

AN ANALYSIS ON THE UTILIZATION OF DIGITAL MARKETING STRATEGIES FOR GROWTH & DEVELOPMENT OF SME'S

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ABSTRACT:

Purpose: The purpose of this research is to get the idea on how the impact of Digital Marketing has created an inclination towards the SME's and what is the most preferred medium by the businesses & to find the adoption of digital marketing strategies by SME's along with the impact on their business.

Approach: This research is carried out in order to understand the SME's most preferred medium for Digital Marketing & the buzz that is created by making their businesses digitalized.

Findings: The awareness of digital marketing through mediums such as online research, social media, word of mouth, etc varies based on the age of the business owner. There is a direct relationship between the knowledge of digital marketing and the extent of usage of digital marketing tools.

Originality Value: To develop the comprehensive study on how much SMEs are inclined towards the digital marketing practices and what impact has been experienced by the businesses by its implementation and by how they are approaching towards digitalization.

Keywords. Digital Marketing, Impact on Businesses, Small & Medium Enterprises, Most Preferred Medium, etc.

INTRODUCTION:

In India, small and medium-sized businesses (SME) account for around 45% of all industrial production. Additionally, they generate 1.3 million employments annually. They are a 48 million strong industrial segment that is having trouble staying alive and increasing its income. Finding affordable ways to reach out to more and more potential clients is one of the biggest problems for every small business. The free and borderless Internet market is a significant potential in this situation.

Currently, there are about 3 billion Internet users, or 42.3% of the world's population. The Internet would be ranked first in terms of population if it were a nation. With over 1 billion accounts, Facebook has grown to be a nation the size of India.

However, how can we get into this market and advertise what we have to offer? You have access to this wide-open, international market thanks to digital marketing. And it is far less expensive than conventional forms of advertising. Better visibility leading to company development in the short term and brand value in the long term is the core tenet of digital marketing.

NEED OF THE STUDY

Digital marketing is becoming increasingly important for businesses of all sizes, including SMEs. As more and more people go online to search for products and services, it's essential for SMEs to establish a strong online presence and use digital marketing strategies to reach their target audience. Exploratory research is needed to explore the impact of digital marketing strategies on SMEs in Gujarat state taking various factors into account such as age, awareness, types of digital marketing tools, extent of usage of digital marketing strategies, etc. This study will help the Small and Medium sized enterprises to build various digital marketing strategies based on their type of business so that they can compete with the large enterprises and sustain in this cut throat competition while generating revenue.

OBJECTIVES OF THE STUDY

- To study the awareness of digital marketing among SMEs.
- To study the relationship between the knowledge of digital marketing and the use of various digital marketing strategies by SMEs.
- To evaluate the benefits and challenges faced by SMEs in adopting digital marketing.
- To study the impact of Digital Marketing on SMEs.
- To study the co-relation between the type of business and the most preferred digital marketing strategy for SMEs.

RESEARCH METHODOLOGY

Research Design

Descriptive Research Design has been carried out for this survey.

Sources

This project includes both primary data as well as secondary data.

The primary data was collected by the researcher on the selected sample size and area.

Sample Size

The Sample Size in this survey is of 203 respondents.

Sample Area

The Sample area that is selected for the survey was conducted over all Gujarat.

Sampling Techniques

The researcher has chosen convenient sampling technique. A Structured Questionnaire was prepared and was circulated among the respondents.

LITERATURE REVIEW

Yasmin, A., Tasneem, S., & Fatema, K. (2015) emphasis that several businesses now consider using digital channels for marketing to be crucial to their overall strategy. There is now a very affordable and effective way for small business owners to sell their goods or services. Digital marketing is limitless. The corporation can advertise the company and its goods and services using a variety of devices, including smart phones, tablets, computers, televisions, gaming consoles, digital billboards, and media, including social media, SEO (search engine optimisation), videos, content, e-mail, and much more. If user demands are prioritised, digital marketing may be more successful. Wardati, N. K., & Mahendrawathi, E. R. (2019) comprehend that states the effects of social media use on SMEs' sales processes may result in higher revenue for SMEs in the information-intensive sector. (examples of television programs, films, books). However, this is not the case in primary industries, which are defined by low information intensity in both value chains and product information (for instance, agricultural, plantation, and fishery products). Small and medium-sized businesses (SMEs) can actively use social media to solicit input and fresh ideas from a range of stakeholders, including customers, suppliers, and workers.

Ritz, W., Wolf, M., & McQuitty, S. (2019) examined the causes and effects of actions related to the usage of digital marketing by small enterprises. Small businesses are less likely than bigger ones to engage in digital marketing, but the most of the literature on the subject focuses on how big businesses behave rather than explaining why small businesses are less likely to use it or what results they may expect from it.

Jokonya, O., & Mugisha, C. (2019, June) have made an attempt to explore social media usage among retail SMEs, the study found that there are still some areas that merit more research. The study added to our understanding of the variables impacting retail SMEs' usage of social media platforms for digital marketing. The study's findings are crucial for SMEs since they affect how decisions are made in digital marketing.

Soewardikoen, D. W., & Prabawa, B. (2020) stated that small and medium businesses take the cost into account while using the media. Although online media is the best option for small and medium-sized businesses, its potential has not yet been completely realised. The primary factor is that media expenses are far lower and more varied, yet

media competency and knowledge are still low. To get the best outcomes from using online media, it is still important to consider aesthetic factors and message delivery techniques.

Faruk, M., Rahman, M., & Hasan, S. (2021), asserts that the rise of the internet and social media has caused DM to be given a lot of attention since 2010. Global businesses are putting more and more emphasis on digital marketing as an efficient tool of brand communication as social media tempts consumers to advocate for the brands. The best use of digital media for business communication should be ensured by digital marketers, and it is most common in nations like the USA, UK, and India. The most frequently used keyword in the majority of research is "digital marketing".

Valenza, G., Caputo, A., & Calabrò, A. (2021) states that in comparison to large family businesses, SMEs frequently lack appropriate design, implementation, and communication with the owning family and the company. They are also frequently less formalized. Compared to bigger family businesses, SMEs have unique governance structures and mechanisms that are frequently characterized by the significant weight that informal ones have.

Thaha, A. R., Maulina, E., Muftiadi, R. A., & Alexandri, M. B. (2021) states that many governments place a high priority on small and medium-sized enterprises (SMEs) because of their significant economic contribution and the number of people they hire. Digital marketing and SMEs have tended to generate higher profits, with most of these activities occurring in both established and developing nations. The main focus of study on digital marketing and SME is adoption and business performance, with social media marketing and websites dominating digital marketing channels.

Mehta, R. (2020) states that Digital marketing, which has transformed the economy in general and marketing in particular, presents numerous threats and difficulties for marketers in the cutthroat marketplace. The market needs to move away from the traditional customer-oriented marketing approach and toward a technological customer-oriented marketing approach soon, which requires marketers to better understand young people and develop marketing strategies that will both retain the present and capture the future market.

Olson, E. M., Olson, K. M., Czaplewski, A. J., & Key, T. M. (2021) states that through the development of a wide range of digital marketing strategies, the internet wrought disruptive change upon the commercial landscape. But with these additional tactical alternatives comes the requirement for marketing managers to order their goals and choose which digital marketing strategies to fund.

Hien, N. N., & Nhu, T. N. H. (2022) emphasis that researchers and practitioners in the marketing field are increasingly concentrating their attention on the related problems of advertising as they multiply quickly. Only brand awareness can influence how consumers feel about digital marketing and whether they intend to make a purchase.

DATA ANALYSIS

RELIABILITY TEST

Reliability Statistics	
Cronbach's Alpha	N of Items
.789	11

Source: SPSS Output

INTERPRETATION: The above test shows that Cronbach's Alpha is $0.789 > 0.7$ which shows that the data is highly reliable.

TEST OF NORMALITY

H0: Data follows the normal distribution.

H1: Data does not follow the normal distribution.

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	df	Sig.
Age	.230	201	.000	.859	201	.000
Education	.333	201	.000	.712	201	.000

a. Lilliefors Significance Correction

Source: SPSS Output

INTERPRETATION: From the above Normality Test for checking the perception of influence of advertisement on consumer buying behaviour in apparel Industry, it has been noticed that P value for all the variables are less than 0.05 which indicates the rejection of null hypothesis due to which they are normally not distributed among each other and hence the researcher needs to go with the Non Parametric version of testing for further analysis as a part of proving inferential statistics.

CHI-SQUARE TEST

H0: There is no significant association between awareness of digital marketing with the Age of business owners.

H1: There is a significant association between awareness of digital marketing with the Age of business owners.

Test Statistics		
	Age	Knowledge
Chi-Square	143.055 ^a	105.164 ^b
Df	4	2
Asymp. Sig.	.000	.000

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 40.2.

b. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 67.0.

Source: SPSS Output

INTERPRETATION: Here the P value is $0.00 < 0.05$. Thus, it states that the null hypothesis H0 is rejected and there is a significant association between the awareness of digital marketing with the Age of business owners.

CHI-SQUARE TEST

H0: There is no significant association between the knowledge of Digital Marketing with the usage of various digital marketing tools by SMEs.

H1: There is a significant association between the knowledge of Digital Marketing with the usage of various digital marketing tools by SMEs.

	Knowledge	Social_Media	SEO	PPC	Website_and_Webpage	Email	Content_marketing
Chi-Square	105.164 ^a	6.095 ^b	16.164 ^b	122.632 ^b	56.960 ^b	12.940 ^b	128.960 ^b
Df	2	1	1	1	1	1	1
Asymp. Sig.	.000	.014	.000	.000	.000	.000	.000

Test Statistics

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 67.0.

b. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 100.5.

Source: SPSS Output

INTERPRETATION: Here the P value is $0.00 < 0.05$. Hence the null hypothesis H_0 is rejected and there is a significant association between the knowledge of Digital Marketing with the usage of various Digital Marketing tools by SMEs.

MOST PREFERRED DIGITAL MARKETING STRATEGY

Which is the most preferred digital marketing strategy for your business?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Social Media Marketing	73	36.3	36.3	36.3
	Search Engine Optimization (SEO)	39	19.4	19.4	55.7
	Pay- Per- Click (PPC) Advertising	12	6.0	6.0	61.7
	Web page and Website	61	30.3	30.3	92.0
	Email Marketing	14	7.0	7.0	99.0
	Content Marketing	2	1.0	1.0	100.0
	Total	201	100.0	100.0	

Source: SPSS Output

INTERPRETATION: From the above statistical frequency, it is seen that the 36.3% of the businesses prefer social media as the best Digital Marketing tool for the business. 30.3% of the businesses prefer Web page and Website. 19.4% of the respondents prefer SEO as a better digital marketing tool after social media and website and webpage. The remaining tools such as PPC, content and email marketing are the least preferred digital tools for marketing.

KRUSKAL WALLIS TEST

H_0 : There is no significant association between the types of business and various Digital Marketing tools.

H_1 : There is no significant association between the types of business and various Digital Marketing tools.

Test Statistics^{a,b}

	Social_Media	SEO	PPC	Website_and_Webpage	Email	Content_marketing
Chi-Square	41.664	3.242	3.655	15.288	5.177	20.844
Df	3	3	3	3	3	3
Asymp. Sig.	.000	.356	.301	.002	.159	.000

a. Kruskal Wallis Test

b. Grouping Variable: Business_Type

Source: SPSS Output

INTERPETATION: Here the P value is > 0.05 of SEO, PPC and Email. Thus the null hypothesis H_0 is accepted which states that there is no significant association between the types of business and various Digital Marketing tools. The P value is < 0.05 of socialmedia, Website and Webpage and Content marketing. Hence, H_0 is rejected which states that there is a significant association between the types of business and various Digital Marketing tools used by SMEs.

CHI-SQUARE TEST

H_0 : There is no significant association between the knowledge of digital marketing with the extent of usage of various Digital Marketing tools.

H_1 : There is a significant association between the knowledge of digital marketing with the extent of usage of various Digital Marketing tools.

Test Statistics						
Knowledge	Usage_Social_Media	Usage_Email_Marketing	Usage_Website_and_Webpage		Usage_SEO/PPC	Usage_Content_Marketing
Chi-Square	105.164 ^a	85.741 ^b	20.866 ^b	266.985 ^b	78.527 ^b	179.274 ^b
df	2	4	4	4	4	4
Asymp. Sig.	.000	.000	.000	.000	.000	.000
a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 67.0.						
b. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 40.2.						

Source: SPSS Output

INTERPRETATION: Here all the P values are $0.00 < 0.05$. Hence H_0 is rejected which states that there is a significant association between the knowledge of digital marketing with the extent of usage of various Digital Marketing tools.

CO-RELATION TEST

Correlations			
		USAGE	Growth
USAGE	Pearson Correlation	1	.531**
	Sig. (2-tailed)		.000
	N	201	201
Growth	Pearson Correlation	.531**	1
	Sig. (2-tailed)	.000	
	N	201	201

** . Correlation is significant at the 0.01 level(2-tailed).

Source: SPSS Output

INTERPRETATION: A Pearson's correlation was run to determine the relationship between the usage of different digital marketing tools done by SMEs and the impact of usage on their growth. There was a strong, positive correlation between the extent of usage of digital marketing tools and the impact of growth on SMEs which was statistically significant ($r_s = 0.531$, $p = 0.00$).

FINDINGS

The awareness of digital marketing through mediums such as online research, social media, word of mouth, etc varies based on the age of the business owner. There is a direct relationship between the knowledge of digital marketing and the extent of usage of digital marketing tools. The most preferred digital marketing strategy for SME is social media, followed by the Website and webpage and SEO. There is a direct relationship between the type of business such as manufacturer, wholesaler, trader and retailer and the adoption of various digital marketing strategies by the SMEs. There is a positive co-relation between the extent of usage of digital marketing strategies and the impact of growth on SMEs.

CONCLUSION

Out of the various mediums of digital marketing, social media proved to be the most preferred digital marketing strategy by the SMEs followed by the Website and webpage. Hence the SMEs must use social media and website and webpage for branding, better reach and engagement of customers. The awareness of digital marketing is mainly through the mediums such as social media, online research, word of mouth, etc. Thus the business owners must be aware about the trending digital marketing strategies and tools that can be used for the growth and development of their businesses. The application of different types of digital marketing tools and their extent of usage depends on the type of SME an individual holds. Branding, building trust, better reach and cost effective are the major benefits that digital marketing serves to the SMEs, where as budget privacy issues and lack of knowledge are the major challenges faced by the SMEs in adoption of digital marketing strategies. There is a positive co-relation between the adoption of digital marketing and the growth of SMEs. Hence, the SMEs must adopt digital marketing so as to sustain in this cut throat competition and also for their long term growth and development.

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