



## DIGITAL MARKETING AND ITS ROLE IN THE BUSINESS SUCCESS OF SMALL AND LARGE ENTERPRISES - A PERSPECTIVE

Siddhant Ray

Grade 10

Jamnabai Narsee International School

### Abstract

The purpose of this research paper is to demonstrate the impact of digital marketing on producers, suppliers and mainstream consumers. This paper commences with an introduction to digital marketing, followed by the differences between digital marketing and traditional / conventional marketing techniques, how digital marketing affects small and large businesses, pros and cons of digital marketing, types of digital marketing, and lastly, the significance of digital marketing in today's day and age. All of this is based on my experiment, its findings (captured later in the paper) and additional research done by me on the internet.

It is no surprise that the world is shifting from a conventional and black & white space, to a new, technologically advanced and colourful place to live in. As the world is becoming more and more technology friendly, the use and relevance of digital marketing is increasing exponentially. The Covid-19 pandemic has changed the world forever. Amongst other things, it has significantly altered the supply chain across industries, consumers' purchasing power, consumers' needs & preferences and producers' production capabilities. Given this paradigm and game changing shift in market dynamics, all businesses, big and small, are now expeditiously realizing that they need to move from traditional marketing to digital marketing of their goods / services. Digital marketing was already the 'next big thing' on the anvil. The pandemic simply fastened this organic process.

**Keywords:** Digital Marketing, Traditional Marketing, Enterprise, Social Media, Internet/Electronic Medium.

### Introduction:

*“Digital marketing” is a collection of different marketing techniques that make use of electronic mediums or the internet to propagate a product, service, brand or concept.* Simplistically put, it refers to relatively inexpensive marketing using the prowess and global reach of internet.

### Digital Marketing – The Concept In Detail:

Today, all types of businesses use some or the other form of digital marketing to advertise their products or services. The concept of digital marketing evolved in the early 1990s, and since then, it has completely changed the way businesses make use of their earmarked funds for marketing.



Digital marketing can be carried out through several mediums such as email, Instagram, Facebook Marketplace, LinkedIn, Google Ads, SMS campaigns, WhatsApp campaigns, so on and so forth. Digital marketing comprises of several ingenious strategies such as content marketing, pay-per-click, search engine optimization (SEO), social media marketing, paid advertising, email marketing, instant message marketing, affiliate marketing, influencer marketing, mobile marketing, video marketing, audio marketing, virtual reality marketing, so on and so forth. Businesses typically adopt one or more of these strategies basis their specific business needs and financial budget. Digital marketing's popularity today is like never before.

Without any doubt whatsoever, it is the most popular, cheap and widely used mechanism of marketing in recent times. Not all can afford expensive newspaper or television advertisements, but every business, big or small, can definitely afford some budget for digital marketing! The power and effectiveness of digital marketing lies in its innate ability to empower one and all. A well-structured digital marketing campaign today has the power to “make” a brand in a short duration without boring a hole in one’s pocket. It would not be inappropriate to say that digital marketing has ushered in a new era of robust marketing dynamics which does not discriminate and helps businesses and brands grow exponentially in a short span of time. In fact, the spate of start-ups and small businesses one sees today is largely because of the magic of digital marketing. Digital marketing has given birth to a new age of successful entrepreneurs and sociopreneurs, who would have otherwise spent their lifetime doing mundane desk jobs for large businesses.

### DIFFERENCES BETWEEN DIGITAL AND TRADITIONAL MARKETING:

DIGITAL MARKETING	TRADITIONAL MARKETING
Marketing / brand building is done with the help of an electronic medium using the internet.	Marketing / brand building is done with the help of traditional methods like flyers, posters, television ads, newspaper ads, etc.
Cheap	Generally expensive
Response from consumers is quick	Response from consumers generally takes time
Benefit arising from a digital campaign can be easily and quickly measured	Benefit arising from the campaign may be difficult to measure in most cases
Generally confined to the geography or population targeted	Has a larger reach in most cases
Is generally followed up with back-to-back campaigns to create the repeat impact	Generally expensive, and hence, limited follow up campaigns possible (if at all done)
It is largely artificial intelligence (AI) driven – hence, the campaign builds a target audience and targets it repeatedly from multiple touch points	Except in some rare cases, it is generally not AI driven
Helps reach the target audience at a low cost	Helps reach a larger audience at a higher cost
Generally very effective	It is effective too, but at a much higher cost
It is used by one and all and shall grow exponentially with time	It is used only by those who can afford it and its usage shall reduce with time



### **HOW DOES DIGITAL MARKETING IMPACT SMALL AND LARGE BUSINESSES:**

Digital marketing is a cost-effective and result oriented methodology of advertising goods or services. It can help both, large and small businesses. In both types of setups, digital marketing promises huge returns for a small investment (which for sure, the entrepreneur will not regret in the long run). In fact, a host of start-ups and small businesses have become huge in the last decade (some of them have become Unicorns too), thanks to digital marketing. It would not be an exaggerated claim to say that most businesses are what they are today only because of digital marketing. If product / service excellence of the business were to be equated to a car, digital marketing acts like the fuel which runs the car. A car does not move an inch until it is fed with fuel. So is the scenario of business today. It does not move forward until it is bolstered with digital marketing! Those repetitive ads which keep on coming before us on our Facebook page time and again subtly help build a strong image in our mind of that brand over a period of time. A brand which consistently comes before us for a while suddenly becomes familiar to us, and that is the first brand we subconsciously remember, when we have to buy a product or service related to that brand. That is the power of digital marketing! It can so easily build a powerful and strong “brand recall” in a short period of time.

The biggest USP of digital marketing is that it smartly chose to target the hinterland of human exposure and existence, i.e., the internet. Rich and poor, big and small; everybody today is on the internet. Digital marketing only successfully leveraged this fact and made the most out of it. In the last decade, businesses have very smartly explored different forms of digital marketing simultaneously to create a multipronged impact on consumers. When a brand constantly keeps appearing in front of us on our Facebook, Instagram, Google searches, LinkedIn, etc., it is hard to disregard it, even if we want to. A couple of decades back, since marketing was a very expensive affair, it was a privilege exercised only by a handful of businesses who could afford it. Today, every single business can market rampantly and effectively, and that too in a very economical and pocket friendly budget, thanks to digital marketing. Be it a small venture running from a garage or home balcony or be it a large MNC selling its products to the world at large – today, nobody can survive without digital marketing. In fact, marketing gurus are predicting that in the decade to come, digital marketing shall constitute more than 80% of the overall marketing spent in all businesses.

Given the rising importance of digital marketing, a host of digital marketing campaigners, influencers and experts have sprung up, and using their services could be worthwhile for businesses; thanks to the hands-on experience and awareness of different strategies in digital marketing they bring on table. In fact, every marketing agency in the world today has a very strong digital marketing arm, and without any doubt whatsoever, this is the fastest growing arm in every such agency! Digital marketing is here to stay, flourish and rule in the decades to come for sure.

### **PROS AND CONS OF DIGITAL MARKETING:**

#### ADVANTAGES:

- 🔗 Targeted reach (population / geography)
- 🔗 Increased engagement
- 🔗 Brand building in an efficient manner
- 🔗 Cost-effective when compared with traditional forms of marketing



- ❏ Time saving and immediate results
- ❏ Multipronged approach possible
- ❏ Can be started and paused at one's free will
- ❏ Can be customized as per one's budget
- ❏ Simple and easily doable methodologies
- ❏ Does not need elaborate arrangements and procedures – can be easily used by one and all
- ❏ The success of any digital marketing strategy is easily and objectively measurable on a real time basis
- ❏ Can be managed by the entrepreneur himself / herself without seeking professional help
- ❏ Has successfully created several brands and helped businesses grow exponentially

### **DISADVANTAGES:**

- ❏ Piracy and copyright issues could crop up in some cases
- ❏ Since it is unregulated, legal issues could spring up in certain cases
- ❏ Fully relies on the internet and can be sometimes unreliable
- ❏ One could end up wasting funds if the campaign is not run with the right target audience
- ❏ Extreme competition exists at all times
- ❏ Too much of digital advertisement clutter all around, which could reduce the impact of the campaign
- ❏ Digital advertisements are generally skipped by the target audience – this could lead to waste expenditure for the digital marketing investor
- ❏ Not everyone is technology friendly – hence, reaching out to such “technology unfriendly audience” may be difficult
- ❏ If over-done, digital marketing campaigns could end up irritating the target audience rather than winning them over
- ❏ 90% digital ads go unnoticed - how much impact the rest 10% will create is always ambiguous
- ❏ Needs expert guidance and smart management of the multipronged approach – a badly managed digital marketing campaign could lead to huge wastage of funds

### **TYPES OF DIGITAL MARKETING IN TODAY'S DAY AND AGE:**

- 1) **Search Engine Optimization (SEO):** It is the act of making sure that the target website is listed at the top of suggested websites when a user searches for something on an internet search engine with relevant keywords. Users often tend to visit only the first 2-3 websites which appear on their search engine tab. SEO, when managed well, leads to a greater number of footfalls on the website of the product / service, leading to more sales. SEO is a classic and organic methodology of sales growth.
- 2) **Pay-per-click:** It is the act of promoting the link to a website in the form of an advertisement, so that the product / service the business owner is offering on his / her website get widely marketed. Here, the business owner needs to pay a pre-decided amount of money, but only if the link gets clicked. A click means that a potential customer has evinced interest in the business owner's product / service, and this increases the chances of conversion into sale. Google Ads is an example of Pay-per-click. It is most often used by firms that have just entered into a particular industry and need to grow their sales in a short span of time. Pay-per-click is a rewarding



inorganic methodology of sales growth.

3) **Social Media Marketing:** As the name suggests, this form of marketing involves marketing through social media platforms such as Facebook, Instagram, YouTube, etc. Here, marketing is effectuated through promotion of goods and services by online creators in the form of YouTube videos, IGTV videos, Instagram reels, so on and so forth. This form of marketing also includes paid advertisements on social media such as Facebook Ads and YouTube ads. Social media marketing is an inorganic methodology of sales growth.

4) **Content Marketing:** This form of marketing involves building content of the product to be sold, in the form of videos or reels. These videos / reels are released on platforms like YouTube, Instagram, Facebook, etc. to market them and stimulate interest in the buyer's mind. Content marketing is an organic methodology of sales growth.

5) **Email Marketing:** It is a type of marketing in which emails are sent to target users with a view to advertising a product / service. This is an inexpensive method of advertising a product / service. However, users often ignore such emails as spam and might even block such emails. Email marketing is more of shooting in the dark. It is a strategy which is generally used to augment or support other digital marketing strategies. Email marketing is an inorganic methodology of sales growth.

6) **Mobile Marketing:** This is a generic and wider form of marketing goods / services through an electronic medium such as a mobile phone using channels such as SMS, Email, MMS, etc. Like email marketing, such messages could also be treated as spam by prospective customers, and hence, its success ratio could be very low. This digital marketing strategy hinges on the "volume concept". When you send a marketing SMS to say 10,000 people, the 100 or 200 who end up opening and reading the SMS translate into the target audience. If a handful out of them get hooked to the product / service, the intended result has been achieved. This again, is an inorganic methodology of sales growth.

7) **Marketing Analytics:** It is the act of studying sales trends through statistics & collated data of the past, and then, marketing through the most correct and efficient medium that so emerges in the analysis. This is a highly productive method of digital marketing; but it does entail a lot of data analysis and devoting of quality time. This is an organic methodology of sales growth.

8) **Affiliate Marketing:** In this type of digital marketing, marketing is done by paying commission

/ click based fee to external websites for sales generated through their website traffic. In simple words, it means organized marketing of one's product / service on somebody else's website. Affiliate marketing is an overlap to digital marketing methods like Pay-per-click, e-mail marketing, content marketing, etc. This again, is an inorganic methodology of sales growth.

### SIGNIFICANCE OF DIGITAL MARKETING IN TODAY'S DAY AND AGE:

Digital marketing is of utmost importance in today's screen-driven era. According to available statistics, an average person spends upto 7 hours every day on his / her electronic gadgets. This includes messaging, social media browsing, listening to music, reading news, viewing factual video content, so on and so forth. These statistics reflect that almost everybody is online today. Hence, to grow a company / brand, digital marketing is the obvious way forward.

Digital marketing not only helps in increasing sales, it also helps in building brands. Further, it increases footfalls on the website. Accordingly, digital marketing is not only about



increasing sales. It rather helps in the holistic growth of the brand and product / service along with increase in sales. Digital marketing also lays the footprint for long term growth and expansion of the brand / enterprise. When an enterprise digitally markets its products, many users on the internet get access to the advertisement. Google Ads and brand awareness campaigns can help the brand to be recognized among consumers at large, and this helps in boosting sales not only in the short run, but also in the long run. Further, digital marketing helps the business owner to digitally track activities of the consumer after the advertisement link has been clicked. This helps the business owner to figure out the type of advertisements which are more effective and are resulting in better sales. Further, tracking consumer preference pattern and behavior also gives the business owner a sense of how well his / her product / service is being received in the market place and the possible improvements which could be brought about in them.

Digital marketing not only helps businesses who are advertising using it. It is also a means of livelihood for digital marketing consultants and influencers. A new generation of tech savvy digital marketing consultants and influencers have cropped up in the last few years, and they are doing well, thanks to digital marketing.

The simple reality is that digital marketing is the future of marketing. It has drastically changed the landscape of business across the globe, and a lot more is yet to happen in the years to come. Businesses are constantly investing more and more into digital marketing. Most businesses have gradually shifted from traditional marketing methods to digital marketing. Digital marketing as a concept is extremely robust and self-evolving. It has seen a lot of evolution since its start in the 1990s, and a lot more is yet to happen in the times to come.

Businesses have no choice now but to embrace technology and keep pace with its everchanging dynamics. Even small businesses have now realized that they will be rendered redundant and they shall perish soon if they do not keep pace with technology. Digital marketing helps small businesses as much as it helps larger ones. It does not discriminate. It gives every business, brand, product and service the level playing field to grow and prosper. Digital marketing is undoubtedly the way forward and future of marketing across the globe!

### **MY EXPERIMENT:**

As a part of my experiment, I spoke to 4 business owners who are into sale of different types products / services and have different scales of operation. I also circulated a questionnaire related to digital marketing to these 4 business owners and solicited their unbiased responses. A summary of the answers given by these 4 respondents are provided in the 'Result' section of this paper. The questions asked in the questionnaire circulated are as follows:

- 1) What is the nature of the business you are into?
- 2) Do you use digital marketing to promote your business? Yes, or no?
- 3) If you use digital marketing to promote your business, how much do you spend per month on digital marketing?
- 4) How much do you spend on forms of marketing other than digital marketing?
- 5) What forms of digital marketing do you commonly use?
- 6) How do you track your increase in business owing to digital marketing?
- 7) Has digital marketing really helped your business grow, and if yes, by how much percentage?
- 8) Do you use a digital marketing consultant or do you do your digital marketing on your own?



- 9) If you use a digital marketing consultant, how much money do you pay the consultant on a monthly basis?
- 10) Do you have a set plan and budget for digital marketing, or do you carry it out on an ad-hoc basis?
- 11) How long have you been using digital marketing to promote your business, and have the results of digital marketing been consistent, or have they shown a rise or fall over a period of time?
- 12) List down the forms of digital marketing that you prefer the most.
- 13) Which all social media do you use to digitally market your products/services?
- 14) Do you use organic forms of digital marketing such as SEO? If yes, how much do you spend on these organic forms of digital marketing per month?
- 15) Has digital marketing helped you to successfully build your brand over a period of time? If yes, in your view, what is the ideal time for a brand to build using digital marketing?

Following are the respondents to whom the questionnaire was circulated:

- 1) Mrs. Shuchi Ray – Partner at Deloitte Haskins & Sells LLP - An MNC consulting firm
- 2) Mr. Sameer Shetty - Head life coach (India) at Herbalife – A global developer and seller of dietary products and supplements
- 3) CA Surojit Ray – Co-founder of Lusso Fit-out Studio LLP – A startup modular furniture and interior designing enterprise
- 4) Mr. Sudeep Kapoor – Founder of Spice Lab – A chain of restaurants in Gurgaon

I have made my research paper basis the answers received by me from these 4 respondents and the additional research I did on the subject on the internet.

### RESULTS:

- 1) What is the nature of the business you are into? – The 1<sup>st</sup> respondent is an MNC consulting firm (Deloitte). The 2<sup>nd</sup> respondent is into manufacture and sale of dietary supplements. The 3<sup>rd</sup> respondent is an interior designing and contracting firm. The 4<sup>th</sup> respondent is a chain of restaurants in Gurgaon.
- 2) Do you use digital marketing to promote your business? Yes, or no? – All the 4 respondents have replied that they use digital marketing in some form or the other. It is a must in today's technology-driven era.
- 3) If you use digital marketing to promote your business, how much do you spend per month on digital marketing? – The 1<sup>st</sup> respondent replied that Deloitte expends approximately Rs.8-10 lakhs per month in digital marketing. The 2<sup>nd</sup> respondent replied that Herbalife spends almost Rs.20-25 lakhs per month in digital marketing. The 3<sup>rd</sup> respondent replied that approximately Rs.75,000 per month is invested for digital marketing. The 4<sup>th</sup> respondent replied that Rs.30,000 per month is invested in digital marketing. This clearly shows that as the scale of production changes, so does the amount of money invested in digital marketing.
- 4) How much do you spend on forms of marketing other than digital marketing? – All respondents barring the 1<sup>st</sup> and 2<sup>nd</sup> respondent replied that their firm's marketing is done only through digital means and they do not use any other medium of marketing. The 1<sup>st</sup> respondent said that their firm spends approximately 75% of the total marketing fund allocation a month on digital marketing and the rest on other forms of marketing. The 2<sup>nd</sup> respondent replied that their



firm spends approximately 40% of their total marketing fund allocation a month on forms of marketing other than digital marketing.

5) What forms of digital marketing do you commonly use? – The 1<sup>st</sup> respondent replied that their firm uses SEO and social media platforms like Facebook, LinkedIn, Instagram, Twitter, etc. The 2<sup>nd</sup> respondent replied that their firm uses SEO, social media platforms like Facebook, LinkedIn, Instagram, Twitter and paid ads on YouTube Ads, LinkedIn Ads and Google Ads. The 3<sup>rd</sup> respondent replied that their firm uses social media platforms like Facebook, LinkedIn, Instagram, Twitter, etc. and paid ads on Facebook Ads, LinkedIn Ads and Google Ads for marketing goods and services. The 4<sup>th</sup> respondent replied the same as the 3<sup>rd</sup> respondent.

6) How do you track your increase in business owing to digital marketing? – The 1<sup>st</sup> respondent replied that they do not specifically measure increase in business owing to digital marketing. The 2<sup>nd</sup> respondent replied that their sales conversions are direct and can be easily tracked to the specific marketing source. The 3<sup>rd</sup> respondent and the 4<sup>th</sup> respondent reverted exactly as the 2<sup>nd</sup> respondent.

7) Has digital marketing really helped your business grow, and if yes, by how much percentage? – All 4 respondents replied in affirmative. The 1<sup>st</sup> and 2<sup>nd</sup> respondents observed a 15–20% increase in sales and profits per annum owing to digital marketing. The 3<sup>rd</sup> and 4<sup>th</sup> respondents observed a 40-50% increase in sales and profits per annum owing to digital marketing.

8) Do you use a digital marketing consultant or do you do your digital marketing on your own? – The 1<sup>st</sup>, 2<sup>nd</sup> and 4<sup>th</sup> respondents replied that digital marketing is done for their firms with the help of professional consultants. The 3<sup>rd</sup> respondent replied that digital marketing for their is done in-house and they do not seek professional help in this regard.

9) If you use a digital marketing consultant, how much money do you pay the consultant on a monthly basis? – The 1<sup>st</sup> respondent replied that they pay Rs.3,00,000 a month to their consultants for helping the firm to digitally market their services. The 2<sup>nd</sup> respondent replied that they pay Rs. 2,50,000 a month to their consultant for helping the firm to digitally market their products. The 4<sup>th</sup> respondent replied that they pay Rs. 12,000 a month to their consultant for helping the firm to digitally market their products.

10) Do you have a set plan and budget for digital marketing, or do you do it on an ad-hoc basis? – All the 4 respondents replied that they carry out digital marketing based on a set plan and fixed monthly budget.

11) How long have you been using digital marketing to promote your business, and have the results of digital marketing been consistent, or have they shown a rise or fall over a period of time? – All four respondents have been using digital marketing for over 5 years now. All 4 respondents replied that they have observed a very significant and consistent rise in their sales and profits over the years, thanks to digital marketing.

12) List down the forms of digital marketing that you prefer the most – Respondent 1 prefers social media marketing and SEO. Respondent 2 prefers SEO, paid Youtube Ads and Facebook Ads. Respondent 3 prefers paid Google Ads, Facebook Ads and social media marketing. Respondent 4 prefers paid Facebook Ads and Google Ads.

13) Which all social media do you use to digitally market your products / services? – All 4 firms make use of social media platforms Instagram, Facebook, Twitter and LinkedIn.

14) Do you use organic forms of digital marketing such as SEO? If yes, how much do you spend on these organic forms of digital marketing per month? – The 1<sup>st</sup> and 2<sup>nd</sup> respondents

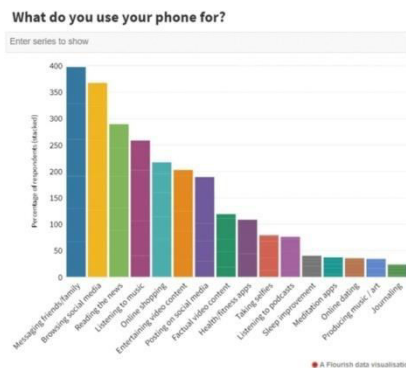


replied that their firms do use search engine optimization and some other organic techniques of digital marketing. The other 2 respondents replied that they usually prefer inorganic methods for digital marketing.

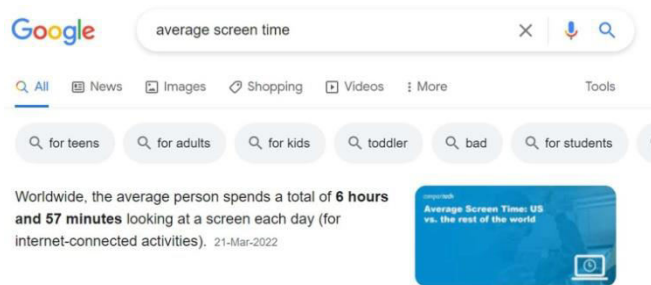
15) Has digital marketing helped you to successfully build your brand over a period of time? If yes, in your view, what is the ideal time for a brand to build using digital marketing? – All 4 respondents replied that digital marketing has greatly helped in building their brands. The 4 respondents replied that brand building through digital marketing could take anywhere between 1 to 3 years depending on the industry and the fund outlay for digital marketing.

### SUPPORTING ANNEXURE:

#### DISTRIBUTION OF ACTIVITIES DONE BY PEOPLE ON THEIR ELECTRONIC GADGETS



#### AVERAGE SCREEN TIME OF A GLOBAL CITIZEN



### CONCLUSION:

Businesses are constantly investing more and more into digital marketing. Most businesses have gradually shifted from traditional marketing methods to digital marketing. Digital marketing as a concept is extremely robust and self-evolving. It has seen a lot of evolution since its start in the 1990s, and a lot more is yet to happen in the times to come.

Businesses have no choice now but to embrace technology and keep pace with its everchanging dynamics. Even small businesses have now realized that they will be rendered redundant and they shall perish soon if they do not keep pace with technology. Digital marketing helps small businesses as much as it helps larger ones. It does not discriminate. It gives every business,



brand, product and service the level playing field to grow and prosper. Digital marketing is undoubtedly the way forward and future of marketing across the globe!

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