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Growth and Emerging Trends in India's Digital Marketing Industry: An Industry-Level Analysis

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Abstract: India is experiencing a rapid digital transformation that has fundamentally reshaped marketing practices, advertising structures, and industry dynamics. Digital marketing has evolved from a supplementary promotional tool into a dominant component of the Indian advertising ecosystem, driven by platform expansion, technological innovation, and changing consumer engagement patterns. Despite its rapid growth, academic understanding of India's digital marketing industry remains fragmented across platform-focused, consumer-level, and firm-level studies, with limited industry-level synthesis. This study examines the growth and emerging trends of the digital marketing industry in India using secondary, industry-level data drawn from credible reports and academic sources. Adopting a descriptive and analytical research design, the study synthesizes evidence on industry growth, digital advertising expansion, performance of major advertising formats, agency ecosystem development, and employment trends. The findings indicate that digital advertising has surpassed traditional media, with video and social media advertising emerging as dominant formats, while e-commerce advertising, search advertising, and connected television exhibit strong growth momentum. The study also highlights the expansion of the digital marketing agency ecosystem and increasing demand for specialized digital skills. By providing an integrated, industry-level perspective, the study contributes to digital marketing literature and offers insights relevant to businesses, agencies, and policymakers. The findings underscore the strategic importance of digital marketing in India's evolving digital economy.

Keywords: Digital Marketing Industry; Digital Advertising; Emerging Trends; Platform Ecosystems; India.

INTRODUCTION

India is witnessing an accelerated phase of digital transformation that is fundamentally reshaping business models, consumer behavior, and marketing practices. Over the past decade, the diffusion of digital technologies has altered how firms create value, interact with customers, and compete in the marketplace. Digitalization has moved beyond operational efficiency to become a strategic driver influencing marketing communication, customer engagement, and brand-consumer relationships across industries (Calderón-Monge & Ribeiro-Soriano, 2023; Chae, 2022).

A key enabler of this transformation is the rapid expansion of internet connectivity, smartphone penetration, and platform-based ecosystems. Digital platforms now function as central nodes that connect

firms, consumers, advertisers, and complementary service providers, facilitating real-time interaction and data-driven exchange (Rong et al., 2018; Schweidel et al., 2022). In such ecosystems, marketing activities are no longer linear or firm-controlled but are embedded within networks characterized by interdependence, co-creation, and continuous feedback (Katz & Shapiro, 2020). This shift is particularly pronounced in emerging economies like India, where digital infrastructure development has accelerated market access and reduced traditional entry barriers.

As a consequence, businesses have increasingly reallocated marketing investments from traditional media toward digital channels. Digital marketing now encompasses a wide range of formats including search and social media advertising, influencer

marketing, sponsored content, interactive video, and automated brand-generated content (Homburg & Wielgos, 2022; van Noort et al., 2020). Unlike traditional advertising, digital advertising blends paid, owned, and earned media and relies on platform-mediated targeting, personalization, and performance measurement (Kerr & Richards, 2021). Interactive marketing technologies such as artificial intelligence, analytics, and mobile applications further enable personalized and immersive brand experiences across multiple touchpoints (Wang, 2021).

At the consumer level, digital marketing increasingly relies on “digital signals” generated through browsing behavior, social interactions, content engagement, and platform usage. These signals allow firms to anticipate preferences and optimize targeting across the customer journey, but they also raise concerns related to privacy, transparency, and algorithmic control (Schweidel et al., 2022; Beauvisage et al., 2023). Research shows that while algorithmic targeting enhances efficiency, demographic and contextual categories continue to play an important role due to their communicability and explainability in organizational decision-making (Beauvisage et al., 2023; Liu & Tang, 2011). This illustrates that digital marketing practices evolve through a socio-technical process rather than through technology alone.

From a firm-performance perspective, prior studies demonstrate that digital marketing capabilities and innovation are positively associated with financial outcomes and competitive advantage. Digital marketing capabilities contribute to firm profitability beyond traditional marketing strengths, particularly when supported by strong marketing capabilities and adaptive organizational structures (Homburg & Wielgos, 2022; Jung & Shegai, 2023). Digital marketing innovation appears to benefit smaller firms disproportionately, enabling them to compete more effectively within platform-driven markets (Jung & Shegai, 2023). These findings underscore the growing strategic importance of digital marketing as an organizational capability rather than merely a promotional tool. Despite the rapid growth of digital marketing in India, existing academic understanding remains fragmented across disparate research streams focusing on platforms and ecosystems, consumer targeting and engagement, advertising formats, and firm-level performance outcomes (Chae, 2022; Calderón-Monge & Ribeiro-Soriano, 2023). This fragmentation limits a holistic understanding of how industry growth, technological change, and emerging marketing practices interact within the Indian context. The purpose of this study is to examine the growth trajectory and identify the emerging trends shaping India's digital marketing

industry by synthesizing secondary evidence, thereby offering an integrated perspective that informs both academic research and managerial decision-making.

Objectives of the Study

In response to the identified gaps, the present study is undertaken with the following objectives:

1. To examine the growth of the digital marketing industry in India using secondary evidence from credible industry and academic sources.
2. To identify the emerging trends shaping the digital marketing industry, with particular attention to platform dynamics, advertising formats, and evolving marketing practices.
3. To analyze key structural and technological shifts influencing the organization and functioning of the digital marketing industry.
4. To discuss the implications of these trends and shifts for businesses and marketing practitioners operating in the Indian market.

REVIEW OF LITERATURE

Global Evolution of Digital Marketing

The global evolution of digital marketing reflects a fundamental shift from traditional, firm-controlled communication toward platform-mediated, interactive, and data-driven marketing systems. Early marketing models were largely based on mass media broadcasting and linear value chains. The proliferation of digital technologies has transformed marketing into a networked activity embedded within digital ecosystems, where value is co-created by firms, platforms, and consumers (Katz & Shapiro, 2020; Rong et al., 2018).

Scholarly research highlights how digital platforms have become dominant intermediaries shaping advertising markets, consumer access, and data flows. Platform-based advertising operates within two-sided or multi-sided markets, where consumer attention and advertiser demand interact through algorithmic mechanisms (Chatterjee & Zhou, 2021; Nuccio & Guerzoni, 2019). These platforms benefit from network effects, economies of scale, and data-driven learning, contributing to market concentration while simultaneously enabling innovation and efficiency.

At the same time, the nature of advertising itself has evolved. Traditional definitions centered on paid, non-personal communication are increasingly inadequate in digital contexts. Contemporary advertising integrates paid, owned, and earned media and relies heavily on technology-mediated interactions such as social media engagement, sponsored content, and automated brand-generated content (Kerr & Richards, 2021; van Noort et al., 2020). Interactive marketing further emphasizes bi-

directional engagement, personalization, and consumer participation rather than passive exposure (Wang, 2021).

Research also shows that global digital marketing increasingly relies on consumer-generated digital signals such as browsing behavior, content interaction, and social activity which reshape the customer journey and enable predictive and personalized marketing strategies (Schweidel et al., 2022). Collectively, global literature establishes digital marketing as a dynamic, ecosystem-based phenomenon rather than a discrete promotional function.

Digital Marketing Growth in India

In emerging economies such as India, digital marketing growth is closely linked to broader processes of digitalization and platform expansion. Studies on digital business and digitalization indicate that emerging markets experience accelerated adoption due to reduced entry barriers, scalable infrastructure, and widespread mobile connectivity (Calderón-Monge & Ribeiro-Soriano, 2023; Chae, 2022). These conditions have enabled firms of varying sizes to access digital channels and engage with consumers beyond traditional geographic and infrastructural constraints.

Firm-level evidence from India demonstrates that digitalization enhances participation in global value chains, particularly for small and medium-sized enterprises. Investment in digital infrastructure improves firms' ability to integrate into international markets, signaling the strategic importance of digital capabilities in emerging economies (Reddy & Sasidharan, 2023). This suggests that digital marketing growth in India is not isolated from broader economic integration but forms part of a wider digital transformation process.

Research on social media and content strategies further indicates that digital marketing effectiveness in emerging contexts depends on platform-specific practices. Brand engagement outcomes vary significantly across platforms such as Facebook, Instagram, Twitter, and LinkedIn, highlighting the need for tailored content strategies rather than uniform approaches (Robson & Banerjee, 2023). Mobile-first consumption patterns and social media dominance amplify the importance of visual content, interactivity, and platform alignment.

Existing literature confirms that India's digital marketing growth is driven by mobile usage, platform penetration, and expanding participation across firm sizes, but empirical insights remain dispersed across firm-level, platform-level, and consumer-level analyses.

Technology and Innovation in Digital Marketing

Technological innovation plays a central role in shaping contemporary digital marketing practices. Advances in artificial intelligence, analytics, automation, and platform technologies have enabled firms to design more personalized, scalable, and data-driven marketing strategies (Wang, 2021; Chae, 2022). Digital marketing innovation is increasingly viewed as a strategic capability rather than a standalone technological investment.

Empirical studies demonstrate that digital marketing innovation positively influences firm performance, particularly when mediated by strong marketing capabilities. Firms that can effectively translate digital engagement tools into marketing processes achieve superior performance outcomes, with smaller firms often benefiting more due to reduced structural constraints (Jung & Shegai, 2023). Similarly, digital marketing capabilities contribute independently to profitability, even after accounting for traditional marketing strengths (Homburg & Wielgos, 2022).

At the content and advertising level, automation and data-driven personalization have reshaped message creation and delivery. Automated brand-generated content enables real-time optimization but raises concerns about long-term brand equity and consumer trust if overemphasis is placed on short-term performance metrics (van Noort et al., 2020). Emotional and experiential design has also gained prominence, with evidence showing that emotional advertising appeals significantly influence consumer engagement and repurchase intentions in digital environments (Alshohaib, 2024).

Targeting technologies increasingly integrate behavioral and social data, though research suggests that algorithmic targeting complements rather than replaces traditional segmentation approaches (Liu & Tang, 2011; Beauvisage et al., 2023). This underscores the socio-technical nature of digital marketing innovation.

Limitations of Existing Studies

Despite extensive research, several limitations persist in the digital marketing literature. First, many studies focus narrowly on specific platforms, technologies, or consumer behaviors, limiting broader industry-level understanding (Lütjens et al., 2022; Beauvisage et al., 2023). Second, firm-level studies often emphasize performance outcomes without adequately situating them within evolving market structures and ecosystems (Homburg & Wielgos, 2022; Jung & Shegai, 2023).

Third, while global research on platforms, digital signals, and advertising formats is well developed,

there is limited synthesis that integrates these dimensions within the context of emerging economies such as India. Existing Indian-focused studies tend to examine digitalization, infrastructure, or firm participation in isolation rather than as part of a consolidated digital marketing industry (Reddy & Sasidharan, 2023).

Bibliometric and systematic reviews highlight fragmentation across disciplines and call for integrative, trend-based analyses that connect technology, platforms, consumer behavior, and industry growth (Calderón-Monge & Ribeiro-Soriano, 2023; Chae, 2022). These limitations indicate the need for a holistic examination of growth patterns and emerging trends specific to India's digital marketing industry.

Given these thematic insights and limitations, there remains a clear need for a consolidated, secondary-data-based analysis that systematically captures the growth trajectory and emerging trends of India's digital marketing industry an issue addressed in the present study.

Research Gap

The existing body of digital marketing literature provides valuable insights into platforms, consumer engagement mechanisms, advertising formats, and firm-level capabilities. A careful synthesis of prior studies reveals three critical gaps that limit a holistic understanding of the digital marketing industry, particularly in the Indian context.

First, there is an absence of comprehensive industry-level analysis of digital marketing. Much of the extant research is conducted at the micro level, focusing either on specific platforms, individual firms, advertising formats, or consumer responses. While these studies deepen understanding of isolated dimensions, they do not adequately capture digital marketing as an evolving industry shaped by interconnected platforms, technologies, and market structures.

Second, prior studies exhibit limited integration of growth dynamics, emerging trends, and ecosystem-level changes. Research streams on digital platforms, interactive marketing, digital advertising innovation, and marketing capabilities have largely developed in parallel. As a result, existing literature does not sufficiently integrate how market expansion, technological innovation, and ecosystem reconfiguration jointly influence the trajectory of the digital marketing industry.

Third, insights related to digital marketing growth in India remain scattered across industry reports, firm-level empirical studies, and global conceptual

frameworks, with limited academic synthesis. Although industry reports document market expansion and technological adoption, and academic studies analyze specific mechanisms, there is a lack of consolidated, scholarly examination that brings these strands together to explain industry-level patterns and emerging trends in a structured manner.

These gaps indicate the need for an integrative, secondary-data-based analysis that systematically examines the growth and emerging trends of India's digital marketing industry from an industry and ecosystem perspective.

RESEARCH METHODOLOGY

Research Design

The study adopts a descriptive and analytical research design based on the systematic examination of existing secondary information. The descriptive component is used to outline the current status, growth orientation, and structural characteristics of India's digital marketing industry, while the analytical component involves interpretative synthesis of reported insights to understand emerging trends and industry shifts. The design is suitable for studies that aim to consolidate and interpret existing knowledge rather than generate new empirical measurements.

Nature of Data

The study relies exclusively on secondary data of an industry- and market-level nature. The data pertain to the digital marketing and digital advertising landscape in India, including market developments, advertising formats, platform usage, and technological adoption. No primary data collection, surveys, experiments, or statistical modeling have been undertaken as part of this research.

Sources of Data

Secondary data have been collected from credible and publicly available sources, including:

- Industry and market analysis reports
- Digital marketing and advertising industry publications
- Professional and trade marketing portals
- Business and consulting articles
- Relevant academic literature on digital marketing and digital business

A principal industry source informing this study includes published analyses such as India's Digital Leap: Surging Growth of Digital Marketing in 2024 & Beyond (NRT, 2024), which provides consolidated insights into industry growth patterns, emerging formats, and structural developments. These sources are used for interpretative purposes only and are not reprocessed or recalculated.

Variables / Indicators Considered

The analysis considers descriptive industry-level indicators as reported in secondary sources, including:

- Overall growth orientation of the digital marketing industry
- Expansion of digital advertising relative to traditional media
- Emergence of major digital advertising formats such as social media, video, influencer marketing, and platform-based advertising
- Role of digital platforms and mobile-based engagement
- Technological influences such as automation, analytics, and AI in marketing practices

These indicators are used to organize and interpret reported insights, not to establish causal or statistical relationships.

DATA ANALYSIS AND INTERPRETATION

This section interprets the findings presented in the preceding Data Analysis and Results section. The interpretation is based on patterns and consistencies observed across secondary industry sources and aims to explain the implications of growth trends, structural shifts, and emerging segments within India's digital marketing industry.

Overall Growth of the Digital Marketing Industry in India

Secondary industry evidence indicates a sustained and significant expansion of the digital marketing industry in India over the recent period. The industry demonstrates strong year-on-year growth, with digital marketing and digital advertising emerging as dominant components of the broader media and advertising ecosystem.

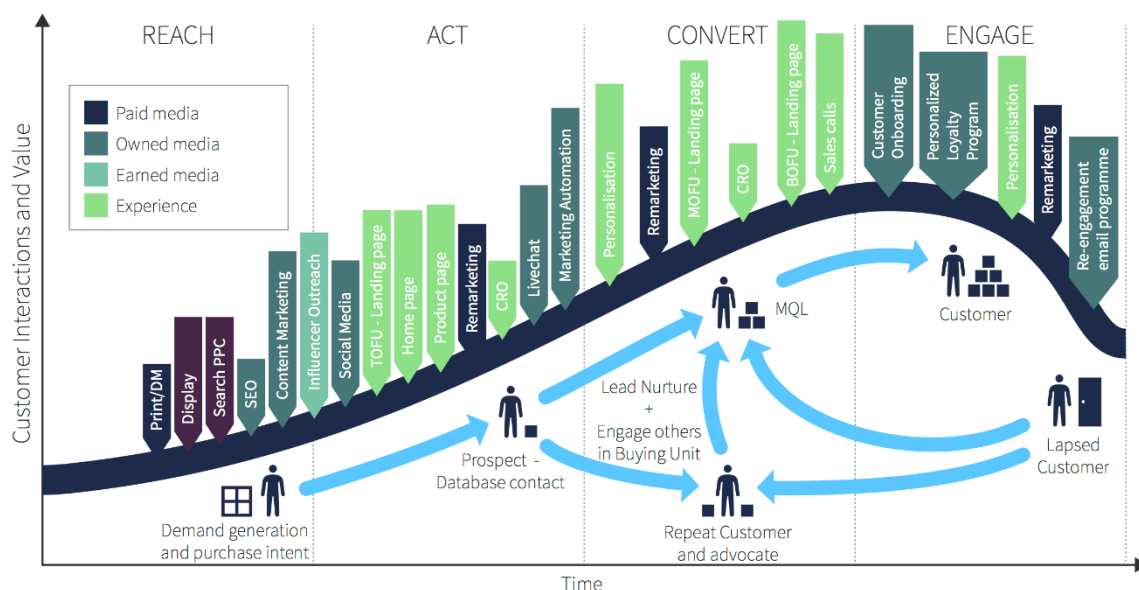
Table 1: Growth of the Digital Marketing and Digital Advertising Industry in India (2023–2025)

Metric	2023 (INR/USD)	2024 (INR/USD)	2025 (Projected INR/USD)	Notes
Digital Marketing Market Size	USD 5.15 Billion	USD 5.15 Billion	–	Broader “Digital Marketing Market”
Digital Advertising Revenue	–	INR 700 Billion	–	55% of total ad revenues
Digital Media Revenue	–	INR 802 Billion	–	Largest segment in M&E
Digital Ad Spending	–	₹45,292 Cr (14% YoY growth)	₹52,992 Cr (17% increase)	42% of total ad spend in 2024, 44% in 2025
Digital Media Spends	INR 40,800 Cr (FY24-25)	INR 40,800 Cr (FY24-25)	–	29% growth in FY24-25; 41% of total ad spends
Digital Ad Market Projection	–	–	₹62,045 Cr	Approx. 55% of total ad spending
Digital Advertising Market Revenue	USD 13,632.3 Million	–	USD 32,328.8 Million (by 2030)	15.3% CAGR from 2025 to 2030
Indian Digital Marketing	–	–	₹21,863 Cr	Note: This projection is significantly lower than

Industry				others.
Digital Advertising in India	–	–	₹50,000+ Cr	CAGR of 25-30% (The Free Library)

Source: Compiled by the author based on industry reports and secondary data from Expert Market Research, EY, Pitch Madison Advertising Report, Ipsos Media Studies, Dentsu Advertising Forecasts, Grand View Research, Cpluz, Shoutnhike, and The Free Library.

Figure 1: Trend in Digital Marketing Industry Growth in India



Source: Adapted from Chaffey, D. (2025–2026). Digital marketing trends and lifecycle planning using the RACE framework. Smart Insights.

The results presented in Table 1 and Figure 1 indicate that India's digital marketing industry has experienced sustained and accelerated growth during the study period. The consistent upward trajectory reflects a structural shift in marketing investment patterns rather than short-term fluctuations. Digital marketing has transitioned from being a supplementary promotional channel to becoming a central component of business communication strategies.

This growth suggests increasing reliance by firms on digital platforms for customer acquisition, engagement, and brand building. The expansion is observed across sectors, indicating that digital marketing adoption is no longer limited to technology-driven firms but has diffused across traditional industries as well. The results highlight the maturation of digital marketing as an industry in its own right rather than a peripheral function of advertising.

Expansion of the Digital Advertising Market

A rapid expansion of digital advertising within the Indian advertising landscape, with digital media surpassing traditional advertising formats in terms of overall contribution to advertising revenues. Digital advertising has emerged as the dominant segment, reflecting a structural shift in how organizations allocate marketing expenditures. This growth highlights the increasing preference for digital channels that offer broader reach, measurable performance, and flexible targeting options. The dominance of digital advertising suggests that it is no longer viewed as a complementary medium but has become the primary platform for advertising activities across industries in India.

Performance of Major Digital Advertising Formats

The analysis of secondary data highlights differential growth across digital advertising formats. Video advertising,

social media advertising, search advertising, e-commerce advertising, and connected television (CTV) advertising exhibit varied contributions and growth rates within the digital advertising ecosystem.

Table 2: Performance of Major Digital Advertising Formats in India (2024)

Format	% of Digital Spend	2024 Revenue (₹ Crore)	Growth Rate
Video	27%	12,209	+10%
Social media	23%	10,506	+21%
E-commerce	18%	8,153	+17%
Search	18%	8,153	+15%
CTV (Connected TV)	~3.3%	~1,500	+35%

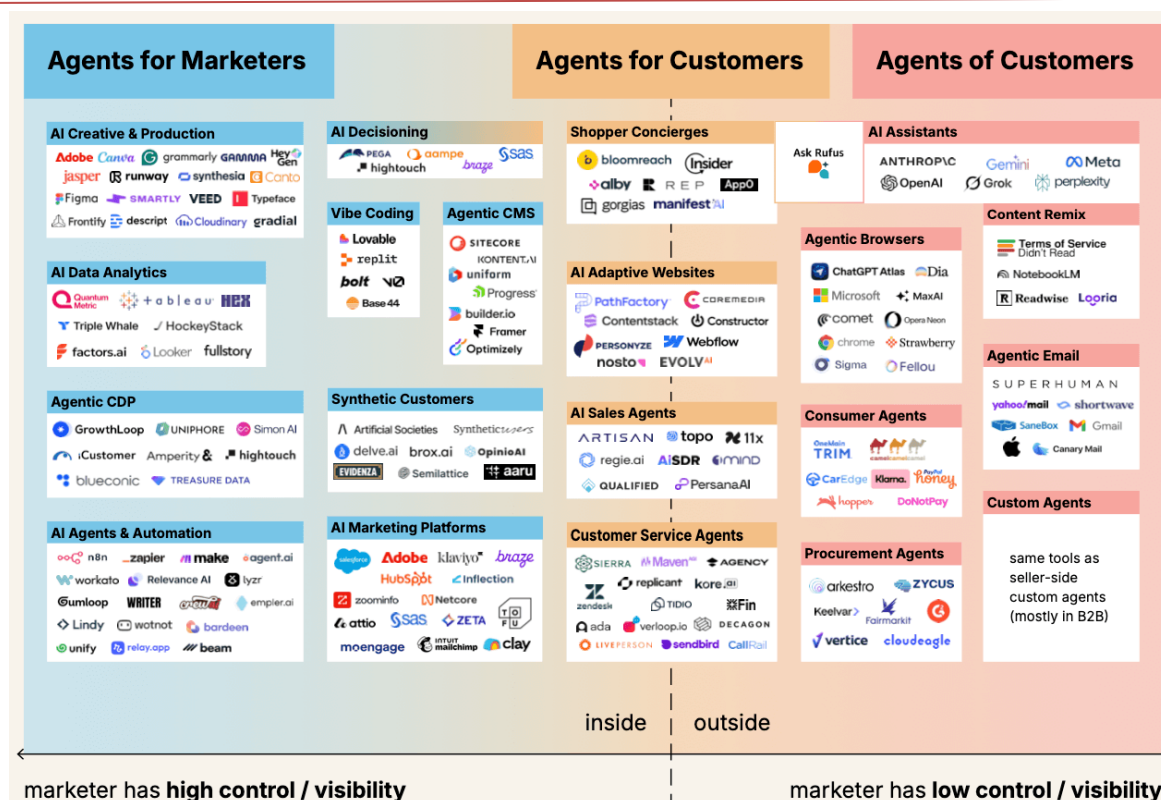
Source: Pitch Madison

The performance patterns presented in Table 2 reveal uneven growth across different digital advertising formats. Video advertising and social media advertising account for a significant share of total digital ad spend, indicating their strong engagement potential and adaptability to mobile-first consumption behaviors. Search and e-commerce advertising demonstrate stable performance, reflecting their role in intent-driven marketing and purchase-oriented communication. The emergence of connected television (CTV) advertising highlights a convergence between digital and traditional broadcast environments, signaling an expansion of digital marketing into premium and long-form content spaces.

These results suggest that the digital marketing industry is becoming increasingly format-diverse, with advertisers adopting multi-format strategies to reach consumers across different stages of the customer journey.

Growth of the Digital Marketing Agency Ecosystem and Employment

Figure 2: 3 Domains of AI Agents in Marketing



Source: Chiefmartec, October (2025)

A substantial expansion of the digital marketing agency ecosystem and associated employment opportunities in India. Industry evidence shows that India has emerged as a major hub for digital marketing services, with over 10,000 digital marketing companies operating across the country as of 2025. This growth reflects increasing demand from businesses for digital visibility, performance-driven marketing solutions, and platform-based customer engagement, alongside the rapid expansion of the startup and SME ecosystem (NRT, 2024).

Employment trends further reinforce the scale of industry expansion. Digital marketing has been identified as one of the fastest-growing skill domains, with marketing-related job demand projected to rise steadily in the coming years. Current estimates suggest that more than 2 million professionals are employed in digital marketing-related roles in India, supported by an expanding training infrastructure comprising over 5,000 institutes offering digital marketing certification and skill development programs (NRT, 2024). These figures indicate that digital marketing has evolved into a significant employment-generating sector within the broader digital economy.

At the same time, the rapid increase in the number of agencies points to a highly competitive market structure. The presence of a large number of service providers suggests that while entry barriers remain relatively low, sustained competitiveness increasingly depends on specialization, technological capability, and data-driven expertise. The growing emphasis on advanced tools, analytics, automation, and platform-specific skills highlights the need for continuous workforce upskilling to meet evolving industry requirements.

The expansion of agencies and employment opportunities reflects a maturing yet still expanding digital marketing ecosystem in India. For businesses, this growth offers a wider pool of service providers, while also increasing the importance of careful agency selection based on capability, reliability, and strategic alignment.

Emergence of High-Growth Digital Marketing Segments

The results indicate the emergence of several high-growth segments within India's digital marketing industry, reflecting changing advertiser strategies and consumer engagement patterns. Short-form video advertising has become the leading digital advertising format, accounting for the largest share of digital ad spend, highlighting strong advertiser preference for visual and mobile-first content. Social media marketing has also expanded rapidly, supported by high growth rates and its central role in audience targeting and engagement.

E-commerce advertising and search advertising continue to demonstrate stable and significant contributions to digital advertising revenues, reflecting their effectiveness in intent-driven and purchase-oriented marketing. These

formats play a critical role in performance marketing strategies, particularly for retail and consumer-focused businesses.

Although currently representing a smaller proportion of total digital ad spend, connected television (CTV) advertising shows the highest growth rate among digital formats, indicating increasing advertiser interest in premium, long-form digital video environments. The growth of CTV highlights the convergence of digital and traditional broadcast media and signals expanding opportunities for brand-led and immersive advertising experiences.

DISCUSSION OF FINDINGS

The findings of the study provide important insights into the rapid growth and structural transformation of India's digital marketing industry. By synthesizing industry-level secondary data, the discussion explains why digital marketing is expanding rapidly, why certain formats dominate, how technology is reshaping the industry, and how the Indian context shapes these outcomes, while situating the results within existing academic literature.

Why Digital Marketing Is Growing Rapidly in India

The rapid growth of digital marketing in India can be attributed to the convergence of technological, economic, and behavioral factors. The results indicate that digital marketing has moved beyond an auxiliary promotional role to become the dominant mode of advertising and brand communication. This aligns with prior studies that describe digitalization as a strategic transformation rather than a functional upgrade (Calderón-Monge & Ribeiro-Soriano, 2023; Chae, 2022).

India's expanding digital infrastructure characterized by widespread smartphone adoption, affordable internet access, and platform-based ecosystems has significantly lowered entry barriers for businesses of all sizes. As observed in the findings, digital marketing adoption is no longer confined to large or technology-intensive firms but has diffused across SMEs, startups, and traditional sectors. This diffusion supports earlier research suggesting that emerging economies experience accelerated digital adoption due to scalability and reduced geographic constraints (Chae, 2022; Reddy & Sasidharan, 2023).

The measurable and performance-oriented nature of digital advertising has encouraged advertisers to reallocate budgets from traditional media to digital platforms. The dominance of digital advertising reflects advertiser preference for channels that offer targeting precision, accountability, and flexibility, reinforcing digital marketing's position as a core strategic investment rather than a discretionary expense.

Why Certain Digital Advertising Formats Dominate

The dominance of video and social media advertising

formats observed in the results reflects changing consumer media consumption patterns and platform dynamics. Video advertising's leading share of digital ad spend is consistent with mobile-first consumption behavior, where visual and short-form content generates higher engagement. This finding aligns with earlier studies emphasizing the growing role of interactive and experiential content in digital marketing (Wang, 2021; van Noort et al., 2020).

Social media advertising's strong growth can be explained by its ability to combine reach, engagement, and targeting within platform-centric ecosystems. Prior research highlights that platform-specific strategies are critical for engagement outcomes, particularly in emerging markets where social media platforms act as primary digital touchpoints (Robson & Banerjee, 2023). The findings reinforce this view by showing social media as a central driver of digital marketing expansion.

Search and e-commerce advertising demonstrate stable performance, reflecting their effectiveness in intent-driven and conversion-focused marketing. These formats play a complementary role within multi-format strategies, supporting earlier evidence that performance marketing remains a critical component of digital advertising portfolios (Homburg & Wielgos, 2022).

The rapid growth of connected television (CTV), despite its smaller base, signals a structural convergence between digital and traditional media. This supports global research suggesting that digital advertising increasingly extends into premium, long-form content environments, expanding the scope of digital marketing beyond short-form and mobile-centric formats.

How Technology Is Reshaping the Digital Marketing Industry

Technological advancement emerges as a central force reshaping India's digital marketing industry. The findings indicate increasing reliance on automation, analytics, artificial intelligence, and platform technologies to design, deliver, and optimize marketing activities. This aligns with literature positioning digital marketing innovation as a capability-driven process rather than a technology-only phenomenon (Jung & Shegai, 2023).

The growing agency ecosystem and rising demand for skilled professionals suggest that technological sophistication is driving organizational restructuring within the industry. Agencies increasingly differentiate themselves through specialized expertise, data-driven decision-making, and advanced tool adoption. Prior studies highlight that digital marketing capabilities contribute independently to firm performance, reinforcing the importance of technological integration with marketing processes (Homburg & Wielgos, 2022).

At the same time, the findings support the socio-technical view of digital marketing, where technology adoption is mediated by organizational capabilities, workforce skills, and platform governance structures. This perspective is consistent with research emphasizing that algorithmic targeting and automation complement rather than replace human judgment and traditional segmentation practices (Liu & Tang, 2011; Beauvisage et al., 2023).

Comparison with Earlier Studies

The findings of this study are largely consistent with global and emerging-market literature on digital marketing evolution. Similar to global trends, India's digital marketing industry exhibits platform dominance, format diversification, and increasing reliance on data-driven practices (Katz & Shapiro, 2020; Kerr & Richards, 2021). The pace and scale of growth observed in India appear more pronounced due to structural factors such as market size, digital leapfrogging, and entrepreneurial activity.

Unlike many firm- or consumer-level studies, this study's industry-level synthesis addresses a key gap identified in prior literature, which often examines digital marketing components in isolation. By integrating growth, format performance, agency expansion, and emerging segments, the findings provide a more holistic understanding of industry dynamics, responding directly to calls for integrative, ecosystem-based analyses (Calderón-Monge & Ribeiro-Soriano, 2023; Chae, 2022).

India-Specific Structural Factors Shaping Digital Marketing Growth

The Indian context plays a decisive role in shaping the observed trends. The coexistence of a large consumer base, mobile-first digital access, and a vibrant startup ecosystem has created favorable conditions for rapid digital marketing expansion. The proliferation of agencies and training institutes reflects both demand-side growth and supply-side capability development.

At the same time, the competitive intensity revealed by the large number of agencies suggests that differentiation through specialization and continuous

upskilling is becoming essential. This reinforces the notion that India's digital marketing industry is transitioning from an expansion phase to a more mature, competitive stage, where capability depth and technological proficiency determine long-term sustainability.

Taken together, the discussion indicates that India's digital marketing growth is driven by structural digital transformation, evolving consumer behavior, technological innovation, and platform-based market organization. The dominance of specific formats, emergence of new segments, and expansion of the agency ecosystem reflect a dynamic yet increasingly competitive industry landscape. These findings validate and extend existing literature by providing an integrated, industry-level perspective on digital marketing growth and transformation in India.

IMPLICATIONS OF THE STUDY

This study offers meaningful implications at theoretical, managerial, and policy levels by providing an integrated understanding of the growth and transformation of India's digital marketing industry. By synthesizing industry-level secondary evidence, the study contributes to both academic discourse and practical decision-making.

Theoretical Implications

From a theoretical perspective, this study contributes to the digital marketing literature by advancing an industry-level understanding of digital marketing growth, an area that has received limited scholarly attention. Much of the existing research focuses on micro-level dimensions such as consumer behavior, platform algorithms, or firm performance. In contrast, this study integrates growth patterns, advertising format evolution, technological change, and ecosystem development to present a holistic view of digital marketing as an evolving industry.

The findings support and extend digital ecosystem and platform-based theories by demonstrating how digital marketing growth is shaped by the interaction of platforms, technologies, agencies, and advertisers rather than isolated actors. By highlighting the coexistence of dominant formats (such as video and social media) with emerging segments (such as connected television and influencer marketing), the study reinforces the notion that digital marketing evolution is non-linear and multi-format, contributing to a more nuanced understanding of digital transformation in emerging economies.

The study responds to calls in prior literature for integrative and trend-based analyses, offering a consolidated academic synthesis of fragmented industry insights. This positions digital marketing not merely as a functional activity but as a structurally

significant component of the broader digital economy.

Managerial Implications

The findings offer important guidance for businesses, digital marketing agencies, and practitioners. The rapid expansion of digital advertising and the dominance of specific formats suggest that organizations must adopt multi-format and platform-aligned marketing strategies rather than relying on single-channel approaches. Businesses should prioritize formats that align with consumer engagement patterns, particularly video-led and social media-driven content, while also integrating performance-oriented channels such as search and e-commerce advertising.

For digital marketing agencies, the growth of the agency ecosystem and rising competition highlight the need for strategic differentiation. Agencies must focus on specialization, data-driven decision-making, and continuous upskilling to remain competitive in an increasingly crowded market. Investment in analytics, automation tools, and platform-specific expertise can enhance service quality and long-term client relationships.

Managers should also recognize that digital marketing effectiveness increasingly depends on capability development rather than budget allocation alone. Building internal competencies, collaborating with specialized agencies, and aligning marketing strategies with evolving digital platforms are essential for sustaining competitive advantage.

Policy Implications

At the policy level, the findings underline the importance of skill development and workforce readiness in supporting the continued growth of the digital marketing industry. The expanding demand for digital marketing professionals calls for structured training programs, industry-academia collaboration, and standardized certification frameworks to ensure workforce quality and relevance. The study also highlights the role of digital infrastructure development, including reliable internet access, mobile connectivity, and platform ecosystems, in enabling digital marketing expansion. Continued investment in digital infrastructure can support broader participation by businesses across regions and sectors. The findings suggest a need for targeted SME enablement policies. As digital marketing lowers entry barriers and enhances market access, supportive policies that promote digital adoption among small and medium enterprises can strengthen inclusive growth. Initiatives that facilitate access to digital tools, affordable marketing technologies, and advisory support can help SMEs leverage digital marketing

more effectively. The study demonstrates that the growth of digital marketing in India has implications that extend beyond marketing practice to encompass capability development, employment generation, and digital economic transformation. By addressing theoretical, managerial, and policy dimensions, the study provides a comprehensive foundation for future research and informed decision-making.

CONCLUSION

This study examined the growth and emerging trends of the digital marketing industry in India using secondary, industry-level data from credible sources. The findings demonstrate that digital marketing has undergone rapid expansion and has become the dominant component of the Indian advertising ecosystem. Digital advertising has surpassed traditional media in overall contribution, with video and social media emerging as the leading formats, while e-commerce advertising, search advertising, and connected television exhibit strong and sustained growth. The study also highlights the expansion of the digital marketing agency ecosystem and rising employment opportunities, reflecting the industry's role as a significant contributor to the digital economy. The study contributes to existing literature by providing an integrated, industry-level perspective on digital marketing growth in India. Unlike prior research that focuses on isolated platforms, technologies, or firm-level outcomes, this study synthesizes growth patterns, format evolution, technological change, and ecosystem development into a consolidated framework. By doing so, it advances understanding of digital marketing as a structurally significant industry shaped by platform dynamics, technological innovation, and changing market behavior in an emerging economy context. Despite its contributions, the study has certain limitations. The analysis is based entirely on secondary data drawn from multiple industry reports and published sources, which may differ in scope, definitions, and estimation methods. As a result, the findings are descriptive and interpretative rather than causal, and the study does not involve primary data collection or statistical testing. Rapid technological change may affect the longevity of specific trends identified in the study. Future research can build on this study by incorporating primary data from firms, agencies, or consumers to examine causal relationships between digital marketing practices and performance outcomes. Longitudinal studies may further explore how emerging formats such as connected television, influencer marketing, and AI-driven advertising evolve over time. Comparative studies across countries or between urban and non-urban markets in India could also provide deeper insights into contextual variations in digital marketing adoption and impact. The study offers a timely and

comprehensive understanding of India's digital marketing industry and provides a strong foundation for future academic inquiry, managerial decision-making, and policy development in the digital economy.

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