

6 DIGITAL MARKETING AGENCY



1. INTRODUCTION

In the ever-evolving landscape of technology, the hospitality and tourism industry, particularly in Uttarakhand, has undergone a profound transformation due to the advent of digital technology. The emergence of digitalization and internet services has significantly influenced the marketing strategies of star-category hotels in the region. Over the past decade, Uttarakhand's hospitality and tourism sector has experienced substantial growth, propelled by the integration of digital advancements. Today, these establishments leverage the wealth of information provided by digital marketing for service customization, efficient destination management, and influencing consumer behavior. Engaging in a digital marketing service business in this context presents immense potential for growth and sustainability, aligning with the increasing reliance on these services.

2. SERVICE & ITS APPLICATION

The digital marketing services encompass a wide spectrum, including search engine optimization (SEO), social media management, content creation, online advertising, and website development. The business is tailored to meet the unique needs of businesses and customers.

3. DESIRED QUALIFICATION FOR PROMOTER

The promoters in this industry must have a strong background in digital marketing and have a deep understanding of the local business landscape in Uttarakhand. A passion for staying updated on industry trends and an innovative mindset are essential qualities.

4. BUSINESS OUTLOOK AND TRENDS

In Uttarakhand, the increasing connectivity and internet penetration have triggered a significant transformation in consumer behavior, steering individuals towards digital platforms. This evolving landscape is presenting a substantial opportunity for digital marketing agencies to assume a crucial role in guiding businesses through the online realm effectively. The state has not fully capitalized on the digital sphere, lacking a robust online presence. This gap signifies a critical need for a strong digital footprint. This surge in digital marketing activities signifies a proactive step towards aligning with contemporary trends and ensuring the gaps are filled with the businesses that offer digital marketing coverage.

5. KEY BUSINESS ELEMENTS

- **Target Audience Analysis:** The business should be able to understand and define the specific target audience for clients in Uttarakhand.
- **Comprehensive Service Offerings:** A key business element to success is providing a range of digital marketing services, including SEO, social media management, content creation, and online advertising.
- **Data Analytics:** The business must employ analytics tools to measure the effectiveness of campaigns and refine strategies accordingly.
- **Localized Content:** The content developed must be readily applicable and relevant. It should resonate with the local culture and preferences.

6. MARKET POTENTIAL AND MARKETING ISSUES; IF ANY

The shift in consumer behavior towards digital platforms creates a vast opportunity for digital marketing agencies. A significant economic contributor i.e. tourism stands as a prime sector for harnessing this potential. While the market potential is promising, there are certain marketing issues that need careful consideration. Many businesses may not fully grasp the potential benefits of digital marketing, requiring educational initiatives to bridge this awareness gap. Besides, some areas in Uttarakhand face infrastructure challenges, affecting the seamless implementation of digital marketing strategies. Navigating these issues strategically is crucial for the effective integration of Uttarakhand's offerings into the evolving digital landscape.

7. SUPPLY OF BUSINESS INPUTS

To ensure a robust supply of business inputs, a digital marketing agency in Uttarakhand should prioritize several key factors.

- Firstly, investing in state-of-the-art digital marketing tools and software is essential to stay at the forefront of industry advancements. This technological infrastructure forms the backbone of effective digital campaigns.
- Secondly, assembling a skilled workforce is crucial, encompassing expertise in SEO, social media management, content creation, and data analytics.
- Lastly, fostering strategic partnerships, particularly with platforms and influencers, becomes a vital element to enhance reach and engagement.

8. BUSINESS STORE LAYOUT

The optimal business store layout for a digital marketing agency involves a well-organized office space with designated areas for client meetings, strategy planning, and creative work. This layout facilitates a streamlined workflow and enhances collaboration. Additionally, a robust digital infrastructure comprising high-speed internet, digital devices, and necessary software is essential for ensuring seamless operations.

9. BUSINESS PROCESS

- Client Consultation: The primary step is in understanding the client's goals, target audience, and expectations.
- Market Research: The promoter must understand industry trends, competitors, and the local market and devise customized digital marketing strategies, incorporating SEO, social media, and content marketing.
- Implementation: An important step is implementation of the planned strategies across various digital platforms.
- Client Reporting: The last step is providing the results transparently and in a detailed manner to clients to showcase the impact of digital marketing efforts.

10. MANPOWER REQUIREMENT

Sr. No	Particulars	No.	No of month in year	Wages/Salaries per month (Rs. In Lakhs)	Annual Expense (Rs. In Lakhs)
1	Self-employed	1	-	-	-
2	Digital Marketing Manager	2	12	0.3	7.2
3	Content Creator	1	12	0.25	3
4	Graphic Designer	1	12	0.25	3
	Total				13.20

11. IMPLEMENTATION SCHEDULE

Sr. No.	Activity	Time Required (in months)
1	Acquisition of premises	1
2	Construction (if applicable)	1.5
3	Procurement & installation of Plant & Machinery	2.5
4	Arrangement of Finance	1
5	Recruitment of required manpower	1
6	Total time required (some activities shall run concurrently)	3

12. COST OF PROJECT

Sr. No	Particulars	Annual Expenses (Rs. in lakhs)
1	Land	-
2	Building (<i>Rented</i>)	-
3	Machinery	-
4	Pre-operative and preliminary Exp.	0.10
5	Equipment and Furniture Exp.	2.50
6	Working Capital	1.58
	Total Project Cost	4.18

13. MEANS OF FINANCE

Bank-term loans are assumed @ 60 %

Sr. No.	Particulars	Annual Expenses (Rs. in lakhs)
1	Promoter's contribution	1.67
2	Bank Finance	2.51
	Total	4.18

10. FURNITURES AND FIXTURES

Sr. No	Particulars	Unit	Price per Unit (Rs. in lakhs)	Total Amount (Rs. in lakhs)
1	Laptop/Desktop with printer	2	0.70	1.40
2	Digital Marketing Software & Content Creation Software	5	0.10	0.50
3	Office Furniture	-	0.40	0.40
4	Server Storage Solutions	-	0.15	0.15
5	Video Conferencing and communication tools	-	0.05	0.05
	Total			2.50

For a digital marketing agency, investing in the right software and tools is essential for effective operations and successful client campaigns. Besides investing in a high configured desktop/laptop, the key investment area is purchasing software and allied tools. Here's a list of recommended software and tools across different categories:

1. SEO Tools:

- Ahrefs: Comprehensive SEO tool for backlink analysis, keyword research, and competitor analysis.
- SEMrush: All-in-one marketing toolkit for SEO, PPC, and content marketing.
- Google Analytics: Essential for website traffic analysis and user behavior.

2. Social Media Management:

- Hootsuite: Social media scheduling and management platform.
- Buffer: Simplifies social media scheduling and analytics.
- Sprout Social: Social media management with a focus on engagement and analytics.

3. Content Creation:

- Adobe Creative Cloud: Includes tools like Photoshop, Illustrator, and Premiere Pro for graphic design and video editing.
- Canva: User-friendly design tool for creating graphics and visual content.
- Grammarly: Writing assistant for grammar and style checks.

15. SALES REALISATION

Sr. No	Product	Sales Value in Lakhs
1	Digital Marketing Services (Search Engine Optimization, Social Media Marketing, Content Marketing, Email Marketing, Online Reputation Management, Influencer Marketing, Video Marketing, etc.)	27.00

16. PROFITABILITY CALCULATIONS

The basis of profit calculation is:

Sr. No	Particulars	Annual Expenses (Rs. in lakhs)
A.	Sales realization	27.00
B.	Cost of production	
i.	Utilities	0.60
ii.	Manpower Cost (Salaries/wages)	13.20
iii.	Administrative expenses	0.30
iv.	Selling & distribution expenses	0.90
v.	Rent	2.0
vi.	Interest	0.28
	Total (B)	17.28
	Gross profit/loss (A – B)	9.72
	Less: Depreciation	0.35
C.	PBIT	9.37
D.	Income-tax	-
E.	Net profit/loss	9.37
F.	Repayment (Annual)	0.24
G.	Retained surplus (E-F)	9.13

17. BREAKEVEN ANALYSIS

(Rs. in lakhs)

Fixed cost	
Land & Building Rent	0.20
Depreciation	0.35
Interest	0.28
Manpower	3.96
Total Fixed cost	6.59
Variable cost	
Utilities	0.60
Manpower	9.24
Administrative expenses	0.30
Selling & distribution expenses	0.90
Total Variable cost	11.04
Contribution margin	20%
Break-Even Point in Value	32.95

18. STATUTORY/GOVERNMENT APPROVALS

For operating a digital marketing business in Uttarakhand, India, promoter needs to adhere to the regulatory framework set by the government.

1. Professional Tax Registration: The promoter must register for professional tax, a state-level tax imposed on professionals and businesses. This is done with the Commercial Tax Department in Uttarakhand.

19. TRAINING CENTERS AND COURSES

Training centers that offer professional training and certification in entrepreneurship and business management are as follows:

1. National Institute for Entrepreneurship and Small Business Development (NIESBUD)

Regional Centre, Dehradun
NSTI Campus, Green Park, Dehradun-248001,
Uttarakhand, India

2. Indian Institute of Entrepreneurship (IIE)

NH-37 Bypass, Near Game Village,
Lalmati Guwahati- 781029,
Assam, India

3. Institute of Entrepreneurship Development (IEDUP)

A - 1 & 2, Industrial Area, Sarojini Nagar,
Kanpur Road, Lucknow-226008,
Uttar Pradesh, India

Disclaimer

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