



# A STUDY ON THE ADOPTION LEVEL OF DIGITAL MARKETING TOOLS AMONG SME LOCAL RETAILERS IN VILLUPURAM AND PUDUCHERRY

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**Abstract :** The accelerated diffusion of digital technologies has substantially altered contemporary marketing practices, compelling Small and Medium Sized Enterprises (SMEs) to integrate digital tools into their operational strategies. This study empirically evaluates the extent of adoption of digital marketing tools and techniques among SME local retailers in Villupuram district of Tamil Nadu and the Union Territory of Puducherry. A descriptive and analytical research framework was employed, and primary data were collected from 200 SME retailers using a structured questionnaire measured on a five-point Likert scale. The data were analyzed using percentage analysis, mean and standard deviation, adoption level indexing, and Chi-square test. The findings reveal that basic digital tools such as social media platforms and digital payment systems demonstrate high levels of adoption, whereas advanced tools including business websites and search engine marketing exhibit comparatively lower penetration. The overall adoption level of digital marketing among SME retailers is predominantly moderate, with statistically significant variation observed across educational and experiential profiles of retailers.

**Index Terms –** Digital Marketing Adoption, Small and Medium Enterprises, Local Retailers, Villupuram, Puducherry.

## I. INTRODUCTION

Small and Medium Sized Enterprises (SMEs) represent a critical component of the Indian economy, contributing extensively to employment creation, income generation, and regional development. The emergence of digital marketing has introduced new paradigms in business communication, enabling firms to engage customers through cost-efficient, interactive, and measurable platforms. For SME local retailers, digital marketing tools such as social media applications, online marketplaces, search engines, and digital payment systems provide opportunities to enhance visibility and competitiveness.

In semi-urban and emerging markets such as Villupuram and Puducherry, local retailers increasingly encounter competitive pressure from organized retail and e-commerce platforms. While digital marketing adoption offers strategic advantages, its diffusion among SME retailers remains uneven. Evaluating the extent of adoption of various digital marketing tools is therefore essential to assess the digital preparedness of local retailers and to identify areas requiring institutional support.

## 2. Review of Literature

Prior empirical research indicates that digital marketing adoption positively influences market reach and customer engagement among SMEs (Chaffey & Ellis-Chadwick, 2019). Tiago and Verissimo (2014) observed that social media platforms are widely adopted by small firms due to their accessibility and minimal financial requirements. Rana et al. (2020) emphasized that the extent of digital adoption among SMEs is shaped by managerial capability, technological awareness, and resource availability.

Within the Indian SME context, Kumar and Ayodeji (2021) reported that enterprises located in semi-urban regions exhibit selective adoption of digital tools, with greater emphasis on social media and digital payments compared to sophisticated marketing technologies. However, region-specific empirical studies focusing on the extent of digital marketing adoption among local retailers in Villupuram and Puducherry remain limited. The present study addresses this gap by systematically evaluating adoption levels across multiple digital marketing tools.

## 3. Research Objective and Hypothesis

### Research Objective

To evaluate the extent to which small and medium-sized local retailers in Villupuram and Puducherry have adopted digital marketing tools and techniques.

### Hypothesis

- **H<sub>0</sub>:** There is no significant association between retailer demographic characteristics and the extent of digital marketing adoption.

- **H<sub>1</sub>:** There is a significant association between retailer demographic characteristics and the extent of digital marketing adoption.

#### 4. Research Methodology

##### Research Design

A descriptive and analytical research design was adopted to examine the extent of digital marketing adoption among SME retailers.

##### Sample Size and Sampling Technique

The study covered 200 SME local retailers, comprising 120 respondents from Villupuram district and 80 respondents from Puducherry, selected using stratified random sampling.

##### Data Collection Method

Primary data were gathered through a structured questionnaire administered to SME retailers. Secondary information was sourced from scholarly journals, industry reports, and government publications.

##### Measurement Scale

The extent of adoption of digital marketing tools was measured using a five-point Likert scale ranging from 1 (Not Adopted) to 5 (Highly Adopted).

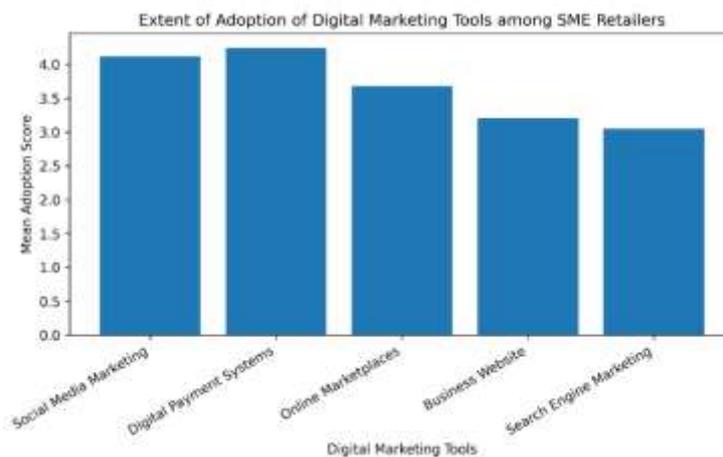
##### Statistical Tools

Percentage analysis, mean score analysis, adoption index, and Chi-square test were employed for data analysis.

#### 5. Data Analysis and Interpretation

##### EXTENT OF ADOPTION OF DIGITAL MARKETING TOOLS

Digital Marketing Tool	Adoption (%)	Mean	Standard Deviation
Social Media Marketing	78.5	4.12	0.74
Digital Payment Systems	82.0	4.25	0.69
Online Marketplaces	64.0	3.68	0.88
Business Website	42.5	3.21	0.96
Search Engine Marketing	38.0	3.05	1.02

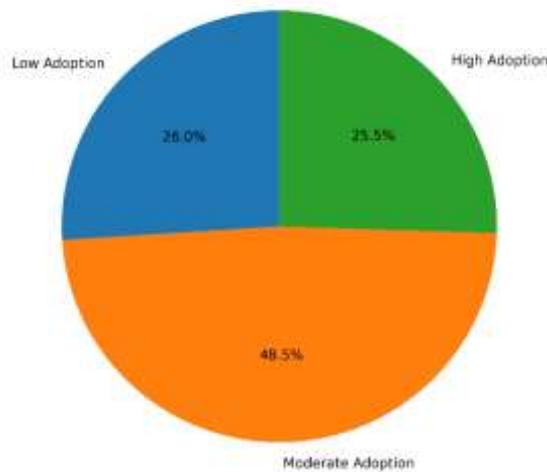


The results indicate that SME retailers demonstrate higher adoption of basic digital tools such as social media platforms and digital payment systems, while advanced digital marketing tools show relatively lower adoption levels.

##### OVERALL ADOPTION LEVEL

Adoption Level	Percentage of Retailers
Low Adoption	26.0
Moderate Adoption	48.5
High Adoption	25.5

Overall Level of Digital Marketing Adoption among SME Retailers



The majority of respondents fall within the moderate adoption category, suggesting partial integration of digital marketing practices.

### Chi-Square Analysis

Chi-Square Value	df	Significance
16.782	4	0.002

The Chi-square test indicates a statistically significant association between educational qualification and the extent of digital marketing adoption.

### 6. Findings of the Study

1. Digital payment systems and social media platforms exhibit the highest levels of adoption among SME retailers.
2. Adoption of business websites and search engine marketing remains limited.
3. Nearly half of the retailers demonstrate a moderate level of digital marketing adoption.
4. Educational qualification significantly influences adoption intensity.

### 7. Suggestions and Policy Implications

Targeted digital literacy programs, affordable technology solutions, and region-specific awareness initiatives are essential to enhance digital marketing adoption among SME local retailers.

### 8. Conclusion

The study concludes that SME local retailers in Villupuram and Puducherry have embraced digital marketing tools to a moderate extent, primarily relying on basic digital applications. Strengthening digital competencies and improving access to advanced marketing technologies can facilitate comprehensive digital transformation among local retailers.

### 9. Scope for Future Research

Future research may examine the relationship between digital marketing adoption and financial performance or compare adoption patterns across different geographic regions.

### 10. References

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