

# Assessing the Potential and Adoption of Digital Marketing among Small and Medium Enterprises in Akola

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**Abstract:** Digital marketing has become a valuable tool for business growth, customer engagement, and market expansion. However, many Small and Medium Enterprises (SMEs) in district-level markets such as Akola have not fully adopted digital marketing because of limited awareness, financial constraints, and lack of technical skills. This study examines the potential and adoption of digital marketing among SMEs in Akola district.

The objectives of the study were to assess the level of digital marketing adoption, identify factors influencing adoption and non-adoption, examine its impact on business performance, and analyse the challenges faced by SMEs.

The study is based on a descriptive research design. Primary data was collected through a structured questionnaire using Google Forms from 50 SME owners, managers, and decision-makers in Akola district through convenience sampling.

The data was analysed using percentage analysis and Chi-Square Test of Independence. The findings revealed a significant relationship between awareness of digital marketing and its adoption among SMEs ( $\chi^2 = 15.91$ ,  $p < 0.05$ ). The study concludes that digital marketing has strong growth potential among SMEs in Akola with better awareness, training, and support.

**Keywords:** Digital Marketing, SMEs, Adoption, Awareness, Akola, Business Growth

## I. INTRODUCTION

Small and Medium Enterprises (SMEs) are an important part of economic development as they create employment opportunities, encourage entrepreneurship, and support local markets. In India, SMEs make a valuable contribution to production, exports, and regional growth.

In the present business environment, digital marketing has become a useful method for promoting products and services through websites, social media, search engines, email, and online advertisements. It helps businesses reach more customers, reduce promotional cost, improve communication, and measure results effectively. For SMEs, digital marketing offers an opportunity to compete with larger businesses in a cost-efficient manner.

However, many SMEs, especially in district-level areas such as Akola, still depend mainly on traditional marketing practices. Limited awareness, shortage of financial resources, lack of technical skills, and inadequate digital infrastructure often reduce the use of digital marketing tools. As a result, the benefits of digital marketing are not fully utilised by many SMEs.

Therefore, the present study focuses on assessing the potential and adoption of digital marketing among SMEs in Akola district. It examines the level of adoption, factors influencing usage and non-usage, impact on business performance and customer engagement, and the challenges faced in implementation.



### **SCOPE OF THE STUDY**

The study is limited to Small and Medium Enterprises (SMEs) operating in Akola district. It focuses on analysing the awareness, adoption level, benefits, and challenges of digital marketing among selected SMEs. The study is based on responses collected from business owners, managers, and decision-makers through an online questionnaire.

### **II. REVIEW OF LITERATURE**

Digital marketing has become an important tool for business growth, customer engagement, and market expansion. **Patil et al. (2022)** found that digital marketing improves visibility, customer reach, and growth opportunities for SMEs. Similarly, **Sharabati et al. (2024)** reported that digital marketing positively affects SME performance and sustainability.

The adoption of digital marketing among SMEs depends on awareness, resources, and managerial support. **Coman et al. (2019)** observed that many SMEs begin with basic tools such as social media pages and websites. **Gupta and Rani (2025)** stated that lack of awareness, financial constraints, and shortage of technical skills are major barriers to adoption.

Several studies highlighted the benefits of digital marketing. **Singh (2025)** noted that digital platforms help SMEs expand market reach, strengthen brand image, and compete at lower cost. **Bruce et al. (2023)** found that digital marketing adoption supports sustainable growth and customer acquisition.

Technology adoption also depends on infrastructure and organizational readiness. **Shahadat et al. (2023)** reported that technological, environmental, and organizational factors influence digital adoption among SMEs. **Varma (2021)** concluded that digital marketing positively affects consumer behaviour and business growth.

Overall, previous studies show that digital marketing offers significant opportunities for SMEs, but adoption is still limited due to awareness gaps, financial limitations, and infrastructural challenges. Limited district-level studies in Akola create the need for the present research.

### **RESEARCH GAP**

Most previous studies focus on metro cities and large businesses. Limited studies are available on digital marketing adoption among SMEs in district-level markets such as Akola. Therefore, this study attempts to fill the gap by analysing awareness, adoption, opportunities, and challenges among SMEs in Akola district.

### **III. RESEARCH METHODOLOGY**

#### **Research Design**

The present study is based on a descriptive research design. It aims to analyse the potential and adoption of digital marketing among SMEs in Akola district.

#### **Research Objective**

To assess the current level of digital marketing adoption among SMEs in Akola.

To identify the key factors influencing the adoption and non-adoption of digital marketing tools.

#### **Sources of Data**

The study is based on both primary data and secondary data.

Primary Data: Collected through a structured questionnaire using Google Forms.

Secondary Data: Collected from research papers, journals, books, websites, and government reports.

#### **Target Population**

The target population of the study consists of SME Retailers, Service providers (e.g. salons, repair shops, coaching classes) and Wholesale traders, and Agriculture-based business, managers and entrepreneurs that have direct influence on the decision of adopting digital marketing.

#### **Sample Size**

A total of 50 valid responses were collected from SMEs in Akola district for the purpose of analysis.



**Sampling Technique**

Convenience sampling method was used.

**Tools for Data Analysis**

Chi-Square Test

Tabular Presentation

**Statement of Hypothesis**

H<sub>0</sub> (Null Hypothesis):

There is no significant relationship between awareness of digital marketing and its adoption by SMEs in Akola.

H<sub>1</sub> (Alternative Hypothesis):

There is a significant relationship between awareness of digital marketing and its adoption by SMEs in Akola.

**IV. DATA ANALYSIS**

Variables Used for Testing

The hypothesis was tested using responses from the following questionnaire items:

Q6) Awareness Variable:	Are you aware of digital marketing tools and platforms? (Yes/No)
Q7) Adoption Variable:	Does your business currently use digital marketing? (Yes/No)

Table 4.1: Variables used for Testing

Since both variables are categorical in nature, the Chi-Square Test of Independence was applied.

**Observed Frequency Table**

Awareness of Digital Marketing	Adoption: Yes	Adoption: No	Total
Yes	28	12	40
No	0	10	10
Total	28	22	50

Table 4.2: Observed Frequency Table

**Expected Frequency Table**

Formula:

Expected = (Row Total × Column Total) / Grand Total

Awareness of Digital Marketing	Adoption: Yes	Adoption: No
Yes	22.40	17.60
No	5.60	4.40

Table 4.3: Expected Frequency Table

**Calculation of Chi-Square Value**

Awareness of Digital Marketing	Adoption: Yes	Adoption: No	Total
Yes	28	12	40
No	0	10	10
Total	28	22	50

Table 4.4: Observed Frequency Table

**Frequency Table**

Formula:  $\chi^2 = \sum \frac{(O-E)^2}{E}$

O = Observed frequency



E = Expected frequency

Chi-Square value:  $\chi^2 = 15.91$

Degrees of Freedom  $df = (r - 1)(c - 1)$

r = number of rows = 2

c = number of columns = 2

$df = (2-1)(2-1) = 1$

#### Level of Significance

The test was conducted at 5% significance level ( $\alpha = 0.05$ ).

Calculated p-value = 0.000066

Critical Chi-Square value at  $df = 1$  and  $\alpha = 0.05 = 3.841$

Decision Rule

Chi-Square value (15.91) > Table value (3.841)

p-value (0.000066) < 0.05

#### Hypothesis Testing Result

Hypothesis	Statement	Result
H <sub>0</sub>	There is no significant relationship between awareness of digital marketing and its adoption by SMEs in Akola.	Rejected
H <sub>1</sub>	There is a significant relationship between awareness of digital marketing and its adoption by SMEs in Akola.	Accepted

Table 4.5: Hypothesis Testing Result

#### DATA INTERPRETATION

The analysis clearly indicates that there is a statistically significant relationship between awareness of digital marketing and its adoption among SMEs in Akola.

SMEs that are aware of digital marketing tools are significantly more likely to adopt digital marketing practices. On the other hand, respondents with low or no awareness showed very low adoption levels.

This finding highlights that awareness is a key determinant of digital marketing adoption among SMEs.

The result suggests that increasing awareness through: training programs, workshops, awareness campaigns, digital literacy initiatives can improve digital marketing adoption among SMEs in Akola.

#### V. CONCLUSION

The present study examined the potential and adoption of digital marketing among SMEs in Akola District. The findings show that digital marketing is an important tool for improving market reach, customer engagement, and business competitiveness. Many SMEs are aware of digital Marketing and use platforms such as social media, WhatsApp, and online promotional tools.

The Chi-Square Test showed a significant relationship between awareness of digital marketing and its adoption among SMEs ( $\chi^2 = 15.91$ ,  $p < 0.05$ ). Therefore, the null hypothesis was rejected and the alternative hypothesis was accepted. This indicates that higher awareness leads to greater adoption.

The study also found that digital marketing improves brand visibility and growth opportunities, while lack of skills, finance, and digital knowledge remain key barriers. Overall, digital marketing has strong future potential for SMEs in Akola district.



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