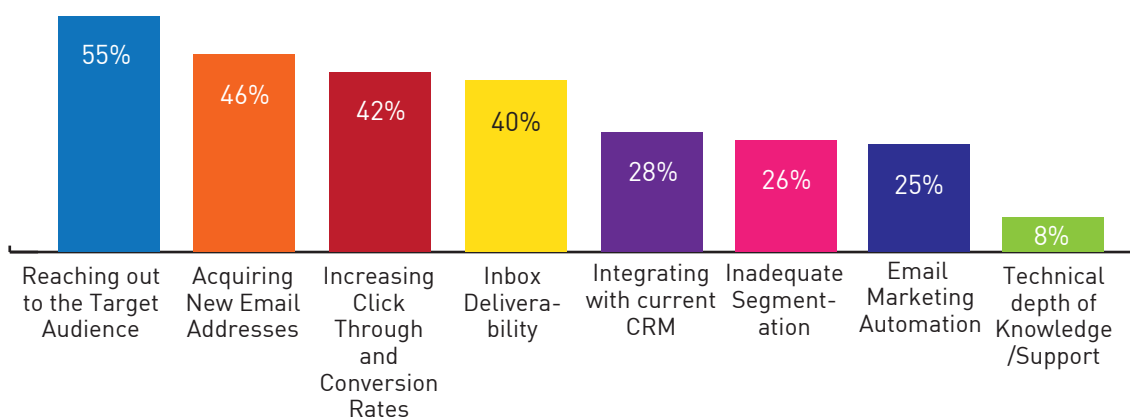

- Use Analytics Software
- Open Rates
- Calculate the ratio of users signups & registration rates via that campaign
- Tracking campaign performance is a task done by the ESP
- Believe in sending out the campaigns and not keeping a track of the same

Graph No. 23

2. Biggest Challenges in Email Marketing Programs:

Reaching out to the Target Audience (55%) and Acquiring New Email Addresses (46%) were voted as the key challenges India Marketers faced with their Email Marketing Programs in 2016.

What were the biggest challenges with your 2016 Email Marketing Programs?

Graph No. 24

Email Marketing Trends and Forcast 2017: Annual State of Online Marketing in India 2017 (Octane Research)

3. Frequency of Email/SMS Campaigns:

54% India Marketers send an Email/SMS to their target audience at least once per week. This highlights frequency as a key requisite to ensure consistent brand engagement.

35% of BFSI India Marketers share their content through Email/SMS Campaign.

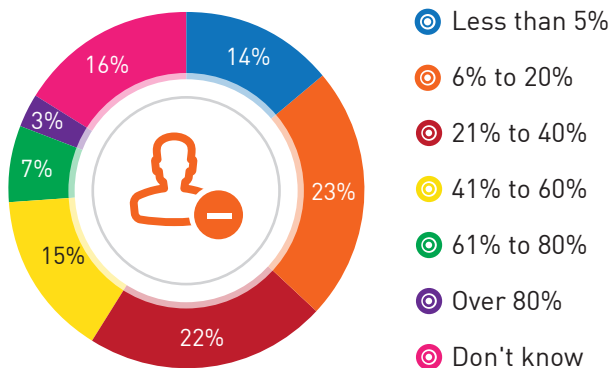How often do you send content through Email/SMS Campaigns?

- Daily — 23%
- Once a week — 25%
- Thrice a week — 6%
- Once a month — 23%
- Bi-Monthly — 14%
- Others — 9%
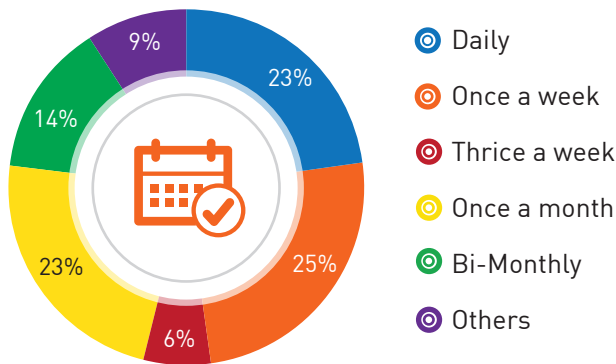
Graph No. 25

4. Reactivating Inactive Email Subscribers:

A significant 40% India Marketers responded that more than 41% of their Email Subscriber Database was inactive (got no response in the last 6 months).

What percentage of your Email Subscriber Database is inactive (no response in the last 6 months) to your Email Campaigns?

- Less than 5% — 14%
- 6% to 20% — 23%
- 21% to 40% — 22%
- 41% to 60% — 15%
- 61% to 80% — 7%
- Over 80% — 3%
- Don't know — 16%

Graph No. 26

5. Budget for Email Marketing:

18% India Marketers have ear-marked more than 30% of their Digital Marketing Budget for Email Marketing.

> 37% in e-Commerce and 59% in Media & Entertainment, Marketers said they will be increasing their budget in Email Marketing campaign by 11% to 30%.

What percentage of your Digital Marketing Budget in 2017 will be ear-marked for Email Marketing (promotional & transactional campaigns including third party affiliate campaigns)?


- ◉ Less than 10%
- ◉ 11% to 30%
- ◉ 31% to 50%
- ◉ 51% to 75%
- ◉ Over 75%
- ◉ Don't know

1% 12% 3% 39% 14% 31%
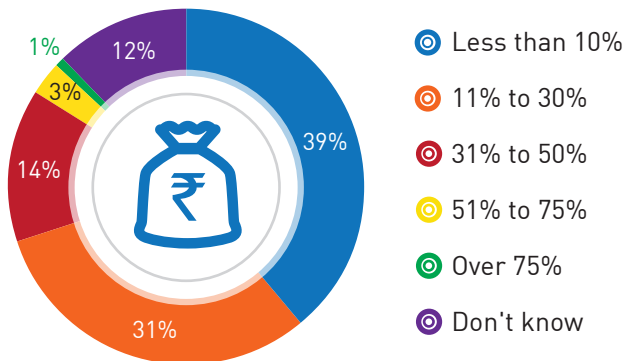
Graph No. 27

6. Driving Sales Revenue Through Email Marketing:

35% India Marketers attribute more than 11% of their total sales to Email Marketing. Surprisingly, about 20% India Marketers still don't track lead generated from emails.

Approximately what proportion of your total sales can you attribute to Email Marketing Channel?

- ◉ Less than 10%
- ◉ 11% to 30%
- ◉ 31% to 50%
- ◉ 51% to 75%
- ◉ Over 75%
- ◉ Never Tracked
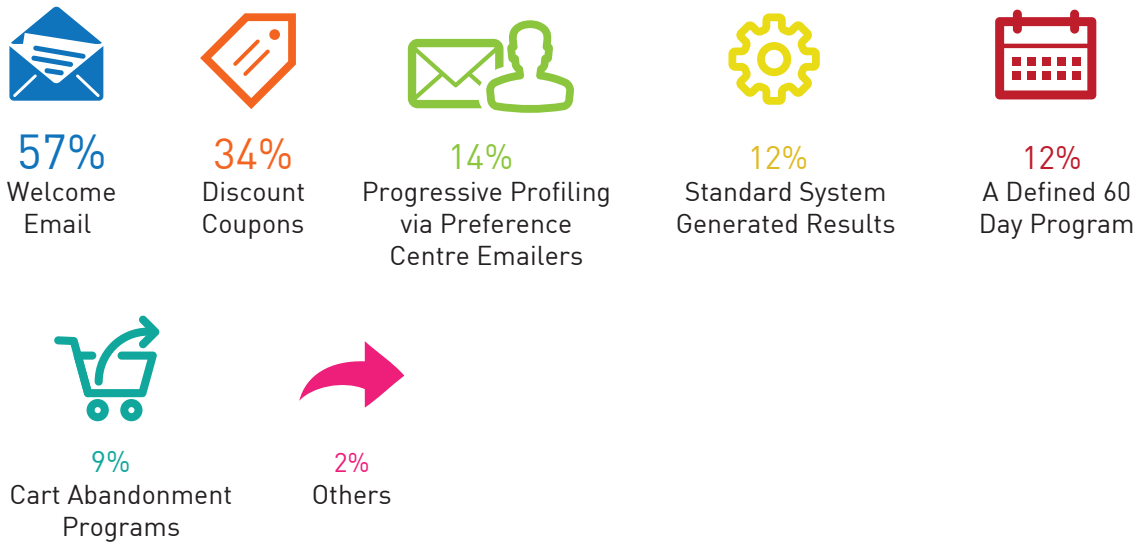
20% 1% 2% 45% 6% 26%
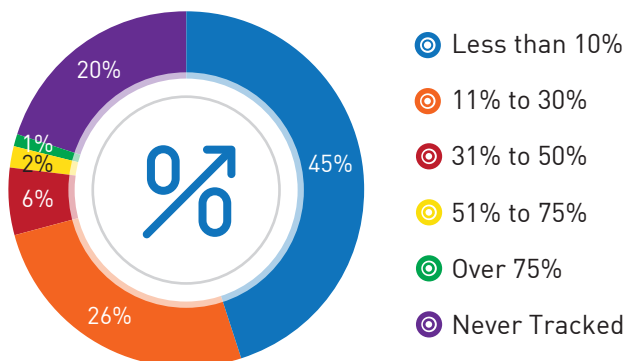
Graph No. 28

7. Special Programs to engage Customers:

57% of India Marketers engage their customers through Welcome Email Programs, followed by Discount Coupons (34%).

> For Service & Consultancy, Welcome Emails (68%) & for retail, discount coupons 84% are the special program to acquire customer.

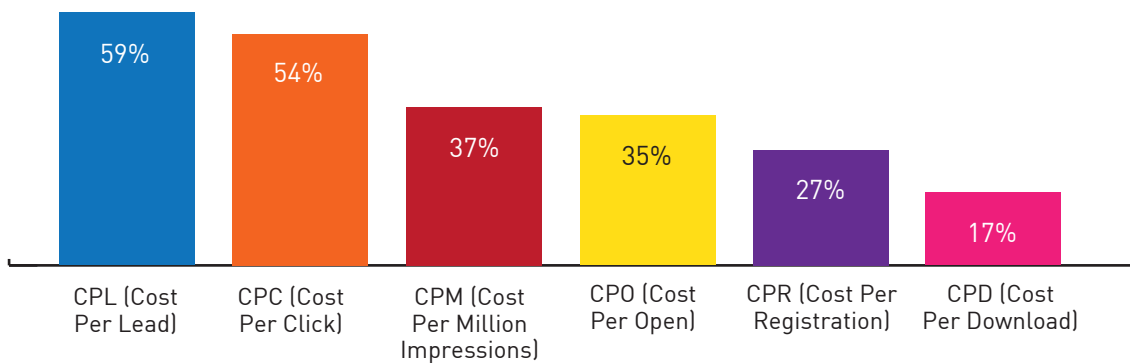What special program do you have for new signups/registrations?

57%
Welcome
Email

34%
Discount
Coupons

14%
Progressive Profiling
via Preference
Centre Emailers

12%
Standard System
Generated Results

12%
A Defined 60
Day Program

9%
Cart Abandonment
Programs

2%
Others

Graph No. 28

8. Performance Marketing Metrics for Email Marketing in 2016:

Cost Per Lead (CPL) and Cost Per Click (CPC) are the top two Performance Marketing Metrics India Marketers deploy for their affiliate email marketing campaigns.

What are the Performance Marketing Metrics do you deploy for your affiliate email marketing campaigns?

| Metric	Percentage
CPL (Cost Per Lead)	59%
CPC (Cost Per Click)	54%
CPM (Cost Per Million Impressions)	37%
CPO (Cost Per Open)	35%
CPR (Cost Per Registration)	27%
CPD (Cost Per Download)	17%

Graph No. 29

9. Email Domain of the Subscribers in 2016:

India Marketers receive a majority of their subscribers from Gmail (78%) while the rest are from Corporate IDs (32%), Yahoo! (14%), Hotmail (8%) and Others (4%).

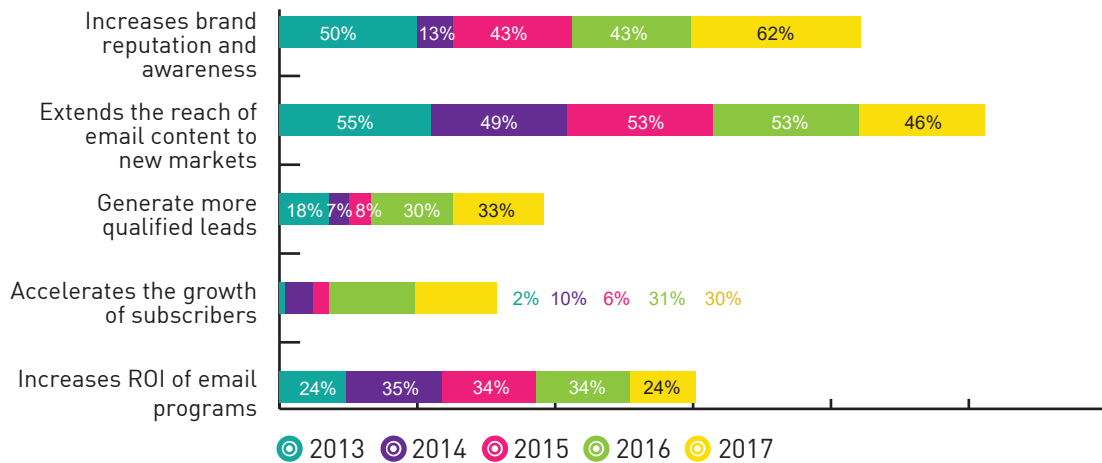From which of the following domains do you receive the highest percentage of subscribers?
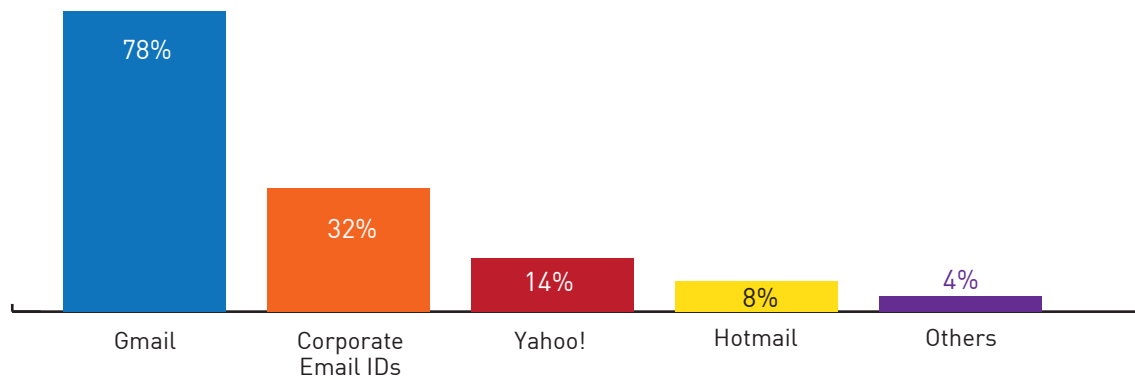
Graph No. 30

EMAIL MARKETING TRENDS 2017

1. Social Media influence over Email Marketing:

According to India Marketers when Email Marketing and Social Media Marketing are combined together they powerup the Brand Reputation & Awareness.

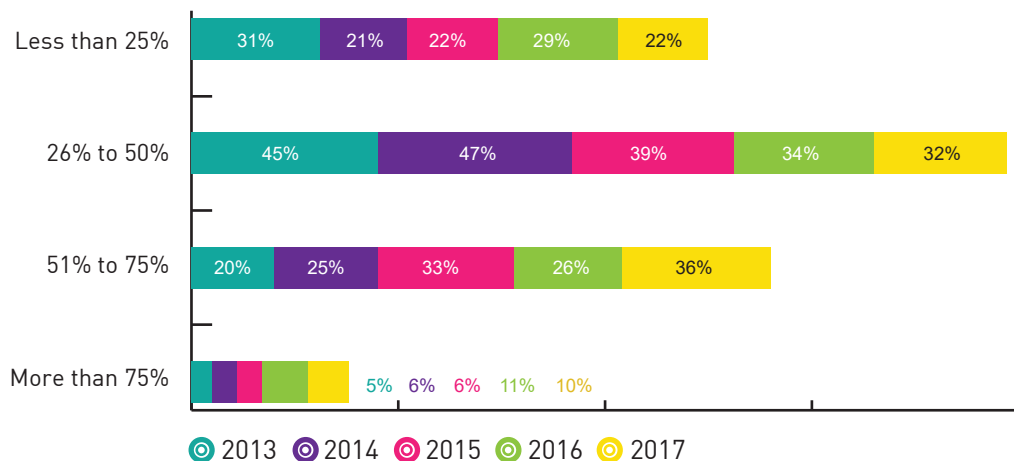How do you think the combination of Social Media powerup Email Marketing?

	2013	2014	2015	2016	2017
Increases brand reputation and awareness	50%	13%	43%	43%	62%
Extends the reach of email content to new markets	55%	49%	53%	53%	46%
Generate more qualified leads	18%	7%	8%	30%	33%
Accelerates the growth of subscribers	2%	10%	6%	31%	30%
Increases ROI of email programs	24%	35%	34%	34%	24%

Graph No. 31

2. Email viewed on Mobile Devices:

Mobile Marketing has dynamically changed digital consumption habits and India Marketers have begun to acknowledge its importance. In keeping with the upward trend, a significant number of India Marketers (46%) believe that more than 50% consumers will view their emails on smartphones in 2017.

In your opinion, what will be the percentage of Email Marketing that will be viewed on Mobile Devices over the next 12 months?

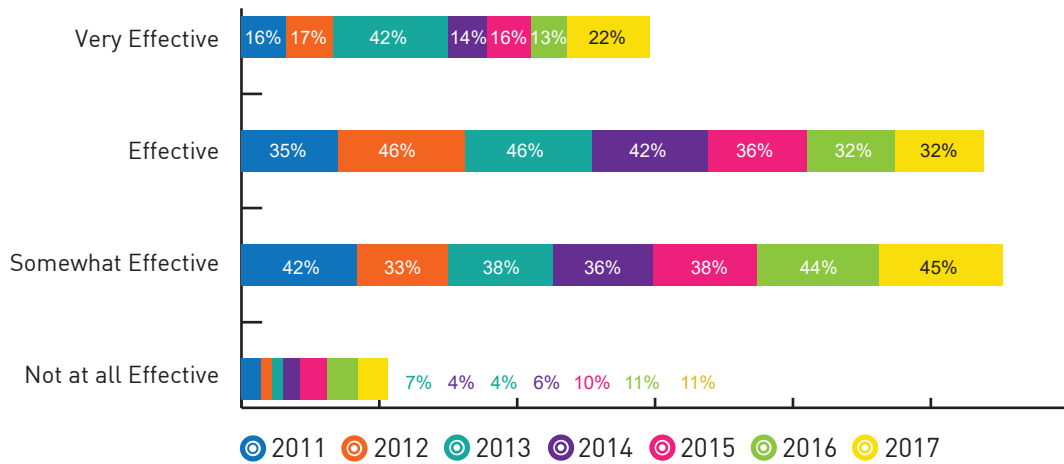|	2013	2014	2015	2016	2017
Less than 25%	31%	21%	22%	29%	22%
26% to 50%	45%	47%	39%	34%	32%
51% to 75%	20%	25%	33%	26%	36%
More than 75%	5%	6%	6%	11%	10%

Graph No. 32

3. Effectiveness of Email Marketing Programs in 2016:

65% India Marketers believe that their Email Marketing Programs were more than effective in meeting their 2016 marketing goals. This has been a consistent trend since 2011.

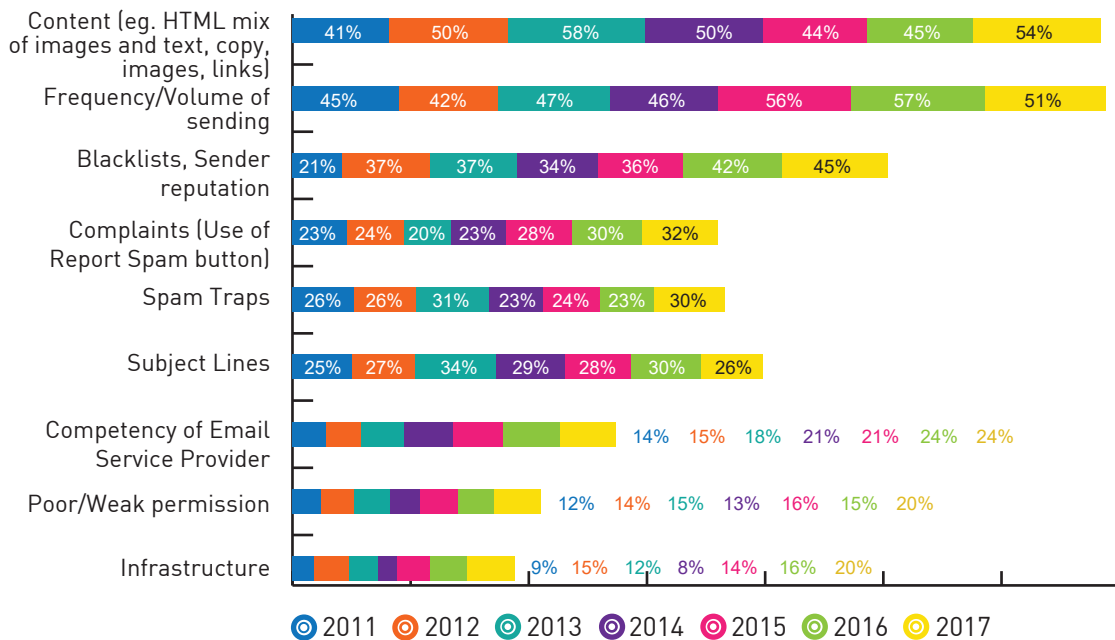How effective were your Email Marketing Programs for 2016 in meeting your goals?

	2011	2012	2013	2014	2015	2016	2017
Very Effective	16%	17%	42%	14%	16%	13%	22%
Effective	35%	46%	46%	42%	36%	32%	32%
Somewhat Effective	42%	33%	38%	36%	38%	44%	45%
Not at all Effective			7%	4%	4%	6%	10% 11% 11%

Graph No. 33

4. Top factors impacting Inbox Delivery Rates:

Media-rich Content (54%), Frequency (51%) and Blacklisting (45%) were the key factors India Marketers voted for impacting their Inbox Delivery Rates. When compared to previous years, Frequency/Volume of Sending has seen a significant upward trend since 2011. Also, a revival of interest in Content has been observed when compared to 2014 and 2015.

What were the top factors impacting your Inbox Delivery Rates for 2017?
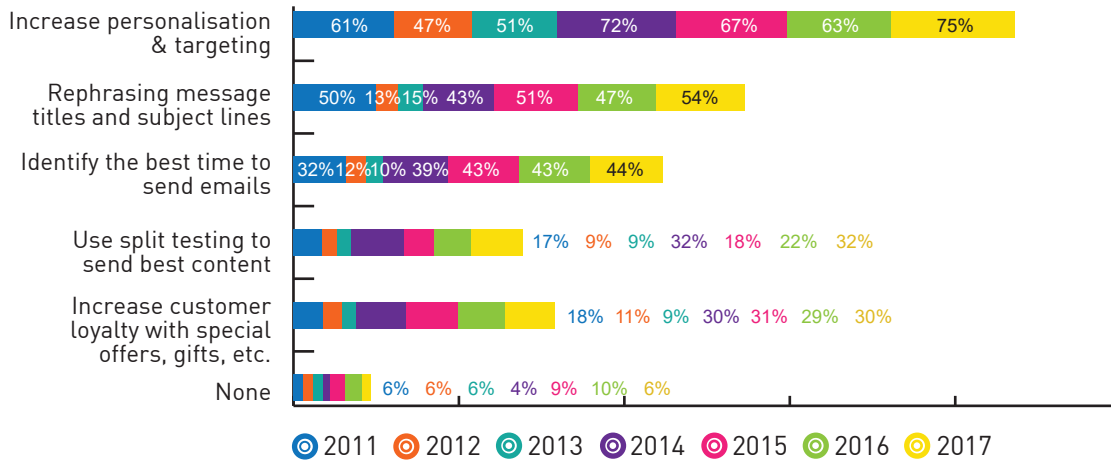

	2011	2012	2013	2014	2015	2016	2017
Content (eg. HTML mix of images and text, copy, images, links)	41%	50%	58%	50%	44%	45%	54%
Frequency/Volume of sending	45%	42%	47%	46%	56%	57%	51%
Blacklists, Sender reputation	21%	37%	37%	34%	36%	42%	45%
Complaints (Use of Report Spam button)	23%	24%	20%	23%	28%	30%	32%
Spam Traps	26%	26%	31%	23%	24%	23%	30%
Subject Lines	25%	27%	34%	29%	28%	30%	26%
Competency of Email Service Provider	14%	15%	18%	21%	21%	24%	24%
Poor/Weak permission	12%	14%	15%	13%	16%	15%	20%
Infrastructure	9%	15%	12%	8%	14%	16%	20%

Graph No. 34

5. Email Marketing practices that Reduce Spam Rates:

Blacklisting due to Spam Complaints can have a detrimental impact on any digital marketing strategy. India Marketers chose Increased Personalisation & Targeting (75%) and Rephrasing message titles and subject lines (54%) as the key activities they undertook in 2016 to ensure that customers find their emails relevant. Both these strategies have seen a rise in popularity among India Marketers by 12% and 7% since 2015.

What email activities are you implementing to reduce the effects of spam complaints and inbox clutter?
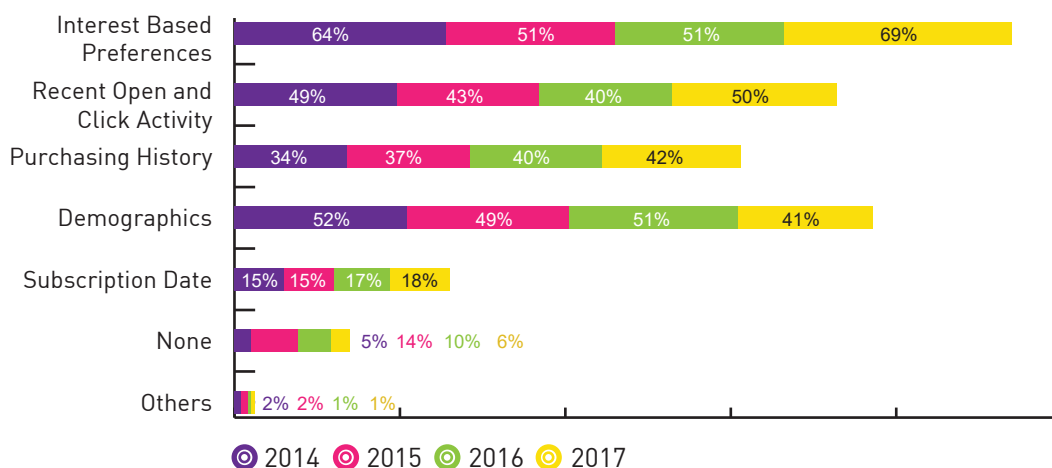

	2011	2012	2013	2014	2015	2016	2017
Increase personalisation & targeting	61%	47%	51%	72%	67%	63%	75%
Rephrasing message titles and subject lines	50%	13%	15%	43%	51%	47%	54%
Identify the best time to send emails	32%	12%	10%	39%	43%	43%	44%
Use split testing to send best content	17%	9%	9%	32%	18%	22%	32%
Increase customer loyalty with special offers, gifts, etc.	18%	11%	9%	30%	31%	29%	30%
None	6%	6%	6%	4%	9%	10%	6%

Graph No. 35

6. Email Marketing Segmentation Techniques:

Interest Based Preferences (69%) and Recent Open and Click Activity (50%) are the top segmentation techniques India Marketers plan to implement in 2017. India Marketers preference for these techniques rose by 11% and 10% when compared to 2016.

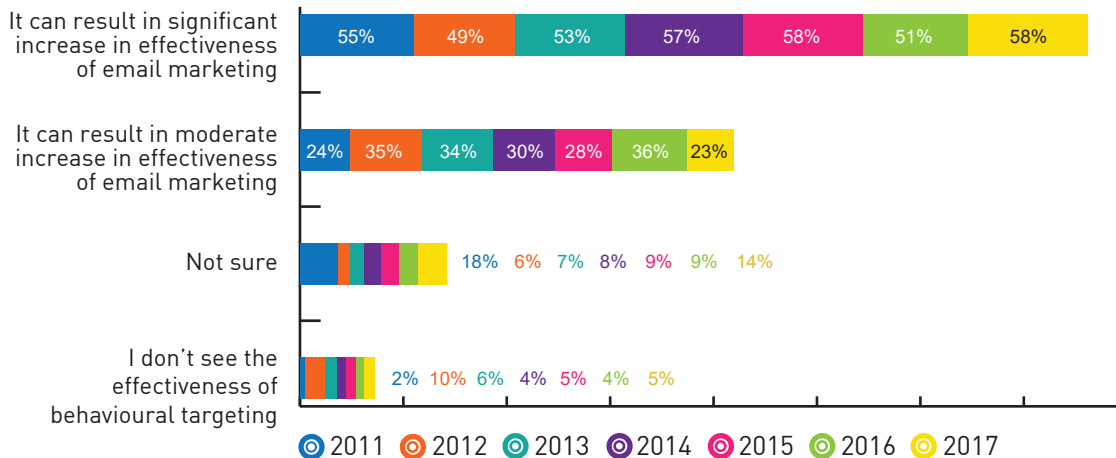Which of the following segmentation techniques do you plan to implement in 2017 for Email Marketing Campaigns?

	2014	2015	2016	2017
Interest Based Preferences	64%	51%	51%	69%
Recent Open and Click Activity	49%	43%	40%	50%
Purchasing History	34%	37%	40%	42%
Demographics	52%	49%	51%	41%
Subscription Date	15%	15%	17%	18%
None		5%	14%	10%	6%
Others	2%	2%	1%	1%

Graph No. 36

7. Effectiveness of Behavioural Targeting:

Majority of India Marketers (58%) believe that Behavioural Targeting is significant in improving the effectiveness of Email Marketing. For the past seven years, about 50% of our India Marketers have consistently believed that Behavioural Targeting is pivotal in ensuring their Email Campaign's Success.

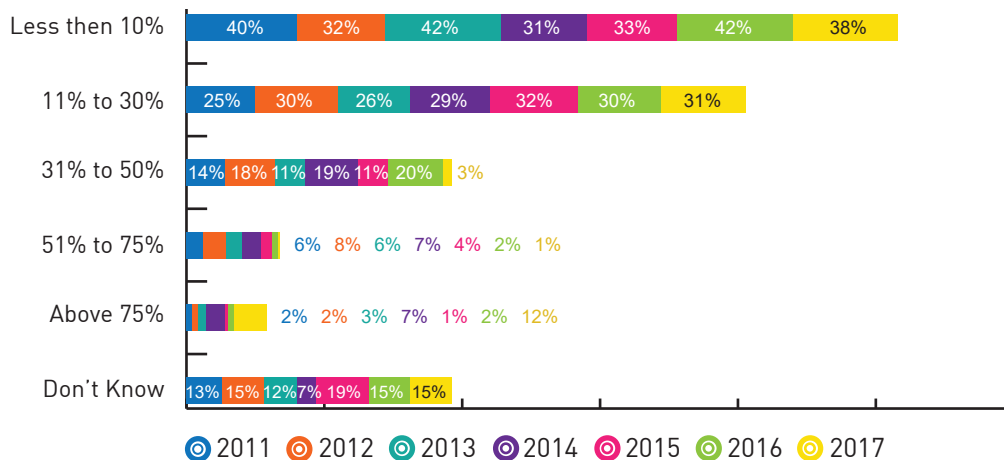Do you think Behavioural Targeting (sending messages based on subscriber's actions like opens, clicks, etc.) can increase Email Marketing Effectiveness?

It can result in significant increase in effectiveness of email marketing: 55% 49% 53% 57% 58% 51% 58%

It can result in moderate increase in effectiveness of email marketing: 24% 35% 34% 30% 28% 36% 23%

Not sure: 18% 6% 7% 8% 9% 9% 14%

I don't see the effectiveness of behavioural targeting: 2% 10% 6% 4% 5% 4% 5%

● 2011 ● 2012 ● 2013 ● 2014 ● 2015 ● 2016 ● 2017

Graph No. 37

8. Online Budget for Email Marketing:

Email Marketing being amongst the top three primary activities has seen an increament in the budgets too, as compared to rest years around 12% of India Marketers have increased their budget above 75% for Email Marketing.

What is the percentage of online budget for Email Marketing?

Less then 10%: 40% 32% 42% 31% 33% 42% 38%

11% to 30%: 25% 30% 26% 29% 32% 30% 31%

31% to 50%: 14% 18% 11% 19% 11% 20% 3%

51% to 75%: 6% 8% 6% 7% 4% 2% 1%

Above 75%: 2% 2% 3% 7% 1% 2% 12%

Don't Know: 13% 15% 12% 7% 19% 15% 15%

● 2011 ● 2012 ● 2013 ● 2014 ● 2015 ● 2016 ● 2017

Graph No. 38

TOP 5 RECOMMENDATIONS

1. Redefine your content marketing territory:

India Marketers are yet to maximise the potential of video marketing. In 2016, investment in video marketing has increased by 6% only. Video is a content marketing goldmine as it allows businesses new and inventive ways to reach out to its target audience. With the emergence of micro-video apps and video syndication on Facebook, the trend has shifted towards personalised and real-time video sharing. YouTube is now the new TV. The trend of promoting a brand via web-series, as done popularly by channels like TVF in India, has become quite popular.

2. Powering up the ROI:

Marketers still face significant challenges when it comes to measuring ROI on their digital marketing initiatives. Digital has transformed the buyer journey. It's more than important to connect with customer across every stage of the customer lifecycle. Analytical tools such as Google Analytics, IBM Watson, Kissmetrics help in improving customer experiences by making data-centric marketing decisions. Our data shows that only 60% India Marketers use analytical tools like Google Analytics to optimize their customer experience.

3. Automate Your Emails:

Reaching out to Target Audience is one of the key challenges faced by India Marketers in 2016. Each customer is different, so is each situation. Adoption of automated email campaigns that use programmatic technology to personalise emails based on which properties/ websites visitors have looked can help marketers reach out to the right customer, at the right time and the right place. Using programmatic buying means that India Marketers use the same data for their display advertising as email and that makes the content more relevant. It also helps with consistent messaging and branding so the user gets a rounded experience that isn't fragmented.

4. Keep Your Email Subscriber List Updated:

Our research has shown that a significant 40% India Marketers face the issue of unengaged email subscribers. Marketers can update their email subscriber database by running campaigns on Social Media or use third party opt-in databases such as ReachRight which provide database that's relevant to the brand's target audience. Also keep an eye on your unengaged subscribers and consider removing them from your list altogether as sending emails to people who aren't engaged with your emails can hurt the deliverability of your email. Secondly, our data has shown that 78% email subscribers from India use Gmail domain yet only 47% India Marketers use an analytical tool, to check the deliverability of their emails. Thus, they need to proactively take measures to refine their email marketing.

5. Re-map your Customer Journey:

Mobile continues to be an intrinsic part of a customer's journey. However, with the advent of Internet of Things technology, it's best to strategize a multi-device approach that connects with customers across various online and offline touchpoints.

REFERENCES

1. India Internet Users.
http://www.internetlivestats.com/internet-users/india/

2. The Changing Connected Consumer in India. Boston Consulting Group. April 23, 2015.
https://www.bcgperspectives.com/content/articles/center-consumer-customer-insight-marketing-changing-connected-consumer-india/

3. The Eight Second Attention Span. The New York Times. Jan 16th, 2016.
http://www.nytimes.com/2016/01/22/opinion/the-eight-second-attention-span.html?_r=0

4. The Digital Evolution in B2B Marketing. CEB Marketing Leadership Council. 2015.
https://www.cebglobal.com/content/dam/cebglobal/us/en/best-practices-decision-support/marketing-communications/pdfs/ceb-mktg-b2b-digital-evolution.pdf

5. Shopping Cart Abandonment – Recover your Lost Cart Opportunity
http://octaneresearch.in/research/shopping-cart-abandonment-recover-your-lost-cart-opportunity/

6. India Consumer: Why do they Unsubscribe?
http://octaneresearch.in/research/india-consumer-why-do-they-unsubscribe/

7. Aderdeen Group
https://www.press-citizenmedia.com/blog/article/3-email-marketing-best-practices-to-adopt-today

8. Hubspot Science Blogging
http://blog.hubspot.com/marketing/email-marketing-examples-list

9. India Email Marketing 2015 – The Annual State of Email Marketing
http://octaneresearch.in/research/india-email-marketing-2015-the-annual-state-of-emailmarketing-2/

NOTES

DESIGN

Hemant Sharma
Chief Designer
@hemantshandily
linkedin.com/in/hemantshandilya

Ankita Popli
Senior Designer
@AnkitaPopli
linkedin.com/in/ankitapopli

MARKETING

Swati Mehta
Marketing Manager
@swatimehta30
linkedin.com/in/swatimehta1

About Octane Research

Octane Research has established itself as the definitive research authority in India on how marketers and consumers are engaging through digital channels like Social Media, Email Marketing, Search, Mobile, SMS and the Web. By analysing data from hundreds of sources and running into billions of touch points every year (in India alone), Octane Research provides rich insights and the perfect context for India Marketers to move towards smart strategic planning, tactical decision-making and increasing business effectiveness for their digital campaigns.

To have a look at the entire range of work undertaken by Octane Research, please visit octaneresearch.in.

Research Study 2017 Partners

Octane Marketing Offices

Delhi Office:

Level 4, Rectangle 1,
Commercial Complex,
D-4, Saket,
New Delhi - 110017, India

Mumbai Office:

Regus Trade Centre,
Level-1, Trade Centre,
Bandra Kurla Complex,
Bandra East,
Mumbai - 400051, India.

Bangalore Office:

Level 14 & 15,
Concorde Towers, UB City,
1 Vittal Mallya Road,
Bangalore - 560001, India

Contact Details

Email: support@octane.in | Call Us: 1800-300-23273 (TOLL FREE), +91-11-324 34 436 (India)

Twitter: @octanein   Facebook: /octanein   Youtube: /octanein   LinkedIn: /company/octanein

To subscribe to our Newsletters & Updates: engage@octane.in

octane.in
start engaging

Octane Marketing Pvt. Ltd.

Octane.in is India's first multi-channel platform for integrated Digital 1:1 Marketing campaigns on Email & SMS. For more information about our organization, please visit www.octane.in

Octane Marketing Pvt. Ltd. is a company registered in India under the Companies Act, 1956.
Company Registration No.: "U51101DL2007PTC158669"
© 2017 Octane Marketing Pvt. Ltd. All Rights Reserved.

This publication contains information in a summary form and is therefore intended for general guidance only. It is not intended to be a substitute of professional judgement. Neither Octane Marketing Pvt. Ltd. or any member of this organization can accept any responsibility for loss caused to any person acting or refraining from action as a result of any material in this publication.

(*Content Specialist: Anindita Mukhopadhayay*)

To get similar research & updates, we invite you to signup for our monthly newsletter:

O Visit octane.in & signup   O SMS Octane<space>Email Id to 52424

Follow us on:

f /octanein   🐦 /octanein   ▶ /octanein   in /company/octanein

Report Price: $999.00
(To purchase an additional copy of this report, go to www.octaneresearch.in)
Report Published: December 2017
Report Reference No: AIE2017

(Online copy for free download will be available on www.octaneresearch.in from January 2017).

Please quote this report reference no. for any queries or correspondence. Please feel free to quote from this research report by acknowledging the source as 'Annual State of Digital Marketing India 2017 or **#VoIM**

Do let us know your feedback on: https://www.surveymonkey.com/r/DigitalIndia