

A STUDY ON USE OF DIGITAL MARKETING AND AWARENESS AMONGST SELECTED MSMES IN PUNE CITY

Dr. Vineeta Agrawal

Associate Professor, Lexicon Management Institute of Leadership and Excellence

Harsh Vaghasiya

PGDM Student, Lexicon Management Institute of Leadership and Excellence, Pune

Abstract

This paper reports findings from a study that researched challenges faced by Indian MSMEs (Micro, Small, and Medium Enterprises) in the adoption of digital marketing and e-commerce. To identify the issues being faced by the MSMEs owners in the current scenario, a survey was conducted across Pune city. Qualitative interviews with MSME owners were conducted. To evaluate the responses in quantitative terms a questionnaire was circulated which was administered on MSME owners. Responses from the interviews and the survey helped in the identification of some of the major challenges and barriers faced by Indian MSMEs over the adoption of internet marketing and e-commerce for their businesses. The present study covers the key elements and issues with the adoption of internet marketing and e-commerce by MSMEs in the Indian context, this study, apart from its contribution to research and for practitioners, also bears suggestive implications for policymakers on supportive actions to integrate MSMEs to mainstream internet market and e-commerce.

Keywords: *Digital Marketing, Awareness, MSMEs, Perceptions, Indian Economy*

1. Introduction

Micro, Small, Medium and Medium Enterprises (MSMEs) emerged as one of the leading, healthiest and most dynamic industries in the Indian economy over the past decades. The MSME sector has seen a significant impact on India's economic balance. In short MSMEs can be the backbone of high and recent business growth. As MSMEs manufactures has a wide range of products and provides national and international market services, it has helped to authorize the development and growth of various product and industry segments. MSME plays a key role in providing employment opportunities in disadvantaged areas. They have contributed to the industrial development of such low-cost areas as well as the high efficiency associated with large urban industries. MSMEs also support and play an important role in the country's growth in various sectors such as low demand for imported goods, low investment, flexibility in performance and high contribution to domestic

production. MSMEs are one of the most important pillars in the Indian economy. is a major contributor to India's economic growth as India has an estimated value of 6.3 crore. In the city of Pune there are 4.04 lakh MSME units in terms of employment generation 23.59 lakh Jobs generated by MSMEs units. According to the State Economic Survey, Rs. 2,38,543 crores total investment invested in MSME units in Maharashtra where Pune is affected by Rs. 69,866 million. According to Indian Express out of 37 Special economic zone (SEZs) 20 in Pune. According to India Industrial Organization (CII) data of 63.4 million units of land cost MSMEs account for 6.11% of GDP production and Service jobs accounting for 24.63% of GDP. India's 33.4% production is made up of MSMEs. The industry produces more than 8000 products from standard to precision Hi-tech.

The Micro sector enterprise accounts for more than 99% to total estimated enterprise in MSMEs. 630.52 lakhs enterprises come under micro enterprise. and small sector with estimated 3.31 lakhs and medium sector with estimated 0.05 lakhs enterprises. Out of 633.33 lakhs estimated MSMEs, 309 lakh (49%) MSMEs in Urban area and 324.88 lakh (51%) MSMEs in Rural area. The world is changing digital with the advent of the epidemic. As technology advances increase today, the use of digital advertising, digital presence and search engine marketing (SEM), social media marketing (SMM) is also growing. Internet users are growing rapidly and digital marketing has benefited greatly because it is more dependent on the internet. Also, it is cost effective, apart from this consumer buying behavior and way of thinking is changing and they are more prone to digital marketing than traditional marketing. Most MSMEs are based on a common marketing plan but with the advent of the new digital age, they have to change accordingly. How others change and incorporate digital marketing literacy.

2. Role of MSMEs in Indian Economy

MSMEs are one of the most important pillars in the Indian economy. The Micro, Small, Medium enterprises contribute significantly in the Indian Economy (GDP). As per the data available in Ministry of Micro, Small and Medium Enterprises Annual Report 2020-21 is as below.

Statement 2.1 Share of Gross Value Added (GVA) of MSME in all India GDP

Figures in Rs. Crores adjusted for FISIM at current prices						
Year	Total MSME GVA	Growth (%)	Total GVA	Share of MSME in GVA (%)	All India GDP	Share of MSME in All India GDP (in %)
2014-15	3658196	-	11504279	31.80	12467959	29.34
2015-16	4059660	10.97	12574499	32.28	13771874	29.48
2016-17	4502129	10.90	13965200	32.24	15391669	29.25
2017-18	5086493	12.98	15513122	32.79	17098304	29.75
2018-19	5741765	12.88	17139962	33.50	18971237	30.27

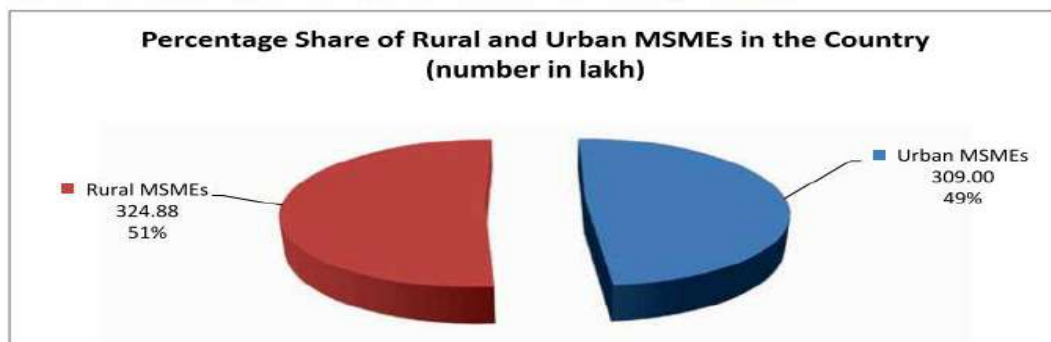
Source: Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation

The MSME Sector contributed 30.27 % of total GDP in 2018-19. It is higher not only in GDP but also plays significant role in providing employment to rural & backward areas. Here, It is shown that the distribution of enterprises in rural and urban Areas in India which mention Below. Data has been taken from Ministry of Micro, Small and Medium Enterprises Annual Report 2020-21.

Statement No. 2.2: Distribution of Enterprises (Rural and Urban area wise)

(Numbers in lakh)					
Sector	Micro	Small	Medium	Total	Share (%)
(1)	(2)	(3)	(4)	(5)	(6)
Rural	324.09	0.78	0.01	324.88	51
Urban	306.43	2.53	0.04	309.00	49
All	630.52	3.31	0.05	633.88	100

Figure 2.2: Percentage share of rural and urban MSMEs in the country



3. Literature Review

OECD (2021) - The Digital Transformation of SMEs: This book’s finding suggests that SMEs should digitalise marketing or general administration functions first. The digital gap is smaller between SMEs and big organizations in their online interaction with the government. In addition, the digitalisation of business continued part of in recent years. Digitalization is multifaceted it involves use of different technology tools, platforms and serves different purposes for strategic decisions. For digitalised SMEs business function owners should have knowledge about the digital platforms (e.g. e-commerce marketplaces, social networking etc.) this linked with the digital literacy of business.

Tanu M. Goyal, Apr 11, (2022) in ‘E-Commerce, Digital Transformation Keys for Growth of MSMEs’ discussed how the pandemic caused various distractions in the MSME sector particularly in the manufacturing sector in India. Declining sales, revenue and growth of MSMES. However, post-pandemic situation emerging with digital transformation, e-commerce platforms in MSMES and these all seen as important driver of growth for the MSMES. the findings of the survey in 2020-21 online sales is 27% of total sales compare to 2018-19 it is 12% only and now that is increasing hence without digital transformation and growth of MSMES is difficult. This article indicates that without e-commerce, digital transformation MSMES growth is difficult in the future and they should more focus towards digital literacy of owners for growth in business.

Ministry Of Micro, Small and Medium Enterprises GOI, (2020): As stated by The Ministry of Micro, Small and Medium Enterprises of Government of India if:

1. Investment In Plant And Machinery Or Equipment- Not More Than Rs.1 Crore And Annual Turnover Of Business - Not Greater Than Rs. 5 Crore
2. Investment In Plant And Machinery Or Equipment- Not More Than Rs.10 Crore And Annual Turnover Of Business - Not Greater Than Rs. 50 Crore
3. Investment In Plant And Machinery Or Equipment: Not More Than Rs.50 Crore And Annual Turnover Of Business - Not Greater Than Rs. 250 Crore, This Information Indicated What Are MSMEs In India? Which Entity Will We Consider Under MSMEs Sector?

Dr. Vinod N Sambrani, Jayadatta S (2019) ‘Digital Transformation In India: Driving MSMEs Growth’ in their study explained that for improving and increasing and economic circumstances of human a digitally transformed and connected India somehow can help in the development of non-agricultural economic activities, education, healthcare, and other financial services. In addition, the IT sector alone cannot result in standard development of India. Overall growth and development can only be realized through improving and supporting each other. This study is related to the current digital transformation in India without the MSME sector.

Dr. Madhu Bala, Dr. Madhu Bala (2018) in ‘A Critical Review of Digital Marketing’ stated that digital marketing is the utilization of technologies in the various way that helps to market operations in order to enhance customer knowledge and by matching their needs and wants. For digital marketing, there are various devices use such as laptops, phones, and other gadgets to connect customers through social media platforms, apps, websites, and other means. Digital marketing become a great deal of promise. Businesses in the developed world realized the value of digital marketing and their tools hence for growing the business they should use the internet marketing and traditional marketing as well, this study gave the meaningful definition of the digital marketing in current scenario.

4. Research Methodology

- **Hypothesis**

➤ H0: There is no significant use of Digital Marketing among Selected MSMEs in Pune
H1: There is significant use of Digital Marketing among Selected MSMEs in Pune

➤ H0: MSMEs have no Digital Awareness in Digital Marketing Tools
H1: MSMEs have Digital Awareness in Digital Marketing Tools

- **Research Design:**

Descriptive & Exploratory Research design is used in this study to reach a significant and valid conclusion. this type of research, researchers try to uncover the hidden and unknown facts. This kind of research is very helpful in exploring the information for problems which have not been defined precisely.

- **Tool for Data Collection**

In this research data was collected with the use of the Primary method. And in this research Qualitative and Quantitative methods were used because in the MSME sector owner is the only contact person who can give accurate information.

The primary data was collected using questionnaire

Secondary data was collected through business articles, journals, and government websites.

It had two approaches to getting people to fill the questionnaire

1. Face-to-face Interview

Visit the factory premises and interacting with the Owner of the MSMEs and asking the question which are already framed and analysing the situation.

2. Telephonic Interview

Telephonic interactions with MSMEs owners and asking the framed questions about the research

3. Google Forms

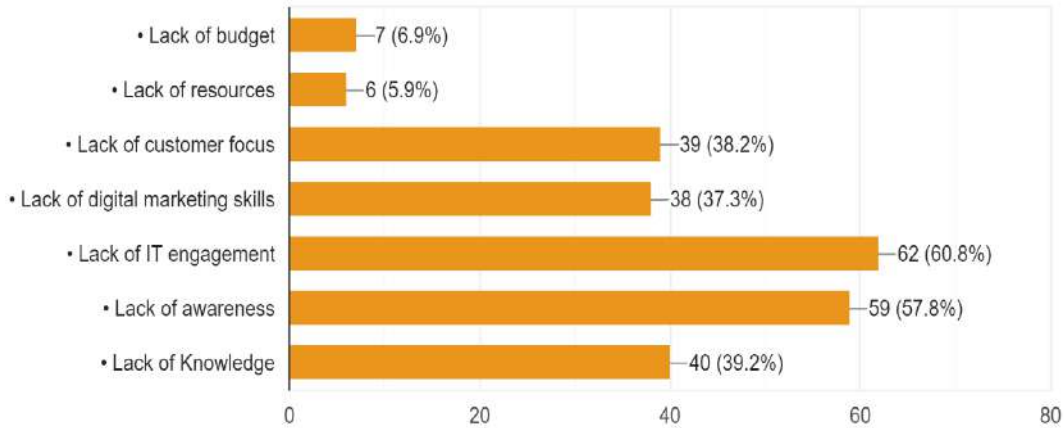
For the Research I have circulated google form to the MSMEs Owners and obtained the data.

Table 1: Biggest Barriers in Adoption of Digital Marketing

Reponses	Respondents	Percentage
Lack of budgets	7	6.9%
Lack of resources	6	5.9%
Lack of customer focus	39	38.2%
Lack of digital marketing skills	38	37.3%
Lack of IT engagement	62	60.8%
Lack of awareness	59	57.8%
Lack of Knowledge	40	39.2%

What are (or have been) the BIGGEST barriers to the adoption of digital Marketing in your organization?

102 responses



Graph 1: Biggest Barriers in Adoption of Digital Marketing

5. Data Analysis and Interpretation

According to the above chart it shows that 60.8% (62) respondents facing that biggest barrier for adoption for Digital Marketing tools is Lack of IT engagement. 57.8% (59) respondents realized that Lack of awareness is another biggest barrier for adopting digital marketing in their organization. 39.2% (40) respondents realize that Lack of Knowledge regarding digital marketing also barrier for adopting Digital Marketing in the organization. 37.3% (38) respondents realized that lack of Digital Marketing skill is the barrier of adopting digital marketing tools. 38.2% (39) respondents realized that Lack of customer focus in their business also one of the barrier adopting Digital Marketing tools. And 5.9% (6) and 6.9% (7) are facing barrier like lack of resource and Lack of budget. It shows that in MSMEs there is very less problem regarding lack of budget.

- Analysis and Result
- Reliability test

Table 2: Reliability Test Results	
Reliability Statistics	
Cronbach's Alpha	N of Items
0.800	9

The Value of Cronbach’s alpha was found to be 0.800 which is between $0.9 > \alpha \geq 0.8$ which internal consistency is Good, responses for nine questions are reliable and considered Good in reliability test (Table 3)

Table 3

Cronbach's alpha	Internal consistency
$\alpha \geq 0.9$	Excellent
$0.9 > \alpha \geq 0.8$	Good
$0.8 > \alpha \geq 0.7$	Acceptable
$0.7 > \alpha \geq 0.6$	Questionable
$0.6 > \alpha \geq 0.5$	Poor
$0.5 > \alpha$	Unacceptable

Hypothesis Testing:

H1: There is significant use of Digital Marketing among Selected MSMEs in Pune

One – way ANOVA is applied in order to know whether the tenure of association with digital marketing has any significant impact on reaching the customer. For that respondent studied have been segregated in to five category: (a) Strong Agreed (b) Agreed (c) Neutral (d) Disagreed (e) Strongly Disagreed and this categories are denoted as 5, 4, 3, 2, and 1 are dependent variable. And the relevant portion of SPSS output sheet is presented in table 1 to inter whether there is significant use of Digital marketing among the MSMEs.

Table 4: ANOVA Table							
			Sum of Squares	df	Mean Square	F	Sig.
DM in Reaching customer * Associati on in tenure	Between Groups	(Combine d)	19.584	3	.001	5.612	.001
	Within Groups		113.994	98	1.163		
	Total		133.578	101			

The exact significant level (p- value) of ANOVA is shown in Table 1. The level of significant set 5 %, i.e., $\alpha = 0.05$ (on the basis of existing researches of similar type). The table reveals that ‘p’ value is less than the ‘ α ’ value. In fact, since $p = 0.001$ is lesser than α

= 0.05, the alternative hypothesis is accepted and established. That means, there is significant use of digital marketing among selected MSMEs in Pune.

Hypothesis Testing:

➤ H0: MSMEs have no Digital Awareness in Digital Marketing Tools

Here a Summary of ANOVA Test Mention below where One -way ANOVA is done in order to know Digital Marketing Tools Awareness among the MSMEs. For the purpose, the respondents Studied have been Segregated in to 5 Categories (a) Fully Aware (b) Aware (c) Neutral (d) Less Aware (e) Not Aware and these categories are denoted respectively as 5, 4, 3, 2, and 1 for analysis purpose in SPSS. The results are presented in Table 2. Apart from that the relevant portion of SPSS output sheet is presented below to infer whether there is relationship between different sources of awareness like (reference, blog, newspaper, consultant agency, email) with of Different Digital marketing tools like ()in MSMEs.

Table 5: ANOVA Table								
No.				Sum of Squares	df	Mean Squares	F	Sig.
1	Sources of awareness * Search Engine Optimization	Between Groups	(Combined)	14.351	3	4.784	3.387	0.021
		Within Groups		138.404	98	1.412		
		Total		152.755	101			
2	Sources of awareness * Social Media Marketing	Between Groups	(Combined)	5.51	3	1.837	1.223	0.306
		Within Groups		147.244	98	1.502		
		Total		152.755	101			
3	Sources of awareness * Website	Between Groups	(Combined)	15.079	3	5.026	3.578	0.017
		Within Groups		137.676	98	1.405		
		Total		152.755	101			
4	Sources of awareness * Content marketing	Between Groups	(Combined)	1.375	3	0.458	0.297	0.828
		Within Groups		151.38	98	1.545		
		Total		152.755	101			

5	Sources of awareness *	Between Groups	(Combined)	0.443	2	0.222	0.144	0.866
	Marketing Automation	Within Groups		152.312	99	1.539		
		Total		152.755	101			
6	Sources of awareness *	Between Groups	(Combined)	7.839	3	2.613	1.767	0.159
	Marketing Automation	Within Groups		144.916	98	1.479		
		Total		152.755	101			
7	Sources of awareness * Email Marketing	Between Groups	(Combined)	8.548	3	2.849	1.936	0.129
		Within Groups		144.207	98	1.472		
		Total		152.755	101			
8	Sources of awareness * Affiliate Marketing	Between Groups	(Combined)	1.012	2	0.506	0.33	0.72
		Within Groups		151.743	99	1.533		
		Total		152.755	101			

The exact significant level (p-value) of ANOVA is shown in Table 2. The level of significant set 5 %, i.e., $\alpha = 0.05$ (on the basis of existing researches of similar type). The Summary of ANOVA table reveals that 'p' value is Greater than the 'a' value. In fact, 6 out of 8 variables output is Greater than $\alpha = 0.05$, hence, the Null hypothesis is accepted and established. That means, MSMEs have no Digital Awareness in Digital Marketing tools.

6. Conclusion

All of the above discussion and data results indicate that there is growth potential in for using digital marketing for MSMEs sector in India. However, the MSME players don't have high-level awareness and deep knowledge about the various digital marketing tools and techniques. It can be said that MSMEs believe strongly in digital marketing for their products and services but they need right person for guiding them to doing Digital Marketing right way. The research gives as the exemplary insight of the use of digital marketing and level of digital marketing awareness among MSMEs in Pune.

- **Suggestions**

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