

An Investigation on The Impact of Digital Marketing Practices on Performance and the Sustainability of Business.

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Abstract

This study aims to provide light on how digital marketing affects a company's long-term sustainability in relation to sales performance. Here, data is analysed using quantitative methods such as structural equation modelling. Using researchers' preferred methods to choose samples. We used online questionnaires to poll 142 MSMEs in the Bangalore area and analysed their responses for this study. According to the data, digital marketing significantly improved sales performance and the company's long-term sustainability. From search engine optimisation (SEO) and social media to the web and other online platforms, digital marketing can take many forms. Among micro, small, and medium-sized enterprises (MSMEs), social media stands out as a preferred digital platform. The best sales tactics that increase income and guarantee a company's continuous success are uncovered by this study's analysis of data from both big and small businesses.

Keywords: digital marketing, sales performance, sustainability

Introduction:

There is constant change in the marketing industry. An effective method for collecting up-to-date information on customers, rivals, and the outside world is essential for every contemporary marketing executive. "Internet marketing" (IM) refers to the practise of promoting and selling a service or product using the Internet. Distribution and advertising of products are now within reach, thanks to the Internet and e-commerce. "Electronic commerce" (or "e-commerce") refers to any market that is conducted entirely online. The term "e-commerce" describes the practise of conducting commercial dealings via the World Wide Web. Online marketing is a subfield of electronic commerce.

With the use of digital marketing, companies can advertise and promote their products and services to a larger audience in more efficient ways. Marketers can reach out to prospective buyers at any time, from any location, and companies big and small can use this technology to promote their products online. Ever since then, digitalization has been associated with growth, efficiency, and competitiveness in small businesses. The ability to reach a wider audience, engage customers on an emotional level, and streamline the buying process are all reasons why digital platforms have become an indispensable marketing tool for contemporary companies.

To increase sales and ensure survival in today's technology world, companies depend significantly on digital marketing tactics. This research aims to analyse the effects of various digital marketing methods on the growth of revenue and the viability of companies. This study's examination of the correlation between digital marketing tactics and financial outcomes makes it useful for businesses seeking to increase sales through digital channels in order to compete in the modern economy. In today's digital world, companies know that digital marketing is key to expanding their customer base and generating more income. Digital marketing encompasses a wide range of operations, including product or service promotion, customer contact, and sales creation. The way brands interact with consumers has changed due to the rise of digital marketing. This study identifies the key advantages for businesses and examines the effect of digital marketing tactics on revenue growth.

Literature Review:

Modern digital marketing tactics have mostly supplanted more antiquated PR and advertising practises. Hence, it can boost government efficiency and reinvigorate the economy (Munshi, 2012).

Internet World Stats predicts that by March of 2020, the global number of internet users will surpass 4.5 billion (2020). The expansion of digital infrastructure and other technological developments have increased the Internet's speed and influence. Internet communication is a giant leap ahead of its more antiquated counterparts.

According to businesses that generate revenue through digital means, the three most important marketing characteristics of digital content are (1) ease of access, (2) simplicity of navigation, and (3) speed (Kanttila, 2004). The end outcome is that people's consuming and purchasing habits have evolved. According to Midha (2012), the psychology of consuming is always changing to meet consumer needs, which in turn affects how much and how people consume. Businesses in this field must, therefore, quickly adapt to customers' changing needs and deliver goods and services as promised (Pencarelli, 2020). Some businesses may struggle or even fail to meet the increasing needs of their customers, as pointed out by Ungerman, Dedkova, and Gurinova (2018). In order for traditional marketing to keep up with the opportunities and threats posed by the rapidly growing digital economy, it must conform to strict new guidelines (Midha, 2012).

According to Caliskan, Ozen, and Ozturkoglu (2020), traditional marketing tactics have undergone a dramatic transformation due to the rise of digital technology. The ever-changing consumer behaviours and mindsets brought about by technological advancements make it extremely difficult to maintain a competitive edge in today's industry (Vidili, 2020). To increase digital sales and use them to your benefit in the long run, you need to make strategic sales decisions. According to Zhu and Gao (2019), in today's economy, it is more important than ever to employ customer-centric sales strategies.

The numerous advantages of online advertising include its low cost, its specificity in reaching the target demographic, its ease of use, and the fact that consumers can perform their own research on products before buying them (Durmaz & Efendioglu, 2016).

Small businesses can reach a wider audience for less money by utilising digital marketing tactics such as social media. (MSMEs) face intense competition. Products offered by several of the competitors are similar to this one, although they charge much less. They provide a plethora of perks to their customers in return. Businesses have the opportunity to improve their customer-facing procedures and respond more effectively to client requests by utilising digital technologies. Businesses and individuals alike can reap the benefits of digital technology's ability to streamline operations and cut expenses (Foroudi et al., 2017).

Objectives:

1. Evaluate the impact of digital marketing strategies on the sales outcomes of Micro, Small, and Medium Enterprises (MSMEs).
2. Examine how digital marketing practices contribute to the overall business sustainability of MSMEs.

Hypothesis:

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

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

Research methodology:

This study mostly relied on descriptive surveying as its research approach. In order to gather information from the people who are being studied, researchers frequently employ questionnaires. Literature and other studies were reviewed in order to build this study instrument (Wanjiru Mobydeen, 2021). A Google Docs survey was made and distributed to executives involved in the planning and implementation of digital marketing strategies, including CEOs and managers of MSMEs. Respondents' basic personal and professional details are requested in the first part of the survey. Questions pertaining to the study's independent and dependent variables are presented in the second part. On a 5-point Likert scale, from 1 (strongly disagree) to 5 (strongly agree), respondents were asked to rate their level of agreement with statements. Among the various MSMEs in Bangalore, responses were chosen based on expert judgement and practical considerations. Out of 152 surveys, 142 were chosen for in-depth study after initial data screening due to the sufficient data they supplied. Both SPSS version 24 and AMOS, the Advanced Multivariate Analysis System, were used to analyse the survey responses. One part of descriptive statistics is finding the averages and standard deviations of the study's variables. To ensure the data was consistent, Cronbach's alpha was utilised. The hypothesis testing was conducted using structural equation modelling (SEM).

Results:

1. Details of respondents and MSMEs:

Measures	Items	Percentage(%)
Gender	Male	84
	Female	16
Age	Below 24	3
	25-30	62
	30-40	35
	40 & above	8
	Undergraduate	54
	Postgraduate	6
	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

The presented data provides a demographic overview of the survey respondents based on gender, age, education, occupation, type of business, and activities of the business. In terms of gender, the majority of respondents are male, constituting 84%, while females account for 16%. Regarding age distribution, the highest percentage falls within the 25-30 age range (62%), followed by the 30-40 age group (35%), with only 3% below the age of 24 and 8% aged 40 and above. Education-wise, 54% of respondents are undergraduate, 6% are postgraduate, and 21% fall under the category of "Others." Occupation-wise, a significant proportion is engaged in business (64%), followed by salaried individuals (27%), and 9% fall under the category of "Others." The majority of respondents are involved in medium-sized businesses (66%), followed by small (32%) and micro (12%) enterprises. Business activities span across manufacturing (43%), trade and commerce (10%), service (23%), construction (7%), transport (3%), and others (14%). This comprehensive demographic breakdown provides a holistic understanding of the respondent profile, essential for interpreting the survey results within specific demographic contexts.

Table 2: Descriptive and reliability of the constructs

Si.No.	Items	Mean	Standard deviation	Cronbach's alpha
1	MM1	3.31	.893	0.83
2	MM2	3.43	.964	
3	MM3	3.44	.943	
4	SM1	3.46	1.000	0.867
5	SM2	3.35	.972	
6	SM3	3.4	.963	
7	SEM1	3.16	.934	0.813

8	SEM2	3.19	.907	0.912
9	SEM3	3.11	.945	
10	SP1	3.41	.946	
11	SP2	3.3	.962	
12	SP3	3.61	.871	0.843
13	BS1	3.21	.977	
14	BS2	3.33	.945	
15	BS3	3.34	.920	

The provided data encompasses the mean scores, standard deviations, and Cronbach's alpha coefficients for various items measuring distinct constructs. In the realm of digital marketing practices (MM1, MM2, MM3), respondents reported mean scores of 3.31, 3.43, and 3.44, respectively, indicating generally positive perceptions. The standard deviations illustrate the degree of variability in responses, with higher values indicating greater dispersion. The reliability of the digital marketing practices scale is affirmed by the Cronbach's alpha coefficient of 0.83. Similarly, in the domain of social media practices (SM1, SM2, SM3), respondents recorded mean scores of 3.46, 3.35, and 3.40, respectively, with a perfect standard deviation for SM1. The scale demonstrates high internal consistency reliability with a Cronbach's alpha of 0.867. For strategic execution and management practices (SEM1, SEM2, SEM3), mean scores range from 3.11 to 3.19, with a Cronbach's alpha of 0.813, indicating satisfactory reliability. In the context of sales performance (SP1, SP2, SP3), mean scores vary from 3.30 to 3.61, with a Cronbach's alpha of 0.912, signifying strong internal consistency. Lastly, in the business sustainability domain (BS1, BS2, BS3), mean scores range from 3.21 to 3.34, with a Cronbach's alpha of 0.843, indicating a reliable measurement instrument. Overall, the results suggest positive perceptions across different dimensions, with robust internal consistency in the survey items employed.

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

Structured equation modelling (SEM) uses a structural model to show how the research model's predicted latent variables or constructs relate to one another. We looked at how mobile marketing, an external variable, affected the internal variables of micro, small, and medium-sized enterprises (MSMEs): sales success and company sustainability.

Table 3: Path coefficients of the Structural model

Outcome variable		Independents Variables	C.R.	P	Regression weights	Hypothesis
Sales performance	<---	Mobile marketing	2.33	.019	0.22	Supported
Sales performance	<---	Social-media marketing	4.71	***	0.39	Supported
Sales performance	<---	Search engine marketing	4.12	***	0.32	Supported
Business Sustainability	<---	Mobile marketing	2.18	.028	0.24	Supported
Business Sustainability	<---	Social-media marketing	2.95	.003	0.27	Supported

Business Sustainability	<---	Search engine marketing	3.026	.002	0.268	Supported
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*Note: P refers to the differential probability. ***: $p < 0.000$*

Testing hypotheses is done using the data displayed in Table 3. A t-value greater than 1.96 and a p-value less than 0.05 at the 5% significance level would lead to the acceptance of the null hypothesis. A path coefficient is a standardized regression weight that represents a route or relationship between an independent variable and a dependent variable. The square root of the beta value, which represents the standardized regression weights, is directly related to the magnitude of the effect of an independent variable on a dependent variable.

The provided table presents the results of a regression analysis exploring the associations between two dependent variables, namely sales performance and business sustainability, and three independent variables: mobile marketing, social-media marketing, and search engine marketing. The regression weights indicate the strength and direction of these relationships, while the p-values assess the statistical significance of these associations.

For sales performance, the analysis reveals that mobile marketing has a positive impact with a regression weight of 0.22 ($p = 0.019$), suggesting that an increase in mobile marketing is associated with a positive change in sales performance. Moreover, social-media marketing exhibits a stronger positive influence, as indicated by a regression weight of 0.39 ($p < 0.001$), emphasizing its substantial contribution to enhancing sales performance. Similarly, search engine marketing is also positively linked to sales performance with a regression weight of 0.32 ($p < 0.001$). The "Supported" label indicates that these relationships are statistically significant.

In the context of business sustainability, the analysis demonstrates that mobile marketing positively influences business sustainability with a regression weight of 0.24 ($p = 0.028$). Social-media marketing also significantly contributes to business sustainability, with a regression weight of 0.27 ($p = 0.003$). Additionally, search engine marketing is associated with business sustainability, as reflected by a regression weight of 0.268 ($p = 0.002$). The "Supported" label reiterates the statistical significance of these relationships.

The inclusion of asterisks in the table (***, **) emphasizes the high significance levels of the findings. In summary, the results of the regression analysis provide robust support for the hypothesized positive relationships between mobile marketing, social-media marketing, and search engine marketing with both sales performance and business sustainability. These findings suggest that organizations employing these marketing strategies are likely to experience enhanced sales performance and improved business sustainability.

Discussion & Implications:

We investigated the effects of different digital marketing approaches on the growth and profitability of SMEs in this study. This research looks at the digital marketing methods used by a few selected MSMEs. According to the study's findings, these three forms of digital marketing do improve the sales performance and long-term viability of MSMEs. Marketing on social media platforms allows for the most accurate prediction of results. A number of studies have examined the effects of digital advertising on commercial results. Consistent with previous research, our study found the same thing. Mobydeen (2021) investigated the impact of various digital marketing strategies on company results, including email marketing, social media marketing, mobile phone marketing, and website marketing.

These results demonstrate the efficacy of digital marketing across all channels and the attainable nature of its objectives, which is crucial for small and medium-sized enterprises (SMEs). Anyone in a managerial, executive, or directorial role at an MSMEs can benefit from this study's findings. Executives and company owners can boost profits by using a variety of digital marketing strategies. The bottom line is going to be affected by every single one of a business's marketing campaigns.

Utilising digital marketing tactics allows you to reach a wide and diverse audience. Conventional advertising methods often targeted a certain region or demographic. However, businesses can increase their customer base and exposure to a

worldwide audience through digital marketing. Marketing strategies including social media marketing, search engine optimisation (SEO), and pay-per-click (PPC) advertising help companies target their ads to certain demographics. By narrowing in on more specific audiences, we can increase our reach and produce more leads.

With the help of digital marketing strategies, companies may engage in more substantial, reciprocal conversations with their consumers. Brands may connect with their target audiences on a deeper level through the use of social media, email marketing, and unique content. Helpful information, inquiries, and ideas can be delivered based on a user's preferences and past interactions. Trust, brand loyalty, and sales are all boosted by this type of participation. Marketing campaigns can be fine-tuned to maximise conversion rates by focusing on certain customer segments with personalised promotions, discounts, and product recommendations.

With digital marketing, you can access analytics and data instantly, which is a huge advantage over traditional techniques. In order to better understand their target audience's preferences and overall conversion rates, businesses should monitor the outcomes of their advertising campaigns. Organisations can fine-tune their marketing efforts by analysing metrics such as website traffic, click-through rates, and conversion rates. With this data-driven approach, companies can manage their marketing efforts in real-time, make informed decisions about resource allocation, and maximise sales performance.

When compared to more conventional forms of advertising, digital marketing strategies typically save money. Print and broadcast advertisements, which are examples of traditional advertising, can be costly and have an uncertain track record of success. However, digital marketing channels provide more budget-friendly choices, like content marketing, email campaigns, and social media advertising. Businesses may maximise their return on investment (ROI) with digital marketing by setting flexible budgets, monitoring expenditure, and optimising campaigns. Due to the low cost and the flexibility to target specific audience segments, even small firms are able to compete with larger ones, resulting in increased sales.

Conclusion

There is a wide selection of digital marketing solutions available to MSMEs. Everything from websites and email to SMS, SEO, social media, microblogging sites, and messaging applications like Telegram, WhatsApp, Instagram, and Twitter is there. The findings show that not a single owner of a micro, little, or medium enterprise (MSME) uses all of these digital marketing platforms simultaneously. Nowadays, the top three social media platforms are Facebook, WhatsApp, and Instagram. When compared to other digital channels, Facebook, Instagram, and WhatsApp generate more revenue. In today's competitive corporate environment, digital marketing strategies greatly influence sales results. Sales growth is driven by a number of factors, including greater customer involvement and customisation, cost-effectiveness, access to quantitative data and analytics, and improved reach and targeting. Companies that use digital marketing tactics have an edge in the market because they are able to interact with their customers on a deeper level, reach more people, and optimise their campaigns in real-time using data. Businesses in today's increasingly digital environment have a better chance of long-term success and sustainable sales performance if they put an emphasis on digital marketing strategies.

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