

## Chapter 3

# MSME Owner/Manager Perceptions Towards the Adoption of E-Marketing Activities in India

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### ABSTRACT

*This chapter covers the MSMEs (micro, small, and medium enterprise) owners/managers' perceptions towards the adoption of e-marketing with respect to its importance and effectiveness for business success, implementation, barriers, future use, expenditure, and general awareness about the government e-marketing initiatives. Data was collected from 253 MSMEs located in states of Punjab, Haryana, and Himachal Pradesh in India. The authors observed that MSMEs perceive e-marketing as an important element in the success of their businesses. They feel that display advertising, social media marketing, and mobile marketing add more effectiveness to their business. They perceive that display advertising is effective for brand awareness, search engine marketing for lead generation, affiliate marketing for customer acquisition and increasing ROI, mobile marketing for better CRM, and search engine optimisation for generating web traffic. MSMEs indicated an increase in future expenditure on digital marketing activities. However, a large section of MSMEs were unaware of the government's e-marketing initiatives.*

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## **INTRODUCTION**

The evolution of the internet, communication and information technologies has led to significant change in all parts of business, out of which marketing function has been most affected (Eid & El-Gohary, 2013; Krishnamurthy & Singh, 2005). Business are exerting great efforts to harness the benefits of this e-revolution (Ramanathan, Ramanathan, & Hsiao, 2012) and there is great potential for Small and Medium Enterprise (SMEs) to capitalize on the perks of e-marketing and e-business to improve their overall business performance and contribute towards the economic development of their countries (Yousaf & Majid, 2016; Yousaf, Sahar, Majid, & Rafiq, 2018). Researchers argue that marketing and operations aspects of e-commerce bears strong impact on SME performance (Ramanathan et al., 2012). Infact SMEs cannot remain profitable or achieve competitiveness in the absence of technology adoption at the right market levels (Harvie, 2010; Lip-sam & Hock-Eam, 2011). However, researchers observed that SME owners and managers are sceptical and over cautious with respect to adoption and use of information technology (Maduku, Mpinganjira, & Duh, 2016). This problem is typical in developing countries where SMEs have latest hardware, software and appropriate technology but they merely use it for data storage and its elementary processing (Hakhu, Kiran, & Goyal, 2013). Current study has been undertaken in India, which has seen a tremendous growth in e-business within one decade (Kalia, 2016b, 2017; Kalia, Kaur, & Singh, 2017). Surprisingly, majority of Indian MSMEs do not have e-commerce portal website and very less number of MSMEs have online presence through domains, sub-domains and blogs (Business Standard, 2013), whereas past studies have highlighted that business websites are important interfaces (Kalia, 2016a, 2017, 2018; Kalia, Law, & Arora, 2017). Therefore, we designed current study to understand the MSMEs owners/managers' perception towards the adoption of e-marketing with respect to its importance and effectiveness for business success, implementation, barriers, future use, expenditure and general awareness about the government e-marketing initiatives. The chapter starts with primer on e-marketing and MSME followed by methodology, data analysis, findings, and conclusions.

## **LITERATURE REVIEW**

### **Importance and Effectiveness of E-Marketing**

A reasonable number of theoretical and conceptual studies have been carried out on E-marketing in SBEs. Kervenoael, Soopramanien, Elms, & Hallsworth (2006) emphasised on understanding of consumer value for online grocery purchases and advised "integrated service solution" packages for growth and sustainable marketing strategy and policy. Bui, Le, & Jones (2006) assessed the effectiveness of Web technology in promoting tourism. El-Gohary (2009) studied the effect of e-marketing on the marketing performance of Small Business Enterprise by making comparison between Egypt and the UK. Similarly, Eid & El-Gohary (2013) examined the impact of e-marketing (EM) use by SBEs on marketing success to develop a conceptual model of the consequences and antecedents of e-marketing use by SBEs. Study revealed that the use of EM tools has a positive influence on SBEs pre-sales activities, after-sales activities, marketing performance and marketing effectiveness. Yildiz, Bozkurt, Kalkan, & Ayci (2013) has also confirmed relationship between technological investments and innovation performance of firms. In Iran, Hanafizadeh, Behboudi, Ahadi, & Varkani (2012) noticed that factors like internet publishers, SMEs, government role, advertising agencies, user types and e-commerce development have significant

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