

## IMPACT OF DIGITAL MARKETING ON MSME GROWTH AND SUSTAINABILITY

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### Abstract:

MSMEs are considered to be the economic engine playing a very important role in economic development of a country. Meanwhile, E-marketing (EM) has emerged as one of the key drivers in sustaining an organisation's competitive advantage. However, the recent revolution in computer science, the Internet, IT, media and communications has changed the nature of business and marketing practices. A growing number of companies and enterprises use the Internet and other electronic tools to communicate with suppliers, business customers and end users of their products and services. New forms of marketing have presented an opportunity for small businesses to grow in a dramatic and dynamic way. Yet, there is a lack of systematic empirical evidence regarding e-marketing activities impact on performance outcomes of a MSMEs. The purpose of this paper is to examine the impact of E-marketing on success of a small business enterprise. Data were collected from 50 Enterprises who had used different E-Market tools. It helps the companies to survive in the market for a longer period with more competitive advantage.

**Key Words:** E-Marketing, MSME

### 1. Introduction

In recent years, digital marketing has emerged as a crucial component for small business success worldwide, and India is no exception. With the rapid proliferation of internet access and smartphones, even in rural areas, digital marketing provides unprecedented opportunities for small businesses in India to reach a broader audience, engage with customers, and drive growth. This article explores how digital marketing plays a pivotal role in the success of small businesses in India.

One of the primary advantages of digital marketing for small businesses in India is the ability to expand their reach and visibility. Traditional marketing methods, such as print and television advertisements, are often prohibitively expensive for small businesses. In contrast, digital marketing offers cost-effective channels like social media, search engines, and email marketing to reach a wider audience. Advertising your brand and products with help of Facebook, WhatsApp, and for that matter Instagram that is famous for only images are immensely popular in India, with millions of active users. Small businesses can leverage these platforms to create targeted advertising campaigns, engage with potential customers, and build a strong customer relationship.

### Review of literature:

**Karolina Pura (2007)** – The purpose of this research work by Karolina is observed to be an investigation of the effectiveness of marketing-communication-tools by the retailers who

are online. The study focusses on the investigation of impact of online marketing-tools by a method of case-study conducted on a retail company. Since the objectives of the company under study is to increase the web-traffic and online-sales the researcher has given more stress on the calculation of return-on-investment (ROI) on each tool employed against the budget allocated by the company under study as the usage of online marketing tools is crucial in the following days for both online retailers and also to traditional brick-and-mortar businesses.

**Jelena Ben Othman (2010)** – This study is conducted on a single company called M/s Fotomina Ltd as a case study to investigate the existing e-marketing activities of the company through a qualitative study. According to the researcher many such works have been cantered on large businesses with lots of resources. Whereas this study has focused mainly in the perspective of small business enterprises which are in the early stage of their development. The study has mainly focussed on the challenges encountered by M/s Fotomina while implementing e-marketing, benefits of e-marketing and it also discusses on the future of e-marketing

**Pallavi Upadhyaya (2012)**- The researcher in this research study on perception-and-adoption-of-B2B-electronic-marketplaces a case study of manufacturing-MSMEs conducted in Karnataka State finds out that, the factors of organizational resources i.e., technical, financial and business resources and pressure from competitors have significant effect on adoption of B2B e-marketplaces. Secondly the study identifies 'improve brand image' as the major benefit. Some of the interesting barriers found from the study talks about 'service providers do not understand the needs of SMEs', 'Dependent on traditional inter-mediaries' and 'business partners are not ready'.

**Garima Chaudhary (2014)** - In this paper on marketing aspect of SMEs the author mentions about various marketing practices followed by SMEs. This paper also highlights on the benefits of e-Marketing such as customer relationship management, digital advertising and mobile application. The paper also talks about certain challenges faced by SMEs such as lack of training, lack of infrastructure, regulatory requirements, legal requirements, tax structures etc

**Noor Fadhiha Mokhtar (2015)**-This study on Internet-Marketing Adoption by Small-Business-Enterprises in Malaysia reveals that the adoption of Internet-Marketing has positive perception among SBEs and the findings of the study proves that, Internet-Marketing has improved their market-reach, reduced the cost incurred on marketing and enhanced the customer-relationship. This study also reveals that SBEs in Malaysia have transformed from traditional-marketing to adoption of internet-marketing in their business.

### **Research Gap:**

An extensive literature review conducted reveals that not many studies on internet marketing especially on MSME sector are conducted. Since E-Marketing is the most happening transformational change in the business today, focussed efforts need to be undertaken by the business organizations in this direction. In spite of the fact that E-Marketing has proven to be the most used by the big companies MSMEs are still considered to be in the slow pace of its adoption although internet marketing has proven to be highly beneficial to MSMEs for its overall development. Studies conducted in various countries and in India show the benefits of internet marketing are Marketing to MSMEs and its impact on its business performance. It was found that little studies are in this direction in shivamogga region. Hence it was decided to address the gaps identified in the scope-of-this-study.

**Statement of Problem:**

Marketing is vital to any business for its survival in the business or industry. This study focusses on the usage of electronic marketing (E- Marketing) and its effectiveness this study focusses on the usage of electronic marketing (E- Marketing) and its effectiveness especially among the business entities of MSME sector. MSMEs all over the world have been recognized as a vital sector in each individual country in terms of its contribution towards the development of many countries.

The fundamental-problem which motivates this research study is an imperative need of understanding the relationship between using eMarketing by the MSMEs in shivamogga District and its effectiveness on the marketing activities of these small-business-enterprises. This study intends to provide practical guidelines on how to use E-Marketing as a MSMEs successful marketing communication tool of the future for those MSMEs who are willing to adopt E-marketing with proactive-approach in their business for efficiency and competitive-advantage. Also, for those MSMEs who are willing to explore the advantages of internet-technologies for their marketing activities which can enhance their marketing performance with greater values.

**Scope of the Study:**

Although E-Marketing is able to provide noteworthy-experience, market-reach and business-growth across the world and as well as in India very few studies have been done to examine these phenomena on MSME sector in the Indian context especially among MSMEs of Shivamogga district. This research is an empirical study undertaken in shivamogga District, which aims to understand the concept of E-Marketing, determine the level of E-Marketing used by MSMEs in shivamogga district, identify the benefits of using E-Marketing technology, establish factors influencing the use of E-Marketing.

**Objectives of the Study:**

- To understand the concept of E-Marketing in the purview of MSME sector of India;
- To determine the level of E-Marketing used by MSMEs in the B2B market of Shivamogga District and its effectiveness;
- To identify the benefits of using E-Marketing technology as marketing communication tool by MSMEs;
- To determine factors influencing the use of E-Marketing by MSMEs in the B2B market of shivamogga District;

**Limitations of the study:**

- Limited time while conducting studies lead to narrow the focus of the work down to something that is deemed manageable
- Busy schedules of respondents as the collection of data was targeted mainly from the owners / sales-in-charge of MSMEs.
- Hesitation of respondents to provide information on the questions posed is another considerable limitation in the study conducted on MSMEs.

**Research Methodology:**

The research methodology used in this study based on primary as well as secondary data. The primary data have been collected through a questionnaire and the secondary data have been collected from websites of various banks and journals related to banking.

**Sample size:** The Sample size is 50.

**Sampling Method:** The General public of the city and sampling units are chosen on the basis of convenience sampling.

**Significance of the study:**

The significance of research on E-marketing in MSME success lies in its potential to highlight how digital transformation can strengthen small businesses. In developing economies like India, where MSMEs contribute substantially to GDP, employment generation, and exports, understanding the impact of E-marketing is crucial. This research provides valuable insights into the opportunities and challenges faced by MSMEs in adopting digital platforms. It helps policymakers, entrepreneurs, and academicians identify best practices and design strategies that can accelerate digital adoption among small enterprises.

Furthermore, this research holds social and economic importance, as it addresses how E-marketing can empower small businesses to overcome traditional barriers such as limited market access, high competition, and resource constraints. By showcasing successful case studies and practical implications, it serves as a guide for MSMEs to leverage digital tools effectively. Ultimately, the research contributes to fostering innovation, improving business resilience, and driving inclusive economic growth through the empowerment of MSMEs.

**Meaning of E Marketing:**

E-Marketing (Electronic Marketing), also known as Internet Marketing, Web Marketing, Digital Marketing, or Online Marketing, is marketing done through the internet on online channels. E-marketing is the process of marketing a product or service offering using the Internet to reach the target audience on smartphones, devices, social media etc.. E-marketing not only includes marketing on the Internet, but also includes marketing done via e-mail and wireless media. It uses a range of technologies to help connect businesses to their customers.

Like many other media channels, e-marketing is also a part of integrated marketing communications (IMC), which helps a brand grow across different channels. E-marketing has become a pivotal tactic in the marketing strategy adopted by companies using several digital media channels.

**Importance of E Marketing**

**Global Reach:** E-marketing eliminates geographical limitations, enabling businesses to reach customers worldwide. This is particularly beneficial for businesses seeking to expand their market presence and reduce reliance on local markets.

**Cost-Effectiveness:** Compared to traditional marketing methods, e-marketing can be significantly more affordable, especially for small businesses with limited budgets.

**Targeted Campaigns:** E-marketing allows for precise targeting of specific demographics, interests, and behaviours, ensuring that marketing messages reach the most relevant audience.

**Enhanced Customer Engagement:** Digital platforms offer various avenues for two-way communication, such as social media, email, and live chat, fostering stronger customer relationships.

**Measurable Results:** E-marketing provides detailed analytics and tracking tools, allowing businesses to monitor the performance of their campaigns in real-time and make necessary adjustments.

**Increased Brand Awareness:** E-marketing strategies, like content marketing and social media engagement, help build brand awareness and recognition among a wider audience.

**Improved Customer Satisfaction:** Personalized communication, convenient payment options, and easy access to information through e-marketing contribute to a better customer experience and increased satisfaction.

**Revenue Growth:** By reaching a wider audience, engaging customers effectively, and optimizing campaigns based on data, e-marketing can lead to significant revenue growth.

**Adaptability and Innovation:** E-marketing is constantly evolving, with new technologies and platforms emerging, allowing businesses to stay ahead of the curve and adapt to changing customer preferences.

**Types of E-Marketing**

1. **Search engine marketing:** This involves optimizing website content to rank higher in search engine results pages (SERPs) for relevant keywords. This leads to increased organic (non-paid) traffic.
2. **Social media marketing:** Utilizing social media platforms to connect with target audiences, promote brands, and drive traffic to websites or specific offers.
3. **Content Marketing:** Creating and distributing valuable, relevant, and consistent content (blog posts, articles, videos, infographics, etc.) to attract and engage a target audience.
4. **E mail Marketing:** Directly communicating with potential or existing customers via email to promote products, share updates, or nurture leads.
5. **Affiliate marketing:** A performance-based marketing where businesses partner with affiliates who promote their products or services, earning a commission for each sale or lead generated.
6. **Pay-per click advertising:** A paid advertising model where advertisers pay a fee each time their ad is clicked, often seen on search engines or social media platforms.
7. **Influencer marketing:** Collaborating with individuals who have a strong online presence and influence within a specific niche to promote products or services.
8. **Video marketing:** Using video content to showcase products, tell brand stories, or provide tutorials, leveraging platforms like YouTube, TikTok, and others.
9. **Mobile marketing:** Reaching audiences through mobile devices using methods like SMS marketing, in-app advertising, or mobile-optimized websites.

**Data Analysis and Interpretation:**

**Table No: 1 Number of MSME Participated in The Survey**

Types of Enterprise	Frequency	Percentage
Micro	25	50
Medium	15	30
Small	10	20
Total	50	100

From the above table it is clear that Out of 50 valid respondent MSMEs participated in the survey it is observed that 50% of respondents expressed that their enterprise belongs to micro industry, 30 belongs to medium and 20% belongs to small scale according to the classification of the Government of India.

**Table No:2-Annual Turnover of Respondent Enterprise**

Turnover	Frequency	percentage
15 lakhs to 5 crores	25	50
5 crores -50 crores	10	20
50 crores-250 crores	15	30
Total	50	100

From the study conducted on the annual turn-over of respondent enterprises in the study area it is observed that 50% of the respondents expressed that the estimated annual turnover of their enterprise falls within the range of 15 lakhs – 5 crores. 20% falls within 5 crores – 50crores followed by 30% falling in the 50 crores-250 crores bandwidth.

**Table No :3 Use of E- Marketing**

Responses	Frequency	Percentage
Yes	48	96
No	2	4
Total	50	100

From the above table it is clear that Use of eMarketing among 50 respondent MSMEs in the B2B market of Shivamogga District is found to be 96% of the respondents use e marketing .

**Table No 4- Use of E-Marketing Tools**

E -marketing tools	Frequency
Electronic mail	35
SMS Marketing	23
Search engine marketing	38
Online video marketing	45
Blog marketing	20
Social media marketing	48

The study on the frequency of use of E-Marketing tools among MSMEs of Shivamogga District reveals that about 48 respondents express that Social media marketing is their most preferred tool among all other eMarketing resources/tools.

**Table No:5 Importance of E-marketing Tools**

**1 - Very Important , 2 - Important , 3 - Moderately Important , 4 -Slightly Important, 5 - Not Important**

Statements	1	(%)	2	(%)	3	(%)	4	(%)	5	(%)	Total
Convenience	24	48	17	34	5	10	2	4	2	4	50
Market Reach	12	24	23	46	10	20	3	6	2	4	50
Cost-effectiveness	12	24	22	44	8	16	5	10	5	10	50
Effective in communication	21	42	18	36	6	12	2	4	3	6	50
Customer engagement	15	30	21	42	11	22	2	4	1	2	50
Accessibility	22	44	10	20	10	20	6	4	2	1	50
Builds brand awareness	18	36	19	38	07	14	4	8	2	4	50
Increase creditability	13	26	21	42	12	24	3	6	2	4	50
Lead conversions	11	22	23	46	10	20	5	10	1	2	50
Obtain key performance metric	15	30	15	30	15	30	4	8	1	2	50

From the above table it is observed that 48% of the respondents opinioned that convenience is

very important factor and 34% respondents opined is important factor and only 4% people said that it is not important factor and comes to cost effectiveness 24% opined that it is an very important factor 16% opined that it is moderately important, in terms of increase credibility majority of respondents are vote for important factor.

**Table No: 6- Expected Outcomes of E-Marketing**

**1 - Strongly Agree, 2 - Agree, 3 - Neutral, 4 -Disagree, 5 - Strongly Disagree**

Statements	1	(%)	2	(%)	3	(%)	4	(%)	5	(%)	Total
Increase the number of clients	19	38	22	44	05	10	02	4	02	4	50
Increase sales	10	20	25	50	10	20	02	4	03	6	50
Increase profit	12	24	18	36	14	28	06	12	0	0	50
Increase competitiveness in the market	18	36	11	22	15	30	04	8	02	4	50

The above table shows that majority of respondents shows agreement towards E marketing helps in increase the number of clients (44%), only 4% of respondents shows strongly disagreement towards it. majority of respondents shows agreement towards marketing helps in increase sales (50%) and only 4% of respondents shows disagreement towards it. Increase competitiveness get 36% strongly agreement and 4% strongly disagreement.

**Findings:**

1. E-mail is one of the most popular E-Marketing tools as most of the respondents agreed to use E-mail marketing in addition to several other E-Marketing techniques.
2. There were some MSMEs that limited to the use of E-Marketing tools to mostly “E-mail, E-Directory, B2B Portals” and “E-mail, Digital Directory, Online Portals, Website”. Such enterprises are mostly belonging to the micro and small enterprise categories and do not seem to have evolved their marketing strategies to a higher level incorporating the more popular and effective eMarketing based B2B portals tools and search engine optimisation techniques.
3. It is also observed that enterprises using a wider array of E-Marketing techniques and in particular the B2B portals and search engine marketing (SEO, Google Ads) spend more as their E-Marketing expenditure than others.
4. ‘Competitive Edge’ is one of the most effective influencing factors motivating MSMEs for the adoption and implementation of eMarketing tools.
5. Convnience is the very important factor for using E-Marketing

**Suggestions:**

1. This study recommends that policy makers and government should ensure that grants, subsidies and loans are made available to MSMEs to be able to effectively adopt E-Marketing technology.
2. Public education programmes should be put in place to ensure that individuals and businesses are made aware of the benefits of E-Marketing adoption. Events are organized in order to share success stories and create awareness.

3. E-Marketing trainings may be organized with the support of associations (MSME organizations). These trainings provide the training on basics of eMarketing and its tools and how MSMEs can use the various platforms available in the E-marketplace. There should be training on eMarketing tools usage to owners of MSME sector about the effective use of modern E- Marketing tools and its advantages.
4. The owners who believe in conventional /traditional marketing should change their mindset to adopt internet marketing effectively with learning.

**Conclusion:**

The results of the present study would be beneficial to the MSMEs willing to get more information about the E-Marketing and its tools in purview of its relation to MSME sector. Moreover, it can be helpful to academicians to acquire the knowledge on the concept of E-Marketing and its effectiveness in the context of MSMEs. Vendors of E-Marketing tools in the B2B marketplace can be other stakeholders making use of the research study to enhance their focus on this vibrant sector of MSME to develop special packages and offers to sell their products and services effectively to this sector.

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