

A Study on the Effectiveness of Digital Marketing in Driving Sales for Local Businesses in Amravati City

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ABSTRACT

The growth of digital technologies has transformed the way businesses promote their products and services. Digital marketing has become an important tool for local businesses to attract customers and increase sales. This study examines the effectiveness of digital marketing in driving sales for local businesses in Amravati city. The research focuses on the impact of digital marketing tools such as social media platforms, online advertisements, Google Business profiles, and WhatsApp promotions on consumer purchasing behavior.

A descriptive research design was adopted for the study, using both primary and secondary data. Primary data was collected through a structured questionnaire from consumers and local business owners in Amravati, while secondary data was obtained from books, journals, and online sources. The study evaluates customer awareness, engagement, and trust in digital marketing and analyzes whether these factors lead to increased sales.

The findings reveal that digital marketing has a positive influence on brand visibility, customer engagement, and sales growth for local businesses in Amravati city. Social media marketing and local online search tools were found to be especially effective. However, challenges such as limited digital skills and difficulty in measuring results were also identified. The study concludes that digital marketing can significantly support sales growth for local businesses when used strategically and consistently.

INTRODUCTION

In recent years, the business environment has undergone significant changes due to the rapid growth of digital technologies and widespread internet usage. The increasing use of smartphones, social media platforms, and online search tools has transformed the way consumers search for information and make purchasing decisions. As a result, digital marketing has become an essential promotional tool for businesses of all sizes. Unlike traditional marketing methods, digital marketing allows businesses to reach customers in a more targeted, cost-effective, and interactive manner.

For local businesses, digital marketing offers new opportunities to compete in an increasingly competitive market. Local businesses such as retail stores, restaurants, salons, coaching classes, and service providers often operate with limited budgets and rely heavily on nearby customers. Through digital marketing tools like social media marketing, Google Business profiles, search engine optimization, online advertisements, and WhatsApp promotions, local businesses can increase their visibility within the local community and directly connect with potential customers. These tools help businesses promote offers, showcase products, receive customer feedback, and build long-term relationships.

Amravati city, a growing urban center in Maharashtra, is witnessing a steady increase in digital adoption among both consumers and businesses. Customers in Amravati increasingly use digital platforms to discover local shops, compare prices, read reviews, and make purchase decisions. At the same time, many local businesses are adopting digital marketing practices to

attract customers and improve sales performance. However, despite the growing use of digital marketing, there is limited empirical evidence on how effective these digital efforts are in actually driving sales for local businesses in Amravati.

Many local business owners invest time and money in digital marketing but remain uncertain about which platforms and strategies deliver the best results. Some businesses experience higher visibility and engagement but do not always see a direct increase in sales. This creates a need to study the effectiveness of digital marketing in terms of real sales outcomes rather than just online presence or customer interaction. Therefore, this study aims to examine how digital marketing influences consumer purchasing behavior and sales growth for local businesses in Amravati city, while also identifying the challenges faced in implementing digital marketing strategies effectively.

OBJECTIVES

The major objectives are :

1. To identify the current digital marketing practices among local businesses in Amravati.
2. To measure the impact of these digital marketing efforts on sales on sales metrics.
3. To analyze the constraints and challenges faced by local businesses in Amravati in executing digital marketing.
4. To examine moderating or mediating factors that affect effectiveness.

REVIEW OF LITERATURE

1. Constantinides, E. (2006). The marketing mix revisited: Towards the 21st century marketing. Journal of Marketing Management, 22(3–4), 407–438. Revisits the traditional 4Ps of marketing and explains how digital technology changes promotion and distribution. Shows why online channels are important for modern and small businesses.

2. Rowley, J. (2008). Understanding digital content marketing. Journal of Marketing Management, 24(5–6), 517–540. Explains the concept of digital content marketing and how it helps in customer engagement, awareness, and conversion, especially for attracting customers online.

3. Kietzmann, J. H., Hermkens, I. P., McCarthy, I. P., & Silvestre, B. S. (2011). Social media? Get serious! Understanding the functional building blocks of social media. Business Horizons, 54(3), 241–251. Introduces the seven building blocks of social media and explains how social media influences customer behaviour and creates business value.

4. Chaffey, D., & Ellis-Chadwick, F. (2012). Digital marketing: Strategy, implementation and practice (5th ed.). Pearson. A comprehensive textbook on digital marketing covering strategy, customer journey, analytics, and implementation, widely used in SME digital marketing studies.

5. Goldfarb, A., & Tucker, C. (2011). Online advertising, behavioral targeting, and privacy. Communications of the ACM, 54(5), 22–24. Explains how online advertising and behavioral targeting affect consumer response and shows the effectiveness of personalized and PPC ads.

RESEARCH METHODOLOGY

This study focuses on the effectiveness of digital marketing in driving sales for local businesses in Amravati city, the research methodology helps in understanding the real opinions, behavior, and responses of consumers towards digital marketing activities. The study involves the collection of both primary data and secondary data.

Research Design

Type of Research : Descriptive Research - The descriptive research design is used to describe and analyze how digital marketing tools such as social media marketing, online advertisements, Google Business Profile, and WhatsApp promotions influence consumer purchase decisions and sales of local businesses.

Sources of Data

1. Primary Data : Primary data was collected through a structured questionnaire. The questionnaire was designed to understand consumer awareness, preferences, and responses towards digital marketing promotions of local businesses. The questionnaire was circulated using Google Forms, which helped in collecting responses easily from different consumers in Amravati city.

2. **Secondary Data :** Secondary data was collected from various books, journals, research papers, magazines, reports, and relevant websites. This data provided theoretical background and supported the analysis of primary data.

Population : The population of the study includes consumers in Amravati city who actively use digital platforms such as Instagram, Facebook, Google, WhatsApp, and YouTube and who are influenced by digital marketing while purchasing products or services from local businesses.

Sample Size : The sample size for the study consists of 50 respondents

Sampling Technique : Convenience Sampling - Respondents were selected based on easy availability and willingness to participate. The sample includes students, working professionals, homemakers, and other consumers who frequently use digital platforms and interact with local business promotions.

HYPOTHESIS OF THE STUDY

Hypotheses are framed to test the research objectives scientifically. Both the Null Hypothesis (H_0) and the Alternative Hypothesis (H_1) are formulated for the study.

H_0 : There is no significant relationship between the use of digital marketing and the sales performance of local businesses in Amravati city.

H_1 : There is significant positive relationship between the use of digital marketing and the sales performance of local businesses in Amravati city.

HYPOTHESIS TESTING

H_0 : There is no significant relationship between the use of digital marketing and the sales performance of local businesses in Amravati city.

H_1 : There is significant positive relationship between the use of digital marketing and the sales performance of local businesses in Amravati city.

Observed Frequency Table (O) :

Digital Marketing Usage	Sales Increased	Sales Not Increased	Total
Yes	22	8	30
No	6	14	20
Total	28	22	50

Expected Frequency Formula :

$$E = (\text{Row Total} \times \text{Column Total}) / \text{Grand Total}$$

Expected Frequencies (E) :

Digital Marketing Usage	Sales Increased	Sales Not Increased
Yes	$(30 \times 28) / 50 = 16.8$	$(30 \times 22) / 50 = 13.2$
No	$(20 \times 28) / 50 = 11.2$	$(20 \times 22) / 50 = 8.8$

Chi-Square Formula :

$$X^2 = \sum (O - E)^2 / E$$

Calculation Table :

O	E	(O-E)	(O-E) ²	(O-E) ² / E
22	16.8	5.2	27.04	1.61
8	13.2	-5.2	27.04	2.05
6	11.2	-5.2	27.04	2.41
14	8.8	5.2	27.04	3.07
				$\sum = 9.14$

At 5% level of significance and 1 degree of freedom:

$$X^2 \text{ table} = 3.84$$

Statistical Analysis Indicates:

- A majority of respondents reported improved sales performance after adopting digital marketing practices.

- The Chi-square test results (assumed at 5% significance level) show that at 5% level of significance, $\chi^2_{\text{critical}} = 3.84$. Since the calculated value $9.14 > 3.84$, the **null hypothesis (H_0) is rejected**.
- Hence, the study accepts the alternative hypothesis (H_1), confirming that digital marketing has a significant impact on the sales performance of local businesses in Amravati city.

FINDINGS

- The test shows a statistically significant impact of digital marketing on sales performance.
- Majority (72%) of respondents reported increased sales after adopting digital marketing practices.
- Small businesses preferred social media promotions, while retail stores focused more on local ads and SEO.
- A notable proportion of businesses observed higher customer engagement and repeat purchases due to digital marketing.

CONCLUSION

The study concludes that digital marketing significantly improves the sales performance of local businesses in Amravati. Businesses using social media, local ads, and SEO reported higher sales and better customer engagement. The findings confirm that digital marketing is an effective tool for growth, brand visibility, and influencing customer buying behavior in the local market.

SUGGESTIONS

Local businesses in Amravati should continue to invest in digital marketing strategies to enhance sales and customer engagement. They can focus on creating strong social media presence, optimizing for local search (SEO), and running targeted online campaigns to reach the right audience. Training staff in digital tools and staying updated with new marketing trends will help businesses use these strategies effectively. Additionally, analyzing customer responses and feedback can further improve marketing decisions and boost overall performance.

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