

Digital Marketing Adoption Among Small and Medium Enterprises in Madhya Pradesh

Anil Rajput

*Professor Computer Science & Mathematics,
Govt. C. S. A. P. G. College, Sehore, MP
e-mail:dranilrajput@hotmail.com*

Kshmasheel Mishra

*Former Reader Computer Science,
Vikram University, Ujjain, MP
e-mail:mishra_ks@hotmail.com*

Abstract

"The advent of the Internet has revolutionized search options and redefined marketing strategies in the digital age. This study explores a key research question: 'Are businesses aware of the vast potential of internet marketing, and are they effectively utilizing these opportunities?' Focusing on businesses in the Madhya Pradesh region, this research investigates the awareness and usage of the most effective internet marketing communication channels. A survey of 100 businesses was conducted to identify their preferred approaches. Key metrics for evaluation included current internet marketing practices, awareness levels, usage patterns, design orientation, conversion strategies, SEO effectiveness, and competition analysis. The results indicate that internet marketing is increasingly recognized as essential for business success. While design-oriented strategies remain dominant, the adoption of conversion-focused approaches has yet to gain significant traction."

Key Words: *Internet Marketing, Digital Marketing, Small and Medium Enterprises (SMEs), Marketing Strategies, Business Communication, Marketing Channels, Search Engine Optimization (SEO), Conversion Strategies*

1. Introduction

The Internet has fundamentally transformed how information is shared, profoundly impacting marketing. Small and Medium Enterprises (SMEs) are increasingly recognizing the importance of internet marketing but often lack a structured, step-by-step approach to enhance their digital marketing capabilities. Many SME business owners find themselves navigating the

complexities of internet marketing without a clear understanding of how to fully leverage it, akin to "Alice in Wonderland" not knowing how deep the rabbit hole goes.

Marketing today revolves around conversations, and the Internet has become a central hub for these interactions. This study aims to identify effective strategies for engaging with existing and potential customers online. By examining the internet marketing practices of select SMEs in NCR, the research seeks to establish benchmarks and milestones for successfully integrating digital marketing.

The study explores how SMEs are adapting to the digital revolution and seeks to understand the dynamics between business and technology. The insights gained will enrich the knowledge base for entrepreneurs looking to harness advanced digital marketing tools. With the evolution of internet technology over the past 15 years, the way businesses communicate with consumers has changed, necessitating a shift in the marketing mix [1].

Internet marketing, particularly in the Indian context, requires deeper investigation to bridge the gap between theory and practice. This research will shed light on how technology shapes business-consumer interactions and provide valuable guidance for those looking to optimize digital marketing efforts [2]. The study focuses on SMEs in Madhya Pradesh, aiming to identify both the challenges and opportunities they face in implementing internet marketing strategies. The central assumption is that the understanding and use of internet marketing in Madhya Pradesh are still developing. The exploratory nature of the research will probe the current levels of awareness and application, offering a comprehensive analysis of internet marketing activities in the region. The study will address two key questions: How well have Madhya Pradesh businesses adapted to internet marketing, and what factors influence their decisions to adopt or avoid certain digital marketing strategies?

2. Review of Related work

Despite the extensive research on internet marketing, the literature remains fragmented, lacking a unified framework or coherent body of knowledge. This disjointedness has led to a collection of insights and definitions without a clear overarching context or direction for future research. Dr. Majed, in his paper "A Study of Internet Marketing in the Era of Globalization," asserts that businesses do not present online may soon risk their survival [4]. He likens it to opening a store on a deserted island, highlighting the critical role internet marketing plays in modern business strategies [5].

While the degree of reliance on internet marketing may vary, its importance in the marketing mix across business types is undeniable. However, current studies reveal significant gaps in the knowledge base. There is an urgent need for a structured framework to better understand and approach internet marketing effectively [6]. Business owners looking to utilize online platforms often find themselves in unfamiliar territory, much like "Alice in Wonderland," uncertain of the complexities and opportunities that lie ahead.

Effective websites should not only generate leads but also create a seamless user experience that translates into sales. They are designed to communicate the company's offerings in terms of features, advantages, and benefits, helping users envision the value of engaging with the business [7]. However, the literature also points to several challenges. One significant gap is the lack of universally accepted definitions that transcend national boundaries. Moreover, country-specific factors, such as cultural attitudes and willingness to adopt internet marketing, further complicate the landscape. Issues like disintermediation and the emergence of new intermediaries, along with concerns about reduced personal interaction in online marketing, are also context-dependent and vary by country [8].

3. Research Methodology

The objective of this research is to examine how business owners in Madhya Pradesh have adopted digital marketing strategies. The study focuses on small and medium-sized enterprises (SMEs) in the region, with a sample size of over 100 firms selected through convenience sampling. Data was gathered using a combination of semi-structured questionnaires, interviews, and observations of web assets. The research aims to uncover the thought processes, implementation steps, and outcomes of internet marketing initiatives within these businesses.

Given the rapid evolution of business communication needs, this study seeks to capture a snapshot of the emerging opportunities in e-marketing. To achieve a comprehensive understanding across different industries, respondents were selected from a diverse range of sectors. The industry breakdown is as follows:

Respondent –Break up by Industry Verticals	Number	Percentage
Healthcare	10	10%
Tourism & Hospitality	15	15%
Real Estate	9	9%

Professional Consultancy	11	11%
Education	18	18%
Banking Financial Services Insurance	10	10%
Retail	12	12%
IT & ITES	15	15%

Table 1 Respondent –Break up by Industry Verticals

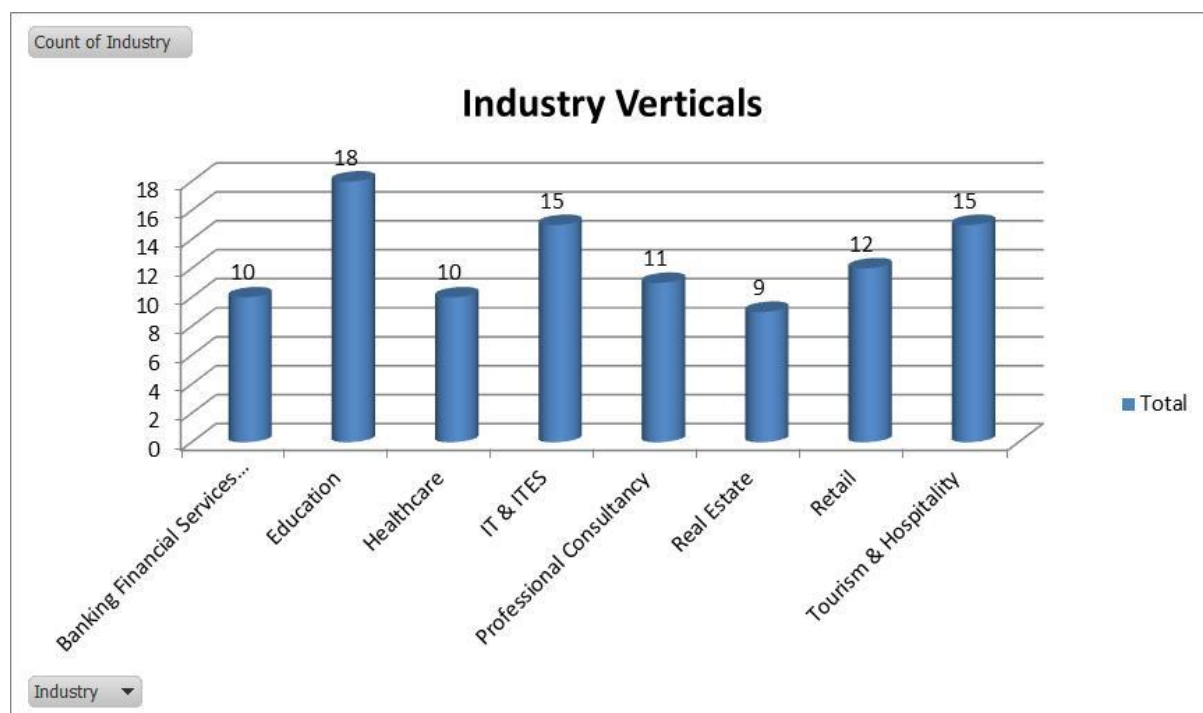


Figure1 Respondent –Break up by Industry Verticals

This composition represents a broad cross-section of economic activity, free from bias toward any specific industry's use of internet marketing. By segmenting respondents according to industry, the analysis can explore how a company's primary industry influences its internet marketing practices. This classification provides valuable insight into the overall trends in digital marketing activities within specific industries [9].

4. Findings and Discussions

4.1 Perceived Importance of Internet Marketing

This straight question was asked at the beginning of the questionnaire because we wanted to understand whether the respondent (and the company) was giving importance to the Internet marketing activities, at least in words, if not in action.

Graph suggests that at least in words a large majority perceives Internet marketing as an important activity. Only 11% of the respondents said that Internet marketing is not important.

This also says that many companies who are currently not involved in the Internet marketing activities have a fair intention to upgrade the level of Internet marketing activity in near future.

Kindly Rate the importance of internet marketing	Number	Percentage
1) Very Important	36	36%
2) Rather Important	18	18%
3) Important	26	26%
4) Somewhat Important	9	9%
5) Not important	11	11%

Table 2 Perceived Importance of Internet Marketing

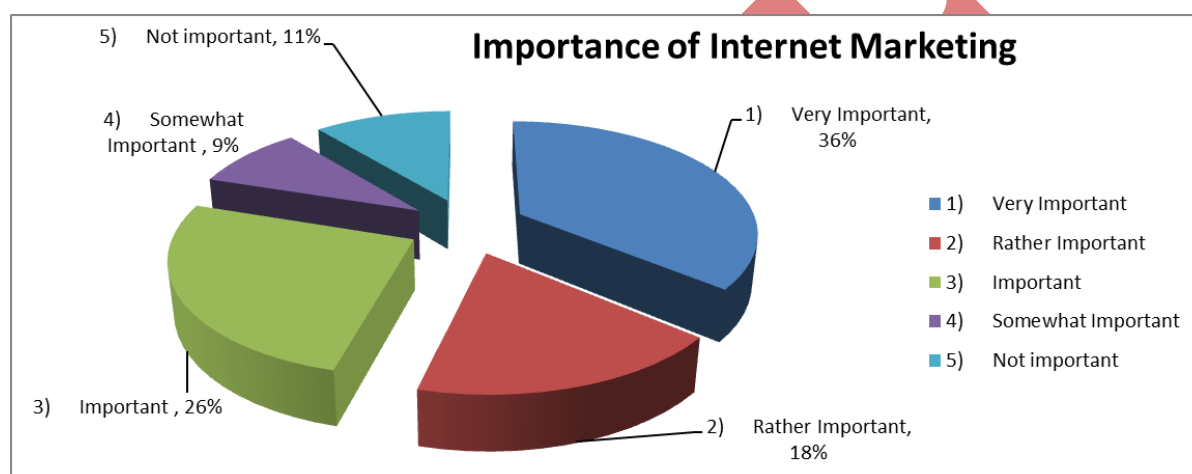


Figure 2 Perceived Importance of Internet Marketing

4.2 Effectiveness of Internet Marketing

The Internet marketing has three unique characteristics: Fast and immediate response, Personalization and Relevance.

Marketing and selling are more about telling the benefits of the product and internet marketing is fast becoming 'providing consultation to the customer for the right product benefits [10, 11]. In India there is another set of factors which reduce the effectiveness of the Internet marketing practices.

Effectiveness of Internet Marketing	Number	Percentage
1) Very Effective	54	54%
2) Rather Effective	22	22%
3) Effective	15	15%
4) Somewhat Effective	4	4%
5) Not Effective	5	5%

Table 3 Effectiveness of Internet Marketing

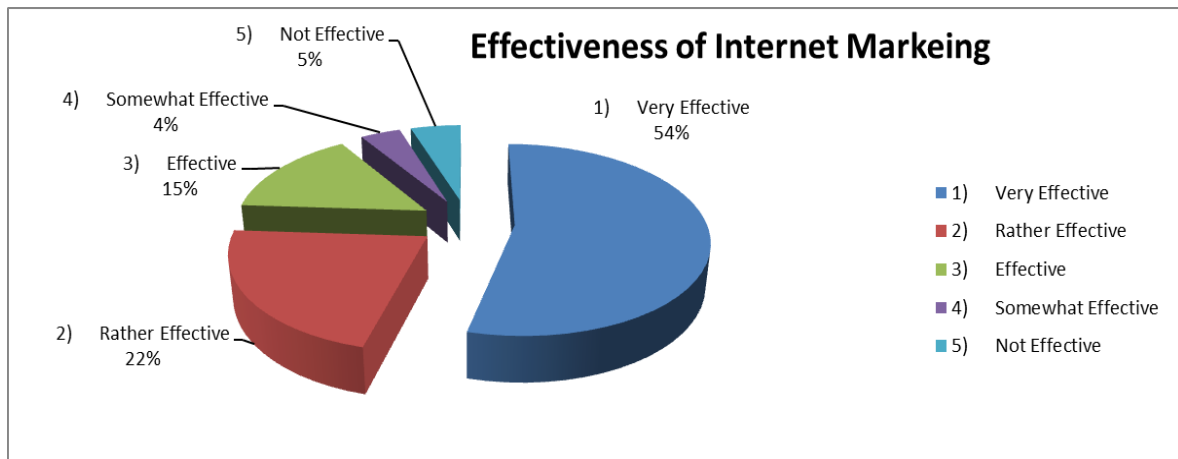


Figure 3 Effectiveness of Internet Marketing

4.3 Involvement of consumer in site design activity

An interesting set of cluster was visible for site design parameter. For Internet marketing the online equivalent of traditional physical offices is the website. The website is the public showroom of the company. The first point of interaction for most of the consumers is the website.

This will facilitate the customer in his buying journey. It is said that the red carpet should lead the customer to the purchase bay and the website should be aligned more to customer requests. The site design statistics is as shown in figure

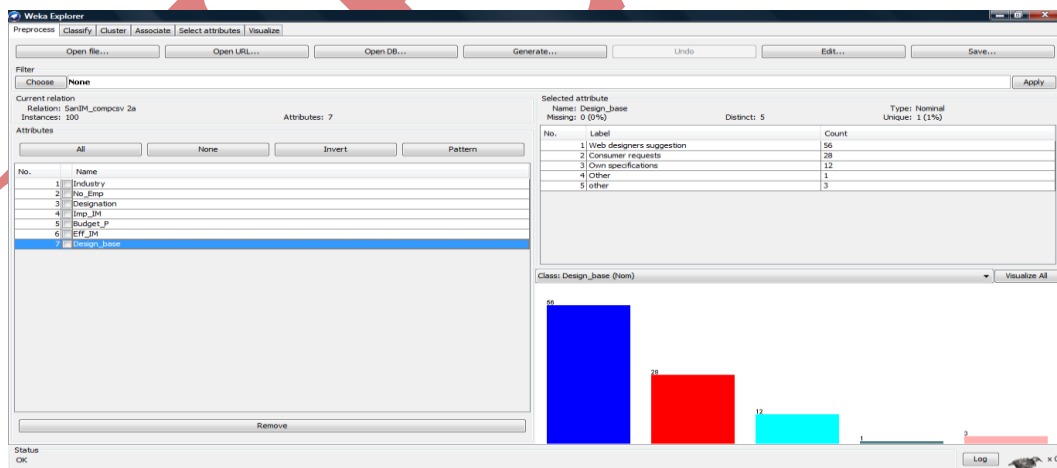


Figure 4 Customer as the basis of site design

4.4 Factor analysis for Website design and effectiveness

The set of questions representing website related parameters was analyzed using Filtered Clustered algorithm using Weka clusters Simple K Means. The results for relative set of importance as illustrated by these clusters are as shown in the snapshot given below:

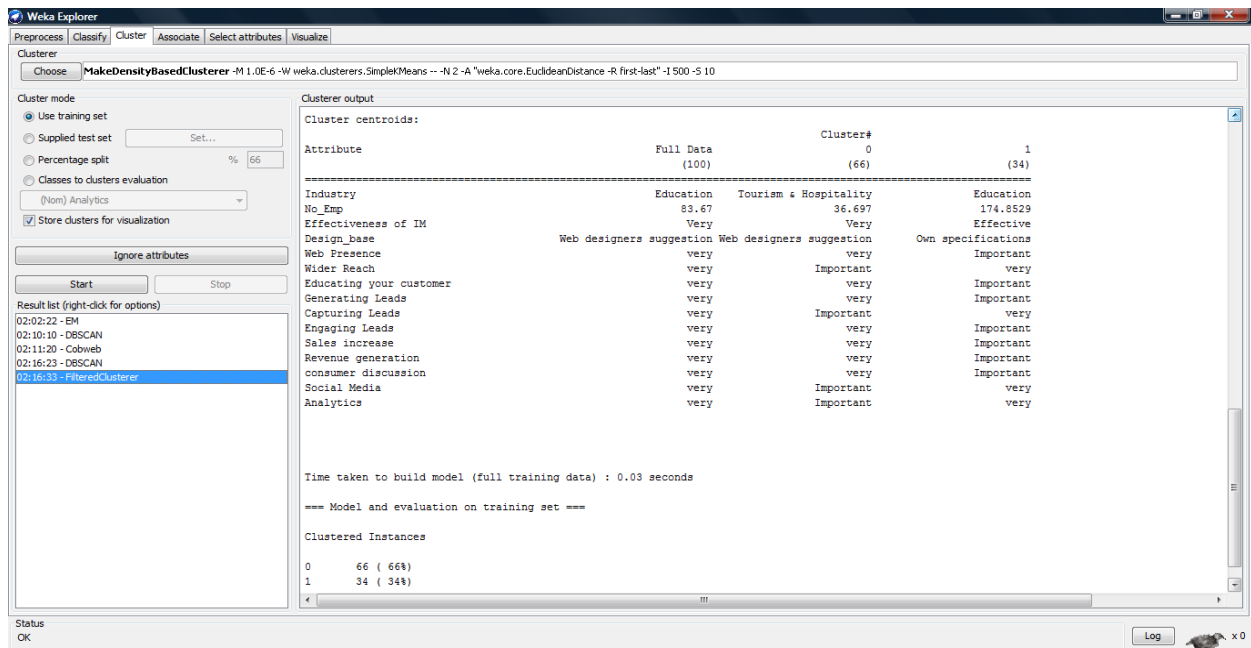


Figure 5 Filtered clusters for dataset

Further analysis of the data suggest that small size firms perceive the IM activities as very effective, and the perception smoothly changes to somewhat effective for large size firms. However, majority agreed that IM activities are effective, rather effective or very effective. Only a small number of mid -sized firms expressed IM as not effective. The pattern graphs for discovering the “thought process” of perceiving Internet marketing as very important by majority is shown in figure

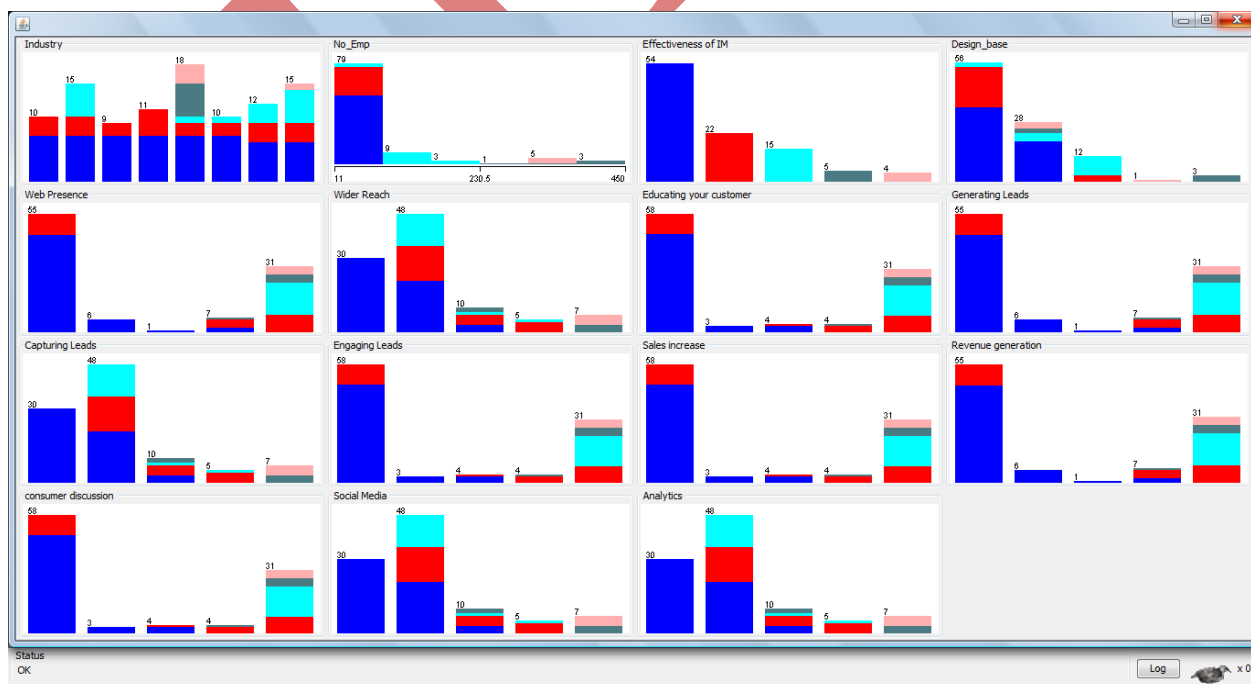


Figure 6 Contribution of various factors in effectiveness perception

4.5 Internet marketing will surely grow

The Internet marketing has been there for a past few years and there are several trends that have existed in the digital marketing arena. T

Row Labels	Count of Industry
Agree	27
Completely Disagree	6
NotAgree	6
Strongly Agree	53
Undecided	8
Grand Total	100

Table 4 Internet marketing will surely grow

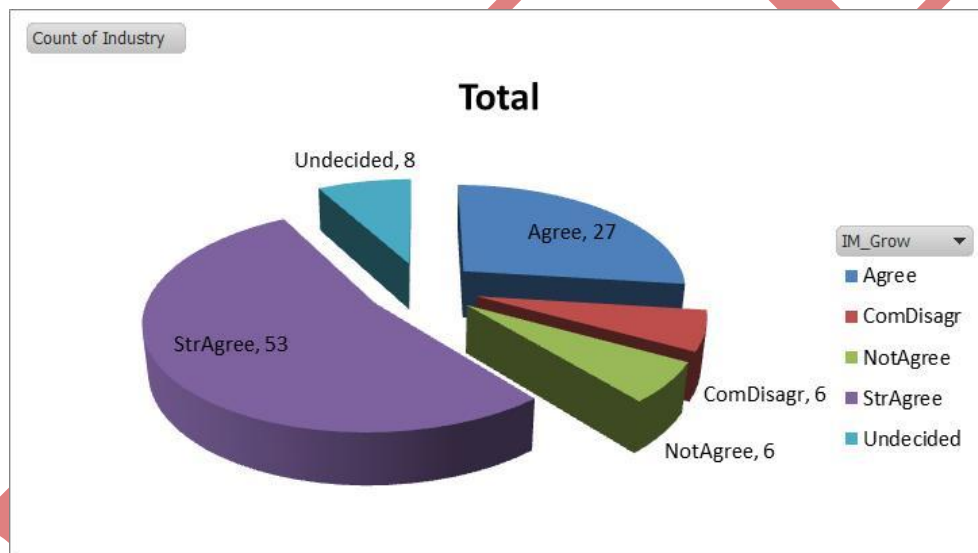


Figure 7 Internet marketing will surely grow

4.6 Primary Obstacle in Implementing an Effective IM strategy

As the final question of the questionnaire the respondents were asked to identify the primary obstacle in implementing the Internet Marketing strategy. 26% respondents suggested lower level of budget availability as the main hurdle in implementing the efficient internet marketing. They reported that the implementation of internet marketing in its totality is a costly affair and is rated as a poor investment.

The reason for higher cost is the scarce availability of right quality of manpower. Even in the response set 44% of respondents suggested that the absence of skilled Human Resource is the

major bottleneck in implementing Internet Marketing. Another 28% suggested lower level of technical competence resulting in slow implementation of internet marketing.

Row Labels	Count of Industry
Budget	26
Other	2
SkilledHR	44
Technology	28
Grand Total	100

Table 5 Primary Obstacle in Implementing an Effective IM strategy

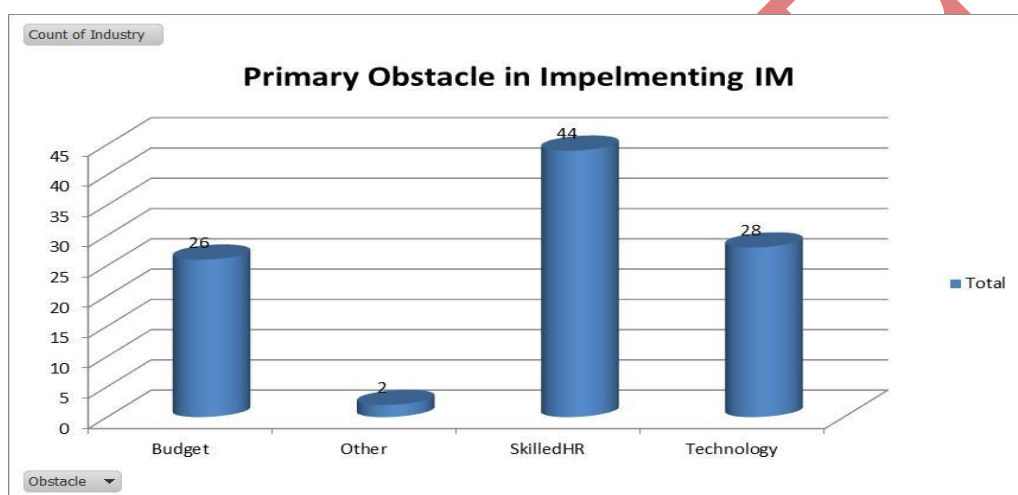


Figure 8 Primary Obstacle in Implementing an Effective IM strategy

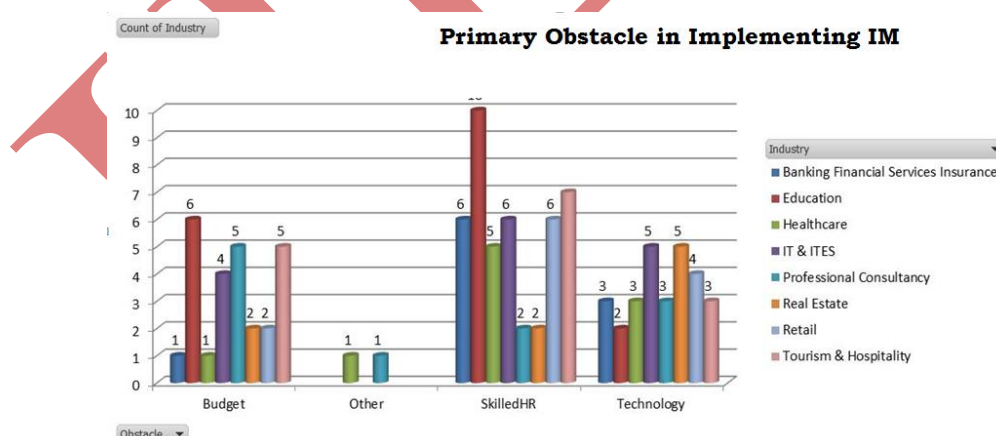


Figure 9 Primary Obstacles Analysis Industrywise

5. Conclusion

When websites are designed they may not be the prettiest, but they have to be based on the solid discussion notes of conversion principles. The keyword research and the competitor

research should be used effectively to create a sales funnel which helps the site visitor in making a purchase decision. Continuous tracking of what is working and what is not is the next essential. Websites need to be customized for what people are searching for. The analysis should bring to light the insights about current demand and what problems people care about. Also, the site should suggest as to what they should buy to solve their problem. The mobile and tablets would matter, and shall be relatively important factors in marketing. Without creativity, we are no different from the machines of automated digital communications and content search-based internet marketing.

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