

# DIGITAL ADOPTION: THE GOOD FALLOUT OF DEMONETISATION



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**T**he recent demonetisation of Rs 500 and Rs 1000 notes in India has created panic among the population due to the deficit of physical cash in the market. In this scenario, brands have needed to strategise and plan their marketing activities wisely to promote digital transactions. We have seen a 50-70% increase in communication via digital marketing by brands to promote their services owing to the current situation.

## **E-WALLETS CASH IN**

E-wallet brands have capitalised on the demonetisation move to acquire new consumers and promote their services, by increasing advertising spends and tying up partners to promote their digital transaction services. In the most recent example, an e-wallet company tied up with an online cab booking service to offer credit on cab bookings for a week.

The market scenario has created a huge opportunity for brands to get people to experience the convenience of transactional services. Prior to this, e-wallets struggled to grow their reach and catered to a mostly niche audience. E-Wallet as a medium promises a high ac-

ceptability rate in the future due to its digital nature. People are now more open to trying out digital payment solutions for their daily activities like eating out, retail purchases and booking cabs. E-wallet companies have also used cash back and other offers to lure consumers onto their platform.

There has been an increase in mobile communication by e-wallet brands through digital marketing tools. Brands in this segment have turned to app notifications and SMS as mediums to continuously engage with their consumers. Another technique for digital marketing involves the segmentation approach. Brands, especially in the e-wallet sector, send promotional offers and details based on the consumer's age through marketing technology.

## **AN OPPORTUNITY FOR BFSI**

To keep their customers well-informed and updated about regulatory changes and extended services, the Banking, Financial services and Insurance (BFSI) sector has been disseminating information about regulations and services continuously. It was critical that these messages reached consumers in time. So marketers in this sec-

tor increased their digital spends and marketing communication to reach their target consumers and keep them informed.

SMS has been the most used channel of communication by BFSI brands post demonetisation. Marketers have introduced regional language SMS as a marketing tool to tap the Tier II and Tier III markets. Brands from the BFSI sector have transcribed brand messages in as many as 11 regional languages. Another marketing tool used by the sector has been the automated IVR (Interactive Voice Response) to better engage with consumers from rural markets. Banks also introduced toll-free numbers for consumers to check account balance and last three transactions. These facilities have been aggressively promoted through digital channels, SMS across the country and email in Tier I markets.

**IMPACT ON RETAIL**

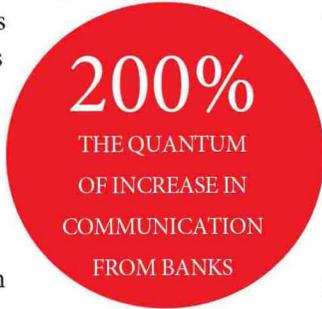
E-commerce brands get many cash-on-delivery orders and the sector has witnessed a major downfall in business due to demonetisation. These brands have temporarily withdrawn promotions on digital platforms for new consumer acquisition as well as cash-on-delivery services, due to the deficit of physical cash in the market. However, they are promoting digital payment offers on cards and net banking even for orders that are in the pipeline to draw their consumers to the platform.

Offline retail has also seen a reduction in digital communication.



► **SHIFT TOWARDS DIGITAL PAYMENTS IS IN EVERYONE'S BEST INTEREST**

The businesses in this sector have been actively collaborating with e-wallet companies to offer digital payment solutions to consumers. This sector has also been promoting offers on digital transactions to lure their audiences to stores. SMS and email have been the most used marketing tools.



**COMMUNICATION ROUNDUP**

The E-wallet sector has seen an increase of more than 120% in the volume of messaging sent to consumers. Banking firms have also increased their digital communication by 200-300% in recent times. On the other hand, there has been a drop of over 20-30% in digital communication from e-commerce and retail brands. SMS, however, continues to be the most preferred digital marketing tool among all brands across sectors.

Banking firms are leveraging marketing technology tools to automate communication workflows to handle the avalanche of

communication that has to continuously be sent to consumers.

Banking firms use MarTech to ascertain the preferred medium of consuming information. Based on these data points, they select the preferred medium information to convey information.

**A WIN-WIN**

All said and done, the shift towards digital is likely to be in the best interest of the country. Going cashless and adopting the digital medium will provide a platform for brands to determine which channel will provide them with the maximum response from consumers. A digital economy will also help brands manage their digital spends in the future. While carrying physical cash was a risky affair earlier, embracing digital mediums can help individuals rest assured about their monetary security. It is, therefore, a win-win situation for both brands and consumers. ☺