

Digital Marketing and Its Effect on Growth of Small Business in Select Areas of Pune City with special reference to Home Care Products

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Abstract: The main purpose of this research paper is to identify the effect of digital marketing on small business. In present time every business has digitalized and using online platform to promote business. Study reveals even small pan shop owners as well as “Bhajiwala” collect payment through paytm, googlepay which indicates that how digital world has affected to business community. Digital Marketing provides cost effective solution to promote company products and enhances the reach to target customers in most efficient manner. This paper also addresses the issues related to their growth, brand acceptance and recognition and in the development of trust factor among customers. In present research previous research work has been examined and questionnaire to collect the primary data was developed. Study is limited to 117 small scale business working in the vicinity of select areas of Pune city are considered which includes small traders and manufactures.

Research Methodology:

In present research paper convenience sampling method is used and data was collected through online and offline mode. Collected data was analyzed and evaluated by using descriptive statistics and relevant statistical test were applied to test the hypothesis.

Key words: Digital Marketing, consumer behavior, MSME

1. Introduction

In modern era digital marketing is known as online or internet marketing which support to business to reach their target customers in cost effective manner in comparison to traditional marketing channel. (Harri-gan 2012, 127-163). In progressing word business is moving with the help of technology and boom of mobile and internet technology has made it easy to promote business and reach with target customer with cost effective manner. As data reveals that India has 467.0 million social media users in January 2023 and 1.10 billion mobile users which speed up the growth platform for business community in comparison to traditional days.

Research of Kamal, (2016) reveals that each and every company either small or large uses the technology and consider the appropriate budget in their marketing plan to strengthen the business. Digital Marketing is an important element of each and every marketing plan because it helps to understand the consumer behaviour, their buying pattern, likes and dislikes which is quite different than traditional methods of marketing (Dwivedi et al, 2020, Mingione and Abratt, 2020).

In present scenario the growth of business portal has made it easy to promote business online, these portals provides leads of potential customers as well as promote company brochure online which enhance the visibility of products as well as sales of company products. In this regard, contribution of Indiamart, TradeIndia and Exporter India is remarkable and same has been observed in previous research as highlighted by Taiminen& Karjauoto, (2015) that this is easy for any business to acquire new customer as well as to satisfy the need of existing customers very effectively and expand the business with the help of digital marketing which was not so easy during the era of traditional marketing.

Creation of corporate image, recognition and branding is most important aspect as a part of strategy by

using digital and social media in comparison to traditional channel of communication. This has also been recorded that there is vast growth and rise of micro, small and medium enterprises globally due to support of local government as well as uses of digital marketing helps in creating competitive advantage over the competitor and increases the sales and revenue of organization. (Mingione and Abratt,2020, Glaeser et al., 2010,) The basic aim of any company is to improve the customer loyalty and engagement to improve the sales through fulfillment of their needs. (Mazzarol, 2015) According to Jain(2014) Large business houses having big budget for marketing and promotion in comparison to small scale Industries, in such scenario digital marketing provides cost effective marketing tools for promotion of their company and products to enhance their sales and profitability.

2. Problem Statement

The basic problem of new business is to run the business with small amount of capital and to promote the business in cost effective manner to satisfy existing customers as well as to acquire new customers. The present study is an attempt to understand the need of small scale business and to examine the benefits of digital marketing in their business.

3. Research Gap

Previous study emphasis on benefits of digital marketing while how effectively digital marketing can be used by small business house to promote their business is not deeply covered as to spend huge amount on advertising is difficult for small and micro business units, therefore, this research is an attempt to know the grey area of improvements and how effectively small scale business houses can utilize digital marketing tool in cost effective manner to promote their business.

4. Objectives

1. To know the impact of digital marketing in the business of small business.
2. To know the opinion of small business owner towards application of digital marketing
3. To know the impact of digital marketing on /demand and lead generation Hypothesis

5. Research Question

Does Digital marketing help in lead generation?

Does digital marketing help in sales development of company?

Can digital marketing influence the buying preference of customers?

6. Hypothesis of the study

H01 Digital marketing has no impact in the buying preference of customers while purchasing the product

Ha1: Digital marketing has an impact in the buying preference of customers while purchasing the product

H01: Digital marketing has no impact on the demand and lead generation for business development

Ha1: Digital marketing has an impact on the demand and lead generation for business development

H01 Web based marketing has no impact on total sales of the company

Ha1: Web based digital marketing has an impact on total sales of the company

7. Research Methodology

Sampling Method: Convenience sampling method **Research Instrument:** Questionnaire

Scale: Likert Scale **Mode:** Offline/Online **Sample Size:** 117

Target Respondents: Customers and small business unit owner **Data analysis:** SPSS Tools

Statistics: Descriptive statistics

Hypothesis Testing: Wilcoxon Signed Rank Test, Friedman Rank Test

Table 1: Descriptive Statistics to know the impact of digital marketing on customer preference while purchasing products

Statement related to buying preference	N	Median	IQR
Digital marketing influences the buying preference	117	4	0

As likert scale data is ordinal data therefore median and IQR is most appropriate descriptive statistical tools to analyze the opinion of respondents. Most respondents shown agreement with the statement that digital marketing affect their buying preference while shopping(Mdn=4,IQR=0)

As business houses are using different web-based marketing channels to promote the business and Researcher was intended to know the preferred options and to analyze the most preferred option of MSMEs Frideman Rank test was applied and results are as below:

N=117

Table 2: Analysis of preference of businessman while choosing digital or web-basedMarketing channel

Digital Meldia	Rank Mean
India Mart	3.26
Exporter India	2.72
Trade India	2.95
Just Dial	3.19

This is clear from the table that highest grade was assigned to India mart while lowest grade was assigned to Exporter India which Indicates that India mart is most preferred option of small business houses while Just dial is second most preferred option.

Table 3: Result of Hypothesis testing

Null Hypothesis	Test	Significance	Decision
Digital marketing has no impact in the	One sample Wilcoxon Signed RankTest	.000	Reject the null hypothesis
Digital marketing has no impact on the demand and lead generation for business development	One sample Wilcoxon Signed RankTest	.004	Reject the null hypothesis
Web based marketing has no impact on total sales of the company	One sample Wilcoxon Signed RankTest	.002	Reject the null hypothesis

8. Findings from Hypothesis

H1. As calculated p value is .000 so we reject the null hypothesis and accept Ha1 that digital marketing has an impact in the buying preference of customers while purchasing the product which significantly contributes towards the importance of digital marketing and its contribution in the business development of small and medium scale business owners and they can continue to spend on digital marketing as obtained results are favorable.

H2 As calculated p value is .004 so we reject the null hypothesis and accept H2 that Digital marketing has no impact on the demand and lead generation for business development. Data reveals that majority of respondents reported that after taking the membership of India Mart, Exporter India and web portal there was satisfactory rise in the level of inquiry of new customers

H3 As calculated p value is .002 so we reject the null hypothesis and accept H3 that Web based marketing has no impact on total sales of the company. Data reveals that majority of respondents reported that after taking the membership of India Mart, Exporter India and web portal there was growth in their revenue digital marketing has an impact in the buying preference of customers while purchasing the product which significantly contributes towards the importance of digital marketing and its contribution in the business development of small and medium scale business owners and they can continue to spend on digital marketing as obtained results are favorable.

9. Limitation

The present study is limited to select areas of Pune City with special reference to MSME associated with business of housekeeping products either in manufacturing or trading as independent units. Further research can be done with other segment and larger sample size for more accurate results.

10. Conclusion

The objective of this paper was to research the impact of digital marketing over the business of small and medium scale business as traditional marketing is expensive and every business house could not afford the same. The research provides the guidelines to new business towards the uses of digital marketing for the development of their business. The basic purpose of research was to examine the impact of digital marketing on buying preference of customers and result indicates that there is positive relationship between digital marketing and buying preference of customers. Another objective was to understand the

Impact on business development and lead generation as data reveals that digital and web-based marketing helps in new lead generation through Indiamart, Justdial, Exporter India and results of India mart is better than another portal. Respondents reported that India mart is effective in business development than another portal. This has also been noted that sale and revenue of the company has been increased due to uses of digital marketing and their decision was to use the digital marketing was in the interest of organization. Therefore this can be concluded that in present business world digital marketing deeply influence the development of MSME business and contribute to enhance their overall profitability with less investment.

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