

Impact of Internet Marketing and Tools On Marketing Performance in SMEs, India

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Abstract

As the economic sector transitions to digitalization, Indians now have access to the best goods and services from the best companies, even in the most remote regions of their nation. E-marketing is booming in India, a nation that is both highly populated and home to millions of people who utilise social media and mobile devices. Internet-based marketing is essential for everyone who wants to grow their company and advertise their goods and services globally because it has no territorial restrictions. To scatter the needs paper aims at analysing the connections between e-Marketing tools and marketing performance among SMEs in India, in addition to the dearth of studies examining the adoption of e-Marketing by small enterprises. A structured questionnaire with both open-ended and closed-ended questions in Vijayawada & Guntur Areas of the Andhra Pradesh State was chosen from a list of 1,200 SMEs that employ fewer than 50 people using a simple random sampling method. Findings revealed that the internet tools were showing positive effect on the market performance in the companies. The rest of the paper consists of implications, and scope for the future research.

Keywords: Internet Marketing, Internet tools, Market performance, SME's in India.

Introduction

Individuals, organisations, commercial entities, and policy makers all agree that electronic marketing (or "e-Marketing") has cemented itself as a new marketing paradigm. There are various definitions for e-marketing. In this essay, we use the definition of e-marketing provided by Chaffey, Ellis-Chadwick, Mayer, and Johnston (2009). According to Chaffey et al. (2009), e-marketing is the practise of acquiring and providing services to clients while utilising electronic communication technologies (Internet, websites, e-mail, and wireless media). The use of electronic communication technology has recently altered how marketers view their industries. Internet marketing, which is expanding quickly, is seen as the third communication revolution, enabling businesses to engage with their target audience from anywhere at any time (Scott, 2017). Researchers Barkley (2006), Chaffey, Mayer, Johnston & Chadwick (2000), Gay, Charlesworth & Esen (2007), and others talk about the development of Internet marketing and define its word and concept. The distinctions between online marketing, e-marketing, and e-business are covered by Dzemyda & Jurgaityt (2014). A graphic model is provided by Atshaya &

Rungta (2016) to show the variations in Internet marketing definitions. Internet marketing tools are categorized by a different team of academics, including Kox (2014), Venslovas (2015), Kiskis (2009), and Chaffey (2009). The three categories of marketing effects identified by Rust (2004) and supplemented by Stewart (2009). Khan and Siddiqui (2013), Tiago and Verissimo (2014), Cizmeci and Ercan (2015), and Taiminen and Karjaluo (2013) all look into how Internet marketing tools affect the performance of firms. Barwise and Farley (2005) claimed that additional study is required to understand the broader impact of e-Marketing on marketing practices and performance, despite the various benefits projected to result from the development of e-Marketing. Several studies have examined e-marketing from a variety of angles, including the relationship between market orientation, e-marketing, and the performance of tourism services (Brodie, Winklhofer, Coviello, & Johnston, 2007), the penetration of e-marketing and firm performance, and marketing metrics and firm performance (Tsiotsou & Vlachopoulou, 2011). However, most of the e-Marketing research now in existence focuses on major corporations in rich economies; very few studies, particularly in India, examine how SMEs use electronic communication technologies. Few studies have examined e-Marketing from the viewpoint of small businesses, however many have examined the adoption of e-Commerce among SMEs (El-Gohary, 2012; Iddris, 2012; Jones, Beynon-Davies, Apulu, Latham, & Moreton, 2011; Kshetri, 2008; Molla & Licker, 2005). Additionally, there are not enough empirical and conceptual **research analysing the connections between e-Marketing tools and marketing performance among SMEs in India, in addition to the dearth of studies examining the adoption of e-Marketing by small enterprises**. Therefore, this study aims to fill that vacuum in the literature by investigating the connections between e-marketing tools and SME marketing performance. The remainder of the paper is organised as follows. The current e-Marketing literature is discussed in the next section. The various methods and technologies used to gather the data for the study are then outlined. The study's conclusions are then presented, and managerial implications are deduced.

Review of Literature

E-marketing

Using marketing strategies and tactics using electronic media, primarily the Internet, is known as "e-marketing." According to Strauss and Frost (2000), e-marketing is the process of using information technology to create, communicate, and deliver value to customers as well as to manage customer relationships in a way that is advantageous to the organisation and its stakeholders. The use of electronic marketing in transaction and payment completion, disintermediation, individualised and real-time pricing concerns, data mining and manipulation, assessing individual customer behaviours, and relationship-building are all covered in academic literature on e-marketing (Singh, Krishnamurthy, Sheth, & Sharma, 2005). An enhanced level of complexity is introduced by the application of e-marketing methods in global marketplaces. We still propose tailored strategic development of e-Marketing strategies in various nations due to country-specific infrastructure for such strategies and various stages of marketing institutional development (Douglas & Wind, 1987; Quelch & Hoff, 1986). Because of the perceived ability of the Internet and communication technologies to reduce transaction costs by omitting some, if not all, of the intermediary and to facilitate links to the global e-business, e-Marketing adoption, like other technologies, contributes to the advancement of businesses in developing countries

(Hempel & Kwong, 2001; Molla & Licker, 2005). Additionally, companies using e-Marketing as a strategy can foster relationships by personalising data for distinct customers, enabling customers to build goods and services that satisfy their particular needs (Watson, Loiacono, & Goodhue, 2002). Additionally, the marketing company can give customers any amount of information without human assistance. Due to the vastly increased amount of information that can be shared compared to other modes of communication, this has an advantage (Singh et al., 2005).

E-marketing tools

Numerous studies have attempted to categorised Internet marketing tools according to their distinctive properties. Internet marketing tools were divided into three categories by Chaffey (2009): search marketing, off-site marketing (also known as syndicated marketing), community, and social network marketing. Internet marketing can be divided into up to five categories, according to Lithuanian author Kiskis (2009): electronic advertising communication (email marketing), search marketing (marketing linked to Internet search results), promotional websites, fields, and banners, marketing on social networks, and alternative electronic marketing (e.g., viral marketing). The tools are divided into four divisions by Kox (2014) and Venslovas (2015), who also divide website and syndicated marketing into two categories: search marketing, visual marketing, email marketing, and social network marketing. In 2018, Indian researcher Bala offers yet another analysis of Internet marketing strategies, including banner ads, search engine results, pay per click (PPC) ads, email advertising, links, and website services. Consequently, it can be argued that the majority of internet marketing tools are categorised in accordance with their position on the Internet, such as search channels, social networks, and others, even though the descriptions provided by the researchers vary. Some technologies, such display advertising, fields, and headlines, can function across channels and have similar technical aspects. Juscius & Baranskaite (2015) claim that the identification of Internet marketing tools has received a lot of attention in the scientific literature. Less data is available regarding their influence, potency, and applicability to various businesses. It is difficult to quantify the effect of Internet marketing tools on marketing Performance of companies.

Marketing Performance

Financial performance and marketing performance have drawn a lot of attention from researchers and managers lately (Morgan, 2012). Marketing managers strive to boost marketing performance by cultivating client loyalty and satisfaction. Financial and non-financial performance measurements can be distinguished (Hacioglu & Gök, 2013). Some financial marketing performance measurements include market share, sales, cash flow, and profitability. Non-financial marketing performance metrics include customer satisfaction, customer loyalty, and brand equity (Clark, 1999). The adoption of e-business and corporate performance were shown to be positively correlated in the studies listed below (Brodie et al., 2007; Dholakia & Kshetri, 2004; Mehrtens, Cragg, & Mills, 2001; Sadowski et al., 2002; Wu, Mahajan, & Balasubramanian, 2003). Only one of these studies, Brodie et al. (2007), examined the relationship between e-Marketing adoption and business performance. Their study operationalized marketing performance to take into account market share, sales growth, and new client acquisition. In this study, we operationalize marketing performance to incorporate e-marketing tools in SME's.

Methodology

The study used a quantitative technique to examine how Indian SMEs are using e-Marketing strategies. A structured questionnaire with both open-ended and closed-ended questions was used to gather the study's data. The study used a cross-sectional design, which enables the researcher to take a sample of the population at one point in time and analyse it in detail to examine the relationship between the variables (Sekaran, 2000). Any indefinite total set of components about which the researcher seeks to draw conclusions is referred to as a target population (Collis & Hussey, 2009). Small enterprises in India are defined as those with six to thirty-nine employees. Our target demographic was the Vijayawada & Guntur Areas in the Andhra Pradesh State, and we chose 200 samples from a list of 1,200 SMEs that employ fewer than 50 people using a simple random sampling method. Only managers, SME owners, and heads of marketing departments were included in the target population. To emphasise the study's goal, a cover letter was included with the questionnaire.

Analysis

Table: 1 Assessment of Sample towards Market Performance

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.793
Bartlett's Test of Sphericity	Approx. Chi-Square	23242.185
	df	780
	Sig.	.000

The KMO (Kaiser-Meyer-Olkin) test measures the sampling adequacy which should be greater than 0.5 for satisfactory factor analysis. Data collected is having 0.793 value which indicates that sample is strong for the survey. Bartlett's Test of Sphericity is another indication of the strength of the relationship among variables. The result of KMO and Bartlett's Test of Sphericity for analysing the connections between e-Marketing tools and marketing performance among SMEs in India, in addition to the dearth of studies examining the adoption of e-Marketing by small enterprises are presented in Table 1, which shows that the value of Kaiser Meyer-Olkin (KMO) measure of sampling adequacy value was greater than 0.5 and Bartlett's Test of Sphericity was significant. ($p < .000$)

Table: 2 Components/ Factors extracted

Rotated Component Matrix											
	Component										
	1	2	3	4	5	6	7	8	9	10	11
CQ5	.883										
CQ3	.766										
CQ4	.756										
SPQ2	.720										
CQ2	.630								.546		
SPQ3											
FEQ2		.850									
SPQ4		.668									
FEQ1		.657									
SQ2		.585									
SQ5		.535									

SQ1		.523									
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The above table 2 shows the result of 12 items of internet tools. However, based on the Varimax rotation method 9 components were obtained from factor analysis. Items SQ1, SQ2, SQ5 were dropped because of mixed and no loadings, so only 9 items were retained for reliability test. The Cronbach's Alpha value for 9 out of 12 components is calculated and the values are 0.885, 0.890, 0.854, 0.862, 0.895, 0.796, 0.782, 0.783, 0.679. The minimum acceptable value is 0.6, so 9 components are considered for further analysis which are falling above threshold.

Table:3 Regression Results

R Square - 0.819	F-Test Sig.- .000	Coefficients	Sign.
Internet Tools	(Constant)	0.609	0.031
	Social networks	0.500	0.000
	E-mails	0.136	0.027
	Search engine marketing	0.038	0.510

The above table 3 provides the R square which can be used to determine how well a regression model fits the data. The value of 0.819 indicates a good level of prediction. In this case independent variables such as Social networks, E-mails, Search engine marketing, they explain 81.90% of variability in the dependent variable, Market Performance and $F(8.492) = 28.789$. $p < 0.005$ which means the regression model is a good fit for the data. Considering the Social networks, the Unstandardized Coefficient Beta value is equal to 0.500, which means for every 100 percent increase in Social networks factor there is an increase in Market Performance by 50 percent. Considering the E-mails, the Unstandardized Coefficient Beta value is equal to 0.136, which means for every 100 percent increase E-mails factor there is an increase in Market Performance by 36 percent. Considering the Search engine marketing, the Unstandardized Coefficient Beta value is equal to 0.038, which means for every 100 percent increase in Search engine marketing factor there is an increase in Market Performance by 38 percent.

Discussions and Conclusion

This study aimed to investigate the elements that affect SMEs' adoption of e-marketing and the impact on marketing performance. There were two stated goals for the study. The first step was to investigate what influences SMEs' use of e-marketing and followed by the impact of tools on marketing performance.

More than 75% of respondent's state that they anticipate e-marketing tools to increase firm recognition and brand promotion. In contrast to other business sectors, SME organisations, according to researchers, have specific marketing objectives before selecting marketing technologies. The survey does show that many businesses fail to track their success, though. As a result, it is evident from the analysis of the data that SME businesses employ email marketing, sales emails, and vital newsletters to boost their visibility and brand recognition. It should be mentioned that, even though a company is in the same industry, its use of marketing tools may vary based on its size. In 2013, Taiminen and Karjaluo interviewed 16 executives from small and medium-sized businesses as part of a comprehensive (interview and questionnaire) study on the effects of digital marketing tools. According to the survey, all e-marketing techniques are

essential for boosting sales. Corporate leaders believe that a company website, search engine marketing, and email marketing are the best methods for boosting sales. To enhance branding and advertising, a company's website, social media, and search engine marketing are all used. It has been demonstrated that social networks and email marketing can enhance consumer communication. Finding new personnel is not significantly impacted by e-marketing. Additionally, it is evident from the combined survey interview data that more than half of the interviewees don't have a specific reason for adopting any particular e-marketing instrument. Employees of small businesses most frequently utilise Facebook, company websites, and newsletters as e-marketing tools. In order to specifically create and maintain customer relationships, Nikunen et al. conducted a study in 2017 on the effects of e-marketing tools on small enterprises. Two employees of digital advertising agencies who often use digital advertising products were questioned for the poll. According to the report, Facebook, SEO, and newsletters are the e-marketing platforms that small businesses utilise the most frequently.

Implications and Future Research

Rapid changes in a market place may result from the flexibility provided by e-marketing operations to update products, communications, and other factors. Therefore, businesses should regularly update their own electronic marketing initiatives. To be more competitive in the market, they must regularly update and assess their products to ensure that they offer modern, user-friendly, and value-adding activities. The current study concentrated on the connections between e-marketing and marketing effectiveness among Indian SMEs. Although using a quantitative method to study the adoption of e-Marketing tools and the relationships between marketing performance may be valuable, it may not be appropriate for attempting to identify the true adoption drivers. The current study's factor and correlation analyses provide a foundation for future studies that will advance theory development for SMEs.

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