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An empirical study on impact of online marketing on a small business with special reference to Erode district

N.Kaviyarasu, S.Karthik

1st MBA Nandha Engineering College

ABSTRACT

The goal for this project is to explore the current social media methods of a local business, ambiance, and ultimately determine the best way to reach the most customers. Knowing that the target audience is growing with new technology trends, I'm curious to see whether or not our current marketing methods are reaching as many customers as possible. By organizing a survey focused on social media and email usage, I will be able to determine which strategy is most successful and efficient for our target market. With a large age range among our customers, specifying where customers want to see a business's marketing can ideally benefit ambiance and other small businesses as well.

INTRODUCTION

Strong growth of the Internet and computer technology had an impact on all aspects of modern life and business. Direct marketing uses a variety of media, including mail, magazine ads, newspaper ads, television and radio spots, infomercials (also television but longer format), free-standing inserts (FSIs), and card decks. This flexibility allows direct marketing to provide interactivity and measurability and still be able to take advantage of new technologies. By being able to utilize virtually any media, direct marketing will lead marketers into the 21st century as interactive television, the information highway, and other new technologies become a reality.

STATEMENT OF THE PROBLEM

With social media and Internet use at an all time high, I've started to question the importance of marketing on Various channels and the effect it has on companies. There's no doubt that social media and the apps that make it possible for people to connect in so many different ways are continuing to grow throughout the younger generations. Companies have incorporated social media more and more into their marketing strategies to further advertise their businesses, but I'm curious to know what customers are looking for and how businesses can reach as many as possible. I want to incorporate my current job as a Marketing Manager to determine the most successful way to attract customers through online marketing. I work at *ambiance*, a local boutique in downtown San Luis Obispo that is targeted towards women and sells clothing, jewellery, accessories, shoes and more. A large part of my job is sending mass emails to our customer list and I've noticed that the percentage of people viewing each email is very low. Given the amount of people these emails are going to, the numbers should be higher unless I find that email is no longer a competitor with other social media applications. In order to gain a better understanding of what our marketing strategies need to be, I plan to research what customers are looking for within their social media outlets or which ones they use more to find information [1].

Author for correspondence:
Department of Management Studies, Nandha Engineering College, Perundurai – 638052

OBJECTIVES OF THE STUDY

- To identify the demographic profile of Respondents towards the online marketing.
- To identify the Problems faced by the respondents due to the impact of online marketing on a small business [2].

SCOPE OF THE STUDY

- ✓ The present study will be helpful for the Respondents in analyzing the effectiveness of impact of online marketing.
- ✓ This study will create an overall awareness among the Small business people as well as the customers regarding the impact of online marketing on a small business.

LIMITATIONS OF THE STUDY

- ➢ Many Respondents neglected to respond to the Survey in their Busy Schedule.
- ➢ Many Respondents found it difficult to Rank the Problems faced by them, as they are equally facing all the problems [3].

LITERATURE REVIEW

1. **EDOSOMWAN**, Simeon, et al. "The history of social media and its impact on business." Journal of Applied Management and Entrepreneurship16.3 (2011): 79-91.
2. **STOKES and LOMAX** (2002) claim that "a number of studies have indicated that the most important source of new customers for small firms is recommendations from existing customers" (p. 351).For many owner-managers, reliance on customer recommendations is more suited to the resources available to their business (Stokes & Lomax, 2002).
3. **LAKSHIMI, AFRAA MAHBOOB and CHOUDHARY** (Nov -2017) A study on impact of social media on small and Medium enterprises 1Lakshmi.V, 2Afraa Mahboob, 3Ankita Choudhary

RESEARCH METHODOLOGY

RESEARCH DESIGN

A Master plan that specifies the method and procedures for collecting and analysing needed information.

Sample Design

Sampling is the process of selecting a sufficient number of elements from the population. A Sample Design is a definite plan for obtaining a sample from the sampling frame. It refers to the technique or the procedure the researcher would adopt in selecting some sampling units from which inferences about the population is drawn.

Non-Probability Sampling

Non-Probability sampling is a sampling technique where the samples are gathered in a process that does not give all the individuals in the population equal chances of being selected.

Convenience Sampling

Convenience sampling (also known as Availability Sampling) is a specific type of non-probability sampling method that relies on data collection from population members who are conveniently available to participate in study.

Size of The Sample

The Sample size is **50**. (**8**Medical Stores, **4** bag shops, **12** textiles, **12** Electronic shops, **7** bag shops, **18** other shops like fancy, furniture, disposal item etc.,)

DATA COLLECTION METHOD

Primary Data

These are data which are collected for the first time directly by the Researcher for the Specific study undertaken by him. In this research primary data are collected directly from the Respondent by using Questionnaire cum Enumeration Method.

Secondary Data

These are data which are already collected and used by someone preciously. The data's are collected from journals, magazines and websites.

STATISTICAL TOOLS USED

To analyse and interpret collected data the following simple percentage and ranking were used.

Simple Percentage Analysis

To analyse and interpret collected data the following simple percentage and ranking were used.

FORMULA

$$\text{Percentage} = \frac{\text{Number of respondents}}{\text{Total number of respondents}} \times 100$$

Henry Garrett Ranking

Garrett's ranking technique to find out the most significant factor which influences the respondents; Garrett's ranking technique was used. As per this method, respondents have been asked to assign the rank for all factors and the outcomes of such ranking have been converted into score value with the help of the following formula: Percent Position = 100 $(R_{ij} - 0.5)$ N_j Where R_{ij} = Rank given for the i^{th} variable by j^{th} respondents N_j= Number of variable ranked by j^{th} respondents.

DATA ANALYSIS

The Respondents participated in the research are from diversified background with gender, age group, type of business and Income level.

Table No 1: Demographic Profile of the Respondents

Details of the Respondents		No. of. Respondents	Percentage
Age	20-30 Years	29	58
	Between 30-50 Years	14	28
	Above 50 Years	7	14
	Total	**50**	**100**
Gender	Male	39	78
	Female	11	22
	Total	**50**	**100**
Business Location	Village	13	26
	Town	12	24
	City	25	50
	Total	**50**	**100**
Monthly Income Level	Below Rs.50,000	40	80
	Rs.50,000-Rs.1,00,000	9	18
	Above Rs.1,00,000	1	2

	Total	**50**	**100**
Type of business	Textiles	12	24
	Electronics	12	24
	Medical stores	8	16
	Others	18	36
	Total	**50**	**100**

INTERPRETATION

From this study it is evident that age group of the 58% of the respondents fall under the category of 20– 30 years, 78% of the respondents fall under the gender group of Male, 50% of the respondents fall under the category of Business Location in City, the average Monthly income of 80% of respondents falls under the category of Below Rs.50,000, 36% of the fall under the category of Others Like, Foot wear, Bag Shop, & Fancy.

Table No 2: Rank of the problems faced by respondents due to the impact of online marketing on a small business

S.No	Problems	Mean Score	Total Score	Rank
1	Income	142	568	2
2	Finance	168	168	5
3	Investment	134	670	1
4	Updating Technology	157	314	4
5	Affects Family expenses	149	447	3

INTERPRETATION

From this study, it is found that from the table it is evident that, Investment is ranked as No.1 with the total score of 670, Income is ranked as No.2 with a total score of 568, Affects Family Expenses is ranked as No.3 with the total score of 447, Updating Technology is ranked asNo.4 with the score of 314, Finance is ranked as No.5 with the total score of 168.

FINDINGS

1. Investment is ranked as No.1 with the total score of 670.
2. Income is ranked as No.2 with a total score of 568
3. Affects Family Expenses is ranked as No.3 with the total score of 447
4. Updating Technology is ranked as No.4 with the score of 314
5. Finance is ranked as No.5 with the total score of 168.
6. The 58% of the respondents fall under the category of 20– 30 years
7. 78% of the respondents fall under the gender group of Male
8. 50% of the respondents fall under the category of Business Location in City
9. The average Monthly income of 80% of respondents falls under the category of Below Rs.50,000
10. 36% of the fall under the category of Others Like, Foot wear, Bag Shop, & Fancy.

SUGGESTIONS

- Approval for limited online shopping websites.
- Focus on convenience
- Create more show cases
- To improve Advertisements methodology

- Adding quality & Customer Retaining Methods

CONCLUSION

As the Management Student for Ambiance, it is my responsibility to promote the store and strive to bring in customers every day. Throughout the past 9 months that I've had this job, I've been in charge of daily Instagram posts, weekly Face book posts and email blasts, and various advertisements for events or promotions at the store. After noticing the click rates for some of our emails, I became concerned that we weren't reaching enough customers for the weekly email blasts to be worth it. My goal for this project was to conduct a survey in order to find out how customers prefer to follow a business's promotions. Since Instagram and email blasts are the two main ways we advertise, the survey questions focused on how often people use both and if they would use to stay updated on promotions. Because of different generations, I assumed age would have a factor if what customers prefer, which is why I filtered a lot of the questions. This definitely made it clear that the younger customers, specifically ages 18 to 22, made up the majority of responses who preferred social media over email blasts and go on Instagram multiple times a day. The older customers, who do not have an Instagram account, preferred the opposite and check their email multiple times during the day, Given the range of the products and clothing at Ambiance, our target market ranges throughout all of these ages and I want to continue to advertise in the best way for both demographics. Therefore, I believe both Instagram posts and email blasts are necessary for optimal marketing.

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