

Impact of digital marketing in the business performance of e-commerce companies

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Abstract

The goal of this research was to discover the role that digital marketing plays in the success of businesses in Hyderabad, India. "Digital marketing orientation, perceived relative advantage, customer pressure, and competition" will be examined in the research on the influence of digital marketing on firm performance. The bulk of participants in this poll are small and solopreneurs. As an added precaution, the questionnaires were disseminated using a simple random selection method on the internet itself. Thirty surveys were conducted as a consequence of this research to establish whether or not digital marketing has a substantial effect on business performance. This study's findings will be analyzed using the SPSS statistical software, version 25. In order to conduct all statistical analyses, SPSS will be used for all types of statistical studies. Any of the independent characteristics investigated in this research, such as digital marketing orientation, perceived comparative advantage, customer pressure or level of competition, do not seem to be associated to strategic firm success. The correlation between the independent and dependent variables has been established. In this research, the influence of digital marketing on company performance is also examined. Author proposed further research ideas after highlighting the study's weaknesses.

Keywords: customer pressure, digital marketing, strategic business performance, perceived relative advantage, degree of competition.

INTRODUCTION

The Fourth Industrial Revolution (I4.0) is taking root in Hyderabad's commercial sector, and digital marketing is becoming more popular (IR 4.0). Throughout the previous half-century, businesses have increasingly relied on digital marketing. As of 2018, 87.4 percent of American citizens have access to the Internet. Social media is an essential part of every business's marketing strategy, since it allows customers to view advertisements. Today's business relies heavily on its employees'

knowledge of digital marketing and the tools that go along with it. With more than two-thirds committed to increasing revenue and profitability, the digital marketing business sets itself apart from its rivals (21 percent). Conventional marketing communication methods (such as sales promotion and advertising) may be used in conjunction with digital marketing approaches to reach a target audience online. The words "digital marketing," "digital advertising," and "digital public relations" are sometimes used interchangeably when discussing "digital

marketing." The worldwide accessibility of the internet makes it feasible to increase company sales without expanding the firm. There are many ways that the convergence of technology may help people from every walk and every corner of the planet build a more connected, human-centered future. Internet Retailer 4.0 demands that traditional shops be given constant support in order to compete with online merchants. Younger people are increasingly turning to the internet for their buying needs.

Many questions remain unanswered, such as the impact of digital marketing on a company's bottom line. Because the previous research did not go far enough into the association between internet marketing and entrepreneur performance, it was constrained. Consequently, the purpose of this investigation is to provide light on the following issues:

People are increasingly relying on the internet in their everyday lives, especially for the convenience of online purchasing. The internet's information and communication explosion has had a profound effect on our everyday lives and business activities. An organization's everyday activities would be impossible without the internet, according to the author, businesses, and online buyers alike. Furthermore, the authors believed that the electronic channel may increase strategic financial performance and lower physical medium costs..

Strategic Business Results

Studies on the impact of digital marketing on business performance, such as the use of social media as a new strategic marketing tool, the implementation of digital marketing, and the use of electronic marketing channels, have been conducted. E-commerce has also been proved to give greater strategic performance by raising market growth and increasing the possibility of development. Due to the simplicity with which customers may purchase goods and pay for them online, sales have risen as well..

Orientation to digital marketing

From now on, customers may purchase from sellers all around the globe, turning geographical barriers into business advantages. Academics and practitioners alike are increasingly using digital marketing, internet marketing, and social media marketing. The use of digital marketing by small and medium-sized firms (SMEs) is on the rise across a wide range of sectors, including manufacturing and service. Other writers have expressed a similar opinion. Some in the digital marketing sector believe it is a growing industry. Because of the critical role that SMBs play in economic development and the link between digital marketing deployment and improved corporate performance, it is hard to overstate the relevance of digital marketing for SMEs..

Relative Advantage Assumed

A product or service's perceived relative advantage is based on customers' views of the product or service's edge over the competition. It is possible for a customer's business value to be increased by both price cuts and greater quality and service that justifies higher charges. Small and medium-sized firms (SMEs) are more likely to concentrate on digital marketing because of the advantages of their supporting technologies. When predicting a company's willingness or unwillingness to adopt new technologies and advancements, the relative advantage of e-commerce might be considered. When small businesses learn that the technology they've invested in is more beneficial than traditional marketing tactics, they'll shift their attention to digital marketing. In the form of new markets, cheaper transaction costs or greater customer service might be a result of a company's perceived competitive advantage. Because of its novelty and relative benefit, digital marketing is being adopted by enterprises, although perceived ease of use is not a consideration.

Customer Influence

Customers' contentment and willingness to transfer vendors are two key indicators of a company's long-term performance, according to a recent research. Those with a high level of

informational clout have access to a broad range of reliable, current, and impartial sources of data, according to a recent research. A greater connection between companies and their clients is clear from the advancement of technology in the field of marketing. As a result of social networking connections, individuals and businesses may be incorporated in seller-consumer communities as well as in content and value production. When it comes to establishing long-term connections with clients, practitioners should take use of social media marketing.

Competition Levels

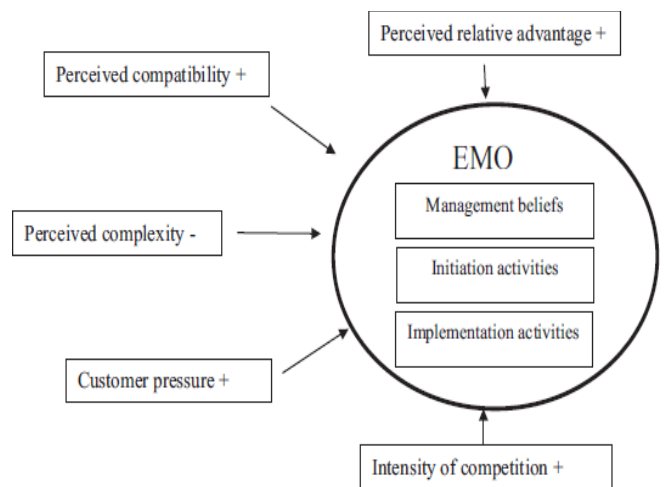
A company's competitiveness may be assessed in a number of ways. Maintaining an edge in the marketplace requires a firm to keep up with technological advancements. It's possible that digital marketing will succeed since many of its rivals have already embraced it, according to research. Businesses, especially those that compete with one another, compete in this way. As a result, small and medium-sized firms (SMEs) have a competitive advantage in today's global market, according to the authors. The internet, new business methods, and a host of environmental challenges are all contributing to a transformation in the nature of corporate competition. Some argue that in order to thrive in a highly competitive market, organizations need to increase their competitiveness. Establishing one's own game while competing with other businesses on cost and product quality is essential.

The Study's Conceptual Framework

Figure 1 depicts the five predecessors of digital marketing. According to this concept, perceived relative advantage, compatibility, and complexity are all linked to the amount of pressure consumers feel and the level of competition they face. Digital marketing was shown to be negatively related to perceived complexity in this study's results. As shown in Figure 2, an organization's digital marketing strategy has a significant impact on its overall success over time. Digital marketing orientation and e-trust were also shown to be

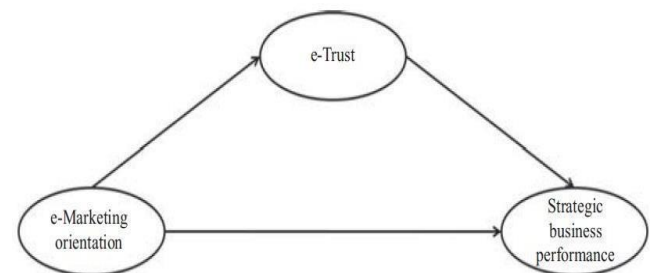
important mediators in improving strategic company performance.

Figure 1: *Conceptual Framework*



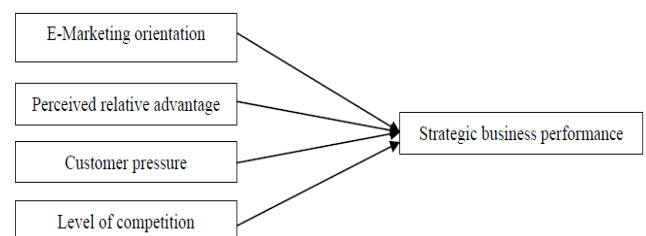
Digital marketing orientation, e-trust, and strategic business success are all highlighted in the diagram below.

Figure 2: *Conceptual Framework by Yousaf, Sahar, Majid & Rafiq (2018)*



Based on a literature review, the conceptual framework shown in Figure 3 is used in this investigation.

Figure 3: *Proposed Conceptual Framework*



METHODOLOGY

There are a number of quantitative methods used in this study: statistical inferences, numerical comparison, and statistical analysis.

As a result of the independent factors of digital marketing focus, consumer pressure, and amount of competition, strategic business performance was the dependent variable. Data is gathered via the use of questionnaires. A Google Form was used to reach out to people who were qualified for the research, and no contact was made with those who weren't. For this research, a random sample of SMEs in Hyderabad, India was chosen at random (SMEs). Participation in this research on the efficacy of digital marketing for small and medium-sized enterprises (SMEs) and entrepreneurs was sought.

DATA ANALYSIS

Response Rate

For this study, the author distributed a questionnaire in 30 sets and got a 100% response rate, which means the author received 30 responses from the 30 people. There have been no omissions at all.

Validity of Content

The questionnaire was examined by a team of experts to ensure its validity. According to this descriptive study, 26.7 percent of the participants, or $n = 8$, were female. The telecommunications, information technology, food and beverage, financial services, and hotel sectors were all represented at the convention. A total of 67% of the firms ($n = 20$) have been in business for less than 3 years.

The Reliability Test

The following are the results of the reliability test analysis (the Cronbach's Alpha is shown in brackets):

- A focus on digital marketing (0.791)
- Relative advantage perceived (0.774)
- Client pressure (0.762)
- Competition level (0.832)
- Business strategic performance (0.863)

The items are regarded excellent and suitable for further use because all constructs scored over 0.800.

Correlation Analysis

Table 2: *Correlations*

Correlations					
	EMO	PRA	CP	LC	SBP
EMO	1				
PRA	.616**	1			
CP	.584**	.689**	1		
LC	.771**	.598**	.626**	1	
SBP	.590**	.666**	.665**	.0775**	1

** Correlation is significant at the 0.01 level (2-tailed)

With a square correlation of 61.6 percent, Table 2 reveals a moderate relationship between EMO and PRA. With an r-score of 0.584, PRA and EMO have an average connection, or 58.4%. To put it another way, the association between PRA and CP is modest, at 0.689% or 69%. EMO and LC are moderately related, with a correlation of 77.1 percent. At 0.598, the correlation coefficient between LC and EMO is quite strong (59.8 percent). PRA and CP have been demonstrated to have a negative correlation (0.626 or 62.6 percent). Additionally, there is a small but substantial association between SBP and EMO, with a correlation value of 0.58 or 59%. A 66.66% relationship exists between the two SBPs and the PRA, whereas only 65.66% exists between the two SBPs and CP. There is a 77.5 percent correlation between SBP and LCM.

Regression Analysis

Data in Table 3 illustrates an example of linear regression at work, predicting new data by looking at previous data. It seems that the F-value is 13.876, according to the statistics. The correlation coefficient is 2.163%. The significance level of 0.000b in the regression model is utilized to assess the significance of the findings.

Table 3: Analysis of Variance

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	8.653	4	2.163	13.876	.000 ^b
	Residual	3.897	25	0.156		
	Total	12.55	29			
a. Dependent Variable: business performance						
b. Predictors: (Constant), level of competition, perceived relative advantage, customer pressure, e-marketing						

Table 4: Regression Analysis

Coefficients						
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error				
1	(Constant)	1.046	0.527		1.986	0.058
	E-marketing	-0.175	0.191	-0.169	0.915	0.369
	Perceived relative advantage	0.22	0.138	0.263	1.59	0.124
	Customer pressure	0.169	0.15	0.188	1.131	0.269
	Level of competition	0.556	0.165	0.63	3.373	0.002
a. Dependent Variable: business performance						

Results of Hypothesis Testing

Only the degree of competition, as evidenced by the beta of 0.556 and the p-value of 0.002, has a major impact on a company's strategic business success, according to Table 4. These indicators exhibited no significant influence on SBP as the other variables (EMO, PRA, and CP) all had greater significance levels.

Table 5: Hypothesis Testing Summary

Hypothesis	Statement of Hypothesis	Results
H1	EMO → SBP	Not Supported
H2	PRA → SBP	Not Supported
H3	CP → SBP	Not Supported
H4	LC → SBP	Supported

Conclusion

Digital marketing's relative benefits will be examined, as will the amount of customer demand and the level of competition, according to the findings of this investigation. Firm performance was only affected by one of the four hypotheses investigated in this study:

hypothesis 4. With their own marketing approaches, firms have the ability to increase their performance in the absence of the use of digital marketing techniques. So, some of them are still inexperienced with digital marketing and technological innovation in small enterprises as a result. As a result, they turned to more conventional types of advertising including television, direct mail, and word-of-mouth marketing. A company's perceived relative advantage and its influence on strategic business outcomes will be discussed next. Businesses of all sizes, especially small and medium-sized ones, are turning to technology and the internet to stay in touch with their customers face to face. The majority of companies will turn to digital marketing if they feel it will provide a better return on their investment than the methods they now use. Next, we'll look at how customer expectations affect a company's long-term viability as a whole. Customers' demands have little effect on small businesses, according to the study. Even so, customers might have an effect on a company's success. Online and other related technologies are widely acknowledged to have a substantial influence on consumers who acquire reliable, current, and unbiased information on the internet.

A company's competitiveness is a major factor in strategic corporate success. When there is a lot of rivalry among firms, it may be damaging to a company's success, hence a competitive environment is important. This means that small and medium-sized firms (SMEs) must constantly monitor technological developments in order to preserve their competitive edge in a highly competitive market environment. Recommendations for Future Research and

Study This inquiry has to be done quickly in order to avoid the spread of Covid-19 due to restrictions imposed by the Movement Control Order. Choosing participants at random was a challenge for the researcher since the data was only accessible online (through the internet). As a result, they have a few ideas for future research in this area. To begin with, the researcher should hunt for a volunteer outside of Hyderabad, India. The researcher also advises future researchers to look at digital marketing in combination with research on company success since previous studies were generally performed across various nations and had a restricted reach. Future research is likely to provide more light on small businesses' use of digital marketing.

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