

Digital Marketing and Rural Entrepreneurship- Opportunities and Challenges

Seema H. M.

Research Scholar, Department of Commerce,
Sahyadri Commerce & Management College,
(Constituent College of Kuvempu University)
Shivamogga-577 203, Karnataka, India.
seemahm22@gmail.com

K. S. Sarala

Professor, Department of Commerce & Management,
Sahyadri Commerce & Management College,
(Constituent College of Kuvempu University)
Shivamogga-577 203, Karnataka, India.
kssmurthy94@yahoo.co.in

Abstract

Entrepreneur is an important input of economic development of any nation and it is very essential to take necessary measures to develop entrepreneurial activities in India. India is one of the fastest digitally growing economy which has witnessed the wave of digitalisation through Digital India initiative by transforming industry and lives in multi-dimensional ways. Rural enterprises are considered as the backbone of large-scale enterprises in India. Recently, due to covid 19 pandemic Digital Marketing is playing a vital role in marketing the products and services of any enterprise and also in marketing the products of rural enterprises. Even though rural entrepreneurs have many opportunities and benefits they are facing several challenges in the production and marketing of their products and services through digital platforms. Hence, the present paper intends to examine the digital marketing opportunities and challenges faced by the rural entrepreneurs in three taluks - Hosanagara, Tirthahalli and Sagara of Shivamogga district, Karnataka state. The study is carried out with the sample size of 80 respondents using simple random sampling method with the help of a well-structured questionnaire. The study revealed that there are more number male entrepreneurs and mainly they have undertaken micro business activities in the service sector. It was observed that respondents have plenty of opportunities in the field of digital marketing and preferred to adopt social media marketing as their marketing strategy and are facing financial, technological up gradation and unreliable electricity problems. It is suggested to create awareness and train the rural entrepreneurs regarding digital marketing usage and proper implementation of digital marketing strategies to overcome such challenges.

Key words: *Challenges, Digital Marketing, Marketing Opportunities, Methods of Digital Marketing, Rural Entrepreneurship*

Introduction

One of the biggest changes in human interaction is the recent spread of digital medias especially after the outbreak of covid pandemic. The rapid growth of digital based platforms that facilitate social behaviour on the Internet has significantly changed the nature of human activity, environment and interaction. Nowadays, real social relationships have been transferred to the virtual world which has led to the creation of online communities of people from all over the world. This movement into the digital facet allows people to share knowledge and thoughts, entertain each other and promote dialogue between different cultures.

In the recent period, when the whole world is going digital it is obvious that marketing also has to go digital. The need for digital marketing is felt more and more during the covid-19 pandemic. The people of urban as well as rural have been addicted to this digital transformation which the world has accepted. Nowadays, entrepreneurship and digitalisation go hand in hand and even in case of rural entrepreneurship they are adopting different digital marketing strategies to market their products. The young emerging entrepreneurs have adopted the digitalisation by default.

Digital marketing is based on online channels with high rate of usage, dynamic, can change from year to year and are always influenced by market trends. As the prices of digital gadgets and smartphones reducing day by day increase in the usage and internet accessibility of digital channels is observed. In short, digital marketing constantly uses reviews, analysis, feedbacks, promotion process and helps to establish stronger brand and strong consumer relationships, assisting to effectively identify consumer relationships and attract attention. The impact of this type of modern marketing has been great as it increases the sales and the number of customers at its best.

Concept of Digital Marketing

Essentially, Digital Marketing is a term used to describe any marketing efforts take place on the internet or on a digital device. There are many different channels that businesses use to entice customers into buying their products and services. Digital marketing also called as online marketing is the promotion of brands to connect with potential customers using the internet and other forms of digital communication. This includes not only the social media, e-mail and web based advertising but also text and multimedia messages as marketing channels.

Concept of Rural Entrepreneurship

Rural economy is truly entrepreneurial in character and spirit for centuries. Entrepreneurial process is seen in agriculture, agricultural related activities, small business, village industries, rural artisans and rural arts. Rural entrepreneurship seem if channelized has the potential to drive the rural economy to new heights in a short span.

Rural entrepreneurship is the creation of a new organisation that introduces a new product, services or creates a new market or utilizes a new technology in rural areas. In simple, an entrepreneurship emerging in rural areas is called as rural entrepreneurship. Rural entrepreneurship is important not only as a means of generating employment opportunities in the rural areas with low capital cost and rising real income of the people, but also due to its contribution to the development of agriculture and urban industries.

According to the Khadi and Village Industries Commission (KVIC) "Village industry or rural industry means any industry located in rural area, population of which does not exceed 10,000 or such other figure which produces any goods or renders any services with or without use of power and in which the fixed capital investment per head of an artisan or a worker does not exceed a thousand rupees".

Review of Literature:

Manu Pal and Latha Bajpai Singh (2022) stated that rural entrepreneurship is a boon for the SMEs which help in generating employment opportunities and income for the poor rural people. This suggested the need to provide supporting ecosystem for MSMEs through education and building business friendly climate which can stimulate entrepreneurial spirit among entrepreneurs.

GemechuAbdissaShuremo et.al., (2021) observed that entrepreneurial marketing provides a method to the entrepreneurs to run their business successfully with limited resources. They studied the effect of entrepreneurial marketing on small and medium sized business and found that some non-traditional marketing strategies like innovation and customer intensity have positive impact on the performance of SMEs.

Ikram El Hachimi et.al (2021) stated that in this globalised era digital marketing serves as an attractive alternative to traditional approaches of marketing. It is stated that business leaders need to understand the trends and impact of digital marketing for that they empirically verified the impact of top management support and the use of digital marketing on the business performance. They conducted quantitative survey and found that there is a direct and positive relationship between digital marketing and business performance of the companies.

Abdurrahman Rahim Thaha et.al (2021) stated that SMEs contribute more on the economic development of the developing countries. They conducted systematic mapping study related to the identification of trends and themes directly related to digital marketing and SMEs over the past ten years. Different electronic databases were used for the purpose of mapping. They found that social medias and websites are mostly dominating the digital marketing channels in the adoption and performance of the business. They also found that research related to agribusiness sectors related to digital marketing is rarely conducted and stressed the need to conduct further research in the area.

Deepak SantoshPawar and Dilip A Patil (2020) found that there is a less requirement of man power in the business by adopting digital marketing strategies and the products can be reached to the customers easily as they are spending more time in mobile phones and social media platforms. It is highlighted that some companies create fake profiles that do not exist and in the name of providing service they are hacking personal information of the customers. It is stated that consumers can easily access and analyse the products of their choice through various digital platforms as marketers and shopkeepers are registered for online marketing.

ManasRanjanTripathy and Dr.Pradip Kumar Das (2020) examined that various forms of digital marketing have an impact on the effectiveness and sales performance of a firm. They mainly focused on the importance of digital marketing on both marketer and consumers and made the comparison between traditional marketing and digital marketing. They suggested that marketer has to adopt innovative strategies to create innovative customer experiences.

Vijaya S. Bhosale et.al., (2020) found that digital marketing is extremely more reasonable than traditional offline marketing approaches. They stated that through digital marketing marketer can trace and observe

the results easily and through customer ratings and reviews, it allows making changes in the products efficiently. They highlighted the importance and challenges of digital marketing in the new age and suggested that customers can use various types of digital marketing tools due to a lot of choices available in it.

Mohammed T. Nuseir and Ahmad Aljumah (2020) examined the influence of digital marketing applications on business performance but have observed moderating role of the environmental factors on business performance through a study conducted to determine the empirical relationship between digital marketing and business performance along with the influence of environmental factors among SMEs. It is suggested that business should adopt latest technologies for marketing to approach more customers effectively and efficiently to grow in a highly competitive world.

Kenzhegul Bizhanova et.al,(2019) stated that digital marketing affects the sales volume and the number of customers and does not require high material and financial resources. It not only reduces cost but also reduces the time from generating the idea to its implementation. They stated that second generation internet applications enhances marketing efforts by allowing the firms to introduce innovative forms of communication and stress the need to make regular reviews, analysis, interpretations helps to build strong consumer-brand relationships.

Lavanya (2018) observed that Indian economy is transforming from traditional to digital economy encouraging entrepreneurs to adopt technology in the development of their enterprises. It is identified that some factors like technology and society are becoming challenges for rural entrepreneurs. It is suggested that rural digital entrepreneurs should be encouraged by conducting various training and development programmes.

PadamBhushan (2018) exhibited that we are connected with the social media platforms like Whatsapp and Facebook which have opened the doors for digital marketing experts to pull their customers through digital stage. It is found that there are challenges which the customers have brought through the digital marketing. It is suggested that nowadays consumers in their busy schedule prefer to shop online and digital marketer or advertiser have to undertake advertising platforms for their products and services through digital medias.

Lawrence MpeleLekhanya (2018) studied the knowledge of digitalisation in rural entrepreneurship and found that large number of rural entrepreneurs is not using digital technologies for business purpose but they are using digital Medias for private communication and entertainment. It is recommended that awareness should be created among rural entrepreneurs about digitalisation which in turn will help to improve their entrepreneurial skills.

Significance of the Study

Every year, thousands of rural enterprises with an innovative concept are striving to make their presence in the digital world. Some of them have immediate prominence, but most of them are struggling to establish themselves. It is difficult for the new rural entrepreneurs to compete with the existing, profitable firms without adequate marketing strategies. Adopting digital marketing by rural entrepreneurs is a great opportunity to create a market for their products and services but challenging as well. There is a need of digital marketing in changing market scenario but inadequate knowledge about technology and digital platforms leads to failure of rural business. So, proper implementation of digital marketing strategies in the rural enterprises and to create awareness among the rural entrepreneurs regarding the opportunities

of digital marketing is highly essential. In this backdrop, the study is an attempt to identify the various avenues as well as the challenges of rural entrepreneurs to go for the digital marketing

Objectives of the Study

- To identify the opportunities of digital marketing in the field of rural entrepreneurship in Shivamogga district and
- To explore the challenges of digital marketing channels in the rural enterprises.

Scope of the Study

The study covers the digital marketing opportunities and challenges of rural micro and small entrepreneurs operating in three taluks- Hosanagara, Tirthahalli and Sagara of Shivamogga district.

Limitations of the Study

- The study is confined only to rural micro and small entrepreneurs of three taluks of Shivamogga district
- The study is undertaken to examine only the digital marketing opportunities and challenges of rural entrepreneurs.

Sources of Data

For the purpose of collection of data, both primary and secondary sources are used. Primary data has collected from the selected categories of rural entrepreneurs through survey in Shivamogga district. Secondary data have been collected from relevant books, articles, journals and online sources.

Sampling Design

At present, a total of 1,052 rural micro and small entrepreneurs are registered in Shivamogga district as per the records of District Industries Centre, Shivamogga District, Karnataka as on June 2022. For the purpose of the study, 80 respondents (50 male and 30 female) are considered by using Simple Random Sampling Method.

Survey Instrument

A structured questionnaire is used for data collection with a set of questions containing demographic details of rural entrepreneurs like age, gender and educational qualification, type of rural enterprise, nature of activity, digital marketing opportunities available, digital marketing methods and the major challenges faced by them in marketing their products.

Statistical tool used

Percentage analysis was used to measure the responses towards each question and is presented by means of appropriate tables.

Data Analysis

The study has been conducted through 80 responses collected from rural micro and small entrepreneurs spread in three taluks of Shivamogga district were recorded and was analysed below by using tables.

Table -1
Demographic and Business Detail of Respondents

Demographic and Business Details		No. of Respondents	Percentage
Gender	Male	50	62.5
	Female	30	37.5
	Total	80	100
Age Group	18-30	18	22.5
	30-40	32	40
	40-50	21	26.25
	Above 50	09	11.25
	Total	80	100
Education Qualification	SSLC	12	15
	PUC	18	22.5
	Graduation	32	40
	Post-graduation	08	10
	Others	10	12.5
	Total	80	100
Type of Enterprise	Micro	48	60
	Small	32	40
	Total	80	100
Nature of Activity	Manufacturing	31	38.75
	Service	49	61.25
Monthly turnover of the enterprise	Up to 1 lakh	24	30
	1 lakh to 2 lakh	27	33.75
	2 lakh to 3 lakh	18	22.5
	More than 3 lakh	11	13.75
Number of employees working	Less than 5	21	26.25
	Between 5-10	26	32.5
	Between 10-15	23	28.75
	Above 15	10	12.5
Source of Capital	Own Fund	26	32.5
	Loans from friends and relatives	14	17.5
	Loan from commercial banks	19	23.75
	Government Schemes	09	11.25
	Loan from private financial institutions	12	15

Source: Field Survey

It is observed that out of 80 respondents, more than 60% are male, around 40% respondents are from the age group of 30-40 years, maximum of 40% respondents are graduates, micro enterprises accounting for 60%, services activities are conducted by 61.25% respondents, more than 33.75% respondents have

monthly turnover of 1 to 2 lakhs, only 12.5% enterprises are running with more than 15 employees and own funds account for 32.5% respondents to commence their enterprises.

Table-2
Digital Marketing Opportunities of Rural Entrepreneurs

Opportunities	Opinion		
	Strongly Agree	Agree	Disagree
Access to international markets	40	37	03
Increase brand popularity	42	36	02
Reduce marketing costs	47	33	00
Easy business networking	37	39	04
Increase sales	39	40	01
Improve customer service	41	36	03
Increase digital literacy	39	35	06
Statement	Response	No. of respondents	Percentage
Digital Marketing opportunities influence on the growth and success of rural enterprise	Yes	62	77.5
	No	18	22.5

Source: Field Survey

As observed among 80 respondents, maximum of 47 strongly agreed that digital marketing will reduce their marketing, 42 respondents strongly agreed that digital marketing improve the brand popularity followed by 40 respondents agreed digital marketing is the best marketing opportunity to increase their sales, only one respondent disagreed that digital marketing as best marketing opportunity to increase sales. A maximum of around 78% respondents agreed that digital marketing opportunities are one of the important factors influencing on the growth and success of rural enterprise.

Table-3
Digital Marketing Methods of Rural entrepreneurs

Digital Marketing Methods	Opinion		
	Highly Preferred	Preferred	Not preferred
Online marketing	62	18	00
Social Media	73	07	00
Text message	49	28	03
Email marketing	38	35	07
Search engine marketing	56	24	00

Source: Field Survey

From the above table it is clear that 73 respondents strongly preferred social media marketing as the best digital marketing channel, 62 highly preferred online marketing, 35 preferred e-mail marketing to market their products through online and only 07 respondents do not prefer to adopt email marketing as their marketing strategy.

Table-4
Digital Marketing Challenges of Rural entrepreneurs

Digital marketing Challenges	Opinion		
	Strongly Agree	Agree	Disagree
Lack of technical support	37	41	02
Unreliable or Non existing electricity supply	56	24	00
Lack of appropriate tools and equipment	43	35	02
Cybercrime threats	41	35	04
Insufficient digital skill	42	37	01
Lack of training and motivation	37	40	03
Lack of financial resources and external supports	51	28	01

Source: Field Survey

It is clear from the table that 56 respondents strongly agreed Unreliable or Non existing electricity supply as the major challenge for implementing digital marketing in marketing their products and services, 51 strongly agreed that Lack of financial resources and external supports is the major challenge, 43 respondents strongly agreed Lack of appropriate tools and equipment, 41 respondents agreed that Lack of technical support and only 4 respondents disagreed that Cybercrime threat is major challenge for marketing products and services digitally.

Major Findings of the Study

- More than 40% rural entrepreneurs in Shivamogga district belong to the middle age group (30-40 years)
- Forty percent respondents are graduates, more than half of the respondents are running micro enterprises and mainly respondent's business is service oriented.
- About 34% respondent's monthly turnover is between 1 lakh rupees to 2 lakh rupees, followed by 32.5% respondents who started business with their own funds
- Out of 80, maximum of 47 accepted digital marketing as best marketing strategy as it will reduce their marketing cost. The respondents also agreed that digital marketing will improve their brand opportunity and around 78% agreed that digital marketing opportunities will influence on the growth and success of the business enterprise.
- Majority of Seventy-three respondents strongly preferred to implement social media marketing as their marketing strategy.
- More than 56 respondents strongly agreed that Unreliable or non-existing electricity supply is their major challenge for implementing digital marketing in marketing their products and services.
- More than 62% respondents strongly agreed lack of financial resources and external supports is their biggest challenge for marketing their products digitally.

Suggestions

- As India is transforming into a digitally empowered society there is a need to motivate rural educated youths to take up rural entrepreneurial activities with proper digital education and skills needed to set up their own enterprises.
- As majority of the sample entrepreneurs have undertaken service activities, there is a need to motivate and train to undertake manufacturing activities also
- Most of the entrepreneurs running micro enterprises which lead to generate limited income and the need to improve the status of rural entrepreneurs by providing government support are highlighted. It is stressed that the Government has to arrange various awareness programmes to the rural entrepreneurs to inculcate digital market knowledge and opportunities available to them.
- There is a high need to upgrade themselves with the modern digital marketing methods, strategies and technological up gradation.
- In this competitive world especially after Covid 19, rural entrepreneurs have to depend on digital marketing platform to market their products and providing proper usage awareness of modern digital platforms is highly needed.

Conclusion

As there is a gradual change in customers taste and preferences, digital marketing plays a vital role in any enterprise not only to know their preferences but also sell them products of their choice on time especially after Covid 19 Pandemic. The rural entrepreneurs also have started recognizing the importance of digital marketing to market their products. Many of the rural entrepreneurs having awareness about the opportunities available to them through digital marketing and adopted various digital marketing methods like social media marketing, email marketing and search engine marketing as their major marketing strategies. But, many are still following traditional marketing strategies and have failed to compete with other entrepreneurs as well as are facing various marketing challenges like electricity problems, choosing inappropriate method of marketing, lack of technological support, financial resource constraint, Lack of digital literacy etc. Government of India has introduced many schemes and conducting various awareness programmes under digital India initiative to enhance marketing and digital literacy of rural entrepreneurs. So, having proper digital marketing and technological knowledge is very essential to realize the opportunities and overcome the challenges and improve the performance of the rural enterprise as a whole.

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