

A STUDY ON DIGITAL MARKETING STRATEGIES TOWARDS GROWTH & SUSTAINABILITY OF SME'S IN BANGALORE

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Abstract

Small and Medium Enterprises (SMEs) play a crucial role in economic development by generating employment opportunities, encouraging innovation, and supporting balanced regional growth. In the digital era, the adoption of digital marketing strategies has become an essential factor in enhancing the competitiveness and long-term sustainability of SMEs. Digital marketing tools such as social media marketing, search engine optimization (SEO), online advertising, and content marketing enable SMEs to reach wider markets, improve customer engagement, and build strong brand visibility at comparatively lower costs than traditional marketing approaches.

Empirical evidence indicates that SMEs adopting digital marketing practices often experience expansion in their customer base, improved sales performance, and better returns on investment. Digital transformation also enhances organizational efficiency, market presence, and customer interaction, acting as a vital link between marketing strategies and overall business performance. In India, the rapid growth of digital technologies, including smartphones, cloud computing, and online platforms, has accelerated the digitalization of SMEs, allowing many firms to improve operational agility and explore new growth opportunities. Studies further highlight that a considerable number of small businesses report increased income and efficiency after integrating digital tools, reflecting a shift toward digitally enabled business models.

Despite these benefits, SMEs face several challenges, including limited financial resources, inadequate technical expertise, and difficulties in evaluating the effectiveness of digital marketing initiatives. Therefore, a strategic and customized approach is essential for SMEs to fully leverage digital marketing for sustainable growth.

Keywords

Digital Marketing, Small and Medium Enterprises (SMEs), Sustainability, Social Media Marketing

1. Introduction

Small and Medium Enterprises form the backbone of the Bengaluru economy. They do a lot to help people get jobs. They also help the region develop. Small and Medium Enterprises are very important for innovation tool. The problem is that the marketplace is very competitive now, and it is all about using computers and the internet. So, just doing business the way is not enough if Small and

Medium Enterprises want to keep growing and be successful in the long run. That is why digital marketing is so useful for Medium Enterprises. It helps them get their products to customers and build strong relationships with them. Digital marketing also helps Small and Medium Enterprises strengthen their businesses so they can weather times.

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Bengaluru is known as India's Silicon Valley. This city has a lot of medium enterprises or SMEs for short that work with big technology companies, new start-ups, and places where people come up with new ideas. This is an interesting place to be. SMEs in Bengaluru have good and bad things happening to them. Digital platforms are a thing for SMEs because they are cheap and help them get their name out there, find new customers, and sell their products in more places. SMEs also have some problems. They do not have a lot of money or people who know about technology. They have to keep up with what is new and popular on the internet all the time, which is hard to do.

Digital marketing strategies ranging from social media campaigns, search engine optimization (SEO), content marketing, and e-commerce integration are increasingly recognized as drivers of competitive advantage and sustainable innovation. By leveraging these tools, SMEs can not only achieve short-term growth but also embed sustainability into their operations through efficient resource utilization, eco-friendly practices, and inclusive stakeholder engagement. Recent studies highlight that SMEs adopting digital marketing are better positioned to withstand market disruptions, enhance customer loyalty, and align with global sustainability goals.

Small and Medium Enterprises in Bengaluru are also using digital marketing to understand customer needs and market trends more effectively. Through online tools such as data analytics, customer feedback systems, and website tracking, SMEs can collect valuable information about consumer behaviour. This helps them make better business decisions, improve product quality, and provide personalized services to customers.

2. Literature Review

Raihan, (2024), examined the digitalization of small and medium enterprises (SMEs) and its contribution to sustainability. The study highlights how digital technologies improve operational efficiency, environmental performance, and long-term business growth. It emphasizes that digital

transformation supports sustainable development by reducing costs, improving productivity, and enhancing competitive advantage among SMEs.

Jadhav, Gaikwad, and Bapat, (2023), conducted a systematic literature review on digital marketing and its impact on SMEs. The study concluded that digital marketing improves business performance, customer reach, and operational efficiency, making it a key driver of SME development.

Guru and Asifulla, (2023), investigated the impact of digital marketing practices on business performance and sustainability. Their research indicates that effective digital marketing strategies enhance customer reach, improve brand awareness, and support sustainable business growth. The study concludes that digital marketing is essential for improving both financial performance and long-term sustainability.

Bruce et al. (2023), examined the effect of digital marketing adoption on the sustainable growth of SMEs in Ghana. The study found that digital marketing positively influences business expansion, market competitiveness, and long-term sustainability. The research emphasizes that SMEs adopting digital technologies experience higher growth and operational efficiency.

Risdwiyanto, Sulaeman, and Rachman, (2023), focused on sustainable digital marketing strategies for long-term growth of MSMEs. The research suggests that strategic use of digital marketing improves customer relationships, business performance, and sustainable development.

Gregurec, Tomičić Furjan, and Tomičić-Pupek, (2021), studied the impact of COVID-19 on sustainable business models in SMEs. The findings reveal that the pandemic accelerated digital transformation and forced SMEs to adopt digital platforms to maintain operations. The study highlights that digital technologies help SMEs build resilience and sustainable business practices.

Nuseir and Aljumah, (2020), analysed the role of digital marketing in improving business performance among SMEs in the UAE. The study found that digital marketing tools such as social media and online advertising significantly influence financial performance, while environmental factors moderate

this relationship. The research shows that digital marketing adoption leads to higher customer engagement and business growth.

Dumitriu et al. (2019), provided insights into how SMEs manage brand equity, growth, and sustainability through digital marketing tools. The study explains that modern digital marketing techniques help firms strengthen brand image, increase customer loyalty, and achieve sustainable development goals.

3. Research Methodology

This study looks at how digital marketing strategies affect the growth and sustainability of Medium Enterprises in Bengaluru. It uses an approach to collect numbers and facts from the owners and managers of these Small and Medium Enterprises. The goal is to see how digital marketing strategies are connected to how the businesses do. The study starts with some ideas based on what other people have found out and then it tests these ideas using real data from the Small and Medium Enterprises.

4. Scope of the Study

The scope of this study is limited to analyzing the role of digital marketing strategies in promoting the growth and sustainability of Small and Medium Enterprises (SMEs) in Bangalore. It focuses on understanding the extent to which SMEs adopt digital marketing tools such as social media, search engine optimization, and online advertising, and how these practices influence market reach, customer engagement, sales performance, and competitive advantage. The study covers enterprises from various sectors, including service, manufacturing, and trading, while also examining factors such as business size, years of operation, and workforce strength. Additionally, it explores the challenges faced by SMEs, such as limited resources, lack of technical expertise, and data privacy concerns, in effectively utilizing digital platforms. Overall, the research aims to provide insights into how SMEs can strategically use digital marketing to achieve long-term sustainability within the selected geographical area.

5. Need for the Study

Small and Medium Enterprises (SMEs) in Bengaluru play a vital role in economic growth, employment generation, and innovation. However, in the digital era, traditional business methods are no longer sufficient to remain competitive. Many SMEs face challenges such as limited resources, manpower, and technical expertise, which make it difficult to reach wider markets and engage customers effectively. Digital marketing offers a cost-effective and scalable solution that helps SMEs expand their reach, strengthen customer relationships, and enhance brand recognition. Therefore, it is important to study how digital marketing strategies contribute to both the short-term growth and long-term sustainability of SMEs while identifying the challenges and opportunities in their implementation.

6. Objectives

- To identify the major digital marketing strategies adopted by SMEs (social media, SEO, email marketing, online advertising, etc.).
- To examine the role of digital marketing in improving the long-term sustainability and competitiveness of SMEs.
- To understand the challenges faced by SMEs while implementing digital marketing strategies.

7. Limitations

- The study is limited to SMEs operating in Bengaluru, so the findings may not be generalizable to SMEs in other regions.
- Data is collected through surveys and interviews, which may include respondent bias or incomplete information.
- Time and financial constraints prevented analysis of the long-term impact of digital marketing strategies on SME growth and sustainability.

8. Research Design

The study looks at how digital marketing strategies affect the growth and survival of medium-sized businesses. It uses numbers and facts from owners, managers, and marketing people at these businesses. The study first comes up with ideas based on what other people have found out. Then it tests these ideas using the data it has collected. It uses tools to see how digital marketing strategies are related to how well a business does. The study uses marketing strategies and business performance to see what patterns and trends it can find. Digital marketing strategies are very important to the study because it wants to know how they help small and medium-sized businesses grow and survive. This design ensures systematic data collection, objective analysis, and reliable conclusions regarding the effectiveness of digital marketing in SMEs.

8.1 Data collection

Data for the study is collected through a combination of primary and secondary sources. Primary data is gathered via structured questionnaires and interviews with SME owners, managers, and marketing professionals, focusing on the digital marketing strategies they employ and the outcomes achieved. Secondary data is collected from academic journals, research reports, government publications, and credible online databases to support the findings and provide context. This mixed approach ensures that the study captures both practical insights from the field and theoretical understanding from existing research.

8.2 Sampling Techniques

The study uses a combination of probability and non-probability sampling techniques to select medium-sized enterprises for the survey. This study is looking at Medium Enterprises from different

industries like retail, IT services, and manufacturing. It also looks at hospitality and e-commerce. The study wants to make sure it has Small and Medium Enterprises from all these industries. So, it uses sampling. In some cases, the study cannot get a list of Small and Medium Enterprises. Then it uses convenience or purposive sampling to include medium-sized enterprises that are using digital marketing strategies.

This way, the study can still look at Small and Medium Enterprises that are active in digital marketing. This ensures that the sample reflects the diversity of SMEs in Bengaluru and captures meaningful insights into their digital marketing practices.

8.3 Sampling Methods

The study uses a combination of probability and non-probability approaches. Simple random sampling is used where SMEs can be randomly selected from available databases to reduce selection bias. Stratified sampling ensures that SMEs of varying sizes, sectors, and digital adoption levels are represented proportionally. Purposive sampling is also applied to focus on SMEs known to actively implement digital marketing tools, ensuring that respondents have relevant experience. The combination of these methods provides a balanced and representative sample for accurate and reliable analysis.

8.4 Tool for Data Analysis

In this research, the study focus on weather “Digital marketing has increased market reach” and “Digital marketing enhances competitive position in the market” are treated as two related constructs. The study aims to examine whether improvement in market reach is associated with a stronger competitive position among SMEs.

9. Data Analysis & Interpretation

Table 1. Descriptive Analysis

Demographic Variable	Category	Frequency	Percentage (%)
Gender	Male	52	65%
	Female	28	35%
Age Group	Below 20 years	15	19%
	21–30 years	55	69%

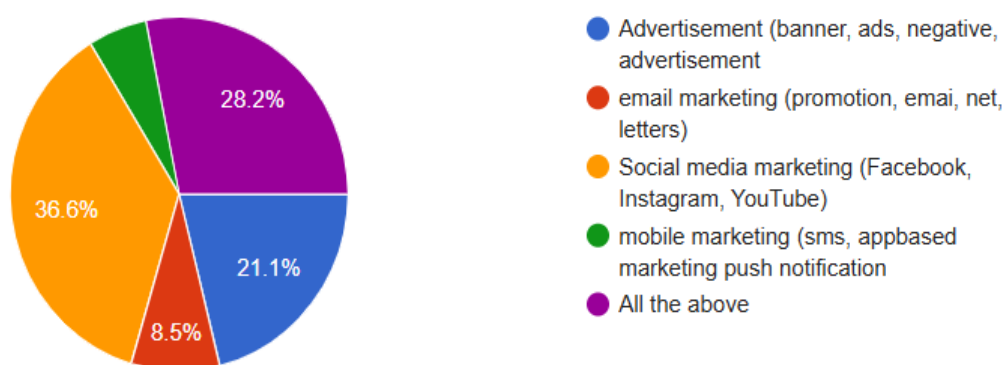
	31–40 years	5	6%
	41–50 years	5	6%
Type of Enterprise	Micro Enterprise	60	75%
	Small Enterprise	12	15%
	Medium Enterprise	8	10%
Place of Enterprise	Rural area	32	40%
	Urban area	30	38%
	Semi-urban area	10	12%
	Metropolitan city	8	10%
Nature of Business	Service	25	31%
	Manufacturing	22	28%
	Trading	15	19%
	Others	18	22%
Years of Operation	Less than 3 years	45	56%
	3–5 years	25	31%
	6–10 years	8	10%
	More than 10 years	2	3%
Number of Employees	Less than 10 employees	48	60%
	10–19 employees	18	23%
	20–49 employees	10	12%
	More than 50 employees	4	5%

Source: Primary Data

The demographic profile shows that most respondents are male (65%), while females make up 35%. A large number of participants are in the 21–30 years age group (69%), indicating that SME ownership is mainly driven by young entrepreneurs, with very few above 40 years. Most businesses are micro enterprises (75%), followed by small (15%) and medium (10%), showing that the sector is dominated by small-scale operations. Enterprises are located across rural (40%) and urban (38%) areas, with fewer in semi-urban and metropolitan regions,

reflecting a balanced distribution. In terms of business activity, services (31%) and manufacturing (28%) are the leading sectors, along with trading and other activities. Many enterprises are newly established, as (56%) have been operating for less than three years, and most employ fewer than 10 people (60%). Overall, the findings indicate that SMEs are young, small, and service-oriented businesses with strong growth potential but still facing challenges in achieving long-term sustainability.

Chart 01. Digital Marketing Has Increased Our Market Reach

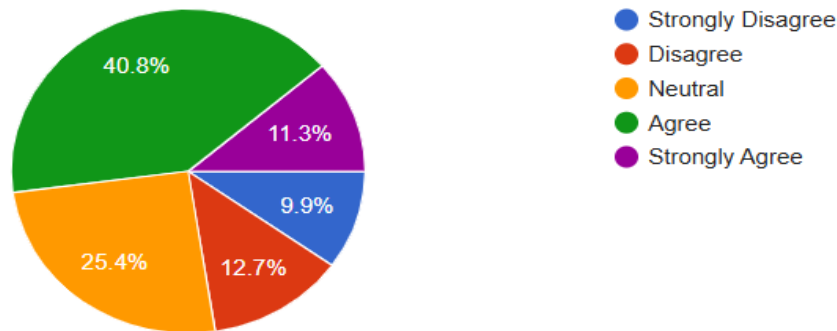


Source: Primary Data

The findings show that social media marketing is the most effective channel for expanding market reach (36.6%), while (28.2%) of respondents believe that all digital channels contribute collectively. Online advertisements also play an

important role (21.1%), whereas email (8.5%) and mobile marketing (5.6%) are used less frequently. This indicates that businesses mainly rely on social media and multi-channel strategies, while email and mobile marketing remain underutilized.

Chart 02. Digital Marketing Helps in Building Long-Term Relationships With Customers

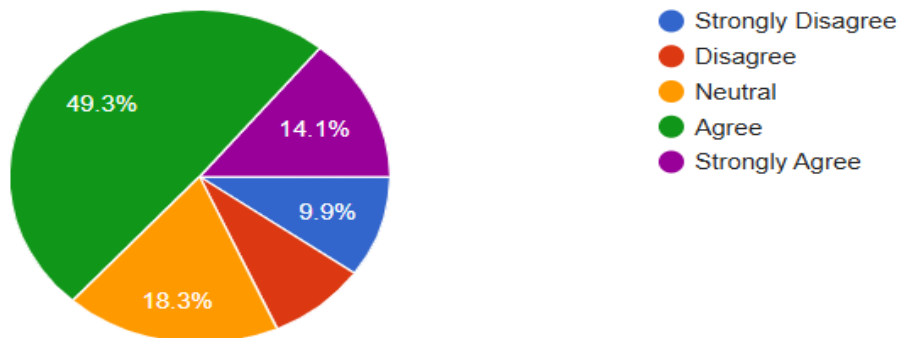


Source: Primary Data

A slight majority of respondents (52.1%) believe that digital marketing helps build long-term customer relationships, while (25.4%) remain neutral and (22.6%) disagree. This shows that digital channels are generally considered useful for relationship

building, but differences in adoption and effectiveness suggest a need for better personalization, consistent engagement, and improved use of CRM and performance measurement.

Chart 03. Our Sales And Revenue Have Improved Due to Digital Marketing Activities

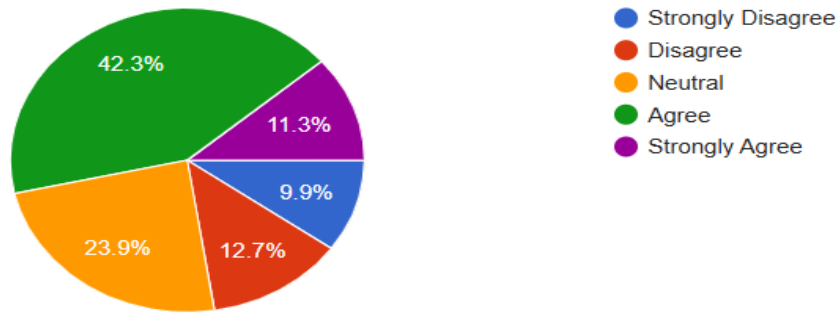


Source: Primary Data

A majority of respondents (63.4%) report that digital marketing has improved their sales and revenue, while (18.3%) are neutral and (18.2%) do not see any improvement. This indicates that most

organizations perceive a positive financial impact from digital marketing, although some remain uncertain due to differences in implementation and effectiveness.

Chart 04. Digital Marketing Enhances Our Competitive Position in the Market

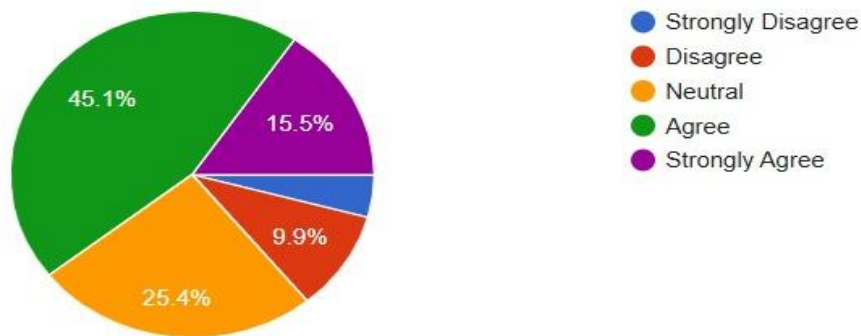


Source: Primary Data

A majority of respondents (53.6%) believe that digital marketing enhances their competitive position, while (23.9%) are neutral and (22.6%) disagree. This suggests that digital marketing is seen as

a competitive advantage by many, though some organizations remain uncertain due to differences in implementation and resource availability.

Chart 05. Digital Marketing Contributes to the Long-Term Sustainability of Our Enterprise

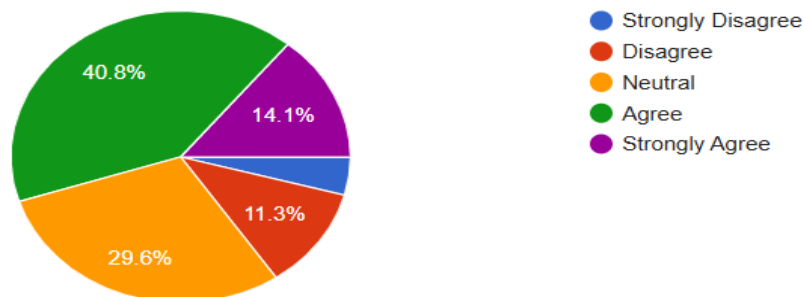


Source: Primary Data

A majority of respondents (60.6%) believe that digital marketing contributes to the long-term sustainability of their enterprises, while (25.4%) are neutral and (13.4%) disagree. This shows an overall

positive perception of its strategic value, though some uncertainty remains due to differences in implementation and performance measurement

Chart 06. Data Privacy and Security Concerns Restrict the Use of Digital Marketing



Source: Primary Data

A majority of respondents (54.9%) feel that data privacy and security concerns restrict their use of digital marketing, while (29.6%) are neutral and (15.5%) do not see it as a barrier. This indicates that privacy and security issues are significant challenges, and improving compliance, data policies, and protection measures can help businesses adopt digital marketing more effectively.

10. Finding

- The majority of respondents (69%) belong to the 21–30 years age group, indicating that SMEs are largely led by young entrepreneurs. This reflects increasing youth participation in business creation and digital adoption.
- About (75%) of the surveyed businesses are micro enterprises, while only (10%) are medium enterprises. This confirms that the SME ecosystem is primarily composed of small-scale units with limited resources and workforce.
- Enterprises are fairly distributed across rural (40%) and urban (38%) areas, showing that entrepreneurial activity is not confined to cities and that digital tools are enabling business growth even in non-metropolitan regions.
- Service-based enterprises (31%) form the largest segment, followed by manufacturing (28%), trading (19%), and others (22%). This highlights the growing importance of service-oriented and digitally enabled business models.
- More than half of the enterprises (56%) have been operating for less than three years, indicating that many SMEs are still in their formative stage and require support for long-term sustainability.
- Social media marketing is identified as the most effective channel (36.6%) for increasing market reach, and many respondents (28.2%) believe a combination of digital channels works best.
- Over half of the respondents (52.1%) agree that digital marketing helps build long-term customer relationships, though a notable

portion remains neutral, indicating uneven adoption of relationship-management strategies.

- A strong majority (63.4%) report increased sales and revenue due to digital marketing activities, demonstrating its tangible financial benefits for SMEs.
- About (53.6%) believe digital marketing strengthens their competitive position, suggesting that online presence and promotion are becoming essential for market survival.
- Around (60.6%) agree that digital marketing supports long-term business sustainability, indicating its strategic role beyond short-term promotion.
- More than half of respondents (54.9%) feel that data privacy and security concerns restrict their use of digital marketing, highlighting the need for better awareness, compliance measures, and secure digital practices.

11. Conclusion

The study concludes that digital marketing plays a significant role in improving the long-term sustainability and competitiveness of SMEs. Most respondents reported increased sales, better customer relationships, and stronger market positions due to digital marketing activities, especially through social media platforms. The findings also show that younger entrepreneurs and micro enterprises dominate the SME sector, with growing adoption of digital tools across both rural and urban areas. Overall, digital marketing has become an essential strategic tool for the growth and survival of SMEs, though challenges such as data privacy concerns still need to be addressed.

12. Suggestions

- SME owners should receive practical training on social media marketing, online advertising, and analytics to improve effective usage of digital platforms.
- Businesses should combine social media, email, and online advertisements to reach a

wider audience instead of depending on a single platform.

- Implement secure systems and clear data policies to protect customer information and build trust in digital transactions.
- Maintain regular communication, personalized offers, and feedback systems to build long-term customer relationships.
- SMEs should track key metrics like engagement, sales conversion, and return on investment to improve strategies and ensure sustainable growth.

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