

**A STUDY ON ROLE OF DIGITAL MARKETING IN THE GROWTH OF SMES
IN COIMBATORE DISTRICT**

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ABSTRACT

The rapid evolution of digital marketing, applications, technologies and social media has led to a fundamental shift in the way businesses engage with consumers and share information and ideas with consumers. Digital marketing is an essential factor in marketing products and services to attract and retain customers and enhance the company's brand and consumer satisfaction. However, small and medium sized businesses lack digital marketing skills, receive limited management support, and struggle to promote, market, and attract customers to their products and services. The purpose of this study is to examine the value and impact of digital marketing on the competitive participation of small and medium-sized establishments in the business environment. The research would further envisage whether digital marketing can have a significant impact on the consistent growth and success of SMEs, improving brand recognition and strengthening customer relationships.

Keywords: Digital marketing, Small and Medium sized business, social media, Share information, brand recognition.

INTRODUCTION

Small businesses currently play an important role in the nation's economy and will continue to do so in the future. Small and medium-sized enterprises are referred to as SMEs. Coimbatore is an important commercial and business centre in the state of Tamil Nadu. The business tradition of Coimbatore has developed over a period of two hundred years. If we have to grasp the sequence and chronology of this growth history, it has mainly to do with the fact that the rich black soil in Coimbatore was not very friendly to food production and that the successful growth of cotton served as the basis for the establishment of the famous textile industry. The commercialization aspect of SMEs is generally different from that of large enterprises, hence, making the adoption of digital marketing to be a big challenge to them. The adoption of digital marketing channels is likely to be more successful in big enterprises

than the small enterprises since they are more likely to have the required resources and technology compared to SMEs.

Scope of the Study

This paper presents focuses on the role of digital marketing for small and medium enterprises to consider. It is an attempt to look at the line of development proposes preferences of digital marketing for enterprises. The content of this paper is a documentary research based on various research articles, journals, books, websites, reports and magazines that have been studied and reviewed in various databases. Digital marketing has factors that control the process of growth, change, interaction, activity, and characteristics for businesses that need to be derived for the promotion and implementation of productive strategic marketing activities. The discussion, results, and conclusions of this paper are based on the current literature.

Objectives of the Study

- To understand the benefits of digital marketing in SMEs.
- To find out the barriers in implementing them for SMEs in Coimbatore district
- To determine whether SMEs in Coimbatore can adapt to the rapidly changing environment.

REVIEW OF LITERATURE

- **(Baka, 2016)** Recently, various research scholars have suggested conducting empirical investigations on digital marketing strategies that enhance the performance of SMEs.
- **(Hollebeek & Macky, 2019)** Digital content marketing is used for promoting consumer emotional involvement or commitment, knowledge and understanding, attention, confidence, faith and sales persuasion through pertinent digital content it provide worth, utility and help bring about customer obtainment and holding. It is indicated as relationship marketing device which support, benefits Business accomplishment by customer loyalty towards brand and advancement of customer affiliation. Products information is discovered through content than conventional marketing as desired by seventy percent of customer.
- **(Nuseir & Aljumah, 2020)** Digital marketing imperative areas are publicizing commercial on internet by businesses to supply their goods and services to entice customer and advance communication. Email Marketing empowers to associate, develop

brand and increase faith of customer. Social media Allows for innovating, trade concept, data and portrait participation regarding product of company, it usage comprise Facebook, twitter, LinkedIn. Text messaging via picture, videos, and Messages permit businesses to send data to prospect customers.

- **(Ana-Maria, Constantin & Ioana Madalina, 2021)** Experiential marketing represented as customer discernment in regard to company following dealing with the products and buying them. Companies accomplish competitive advantage by prosperously carry out online shopping experience. Experiential marketing in electronic commerce extensively concentrated on making the maximum gratifying customer experience. For favourable online experience vital aspects contains ambience, captivation, acclimatize, interrelationship and distinguishable.

RESEARCH METHODOLOGY

Haphazard execution of the study will end up itself in chaotic result, so to evade such happenings, the scholar is also required to plan well before he can start his work. The researcher is required to prepare a system operating procedure of action which is known as research design. It ensures that.

- (1) The study will be germane to the problem and
- (2) The study will employ economical procedures

Descriptive research design

The descriptive research is secondhand for this study. The main objective of consuming descriptive research is to pronounce the state of affairs as it exists at present. It mainly involves surveys and fact verdict enquiries of different classes.

Statistical Tools and Techniques

The collected data were edited and then consolidated by using simple statistical tools. The simple statistical tools are employed for the analyses of data are,

- Percentage analysis
- Chi-square test

DATA ANALYSIS AND INTERPRETATION

The collected data has been analyzed through simple percentage analysis and Chi Square Test. The inferences given below in the table make the reader to understand the problem as well as solution to the problem.

Percentage Analysis Method

Table showing Age of respondents

		Age			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18 – 25	16	13.7	13.7	13.7
	18 Years	1	.9	.9	14.5
	25 – 35	42	35.9	35.9	50.4
	35 and above	58	49.6	49.6	100.0
	Total	117	100.0	100.0	

Inference

Out of 117 individuals, the largest age group is those who are 35 and above, accounting for 49.6% or 58 individuals. The next largest age group is those aged 25-35, accounting for 35.9% or 42 individuals. The youngest age group is those aged 18-25, accounting for 13.7% or 16 individuals. There was only one respondent who identified as 18 years old.

Table showing Critical Factors for Retaining and Acquiring Customer

What are the critical factors of Digital Marketing on acquiring and retaining customers?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SEO (Search Engine Optimization)	3	2.6	2.6	2.6
	SEO (Search Engine Optimization), Social Media	2	1.7	1.7	4.3
	SEO (Search Engine Optimization), Website	8	6.8	6.8	11.1
	SEO (Search Engine Optimization),	4	3.4	3.4	14.5

Website, Social Media				
SEO (Search Engine Optimization), Website, Video Marketing	1	.9	.9	15.4
SEO (Search Engine Optimization), Website, Video Marketing, Social Media	3	2.6	2.6	17.9
Social Media	31	26.5	26.5	44.4
Video Marketing	15	12.8	12.8	57.3
Video Marketing, Social Media	16	13.7	13.7	70.9
Website	15	12.8	12.8	83.8
Website, Social Media	6	5.1	5.1	88.9
Website, Video Marketing	2	1.7	1.7	90.6
Website, Video Marketing, Social Media	11	9.4	9.4	100.0
Total	117	100.0	100.0	

Inference

Based on the provided data, it appears that social media is the most critical factor in digital marketing for acquiring and retaining customers, with 26.5% of respondents selecting it as a valid factor. Following this, video marketing and website (both with and without social media) are also deemed important factors, with 12.8% and 12.8% selecting each option, respectively.

Chi-Square Test

Null hypothesis (H₀): There is no significant difference between the critical factors of digital marketing in acquiring and retaining customers and how digital marketing is helpful in networking, branding and exposure.

Alternate hypothesis (H1): There is a significant difference between the critical factors of digital marketing in acquiring and retaining customers and how digital marketing is helpful in networking, branding and exposure.

What are the critical factors of Digital Marketing on acquiring and retaining customers? * How digital marketing is helpful in networking, branding & exposure? Cross tabulation

		Count			
		How digital marketing is helpful in networking, branding & exposure?			Total
		Helpful	Moderate	Very helpful	
What are the critical factors of Digital Marketing on acquiring and retaining customers?	SEO (Search Engine Optimization)	3	0	0	3
	SEO (Search Engine Optimization), Social Media	1	0	1	2
	SEO (Search Engine Optimization), Website	5	1	2	8
	SEO (Search Engine Optimization), Website, Social Media	2	0	2	4
	SEO (Search Engine	0	0	1	1

Optimization), Website, Video Marketing				
SEO (Search Engine Optimization), Website, Video Marketing, Social Media	1	0	2	3
Social Media	14	1	16	31
Video Marketing	8	0	7	15
Video Marketing, Social Media	5	0	11	16
Website	7	2	6	15
Website, Social Media	2	0	4	6
Website, Video Marketing	1	0	1	2
Website, Video Marketing, Social Media	2	1	8	11
Total	51	5	61	117

Chi-Square Tests

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	18.945 ^a	24	.755
Likelihood Ratio	21.401	24	.615
N of Valid Cases	117		

a. 30 cells (76.9%) have expected count less than 5. The minimum expected

count is .04.

Interpretation

According to the chi – square table, the $X^2 = 18.945$, degree of freedom is 24 and ‘p’ value is 0.755. Here the ‘p’ value is greater than 0.05($0.755 > 0.05$). So, the H_0 is accepted.

Findings

- Majority 49.6 % of respondents age are 35 and above.
- Majority 26.5% of respondents says that social media as the critical factor of digital marketing for acquiring and retaining customers.
- According to the chi – square table, the $X^2 = 18.945$, degree of freedom is 24 and ‘p’ value is 0.755. Here the ‘p’ value is greater than 0.05($0.755 > 0.05$). So, the H_0 is rejected. H_1 is accepted and there is a significant difference between the critical factors of digital marketing in acquiring and retaining customers and how digital marketing is helpful in networking, branding and exposure.

Suggestions

- Emphasize social media marketing: Since the majority of respondents use social media as their primary digital media channel, it is crucial to focus on building a strong social media presence. This can include regular posting of content and engaging with customers through social media accounts.
- Invest in digital media marketing strategies: The majority of respondents have adopted digital media marketing strategies, indicating that it is essential to stay competitive. Companies should consider allocating resources to digital marketing to increase their customer base and brand awareness.
- Pay attention to customer engagement: Since almost half of the respondents use social media accounts for customer engagement, it is crucial to prioritize customer service through these channels. This can include responding to customer inquiries promptly and addressing customer complaints.
- Consider the importance of digital media platforms: The vast majority of respondents think that digital media platforms are essential for SMEs, indicating that businesses cannot ignore their importance. Companies should prioritize building a strong digital presence to remain competitive and attract new customers.

- Focus on increasing sales and brand awareness: The majority of respondents agree that digital marketing increases sales and helps in brand awareness. Companies should focus on creating effective digital marketing campaigns that can boost sales and improve brand recognition.

Conclusion

Based on the survey, it can be concluded that a significant majority of respondents in the survey are males aged 35 and above, working in small scale companies, belonging to the secondary sector. The majority of these companies use social media marketing as their primary digital media channel, with most of them using social media tools and accounts for customer engagement. The survey also indicates that digital media platforms are easy to use and are critical for acquiring and retaining customers, with most respondents adopting digital media marketing strategies.

Furthermore, it can be inferred that digital media marketing is highly effective in increasing sales and brand awareness, with a majority of respondents strongly agreeing or agreeing with these statements. The survey also highlights that almost all respondents consider digital media platforms essential for SMEs, and a significant majority of them believe that digital media brings more customers to them.

SMEs in Coimbatore are using digital marketing tools, but they are not able to take full advantage of them because they are not aware of the not-so popular tools such as analytics tools, display advertising, pay-per-click and mobile marketing. SMEs need to understand the purpose of online marketing. They can use it to get feedback, pay, compare products, compare prices, and raise awareness. Most SMEs prefer online marketing only because of cost. They need to understand the business model they are running before using online marketing.

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