

Digital Marketing in Micro, Small and Medium Enterprises in Goa

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Abstract:

Technology developments have a significant impact on marketing for small businesses. By utilizing the opportunities provided by digital marketing, a small business can gain competitive advantage. The adoption of digital marketing technology by small businesses is influenced by a variety of factors according to empirical studies. The study found that the MSME in Goa is using digital marketing facilities mostly for the development of business in the local area. The study points out that 66% of MSME have restricted their digital marketing activities to local areas, followed by national (17.7%), and international (16.1%). Further, our findings suggest that it is a social media platform of digital marketing which are widely used by MSMEs in digital marketing. The impact of digital marketing on increasing the sales was more (66%) than its impact on decreasing the sales (5%). Digital marketing proved to be beneficial over traditional marketing ranging from reaching customers globally, being cost-effective, and increasing efficiency and rapid brand building. We suggest that development of basic technology infrastructure in offices as well as in rural area and cost effectiveness of services must be taken on priority by government to make optimum use of digital communication.

Keywords: Digital Marketing, MSMEs, Social media, Sales, Technology

Introduction

Developments in digital technology have tremendous marketing implications on small businesses. In the recent years the ever prospering digital marketing provides profound opportunities and challenges for small businesses. In the corporate environment digital marketing is widely accepted but the extent of usage varies widely among small businesses. The small business can create competitive advantage by utilising the opportunities presented by digital marketing. They can also leverage their inherent strengths. The digital environment provides the benefit of speed and flexibility moreover the size of small companies enables them to be more responsive and adaptable to changing conditions than large organizations. Small and medium enterprises play a very critical role in the economy of any country whether developed or developing. Empirical studies have identified a variety of factors thought to affect digital marketing technology adoption in small business. With an increasing usage of digital media by consumers, more companies are using digital marketing to reach their target markets. The main objective for a company operating in the small scale sector is to create substantial benefit

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Objectives of the Study

1. To identify and analyze the factors influencing the adoption of digital marketing among micro, small and medium enterprises in Goa.
2. To survey the attitude of micro, small and medium enterprises in the adoption of digital marketing.
3. To understand the likely impact of digital marketing adoption on MSMEs performance.
4. To undertake a critical review of the characteristics of the MSMEs that have adopted digital marketing and to measure their level of adoption.
5. To learn and understand different problems faced by the MSME in Goa while implementing digital marketing policies.

Research Design

The quality of a research project depends among other things, upon the suitability of the methods selected for it. Hence, the study conducted would be descriptive in nature so that particulars aspects or dimensions of the problem studied can be focused upon. Various statistical methods are also employed in our study.

Variables Employed in the Study

The study contains the following variables which is defined as Dependent and Independent variables. Dependent variable being Digital Marketing in MSME, whereas factors influencing digital marketing in MSME are the independent variables which consist of: Firm size, firm experience, financial resources, financial budget, IT knowledge, aspects of Digital Marketing, sales impact, different government schemes provided and technology vendor. This will help to understand the adoption, understanding and performance of firm in Digital Marketing.

Scope of the Study

The research study will be conducted and limited only to the micro, small and medium industry segments operating and functional within the state of Goa. Only single business units shall be considered for the purpose of study, which may be registered with the government of Goa and are functional online as well as offline. The study will focus on the businesses to see whether or not they have adopted digital marketing for conducting their business operations and other functions. The study shall also ascertain the effectiveness with which business is conducted online and if digital marketing has helped or proved to be beneficial to the particular business under study.

Section II: Data Presentation

All the items of the questionnaire were investigated for their frequencies. This section of the chapter includes the frequency tables and graphical representation. The main objective of this section is to present data for easy understanding with graphical presentation. . Data were carefully scrutinized to attain accuracy, consistency to facilitate coding and tabulating with the help of the codebook. The data were transformed to the master sheet and unilabiate, bivariate and multivariate tables were drawn. These were helped for interpretation and interpreted data was summarized in percentage. Diagrams and tables were also

used to highlight the interpretation. The interpretations of data were followed by the significant findings. Later on the study ends with suggestions and conclusion.

Table No 4. 1: Age of the Entrepreneurs

Sr. No	Variables	Total No of Respondent	Percentage
1	18-25	20	32
2	26-30	12	19
3	30-40	22	36
4	40 & above	8	13
		62	100

Source: Primary Data

In the above table 4.1, we have explained the age of the entrepreneurs. It shows that most of the entrepreneurs fall within the 30-40 years of age group which accounts for 36 percent of the total respondents. We also found that the respondents in the age group of 18-25 years which have the experience of 32 %, followed by age group of 26-30 years which accounts to 19 percent and finally 40 and above years of respondents corresponds to 13percent of the total respondents.

Table No 4.2: Gender Wise Classifications of Entrepreneurs

Sr. No	Variables	Total no of Respondent	Percentage
1	Male	22	35
2	Female	40	65
Total		62	100

Source: Primary Data

The above table 4.2 explains gender-wise classification of entrepreneurs. This study shows that female entrepreneurs are more compared to male entrepreneurs. Out of 100%, 65 % are female entrepreneurs and 35.48% are male. This shows that women are incredibly adopting digital market technology. Most of the earlier studies have confirmed that the MSME run by male enterprises was at the forefront in adopting digital technology.

Table No 4.3 Budget Allocations for Digital Marketing

Sr. No	Variables	Total no of Respondent	Percentage
1	Less than 10,000	20	32.3
2	10,000-50,000	17	27.4
3	50,000-1,00,000	9	14.5
4	1,00,000-5,00,000	10	16.1
5	5,00,000 & above	6	9.7
Total		62	100

Source: Primary Data

In the above table 4.4, we have shown the budget allocated by the respondents for digital marketing. This study shows that most of the respondents have used less than 10,000 budgets for digital marketing which accounts for 32.3% of the total respondents. Further, 27.4% of respondents allocated the budget of 10,000-50,000, while 14.5% of respondents have used 50,000-1, 00,000 budgets. We also found that 16.1% of them have used 1, 00,000-5, 00,000 budget and lastly 9.7% of them have used more than 5, 00,000 budgets for digital marketing. Thus we found that most of the MSME are not allocating a significant budget for the digital marketing.

Table No: 4.4: Location of MSME

Sr. No	Variables	Total no of Respondent	Percentage
1	Rural	28	45
2	Urban	34	55
Total		62	100

Source: Primary Data

The above table 4.4, explain the location of the market of micro, small and medium enterprises. This study, it shows that the location of the market is more in urban area which accounts to 55 % compared to a rural area that is 45 %. Thus finding is line with empirical studies which considers that the firm generally prefer to locate themselves in urban area due to better infrastructure facilities, availability skill labour, better connectivity, proximity to market etc.

Table No: 4.5: Coverage of Digital Marketing Area

Sr. No	Variables	Total no of Respondent	Percentage
1	Local	41	66.1
2	National	11	17.7
3	International	10	16.1
Total		62	100

Source: Primary Data

The above table 4.5 explain the coverage of the digital marketing area. This study shows that the coverage area in digital marketing is more in the local area which accounts for 66.1% and less in an international area that is 16.1% out of the total respondents. We found that 17.7% of respondent's coverage of digital marketing area is at the national level. It also explains that most of the respondents have not reached the national and international level of coverage area in digital marketing.

Table No 4.6: Digital Marketing Platform

Sr. No	Variables	Total No. of Respondent	Percentage
1	Search engine	3	4.8
2	Social media	38	61.3
3	Website	5	8.1
4	Content	0	-



5	Others	16	25.8
Total		62	100

Source: Primary Data

The digital marketing platform used by the respondents has been shown in the table 4.6. This study shows that majority of respondents are using social media such as Facebook, Twitter, Instagram, WhatsApp, etc. which accounts for 61.3% out of the total respondents. On the other hand, 8.1% of them are using website platform, such as WordPress, Weebly, Shopify, Squarespace, etc., 4.8% of them are using search engine platform such as Google, Microsoft Bing, Yahoo, Baidu, etc. and 25.8% are using other digital marketing platforms such as Email marketing, Pay-per-click, etc. Finally, none of them are using a content marketing platform.

Table No 4.7: Services Provide through Digital Marketing

Sr. No	Variables	Total no of Respondent	Percentage
1	Fashion	23	37.09
2	Grocery	5	8.07
3	Cosmetics	15	24.19
4	Home Furnishings	19	30.65
Total		62	100

Source: Primary Data

The goods and services provided through digital marketing have been displayed in the table and figure 4.7. The study reveals that 37.09% of respondents are providing fashionable goods through digital marketing platforms. On the other hand, 30.65% of them are providing home furnishing products, while 24.19% are providing cosmetics. In our study, we found the least amount of goods offered through digital marketing is grocery products, which was around 8.07 %.

Table No 4.8 : Experience under Digital Marketing Enterprise

Sr. No	Variables	Total no of Respondent	Percentage
1	Less than 1 year	32	52
2	1-3 years	10	16
3	4-7 years	08	13
4	8-12 years	05	08
5	12 years and above	07	11
Total		62	100

Source: Primary Data

Table 4.8 explains the experience under digital marketing enterprise. The study found that 52% of total respondents have experience of less than 1 year under digital marketing enterprise. It was also found that 16% of total respondents have experience of 1-3 years in digital marketing and further, 13% of total respondents have experience of 4-7 years in digital marketing. Our study also found that 11% of the total respondents have experience of 12 years and above in digital marketing and around 8% of total respondents have experience of 8-12 years under digital

marketing. Use of information technology in daily communication is frequently expanding in current era. (Chhtrapati et al., 2021)

Table 4.9: Benefit of Digital Marketing in Reaching Out to Customers

Sr. No	Variables	Total no of Respondent	Percentage
1	Yes	49	79
2	No	13	21
Total		62	100

Source: Primary Data

We have also try to understand from the field survey, whether the firm reaps any benefits from digital marketing. The result of the same is presented in Table and Figure 4.9. In our analysis, we found that 79% of the respondent considers that there is befit of digital marketing to reach the customer while 21 percent of the respondent doesn't feel that there is a benefit of digital marketing in reaching or attracting new customers.

Table 4.10: Factors considered for better Services of Customers

Sr. No	Variables	Total no of Respondent	Percentage
1	Feedback form from customers/stakeholders	30	48.3
2	Different type of Financial transaction provided to customers.	4	6.5
3	Security and safety of Personal data of customers.	5	8.1
4	All of the above.	23	37.1
Total		62	100

Source: Primary Data

Table 4.10 explains the Factors considered for better Services of Customers. The study found that around 48% of the MSMEs used digital marketing for getting feedback form from customers/stakeholders. This was followed by all the factors which we have listed for respondents such as Different types of financial transactions provided to customers, Security and safety of Personal data of customers, etc. Specifically, only 8.1 percent of the respondent used digital marketing for the security and safety of the personal data of customers. Further, we found that around 7 percent of responded used the digital marketing for a different type of financial transaction provided to customer.

Table No 4.11: Impact of Digital Marketing on Sales

Sr. No	Variables	Total No. of Respondent	Percentage
1	Sales have increased	41	66.1
2	Sales have decreased	3	4.9
3	Sales is constant	18	29
Total		62	100

Source: Primary Data

Among many factors, digital marketing will be utilized by the MSMEs only when it yields a positive impact on several variables. In our study, we try to find whether digital marketing has an impact on sales. The response of the MSMEs has been presented in Table and Figure 4.13. The most significant finding of the study is that the digital marketing has the positive impact on the sale which can be observed in table 4.11. We found that 66 % percent of the MSMEs found the positive impact of digital marketing on sales. However, 29 percent of the respondent has found that there was no major impact on sales as their sales have remained constant.

Table No 4. 12: Impact of Digital marketing in Cost Reduction

Sr. No	Variables	Total no of Respondent	Percentage
1	Yes	28	45.2
2	No	34	54.8
Total		62	100

Source: Primary Data

The impact of digital marketing on cost reduction has been presented in 4.12. It shows 34 respondent experiences no reduction in cost due to the use of digital marketing. In percentage terms, it around 54.8 percent while 45.2 percent feel that digital marketing has helped them to significantly reduce the cost of production.

Table No 4.13: Government Support and Scheme for Digital Marketing

Sr. No	Variables	Total no of Respondent	Percentage
1	Yes	20	32.2
2	No	29	46.8
3	Maybe	13	21
Total		62	100

Source: Primary Data

The above table and diagram show the government support and scheme for digital marketing. In our, this study shows that most of the respondents 32 percent of the MSMEs have provided a positive response in support of government support and scheme for digital marketing. However, another 21% of the total number of respondents is not aware of whether the government provided any support for digital marketing. From the study, it is clear the MSMEs do not have much support from the government in promoting digital marketing. In our study, we found around 47 percent of the respondent have not received any support from the government in promoting and encouraging the use of digital marketing.

Table No 4.14: Benefit of Digital Marketing over Traditional Marketing

Sr. No	Variables	Total no of Respondent	Percentage
1	Reach customers globally	14	22.6
2	Cost effective	9	14.5
3	It is efficient and fast in brand building	6	9.7
4	All of the above	33	53.2
	Total	62	100

Source: Primary Data

In this study benefits of digital marketing over traditional marketing have been analyzed for understanding its insights. We found that 53 percent of the MSMEs found that digital marketing can help the firms Reach customers globally, cost-effective and It is efficient and fast in brand building. Additionally, 23 percent find that with digital marketing they can reach globally. Another 14 percent of the MSMEs can help them to build the brand internationally.

Table No 4.15: Impact of Digital Marketing due to Covid-19 Pandemic

Sr. No	Variables	Total No of Respondent	Percentage
1	There are more customers	14	22.6
2	Increase sales and profits	7	11.3
3	Decrease in sales and no profit	24	38.7
4	Others	17	27.4
	Total	62	100

Source: Primary Data

The MSMEs have largely affected with the Covid-19 pandemic. We found that 39 percent of the MSMEs found a decline in sales and profit which can be observed from table 4.15. Interestingly we found that 7 percent of the respondent found has increased in their sales and profit. There are around 23 percent of the MSMEs which say that their customer has increased.

Suggestions

- Financial assistances or allocating of funds to MSMEs for wider adoption of digital marketing. It may be done by combined efforts of government, banks and MSME by which these enterprises have sufficient funds exclusively for adoption of digital marketing
- The seminars and workshops organised by Goa start up mission to promote digital marketing is limited to very few privileged enterprises because of spread of information been limited to online platforms. Efforts must be taken to inform more non adopters regarding the benefits of digital marketing.
- The DICs in the respective districts in Goa are playing a very passive role in promoting adoption of digital marketing. They may be more involved in



promoting digital marketing among non adopters by providing individual advices, training sections and technical support.

- Many of the free applications are not much effective and efficient. Hence the Goa government may formulate policies for reducing the cost of effective digital marketing applications by introducing such schemes as zero rating.

Conclusion

Digital Marketing can be viewed as a new philosophy and a modern business practice involved with marketing of goods, services, information and ideas via the Internet and other electronic means. The use of digital marketing in organizations has been the focus of many research studies because of its importance in improving organization performance. The rise of digital technologies has transformed the digital marketing concept. Digital marketing communication is directed to profiled targets, which are active in the communication process. Early studies addressing the adoption of digital marketing provide insight into reasons why decision makers adopt or do not adopt innovations. With an increasing usage of digital media by consumers, more companies are using digital marketing to reach their target markets. The Government of India has encouraged this sector through various policy initiatives. This study hence tries to analyse the determinants of adoption of digital marketing by Goa MSME. It covers the attitude and perception of adopters and non adopters regarding the facilitating and inhibiting factors of digital marketing adoption.

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