

The Impact of Digital Marketing on Small Business: A Study Conducted in Mysuru

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ABSTRACT

The objective of this study is to study the adoption and impact of digital marketing strategies on small business in Mysuru. A quantitative, non-experimental descriptive study methodology was employed to gather data from a sample of fifty local small business owners, primarily male and within the mid-career age range of 26 to 45 years, through the administration of a structured questionnaire. This study addresses an important gap in understanding how resource-constrained small enterprises bridge the 'digital divide' and translate online activity into tangible organisational benefits. The null hypothesis was rejected as a result of statistical analysis that produced a high reliability coefficient (Cronbach's Alpha of 0.857) and was validated by SPSS hypothesis testing, indicating a strong positive correlation between organizational growth and digital integration. Important results show that social media platforms like Facebook and Instagram are widely used in conjunction with regular content updates. Moreover, a significant 80% of respondents credited their digital marketing efforts for increased direct sales revenue, while 64% of respondents noted enhanced brand visibility. However, despite these accomplishments, the substantial number of indifferent responses highlights the persistent uncertainties surrounding the strategic application of technology and performance measurement. The study concludes that digital integration is a powerful instrument for market competitiveness in the region. Nonetheless, small business owners need to shift from basic content deployment to data-driven tracking mechanisms, such as platform analytics and conversion metrics, to address operational gaps and achieve sustainable business growth.

INTRODUCTION

Digital marketing is marketing of any product or service using digital technologies. With the help of digitalization, science and technology have increased development in every field. From groceries, food, services to gadgets etc. Everything is available online.

On this era of digitalization, Small Business Enterprises (SBEs) also play an important role in the economic development. In this wide competition for survival of small scale businesses they have to adapt new trends and technologies with the time.

The rapid development of internet technology, smartphones and social media platforms has changed the way businesses interact with their customers. As a result, digital marketing techniques such as social media marketing, email marketing, search engine optimization, online advertising, and e-commerce platforms are increasingly being used by small businesses to promote their products and services. Digital marketing is cost-effective, reaches a wider audience, and allows businesses to interact directly with the customers compared to traditional marketing methods.

The digital revolution has fundamentally reshaped the competitive landscape for businesses of all sizes, making digital marketing an important component of modern business strategy. Traditionally dependent on word-of-mouth and physical storefront visibility, small enterprises are increasingly leveraging the digital platforms to reach, engage, and retain their target customers.

Digital marketing encompassing social media presence, search engine visibility, content marketing, and online advertising which offers a powerful, scalable, and often cost-effective way for smaller firms to compete in an

increasingly crowded marketplace. By reducing the barriers to entry and providing access to sophisticated data analytics, these tools allow small businesses to optimize their marketing efforts and build stronger relationships with customers.

REVIEW OF LITERATURE

Akash Verma (2024) – “Impact of Digital Marketing Adoption on Firm Performance” How Digital Marketing Enhances Customer Reach, Sales and Business Growth for Indian SMEs. **“Why Do Small and Medium Enterprises Use Social Media Marketing and What is the Impact: Empirical Insights from India” (2020)** Explores how Indian SMEs use social media marketing to improve performance and client engagement. **Madhusydhyan Reddy DN (2023) “Assessing the Role of Digital Marketing on Small Business Growth”** examines the advantages of SEO, social media and e-commerce for small businesses in India. **Reema Bhagat, Soundara R. Rajan & Seema Sambargi (2021) “Digital Marketing Strategies Adopted by Women Entrepreneurs and its impact on Business Performance”** It studies the role of digital marketing tools in improving business performance, customer reach and growth of micro and small enterprises. **Mudita Sinha & Leena Fukey (2021) “Factors Affecting Digital Visibility of Small and Medium Enterprises in India”** Social media, digital platforms, customer relationship management increase SME visibility, customer contact. **Sheshadri Chatterjee & Arpan Kumar Kar (2020) “Why do Small and Medium Enterprises use Social Media Marketing and What is the Impact: Empirical Evidences from India”** Studies the reasons for adoption of social media by Indian SMEs and its impact on sales, customer contacts and business performance. **Keshari, Pragya, (2021) “Innovative Marketing Strategies for Small and Medium Enterprises of Western Madhya Pradesh (India): An Analytical Study”** It describes innovative marketing practices adopted by SMEs and their contribution to improvement of competitiveness. **P.S Rao (2024) – “Digital Transformation and Marketing Strategies of Small Scale Businesses”** The study explains how companies that use digital marketing strategies see better brand awareness, better customer relationships and sustainable business growth. **Shah J. Miah (2022) “Impact of Business Analytics and Decision Support Systems on E-commerce in SMEs”** Discusses the role of business analytics and decision support systems in facilitating the growth of e-commerce and decision-making in SMEs. **Jyotshana Upadhyay (2022) “Adoption of Digital Marketing Practices in Micro, Small and Medium Businesses for Inclusive Growth”** Discusses the use of digital marketing practices among MSMEs and explains how online platforms help small businesses to improve market reach and growth.

STATEMENT OF THE PROBLEM

Digital marketing has become an important tool for small business to increase the customer reach, sales and growth of business. A lot of small businesses are using social media, online advertising and digital platforms to compete in the market. However, many small businesses find it difficult to move away from traditional marketing models to effective digital strategies. Although a digital platform is available, a significant “digital divide” remains, with small business owners often lacking the technical expertise, strategic insight or financial ability to effectively leverage these tools. The main problem examined in the study is the gap between the potential of digital marketing and its practical application in the small enterprises.

NEED FOR THE STUDY

This research is aimed at filling the current gap in knowledge regarding the actual effectiveness of digital marketing in the small business industry. Digital transformation is widely promoted as a universal driver of commercial success, but little empirical evidence exists as to how small enterprises, often operating under dire constraints of resources and manpower, can realistically harness digital platforms for measurable growth. This research is important because it seeks to demonstrate the return on investment for small business owners who are usually reluctant to invest their limited capital in digital initiatives due to uncertainty of the potential benefits.

OBJECTIVES OF THE STUDY

1. To Analyse the most frequently used digital marketing channels by small businesses in Mysuru.
2. To Evaluate the impact of digital marketing activities on customer acquisition and brand visibility for small businesses.
3. To Examine the challenges faced by small businesses in Mysuru while adopting digital marketing tools.

4. To Evaluate the relationship between digital marketing investment and the growth in sales revenue for small businesses.

HYPOTHESIS

Null Hypothesis (H_0): There is no significant relationship between the adoption of digital marketing practices and the business performance of small businesses.

Alternative Hypothesis (H_a): There is a significant relationship between the adoption of digital marketing practices and business performance of small businesses.

RESEARCH METHODOLOGY

This study adopts the quantitative research to systematically examine the relationship between digital marketing adoption and business performance of small enterprises. The research is most suitable for a quantitative design as it enables objective measurement of the variables, collection of numerical data through structured tools and statistical analysis for generalisable conclusions. This method allows the research to accurately measure the relationship between digital marketing strategies such as social media engagement, online advertising and web presence, and key performance indicators such as customer acquisition and revenue growth.

Research design: The study employs a non-experimental descriptive research design to describe the current situation, trends and challenges of digital marketing in small businesses objectively. It collects quantitative data to translate real business experiences into systematic, measurable data.

Research Approach: This study uses a quantitative method to systematically measure and analyse the adoption, challenges, and performance of digital marketing in small businesses based on survey data.

SOURCE OF DATA

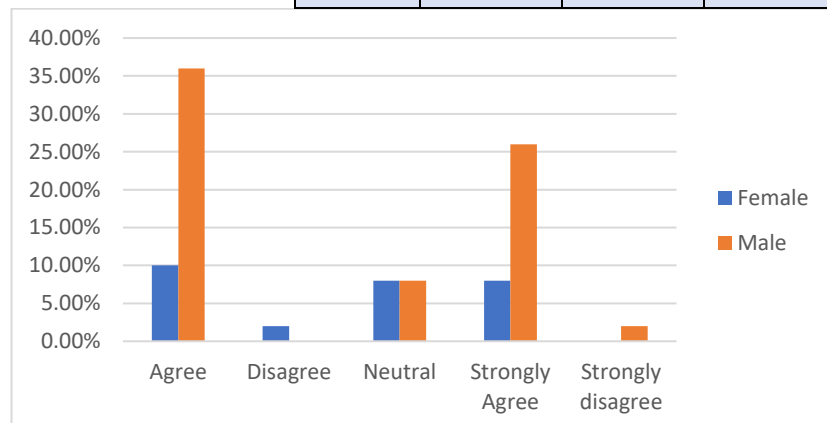
- **Primary Data:** Primary data was gathered directly from the business owners of Mysuru by using a structured self-administered questionnaire to capture the local digital marketing behaviours and performance indicators.
- **Secondary Data:** Secondary data were obtained from academic journals, industry reports, and official publications to provide a theoretical basis and wider industry context to the findings.
- **Sample size:** A total of 50 small business owners in Mysuru were included in this study.
- **Sampling technique:** The sampling technique was based on a target group of local small business owners through a structured questionnaire to get relevant context specific data.

LIMITATIONS

- **Geographical Limitation:** The study is restricted to Mysuru, hence the findings cannot be generalised to other cities or rural areas.
- **Sampling Bias:** Convenience sampling can skew the sample towards tech-savvy or easily accessible businesses, missing out on traditional firms.
- **Self-Reporting Bias:** The data is self-reported, so business owners may be overstating their actual marketing success.
- **Methodological Limitations:** Because data collection occurred at one point in time, the study does not track long-term trends or changes.

DATA ANALYSIS AND INTERPRETATION

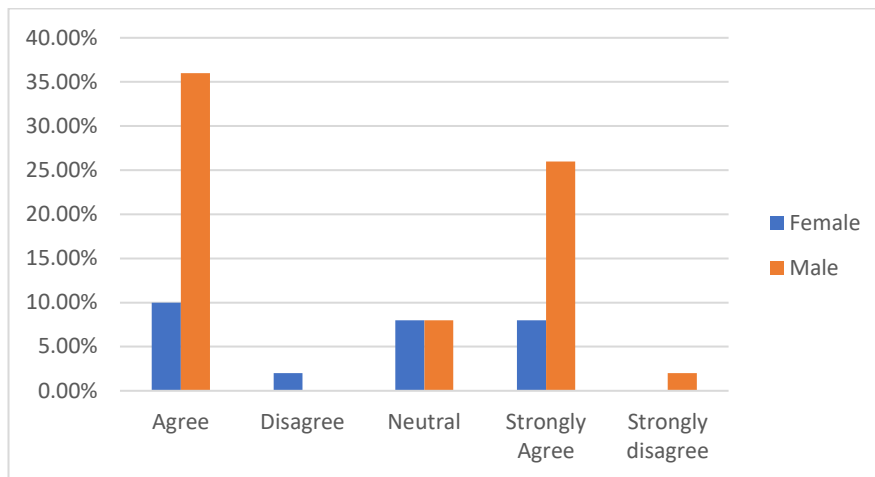
1.	Age Group				
Gender	18-25	26-35	36-45	46-70	Grand Total
Female	0.00%	8.00%	14.00%	6.00%	28.00%
Male	8.00%	28.00%	24.00%	12.00%	72.00%
Grand Total	8.00%	36.00%	38.00%	18.00%	100.00%



Analysis: The table shows that 72.00% of the respondents are male, while 28.00% are female. In terms of age, the 36-45 group is the largest at 38.00%, followed by the 26-35 group at 36.00%. Together, these two groups account for 74.00% of the total sample, while the 18-25 and 46-70 groups make up the remainder.

Interpretation: The findings heavily reflect the perspectives of male business owners in the mid-career age range of 26-45 years. This suggests that while the data provides experienced insights into digital marketing, the overall results may be influenced by this demographic concentration. Consequently, the study's conclusions are most representative of this specific group rather than the entire diverse business population.

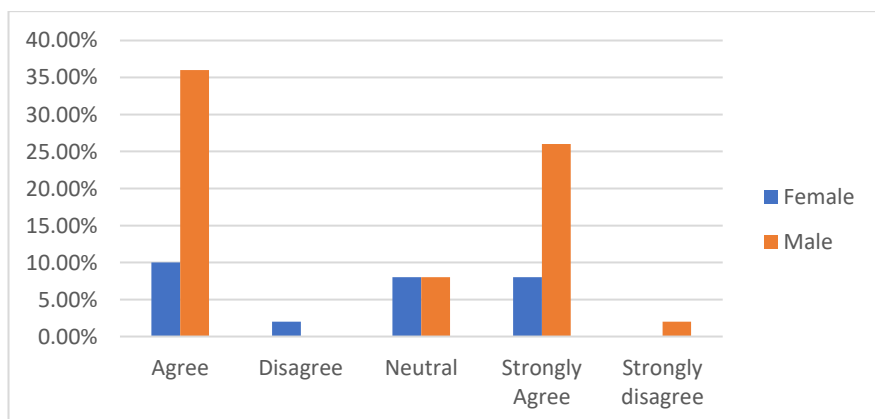
2.	Age Group				
My business actively uses social media (FB/Insta) for marketing.	18-25	26-35	36-45	46-70	Grand Total
Agree	6.00%	12.00%	16.00%	6.00%	40.00%
Disagree	0.00%	2.00%	0.00%	0.00%	2.00%
Neutral	0.00%	12.00%	8.00%	6.00%	26.00%



Analysis: The above table shows that 40.00% of respondents agree that their business is actively involved social media marketing. The most prevalent age group is between 36-45 (16.00%). Only 2.00% of the respondents disagreed with the statement whereas 26.00% of the respondents remained neutral. Also, note that there is an equal distribution of 12.00% in the 26-35 age bracket for both those who agreed and those who were neutral.

Interpretation: The data shows that local small businesses especially in the 26-45 year old mid-career demographic widely and heavily adopt social media for marketing. The low level of disagreement suggests that social media is largely seen as a standard operational tool. However, the high number of neutral responses suggests that many businesses may still be exploring or are unsure about the full effectiveness of these platforms for their specific growth.

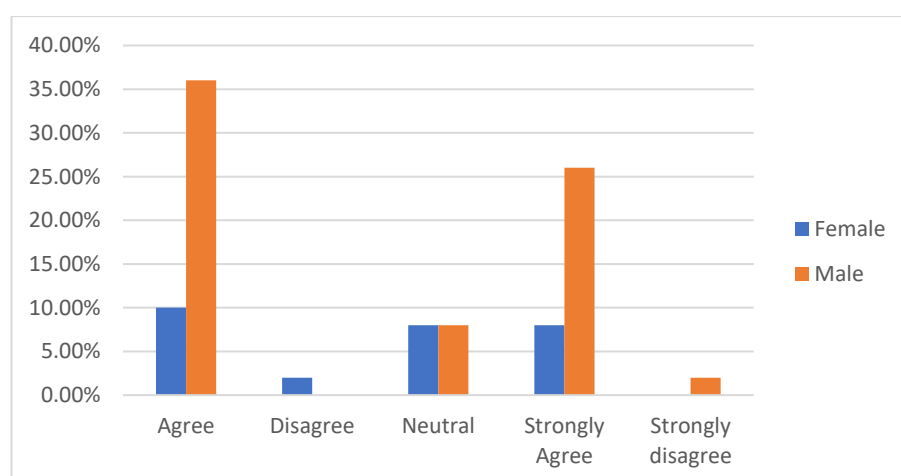
3.	Gender		
I regularly update content on my business's digital platforms.	Female	Male	Grand Total
Agree	14.00%	20.00%	34.00%
Disagree	0.00%	4.00%	4.00%
Neutral	14.00%	16.00%	30.00%
Strongly agree	0.00%	28.00%	28.00%
Strongly disagree	0.00%	4.00%	4.00%
Grand Total	28.00%	72.00%	100.00%



Analysis: The table shows that 62.00% of respondents agreed (34.00%) or strongly agreed (28.00%) that they regularly update content on their business' digital platforms. Majority of the male respondents strongly agree (28.00%) while the neutral responses amount to 30.00% of the total sample. The statement was disagreed or strongly disagreed with by only a small aggregate of 8.00% of participants.

Interpretation: The findings suggest that the majority of the small businesses of the respondents are determined to keep their digital platforms, which suggests the awareness of most of the owners of the importance of constant updates for digital communication. The high percentage of positive responses shows proactivity in digital management; however, the 30.00% of neutral responses may be an indication that a large number of business owners are still trying to develop a consistent content strategy or are less interested in updating their platforms on a regular basis.

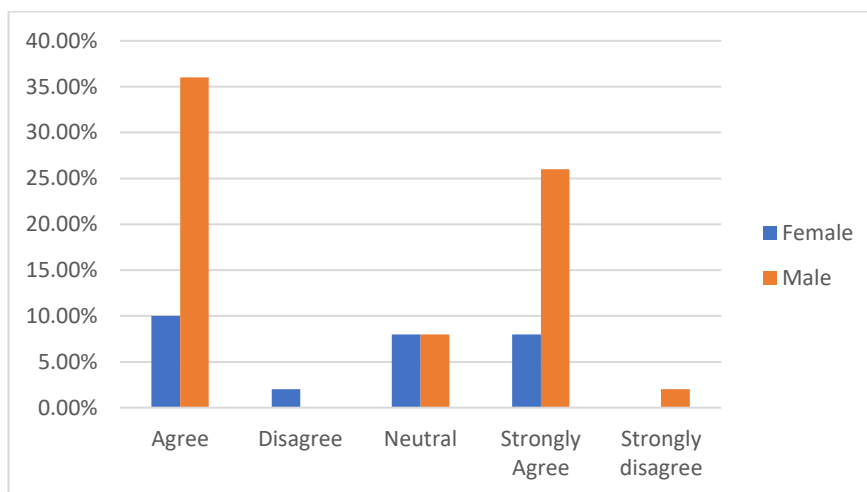
4.	Age Group				
My brand visibility has improved due to online presence.	18-25	26-35	36-45	46-70	Grand Total
Agree	4.00%	14.00%	8.00%	6.00%	32.00%
Neutral	2.00%	12.00%	10.00%	6.00%	30.00%
Strongly Agree	2.00%	10.00%	16.00%	4.00%	32.00%
Strongly disagree	0.00%	0.00%	4.00%	2.00%	6.00%
Grand Total	8.00%	36.00%	38.00%	18.00%	100.00%



Analysis: 64.00% respondents agree or strongly agree with the statement that their online presence has increased brand visibility with the highest intensity of support from the 36-45 age group. 30.00% of the sample were neutral, while a small 6.00% reported strong disagreement with the statement.

Interpretation: The results show that the majority of the local small businesses consider the use of digital presence as a very effective tool in increasing brand awareness. Although mid-career entrepreneurs have a strong positive feeling, the large neutral response indicates that some business owners are still considering the actual effect of these online initiatives on their personal visibility.

5.	Gender		
Digital marketing has directly contributed to an increase in sales.	Female	Male	Grand Total
Agree	10.00%	36.00%	46.00%
Disagree	2.00%	0.00%	2.00%
Neutral	8.00%	8.00%	16.00%
Strongly Agree	8.00%	26.00%	34.00%
Strongly disagree	0.00%	2.00%	2.00%
Grand Total	28.00%	72.00%	100.00%



Analysis: 80.00% of the respondents either agree (46.00%) or strongly agree (34.00%) that digital marketing has directly led to an increase in sales. Only 4.00% of the sample disagreed and strongly disagreed and 16.00% were neutral to the impact.

Interpretation: The results of this study strongly indicate that a large percentage of small business owners in Mysuru believe that there is a direct and positive relationship between their digital marketing activities and growth in sales. The absence of dissenting responses is indicative of the success of digital strategies in driving revenue, and the neutral responses suggest that a minority of businesses may find it challenging to measure or directly attribute sales results to their digital efforts.

SPSS TEST

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	50	100.0
	Excluded ^a	0	.0
	Total	50	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.857	.856	4

Inter-Item Correlation Matrix

	6. My business actively uses social media (FB/Insta) for marketing.	7. I regularly update content on my business on digital platforms.	8. My business utilizes paid digital advertising (e.g., Google/FB Ads).	9. I invest time in responding to customer reviews and feedback online.
6. My business actively uses social media (FB/Insta) for marketing.	1.000	.785	.632	.514
7. I regularly update content on my business on digital platforms.	.785	1.000	.655	.482
8. My business utilizes paid digital advertising (e.g., Google/FB Ads).	.632	.655	1.000	.516
9. I invest time in responding to customer reviews and feedback online.	.514	.482	.516	1.000

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	31.583	5	6.317	9.359	.000 ^b
	Residual	29.697	44	.675		
	Total	61.280	49			

NONPARAMETRIC TEST

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
1	The categories defined by 1. Gender = Male and Female occur with probabilities 0.5 and 0.5.	One-Sample Binomial Test	.003	Reject the null hypothesis.
2	The categories of 2. Age Group occur with equal probabilities.	One-Sample Chi-Square Test	.006	Reject the null hypothesis.
3	The categories of 3. Nature of Business occur with equal probabilities.	One-Sample Chi-Square Test	.715	Retain the null hypothesis.
4	The categories of 4. Years in Operation occur with equal probabilities.	One-Sample Chi-Square Test	.063	Retain the null hypothesis.
5	The categories of 5. Approximate Monthly Revenue (INR) occur with equal probabilities.	One-Sample Chi-Square Test	.005	Reject the null hypothesis.
6	The categories of 6. My business actively uses social media (FB/Insta) for marketing. occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.
7	The categories of 7. I regularly update content on my business's digital platforms. occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.
8	The categories of 8. My business utilizes paid digital advertising (e.g. Google/FB Ads). occur with equal probabilities.	One-Sample Chi-Square Test	.002	Reject the null hypothesis.
9	The categories of 9. I invest time in responding to customer reviews and feedback online. occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.
10	The categories of 10. My business has a user-friendly website or online catalog. occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.
11	The categories of 11. Digital marketing has significantly increased my customer reach. occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
12	The categories of 12. My brand visibility has improved due to online presence. occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.
13	The categories of 13. Digital marketing has directly contributed to an increase in sales. occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.
14	The categories of 14. Online interaction has helped in retaining existing customers. occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.
15	The categories of 15. Digital marketing is more cost-effective than traditional marketing. occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

FINDINGS

1. Universal Digital Adoption:

A large majority of small businesses are using social media sites like Facebook and Instagram as part of their marketing strategy.

2. Managing Active Content:

Most business owners are very committed to digital presence with a clear majority updating content regularly on their digital platforms to maintain engagement.

3. Increased Brand Visibility:

Many businesses say digital presence is an important driver of success with increased brand visibility as a consequence of going online.

4. Direct Link to Sales Growth:

The effectiveness of digital marketing has solid empirical support with the vast majority of respondents attributing an increase in their business sales directly to their digital marketing strategies.

SUGGESTIONS

1. Take a data-driven approach:

Many businesses are already on social media, but need to go beyond the basics of posting content. Utilize platform analytics in order to measure engagement and track reach and audience behaviour to refine your content strategy.

2. Bridge the “Neutral” Gap:

With the number of responses that indicated no direct effect of social media on sales, it’s important for businesses to utilize tracking tools such as promo codes, click-to-call buttons and website traffic analytics in order to better understand how online efforts translate into real revenue.

3. Focus on Consistent Engagement:

To convert the minority of businesses that are less active into proactive digital marketers, local trade associations or chambers of commerce could offer workshops focused on the importance of consistent content updates as a proven driver for brand visibility.

4. Target Mid-Career Demographics:

As the study shows high engagement among the 26-45 age group, businesses should tailor their content and advertising strategies to specifically appeal to the preferences and pain points of this active demographic to maximize growth potential.

CONCLUSION

In conclusion, this research highlights that digital marketing has become a vital component for small businesses in the Mysuru district, directly contributing to improved brand visibility and increased sales revenue. The findings demonstrate that most business owners are actively utilizing social media platforms and maintaining consistent content updates, which effectively bridges the gap between traditional practices and modern digital engagement. While a small portion of the business community remains neutral regarding the specific impact of these strategies, the overall data confirms that digital integration is a key driver for business growth and market competitiveness in the region.

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