

# **Digital Marketing Practices and Firm Performance: With Reference To Small Medium Enterprises in Kanyakumari District**

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**Abstract:** *This study aimed at investigating the relationship between digital marketing practices adopted by small and medium enterprises (SMEs) in Kanyakumari Districts, and the firms' performance in the Manufacturing and Service Sectors. The data for this study was collected using a structured questionnaire comprising both open-ended and close-ended questions. The questionnaire was administered through personal interviews with respondents who were owners of Manufacturing and Service Sectors in Kanyakumari Districts. The data collected was analyzed using descriptive statistics and regression analyses. Hence, the study recommends that Manufacturing and Service firms should adopt new marketing strategies, which may help to overcome the lacking in their marketing activities, which have overall impact on firm's performance.*

**Keywords:** *marketing practices, firm performance, small and medium enterprise*

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## **I. Introduction**

In the modern business world, particularly at present time digital marketing is the new trend in India. This concept is rapidly emerging as a new concept which is aggressively adopted internationally for marketing success. In today's time, social media channels such as Face book, Twitter, Google and other social media firms have successfully transformed the attitudes and perceptions of consumers and in the end helped revolutionized many businesses. The implementation of digital marketing practices is positively associated with business performance and offers the company a competitive advantage. The study stated that successful digital marketing developed as current marketing activities supported and enhanced the adoption of the new technology. Thus digital marketing's success is linked to its incorporation into the current marketing practices utilized within the small medium enterprises.

## **II. Objectives Of The Study**

- To study the digital marketing practices and their effect on firm performance in kanyakumari district.

## **III. Methodology**

For this analysis the researcher used the primary data. A questionnaire was used by the researcher to collect primary data. For the present study, the respondents of manufacturing sectors are selected based on stratified random sampling using lottery method and the respondents of service sectors are selected based on census method, all the selected respondents based on manufacturing and service sectors of small medium enterprises, which are located at the kanyakumari districts of Tamilnadu are included for the study. The respondents of both enterprises are also chosen based on convenience sampling method. The researcher has selected 200 owners of respondents from both the manufacturing and service sector of enterprises. The researcher selected four manufacturing sectors namely Paper cup, Pickles, Juice and Snacks and four service sectors namely Door delivery, Xerox machine, Tiffin service and Beauty parlor. The researcher has selected 100 owners of respondents from each sector for analyzing small medium enterprises of both groups. The statistical tools used for the present study were percentage analysis, descriptive and regression, analysis.

## **IV. Results And Discussion**

### **ANALYSIS OF SOCIO ECONOMIC PROFILE OF THE RESPONDENTS**

The researcher has examined the socio economic profile of the respondents in the study area. The particulars are presented in table 1.

**Table 1: SOCIO ECONOMIC PROFILE OF THE RESPONDENTS**

S.No	Particulars	No. of respondents		Total
		Manufacturing	Service	
<b>Gender wise Classification</b>				
1	Male	81 (55.7)	38 (63.3)	119 (59.5)
2	Female	59 (44.3)	22 (36.7)	81 (40.5)
Total		140 (100)	60 (100)	200 (100)
<b>Age wise Classification of Respondents</b>				
1	Up to 30	55 (39.3)	22 (36.7)	77 (38.7)
2	30-40	55 (39.3)	20 (33.7)	75 (37.5)
3	40-50	23 (16.4)	10 (16.7)	33 (16.5)
4	Above 50	7 (5)	8 (13.3)	15 (7.5)
Total		140 (100)	60 (100)	200 (100)
<b>Marital status of Respondents</b>				
1	Married	91 (65)	35 (58.3)	126 (63)
2	Unmarried	49 (35)	25 (41.3)	74 (37)
Total		140 (100)	60 (100)	200 (100)
<b>Educational Status of the Respondents</b>				
1	Literate	99 (70.7)	43 (71.7)	142 (71)
2	Illiterate	44 (29.3)	17 (28.3)	58 (29)
Total		140 (100)	60 (100)	200 (100)
<b>Monthly income wise classification</b>				
1	Up to Rs.10000	89 (63.6)	37 (61.7)	126 (63)
2	Rs 10000 - 20000	24 (17.1)	14 (23.3)	38 (19)
3	Rs 20000 - 30000	20 (14.3)	8 (13.3)	28 (14)
4	Above Rs 30000	7 (5)	1 (1.7)	8 (4)
Total		140 (100)	60 (100)	200 (100)
<b>CLASSIFICATION OF RESPONDENT BASED ON BUSINESS</b>				
	<b>Manufacturing / Service</b>			
1	Paper Cup / Door Delivery	77 (55)	26(43.3)	103(51.5)
2	Pickles / Xerox Machine	41(29.3)	15(25)	56 (28)
3	Juice / Tiffin service	17(12.1)	15(25)	32(16)
4	Snacks / Beauty parlor	5(3.6)	4(6.7)	9(4.5)
Total		140(100)	60(100)	200(100)

**Source:** Primary data

Table 1 Shows that out of 140 respondents in Manufacturing, Majority of the respondents are male, in the age group of 30 to 40 years, married, literate, have income up to Rs.10000 per month and have Respondent based on business.

In case of Service sectors, out of 60 respondents, Majority of the respondents are male, up to 30 years of age, married, literate, have income group up to Rs.10000 per month and have Respondents based on business.

**Table. 2 CLASSIFICATION OF RESPONDENT BASED ON AREA OF MARKETING**

Area of marketing	Type of Business		
	Manufacturing	Service	Total
State	0 (0.0%)	0 (.0%)	0 (0 %)
District	42 (38.0%)	0 (0%)	42 (38.0 %)
Taluk	30 (32.0%)	46 (38.0%)	76 (70%)
Block	28 (30.0%)	54 (62.0%)	82 (92 %)
TOTAL	100 (100.0%)	100 (100.0%)	200 (100.0%)

**Source:** Primary data

Table .2 shows that of the 200 respondents, a majority of 82 who constitutes 92 percent of respondent product marketing in Block of the three types of business category whereas 76 respondents (70 percent) were in marketing of Taluk wise of the two types of business category. Only 42 respondents were in 38 percent of marketing in districts of kanyakumari in the total respondents.. The majority of respondent based on area of marketing in block and followed by Taluk, districts and state respectively.

**Table. 3 DESCRIPTIVE STATISTICS OF VARIABLES**

VARIABLES	MEAN	STANDARD DEVIATION
Business Relationship	2.732	0.753
Market Segmentation Practices	3.214	0.972
Advance Technology Use	2.762	0.828
Digital Advertising Practices	3.381	0.672
Online Marketing Management	2.982	0.542
Pricing and Promotion	3.417	0.431
Customer relationship and product information	2.771	0.772
Overall Result	3.072	0.732
Firm Performance	3.468	0.661

**Source:** Primary data

As can be seen from the table.3, the respondents generally perceived that they are getting positive results (highly moderate) from their marketing activities (performance) (mean = 3.468, SD = .661). But they perceived that they insignificantly involve in Business Relationship (mean = 2.732, SD = .753), technology use (mean = 2.762, SD = .828), Online Marketing management practice (mean = 2.982, SD = .542) and Customer Relationship and Product Information (mean = 2.771, SD = .772). Participants supposed that they moderately involve in Market segmentation practice (mean = 3.214, SD = .972), Digital advertising practices mean = 3.381, SD = .672), and pricing and promotion mean = 3.417, SD = .431).

**Table.4 DIGITAL MARKETING PRACTICES EFFECT ON FIRM PERFORMANCE**

Factors	Mean	Standard Deviation
Returns	3.465	0.856
Sales Volume	3.879	0.320
Goodwill	3.315	0.512
Quality	3.268	0.625
Employee Satisfaction	3.053	0.687
Total Mean	3.589	0.634

**Source:** Primary data

Table.4, All five factors show the moderate results, Highest Average Value and Digital Marketing Practices intended to increase of Small Medium Enterprises sales volume (Mean:3.879, Standard Deviation: 0.320) followed by the digital marketing practices intended to increase firm goodwill , Returns, Quality and Employee Satisfaction Respectively. In general, the responses appear moderate concerning performance by different Marketing activities.

**Table.5 MULTIPLE REGRESSION ANALYSIS**

R	R square	Adjusted R square	Std. Error of estimate	F	Sig.
.583	.211	.187	1.08624	6.83	.000

**Source:** Primary data

The above table.5 shows that, multiple regression was used by employing the enter method. The idea here is to estimate the variance explained in performance of a firm’s seven dimensions/tools of marketing activities. Seven activities of marketing practices i.e. Business relationship, Market segmentation Practices, Advance technology use, Online Marketing Management, Digital advertising Practices, pricing and Promotion, Customer Relationship and Product Information, Overall Result and Firm Performance were included in the regression model using a default enter method, to calculate the effects of variance on performance (dependent variable). The results are shown in Table 5.

The results from Table 5 indicate that the multiple regression coefficients (R) of the seven independent variables of marketing Practices to effect on performance of firm model is .583 and the adjusted R square is .187. The value of F is 6.83 at (p < .05). This means that 18.7% of the Variance in performance of firm has been significantly explained by the seven factors of marketing activities.

It is found that the mean scores of all independent variables of marketing practices range between 2.73 to 3.46. This indicates that seven factors of Digital marketing practices fall between insufficient to moderate level on a five-point scale. With regard to performance, the mean value of 3.58 on a five point scale points out that businesses have intentions to increase the performances by marketing efforts. However, these findings further suggest that it is highly likely that some businesses start to invest in marketing activities for better firm performance.

#### **V. Conclusion**

The study proved the researchers' point of view and concluded that only Digital advertising practices are positively associated with firm performance. In other words, it can be inferred that other practices except advertising are a waste of money and time for the small and medium-sized Manufacturing and Service Sector of business. Finally, yet importantly, a Digital marketing practice is a good tool for marketing and growth of business Enterprises. Hence, Manufacturing and Service sectors of business firms should adopt new digital marketing strategies, which may help to overcome the lack in their marketing activities, and which have an overall impact on a firm's performance.

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