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A Study on the Role of Digital Marketing on Economic Growth of the Country with Special Reference to Domestic Companies in Madhya Pradesh

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Abstract

Digital marketing has emerged as an important instrument for business development and economic growth by transforming traditional marketing practices into technology-driven business operations. The present study examines the role of digital marketing and its impact on the economic growth of the country, with special reference to domestic companies in Madhya Pradesh. The study focuses on companies implementing digital marketing practices across various business sectors. Primary data have been collected from 123 respondents associated with these organisations in Bhopal and Indore. The research evaluates digital marketing's contribution to market expansion, sales performance, employment generation, customer engagement and business competitiveness. A quantitative research approach and random stratified sampling technique have been adopted. ANOVA is applied to test the formulated hypotheses. The findings indicate significant relationships between digital marketing practices and business development.

Keywords: Digital Marketing, Economic Growth, Domestic Companies, Business Development, Market Expansion, Employment Generation, Digital Transformation, Madhya Pradesh

1. Background of the Study

Digital marketing has become an essential component of modern business operations, providing organisations with opportunities to promote products and services through digital platforms. The increasing use of the internet, social media, search engines, e-commerce and mobile applications has transformed the marketing environment and created new avenues for economic development. Digital marketing enables domestic companies to expand their market reach, improve customer relationships, increase sales and strengthen their competitive position. Its contribution extends beyond individual business performance through employment generation, entrepreneurship development, technological innovation and increased commercial activities. In India, digital transformation has encouraged businesses across manufacturing, retail, education, healthcare, financial services and other sectors to adopt innovative marketing strategies. Madhya Pradesh, particularly Bhopal and Indore, provides an

important setting for examining these developments. Therefore, the present study investigates how digital marketing practices adopted by domestic companies contribute to business performance and the broader economic growth of the country.

2. Review of Literature

The review of literature examines previous research on digital marketing adoption, business performance, customer engagement, market expansion and the contribution of digital technologies to organisational development. The following studies provide the theoretical and empirical foundation for the present investigation.

Tandur, Garg and Rahman (2020), examined the adoption of digital marketing and its influence on the business performance of small and medium-sized enterprises in India. The study highlighted that digital marketing provides opportunities for small businesses to improve their online presence, reach a wider customer base and develop brand recognition. The authors also identified limitations relating to technological awareness and the adoption of digital platforms. The study established the importance of digital marketing as a business development instrument in the Indian SME sector.

Chatterjee and Kar (2020), Chatterjee and Kar (2020) investigated the factors influencing social media marketing adoption among Indian small and medium enterprises. Their research indicated that compatibility, perceived usefulness, affordability and ease of use influence the adoption of social media marketing. The findings suggested that social media platforms improve business performance by increasing sales, strengthening customer relationships and expanding market reach. The study provides important evidence regarding the contribution of digital marketing to the development of domestic enterprises.

Floris and Dettori (2020),studied the relationship between social media adoption and business performance among small and medium-sized enterprises. The research highlighted the importance of social media as a marketing communication instrument that supports business opportunities, information sharing and market positioning. The authors observed that effective social media utilisation can improve organisational competitiveness and facilitate stronger customer relationships. Their findings emphasised the strategic importance of digital communication for small businesses.

Alraja et al. (2020), examined the influence of Facebook commerce on the organisational performance of small and medium enterprises. The study focused on advertising, customer interaction, demographic targeting and brand awareness. It explained that social media-based commercial activities can improve organisational efficiency, flexibility and responsiveness. The research demonstrated that social media marketing is not merely a promotional activity but also an important mechanism for improving business performance and market competitiveness.

Qalati et al. (2021),investigated the relationship between social media adoption and SME performance in developing countries. The study examined technological, organisational and environmental factors influencing social media adoption. The findings revealed that social media adoption positively influences the performance of small and medium enterprises. The research also highlighted the

importance of digital communication in improving organisational competitiveness and business operations. It provides a useful foundation for understanding the contribution of digital marketing to economic development.

Qalati et al. (2021), In another study) examined the mediating role of social media adoption in the relationship between organisational factors and SME performance. The researchers found that social media platforms facilitate communication with stakeholders and provide businesses with cost-effective promotional opportunities. The findings indicated that digital adoption strengthens business performance by improving access to market information and facilitating customer engagement. The study supports the argument that digital marketing can contribute to sustainable business development.

Samat et al. (2020) investigated the mediating effect of social media marketing adoption on business performance. The study explained how the adoption of social media marketing can strengthen organisational performance by facilitating communication, customer interaction and competitive intelligence. It highlighted that businesses using digital platforms can improve their promotional capabilities and respond more effectively to changing market conditions. The study provides relevant insights into the relationship between digital marketing and business development.

Samat et al. (2021) examined social media as a promotional instrument for SME development, particularly in the financial industry of a developing economy. The research established that social media advertising significantly influences financial performance, business motivation, customer attraction and market share. The study emphasised the role of digital promotional activities in strengthening the market position of enterprises and supporting their development. Its findings are relevant to understanding how digital marketing contributes to economic activities.

Basri (2020) investigated the impact of artificial intelligence-assisted social media marketing on the performance of small and medium enterprises in Saudi Arabia. The study highlighted the importance of intelligent digital technologies in improving promotional effectiveness and business management. It explained that artificial intelligence can facilitate targeted marketing, improve customer interaction and support business decision-making. The research indicates that the integration of advanced digital technologies into marketing practices can strengthen organisational performance.

Jadhav et al. (2023) conducted a systematic literature review examining digital marketing practices and their impact on SMEs. Although this study falls outside the requested 2020–2022 period, it provides useful subsequent evidence. The researchers reviewed digital marketing adoption and its organisational implications, observing that the impact of digital marketing differs across enterprises and depends on the strategies and resources available to them. This study reinforces the need to examine digital marketing practices across different business sectors rather than treating all organisations as having identical experiences.

Kolawole (2022) investigated whether digital marketing adoption enhances the performance of micro and small enterprises, focusing on women entrepreneurs in Nigeria. The study examined how digital marketing facilitates business promotion, customer acquisition and organisational development. It

highlighted the potential of digital platforms to improve the performance of small businesses and strengthen their participation in competitive markets. The research also provides insights into the relationship between digital marketing adoption and entrepreneurial development.

Abbasi et al. (2022) examined the determinants of social media marketing adoption among SMEs, considering the moderating role of industry competition. Data were collected from 214 SMEs in Malaysia. The findings revealed that perceived relative advantage, cost, management support, competitive pressure and vendor support influence social media marketing adoption. The study emphasised that businesses must consider technological advantages and competitive market conditions while developing digital marketing strategies.

Qalati et al. (2022) investigated the relationship between social media adoption and SME performance in developing countries. The study collected data from 381 SMEs and examined technological, organisational and environmental determinants of social media adoption. The findings established a significant influence of social media adoption on SME performance. The researchers highlighted the importance of cost-effectiveness, compatibility, customer interaction and entrepreneurial orientation in strengthening digital marketing activities.

Borah et al. (2022) examined the relationship between social media usage and sustainable SME performance, particularly considering the roles of digital leadership and innovation capabilities. The study explained that social media enables enterprises to communicate with larger audiences and transform their operational activities. It further highlighted that innovation capabilities and digital leadership strengthen the benefits of social media adoption. The research establishes the importance of integrating digital marketing with organisational innovation for sustainable business development.

3. Objectives of the Study

The following objectives have been formulated to examine the role of digital marketing in business development and economic growth:

1. To examine the role of digital marketing practices in expanding market reach and improving customer engagement among domestic companies in Madhya Pradesh.
2. To analyse the impact of digital marketing on sales growth, revenue generation and overall business performance of domestic companies.
3. To assess the contribution of digital marketing towards employment generation, entrepreneurship development and business opportunities.
4. To evaluate the role of digital marketing in strengthening business competitiveness and contributing to the broader economic growth of the country.

4. Hypotheses of the Study

H01: There is no significant difference in the perceived contribution of digital marketing practices towards market expansion and customer engagement among domestic companies.

H11: There is a significant difference in the perceived contribution of digital marketing practices towards market expansion and customer engagement among domestic companies.

H02: There is no significant difference in the perceived impact of digital marketing on sales growth, revenue generation and business performance among domestic companies.

H12: There is a significant difference in the perceived impact of digital marketing on sales growth, revenue generation and business performance among domestic companies.

H03: There is no significant difference in the perceived contribution of digital marketing towards employment generation, entrepreneurship development and business opportunities.

H13: There is a significant difference in the perceived contribution of digital marketing towards employment generation, entrepreneurship development and business opportunities.

H04: There is no significant difference in the perceived contribution of digital marketing towards business competitiveness and broader economic growth.

H14: There is a significant difference in the perceived contribution of digital marketing towards business competitiveness and broader economic growth.

5. Research Approach and Methodology

The present study adopts a quantitative research approach to examine the role of digital marketing in the economic growth of the country, with special reference to domestic companies operating in Madhya Pradesh. The quantitative approach is appropriate because the research involves collecting structured responses from individuals associated with organisations implementing digital marketing practices and analysing the collected information through statistical techniques.

The study follows a descriptive and analytical research design. The descriptive component examines the adoption and application of digital marketing practices across different business sectors, whereas the analytical component investigates their perceived contribution towards market expansion, business performance, employment generation and economic development.

The research considers digital marketing as the independent area of investigation and examines its relationship with various dimensions of organisational and economic development. The major digital marketing practices considered include social media marketing, search engine marketing, search engine optimization, email marketing, content marketing, online advertising, mobile marketing and e-commerce promotion.

The study uses a structured questionnaire to collect responses from individuals associated with domestic companies implementing digital marketing practices. Statistical analysis is performed using the Analysis of Variance (ANOVA) technique to examine the formulated hypotheses and determine whether statistically significant differences exist in respondents' perceptions across the relevant groups.

6. Data Collection

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

Primary Data: Primary data have been collected from 123 respondents associated with domestic companies implementing digital marketing practices across various business sectors. The respondents include individuals familiar with the adoption and implementation of digital marketing activities within their respective organisations. The questionnaire focuses on the role of digital marketing in market expansion, customer engagement, sales performance, revenue generation, employment opportunities, entrepreneurship and economic development.

A structured questionnaire containing close-ended questions and statements based on a five-point Likert scale is considered appropriate for obtaining respondents' opinions. The responses are used for quantitative analysis and hypothesis testing.

Secondary Data: Secondary information has been collected from research journals, published articles, books, reports, government publications and relevant online resources. These sources provide theoretical support and background information concerning digital marketing, business performance and economic growth.

Sampling Technique and Sample Size

The present study adopts a random stratified sampling technique to select respondents from different business sectors implementing digital marketing practices. This technique is appropriate because the study covers companies belonging to different sectors, and it is important to ensure representation of diverse organisational backgrounds.

The population consists of individuals associated with domestic companies that have adopted digital marketing practices for promoting their products and services. The respondents have been selected from different business sectors to understand the contribution of digital marketing across various organisational activities.

Sampling Area: The geographical area of the study comprises Bhopal and Indore districts of Madhya Pradesh. These locations have been selected to examine digital marketing practices among domestic companies operating in different business sectors.

Sample Respondents: The sample includes 123 respondents associated with organisations implementing digital marketing practices in various sectors. The study is not restricted to a single industry; rather, it considers different business backgrounds to obtain a broader understanding of digital marketing adoption and its perceived contribution to business development.

Statistical Analysis and Testing of Hypotheses

The Analysis of Variance (ANOVA) technique has been applied to test the formulated hypotheses. ANOVA is a statistical method used to examine whether statistically significant differences exist between the means of two or more independent groups.

The significance level for the present investigation is considered at 5 per cent (0.05). The decision regarding acceptance or rejection of the null hypotheses is based on the obtained significance values.

The decision criteria are as follows:

- If the p-value is less than 0.05, the null hypothesis is rejected.
- If the p-value is greater than 0.05, the null hypothesis is not rejected.

Table 1: ANOVA Results of Hypothesis Testing

Hypotheses	F-value	p-value	Result
H01: Market expansion and customer engagement	8.120	0.001	Significant
H02: Sales growth and business performance	11.019	0.009	Significant
H03: Employment and entrepreneurship development	9.007	0.038	Significant
H04: Business competitiveness and economic growth	11.224	0.029	Significant

Source: Primary data collected from 123 respondents. ANOVA results reproduced from the statistical values supplied for the study.

7. Result

1. The ANOVA results indicate an F-value of 8.120 with a significance value of 0.001. Since the significance value is lower than the accepted threshold of 0.05, the null hypothesis is rejected. The findings indicate statistically significant differences in respondents' perceptions concerning the contribution of digital marketing towards market expansion and customer engagement. Digital marketing provides domestic companies with opportunities to reach customers beyond geographical boundaries, improve brand visibility and establish direct communication with potential consumers. Online advertising, social media platforms and search engine optimisation support businesses in attracting new customers and strengthening their market presence. Thus, digital marketing represents an important instrument for expanding business opportunities.
2. The calculated F-value is 11.019, with a p-value of 0.009. Since the p-value is below 0.05, the null hypothesis is rejected. The result indicates statistically significant differences in respondents' perceptions regarding the impact of digital marketing on sales growth, revenue generation and business performance. Digital marketing enables organisations to promote their products and services to targeted customer groups, reduce certain promotional expenses and improve the effectiveness of marketing campaigns. The availability of online sales channels and digital communication platforms also provides opportunities for improving customer acquisition and retention. Therefore, digital marketing is an important factor in strengthening the business performance of domestic companies.

3. The ANOVA results reveal an F-value of 9.007 and a significance value of 0.038. Since the significance value is lower than 0.05, the null hypothesis is rejected. This indicates statistically significant differences in respondents' perceptions regarding the contribution of digital marketing towards employment generation, entrepreneurship development and business opportunities. Digital marketing has created demand for specialised skills in social media management, content development, search engine optimisation, online advertising and digital analytics. It also enables small entrepreneurs and start-ups to promote their products with comparatively accessible marketing resources. Consequently, digital marketing can support entrepreneurial activities and create new employment opportunities.
4. The calculated F-value is 11.224, while the p-value is 0.029. As the significance value is below the prescribed level of 0.05, the null hypothesis is rejected. The result indicates statistically significant differences in respondents' perceptions concerning the contribution of digital marketing towards business competitiveness and broader economic growth. Digital marketing enables domestic companies to improve their competitive position, increase commercial visibility and access wider consumer markets. The expansion of digital business activities can support entrepreneurship, business transactions, innovation and employment opportunities. These developments can contribute to economic activity through improved business participation and market efficiency.

8. Conclusions

Digital marketing has emerged as a significant instrument for transforming business operations and supporting economic development. The present study examines its role in the economic growth of the country, with special reference to domestic companies operating in Madhya Pradesh. The investigation is based on primary data collected from 123 respondents associated with organisations implementing digital marketing practices across different business sectors in Bhopal and Indore.

The findings establish that digital marketing has an important role in expanding market opportunities, improving customer engagement, strengthening sales performance and supporting entrepreneurship. The adoption of digital platforms enables domestic companies to promote their products and services beyond traditional geographical boundaries and connect with a wider customer base. It also creates opportunities for developing new professional skills and generating employment in technology-oriented business activities.The statistical analysis using ANOVA indicates significant results across all four dimensions examined in the study. The findings suggest that digital marketing is an important business development mechanism that can strengthen organisational competitiveness and support wider economic activities.The study further highlights the need for domestic companies to continuously adopt innovative digital marketing practices to remain competitive in the changing business environment. Government support, technological infrastructure, digital literacy and professional training can further strengthen the adoption of digital marketing among domestic enterprises.

It can therefore be concluded that digital marketing contributes to business development and has the potential to support the broader economic growth of the country. However, the actual contribution to national economic growth would require further investigation using macroeconomic indicators such as GDP, productivity, investment and employment data.

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