



A Study on Impact of Digital Marketing on Sales Growth of SME's and its Challenges

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ABSTRACT

Marketers are facing new challenges each day but also the many different kinds of opportunities in this digital age. Digital marketing is the utilization of electronic media by the marketers to promote the products or services into the market. The main objective of digital marketing is attracting customers and allowing them to interact with the brand through digital media. Marketing has been a challenge for small and medium enterprises (SMEs) around the world due to its cost. Traditional marketing, which involves television, radio and billboards, come at a cost way high for these SMEs and therefore growth of these companies becomes a challenge due to low sales because of awareness of goods and services provided. Digital marketing has provided small and medium enterprises a platform to create awareness to consumers on what they offer due to their relatively low cost. The purpose of this study is to investigate the value and influence of digital marketing on the competitive participation of small sized establishments in the business environment. The research would further envisage weather digital marketing can have a substantial effect on the consistent growth and success of Small enterprises, improve brand recognition, and strengthen customer relationships.

Keywords: Digital Marketing, Promotion, Sales, Impact, Customer Reach

1. Introduction

Before the spread of the Internet and digital era, corporate marketing and advertising was very one-sided. Companies advertised their own products and services and customers had no real opportunity to search for information independently. The main advertising channels were print media, television and radio advertising. Personal sales visits and various events and fairs played a major role in the marketing and sales of companies.

Today Digital marketing is one type of marketing being widely used to promote products or services and to reach the consumers using digital channels very rapidly.

Through digital media, consumers can access information any time and any place where they want. With the presence of digital media, consumers do not just rely on what the company says about their brand but also, they can follow what the media, friends, associations, peers, etc., are saying as well.

According to Chaffey (2011), social media marketing involves “encouraging customer communications on company’s own website or through its social presence”. Social media marketing is one important technique in digital marketing as companies can use social media form to distribute their messages to their target audience without paying for the publishers or distributor that is characteristic for traditional marketing. Digital marketing, electronic marketing, e-marketing and Internet marketing are all similar terms which, simply put, refer to “marketing online whether via websites, online ads, opt-in emails, interactive kiosks, interactive TV or mobiles” (Chaffey & Smith, 2008).

2. Various Components of Digital Marketing

2.1 Online advertising

Online advertising is a very important part of digital marketing. It is also called internet advertising through which company can deliver the message about the products or services. Internet-based advertising provides the content and ads that best matches to consumer interests. Publishers put about their products or services on their websites so that consumers or users get free information. Advertisers should place more effective and relevant ads online. Through online advertising, company well controls its budget and it has full control on time.

2.2 Email Marketing

When message about the products or services is sent through email to the existing or potential consumer, it is defined as email marketing. Direct digital marketing is used to send ads, to build brand and customer loyalty, to build customer trust and to make brand awareness. Company can promote its products and services by using this element of digital marketing easily. It is relatively low cost comparing to advertising or other forms of media exposure. Company can bring complete attention of the customer by creating attractive mix of graphics, text and links on the products and services.

2.3 Social Media

Today, social media marketing is one of the most important digital marketing channels. It is a computer-based tool that allows people to create, exchange ideas, information and pictures about the company's product or services. According to Nielsen, internet users continue to spend more time with social media sites than any other type. Social media marketing networks include Facebook, Twitter, LinkedIn and Google+. Through Facebook, company can promote events concerning product and services, run promotions that comply with the Facebook guidelines and explore new opportunities. Through Twitter, company can increase the awareness and visibility of their brand. It is the best tool for the promotion of company's products and services. In LinkedIn, professionals write their profile and share information with others.

Company can develop their profile in LinkedIn so that the professionals can view and can get more information about the company's product and services. Google+ is also social media network that is more effective than other social media like Facebook, Twitter. It is not only simple social media network but also it is an authorship tool that links web-content directly with its owner.

2.4 Content Marketing

(Pulizzi & Barrett, 2009), believes content form of digital marketing applies a format that includes engaging various customers by creating and sharing of content. These specific contents are usually disseminated on blogs, videos, E-Books and info graphics. Increase of traffic on the company's website to aid brand building is basically responsible for adopting this digital marketing strategy.

2.5 Affiliate Marketing

Affiliate marketing is a partnership programmer that allows individuals to become affiliates and reward their successful referrals to the business. Affiliate marketing programs depend on what is considered a conversation. This may be in form of a visit, purchase, or registration to a website or page. Affiliate is typically provided with a commission system that includes performance levels based on conversations. Affiliate marketing is an inexpensive way for business to increase brand awareness and customer base (Brown, 2009). It becomes easy to attract customer's attention by engaging in unique marketing activities. Affiliates in most cases take the risk of marketing brand products and in the process receives commission on each product (Duffy, 2005).

2.6 Search Engine Optimization (SEO)

Search engine optimization (SEO) is the process of affecting the visibility of a website or a web page in a search engine's "natural" or un-paid ("organic") search results. In general, the earlier (or higher ranked on the search results page), and more frequently a website appears in the search result list, the more visitors it will receive from the search engine users. SEO may target different kinds of search including image search, local search, video search, academic search, news search and industry-specific vertical search engines.

2.7 Pay Per Click (PPC)

Pay-per-click marketing is a way of using search engine advertising to generate clicks to your website rather than "earning" those clicks organically. Pay per click is good for searchers and advertisers. It is the best way for company's ads since it brings low cost and greater engagement with the products and services.

3. Role of digital marketing in promoting SMEs

3.1 Digital marketing gives everyone equal chances

The competitive environment is the same for all businesses, regardless of their size. In a digital world, small and mid-size businesses have equal opportunities. You can compete with both corporations and other smaller companies, regardless of how much money your company has to spend. Many companies invest in search engine optimization (SEO) to boost their search engine rankings. Small and large companies can use this practice to attract and reach traffic that is more valuable. A search engine algorithm, such as Google's, generates results based on relevance to the user's search. You are most likely to rank higher in the search results if your content is more relevant than that of a big corporation. Your business's income is irrelevant to Google. Google cares more about delivering relevant search results to its users and results that are relevant to their search query. If Google didn't deliver these kinds of results, people wouldn't use it. Google Ads, its pay-per-click (PPC) advertising program, follows the same guidelines.

3.2 Digital marketing helps you earn an impressive ROI

Digital marketing's role also focuses on helping you make more money from your marketing efforts. In comparison to traditional marketing, online marketing is extremely cost-effective, offering an impressive return on investment (ROI). In order to achieve your business objectives, you cannot ignore digital marketing. Optimizing your marketing budget allows you to get a bigger ROI.

3.3 Digital marketing allows you to reach people where they are

The role of digital marketing also helps you connect with people interested in your business. Traditional methods make it challenging for you to advertise to people looking for your products or services. Digital marketing, however, allows you to focus on the people interested in your products or services. With digital marketing, you are reaching people interested in your business. These marketing methods allow you to target the people that want your products or services. If you run a PPC campaign, you can target people specifically that you know are interested in your products or services and reach them directly. You are reaching people who are actively searching for your business, rather than driving by your billboard. You can establish a target audience, which is the group of people you think are interested in your business. Based on this information, you can advertise your company to people that fit your target market. Targeting allows you to save time and money. You will only reach people that need your business. It will help you drive better results from your campaign and generate a better ROI for your company.

3.4 Digital marketing allows you to track its effectiveness

As you look at the different roles of digital marketing, you'll discover that online marketing also makes it easy for you to monitor the effectiveness of your campaigns. Whenever you run an advertising or marketing campaign, you want to know if it's driving results. Traditional marketing methods make this difficult because you can't know if your efforts persuaded your audience. With digital marketing, you can monitor your campaigns in real-time to see if they work. Digital marketing has truly emerged as a dynamic marketing medium for any business. It's hard to ignore the benefits a business can get from investing time, effort and money in a digital marketing campaign compared with the traditional marketing mix of print and electronic media. Digital marketing is cost-effective and the return on investment remains much higher than traditional media which is a sure attraction for SMEs.

4. How Digital marketing improves sales Growth

4.1. Wider reach and geographical expansion

Expanding your business to a new geographical location using traditional marketing strategies is a tiresome and time-consuming task. By applying suitable Digital marketing plans, one can easily expand their business to new areas and locations without any terrestrial hurdles. Digital marketing campaigns can be set up easily and in no time, they are extremely flexible and you can target your kind of audience without any hassles

4.2. Building a Brand name

If a business is able to deliver what they promise to their targeted audiences, it plays a very important role in building a brand reputation. This will help in earning the trust of the end-users build stronger and better relationships with the consumers. According to Safari SEO Agency, brand awareness is one of the strongest (and most overlooked) elements of a successful digital marketing campaign. Satisfied and happy clients will certainly share their positive experiences with others, which will open up newer arenas and bigger markets for the company. Whether your business is small or large, digital media marketing solutions can help each and every organization to build a strong and trustworthy brand name. Having a unique logo for the organization, creating a tagline or a slogan can help the company in portraying a steady and reliable brand.

4.3. Cost-effective

Small and medium businesses don't have huge capitals to spend on different channels of marketing. TV ads are very expensive, and so are the charges of billboards and print ads. All businesses do not have so many funds to spend on marketing their business. This is where Digital ads play a major role, Digital marketing plans do not require huge capital and they have the ability to reach a wider targeted audience at a lower cost. Digital Media Marketing solutions provide businesses with improved and considerably cost-effective marketing channels which communicate more efficiently, converting a large number of target audiences.

4.4. Better revenues

An effective digital marketing plan results in high conversion rates, which eventually helps the business to earn higher revenues. Digital marketing plans help in generating much higher revenue as compared to the different traditional marketing channels. According to Google, companies that have incorporated digital marketing plans, have 2.8 times higher revenue growth expectancy. Companies using digital marketing, have 3.3 times the probability of increasing their workforce and business.

4.5. Improved ROI

As mentioned above, effective digital marketing plans will help in enhancing a company's brand value and revenues. Similarly, it also helps in generating an Improved ROI as compared to traditional marketing. The strategies of digital marketing are very easy to monitor, helping you to measure the actual results for the impact on your targeted audience. The key to a prosperous digital marketing plan is to produce a continuous flow of traffic which can be converted to leads. The higher the traffic is generated, the quicker will be the return on your investment.

4.6 Challenges in Digital Marketing

Changing consumer behavior is forcing digital marketers to pivot their strategies, as it becomes increasingly difficult to keep up with customer expectations and maintain a competitive edge, whilst keeping up to date with the latest tech. It's no secret that digital marketing is currently going through a transitional period, with other challenges including:

5. A customer-centric market

Adopting a customer-centric approach is not an easy task, especially considering that customer needs and expectations are constantly evolving. Though utilizing a customer-centric marketing strategy is key to success, according to a study by Sales force:

1. 66% of customers say their experience with one industry influences their expectations of others
2. 52% of customers expect offers to always be personalized
3. 66% expect companies to understand their unique needs and expectations, yet 66% say they're generally treated like numbers
4. Only 48% of customers say they generally trust companies

5.1. Creating engaging content

The definition of engaging content has shifted exponentially in recent years as video and audio have soared in popularity. Though this is not necessarily a new trend, the need to create compelling and engaging content continues to rise. Agencies are challenged to come up with new, innovative ideas to present content and communicate in new and exciting ways that are relevant to the demographics they are trying to reach.

5.2. Complying with privacy and data-sharing regulations

According to Sales force, only 27% of consumers completely understand how companies use their personal information, and 86% want more transparency. Digital marketers constantly have to face evolving privacy regulations and phasing out third-party cookies. As we continue to attract more and more visitors from around the world to a website, agencies must ensure they remain compliant with any laws covering a population in any country they're targeting.

5.3. Mobile-friendly approach

Customers are browsing and shopping on smartphones and tablets more than ever. Now, with more than half of all internet traffic shopping from a mobile device, it is important for agencies to ensure their website is optimized for mobile viewing. According to a report by App Annie, Covid has changed consumer behavior on mobile 'forever' with consumers spending 25% more time on their mobile apps than ever before.

5.4. Omni channel marketing strategies

Businesses need to invest in Omni channel efforts, from email to social media, from their own website to search engine advertisements, and from store apps to third-party messaging platforms. Not only do marketers have to relay a consistent message across all of these various channels, it must be personalized too! According to research by Salesforce, 74% of customers have used multiple channels to start and complete a transaction.

6. Conclusion

Digital channel in marketing has become essential part of strategy of many companies all over the globe Nowadays, even for micro business owner there is a very cheap and efficient way to market his/her products or services for example supplying through e – commerce channels through Digital marketing as it has no boundaries. Company can use any devices such as smartphones, tablets, laptops, televisions, game consoles, digital billboards, and media such as social media, SEO (search engine optimization), videos, content, e-mail and lot more to promote company itself and its products and services. Individuals are investing more in online content and companies that find it hard to digest this fact in their advertising strategy need to adjust quickly. The more time individuals spend on the internet every year, the more digital platform they use play an ever-developing function in their lives. The main aim

of digital India is to promote digital medium. Because people can use digital platform any time anywhere from the world companies needs to change their marketing strategy from traditional to digital.

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