

# Chapter 13

## Impact of Digital Advertising Post–Demonetization in India

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### ABSTRACT

*Technological changes led to the rise of digital advertising, advertising using internet and other technologies. In India, digital advertising is in the nascent stage with most of the transactions taking place in cash. After demonetization, the surge in the digital advertising was seen. This chapter reviews articles, news reports, journals, and books, and discusses the aftermath of the process on retail and online shopping, how it paves the way for a new trend of digital marketing, and the implications of the same on online shopping and digital payments and implications on the rural consumer. The way we communicate has changed in the past 5 years. A few years back, people were skeptical to buy online, and we never thought we would buy groceries, furniture, cloths online, but now we book our shows, tickets, everything is online and in mobile.*

### INTRODUCTION

*Digital advertising, also called Internet advertising (“Internet marketing”) is when businesses leverage Internet technologies to deliver promotional advertisements to consumers. Although the government’s recent move to demonetize Rs. 500 and Rs. 1000 notes have left a lot of people scrambling for cash, digital payments have*

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been seen an explosion in promotional activity. Brands across sectors have increased their marketing spends by 50-70% to promote digital transactions. E-wallet brands have capitalized on the situation to acquire new consumers and have increased their digital marketing by a staggering 120%. Retail brands, on the other hand, have reduced their digital communications by 20-30% owing to most online orders being made with the cash-on-delivery option. Banking firms have increased their marketing communication by as much as 200-300% to keep people informed about their services and build brand loyalty. Mobile push notifications and SMS have emerged as the most used digital marketing tools by brands in the BFSI and e-wallet segments to engage with their target audience post demonetization. Paytm sees an increase of 435% in the traffic post the announcement. Indian bank announces the digital transaction even while buying vegetables. Future Group makes arrangements to make cashless payments in order to offset the impact of scrapping of rupee notes of 500 and 1000. A temple in Gurugram accepted cashless offerings and invited payments by digital wallets, (Jain, 2016).

Consumers are now using smartphones and tablets to interact with businesses to transact, communicate and obtain information. Companies are accelerating efforts to extend their business offerings and operating models into these growing digital channels, while determining the best way to communicate with customers in a multichannel environment.

*Online marketing* is becoming a hot topic in every business sector, and gradually plays a truly important role in any company's multi-channel marketing strategy. It uses the Internet to deliver promotional marketing messages to consumers. It includes email marketing, search engine marketing, social media marketing, many types of display advertising (including web banner advertising), and mobile advertising. Like other advertising media, online advertising frequently involves both a publisher, who integrates advertisements into its online content, and an advertiser, who provides the advertisements to be displayed on the publisher's content. Other potential participants include advertising agencies that help generate and place the ad copy, an ad server who technologically delivers the ad and tracks statistics, and advertising affiliates who do independent promotional work for the advertiser.

## **Tools of Online Marketing, Ronald and Kevin (2015)**

- **Display Advertising:** Display advertising conveys its advertising message visually using text, logos, animations, videos, photographs, or other graphics. Display advertisers frequently target users with particular traits to increase the ads' effect.

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