

A Mixed Methods study to uncover the Adoption potential of Digital Marketing in Indian SMEs

Abstract

The purpose of this study is to examine the current level of digital marketing adoption among SMEs in India. It aims to assess the extent of adoption, identify challenges hindering adoption, and explore the perceived benefits of digital marketing. The study utilizes a mixed-method approach to provide comprehensive insights into the adoption of digital marketing strategies by SMEs. Data collection was conducted from SMEs operating in various industries. The study analyzes survey responses and conducts focus group discussions to explore the extent of digital marketing adoption, challenges faced by SMEs, and perceived benefits.

The findings indicate that SMEs in India have informative websites but limited adoption of digital marketing tools and strategies. The focus group discussions highlight challenges related to training, security, and legal practices that hinder digital marketing adoption. Despite the challenges, SMEs recognize the advantages of digital marketing, including cost reduction, time savings, market expansion, and quick product launches.

The study focuses on SMEs in India, which may limit the generalizability of the findings to other regions. The research is based on self-reported data, which may be subject to response biases. Future research could explore the effectiveness of specific digital marketing strategies and interventions to overcome adoption barriers.

This research contributes to the existing knowledge by providing insights into the adoption of digital marketing among SMEs in India. The study offers recommendations for future research and practical implications for enhancing digital marketing capabilities among SMEs, addressing a gap in the literature.

Keywords: Digital marketing adoption, Small and medium-sized enterprises (SMEs), Mixed method approach, Challenges, Benefits

1. Introduction

The advent of digital marketing has revolutionized the way businesses engage with their customers, particularly for small and medium enterprises (SMEs). With the increasing use of electronic media, the internet, and social media platforms, digital marketing has become a powerful tool for communication, information sharing, and commerce (Yaseen et al., 2017). Establishing an online presence has become essential for businesses to survive and thrive in the digital era (Taiminen & Karjaluoto, 2015). However, despite the immense opportunities presented by digital marketing, many SMEs still lag behind in its adoption, limiting themselves to basic practices such as email marketing and simple websites (Isohella et al., 2017). Therefore, this research aims to explore the current adoption of digital marketing among SMEs in India, and shed light on the key drivers, challenges, and advantages associated with its implementation. The significance of this study lies in the transformative potential of digital marketing for SMEs. While companies worldwide have embraced digital marketing to gain a competitive edge (Eid & El-gohary, 2013), the concept is still relatively new in India specifically for SMEs, with limited research on digital marketing practices and tools (Kalam & Nigam, 2018). Therefore, there is a pressing need for further research to address the ambiguity surrounding digital marketing practices and provide insights into its adoption by SMEs. By assessing the current status of digital marketing practices among SMEs in India, this study seeks to uncover the advantages, challenges, and key drivers of digital marketing adoption. This comprehensive understanding will contribute to the body of knowledge on digital

marketing's impact on business activities and customer relationships, emphasizing the need for further research in this crucial field.

The research questions guiding this study are as follows: What are the main parameters that constitute the concept of digital marketing adoption in SMEs? Moreover, what are the necessary steps companies should take to successfully adopt digital marketing practices?

This paper is structured as follows: Section 2 provides an overview of the relevant literature on digital marketing adoption, highlighting the gaps in existing research. Section 3 outlines the research methodology, including the mixed-method approach employed. Section 4 presents the findings of the study, analyzing the key drivers, challenges, and advantages of digital marketing adoption among SMEs in India. Finally, Section 5 offers a discussion of the results, drawing conclusions and providing recommendations for SMEs aiming to adopt digital marketing successfully.

2. Literature review

The literature on digital marketing highlights its significance as a powerful marketing tool that leverages the internet and digital technologies to promote products and services to target customers (Deb et al., 2022; Kalam & Nigam, 2018; Mogoş, 2015). Digital marketing has been studied in varied contexts like promoting tourism business through digital marketing (Deb et al., 2022), digital marketing in SMEs via data-driven strategies (Saura et al., 2023), digital marketing adoption and success for small businesses (Ritz et al., 2019), Digital marketing and tourism (Mkwizu, 2019), and digital marketing for B2B organizations (Pandey et al., 2020). Moreover, a study by (Ahmad & Gandhi, 2023) also highlights the role of digital satisfaction on hotel booking intentions. A study conducted by Chaffey & Patron (2012), defines digital marketing as the utilization of existing digital technologies to enhance marketing strategies by meeting customer needs effectively (Chaffey & Patron, 2012). Another study by Nair (2016), describes digital marketing as the application of digital technologies to form digital channels, enabling organizations to better meet customer needs and achieve their goals (Nair, 2016). Moreover, digital marketing refers to the use of digital mediums to market products, services, information, and ideas (Al-Weshah, 2018). Compared to traditional marketing channels such as print, radio, and TV, digital marketing offers cost efficiency, accessibility, affordability, and the ability to target the right customers, making it an attractive option for small and medium enterprises (SMEs) with limited marketing budgets (Taiminen & Karjaluo, 2015). It has gradually gained prominence in organizational strategic marketing plans (Raofi, 2012). Digital marketing strategies provide advantages such as building customer relationships, facilitating customer engagement, promoting products and services, increasing visibility, and generating sales (Peter & Vecchia, 2021; Saura et al., 2023).

Although SMEs often lag in technological and management capabilities, the rapid growth of information and communication technologies (ICTs) has provided them with opportunities to reach customers on a global scale (Neirotti et al., 2016). However, the adoption of digital marketing by SMEs in India is still at an initial stage due to various challenges, including the lack of skilled workforce, insufficient top management support, trust issues, privacy and security concerns, legal practices, slow website performance, and limited awareness among decision-makers (Lakshmi et al., 2017). Hasan (2016), notes that many SME websites suffer from design issues and lack essential information, hindering the establishment of positive customer relationships. Moreover, digital marketing offers different tools for effective communication between customers and businesses, with email marketing being a particularly handy tool for SMEs (Taiminen & Karjaluo, 2015).

One of the most used digital marketing for SMEs is the email marketing as it is considered a cost-effective method to provide customers with general and relevant information about products and brands (Thaha et al., 2021). Social media marketing (SMM) has become a vital channel for content creation, user-generated content sharing, and customer interaction (Li et al., 2021). Customers are increasingly using social media

platforms to communicate with companies, search for products or brands, and exchange ideas (Jacobson et al., 2020). In India, the popularity of social media websites has grown tremendously, with a significant user base in the age groups of 18-24 and 25-34, presenting significant opportunities for SMEs to target these demographics (Bhati & Bansal, 2019). According to figures, the biggest social media platforms, at the beginning of 2023, there were 398.0 million users in India who were 18 years of age or older, or 40.2 percent of the country's entire population. In general, 67.5% of all internet users in India in January 2023 (regardless of age) used at least one social networking platform (Forbes, 2024).

Despite the potential benefits, there is a need to bridge the gap in digital marketing adoption by SMEs in India, particularly in terms of technological barriers, website design, and the effective utilization of available digital marketing tools. This literature review highlights the importance of further research to understand the current adoption level, drivers, challenges, and advantages of digital marketing for SMEs. By addressing these gaps, SMEs can harness the full potential of digital marketing and leverage it to enhance their marketing strategies, engage customers, and achieve their organizational goals.

3. Methodology

The research methodology employed in this study involves a mixed methods approach, combining qualitative and quantitative methods. This approach allows for a comprehensive exploration of the research questions and provides a deeper understanding (Timans et al., 2019) of digital marketing adoption among SMEs in . The methodology consists of two distinct parts: Study 1 and Study 2 (see fig 1).

In Study 1, a qualitative approach using focus group discussions was utilized (Ahlin, 2019). The aim of this phase is to gather rich and detailed insights into the level of digital marketing adoption among SMEs in India. The research design employed in Study 1 is an exploratory approach, which involves conducting focus group discussion with participants to explore their experiences, perspectives, and challenges related to digital marketing adoption. The focus group discussion are conducted in a semi-structured manner (Ahlin, 2019), allowing for flexibility and the opportunity to delve deeper into relevant topics. The qualitative data collected from these focus group discussion will provide a foundation for further analysis and contribute to a comprehensive understanding of the subject matter.

In Study 2, a quantitative approach using an online-based survey is implemented. This phase aims to collect empirical data on digital marketing adoption among SMEs in . The research design employed in Study 2 is descriptive in nature, focusing on capturing specific information and characteristics related to digital marketing adoption. A structured questionnaire is designed and administered to the participants through an online platform. The questionnaire includes relevant variables and measures that allow for a quantitative analysis of digital marketing adoption. The collected data will be analyzed using statistical techniques to identify trends, patterns, and relationships among variables, providing valuable insights into the level of adoption, key drivers, challenges, and advantages of digital marketing for SMEs in India.

By adopting a mixed methods approach and conducting both qualitative and quantitative studies, this research methodology ensures a comprehensive and rigorous investigation of digital marketing adoption among SMEs in India. The combination of qualitative and quantitative data provides a more holistic understanding of the research topic, allowing for a nuanced analysis of the factors influencing digital marketing adoption and its impact on SMEs in India.

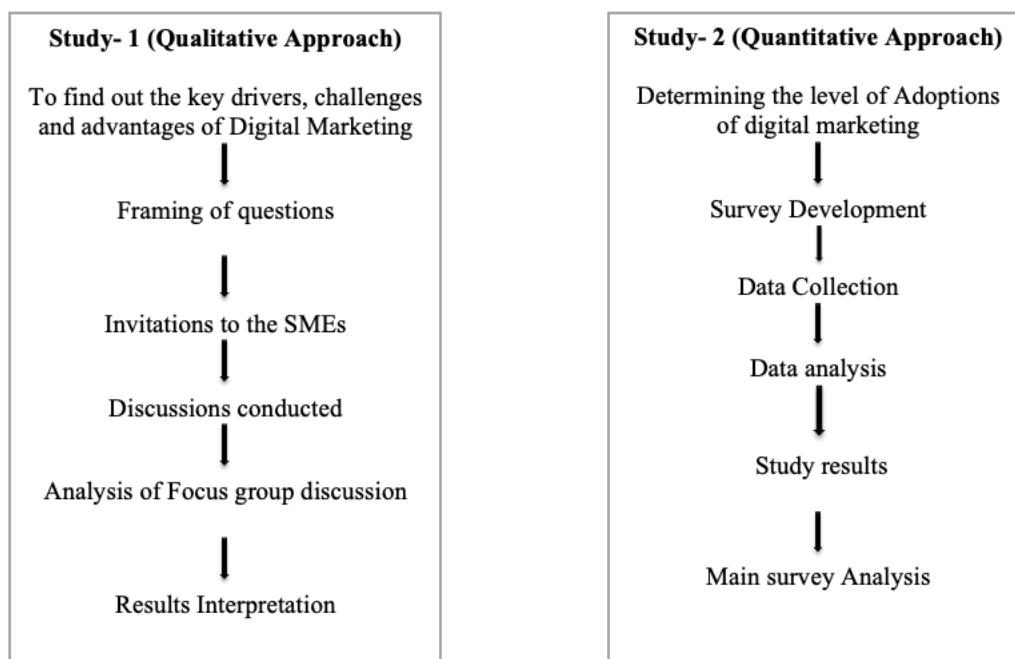


Figure 1. Highlights the research approach adopted in this research

3.1 Sampling and Data Collection

3.1.1 Qualitative Phase

For the qualitative phase of this study, a purposive sampling technique was employed as suggested by (Ames et al., 2019). **The population size was all the SMEs registered in India.** The researcher identified and selected SMEs in India that had implemented digital marketing strategies. The selection criteria focused on SMEs of various sizes and industries to ensure a diverse representation of the digital marketing landscape. To collect qualitative data, the researcher conducted focus group discussion with managers or owners of the SMEs. Despite sending invitations to over 500 SMEs, only five SMEs agreed to participate in the focus group discussion, resulting in a limited number of focus group discussion conducted for this study.

The process of conducting the focus group discussion involved several steps. Firstly, the researcher contacted the owner/manager of the targeted SMEs to seek their consent for participation in the research. Detailed information about the survey, including the interview questions and an information sheet, was provided to the contacted SMEs. Subsequently, the SMEs responded to finalize the location, date, and time for the interview, as well as the name of the participant to be there in focus group discussion. Finally, the researcher conducted face-to-face meetings at the designated addresses of the participants. Table 1 provides an overview of the focus group discussion conducted with the participants, including their roles, interviewee codes, interview format, number of interviewees, and interview length.

After obtaining the necessary approval from the participants, the researcher scheduled individual meetings with the participants at their respective SMEs, according to the agreed-upon time and date. The focus group discussion commenced with the researcher introducing himself, stating the research objectives, and explaining the purpose of the interview. Following this, the participants were asked about their personal information, including their names, roles within the organization, and their experience in managing the firm. The participants were assured that the data collected during the focus group discussion would be treated with confidentiality. Each meeting lasted for approximately one hour, and open-ended questions were used to encourage detailed responses.

The purpose of these focus group discussion was to gather rich qualitative data that could be analyzed using thematic analysis. Thematic analysis involves identifying and analyzing

patterns, themes, and categories within the collected data (Lochmiller, 2021). The researcher aimed to explore the experiences, perspectives, and insights of the interviewees regarding digital marketing adoption in their respective SMEs.

Table 1. Focus group discussion participants

S. No.	Role (Moderator)	FGD Code	Number of Participants	Duration
1	Chief Executive Officer (CEO)	CEO1	7	1H 30 Mins
2	Marketing Manager	MM1	5	1H 05 Mins
3	IT Manager	ITM1	6	1H 10 Mins
4	Chief Executive Officer (CEO)	CEO2	5	50 Mins
5	Sales Manager	SM1	4	45 Mins

These focus group discussion provided valuable insights into the digital marketing practices, challenges, and opportunities encountered by SMEs. The qualitative data obtained from the focus group discussion were essential for gaining a comprehensive understanding of the research topic and informing the subsequent phases of the study.

3.1.2 Quantitative Phase

For the quantitative phase, an online-based survey was conducted using google forms (Wesley et al., 2022). The target population for the survey consisted of SMEs operating in India. The structured questionnaire on digital marketing adoption was designed based on the research objectives and reviewed by experts in the field. Their feedback was incorporated to enhance the questionnaire's clarity and relevance. The survey link was sent to 200 SMEs via email, inviting them to participate in the study. The SMEs were requested to complete the questionnaire, providing their responses regarding the level of digital marketing adoption in their organizations. A total of 94 questionnaires were received, of which 15 were found to be incomplete and were excluded from the analysis. The remaining 79 fully completed questionnaires were considered for data analysis. The data collected through the online survey provided empirical insights into the current level of digital marketing adoption among SMEs in India.

Overall, the combination of qualitative focus group discussion and quantitative surveys allowed for a comprehensive understanding of the digital marketing landscape in SMEs. The qualitative phase provided in-depth insights and contextual understanding, while the quantitative phase provided broader data for statistical analysis.

4. Data Analysis

4.1 Qualitative Data Analysis

The qualitative data collected through focus group discussion and was analyzed using thematic analysis. Thematic analysis involves identifying, analyzing, and interpreting patterns, themes, and meanings within the data (Peel, 2020). The recorded focus group discussion was transcribed verbatim, and the transcripts were carefully reviewed to identify significant statements, ideas, and concepts related to the key drivers, challenges, and advantages of digital marketing adoption among SMEs in India. Following the identification of initial codes, a process of coding and categorization was carried out. The codes were then organized into broader themes that captured the main findings. The researcher compared and contrasted the data within and across the focus group discussion to ensure consistency and reliability in the analysis. The identified themes were then interpreted and presented in a comprehensive manner to provide insights into the research questions and objectives. The responses from the focus group discussion provided valuable insights into the critical elements of digital marketing adoption. Based on the analysis of these responses, three main themes were identified: key drivers, advantages,

and challenges of digital marketing adoption. These themes encompassed the factors that motivated SMEs to adopt digital marketing, the benefits they experienced, and the obstacles they encountered. The captured themes are presented in Table 2.

Table2. Captured Themes

Key Drivers	Advantages	Challenges
Improved customer services	Help in minimizing cost	Lack of support from top management
Ease of operation	Saves time	Lack of skilled workforce
Reduced cost	On the spot feedback	Lack of trust
Time-saving	Helps in market expansion	Email Spam
Increased consumer awareness	Helps in new product launching	Not applicable as per the business model

4.2 Quantitative Data Analysis

The quantitative data collected through the online survey was analyzed using statistical software SPSS. The responses were coded and entered into a spreadsheet for data cleaning and preparation. Descriptive statistics, such as frequencies, percentages, and means, were calculated to summarize the data and provide an overview of the level of digital marketing adoption among SMEs in India. The statistical analysis aimed to uncover patterns, trends, and relationships within the quantitative data, providing quantitative evidence to support or refute the research hypotheses.

4.3 Data Interpretation

The findings from the qualitative and quantitative data analysis were then interpreted to address the research questions and objectives. The themes derived from the qualitative analysis provided a rich understanding of the key drivers, challenges, and advantages of digital marketing adoption among SMEs in India. The quantitative analysis, on the other hand, offered statistical evidence on the current level of digital marketing adoption and identified factors influencing its implementation. The interpretation of the data involved synthesizing the findings from both qualitative and quantitative approaches to gain a comprehensive understanding of the research topic. The researcher looked for convergence or divergence between the qualitative and quantitative findings, identifying common patterns and inconsistencies.

5. Result and Discussion

5.1 Qualitative study findings

5.1.1 Digital Marketing Key Drivers

The success of digital marketing is driven by the level of commitment and investment made in adopting such technology. It is crucial to understand the digital environment and acknowledge the associated benefits. Additionally, analyzing capabilities such as existing systems and human resources is vital to proving the success of digital marketing adoption. The findings from the focus group discussion, as shown in Table 3, revealed several key drivers for digital marketing adoption among SMEs in . The participants emphasized the importance of investing in technology as a crucial element for successful digital marketing adoption. CEO1 stated, "To adopt digital marketing, we must have appropriate systems that fit our business model in place." Similarly, SM1 pointed out, "It is important to use all marketing channels in our activities, as the more we use, the better sales we will have." In line with the challenges mentioned earlier, all interviewees believed that staff training would support the adoption of digital marketing. [48]

CEO2 highlighted the need for training marketing and IT staff to effectively use digital marketing technology, stating, "Even if we adopt digital marketing, we still need to train

our marketing and IT staff on how to use this technology effectively." ITM1 also emphasized the importance of skilled individuals who can manage technical aspects of digital marketing, saying, "Digital marketing involves many technical issues like using SEO and PPC. Therefore, we need skilled people who can manage this technology." Furthermore, participants emphasized the need for businesses to have a clear understanding of digital marketing and its various tools. Failing to do so may limit the level of adoption. MM1 highlighted the complexity of digital marketing and the importance of knowing the purpose of each tool before jumping from one channel to another, stating, "Digital marketing is complex technology, that is why we need to be aware of what exactly we need to know before we start and fail to achieve our goals." Additionally, most participants, except for some CEOs, highlighted the importance of allocating an adequate budget for digital marketing to ensure continuous adoption. Lack of financial resources is a common barrier to adopting and implementing digital technology for SMEs. While digital marketing may not have significant variable costs, the fixed costs can still be high for organizations. However, the results show that most SMEs do not have sufficient budgets to invest in digital marketing activities. MM1 mentioned, "We normally do not have a specific budget for our digital marketing activities. We sometimes request funds for social media promotions, but most of the time it gets rejected." Finally, the findings of the focus group discussion emphasized the importance of including digital marketing in the overall business strategy to ensure its effective implementation and adoption.[48]

Table 3. Digital Marketing Key Drivers

Key Drivers	CEO1	MM1	ITM1	CEO2	SM1
Improved customer services	✓		✓		✓
Ease of operation	✓		✓		✓
Reduced cost		✓	✓	✓	✓
Time-Saving	✓		✓	✓	✓
Increased consumer awareness	✓		✓	✓	✓

Note: ✓ indicates that the participants mentioned the specific key driver.

5.1.2 Advantages of Digital Marketing

As technology continues to evolve, businesses are recognizing the increasing importance of digital marketing and the advantages it offers over traditional marketing methods. However, the perceived benefits of digital marketing are contingent upon the strategic implementation and adoption motivation within companies. Understanding how this technology can benefit them is crucial (Vishwanath, 2009). According to the interview results, SMEs in acknowledged several advantages of digital marketing over traditional marketing channels. As shown in Table 4, the majority of participants believed that digital marketing is more cost-effective as it replaces expensive advertising channels such as television and radio. Cost reduction is a significant factor driving digital marketing adoption (Ali et al., 2015). CEO2 stated, "We spend a lot of money on marketing activities, but most of them turned out to be big failures. Moreover, I think if we used digital marketing for our marketing, we would get better results with less cost."

Time-saving was another advantage highlighted by most interviewees. However, only one interviewee mentioned instant feedback as an advantage. This suggests that many SMEs are not fully aware of the benefits digital marketing can provide. Instant feedback allows companies to receive quick responses and reviews from customers, enabling them to take immediate action and improve their advertising campaigns. On the other hand, all participants confirmed that digital marketing enables market expansion and increases market share. MM1 stated, "Adopting digital marketing will surely expand our market as it is accessible to global customers." ITM1 also expressed belief in digital marketing's

ability to provide higher exposure, stating, "I believe digital marketing will give us higher exposure as our advertisements will reach the entire world."

Surprisingly, all interviewees mentioned new product launching as a significant advantage of digital marketing. Launching new products to a global audience has become cost-effective and straightforward, especially through social media platforms. Customers can gain insight into the product and gather information before making a purchase. MM1 shared their experience, stating, "We shifted our focus to using social media for new product launches. The more our customers share and like the new product, the better we can estimate their acceptance and potential sales." Another interviewee, SM1, mentioned, "Using social media for new product promotion helped us easily reach and sell the product to our clients, especially those who follow us on Facebook, as they were already aware of the product before we approached them."

Table 4. Advantages of Digital Marketing

Advantages	CEO1	MM1	ITM1	CEO2	SM1
Help in minimizing cost	✓	✓	✓	✓	✓
Saves time	✓	✓			✓
On the spot feedback	✓	✓	✓	✓	✓
Helps in market expansion	✓		✓	✓	✓
Helps in new products launching	✓	✓	✓	✓	✓

Note: ✓ indicates that the interviewee mentioned the specific advantage.

5.1.3 Challenges of Digital Marketing

Similar to any innovation, the adoption of digital marketing faces numerous challenges, particularly among SMEs. The analysis of the focus group discussion revealed that several challenges hinder the widespread implementation of digital marketing in SMEs. These challenges are outlined in Table 5 below. One of the prominent challenges identified by the participants was the lack of management support. Despite the acknowledged advantages of digital marketing, marketing and IT managers often expressed that top management does not prioritize digital marketing. Masood & Sonntag (2020), argued that companies adopt technology only when it demonstrates significantly better results or benefits compared to existing methods. Moreover, the understanding of perceived benefits by top managers plays a crucial role in sanctioning the necessary financial, administrative, and technological resources required for digital adoption (Maroufkhani et al., 2020). The presence of favorable management enhances the relationship between technology motivation and technology adoption (Nnaji & Karakhan, 2020). Business owners or managers with a good understanding of technology are better equipped to adopt and implement new technologies to achieve strategic goals within their organizations (Priyono et al., 2020). However, a study conducted by Kaushik (2016), found that the lack of top management support remains a significant barrier to information technology adoption in India.

Another common challenge highlighted by most participants, except IT managers, was the lack of skilled staff to effectively utilize advanced digital marketing tools. ITM1 stated, "Even if we adopted digital marketing, we do not have the capable workforce to use it efficiently, as many of us lack the required computer competency." It indicates that companies may face difficulties in harnessing the full potential of digital marketing without a competent workforce.

In addition, concerns over security and trust emerged among the majority of participants when it comes to digital marketing. They expressed apprehension about exposing sensitive information to the public and the potential vulnerability to fraud or competitors gaining unauthorized access to their customer database. Building mutual trust between

businesses and customers is crucial in the online context, where trust plays a vital role in overcoming uncertainty and risks associated with digital environments (Barrane et al., 2021). CEO1 voiced this concern, stating, "The problem with digital marketing is that our information will be published online, and we may not have complete control over who may access the provided information." With evolving technologies like digital marketing, generating highly detailed, accurate, comprehensive, and relevant customer data becomes essential for more effective targeting. However, unless the spam problem is addressed, email marketing may not reach its full potential. "We regularly use emails for marketing purposes, but we do not find it to be a useful tool as most of the emails go directly to the junk folder."

Table 5. Challenges of Digital Marketing

Challenges	CEO1	MM1	ITM1	CEO2	SM1
Lack of top management support	✓	✓	✓	✓	✓
Lack of skilled workforce	✓	✓		✓	✓
Lack of trust	✓		✓		✓
Email Spam	✓	✓	✓	✓	✓
Not applicable as per the business model		✓		✓	

Note: ✓ indicates that the interviewee mentioned the specific challenge.

5.2 Quantitative study findings

The survey analysis provided valuable insights into the digital marketing practices and adoption among the SMEs. The demographic data of the respondents, as presented in Table 6, shows the distribution of SMEs based on ownership, employment, total assets, types of industry, and years in business.

Table 6. Demographic profile

Ownership	Frequency	Percentage (%)	Cumulative Percentage (%)
Sole Proprietor	30	38.0	38.0
Partnership	26	32.9	70.9
Pvt Ltd	23	29.1	100.0
Total	79	100.0	
Employment			
1-30	34	43.0	43.0
31-100	32	40.5	83.5
101-200	8	10.1	93.7
201-300	2	2.5	96.2
more than 300	3	3.8	100.0
Total	79	100.0	
Total Assets			
25L-1Cr	28	35.4	35.4
1Cr-3Cr	20	25.3	60.8
3Cr-5Cr	19	24.1	84.8
5Cr-7.5Cr	10	12.7	97.5
7.5Cr-10Cr	2	2.5	100.0
Total	79	100.0	
Types of Industry			

Ownership	Frequency	Percentage (%)	Cumulative Percentage (%)
Manufacturing	27	34.2	34.2
Professional Service	16	20.3	54.4
Education/Training	10	12.7	67.1
IT/Communication	24	30.4	97.5
Other	2	2.5	100.0
Total	79	100.0	
Years in Business			
>1	15	19.0	19.0
1\leq5	25	31.6	50.6
5\leq10	26	32.9	83.5
<10	13	16.5	100.0
Total	79	100.0	

Based on the survey findings, it was observed that the majority of the participated SMEs own a website to represent their business online. Out of these companies, 81.0% have a functional webpage, and 29.1% of them sell their products and interact with their customers effectively using their website. However, it is evident that small-scale industries are still in the early stages of adopting and utilizing digital marketing. This can be attributed to the lack of awareness among decision-makers and the absence of a legal framework. Despite having a functional website, only 15.2% of the companies accept online payments, with the majority relying on cash-on-delivery. It is noteworthy that, although credit and debit cards are available to customers, the preference for cash transactions persists. Creating a user-friendly, informative, and widely accessible website is highlighted as one of the primary tasks in digital marketing (Saini et al., 2022).

Regarding the usage of digital marketing tools, the participants were asked to indicate their use of common digital marketing tools available. The results, as shown in Table 7, reveal that the most commonly used tool is Electronic Mail Advertisement, followed by Social Media Marketing (SMM). This can be attributed to the increasing number of technology users in India and the growing demand for goods and services. SMEs have started leveraging social media marketing to promote and facilitate their offerings to customers. Social commerce, facilitated by leading social media platforms, has gained prominence in engaging SMEs with their prospective customers. However, tools such as SEO, SEA, SMS, and mobile advertising received lower usage percentages. These tools are essential aspects of digital marketing, proven by various researchers to be effective in attracting customers compared to traditional marketing methods. Nevertheless, their usage is associated with having an e-commerce website, which the majority of SMEs do not possess. Additionally, these tools require specific technical skills that are lacking in most SMEs.

Table 7. Digital Marketing and Online Presence

Survey Question	Frequency	Percentage (%)	Cumulative Percentage (%)
Does your company have a website?			
Yes	64	81.0	81.0
No	15	19.0	100.0
Total	79	100.0	
Do you sell through your website?			
Yes	23	29.1	29.1
No	56	70.9	100.0
Total	79	100.0	

Survey Question	Frequency	Percentage (%)	Cumulative Percentage (%)
Do you accept online payments?			
Yes	12	15.2	15.2
No	67	84.8	100.0
Total	79	100.0	
Digital Marketing Usage			
Yes	27	34.2	34.2
No	52	65.8	100.0
Total	79	100.0	
Social media marketing			
Yes	34	43.0	43.0
No	45	57.0	100.0
Total	79	100.0	
Mobile Advertising			
Yes	38	48.1	48.1
No	41	51.9	100.0
Total	79	100.0	
Search Engine Advertising			
Yes	36	45.6	45.6
No	43	54.4	100.0
Total	79	100.0	
Email newsletter			
Yes	54	68.4	68.4
No	25	31.6	100.0
Total	79	100.0	
SMS			
Yes	58	73.4	73.4
No	21	26.6	100.0
Total	79	100.0	

This table 7 consolidates the data from various survey questions related to digital marketing and online presence. It provides insights into the frequency and percentage of respondents' answers for each question. In summary, the survey findings indicate that while many SMEs have established a website presence, there is still room for improvement in effectively utilizing digital marketing strategies. The adoption of digital marketing tools beyond social media marketing is relatively low, primarily due to the absence of e-commerce websites and technical skills. This highlights the need for awareness and support to enhance digital marketing practices among SMEs in India.

Table 8: Digital marketing adoption framework

Steps	Stage	Key Factors
First Step	Awareness and understanding	Level of awareness Understanding of concepts, strategies, and tools
Second Step	Internal Readiness	Evaluation of capabilities and resources Technological infrastructure and digital literacy
Third Step	External Environment	Competitive landscape and digital

		presence Customer behavior and preferences Legal, privacy, and security concerns
Fourth Step	Strategic Planning	Development of digital marketing strategy Identification of target audience and channels Key performance indicators (KPIs) and metrics
Fifth Step	Implementation and Execution	Website development and content creation Social media campaigns Integration of digital marketing tools and technologies
Sixth Step	Evaluation and Adaptation	Evaluation against defined KPIs Analysis of feedback and engagement metrics Adaptation of strategies based on insights

6. Conclusion

This research aimed to assess the level of digital marketing adoption among SMEs in India, using a mixed-method approach to collect data from SME companies. The findings of the study reveal that while a majority of the participants own informative websites, they have limited utilization of digital marketing in their business operations. Consequently, they face limitations in accepting various online payment forms. The study also indicates that SMEs in India have not widely adopted digital marketing tools, with their usage primarily limited to email marketing and social media marketing.

The focus group discussion conducted during the research process highlighted common themes related to digital marketing. Challenges such as a lack of training, concerns about security, and unfamiliarity with legal practices were identified as significant hurdles to digital marketing adoption among SMEs in India. However, the participants acknowledged the potential advantages of adopting digital marketing in their organizations. They believed that digital marketing could help minimize costs, save time, expand their market and market share, and facilitate the quick launch of new products. To ensure successful adoption of digital marketing, SMEs need to proactively include digital marketing in their business plans by allocating adequate budgets and investing in technology that facilitates its implementation. Addressing challenges related to training, security, and legal compliance is crucial for SMEs to overcome barriers and embrace digital marketing practices effectively.

6.1 Contribution and Implication

Overall, this research contributes to the existing body of knowledge by providing insights and guidance for SMEs in India to adopt digital marketing. It highlights the importance of incorporating digital marketing strategies into business plans and emphasizes the need for appropriate budget allocation and technological investments. By doing so, SMEs can leverage digital marketing to minimize costs, save time, expand their market presence, and successfully launch new products.

7. Limitations

While this study provides valuable insights into the level of digital marketing adoption among SMEs, it is important to acknowledge some limitations. The study was conducted with a limited sample size of SMEs in India, which may restrict the generalizability of the findings to a broader population. Future research could aim for a larger and more diverse sample to enhance the representativeness of the results. Secondly, the data collected for this study relied on self-reporting by the SME participants. This introduces the possibility of response bias and subjective interpretations of the questions. The inclusion of objective measurements or external validation could enhance the reliability of the findings. Moreover, the study utilized a cross-sectional design, capturing data at a single point in time. This design limits the ability to establish causal relationships or observe changes in digital marketing adoption over time. Future research could employ longitudinal designs to assess the dynamics of digital marketing adoption and its impact on SME performance. Moving on, this study focused primarily on email marketing and social media marketing as indicators of digital marketing adoption. However, there are other important tools and channels, such as search engine optimization, content marketing, and mobile advertising, that were not extensively explored. Including a broader range of digital marketing tools would provide a more comprehensive understanding of SMEs' digital marketing practices.

8. Future Research Directions

Building upon the limitations highlighted above, future research in this area could explore the following avenues- Conducting industry-specific studies would enable a deeper understanding of digital marketing adoption and its implications within different sectors. Examining variations in adoption rates, challenges, and strategies across industries would provide valuable insights for targeted interventions and sector-specific recommendations. Secondly, longitudinal research designs would allow for the tracking of digital marketing adoption trends over time. Investigating the factors influencing the initial adoption, subsequent changes, and long-term impact of digital marketing on SME performance would contribute to a more comprehensive understanding of the dynamics involved. Moreover, comparing the digital marketing adoption patterns and practices of SMEs in India with SMEs in other regions or countries would offer valuable comparative insights. Exploring cultural, economic, and regulatory factors that may influence digital marketing adoption and identifying best practices from high-performing SMEs in different contexts could provide practical recommendations for enhancing digital marketing adoption. Additionally, conducting studies that assess the impact of digital marketing adoption on SME performance metrics, such as revenue growth, customer acquisition, and market share, would provide quantitative evidence of the benefits and ROI associated with digital marketing. Understanding the specific outcomes and impact of different digital marketing strategies would assist SMEs in making informed decisions.

Addressing these limitations and pursuing these future research directions will contribute to a deeper understanding of digital marketing adoption among SMEs, provide insights for overcoming barriers, and help develop effective strategies for enhancing digital marketing capabilities in SMEs and beyond.

Consent

As per international standards or university standards, Participants' written consent has been collected and preserved by the author(s).

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