

“Comparative Study of Digital vs Traditional Marketing in Small Businesses”

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Abstract

Marketing plays a vital role in determining the survival and growth of small businesses, particularly in the food and hospitality industry where competition is intense and consumer preferences are constantly evolving. Over the past decade, marketing practices have undergone a significant transformation due to technological advancements and the rapid growth of digital platforms. Small businesses that once relied heavily on traditional marketing techniques are now increasingly exploring digital channels to expand their reach and improve customer engagement. The present study aims to examine and compare the traditional and digital marketing practices adopted by ten selected small food businesses and to evaluate their effectiveness in the contemporary market environment.

The study is based on primary data collected through structured questionnaires from ten small businesses operating in the food and bakery sector, along with secondary data collected from books, journals, and online research materials. The research analyse the years of operation, marketing strategies adopted, perceived effectiveness of marketing methods, challenges faced, and future marketing preferences of these businesses. The findings indicate that while traditional marketing continues to contribute to brand trust and local customer loyalty, digital marketing is gaining prominence due to its cost-effectiveness, wider reach, and measurable performance outcomes. The study concludes that an integrated marketing approach combining both traditional and digital methods is most beneficial for small food businesses seeking sustainable growth.

Introduction

Marketing is a managerial and social process through which individuals and organizations obtain what they need and want by creating and exchanging value. According to Philip Kotler, marketing is the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. In the context of small businesses, marketing is not merely about promotion; it is about building customer relationships, establishing brand identity, and maintaining long-term loyalty.

Traditional marketing refers to conventional promotional methods that existed before the rise of the internet and digital technologies. These methods include newspaper advertisements, pamphlets, hoardings, banners, radio advertisements, and most importantly, word-of-mouth publicity. In small food businesses such as bakeries and restaurants, traditional marketing often relies on local reputation, physical visibility, and personal customer relationships. Word-of-mouth

communication has historically played a crucial role in attracting customers, particularly in community-based businesses.

Digital marketing, on the other hand, involves promoting products and services using internet-based platforms and digital technologies. It includes social media marketing, search engine marketing, online advertisements, influencer collaborations, WhatsApp promotions, and Google My Business listings. Digital marketing enables businesses to reach a larger audience, track customer engagement, and measure the effectiveness of promotional campaigns through analytics. In the food industry, digital marketing is particularly powerful because customers frequently rely on online reviews, ratings, and visual content before making purchase decisions.

The present study seeks to understand how small food businesses are adapting to this shift from traditional to digital marketing and whether digital methods are replacing traditional techniques or complementing them.

Scope of the Study:

The scope of this study includes:

- Examining marketing practices followed by small businesses
- Comparing effectiveness of traditional and digital marketing
- Studying lead generation and conversion trends
- Understanding revenue contribution from marketing efforts
- Identifying practical challenges faced while implementing marketing strategies

The study is limited to 10 small food businesses and is based on primary data collected through a questionnaire.

Objectives of the Study:

The major objectives of the study are:

1. To understand the marketing strategies used by small businesses.
2. To compare traditional and digital marketing approaches.

Literature Review

Marketing literature suggests that the evolution of technology has significantly altered the way businesses communicate with customers. Kotler and Keller emphasize that marketing in the digital era is customer-centric and data-driven. Digital platforms allow businesses to personalize communication and build interactive relationships with consumers. Chaffey and Ellis-Chadwick highlight that digital marketing provides measurable performance indicators, enabling businesses to assess return on investment more effectively than traditional methods.

However, scholars also argue that traditional marketing retains its relevance, particularly in local and small-scale markets. Keller notes that physical presence and offline visibility contribute significantly to brand trust and recall. In industries such as food and hospitality, sensory experience, personal interaction, and community reputation continue to influence consumer behaviour.

In the Indian context, the small food and bakery industry is highly fragmented and largely composed of local enterprises. Many of these businesses operate with limited financial resources and rely heavily on repeat customers. With increasing smartphone penetration and social media usage, digital marketing adoption among small businesses is gradually rising. However, the transition is not uniform, as some businesses face challenges such as lack of technical knowledge and limited marketing budgets.

Despite existing research on digital marketing adoption, there is limited comparative analysis focusing specifically on small food businesses operating at a local level. This study attempts to fill that research gap by examining the real marketing practices of selected small enterprises.

Basis	Traditional Marketing	Digital Marketing
Reach	Local	Global
Cost	Often high	Relatively lower
Measurement	Difficult	Easily measurable
Interaction	Personal	Virtual
Speed	Slow	Instant
Trust	High (face-to-face)	Built through online reviews

Research Methodology

The research methodology adopted for this study is descriptive and comparative in nature. The study aims to examine the marketing strategies used by selected small food businesses and compare the effectiveness of traditional and digital marketing approaches.

The research gap identified in this study is the limited availability of comparative research focusing on small-scale food businesses and their marketing preferences. Most studies concentrate on large corporations or e-commerce companies, leaving a gap in understanding local business marketing dynamics.

Primary data for this study was collected through structured questionnaires distributed to ten small food businesses. The questionnaire included questions related to years of operation, types of marketing used, perceived effectiveness, challenges faced, and future marketing preferences. Secondary data was collected from textbooks, academic journals, and credible online sources related to marketing concepts.

The research design is descriptive because it describes the existing marketing practices of businesses. It is also comparative as it evaluates differences between traditional and digital marketing approaches.

The sample design includes ten small businesses selected through convenience sampling. These businesses belong to the food and hospitality sector, including bakeries, cafes, restaurants, and sweet shops.

A hypothesis was framed to examine the relationship between years of business operation and preference for digital marketing. The null hypothesis states that there is no significant relationship between years of operation and marketing preference, while the alternative hypothesis suggests a significant relationship. A chi-square test was conceptually applied to analyse the association between categorical variables.

The tools used for analysis include percentage analysis, tabular representation, and comparative interpretation. The study is limited by a small sample size and reliance on owner perceptions.

Data Collection: Data for this study was collected from 10 small businesses using a structured questionnaire distributed through Google Forms.

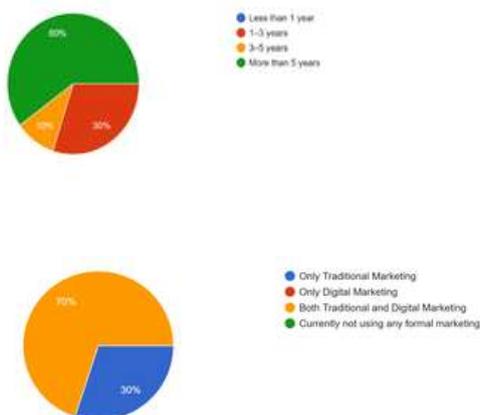
The list of selected businesses includes:

1. Royalisto
2. Friends Bakery
3. Royal Cafe
4. Yellow bakery
5. The Lake palm
6. Madhursa
7. Treat Restaurant
8. Rashmi Sweets and Bakery
9. Good bakery
10. Cafe 1991

Based on the Data Collected, Following are the Analysis

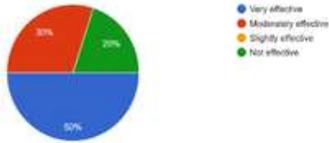
We have focused on examining the marketing practices of selected small food businesses and interpreting the data collected through structured questionnaires. The purpose of this analysis is to understand how traditional and digital marketing strategies are implemented by small enterprises and how effective these methods are perceived to be in the current competitive environment. The study evaluates operational history, marketing approaches, perceived effectiveness, challenges faced, and future preferences of the selected respondents. By analysing both qualitative responses and quantitative data collected through Google Forms, the chapter provides a comprehensive comparison between traditional and digital marketing adoption among small businesses in the food industry.

This section also attempts to identify patterns between years of operation and marketing preferences, thereby linking practical business behaviour with theoretical marketing concepts discussed earlier in the literature review.



The data collected through Google Forms provided structured insights into marketing preferences and effectiveness. Analysis of responses indicates that a majority of the businesses have incorporated digital marketing in some form. Approximately 7 out of 10 businesses reported active use of digital platforms such as Instagram, WhatsApp, and Google listings. 3 businesses primarily rely on traditional marketing, while the remaining 7 use a balanced combination of both.

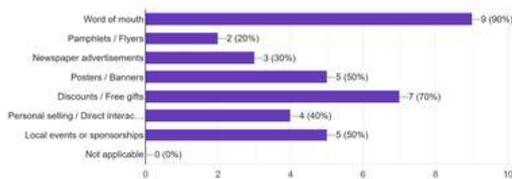
Platforms used by small businesses in digital marketing: Effectiveness of digital marketing for small business:



When respondents were asked about the effectiveness of digital marketing, most businesses rated it as either highly effective or moderately effective. Digital marketing was perceived to enhance brand visibility, increase customer interaction, and attract new customers. Businesses particularly appreciated the ability to receive direct customer feedback through online reviews and comments.

In contrast, traditional marketing was perceived as effective in building trust and sustaining long-term customer relationships. Many respondents emphasized that repeat customers and local reputation remain crucial for survival in the food industry. Word-of-mouth publicity was consistently highlighted as one of the strongest promotional tools.

Methods preferred by small business in traditional marketing are: Effectiveness of traditional marketing in small business:



The data also revealed that businesses operating for fewer years demonstrated stronger confidence in digital marketing compared to older establishments. This suggests that newer businesses are more adaptable to technological advancements, whereas older businesses rely more on established customer networks.

Effectiveness Comparison

Aspect	Traditional Marketing	Digital Marketing	Combined Approach
Trust Building	High	Moderate	High
Lead Generation	Moderate to High	Moderate	High

Conversion Rate	High	Moderate	High
Customer Retention	Very High	Moderate	High
Measurability	Low	High	High

Findings of the Study

The findings of the study reveal that marketing practices among small food businesses are gradually transitioning from purely traditional approaches to more digitally integrated strategies. A majority of the selected businesses indicated that digital marketing platforms such as Instagram, WhatsApp, and Google listings have significantly increased their customer reach, especially among younger demographics. Businesses that have been operating for fewer years demonstrated a stronger inclination toward digital marketing, primarily because of its affordability and measurable results. On the other hand, businesses that have been in operation for over a decade still rely heavily on traditional marketing methods such as word-of-mouth publicity, local reputation, banners, and physical visibility.

The data also indicates that while digital marketing is considered highly effective for visibility and brand awareness, traditional marketing continues to play a critical role in maintaining customer trust and loyalty. Several respondents expressed that repeat customers and community relationships remain the backbone of their business growth. Furthermore, businesses using a combination of traditional and digital marketing reported comparatively better engagement and consistent customer inflow. This suggests that an integrated marketing strategy may be more effective than relying solely on one approach. Overall, the findings highlight that digital marketing is gaining importance, but traditional marketing retains its foundational value in the small food business sector.

Marketing method that helps more in customer retention:



Challenges Faced by Small Businesses

Despite recognizing the benefits of digital marketing, small businesses face multiple challenges in implementing effective marketing strategies. One of the primary challenges identified in the study is limited financial resources. Many small businesses operate on tight budgets and find it difficult to allocate funds for professional digital marketing services or paid advertisements. Additionally, a lack of technical knowledge and expertise poses a significant barrier. Business owners often manage operations themselves and may not possess adequate skills in content creation, online engagement, or data analytics.

Another major challenge is time management. Running a food business requires constant operational attention, leaving limited time for managing social media accounts and online promotions. Competition is also intense, particularly in the food industry, where numerous businesses compete for customer attention both offline and online. Traditional

marketing methods, while effective locally, involve printing and distribution costs, which can be financially burdensome. Moreover, digital marketing requires consistent engagement and regular updates, without which online visibility may decline. These combined challenges create obstacles for small businesses attempting to establish a strong marketing presence.

Suggestions

Based on the analysis, it is recommended that small food businesses adopt an integrated marketing strategy that balances traditional and digital approaches. Instead of completely shifting from traditional methods, businesses should strategically combine both techniques to maximize effectiveness.

Marketing method suitable for small businesses:



Maintaining an active and professional social media presence can significantly enhance brand visibility, especially among younger consumers. Businesses should regularly update their platforms with product images, customer testimonials, and promotional offers to maintain engagement.

It is also suggested that small businesses invest in basic digital marketing training or workshops to improve their understanding of online promotional tools. Utilizing cost-effective tools such as Google My Business can increase local search visibility without heavy financial investment. Furthermore, encouraging satisfied customers to leave online reviews can enhance credibility and attract new customers. Businesses should also monitor marketing performance through simple analytics tools to understand which strategies generate better results. By adopting structured and consistent marketing efforts, small food businesses can strengthen their competitive position in the market.

Conclusion

The present study highlights the evolving marketing landscape within the small food business sector. It is evident that digital marketing is becoming increasingly significant due to its affordability, wide reach, and measurable outcomes. Businesses that have adopted digital platforms report improved visibility and better engagement with customers, particularly among younger audiences who rely heavily on online information before making purchasing decisions. However, the study also demonstrates that traditional marketing methods continue to play an essential role in sustaining local reputation and customer loyalty.

Rather than viewing traditional and digital marketing as competing approaches, the study suggests that they function most effectively when used together. Traditional marketing builds trust and community relationships, while digital marketing expands outreach and enhances brand awareness. Small businesses that combine these strategies appear to achieve more balanced and sustainable growth. The research further indicates that adaptability and willingness to learn new marketing techniques are critical factors influencing business success.

In conclusion, digital marketing does not replace traditional marketing in the context of small food businesses; instead, it complements and strengthens existing practices. Businesses that strategically integrate both methods while overcoming operational challenges are more likely to maintain long-term competitiveness and achieve consistent growth in an increasingly dynamic market environment.

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