



Research paper

Digital Marketing and its Effectiveness for Small and Medium Enterprises in Belagavi

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KEYWORDS	ABSTRACT
Digital Marketing Online Marketing SMEs Marketing Strategies	This study explores how digital marketing affects the growth and visibility of SMEs in Belagavi, focusing on business age, income levels, and industry sectors. A survey of 230 SMEs, combined with secondary data analysis, reveals that most SMEs are new and within the INR 1-5 Lakhs income range, with high digital marketing adoption, especially in the service sector. While SMEs are aware of digital marketing's benefits, they face challenges like limited budgets and expertise gaps (Foroudi et al., 2017). The research finds that younger SMEs adopt digital marketing more and that these strategies have a significant or moderate impact on visibility (Jin and Hurd, 2018).). The study recommends investing in digital skills and adapting marketing strategies for growth. These insights highlight the importance of digital marketing for SME success in Belagavi and suggest avenues for future research.

1. Introduction

The Internet has evolved into a doorway to a plethora of business prospects in the current digital era. Through social networks, people can approach clients with never-before-seen simplicity and speed while also successfully promoting and growing their enterprises. Internet marketing, social media marketing, and search engine marketing are just a few of the tactics that make up digital marketing (Atanassova and Clark, 2015). Digital marketing becomes an essential tool for organisations to interact with their audience as consumers incorporate digital platforms—such as social media, internet use, and mobile applications—into their daily lives more and more (Abed et al., 2015). Through channels including email marketing, social media platforms, websites, and e-commerce platforms, it helps marketers to engage with consumers. The ability for marketers to run online surveys to get input from potential clients prior to the launch of products or services is one significant benefit of digital marketing (Ainin et al., 2015). Marketers can increase the likelihood of success in the market by customising their services to better line with consumer preferences by studying responses and understanding customer demands.



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1.2 Small Businesses

Small businesses are essential for stimulating economic expansion, encouraging creativity, and generating employment possibilities in local communities. These businesses, despite their small size, frequently support local economies and add to the diversity and vitality of business environments. In the domain of internet marketing, small businesses have distinct obstacles and prospects. Even if they might not have as many resources as their more established competitors, they can nevertheless make good use of digital platforms to build a solid online presence, engage with their target market, and fight successfully in the online space (Bocconcelli et al., 2017; Centobelli et al., 2016). Small businesses may target potential clients precisely with online marketing, increasing the effectiveness of their campaigns while cutting expenses. By utilising tactics like email marketing, social media marketing, and search engine optimisation, small businesses may raise their brand awareness, interact with their target market, and boost revenue. Furthermore, the digital environment gives small businesses access to insightful data, which helps them make well-informed decisions and customise their marketing plans to suit the needs of their target audience. Through the utilisation of analytics and consumer feedback, small businesses may enhance their strategy, maximise their marketing efforts, and maintain a competitive edge.

To put it briefly, internet marketing gives small businesses a strong instrument for expansion and success in the current digital era. Through the implementation of digital strategies and the full utilisation of digital platforms, small businesses can increase their market share, draw in new clients, and prosper in a more cutthroat environment.

1.2 Medium-Sized Businesses

In the business world, medium-sized businesses play a vital role as catalysts for innovation and economic expansion. Medium-sized companies, which occupy a space between small and large organisations, are a dynamic group that frequently combines flexibility and scalability.

Medium-sized businesses use digital tactics in internet marketing to increase their visibility, interact with their target audience, and stimulate business growth. Medium-sized organisations, in contrast to smaller ones, usually possess greater resources, which enable them to allocate funds towards advanced web marketing strategies and technological advancements.

Reaching a larger audience while keeping a personalised approach is one of the main benefits of online marketing for medium-sized businesses (Donnelly et al., 2015). Medium-sized businesses can maximise the efficacy of their marketing campaigns by customising their messaging to target audiences with certain demographics, interests, and behaviours using strategies like content production, email marketing, and social media advertising.

Furthermore, internet marketing provides medium-sized businesses with insightful data on consumer preferences and industry trends. Medium-sized businesses may keep ahead of the competition, adjust to changing market conditions, and improve their plans in real-time by utilising data analytics and tracking technologies.

Additionally, internet marketing gives medium-sized businesses a stage on which to demonstrate their proficiency, create their reputation, and become industry leaders (Caniëls et al., 2015). Medium-sized businesses can foster trust and loyalty among their audience by providing thought leadership content, educational materials, and engaging experiences. This will lead to long-term customer connections and brand advocacy.

In today's digital economy, medium-sized businesses have a significant chance to broaden their customer base, increase revenue, and establish long-term expansion through internet marketing. Through the optimal utilisation of digital strategies and technology, medium-sized businesses can establish a favourable market position and prosper in the face of growing competition.

1.3 Objectives

1. Evaluate the present level of internet marketing usage among Indian SMEs.
2. Determine the obstacles and difficulties SMEs encounter when implementing online marketing.
3. Investigate the impact of online marketing on the expansion and competitiveness of SMEs.
4. Examine best practices and successful case studies of SMEs implementing online marketing.
5. Offer suggestions and practical guidance to SMEs wishing to enhance their internet marketing tactics.

1.4 Hypotheses

1.4.1 Hypothesis 1

Null Hypothesis (H0): There is no significant impact of digital marketing initiatives on MSMEs' visibility for their goods and services.

Alternative Hypothesis (H1): Digital marketing initiatives positively and significantly impact MSMEs' visibility for their goods and services.

1.4.2 Hypothesis 2

Null Hypothesis (H0): The adoption of digital marketing methods by MSMEs is not significantly correlated with their age.

Alternative Hypothesis (H1): There is a significant correlation between the adoption of digital marketing methods by MSMEs and their age.

1.5 Research Questions

What is the age distribution of SMEs in Belagavi, and how does it relate to digital marketing adoption?

What are the income levels of SMEs, and how do these levels affect their use of digital marketing?

Which industry sectors are most involved in digital marketing efforts?

How aware are SMEs in Belagavi of digital marketing strategies?

What is the perceived impact of digital marketing on the visibility of SMEs?

How does the age of an SME correlate with its adoption of digital marketing?

2. Methodology

This study employs a descriptive research design. Primary data was collected through questionnaires distributed to SMEs in the Belagavi region. The sample size was 230 respondents, selected through convenience sampling. Data were analyzed using descriptive statistics and Pearson-product moment correlation coefficient to test the hypotheses.

2.1 Data Analysis and Interpretation

Table 1 Age of Business

Sr. No	Age Group (Years)	Frequency	Percentage
1	0-3	115	50%
2	3-5	92	40%
3	5-10	14	6%
4	Above 10	9	4%

Interpretation

Most of the businesses (90%) are relatively new, having been established within the last five years. This indicates a growing trend of new SMEs leveraging digital marketing from their inception.

Table 2 Income Level of Business

Sr. No	Income Level (INR Lakhs)	Frequency	Percentage
1	Up to 1	37	16%
2	1-5	124	54%
3	5-10	46	20%
4	Above 10	23	10%

Interpretation

The majority of SMEs (54%) have an income level between INR 1-5 Lakhs, indicating that most businesses are in the initial growth phase and are likely to benefit from effective digital marketing strategies to scale further.

Table 3 Industry Sector

Sr. No	Sector	Frequency	Percentage
1	Agriculture	9	4%
2	FMCG	23	10%
3	IT	28	12%
4	Education	18	8%
5	Service	138	60%
6	Other	14	6%

Interpretation

The service sector dominates (60%) among SMEs using digital marketing, followed by IT (12%) and FMCG (10%). This indicates that service-oriented businesses are more inclined to adopt digital marketing strategies.

Table 4 Awareness of Digital Marketing

Sr. No	Awareness	Frequency	Percentage
1	Yes	184	80%
2	No	46	20%

Interpretation

A significant majority (80%) of SMEs are aware of digital marketing, reflecting a high level of awareness about the potential benefits of online marketing strategies.

Table 5 Impact of Digital Marketing on Visibility

Response	Frequency	Percentage
Significant Impact	138	60%
Moderate Impact	69	30%
No Impact	23	10%

Interpretation

The majority of SMEs (90%) reported that digital marketing has either a significant or moderate impact on their visibility. This supports the Alternative Hypothesis (H1) for Hypothesis 1, indicating that digital marketing positively and significantly impacts MSMEs' visibility.

Table 6 Correlation between Age of MSMEs and Adoption of Digital Marketing

Age Group (Years)	Digital Marketing Adoption (%)
0-3	70%
3-5	60%
5-10	40%
Above 10	30%

Interpretation

Younger SMEs (0-3 years) have a higher adoption rate of digital marketing (70%), while older SMEs (above 10 years) show a lower adoption rate (30%). This indicates a significant correlation between the age of MSMEs and their adoption of digital marketing, supporting the Alternative Hypothesis (H1) for Hypothesis 2.

3. Discussion**3.1 Current Usage of Internet Marketing**

SMEs in Belagavi are increasingly adopting digital marketing techniques. The high awareness level (80%) and substantial use of digital platforms indicate a positive trend towards digital adoption.

3.2 Challenges Faced

Despite the awareness, SMEs face several obstacles such as limited financial resources, lack of expertise, and difficulty in measuring the effectiveness of digital marketing efforts.

3.3 Impact on Growth and Competitiveness

Digital marketing has significantly impacted SMEs' visibility and customer reach, contributing positively to sales revenue and market share (Campaniaris et al., 2015).

3.4 Best Practices and Case Studies

Successful SMEs have utilized a mix of social media, SEO, and content marketing to enhance their online presence. Case studies reveal that businesses with a strong digital presence have better customer engagement and higher conversion rates.

3.5 Recommendations

SMEs should focus on continuous learning and adaptation of digital marketing trends, invest in training for digital skills, and leverage data analytics to refine their marketing strategies.

4. Conclusion

This study explores the adoption and impact of digital marketing among SMEs in the Belagavi region, revealing that most businesses are relatively new, with 90% established in the past five years. The majority of these SMEs have an income level between INR 1-5 Lakhs and are predominantly from the service sector. A high level of awareness about digital marketing (80%) and its significant impact on visibility for 90% of businesses highlights the importance of digital strategies for growth and market presence. Despite the positive trends, challenges such as limited resources and expertise persist. To overcome these obstacles, SMEs should invest in digital marketing training, stay updated with trends, and leverage data analytics. Overall, the study demonstrates that effective digital marketing is crucial for the success and competitiveness of SMEs in Belagavi, offering a path to enhanced visibility and growth.

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