



## **IMPACT OF ONLINE MARKETING ON SMALL BUSINESS ENTERPRISES WITH SPECIAL REFERENCE TO THIRUVANANTHAPURAM DISTRICT**

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### **ABSTRACT**

Online marketing refers to the application of marketing principles and techniques via electronic media and more specifically the internet. The terms online marketing, internet marketing and e-marketing are frequently interchanged and can often be considered synonymous. Online marketing is the process of marketing a brand using the internet. It consists of all activities and processes with the purpose of finding, attracting, winning and retaining customers. Online marketing encompasses all the activities a business conducts via the World Wide Web with the aim of attracting new business, retaining current business and developing its brand identity. Online marketing is creating a strategy that helps businesses deliver the right message and products and services to the right audience. The objective of this project is to study the impact of online marketing on performance of small business enterprises and to explore the recent social media methods for small businesses and ultimately determine the best way to reach the target customers. And also to understand which are the tools and platform that are using current small business enterprises. Over the last two decades, extensive literature on the importance of small businesses in the economy has consistently shown that the creation of new businesses drives economic prosperity. The study aims to determine the difference between online marketing and traditional marketing for small business enterprises. Online marketing has grown significantly over the past years, it has helped small business to expand and create new business much easier and faster than before, it also has changed the way they deal with customers and helped the growth of the economy.

**Key words:** Online marketing, Internet, Small business enterprises.

### **INTRODUCTION**

Small business is defined as a privately owned corporation, partnership, or sole proprietorship that has fewer employees and less annual revenue than a corporation or regular-sized business. Small Business Enterprise or "SBE" means a business enterprise that meets the established economic criteria for a SBE and is owned, operated and controlled by one or more persons who meet the economic criteria for SBE ownership established by the director in the regulations. Since 1980's, small business owners and entrepreneurs have been receiving greater recognition as drivers of economic growth. As well as playing a crucial role in increasing the competition of emerging sectors, new small businesses are critical for economic growth and innovative capacity in many regions. Job creation, economic growth and poverty reduction are usually the main political interests in small business enterprises.

Small Business Enterprises (SBEs) plays a major role in today's world and they are recognized as one of the main contributors of economic development and employment growth. In this digital world small businesses should need to understand how online marketing is important to survive. So now those who have start a start up business they are



not able to survive in the market. With out the knowledge of online marketing they are not able to reach their target audience. So here we are trying to find out how online marketing is important for small businesses. Online presence is must for businesses today. Small businesses agree that social media is an effective marketing tool for their business. They are evenly split on the effectiveness of social media for attracting new customers. So here I trying to study how online marketing is important for small business enterprises. And also understand those who are already using online media for their enterprises are able to succeed.

### **REVIEW OF LITERATURE**

Edosomwan, et al., (2011) states that Social media, however, is different than networking. Social media is primarily used to share information with a broad audience, while social networking is used to engage people with common interests and build relationships throughout community.

Sagar Pandurang, Pachore Barahate, Swapnil Ahire Ganesh(2016)-The study reveals digital marketing is important element of increasing number of customers and always make positive impact on small business. Digital marketing help to small business to increase new customer base, profitability, and also increasing the brand image on the market.

Moss, Ashford, and Shani (2003) state that “Relatively little is known about SME marketing activities...” There exists a lack of knowledge about marketing activity in small businesses, suggesting that “such functional specialization may rarely exist”.

Edosomwan, Kouame, Prakasan, Seymour, Watson(2011) identified the growth of new social networks in 2000, dramatically transformed the interaction between people and organizations that shared common interest in music, movies, education, friendship, etc.

### **OBJECTIVES**

- 1.To analyse the difference between traditional marketing and online marketing on small business enterprises.
- 2.To study the impact of Online marketing on small Business enterprises.
- 3.To study whether online marketing is really helping Small business enterprises to reach their customers.
- 4.To identify the various types of businesses using Social Media for marketing.

### **STATEMENT OF THE PROBLEM**

Online marketing plays a key role in the modern business world for the purpose of creating brand image, demand and also increasing sales and profitability of business enterprises. Online marketing is one of the form of direct marketing that create link between consumers and sellers through innovative technologies like email, websites, television, Facebook, whats App, twitter, Instagram and similar type of electronic communication medium. After the pandemic situation of Covid 19 all organizations are follow online platforms for existence and growth. Small business enterprises play a key role in the grass root level of economic development of every nation. In the pandemic situation majority of small business enterprises are face different types of problems specially in the field of acquiring new and existing customers and consumers. This study mainly focuses on how small business enterprises are follow online marketing techniques and also check its impact on business.

### **SCOPE OF THE STUDY**

This study highlights the impact of online marketing on small business enterprises. The scope of the study is restricted to the enterprises in Thiruvananthapuram district. The study aims to understand whether online marketing is really impacting on small business enterprises who already using online marketing for their business. The sample collected for this study would



be from entrepreneurs who has already do implementation of online marketing on their business.

**LIMITATIONS OF THE STUDY**

The study is subjected to the basis and prejudices of the respondent, hence 100% of accuracy cannot be assured.

The study is conducted only in Thiruvananthapuram District. The research is carried out in a short span of time.

**METHODOLOGY**

This study is conducted based on both primary and secondary data. The descriptive research design was undertaken to meet the objectives of the study. The sample includes small business enterprises in Thiruvananthapuram district. This study has selected sample of 50 small enterprises on convenience sampling.

**METHODS FOR DATA COLLECTION:**

The primary data has been collected through well prepared interview schedule from the small business entrepreneurs. The secondary data are collected from various books, journals, magazines and reports.

**TOOLS USED:-**

- a) Sample 50 respondents selected from Thiruvananthapuram district.
- b) Tools for analysis of data:
  - Simple percentage analysis.

**DATA ANALYSIS AND INTERPRETATION**

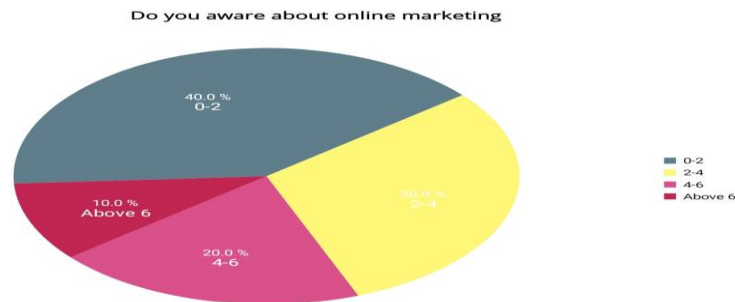
**Comparison between traditional marketing and online marketing**

Traditional marketing	Online marketing
It refers to the marketing that uses traditional channels or media, for the purpose of marketing communication	It implies the marketing of products and services via digital channels, such as the internet, smart phone, display ads, and other digital medium
it is less effective and more expensive	It is less expensive and more effective
It is local reach	It is global reach
It is one way communication	It is two way communication
It is static in nature	It is dynamic in nature

**DATA ANALYSIS**

**1) Age of the business**

Sl no	particulars	frequency	percentage
1	0-2	20	40%
2	2-4	15	30%
3	4-6	10	20%
4	Above 6	5	10%

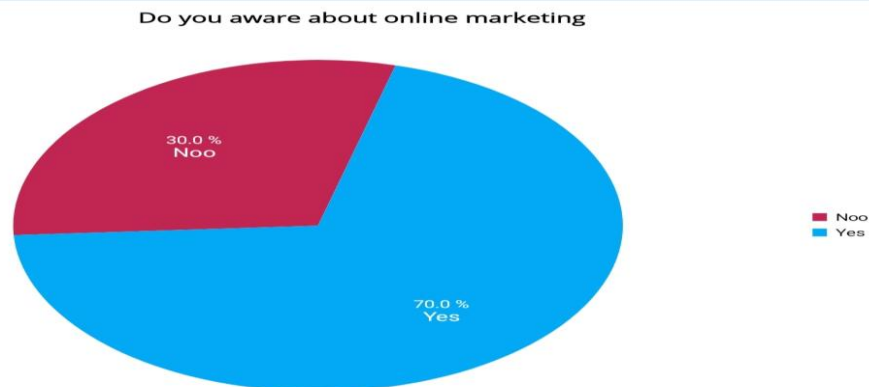


**Interpretation:-**

From the above graph we analyzed that most of the business respondents business Age is 0-2 years that 40%. And 30% respondents businesses age is 2-4 years. It can be observed that 10 % respondents have above 6 years experience in online business.

**2) Do you aware about online marketing?**

Sl no	particulars	frequency	percentage
1	yes	35	70%
2	no	15	30%

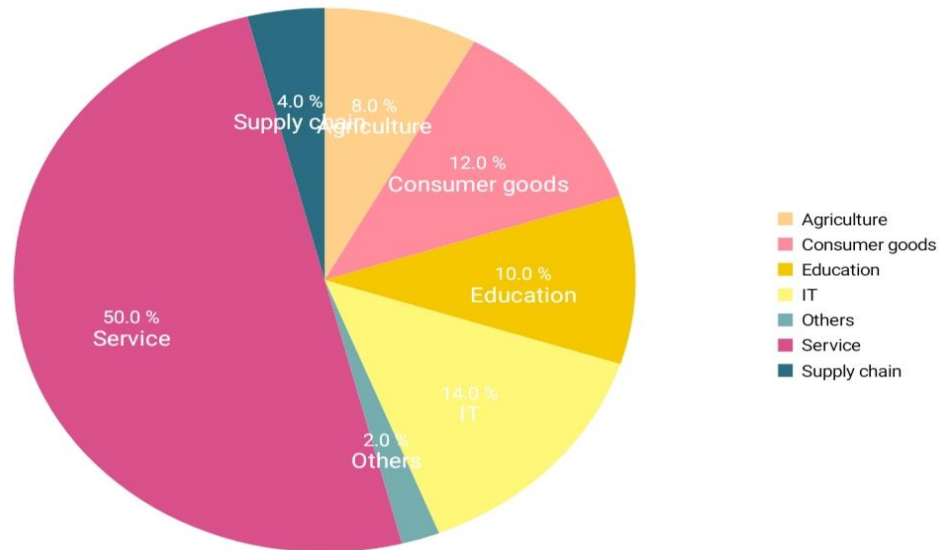


**Interpretation:-**

From the above graph tell us that 70% respondents are aware about online marketing techniques and 30% respondents are not aware about online marketing techniques.

**3) Which industry your business belonging?**

Sl.no	particulars	frequency	percentage
1	IT	7	14%
2	Education	5	10%
3	agriculture	4	8%
4	Consumer goods	6	12%
5	service	25	50%
6	Supply chain	2	4%
7	others	1	2%

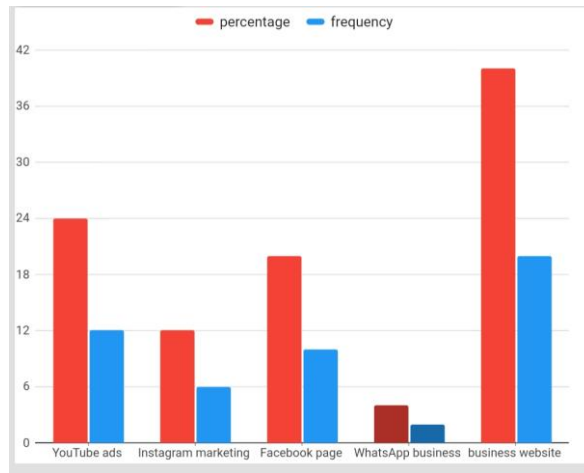


**Interpretation:-**

From the above analysis we come to know that most of the businesses are belonging to service sector that are 50% and second sector which is IT that is 14%. Here we can say that online marketing plays very important role in service sector and IT sector. It means that the businesses who has implemented online marketing platform to grow more in the market that are belonging from service, IT, consumer goods, education, agriculture.

**4) Which Digital Platform you are using to attract your customers?**

Sl.no	particulars	frequency	percentage
1	YouTube ads	12	24%
2	Instagram marketing	6	12%
3	Facebook page	10	20%
4	What's app business	2	4%
5	Business website	20	40%

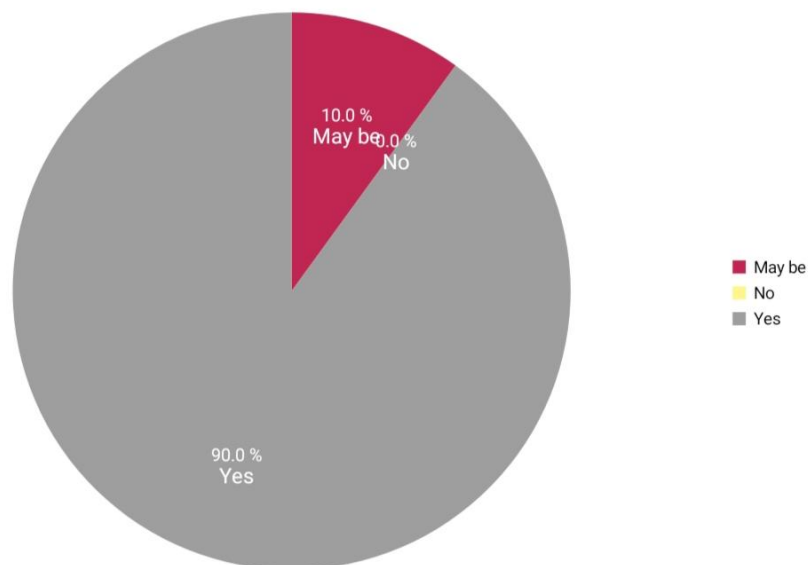


**Interpretation:-**

From the above analysis we analyzed that most of the respondents (40%) are used for business website .After business website people using You Tube ads or Facebook page to attract youth towards their products that are 24% and 20%.

**5) what do you think about online marketing really needed to the small business in present scenario ?**

Sl.no	particulars	frequency	percentage
1	yes	45	90%
2	no	0	0%
3	May be	5	10%

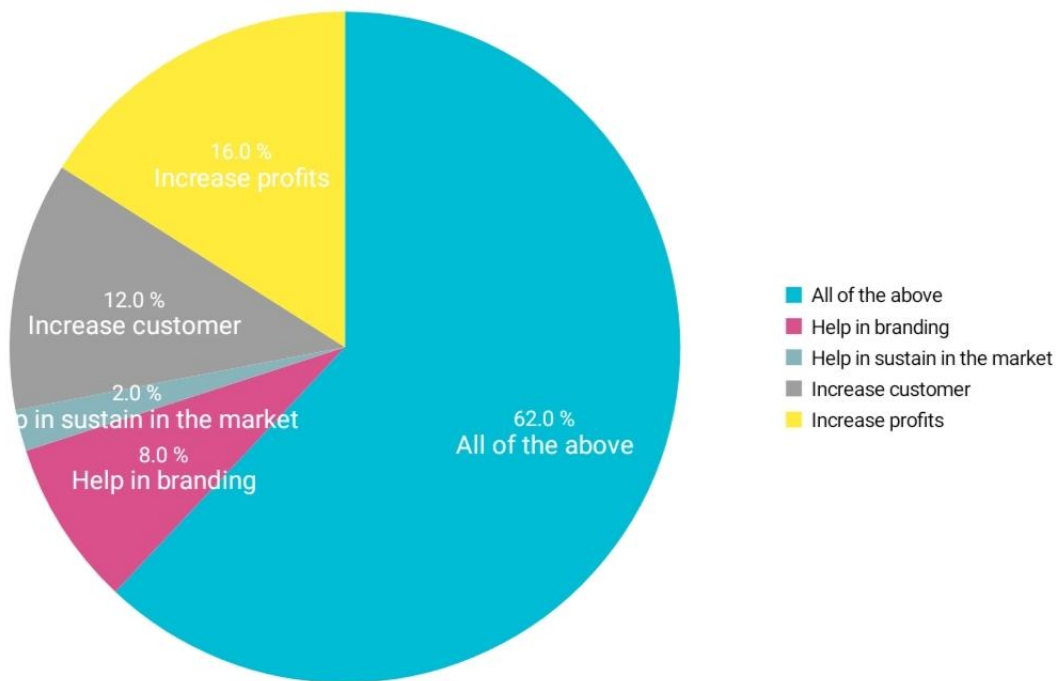


**Interpretation:-**

From the above analysis we come to know that those who are using online marketing tools for reaching their target customers from that 90% respondents are agree that online marketing is really needed in today's competitive world.

**6) what do you think where online marketing help to the business?**

Sl.no	particulars	frequency	percentage
1	Increase profit	8	16%
2	Increase customer	6	12%
3	Helps in branding	4	8%
4	Helps to sustain in the market	1	2%
5	All of the above	31	62%



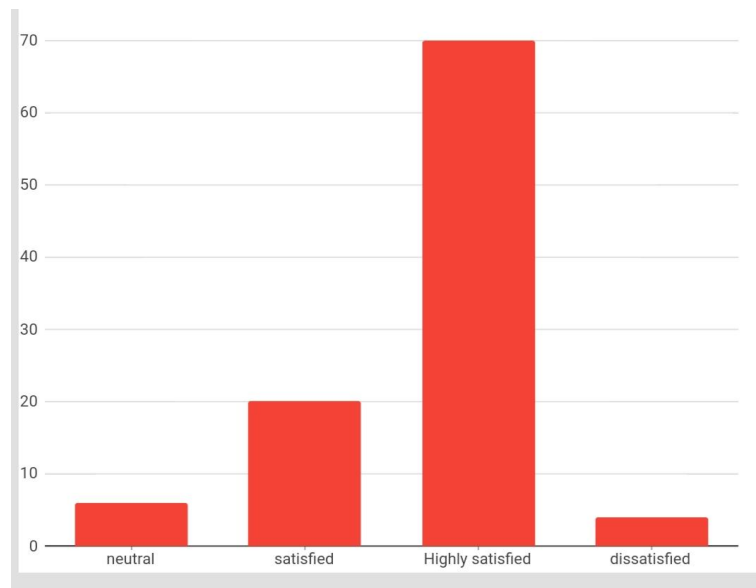
**Interpretation:-**

From the above analysis we analyses that online marketing helps the business in terms of increasing profits, increasing customers,helps in branding,helps to sustain in the market.Here 62% respondents chosen all of the above options.

**7) Give your satisfaction level of your business when you had using online marketing?**

Sl.no	particulars	frequency	percentage
1	Neutral	3	6%
2	Satisfied	10	20%
3	Highly satisfied	35	70%
4	dissatisfied	2	4%



**Interpretation:-**

The above graph tells us that 70% respondents are highly satisfied and only 4% respondents are dissatisfied with the online marketing techniques. So here we can say that online marketing is highly impacting on the performance of small businesses.

**Findings and Suggestions:-**

- 1) Study examined the impact of online marketing on small business enterprises. Most of the respondents that 70% are aware about online marketing and 30% respondents do not know about online marketing.
- 2) In this study we come to know that most of the businesses come under the service sector are 50%. And 14% from IT sector and 12% are from consumer goods.
- 3) Among this 40% of the users more prefer only business websites.
- 4) 70% of entrepreneurs are satisfied with the online marketing and 4% are not satisfied with the online marketing.

**Suggestions:-**

- 1) Government or local bodies conduct training programmes to improve knowledge and awareness about online marketing techniques of small business entrepreneurs.
- 2) Elimination of technological problems.
- 3) Entrepreneurs should use different online marketing platforms like Facebook ads, YouTube, business websites, bloggers, etc.

**CONCLUSION :-**

Online marketing plays a key role in each and every phase of modern business like advertisement, image building, attracting new customers and new markets, etc. Online marketing has grown significantly over the past years, it has helped small businesses to expand and create new businesses much easier and faster than before, it also has changed the way we deal with customers and helped the growth of the economy, and more and more businesses are doing their business over the web, all of that shows how important online marketing is in many aspects and how it will continue to emerge between businesses. Social media marketing is important because it aligns with the way consumers make purchasing decisions. So in this study we analyze the impact of online marketing on small business performance and the business. And reaching out to their target customers. Also online marketing helps small businesses





to increase new customer base, profit, sustainability, creating brand image on the market. Businesses are believed business website are more effective tool for the growth of the small business. And also Small businesses highly satisfied with overall online digital marketing performance. Thus a conclusion can be drawn that the study was helpful to understand that there is highly positive impact of online digital marketing on small Business enterprises.

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