

DIGITAL MARKETING'S IMPACT ON MSMEs' SALES AND BUSINESS SUSTAINABILITY

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Abstract

The purpose of this study is to look into how different aspects of digital marketing affect both sales success and the viability of an enterprise. For data analysis in this work, structural equation modeling is used along with quantitative approaches. employing convenience sampling strategies to choose samples. Online questionnaires were distributed to 142 MSMEs in the Hyderabad region, and the returned questionnaires were examined. Data research demonstrates that the impact of digital marketing on sales performance and company sustainability was favourable and significant. Digital marketing can be carried out through a wide variety of platforms, including social media, the web, and search engine optimization (SEO). The results show that social media is one of the digital platforms that MSMEs use the most regularly. And discuss the outcomes of an increase in the volume of sales generated by SMEs.

Keywords: digital marketing, sales performance, sustainability

Introduction

The marketing industry is one that is always evolving. The modern marketing executive must have a reliable system in place for gathering timely and accurate data on consumers, competitors, and the external setting. The process of advertising and selling a product or service via the World Wide Web is known as "Internet marketing" (IM). The Internet and electronic commerce have made product distribution and promotion feasible. The term "electronic commerce" (or "e-commerce") is used to describe any type of market that exists solely online. E-commerce, or electronic commerce, is the practise of doing business transactions over the internet. The discipline of Internet marketing is a subset of e-commerce as a whole.

The purpose of digital marketing is to broaden businesses' opportunities to reach a wider audience through more effective forms of promotion and advertising. Advertisers may contact potential customers 24/7, no matter where they are, and businesses of all sizes can utilise this tool to spread the word about their wares online (Agostini&Nosella, 2020; Maduku et al., 2016; Samoilenko&Osei-Bryson, 2018). Since then, digitalization has been connected to small business expansion, productivity, and competitiveness. Using digital marketing and social media, small businesses may attract new clients and retain existing ones (Taiminen & Karjaluo, 2015). Small and medium-sized enterprises (SMEs) can benefit greatly from digitalization due to its simplicity in facilitating information sharing and customer connections (Wonglimpiyarat, 2015). (Eze et al., 2014). For modern businesses, digital platforms are an essential marketing tool since they allow them to more effectively connect and communicate with their target audience, evoke emotions in consumers, and facilitate transactions between businesses and consumers.

Literature Review:

Online advertising is a great way to build awareness for a brand and increase traffic to a website, two of a company's most crucial objectives (Song, 2001).

Traditional forms of public relations and advertising have given way to the more modern strategies of digital marketing. Therefore, it has the ability to revitalise the economy and make government agencies more efficient (Munshi, 2012).

According to Internet World Stats, there will be more than 4.5 billion internet users in the world by March of 2020. (2020). The Internet's velocity and influence have increased as a result of developments in technology and the expansion of digital infrastructure. The internet has largely replaced more conventional means of communication.

Companies that rely on digital technology to create money believe that the three most essential marketing aspects of digital material are: (1) its accessibility; (2) its navigability; and (3) its speed (Kanttila, 2004). As a result, people's buying and consumption patterns have changed over time. Midha (2012) argues that the amount and manner in which people consume is affected by the ever-evolving psychology of consumption in response to consumer demands. So, it's crucial for companies in the sector to respond to the evolving demands of consumers and provide their products and services promptly (Pencarelli, 2020). As consumer expectations rise, it's natural that some businesses may struggle to stay up and eventually fall behind (Ungerma, Dedkova&Gurinova, 2018). There has to be strict new rules and regulations in place for traditional marketing to keep up with the rapid growth of the digital economy and the variety of new opportunities and difficulties it brings (Midha, 2012).

The advent of digital technology has caused a sea change in conventional marketing strategies (Caliskan, Ozen&Ozturkoglu, 2020). Constantly staying ahead of the competition in today's market is challenging because of the way people's attitudes and habits have shifted in response to technology developments (Vidili, 2020). Strategic sales decisions are required to grow digital sales in the long-term and use them as a competitive advantage. Sales techniques that focus on the needs of the consumer are, therefore, more vital than ever in the current economic climate (Zhu & Gao, 2019).

Many companies have jumped on the bandwagon of digital marketing by adopting e-commerce. Traditional stores who haven't invested in an online presence have been hit particularly hard by this upswing. This connection is crucial for the successful transition from classic to digital advertising (Dong, 2018). Successful firms are finding that digitally sustainable sales provide them an edge in the marketplace. The operational sales procedures and external environment should both be factored into a company's market positioning strategy. According to Chaffey & Smith (2012), every company serious about Internet marketing must prioritise the 5S of Internet marketing (Sell, Serve, Speak, Save, Sizzle)—sales, service, communication, savings, brand creation, and diffusion.

Some of the many benefits of online advertising include cost-effectiveness, specificity in reaching an intended audience, ease of use, and the opportunity to do one's own product research before to purchasing (Durmaz&Efendioglu, 2016).

Using digital marketing strategies like social media can help small businesses reach more people for less money. Competition for micro, small, and medium enterprises (MSMEs) is fierce. Many of the rivals provide products that are essentially the same, but at a lesser price. In exchange, they offer a wide range of benefits to their clientele. With the use of digital technologies, businesses may enhance their customer-facing processes and provide a better response to customers' requests. Digital technology is beneficial for both consumers and businesses since it increases efficiency and productivity while decreasing overhead costs (Foroudi et al., 2017).

Objectives:

- To analyse the effect of digital marketing practices on the sales performance of MSMEs.
- To analyse the effect of digital marketing practices on business sustainability of MSMEs

Hypothesis:

H1: Digital marketing practices have significant influence on sales performance of MSMEs.

H1a: Mobile marketing has significant effect on sales performance of MSMEs.

H1b: Social-media marketing has significant effect on sales performance of MSMEs.

H1c: Search engine marketing has significant effect on sales performance of MSMEs.

H2: Digital marketing practices have significant influence on business sustainability of MSMEs.

H2a: Mobile marketing has significant effect on business sustainability of MSMEs.

H2b: Social-media marketing has significant effect on business sustainability of MSMEs.

H2c: Search engine marketing has significant effect on business sustainability of MSMEs.

Research methodology:

Descriptive surveying was used as the primary research approach for this study. Researchers often use questionnaires as a tool for data collection from the study population. This research tool was developed after reviewing the relevant literature and previous studies (WanjiruMobydeen, 2021). A Google Docs questionnaire was created, and its link was sent to the CEOs and managers of MSMEs, as well as any other executives with a stake in the strategy and execution of digital marketing. The first section of the survey asks basic personal and professional information about respondents. In the second section, you'll answer questions about the study's dependent and independent variables. Respondents were given a 5-point Likert scale on which to rate their opinions, from 1 (strongly disagree) to 5 (strongly agree). Respondents were chosen from among various MSMEs in Hyderabad using a combination of expert judgement and practical considerations. After data screening, 142 out of 152 questionnaires were chosen for further research since they contained all of the necessary information.

A combination of SPSS version 24 and AMOS was used to analyse the survey data collected from the participants. Descriptive statistics include summing up the study's variables by calculating their means and standard deviations. Cronbach's alpha was used to check the data's consistency. Structure equation modelling was used for the hypothesis testing (SEM).

Results:

1. Details of respondents and MSMEs:

Measures	Items	Percentage(%)
Gender	Male	84
	Female	16
Age	Below 24	3
	25-30	62
	30-35	12
	35-40	23
	40 & above	8
Education	Secondary	4
	Undergraduate	54
	Postgraduate	2
	Others	21
Occupation	Business	64
	Salaried	27
	Others	9
Type of business	Micro	12
	Small	32
	Medium	66
Activities of business	Manufacturing	43
	Transport	3
	Construction	7
	Trade & commerce	10
	Service	23
	Others	14

Table 2: Descriptive and reliability of the constructs

Sl.No.	Items	Mean	Standard deviation	Cronbach's alpha
1	MM1	3.32	.894	0.874
2	MM2	3.45	.965	
3	MM3	3.45	.941	
4	SM1	3.47	1.000	0.915
5	SM2	3.36	.974	
6	SM3	3.41	.967	
7	SEM1	3.19	.938	0.875
8	SEM2	3.18	.909	
9	SEM3	3.18	.946	
10	SP1	3.45	.947	0.867
11	SP2	3.44	.964	
12	SP3	3.62	.872	
13	BS1	3.29	.979	0.861
14	BS2	3.38	.946	
15	BS3	3.37	.921	

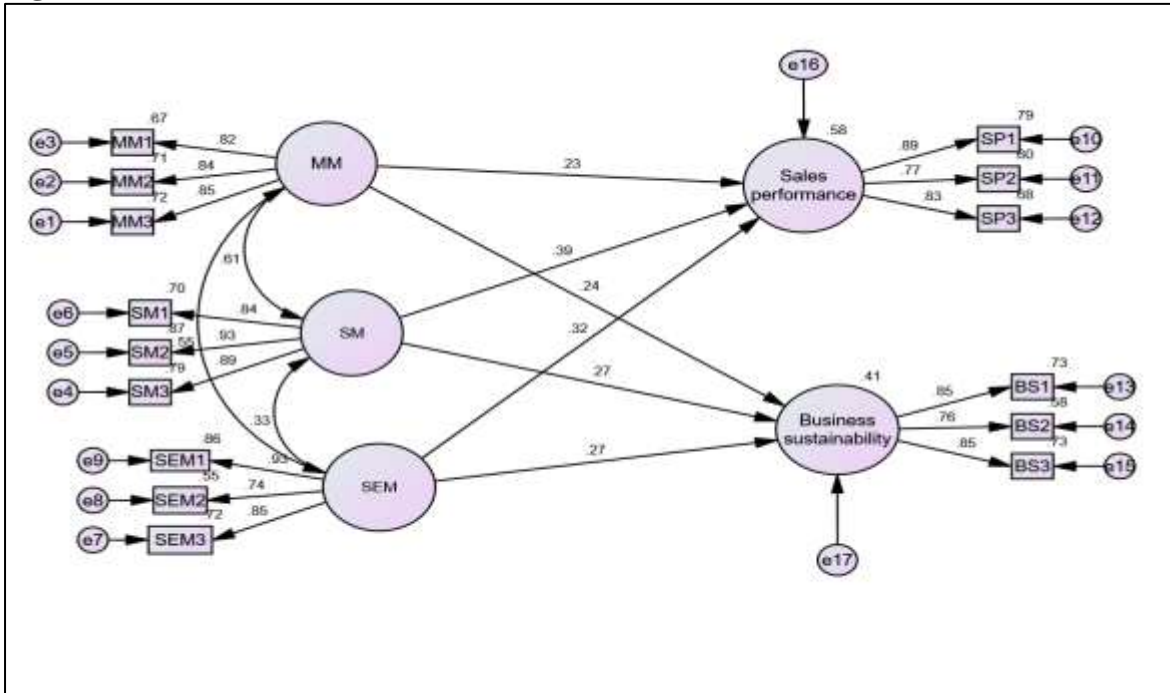
The descriptive statistics of various statements related to predictor variables mainly: mobile marketing, social-media marketing and search engine optimization indicates all the values of mean are above 3 inferred agreements of respondents for these statements. Similarly, dependent variables measured using sales performance and business sustainability having mean values above 3 with standard deviation values near 1.

The above table also mentioned Cronbach's alpha values for research constructs, as per Nunnally (1978) the alpha value above 0.7 indicates reliability of data. For the current study alpha value is higher the threshold value of 0.7 ranging from **0.861 to 0.915**.

3. Structural Equation Modeling (SEM) for hypothesis testing:

SEM is multivariate techniques where the structural model shows the link between the latent variables or constructs that the research model hypothesized. For the current study mobile marketing (MM), social-media marketing (SM) and Search engine marketing (SEM) were considered as exogenous variable and their impact was tested on sales performance and business sustainability of MSMEs (endogenous variables).

Figure 2: SEM model- casual structure



Note: Here; MM-Mobile marketing, SM- Social-media marketing, SEM- Search engine marketing

Table 3: Path coefficients of the Structural model

Outcome variable		Independents Variables	C.R.	P	Regression weights	Hypothesis
Sales performance	<---	Mobile marketing	2.343	.019	0.227	Supported
Sales performance	<---	Social-media marketing	4.771	***	0.392	Supported
Sales performance	<---	Search engine marketing	4.113	***	0.321	Supported
Business Sustainability	<---	Mobile marketing	2.199	.028	0.243	Supported
Business Sustainability	<---	Social-media marketing	2.967	.003	0.274	Supported
Business Sustainability	<---	Search engine marketing	3.027	.002	0.268	Supported

Note: P refers to the differential probability. ***: $p < 0.000$

The data shown in Table 3 and Figure 2 are utilised for hypothesis testing. If the crucial ratio (t value) was more than 1.96 and the probability of a false discovery was less than 0.05 at the 5% level of significance, then the null hypothesis would be accepted. Standardized regression weights for the routes or relationships between independent and dependent variables are represented by the path coefficients. The magnitude of an independent variable's effect on a dependent variable is proportional to the square root of its beta value (the standardised regression weights).

The results showed that mobile marketing had a favourable and substantial effect on MSMEs' sales performance (beta = 0.227, $p = .019$). Therefore, H1a was accepted as the null hypothesis because the p value was less than 0.05.

Similarly, the influence of social media marketing (beta=0.392, $p = 0.000$) and search engine marketing (beta=0.321, $p = 0.000$) on sales performance is positive and statistically significant. These

pathways have t-values more than 1.96 and p-values less than 0.05, supporting hypotheses H1b and H1c.

In addition, the study studied the effect of three marketing strategies on the business sustainability of micro, small, and medium-sized enterprises (MSMEs), and the results supported the favourable effect of digital marketing practises on company sustainability, hence supporting hypothesis H2. The path from mobile marketing to business sustainability has a beta value of 0.243 with a p-value of 0.028, demonstrating the validity of hypothesis H2a.

With beta = 0.274, p = 0.003 (p value 0.05), social media marketing has a considerable impact on business sustainability, as indicated by H2b (beta = 0.274, p = 0.003; p value 0.05). Likewise, this effect of search engine marketing on firm sustainability is substantial as beta=0.268, p=0.002, so H2c is accepted.

Moreover, the generated R square value of 0.58 as presented in Figure 2 depicted that digital marketing practices (mobile marketing, social-media marketing and search engine marketing) accounted for 58% of the variation in sales performance. The R square value for business sustainability is 0.41 indicates 41% of variance explained by three digital marketing practices. performance leaving 61.2% unexplained (error term). Thus, it can be concluded that digital marketing had moderate positive effect on performance of MSMEs

Discussion & Implications:

In this study, we looked at how various digital marketing strategies affected the success of small and medium-sized businesses. Some examples of digital marketing strategies employed by chosen MSMEs are discussed in this study. The research results showed that these three digital marketing strategies do have a good and significant effect on MSMEs' sales performance and business sustainability. Effectiveness can be best predicted by using social media marketing. Previous studies have looked at how various forms of digital advertising affect business outcomes. The results of this study are consistent with those of the other studies. Mail marketing, social network marketing, mobile phone marketing, and website marketing are only some of the digital marketing tactics that Mobydeen (2021) examined in his research of their effects on business outcomes.

The importance of these results lies in the fact that they demonstrate how digital marketing, in any of its forms, can have a positive impact on the performance of MSMEs and that its aims are attainable. All MSME managers/CEO/directors can benefit from the study's findings. Owners and managers are encouraged to adopt a variety of digital marketing strategies to boost the company's bottom line. There isn't a single marketing strategy that doesn't have some kind of impact on revenue growth and company viability.

According to the findings, using many social media platforms to spread a company's message to a wide audience is highly effective. Instagram and WhatsApp were also mentioned as potential tools for maintaining contact with clients.

Conclusion

Small and medium-sized businesses (SMBs) can choose from a variety of digital marketing tools. Websites, electronic mail, short message service, search engine optimization, social networking sites, microblogging platforms, and micro messaging apps like WhatsApp, Twitter, Instagram, and Telegram are all on the list. None of the MSME owners interviewed use all of these digital marketing channels at the same time, according to the results. Facebook, WhatsApp, and Instagram are the three most widely used social networking sites today. Facebook, Instagram, and WhatsApp outperform every other digital channel in terms of sales.

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