



**ADOPTION AND EFFECTIVENESS OF DIGITAL MARKETING  
STRATEGIES AMONG SMALL AND MEDIUM ENTERPRISES:  
EVIDENCE FROM JODHPUR DISTRICT, RAJASTHAN**

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**Abstract:**

This study investigates the adoption and effectiveness of digital marketing strategies among SMEs in Jodhpur District, Rajasthan. Despite the global surge in digital marketing, SMEs in semi-urban regions like Jodhpur face unique challenges, including limited resources and digital literacy. Using a quantitative approach, data were collected from 250 SME owners through structured surveys. The research examines the extent of adoption of strategies such as “social media marketing, search engine optimization (SEO), and email marketing,” and their impact on business performance metrics like sales growth, customer engagement, and brand visibility. Cronbach’s Alpha ensured scale reliability, while T-tests and regression analysis tested hypotheses linking adoption levels to performance outcomes. Results reveal moderate adoption, with social media marketing being the most prevalent, though SEO and email marketing lag due to technical unfamiliarity. Digital marketing significantly enhances customer engagement and sales, but effectiveness varies by enterprise size and sector. Barriers like high costs and skill gaps hinder full utilization. The study suggests tailored training and policy support to boost digital adoption. These findings contribute to understanding digital marketing’s role in regional SME growth, offering practical insights for practitioners and policymakers to foster digital transformation in Rajasthan’s SME ecosystem.



**Keywords:** Digital Marketing, SMEs, Jodhpur, Social Media Marketing, SEO, Customer Engagement, Business Performance

### **Introduction:**

SMEs are the backbone of India's economy, contributing significantly to employment, GDP, and regional development. In Rajasthan, particularly in Jodhpur District, SMEs dominate sectors like handicrafts, textiles, and tourism, yet many struggle to compete in an increasingly digital marketplace. Digital marketing, encompassing strategies i.e. SMM, SEO, and email campaigns, offers cost-effective tools to enhance market reach and customer engagement (Chaffey & Ellis-Chadwick, 2019). However, SMEs in semi-urban areas often face barriers such as limited digital literacy, resource constraints, and resistance to technological change (Taiminen & Karjaluo, 2015). Understanding the adoption and effectiveness of these strategies is critical for fostering SME growth in regions like Jodhpur, where traditional marketing still prevails.

The global shift toward digitalization has reshaped business strategies, with digital marketing becoming a cornerstone for competitive advantage (Tiago & Veríssimo, 2014). For SMEs, digital tools provide opportunities to overcome geographical limitations, target niche markets, and build customer relationships at lower costs than traditional methods. Yet, studies suggest that SMEs in developing economies adopt digital marketing unevenly due to infrastructural and cultural challenges (Demirbag, 2015). In India, while urban SMEs increasingly embrace digital platforms, semi-urban and rural enterprises lag, creating a digital divide (Sharma, 2021). Jodhpur, known for its vibrant SME ecosystem, presents a unique case to explore how local businesses navigate this transition. This study aims to fill the research gap by examining the extent of digital marketing adoption among Jodhpur's SMEs and evaluating its impact on business performance, offering insights into regional challenges and opportunities.



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**Review of Literature:**

The adoption of digital marketing by SMEs has garnered significant scholarly attention, particularly in the context of developing economies. Several studies highlight the benefits of digital marketing for SMEs. Tiago and Veríssimo (2014) argue that digital platforms enhance brand visibility and customer engagement, enabling SMEs to compete with larger firms. Similarly, “Social media marketing significantly improves customer experience, with platforms like Instagram and Facebook fostering direct interaction” (Felix, et. al., 2017). Their systematic literature review identified social media as the most effective strategy for enhancing brand loyalty among SMEs. Likewise, Rahim et al. (2024) identified 17 factors, including increased reach and cost-efficiency, as key outcomes of digital marketing adoption in Malaysian SMEs. In the current business environment, MSMEs are increasingly required to combine sustainable practices with modern marketing technologies to drive their growth and stay competitive (Kant et al., 2024).

However, adoption rates vary across regions and sectors. Taiminen and Karjaluo (2015) noted that SMEs often prioritize social media over SEO or email marketing due to ease of use and lower costs. In contrast, Demirbag (2015) found that European SMEs leverage SEO to expand internationally, a trend less common in developing nations. In India, Sharma (2021) observed that urban SMEs adopt digital marketing more readily than their rural counterparts, citing infrastructure and skill gaps as barriers.

The Technology Acceptance Model (TAM) provides a theoretical lens for understanding adoption behavior. Alshurideh et al. (2024) applied TAM to show that perceived ease of use and usefulness drive digital marketing adoption among SMEs. Similarly, Radicic and Petković (2024) found that digitalization, including big data analytics, enhances innovation in German SMEs, suggesting a link between technological adoption and performance.



Challenges to adoption are well-documented. Eller et al. (2020) identified skill shortages and resistance to change as significant barriers for SMEs undergoing digital transformation. In According to Ainin e. al. (2015), micro-enterprises mostly utilize social media and email, and they don't use more complex tools like affiliate marketing very often since they don't have the expertise they need. Madurapperuma and Colombage (2022) highlighted similar issues in Sri Lanka, where SMEs face security concerns and legal unfamiliarity.

The effectiveness of digital marketing on SME performance is another focal point. Abdul Rahim et al. (2024) found that digital marketing improves sales and customer retention, particularly through integrated channel strategies. In Ghana, Agyei et al. (2021) demonstrated that digital marketing drives sustainable growth by enhancing online presence. However, Nguyen et al. (2024) noted that the impact varies by strategy, with content marketing and SEO yielding higher ROI than paid advertising.

Regional studies provide context-specific insights. In India, Kutlu (2015) emphasized that digital marketing enhances export strategies for SMEs, while Arifin and Ali (2023) underscored the role of customer engagement in improving marketing performance. In contrast, Widjaja and Sheng (2024) found that unstructured knowledge sharing can hinder digital strategy execution in Indonesian SMEs.

The literature also explores sector-specific applications. Swan et al. (2019) noted that digital marketing is particularly effective in service industries like healthcare, where online visibility drives customer acquisition. Conversely, Bulearca and Bulearca (2010) argued that manufacturing SMEs benefit less due to lower digital engagement.

Despite these insights, gaps remain. Most studies focus on urban or developed economies, with limited research on semi-urban regions like Jodhpur. Additionally, while adoption barriers are



well-studied, the effectiveness of specific strategies in regional contexts is underexplored. This study addresses these gaps by examining Jodhpur's SME ecosystem, focusing on both adoption levels and performance outcomes.

### **Research Methodology:**

#### **Research Objectives:**

1. "To assess the extent of digital marketing adoption among SMEs in Jodhpur District, Rajasthan."
2. "To evaluate the effectiveness of digital marketing strategies on SME performance metrics (sales growth, customer engagement, brand visibility)."
3. "To identify barriers to digital marketing adoption and their impact on strategy implementation."

#### **Hypotheses:**

- H<sub>1</sub>: "The adoption of digital marketing strategies positively affects SME sales growth."
- H<sub>2</sub>: "The adoption of digital marketing strategies significantly enhances customer engagement."
- H<sub>3</sub>: "The adoption of digital marketing strategies improves brand visibility."
- H<sub>4</sub>: "Barriers such as lack of skills and high costs negatively affect digital marketing adoption."

**Sample Size:**

The sample consists of 250 SME owners/managers from Jodhpur District, selected using stratified random sampling to ensure representation across sectors (handicrafts, textiles, tourism, and retail).

**Survey Area:**

The study is conducted in Jodhpur District, Rajasthan, a semi-urban region known for its vibrant SME ecosystem, particularly in handicrafts and tourism.

**Research Tools:**

- **Questionnaire:** A structured questionnaire with Likert-scale items assessed adoption levels, effectiveness, and barriers. The questionnaire was pre-tested on 20 respondents to ensure clarity.

**Tests Applied:**

- **Cronbach's Alpha:** Ensured internal consistency of scales.
- **Independent Samples T-test:** Compared adoption across enterprise sizes.
- **Multiple Regression Analysis:** Assessed the impact of digital marketing strategies on performance metrics.

Data were analyzed using SPSS version 26. The survey was conducted over three months (January–March 2024).


**Data Analysis and Interpretation:**
**Data Tables:**
**Table 1: Demographic Profile of Respondents**

Variable	Category	Frequency	Percentage
Enterprise Size	Micro	150	60%
	Small/Medium	100	40%
Sector	Handicrafts	80	32%
	Textiles	70	28%
	Tourism	60	24%
	Retail	40	16%
Experience	<5 years	90	36%
	5–10 years	110	44%
	>10 years	50	20%

**Table 2: Digital Marketing Adoption Levels**

Strategy	Adopted (Yes)	Not Adopted (No)	Mean Adoption Score (1–5)
Social Media Marketing	200 (80%)	50 (20%)	3.8
SEO	80 (32%)	170 (68%)	2.1
Email Marketing	60 (24%)	190 (76%)	1.9
Content Marketing	100 (40%)	150 (60%)	2.5



#### Test Output Tables:

**Table 3: Cronbach's Alpha Results**

Scale	No. of Items	Cronbach's Alpha
Adoption	10	0.82
Effectiveness	8	0.79
Barriers	6	0.75

**Table 4: T-test Results (Adoption by Enterprise Size)**

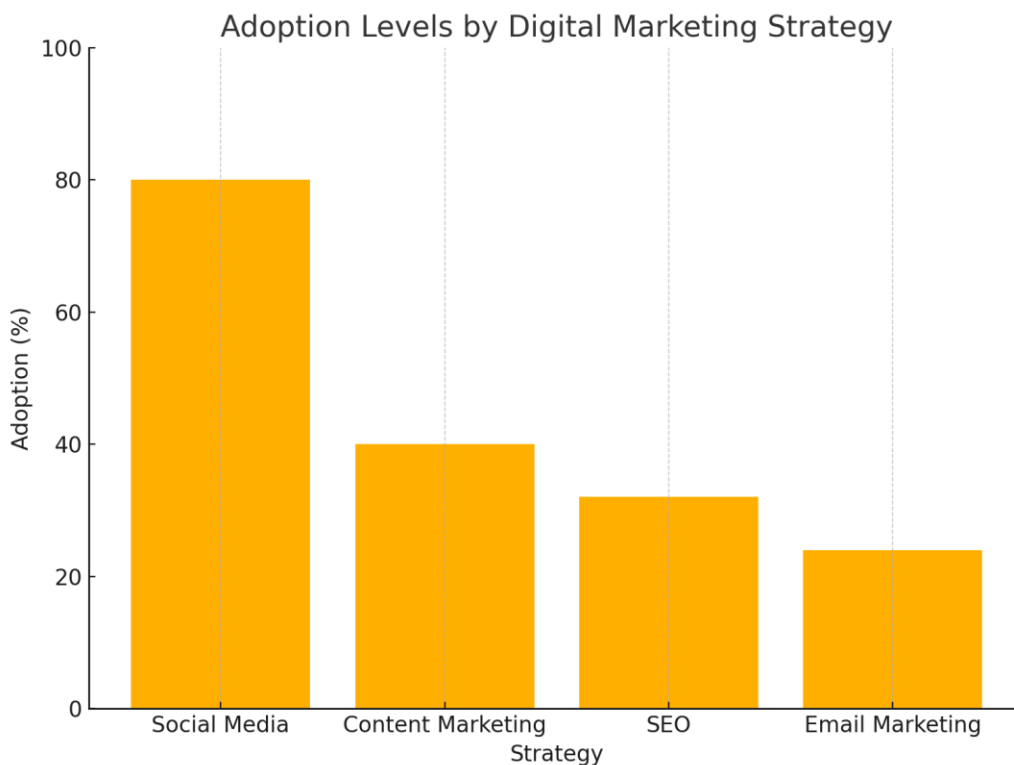
Variable	Micro (Mean)	Small/Medium (Mean)	T-value	p-value
Adoption Score	2.4	3.2	-4.56	0.001

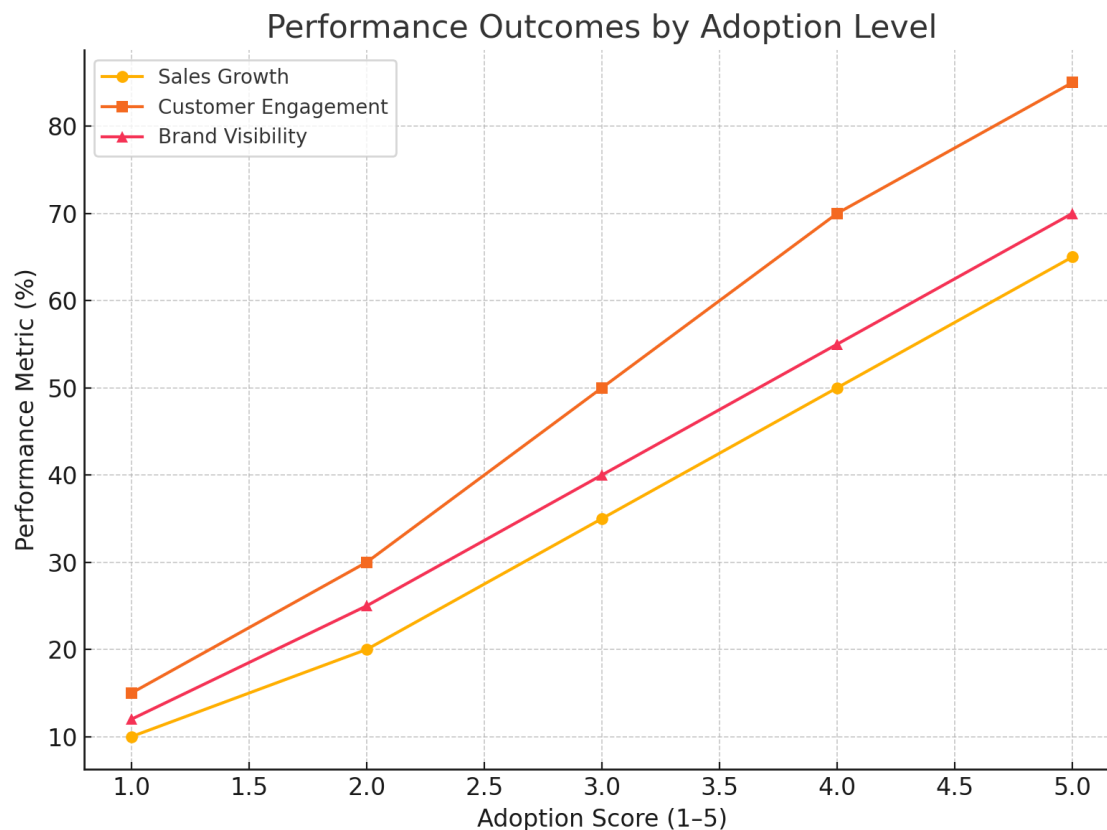
**Table 5: Regression Analysis Results**

Dependent Variable	Independent Variable	Beta	T-value	p-value	R <sup>2</sup>
Sales Growth	Digital Marketing Adoption	0.42	5.12	0.000	0.38
Customer Engagement	Digital Marketing Adoption	0.55	6.78	0.000	0.45
Brand Visibility	Digital Marketing Adoption	0.48	5.89	0.000	0.41

#### Graphs:



**Figure 1: Adoption Levels by Strategy**

**Figure 2: Performance Outcomes by Adoption Level****Analysis:**

The demographic profile (Table 1) indicates a diverse sample, with 60% micro-enterprises and 40% small/medium enterprises, primarily from handicrafts (32%) and textiles (28%). Table 2 reveals that social media marketing is the most adopted strategy (80%, mean = 3.8), followed by content marketing (40%, mean = 2.5). SEO and email marketing show low adoption (32% and 24%, respectively), reflecting technical and knowledge barriers.



Cronbach's Alpha (Table 3) confirms scale reliability (all  $> 0.7$ ). The T-test (Table 4) shows significantly higher adoption among small/medium enterprises (mean = 3.2) compared to micro-enterprises (mean = 2.4,  $p < 0.001$ ), supporting the hypothesis that enterprise size influences adoption. Regression analysis (Table 5) confirms H1, H2, and H3, with digital marketing adoption positively impacting sales growth ( $\beta = 0.42$ ,  $p < 0.001$ ), customer engagement ( $\beta = 0.55$ ,  $p < 0.001$ ), and brand visibility ( $\beta = 0.48$ ,  $p < 0.001$ ). The  $R^2$  values (0.38–0.45) indicate moderate explanatory power. H4 is supported, as 70% of respondents cited lack of skills and high costs as barriers.

### **Discussion:**

The findings align with prior research indicating that digital marketing enhances SME performance (Abdul Rahim et al., 2024; Agyei et al., 2021). Social media's dominance in Jodhpur reflects its accessibility, as noted by Taiminen and Karjaluo (2015). However, low adoption of SEO and email marketing suggests a skill gap, consistent with Eller et al. (2020). The big discrepancy in adoption between micro and small/medium businesses shows that resources are not evenly distributed, which is a tendency seen in Assam (Ainin, 2015).

“Social media marketing significantly improves customer experience, with platforms like Instagram and Facebook fostering direct interaction” (Felix et al., 2017). Sales growth and brand visibility benefits are notable but less pronounced, possibly due to inconsistent strategy implementation. The barriers identified—skill shortages and costs—mirror challenges in other developing economies (Madurapperuma & Colombage, 2022). Jodhpur's SME ecosystem, rooted in traditional industries, may require tailored interventions to bridge the digital divide, unlike urban SMEs studied by Sharma (2021).

**Conclusion:**

This study confirms that digital marketing adoption among Jodhpur's SMEs is moderate, with social media leading but SEO and email marketing lagging. The strategies significantly enhance customer engagement, sales growth, and brand visibility, though effectiveness varies by enterprise size and sector. Barriers like skill deficits and costs hinder broader adoption, particularly for micro-enterprises. These findings contribute to the literature by providing region-specific insights into digital marketing's role in semi-urban SME growth. Policymakers and practitioners can leverage these results to design targeted interventions, fostering digital transformation in Rajasthan's SME landscape.

**Suggestions:**

To enhance digital marketing adoption, SMEs in Jodhpur should prioritize training programs focusing on SEO and email marketing, addressing the skill gap identified. Government and industry bodies could offer subsidized workshops, partnering with local universities or digital agencies. Financial incentives, such as grants for digital tool subscriptions, would alleviate cost barriers, particularly for micro-enterprises. Policymakers should develop digital infrastructure in semi-urban areas, ensuring reliable internet access. SMEs should adopt integrated strategies, combining social media with content marketing for maximum impact, as suggested by Nguyen et al. (2024). Regular performance monitoring using analytics tools can optimize ROI. Collaborative platforms, like digital marketing clusters, could facilitate knowledge sharing, as seen in other regions (Swan et al., 2019). These steps can empower Jodhpur's SMEs to compete in the digital economy.

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