

## **COVID-19 Implications and Digital Transformation in SMEs**

Corresponding Author: Dr. Neena Prasad

---

### **ABSTRACT**

*The Small and medium enterprises (SMEs) contribute significantly to the manufacturing economy. Meeting customers face to face, the predominant way of industrial marketing has taken a beating with the rise in COVID-19 infections. This indicated a new normal for them (even for the ones that didn't even have a social page yet) to explore the realms of web or social media platforms where relationships could be created and nurtured in a contactless manner. With a huge emphasis on the "Make in India" movement by the government and digital transformation impacting consumer behaviour in a big way, the dearth for digital transformation skills in SMEs have posed a major challenge. Hence this paper aims at understanding whether the consequences of COVID-19 came as a reset button for SMEs. In spite of SMEs being technologically oriented, there seems to be a huge gap in their adoption of digital transformation strategies. 254 respondents from the manufacturing units of SMEs were considered to explore the reasons for them to lag behind in using digital marketing. Budgetary constraints and lack of expertise were found out to be the major reasons.*

**KEYWORDS:** Digital Marketing, Small and Medium Scale Enterprises, Challenges, COVID-19

---

Date of Submission: 20-08-2020

Date of Acceptance: 05-09-2020

---

### **I. INTRODUCTION**

The technology revolution has changed the world, more so, the business world. The society in general has evolved with the technology and has started adopting change with a penchant for convenience. The modern economies are speeding towards growth and the business enterprises are leveraging digital marketing methods for implementing successful marketing strategies which in turn helps provide cost-effective, consistent personalized customer messaging as compared to traditional marketing such as print, television, direct mail and multiple campaigns. Companies in the manufacturing sector are also adopting automation solutions, taking incremental steps as the sector moves towards digitalisation as a part of Industry 4.0. Digitalisation is an ongoing business transformation journey and covers vast applications. With proper integration into the business model, manufacturing organisations can use digitalisation to familiarise with their brands to their customers through e-commerce and digital marketing platforms. Leveraging technology also provides them with data-driven insights that allow them to better understand and improve their business operations. Many large manufacturing organisations have perceived digital marketing strategy as a cost-effective marketing tool and started using social media, web and mobile in order to improve customer connect, effective growth and survive competition.

COVID-19, the deadly pandemic presented to the world an alarming health crisis which significantly impacted the entire world. The global economy which was already showing signs of slowdown was literally amplified with a continuous decline in the exports and imports. The onslaught of the pandemic had a critical impact on consumer spending world over indicating a contraction in the global economy. The Indian economy in particular was experiencing this economic contraction for the fifth time since independence. The fast but unperturbed pace of work in the pre-COVID-19 era and complete disappearance of indulging in the luxury of time with uncertainty looming large during COVID-19 pandemic across the globe seems to have brought in a new normal.

Like other economies, India too was faced with the challenge of trying to find a balance between safeguarding lives and protecting livelihood. Now the prerequisite for the industry was to strategize and navigate through these dynamic times and bring back growth in line with the CII's theme for 2020-21, 'Building India for a New World'. The focus would be on Lives, Livelihood and Growth and working towards bringing India back on the path of rapid development through Intent, Inclusion, Investment, Infrastructure and Innovation.

The small and medium enterprises (SMEs) have been contributing close to 30% of the nation's GDP, the Southern States have been playing a very significant role in transforming India into a global manufacturing and services hub, strengthening the economy and creating jobs. It has provided a strong foundation to ignite the engines of the economy, bring in collaborative competitiveness and pave way for a more geographically distributed model of development. With an intention to bring SMEs to mainstream, the Indian government

considered offering easier loan repayment terms, extending loan periods, relaxing bad-debt norms and tax breaks for SMEs. The Reserve Bank of India had gradually reduced interest rates from 5.15% in February to 4% on 22 May. The country's oldest bank, State Bank of India also aimed at addressing liquidity concerns of SMEs who have seen business disruptions due to the crisis. With the specific objective of extending the availability of credit to SMEs and microenterprises, the government further announced a support package of USD 266 billion which included INR 3 trillion for collateral free loans to MSMEs of four-year tenure with no payments due for one year. It also allocated INR 20 trillion for subordinate debt aimed at helping currently stressed MSMEs and INR 50 trillion in equity funds for MSMEs. The measures include a move to bail out 200 000 ailing small and medium sized companies.

The organisations in general, that planned their digital strategy in a phased manner must now operationalise their initiatives with the much needed agility to meet the changing dynamics of the customer behaviour. The crisis brought about by this pandemic apparently provided a hint at the future world where digital transformation would be central to each and every interaction, forcing both organizations and individuals to hastily convert the learning curve to an adoption curve. Further, the primary drivers of productivity like the automated processes, the digital channels and the customer engagement models would form the basis for a flexible and stable supply chains. However, every other organisation would easily manoeuvre their digital initiatives during normal times but to have the same digital agenda at these unprecedented times of COVID-19 crisis and at the scale and speed required is a challenge especially for the SMEs in particular.

Nonetheless, COVID-19 came as a reset button for SMEs and gave no option to them but to rapidly transition themselves to technology based marketing operations. Just as digital platforms proved to be a major disruptor in the past, the COVID-19 crisis will set similar "ecosystem" level changes in motion positioned around the evolving needs of core customer segments and the ways in which competitors and markets are moving to meet them. Mapping these changes helps to look forward in time at bigger issues and opportunities that could drive significant disruption as the crisis continues. No matter what, this moment of crisis should prove to be the precise time for SMEs to develop and apply their digital agenda. Hence this research aims at understanding the reasons behind the lag in adoption of digital marketing practices by SMEs and whether the pandemic has influenced the cognitive component of attitude of the personnel towards digital transformation in SMEs. A sample size of 254 respondents from the manufacturing units of SMEs were considered for the study.

### **I.1. Digital Marketing**

Digital marketing is critical for meeting changing customer needs and market sustainability. Digital marketing is the use of digital platforms like the Internet, smart phones and any other digital medium to market any product or service and in the process helps the company increase brand exposure and broaden customer reach. In other words, it involves wireless communications and digital television marketing activities in addition to Internet marketing channels. The term digital marketing is the most frequently used term in business and is often referred to as 'online marketing', 'internet marketing' or 'web marketing' in the other parts of the globe. The prospects of doing business specifically the marketing and branding has changed drastically with the rapid rate evolution of digital marketing over a period of two decades. Digital marketing tactics like Search engine optimization (SEO), Ad words and Banner advertisements, website, E-mail, and social media and mobile marketing are widespread and are increasingly incorporated into marketing plans.

### **I.2. Significance of Small and Medium Enterprises in India**

The Small and Medium Enterprises (SMEs) sector contributes significantly in the economic and social development of the country by fostering entrepreneurship and generating employment opportunities. The lack of access to formal credit, infrastructure constraints and discouraging government policies did not deter people from starting their own business making the country witness a remarkable growth in the SME sector. With around 63.4 million units spread across the geographical expanse of the country, SMEs contribute around 6.11 per cent of the GDP and 24.63 per cent of the services. They contribute around 40 per cent of the overall exports from India. The SME sector is by far the largest provider of employment following agriculture, employing over 120 million people, with 51.2 per cent in rural areas.

Though SMEs have a huge opportunity for growth in the country, scaling up is a major challenge as they found it difficult to deal with the dynamic business environment, competition (an offshoot of globalization) from technologically advanced industries across the globe, stringent labour laws, taxation policies and financial constraints coupled with lack of awareness in technology transformation such as usage of digital tools in marketing decisions in order to create a sizeable market space. The facts and figures indicate that 40% of the total export from India originates from SMEs while 45% of the total manufacturing output comes from this sector. SMEs have been a deciding factor in reducing unemployment, eliminating poverty and blurring income inequalities. SMEs can be started with minimal capital investment.

The original version of the ‘Micro, Small and Medium Enterprises Development Act’ was enacted in 2006 to facilitate the promotion and development of micro, small and medium enterprises and encourage them to compete with each other on an equal ground. There has been an effort to amend the Act and the amendment was introduced as the MSME Development (Amendment) Bill, 2018, but it was faced with opposition by various political parties and a few business bodies. Consequently, the current amendment aims to define small and medium-sized businesses according to their annual turnover as follows; an organisation with an annual turnover of ₹ . 5 crores indicate a “micro-enterprise”, ₹ . 5-75 crores indicate the “small enterprise” while an annual turnover is ₹ . 75-250 crores indicate a medium enterprise. Different slabs along with respective loan facilities were indicated for categories such as manufacturing, export and services industry.

India's Industrial production fell 16.6 % YoY in Jun 2020, following a drop of 33.9 % YoY in the previous month. India's Industrial production index growth rate YoY data is updated monthly, available from Apr 2006 to Jun 2020, with an average rate of 4.4 %. The data reached an all-time high of 20.0 % in Nov 2006 and a record low of -57.6 % in Apr 2020. CEIC calculates Industrial Production Index Growth from monthly Industrial Production Index. Central Statistics Office provides Industrial Production Index with base 2011-2012=100. Industrial Production Index covers Mining, Manufacturing and Electricity sectors. Industrial Production Index Growth prior April 2013 is calculated from Industrial Production Index with base 2004-2005=100. A point to be noted was that, to a large extent it was not logistically possible for big business organisations and industries to establish themselves in rural areas as they were confined to various industrial and commercial zones. However, this restriction did not apply to SMEs indicating their presence even in villages and small towns and thereby improving people's standard of living in the process. The SME units were more concentrated in manufacturing sector compared to service sector and had a significant contribution in the economic growth.

However, in the context of this study, the limited access to modern technology, more so, an enabling digital infrastructure and lack of awareness on the skills needed for digital transformation has proved to be one of the major challenges for SMEs. The key reason being that the options open to a industrial marketer, in particular, an SME are not quite the same as those open to a consumer marketer in spite of the fact that the digital marketing offers a huge scope for manufacturing units to promote and market their products and services. Researchers have also indicated that for an industrial marketer, leveraging the applications of digital marketing has been very challenging as compared to the consumer market segments despite the fact that the overall volume of SME transactions being much higher. In the current scenario, the digital integration can be divided into two concepts:

1. Integrating tactics into the development of broader marketing campaigns and then continuously monitoring
2. Integration of the digital footprint which includes corporate website, social platforms, blogs, search, communities and potentially paid search and online advertising.

In this context, the previous research indicates that for a SME to be successful, they need to employ digital marketing tactics in order to compete successfully in the B2B environment. However, the SMEs often find challenging to adopt to digital marketing because of the lack of knowledge on the development and implementation of digital marketing tactics. These observations explore the facts about the digital marketing involvement, the perception of and attitude towards usage of digital marketing tactics by these manufacturing units of SME's in relation to customer base expansion consistent with their bricks- and- mortar competitive strategies. Hence the aim of this study is to contribute to the understanding of the digital marketing by examining factors that facilitate or inhibit the adoption and use of digital marketing tactics by SMEs in Bangalore.

## **II. LITERATURE REVIEW**

SMEs represent a very heterogeneous group since it includes different firms and operates in various markets, social and political environments. The review of literature for this research study is in the context of the importance of SMEs, broader concepts of digital marketing along with benefits of digital marketing adoption by SMEs and the generic issues related to the barriers towards successful digital marketing adoption. The importance of digital marketing has been well established by examining the relationship between SMEs and Digital marketing by the previous research studies. The research related to the adoption process of new technologies in SMEs has been widely covered (Carroll and Wagar, 2010; Chatzoglou et al., 2010; Dholakia and Kshetri, 2004; Lohrke et al., 2006; MacGregor and Vrazalic, 2005; Parker and Castleman, 2007; Proudlock, 1999) but knowledge of how SMEs utilize digital channels in their marketing requires more in-depth knowledge. Previous research suggested that the marketing efforts of SMEs were not at par and very limited when compared to the large organizations indicating the presence of various constraints. Walsh and Lipinski (2009) found that the level of marketing function maturity in SMEs is not as high as in large organizations. Important factors, often cited in literature, that affected small firms' marketing strategies included

lack of financial resources and marketing expertise, insufficient customer knowledge, unstructured planning activities, lack of time, and reactive approach to marketing (Boyles, 2011; Cronin-Gilmore, 2012; Resnick et al., 2011; Sen & Haq, 2011). Researchers noted the prominent role of the small business owner in marketing activities is often as the key decision maker overseeing many of the business functions that specialists manage in large organizations. Therefore, small business owners' marketing knowledge has an impact on the firm's marketing strategies. Small businesses have many limitations, but it does not mean that they lack marketing. (Centeno & Hart, 2012; Cronin-Gilmore, 2012; Resnick et al., 2011).

In the current scenario, the business environment has become more competitive and the challenges posed before the enterprises are more towards internationalisation and technological up-gradation. Reducing these barriers for global commerce can result in greater global interconnectivity and can be used as a media for expansion (Todd. P. R. & Javalgi. R.G. 2007). According to Kiran Majumdar and Kishore (2013) found that globalization has encouraged enterprises to grow more towards international market in comparison to domestic market. The wide employability of Internet facilitates or digitalisation which offers superior opportunities to improve efficiency and effectiveness of the small and medium enterprises has been reviewed with the help of research papers related to introduction of technology in SMEs and digital marketing in SMEs. The benefits of digital marketing experienced by the firms are in terms of cost reduction, increased market potential and business opportunities (as cited in Mohamad & Ismail 2009). The digital marketing acts as a dual communication vehicle by receiving and exchanging messages, perceptions and ideas in short span of time (Dury 2008).

O'Dwyer, Gilmore. & Carson (2009), in their research indicates that the use of Internet media depends upon choice, knowledge and personality of the management. Rangriz. V. (2012) confirms that the use of Internet medium is also influenced by the objectives of leadership and interest in exporting. Esselaar et al. (2008) found that lack of computer literacy is also affecting the use of internet and online sources of communication. In study of SMEs of 14 African countries Esselaar (2008) found that ICTs are significant input factors for both formal and informal SMEs and can contribute positively to revenue generation. It is also evident in the literature that SMEs find some difficulty in addressing the investment costs, benefits and risks associated with use of IT but they also excel in business once they are able to adopt it to exploit online marketing potential (as cited in Lin. C., Huang. Y. & Tseng S. W. 2007 and L. & Mochrie. R. 2005) concluded that slower adoption of web based marketing due to difficulties of access may tend to decrease the economic performance of the business. Research conducted by BMG Research in association with the Durham University that there is a need for advice on the usage of digital initiatives in the future and considerably high percentage was indicated for Search Engine Optimisation (SEO) followed by Social Media and Digital Marketing.

Caemmerer. B. (2009) cited a case of Renault motor in his research paper and stated that the internet as a key role player in gaining customer confidence over particular feature of the product. Mochoge. O. C. (2014) found that perceived ease of use, usefulness and cost significantly influences decision of a customer to use online marketing by SMEs. Gilmore. A., Carson. D. & Grant. K. (2001) emphasized that marketing can be a success by networking which is done by the owner or managers with help of their networking skills. Centeno. E. & Hart. S. (2012) found that multiple marketing approaches are adopted to communicate different message depending upon time and customers. Moen, Madsen & Aspelund (2008) in their research opines that SMEs generally follow transactional approach for marketing and this situation calls for a digital marketing approach to create long term customer relationships.

Digital marketing is a new approach to marketing, not just traditional marketing boosted by digital elements (Järvinen et al., 2012; Liu, Karahanna and Watson, 2011; Rowley, 2008). The dynamics of digital marketing has to be understood clearly in order to select effective marketing tactics and strategies. Digital channels can be classified in various ways. One way to classify the channels is to present them based on the viewpoint of which party controls the communications (the company or the target audience) and whether communications is one-way or two-way as shown in Table 3.1.

Communication Channel	High Company Control	Low Company Control
One Way	Websites Email Newsletters Online Directories Banner Advertising	SEO(Search Engine Optimisation) SEA(Search Engine Advertising)
Two Way	Company generated Blogs Company's own comment	Social Media, Whatsapp,

**Table 1. Classification of Digital Marketing Channels**

Websites and emails are included in one-way online tools with high company control. A company's website can be described as the home of the brand in the online environment (Christodoulides, 2009). Email in spite of being a two way communication channel in nature, it is often used as a one-way channel to deliver newsletters or advertisements along with its various activities related to marketing. These two basic forms of

digital marketing are often used in SMEs to market their products and services. However, the previous research conducted in this domain has indicated that many of the SMEs were at an early stage of digital channel utilization and that their usage of the more advanced digital channels remained low. Online directories where a company buys its listing for a certain period and online advertising. The purpose of Search Engine Optimization (SEO) and Search Engine Advertising (SEA) which are these one way communication channels is to inform people of the products or services available. It is very crucial to a company's visibility on the web. SEO is the process of improving the website's search engine rank in search results and SEA indicates the paid advertisements on a search engine's results page related to some keywords. However, this potential is still unexplored by the SMEs. (Karjaluo and Leinonen, 2009).

Social media has become an important part of an organization's marketing communications and branding (Bruhn *et al.*, 2012). This ubiquitous two way channel has disrupted the marketing structure in so far as the power has shifted from marketers to customers (Hennig-Thurau *et al.*, 2010) by engaging consumers and creating brand awareness (Malhotra *et al.*, 2013). However, in social media channels the company has less control over its brand as audience expect authentic information generated by conversations around the brand (Christodoulides, 2009; Weinberg and Pehlivan, 2011). Blogging is all about creating content and many leading companies and personalities have adopted blogging as a part of their routine. It is also a form of social media where the company retains a relatively high level of control since the blog usually resides on the company's own website allowing, the content to be edited and the comments monitored and filtered.

Karjaluo and Huhtamäki (2010) categorised the SMEs on the basis of their adoption of digital marketing in terms of firm-specific and owner-manager factors such as capabilities, motivation, background and experience which determines their strategic business choices (Barbero *et al.*, 2011; Delmar and Wiklund, 2008; Wiklund and Shepherd, 2003) such as the usage of digital channels (Dholakia and Kshetri, 2004; Karjaluo and Huhtamäki, 2010). These factors were related to expertise and the skill to use new technologies; knowledge of how to benefit from them in business; and also the attitude of the manager(s) and employees to the channels and motivation to use the channels (Karjaluo and Huhtamäki, 2010). In particular, the technological knowledge of the company owner has been proved to be an important factor (Chao and Chandra, 2012).

The resources-related factors as categorised by Karjaluo and Huhtamäki (2010) into human resources, financial resources and technological resources suggested that whereas human and financial resources were strong determinants of adoption of technological resources played a minor role for SMEs. Gilmore *et al.* (2007) stated that SMEs lacked sufficient human resources, capital and knowledge to adopt digital channels fully. The lack of human resources, time and expertise were the largest barriers to digital marketing usage in the industrial context among both SMEs and larger corporations (Järvinen *et al.*, 2012; Michaelidou *et al.*, 2011). Also, the skills of the employees to utilize the channels have been identified as a significant barrier to adoption of digital channels in SMEs (Chen and McQueen, 2008; Gabrielli and Balboni, 2010; Sayre *et al.*, 2012). All these along with the lack of financial resources/capital are typically considered a barrier to the growth of SMEs (Cooper *et al.*, 1994; Federico *et al.*, 2012; Gilbert *et al.*, 2006) and also act as a barrier to the adoption and use of digital channels. Although digital marketing, at its best, has no variable costs, the fixed costs may still be prohibitive for many companies. Some companies might be surprised by the labour intensity of marketing in this new, dynamic environment, which requires a dialogical communication style, continuous attention and participation as well as content be created (Taiminen, H., & Karjaluo, H. 2015). Lack of knowledge at using digital marketing tactics followed by the perception that it was a low priority in their line of business was the major constraints in adopting the digital marketing tactics. The insights collected from the literature review were helpful in identifying the gap in knowledge and the need for the study.

## II.1. Need for the Study

SMEs are predominantly business-to-business (B2B) in their approach and are potential agents to become strategically competitive, especially when it can be supported by information technology. However, SMEs generally lag behind large firms on digitalisation, due to the budgetary constraints and lack of skill initiatives as they are influenced by their attitude more so, the cognitive component in general. COVID-19 impacted the SMEs in a large way as they have limited cash reserves and tend to depend heavily on a small number of suppliers and customers. With a huge impetus given by the Indian government on the "Make in India" movement coupled with the fact that SMEs are high on technology orientation and have a robust ability to leverage the digital transformation strategies, there seems to be a huge gap in the adoption of digital marketing strategies by the SMEs when compared to the adoption rates in the B2C sector. This indicates there is a need in exploring the reasons for the lag in adoption and how COVID-19 has influenced or rather impacted their attitude (cognitive component) towards digital marketing strategies. The reason for the focus on cognitive component of attitude is that cognitive skills predominantly play a significant role in individual's learning ability, processing information, decision making, addressing tasks and problem solving.

### III. RESEARCH METHODOLOGY

This is a descriptive research study and the population refers to the managers working in the small and medium industries. This study has adopted non probability sampling method and convenience sampling technique has been used. The sample size was 254. Questionnaire method has been adopted. The primary data has been collected from all the 254 respondents by using a structured questionnaire comprising of close ended questions. Likert scale has been used. Secondary data has collected from the company websites, journals, white papers etc.

#### 3.1. Research Objectives

- To identify the digital transformation strategies used by SMEs across Bangalore
- To analyse the personnel’s attitude (cognitive component) towards Digital transformation strategies

#### 3.2. Hypothesis

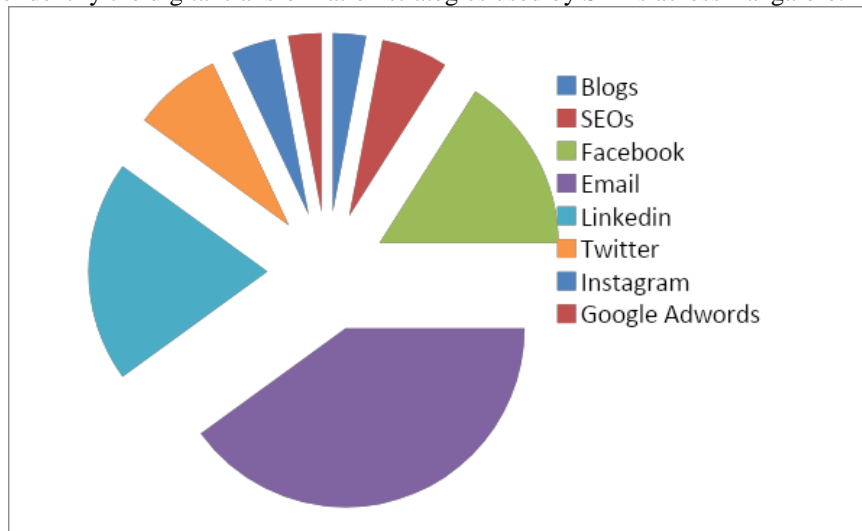
**H<sub>1</sub>:** There is a significant relationship between the personnel’s attitude and their adoption of digital transformation strategies in SMEs

**3.3. Data Collection:** The primary data was collected from a sample size of 254 different industries like Chemical, Metal Forming, Footwear and Textile across Bangalore city. The data has been collected from the owner, the marketing manager or the HR manager. Based on the conceptual description and the review of literature, Factor Analysis has been carried out for this research study to check the reliability of the questionnaire and the value of Cronbach’s Alpha was found to be 0.645 indicating internal consistency which has been depicted in table 2.

Cronbach’s Alpha	N of Items
0.645	254

**Table 2 Reliability Statistics**

**Objective 1:** To identify the digital transformation strategies used by SMEs across Bangalore.



**Fig.2 Digital Marketing Strategies used by SMEs**

The above depiction shows a clear indication of the dismal rate of usage of digital tools by SMEs in Bangalore.

**Objective 2:** To analyse the attitude of the personnel in SMEs towards digital transformation strategies.

This objective can be analysed using the ‘The Attitude-towards-Object Model’ which states that a consumer’s attitudes towards a product/service offering or a brand, is a function of the presence or absence of certain attributes and the corresponding evaluation. In the context of this study, the cognitive component of attitude is a function of the evaluation of product or service, specific to the beliefs about employing digital transformation tools and strategies.

Cognitive Components	Mean value
Are you aware that digital marketing can be used for marketing your products and	3.60

services	
Are you aware of the usage of digital marketing tools in your company	3.32
It will take some time for my company to list on top if SEO is used	3.63
We have the required expertise in house for SEO enablement	2.92
Google AdWords can be used to draw prospective customers to our website	3.29
Banner advertisements can be used to draw prospective customers to our website	3.07
We have internal expertise to take care of Google AdWords setup	3.05
We have internal expertise to take care of Banner advertisements	2.91
Emails can be used to advertise new products or services	3.57
We have internal expertise to take care of email advertisements	3.80
Facebook (Social media) can be used to connect with customers	3.58
Facebook (Social media) can be used to connect with prospective customers	2.94
Facebook can be used to advertise new products and services	3.72
Twitter can be used to connect with customers	3.23
Twitter can be used to connect with prospective customers	2.95
Twitter can be used to advertise new products and services	3.45
Twitter can be used to resolve customer issues	2.77
Twitter can be used to generate good word of mouth from customers	3.48
Twitter can also generate a bad word of mouth from customers	3.07
Instagram can be used to share the instant photographs	3.29
Instagram is very easy to shares the photos and videos	3.45
Instagram can be used as advertisement tool for product or services	3.32
Blogs are useful to talk about product and services	3.27
We have internal expertise to create blogs	3.67
Mobile media is useful to advertise new product or services	4.05
We have internal expertise to use mobile platform for marketing	3.95
It's expensive to use blogs	3.52
It is expensive to use mobile platforms for marketing	3.55

Table 3. Cognitive component of attitude of manufacturing SMEs towards Digital marketing Strategies

The analysis of the data as shown in the Table 3 indicates that the attitude of the personnel working in companies (SMEs) are not very confident about the expertise of in-house to enable SEOs and also the use of banner ads, twitter or facebook to contact their prospective customers. However the attitude towards creation of blogs, use of Instagram, E-mails, etc, to contact the customers or to promote their services seems to have a favourable attitude over their usage. People working in SMEs are very confident that advertising of products and services through mobile media will be very useful and successful. From this result, it can be inferred that the personnel feel that using mobile phones would be a successful media to advertise their products as the mobile is accessible to everyone in any situation anywhere.

**H<sub>1</sub>:** There is no significant relationship between the attitude and the adoption of digital marketing strategies in SMEs. Z-test was conducted to test the hypothesis. With N=254, df=253 and α= 0.05, the table indicates there is a relationship between dilemma and adoption of digital marketing strategies

Cognitive Components	z	Sig(2 tailed)	Mean diff.
SEO will help me list my company on the top of search list	60.205	.000	3.909
We understand the requirements needed for SEO enablement	46.239	.000	3.521
Enabling SEO is expensive for the SME's	43.531	.000	3.443
Google AdWords costs lot of money	44.771	.000	3.516
Banner advertisements costs lot of money	44.515	.000	3.282
Google AdWords are complicated to operate	46.655	.000	3.552
Banner advertisements are complicated to operate	46.476	.000	3.574
Emails are expensive to use	47.855	.000	3.612
It's tough to get authentic email database	46.918	.000	3.502
It's tough to generate own email database	46.890	.000	3.588
Emails are effective to advertise new products or services	45.434	.000	3.488
Facebook can be used to resolve customer issues	44.804	.000	3.449
Facebook can be used to generate good word of mouth from customers	46.002	.000	3.551
Facebook can also generate a bad word of mouth from customers	44.515	.000	3.010
Generating Facebook likes and shares is easy	43.539	.000	3.709
Paid Facebook services are expensive to use.	44.662	.000	3.451
Generating twitter followers and shares is easy	43.531	.000	2.791
Instagram is expensive to use	46.329	.000	2.613
SEO will help me list my company on the top of search list	46.890	.000	2.921

Table 4 Relationship between attitude and adoption of digital marketing strategies

#### IV. FINDINGS

There is a clear lag in the use of digital transformation strategies in most of the Indian SMEs. The analysis shows that the cognitive part of the personnel indeed played a very significant role in developing a lag in adopting to digital transformation strategies.

Lack of exposure and awareness to digital media indicated a high degree of complacency. Some of the companies were happy with their traditional marketing tactics. They were not ready to accept something new or come out of the comfort zone to learn the digital way of taking marketing decisions with a simple blame that going digital was very expensive.

Generally SMEs are in a dilemmatic situation when compared to the big players when it comes to employing digital channels as they are often anxious about the budgeting constraints and the resources they require to implement a full digital marketing strategy. The expenditure allotted in the budget for digital transformation tools was very low and hence they found it very expensive to use the digital marketing tactics.

## V. SUGGESTIONS

COVID-19 has highlighted that if SMEs have to be productive and survive in the markets, they have to be resilient and that is possible only by adapting digital transformation tools. It was suggested that applying digital transformation strategies would be the best way to enhance the market space, in particular for SMEs. Digital transformation tools can be used to get the company on the top of the search list with a focus on delivering in multiple channels to offer convenience to the buyers. Also, SMEs should establish an active collaboration and partnership with the external professionals to achieve their business objectives. It is very vital for SMEs to concentrate on content writing and they should fully embrace the new social aspects of their digital marketing campaign as a natural extension of what they've always done to expand their business in the offline world through active networking. Integrating customers in the development of new products or services online and engaging them in the value co-creation process can help boost digital adoption rates as engaged customers are the greatest brand advocates. Incentivising the sales personnel is very significant to sustain in the market.

Further, by employing skilled freelancers rather than hiring permanent staff on online platforms would be a good proposition to reduce their expenditure as well as get new ideas and strategies to acquire a growing clientbase.

## VI. CONCLUSION

In line with the "Atmanirbhar Bharat", the vision of the Prime Minister of India Narendra Modi, of making India a self-reliant nation and the implementation of Public Procurement Policy (25 per cent of their annual requirements) from SMEs already in place, it is the right time for a proactive digital platform that will adopt innovative ways of helping SMEs connect seamlessly with firms within the national markets as well as across the global markets.

The various policies framed by the government in the context of loan disbursement, tax exemption needs to be reviewed periodically. Short term plans and policies are very integral to take SMEs to the next level during these times of uncertainty. However, the lessons learnt from this crisis should eventually help both the government and the manufacturers to scale digital innovations like cloud-based collaboration tools will emerge as the biggest enablers across the production spectrum.

## REFERENCES

- [1]. Case, C. J. & King, D. L. (2011). 'Twitter usage in the fortune 50: a marketing opportunity', *Journal of Marketing Development and Competitiveness*, vol. 5(3), pp.94-103.
- [2]. Infocomm Development Authority of Singapore. (2015). Facts and figures. Retrieved from <https://www.ida.gov.sg/Tech-Scene-News/Facts-and-Figures> Google Scholar.
- [3]. Research directions in social media and body image. .... *Journal of Interactive Marketing*, 28, 134-148. doi:10.1016/j.intmar.2013.12.003, Google Scholar.
- [4]. Swartz, J. (2009). 'More marketers sign on to social media. USA Today', pp. 1B-2B.
- [5]. Frambach, R. T., & Schillewaert, N., 2002, 'Organizational innovation adoption: a multilevel framework of determinants and opportunities for future research', *Journal of Business Research*, vol. 55, no. 2, pp.163-176. Retrieved from: ScienceDirect. [13 December 2014].
- [6]. Adizes, I., *Organizational passages: diagnosing and treating life cycle problems in organizations*, Organizational Dynamics, 1979, Vol. 8 No.1, pp.3-24.
- [7]. Baird, C., and Parasnis, G., *From social media to Social CRM: reinventing the customer relationship*, Strategy & Leadership, 2011, Vol. 39, Iss: 6, pp.27 - 34.
- [8]. Carson, D., Cromie, S., McGowan, P., and Hill, J., *Marketing and Entrepreneurship in SMEs: An Innovative Approach*, 1995, Prentice-Hall, Harlow.
- [9]. Chan, C., *Using online advertising to increase the impact of a library Facebook page*, *Library Management*, 2011, Vol. 32(4), pp. 361-70.
- [10]. Chu, M. and Meulemans, Y., *The problems and potential of Myspace and Facebook usage in academic libraries*, *Internet Reference Services Quarterly*, 2008, Vol. 13(1).
- [11]. Churchill, N., Lewis, V., *The five stages of small business growth*, *Harvard Business Review*, 1983, Vol. 61(3).
- [12]. Collinson, E., and Shaw, E., *Entrepreneurial marketing – a historical perspective*, *Management Decision*, 2001, Vol. 39(9), pp.761-766.



- [13]. Dennis, C., Networking for marketing advantage, *Management Decision*, 2000, Vol.38(4).
- [14]. Garrigos, F., Gil, I. and Narangajavana, Y. (2011), "The impact of social networks in the competitiveness of the firms in Beckford", A.M. and Larsen, J.P. (Eds). doi: 10.1108/00251741211279657.
- [15]. Greiner, L., (1972), 'Evolution and revolution as organizations grow', *Harvard Business Review*, Vol. 50(4), pp.37-46.
- [16]. Hanna, V., & Walsh, K., (2008). 'Inter-firm co-operation among small manufacturing firms', *International Small Business Journal*, Vol. 26(3).