

Analyzing Important Factors and Metrics for Small Scale Digital Marketing and Its Relevance in the Path of Conversion

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Abstract: This study examined the important factors and metrics for achieving goals in small scale digital marketing campaigns and their relative impact on the path of conversion to design a consolidated value to evaluate and optimize conversion. The study uses both survey and real time data analysis. Further analysis includes statistical tools like t-test, regression analysis, correlation analysis and factor analysis were used. The findings show that factors considered relevant by sellers have significant impact on conversion. The different types of interactions that impact conversion can be expressed in a single value to estimate conversion. Practical implication of the study is the consolidated value to explain conversion. In low volume analytics a macro figure is important as highly segregated values are extremely small to explain any impact. Conversion Path Analysis from ratio correlation and regression analysis to design conversion equation with input factor flexibility is a new concept in developing conversion strategy.

Keywords: Web analytics, Low volume analytics, Metrics, Conversion rate, Social media marketing

Chapter 1: Introduction

Platforms enabled with IT infrastructure with capacity to provide user generated content exchange (Kaplan et. al., 2010). Those can be classified under blogs and micro blogs, content communities, social networking sites, virtual game worlds, and virtual communities (Zhang et al., 2015). The developments in the way that people use the Internet that allow users free access and give them more control over the information (Oxford Advanced Learner's Dictionary). Digital marketing or any technology enabled with elements of interaction and capable of driving conversions are integral functions of day to day operation for many organizations. From Educational Institutions to Sports Clubs, from Automobile to Fashion Brands every sector is utilizing the massive power of digital communication for some good reasons whereas small scale sector however is lagging behind could have been the best beneficiary otherwise. Marketing has never been observed as a primary operation of small scale businesses with the given constraints of conventional marketing. But digital marketing addresses and offers solutions to the biggest constraint of small businesses in marketing that is cost. Digital marketing enhances tracking ability and brings cheaper ways of marketing enabled through web. Small businesses as defined by *MiCro, Small & Medium Enterprises In accordance with the provision of MiCro, Small & Medium Enterprises Development (MSMED) Act, 2006 the MiCro, Small and Medium Enterprises (MSME) are classified in two Classes: 1. Manufacturing Enterprises- the enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the industries (Development and regulation) Act, 1951 or employing plant and machinery in the process of value addition to the final product having a distinct name or character or use. The Manufacturing Enterprise are defined in terms of investment in Plant & Machinery. 2. Service Enterprises:-The enterprises engaged in providing or rendering of services and are defined in terms of investment in equipment. The limit for investment in plant and machinery should be between 25 lakhs to 5 Cr. However in the context of digital marketing small scale firms can also be those firms who have extremely low volume targets, limited to small geographic area. Low volume target setting at first place can lead to have ripple effect on further stages with limiting size to extremely low volume resulting into high degree of complexity in evaluating and analyzing results. The study considers both the aspects relevant while considering samples for the study. In*

the recent years a number of new sellers have got active over Facebook and started using website, it is important to understand the factors resulting into conversion as digital marketing theories or models are fundamentally based on large volume operations and deliver optimum results for large scale organizations. The study covers the small scale producers and sellers from Assam those are using digital marketing techniques mainly a website or Facebook page or WhatsApp account or a combination. A study to address the relevant factors in generating conversion and explore the key metrics required to analyze and enhance those factors through conversion path for small volume operation is required. That can deliver clarity on adopting strategies or defining Key Performance Indicators or deciding analytic approaches. The study considered the last 3 months data (1st June 2019- 31st August 2019) for analysis.

Chapter 2: RATIONAL OF THE STUDY

In the recent years there has been an increasing surge in number of start ups and new businesses in diverse sector. These businesses start as a small organization or individual seller setting up micro units. These businesses operates at very small scale which than grow medium to large gradually with a slow rate. One of the common features among these diverse businesses is the use of internet. All the businesses resort to social media and digital marketing to reach out its customers. A huge number of new Facebook pages and business websites were started in last few years. This aggressive growth in utilization of digital medium for very small scale operations, demands a structured study to understand and generalize the Key Metrics, Pattern of Conversion Path and Objectives of sellers.

Chapter 3: LITERATURE REVIEW

Importance of Digital Technology in Business

Information quality can be transferred through digital technology (Watson, 2006). Adaptation of digital technologies enhances customer relationship and ease information transfer are some primary reasons for firms to use it (Foroudi et al., 2016). Communicating quality information with a right strategy can result huge shifts in customer behavior and marketing performance (OhandTeo,2010). Almost all firms are enabled with digital technologies enhancing cooperation in various stages of data processing and analyzing (Setia et al., 2013; Ray et al., 2005). Digital infrastructure had an disruptive change on different services related to customer (Ray et al.,2005). Shift from customer service to customer convenience is facilitated by digital technologies (Eisenhardt and Martin, 2000; Pavlou and El Sawy, 2006; Teece et al., 1997). Digital technologies are need of marketing campaigns to enhance the conventional marketing reach (Teece, 2007; Day, 1994). Consumer behavior transformation is highly influenced by the web based social channels (Kaplan and Haenlein, 2010). Digital technology has increased efficiency and competitiveness (Galloway, 2007; Shideler and Badasyan, 2012; Spurge and Roberts, 2005). Internet technologies can enhance both internal and external technologies (Bharadwaj and Soni, 2007; Chong and Pervan, 2007; Eriksson, Hultman and Naldi, 2008; Kaynak et al., 2005).

Dynamics of digital technology in the context of small businesses

Every successive stage in a digital marketing program of SMEs is dependent on knowledge learnt in the previous stage (Blackburn, 2016). Small scale businesses “develop, change, and evolve their marketing activity intelligence through social media use” (Atanassova and Clark, 2015, p. 163). Technology adaptation in small business scenario is mostly driven by internal factors (Alam,2009;Dahnil et al.,2014;Gilmore et al.,2007 ;Yeung et al.,2003) such as “resource limitations, risk, procedural complexity, and technical challenges”.Because the decision-making processes of small business owners and managers reflect those of individual decision-making behaviors (Dahnil et al., 2014). Small businesses digital marketing performance is dependent on ability of the management to understand and operate the technology (McGowan and Durkin, 2002). Developing skills required for digital marketing considered to be the biggest constrain for small businesses (Järvinen et al., 2012). SMEs are sales oriented and marketing is based on awareness of product (Hill,2001; Reijonen,2010). A change in management when more skilled generation takeover marketing with best practices will be adopted by SMEs (Hill, 2001). For SMEs use of web technologies can be highly effective in cost reduction (Chong and Pervan, 2007; Kaynak et al., 2005; Lohrke et al., 2006). SMEs marketing practices are “informal, reactive and spontaneous” (Gilmore et al., 2004). Decision making is driven by resources not external factors in SMEs (Barney, 1991; Grant, 1991; Lockett and Thompson, 2001;