

Chapter 11

Digital Marketing and the Sustainable Performance of Small and Medium Enterprises

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ABSTRACT

Contemporary marketing innovation embraces digital platforms, and irrespective of where SMEs operate, they are confronted with highly volatile, competitive, and dynamic market conditions. Research shows businesses cannot become profitable and competitive without implementing appropriate digital marketing strategies. By utilizing digital tools, SMEs can identify, engage, market, and successfully sustain consumer relationships. Therefore, the chapter analyzes literature to identify the various digital marketing strategies SMEs can adopt, the benefits they stand to gain, and the potential direct and indirect effects on SME performance.

INTRODUCTION

Digital marketing describes a component of marketing that promotes products and services through the usage of internet and online-based digital technology like desktops and laptops, smart phones, along with other digital media and platforms (Denga et al.,2022). Its emergence in the 1990s and 2000s revolutionized the approach businesses and brands utilize technology effectively for marketing. People are increasingly adopting digital devices over physical locations as digital platforms have become highly interwoven into marketing strategies and day-to-day living. (Leeflang et al.,2014). The digitalization of marketing has been accelerated with technological advancements in recent times as marketing has attained a phase in its evolution where it is imperative it adapt to digital trends. The introduction of digital technology

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has significantly altered human existence and amplifies new perspective in consumption patterns, have significant implications for products and brands. Consumers are devoting greater time on the internet than ever before. They exploit web services for surfing the web, storing, and playing music, emailing, connect directly to media platforms such as Twitter, Facebook, and applications with linked devices such as smart phones, tablets and laptops thus reshaping the manner the internet is being utilized (Alghizzawi, 2019a). Consumer behavior nowadays appears to be typified by the proverb, “If a firm cannot be found in Google, it does not exist.” It is obvious that leveraging digital platforms is pivotal for businesses, and a measure SMEs must adopt to stay ahead of competition and expand (Le et al.,2021). Firms can reach a broader demographic with digital marketing than they could with traditional techniques, in addition to targeting prospects who are more inclined to purchase their service or product (Denga et al.,2022a). It is generally less expensive than traditional marketing and allows firms to track progress on a regular basis and adjust as appropriate. In today’s Internet-driven society, digital marketing has become a priority, with over 3 billion Users around the globe, it appears having a website is a no-brainer for any business looking to be successful, grow, and raise income (Hofacker et al.,2020) To compete in today’s rapidly dynamic environment, both large and small businesses require information. The Internet’s proliferation has opened up a broad arena, offering firms, especially small and medium-sized organizations (SMEs), more opportunity to offer their products and services to a global consumer base than they could have reached through conventional approaches.

SMEs assume the internet world is out of their reach; perhaps they believe it is too expensive, or that reaching their target market is unattainable. The Internet has become an indispensable part of most people’s lives, and shoppers are increasingly accustomed to researching products online and on social media before making purchases (Denga et al.,2022b). As a result, SMEs that employ digital marketing to promote their services or products have a significant competitive edge. Although implementing digital marketing tactics for SMEs can be difficult, it is worth the effort. These strategies, when implemented correctly, possess the ability to produce beneficial short- and long-term impacts. Firms’ pools of potential customers grew significantly, and their influence much exceeded that of the analog era because of the advent of digitalization. Traditional marketing tactics, such as print and billboards, have taken a backseat as SMEs marketing strategies have evolved. SMEs are an important element of the global economy, research suggests that digitization in many forms is associated with small business growth, performance, and competitiveness as they leverage digital marketing to acquire prospective consumers and communicate effectively with existing ones. Thus, digital marketing is critical to the growth of SMEs as it aids them in increasing sales, revenue, and overall growth, as well as convert their audience into customers and generate additional revenue by selling their products or services.

BACKGROUND OF THE STUDY

Marketing is a vital component that affects a firm’s performance and competitiveness (Sadiku-Dushi et al., 2019). In a marketing strategy, digital tools like the Internet, mobile devices, and social media exert a significant role. Businesses employ digital marketing tools like social media to enhance their performance, boost profitability, and achieve a competitive edge. Leveraging digital platforms is essential for expansion. However, a well-executed strategy is vital for digital marketing to be successful (Negoiță et al., 2018). The success of a business depends on its marketing expertise (Bacon & Schneider, 2019). Many small business owners, however, lack the marketing expertise that professional marketers possess

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