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A Study of Digital Marketing Strategies and their Impact on Business Growth

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Abstract-- The rapid growth of digital technologies has transformed the way businesses promote their products and interact with customers, creating new opportunities for enhancing business performance. This study examines the digital marketing strategies adopted by organizations and analyzes their impact on business growth, with a focus on customer engagement, brand visibility, and revenue generation.

The research is based on both primary and secondary data, where primary data was collected through structured questionnaires and interviews with business professionals, and secondary data was obtained from company reports and academic sources. Key factors analyzed include search engine optimization (SEO), social media marketing, content marketing, and the use of analytics in decision-making.

The findings indicate that digital marketing significantly contributes to business growth by improving customer reach, increasing conversion rates, and strengthening customer relationships. However, the effectiveness of these strategies is influenced by factors such as consistency in content, integration across platforms, and efficient use of data analytics.

The paper concludes with recommendations including the adoption of integrated digital strategies, improved use of analytics tools, consistent content planning, and targeted marketing approaches to achieve sustainable business growth.

I. INTRODUCTION

The business environment in recent years has undergone significant changes due to the rapid growth of digital technologies. Digital marketing has become one of the key factors influencing how organizations promote their products, reach customers, and achieve business growth. Unlike traditional marketing methods, digital platforms provide businesses with wider reach, better targeting, and more measurable results.

However, despite the availability of advanced digital tools, many organizations still face challenges in effectively utilizing digital marketing strategies. In some cases, businesses rely on unstructured or outdated marketing approaches, leading to low customer engagement and poor conversion rates. This results in inefficient use of resources and limits overall business performance.

Digital marketing strategies such as search engine optimization (SEO), social media marketing, content marketing, and online advertising offer opportunities to improve visibility, attract potential customers, and build strong relationships. These strategies also help businesses communicate directly with their audience and understand their preferences more effectively.

At present, although digital marketing is widely adopted, not all organizations are able to achieve the expected results due to lack of proper planning, inconsistent execution, and limited use of analytics tools.

The aim of this study is to analyze the digital marketing strategies used by an organization and evaluate their impact on business growth, while also identifying the key factors that influence their effectiveness.

II. PROBLEM STATEMENT

Even though digital marketing offers many benefits, not all businesses can use these strategies effectively to grow. Many organizations try digital marketing tools like social media, SEO, and online advertising but still face low customer engagement, poor lead conversion, and limited brand visibility.

A major problem is the lack of a clear and coordinated digital marketing strategy. Businesses often use different platforms without proper planning, which reduces the overall impact of their efforts. Additionally, inconsistent content creation and limited use of data make it hard to measure performance and improve results.

Another challenge is that many organizations do not fully grasp how different digital marketing strategies contribute to business growth. This creates a gap between marketing activities and actual outcomes, leading to waste of resources.

Therefore, this study aims to look into the effectiveness of digital marketing strategies and identify the key factors that affect their impact on business growth.



III. LITERATURE REVIEW

Previous studies have shown that digital marketing plays an important role in improving business performance and competitiveness. Researchers highlight that strategies like search engine optimization (SEO), social media marketing, and content marketing help businesses increase visibility and attract more customers. These tools also support better communication between companies and their target audience.

Studies by Chaffey and Ellis-Chadwick (2022) explain that digital marketing enables organizations to reach a wider audience with lower cost compared to traditional methods. Similarly, Kotler et al. (2017) emphasize that digital platforms help businesses create personalized customer experiences, which improves engagement and loyalty.

Research by Ryan and Jones (2019) shows that social media marketing is effective in building brand awareness and maintaining customer relationships. Strauss and Frost (2014) also point out that content marketing plays a key role in influencing customer decisions by providing relevant information.

However, some studies indicate that many organizations face challenges such as lack of proper planning, poor integration of marketing channels, and limited use of analytics tools. Wedel and Kannan (2016) highlight that data-driven marketing is essential for improving performance, but it is not fully utilized by many firms.

IV. RESEARCH METHODOLOGY

This study employs a descriptive research design to analyze the effectiveness of digital marketing strategies and their impact on business growth.

A. Data Gathering

Primary data was collected through structured questionnaires distributed to business professionals and customers, along with interviews conducted with marketing executives. Secondary data was obtained from company reports, journals, and online sources. The data was gathered to understand how digital marketing strategies influence customer engagement and business performance.

B. Sample

The research sample consists of business owners, marketing professionals, and customers who are actively involved in or influenced by digital marketing activities.

C. Research Instruments

- Percentage analysis
- Comparative analysis
- Basic statistical analysis

D. Variables

- Customer Engagement
- Brand Visibility
- Conversion Rate
- Digital Marketing Effectiveness

E. Sample Design

The research was conducted among businesses and customers who interact with digital marketing platforms.

Sample Size: 88 respondents

Sampling Technique: Convenience sampling

Targeted Respondents: Business owners, marketing professionals, and customers

Type of Data Used: Primary data from questionnaire

Method of Data Collection: Online survey and clients reviews

Characteristics of Sample:

- Most respondents were from small and medium-sized enterprises (SMEs)
- Both active users and non-users of digital marketing strategies were included
- Respondents had different levels of awareness and experience with digital platforms

This sample was selected to understand the real impact of digital marketing strategies on business growth and customer behavior.

V. DATA ANALYSIS AND RESULTS

A. Reduction in Customer Acquisition Cost (CAC) through Digital Automation

The findings indicate that customer awareness is directly related to the adoption of digital marketing strategies. Businesses that are more aware of digital tools or have practical experience using them are more likely to implement these strategies effectively

It has been observed that mere awareness of digital marketing is not enough to ensure its successful adoption. Organizations prefer to see measurable results such as increased customer engagement, improved reach, and higher conversion rates before fully investing in these strategies. This shows that practical exposure and visible outcomes play a crucial role in influencing decision-making, rather than just theoretical knowledge of digital marketing tools.



Fig.1. Reduction in Customer Acquisition Cost (CAC) through Digital Automation

Interpretation:

It can be understood from the graph above that the customer acquisition cost (CAC) has steadily decreased across all business sectors over the period from 2021 to 2025. The manufacturing sector shows the highest cost levels throughout, while e-commerce and SMEs maintain relatively lower costs compared to other sectors.

This trend indicates that digital marketing and automation have gradually improved cost efficiency across different industries. The downward movement in the graph clearly reflects better utilization of digital tools over time.

However, the graph also suggests that simply adopting digital strategies is not enough. Businesses need to effectively implement and optimize these strategies to achieve significant cost reduction and improved performance.

B. Customer Retention Rates After Digital CRM Implementation

The chart shows a steady improvement in customer retention rates across all sectors from 2021 to 2025. E-commerce and SMEs display the highest growth, indicating stronger digital engagement and customer loyalty. Manufacturing and service sectors also improve gradually, though at a slightly slower pace.

Overall, the trend suggests that increased digital marketing efforts are positively influencing customer retention over time.

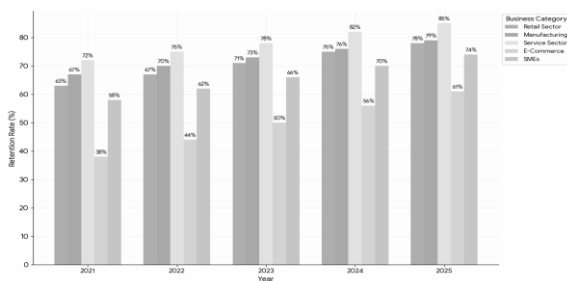


Fig.2. Customer Retention Rates After Digital CRM Implementation

Interpretation:

The graph shows that customer retention has increased gradually in all sectors from 2021 to 2025. This means businesses are getting better at keeping their customers over time.

E-commerce and SMEs show a noticeable improvement compared to other sectors, which may be due to their higher use of digital platforms and regular customer interaction. Retail and service sectors also show steady growth, while manufacturing improves at a slower pace.

Overall, the trend indicates that better use of digital tools and improved communication with customers are helping businesses retain customers for a longer period.

C. Regression Model

Null Hypothesis (H₀):

There is no significant impact of digital drivers (Investment, Engagement, Automation, and Strategy) on the respective performance metrics (Profit, Retention, CAC, and ROE).

H₀ : β = 0

Alternative Hypothesis (H₁):

There is a significant impact of digital drivers on the respective performance metrics, indicating that digital maturity predicts financial and operational success.

H₁: β ≠ 0

D. Descriptive

The descriptive statistics table provides an overview of key financial and digital marketing performance indicators based on 25 observations.

The Net Profit Margin shows a mean value of 22.4, with values ranging from 11 to 40, indicating moderate profitability with some variation among observations. The Gross Profit Margin has a higher mean of 46.2, suggesting strong revenue performance, though the standard deviation indicates noticeable variation.

The Operating Profit Margin records an average of 30.5, reflecting stable operational efficiency across the dataset. Similarly, Return on Equity (ROE) and Return on Assets (ROA) show mean values of 26.8 and 18.2 respectively, indicating consistent financial performance with relatively lower variation.

E. Correlation Analysis

TABLE.1
Digital Automation (CRM) & Customer Acquisition Cost (CAC)

Correlations

		Digital Maturity	Customer Acquisition Cost (CAC)
	Pearson Correlation	1	1
	Sig. (2-tailed)	-.746**	
	N		25
Digital CRM Maturity	Pearson Correlation	-.746**	
	Sig. (2-tailed)	.003	25
	N		25

** . Correlation is significant at the 0.01 level (2-tailed).

Hypothesis for correlation Analysis

Null Hypothesis(Ho):

There is no significant correlation between Digital Marketing Expenditure and Net Profit Margin across the surveyed business sectors.

Ho : p = 0

Alternative Hypothesis(H1):

There is a significant positive correlation between Digital Marketing Expenditure and Net Profit Margin, suggesting that higher investment drives better bottom-line efficiency.

H1 : p ≠ 0

Interpretation

To examine the relationship between Digital CRM Maturity and Customer Acquisition Cost (CAC), a Pearson correlation analysis was conducted. The results indicate a strong negative correlation (r = -0.746), suggesting that higher CRM maturity is associated with lower customer acquisition cost.

This implies that effective use of CRM systems helps in reducing the expenses involved in acquiring new customers. Furthermore, the significance value of p = 0.003 (<0.01) confirms that the relationship is statistically significant. The findings highlight that improved digital automation and customer management practices contribute to cost efficiency

Decision

Since the p-value (0.003) is less than the significance level of 0.01, the null hypothesis (Ho) is rejected and the alternative hypothesis (H1) is accepted.

This indicates that there is a statistically significant relationship between Digital CRM Maturity and Customer Acquisition Cost (CAC).

Conclusion

The analysis confirms that there is a significant and negative relationship between Digital CRM Maturity and Customer Acquisition Cost (CAC). This means that as businesses improve their use of CRM systems and digital automation, they are able to reduce the cost involved in acquiring new customers. The findings clearly show that technology-driven processes help in improving efficiency by reducing reliance on manual efforts and optimizing marketing activities. As a result, businesses can achieve better outcomes with lower costs.

VI. RESULTS AND DISCUSSION

The research shows that digital marketing strategies have a direct impact on business growth and performance. The use of tools such as SEO, social media, and CRM systems helps improve customer engagement, increase visibility, and reduce operational cost.

A key finding is the reduction in Customer Acquisition Cost (CAC), indicating that digital automation makes customer acquisition more efficient and cost-effective. At the same time, customer retention rates have steadily improved, showing that digital strategies not only attract customers but also help in maintaining long-term relationships through better interaction and personalized communication.

VII. RECOMMENDATIONS

Based on the findings of the study, the following recommendations are suggested to improve the effectiveness of digital marketing strategies and enhance business growth:

- Develop a well-structured and integrated digital marketing strategy to ensure better coordination across all platforms.
- Maintain consistency in content creation and focus on delivering relevant and engaging content to the target audience.
- Make effective use of analytics tools to monitor performance, understand customer behavior, and improve decision-making.
- Invest in targeted advertising to reach the right audience and improve conversion rates.

VIII. CONCLUSION

Digital marketing has become an essential tool for achieving business growth in today's competitive environment.



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The study shows that effective use of digital marketing strategies helps businesses improve customer engagement, increase brand visibility, and enhance overall performance.

The findings highlight that the use of digital tools such as SEO, social media, and CRM systems plays a significant role in reducing customer acquisition costs and improving customer retention. Businesses that adopt data-driven approaches are able to make better decisions and achieve higher efficiency.

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