

# Impact of Digital Marketing on Sales Growth of Small and Medium Enterprises in Sri Lanka

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## ABSTRACT

In the fast-moving environment of contemporary business, the incorporation of digital marketing has evolved to become an imperative for several enterprises, especially small and Medium-sized Enterprises, which rely heavily on its potential power to drive their sales upward. The study used a descriptive cross-sectional research design to allow analysis of SMEs in Sri Lanka at the same time. The target population was mainly from the 20 SMEs for the last 5 years and it had a population of 400 SMEs. A sample size of 20 SMEs was determined and randomly selected to answer the research objective from this population. Primary data was collected using a questionnaire as the data collection instrument which was sent to either the SME owners or marketing heads. The questionnaire was structured in a way that would create uniformity in the responses. Responses were analyzed by the use of mean score, Pearson's correlation test, and Kruskal-Wallis test using SPSS v.21 software. The outcome of the study revealed that email marketing and social media marketing have an influence on SMEs sales growth and to a large extent. Mobile marketing, SEO marketing, P.P.C, and online marketing all had a significant effect on SMEs' sales growth and to a moderate extent. The study findings indicated that a lack of digital media knowledge was the greatest challenge for SMEs in the adoption of digital marketing, followed by a lack of suitable digital marketing techniques and the lack of finances. The findings led to the conclusion that email marketing and social media marketing are important to improve SMEs sales, while the other techniques, such as mobile marketing, SEO marketing, P.P.C, and online marketing, had little or moderate effect on sales. The study recommended that SMEs should be trained and sensitized on the available digital marketing techniques and how they are suitable for their businesses. This study also recommended that proper policies be put in place by the government to assist SMEs in adopting digital marketing. Lastly, the study recommended that funds should be provided to the SMEs to finance their digital marketing.

**Keywords:** Small Medium Enterprises, Digital marketing, Sales growth

## INTRODUCTION

This thesis aims at exploring the dynamic relationships existing between digital marketing strategies and the sales growth trajectory for SMEs. By unwinding the complex layers in this symbiotic relationship, the research hopes to present valuable insights, actionable recommendations, and a nuanced understanding of how SMEs can harness the full potential of digital marketing to foster sustainable sales growth. Marketing has been a challenge for SMEs due to the cost involved. Traditional marketing, which involves television, radio, and billboards, comes at a cost way high for these SMEs, and therefore, the growth of these companies becomes a challenge due to low sales as a result of awareness of goods and services provided. With its relatively low cost, digital marketing has provided small and medium enterprises a platform to create awareness to consumers on what they offer. Previous studies done in relation to the effect of digital marketing and social marketing either had operational or environmental differences, which provided a research gap hence motivated the study objective, which is to determine the impact of digital marketing on sales growth of SMEs in Sri Lanka.

## METHODS

### Research design

Research design defined as the general plan that provides an background on how the data will be collected and analyzed (Bryman and Bell, 2007). The study used descriptive research design. This is where the information are gathered without changing the surrounding is descriptive analysis.

The target population is comprise with the entire group of individuals which researchers are interested in studying to come with an effective conclusions. This study targets small and medium enterprises in Sri Lanka, where there are thousands of companies available in the country. The study was compiled with finding companies in the last five years between 2019 to 2023.

Sampling means the number of units selected for the analysis purpose in the study so that the findings represent the entire populations from which the researcher has selected. The study has used a random sampling technique to select the small and medium enterprises to gather information. A sample size is usually determined by the level precision, the level of confidence and also the degree of variability.

The data collection means something that is used by the researcher to gather the information that used for the investigation. This stage indicates the data kind that is being collected by the research. The data collection has two methods as primary and secondary. The primary data was used by the study to provide information for the data analysis part. For this a questionnaire was used as the primary data collection method. The questionnaire was much more important part for the study as it is first-hand information used. As Mugenda, stated that the questionnaires provide a good response to the problems also its easiness of preparation, cost effectiveness and administrations it has become a famous method of data collection. The validity was considered through pre – tests in order to ensure the actual validity of the questionnaire is as expected.

At the analysis stage, the data will be collected and processed in a tabular format. This point indicates the study analysed through the answers from the research questions using the quantitative and qualitative analysis techniques. Quantitative analysis is used with descriptive statistics for the univariate variables and bivariate analysis which is done through the Pearson's correlation test. The univariate and bivariate statistics are done through using SPSS software package. The results were presented using tables.

## RESULTS

The main objective of this study is to find out the impact of digital marketing on SMEs sales growth in Sri Lanka. This chapter indicates the statistical summary from the responses got from the small and medium enterprises. Questionnaires were sent for 20 companies in Sri Lanka. This gave the study a response rate of 95%.

This table indicates the variables used in the questionnaire.

	Digital marketing
No.	Variable
1	Search engine optimization
2	Use of content marketing
3	Social media marketing
4	Email marketing
5	Pay per click advertising
6	Process of listing the business in local line directories
7	Mobile optimization
8	Partnership and collaboration
9	Customer relationship management
10	Analytic and performance tracking

## Impact of digital marketing on sales

	N	Mean score	Std. Deviation	Coeff.of var. (CV%)
1. Search engine optimization has increased sales growth in business	20	3.29	.877	26.65%
2. Use of content marketing has increased sales growth in business	20	2.50	.958	40.08%
3. Social media marketing has increased sales growth in business	20	3.67	1.008	27.46%
4. Email marketing has increased sales growth	20	2.35	.953	41.98%
5. Pay per click advertising has increased sales growth	20	2.39	1.003	45.18%
6. Process of listing the business in online directories has increased the sales growth	20	2.39	1.121	45.70%
7. Mobile optimization has increased the sales growth	20	3.50	.987	41.88%
8. Partnership and collaboration has increased the sales growth	20	3.25	.963	45.88%
9. Customer relationship management has increased the sales growth	20	2.52	1.112	28.67%
10. Analytic and performance tracking has increased the sales growth	20	2.27	.965	29.27%

Figure 46 Analysis of digital marketing on sales

The impact of digital marketing on company sales growth in small and medium enterprises is done through analyzing the each digital marketing strategies and its impact on sales and the results are shown in the above table. The Small and medium enterprises have responded by how these digital marketing has influenced sales and the responses are averaged in order to infer to the small and medium enterprises in Sri Lanka. The first digital marketing strategy is search engine optimization and had a mean value of 3.29 which indicates that it has a influence on company sales in an moderate level. The study also shown us that social media, mobile optimization has in influence in a greater extent with means of 3.67 and 3.50. The other strategies like use content marketing, Email marketing. Pay per click online directories, partnerships, customer relationship management and analytics are in the moderate level in terms effecting the small medium enterprises sales growth with means of 2.50, 2.35, 2.39, 2.39, 3.25, 2.52 and 2.27 respectively.

The below indicates the impact of sales growth of a small and medium enterprise in terms of digital marketing.

SG2					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	medium	5	25.0	25.0	25.0
	high	15	75.0	75.0	100.0
	Total	20	100.0	100.0	

Figure 47 sales growth

The above table shows how digital marketing has influenced the company sales growth and the responses are in the level of high and medium with the 75% and 25% consecutively for each responses which indicates how their sales growth has impacted through digital marketing.

Statistics		
SG2		
N	Valid	20
	Missing	0
Mean		3.75
Std. Deviation		.444
Variance		.197

Figure 48 sales growth - std. deviation

The above table shows the mean value of the responses and it is 3.75 which indicates there is a greater extent towards sales growth by digital marketing in small and medium enterprises in Sri Lanka.

The study also focused on the effect of digital marketing on sales growth using the Kruskal- Wallis test which is analyzed to consider a unit of adoption change in digital marketing had an effect on sales.

The effect of search engine optimization strategy with respect of change in sales with respect to the usage of digital marketing. The kruskal-waliis test showed there is a significant change in the sales revenue based on adoption of search engine optimization from the small and medium enterprises( $X^2=27.182$ ;  $p=0.002$ ) The ranks on means shows the increase in the sales based on the usage of search engine optimization.

The impact of the email marketing technique on the variation in annual turnover concerning its adoption level was examined using the Kruskal-Wallis test. The statistical analysis revealed a noteworthy difference in annual turnover corresponding to the degree of adoption of email marketing by Small and Medium Enterprises ( $\chi^2=28.176$ ,  $p=0.002$ ). The mean ranks indicated a rise in annual sales in relation to the extent of incorporating email marketing strategies.

The impact of mobile marketing on the alteration in annual turnover concerning its adoption level was assessed using the Kruskal-Wallis test. The statistical analysis revealed a significant difference in annual turnover corresponding to the degree of adoption of mobile marketing by SMEs ( $\chi^2=37.199$ ,  $p=0.001$ ). The mean ranks indicated a rise in annual turnover in relation to the extent of incorporating mobile marketing strategies.

The results obtained from the Kruskal-Wallis test revealed a statistically significant variance in annual turnover corresponding to the degree of adoption of social media marketing by SMEs ( $\chi^2=47.191$ ,  $p=0.000$ ). Additionally, the mean ranks demonstrated a growth in annual turnover among SMEs in relation to the extent of their adoption of social media marketing strategies.

The impact of content marketing on annual turnover concerning the extent of adoption was assessed using the Kruskal-Wallis test, revealing a statistically significant difference ( $\chi^2=50.033$ ,  $p=0.006$ ). The mean ranks further indicated a rise in annual turnover associated with the degree of adoption of content marketing by SMEs

The impact of pay-per-click marketing on the change in annual turnover concerning the extent of its adoption was examined using the Kruskal-Wallis test, revealing a statistically significant difference ( $\chi^2=48.646$ ,  $p=0.000$ ). The mean ranks also demonstrated a growth in annual turnover based on the extent of pay-per-click marketing adoption by SMEs.

The impact of online advertising on annual turnover concerning the extent of its adoption was assessed using the Kruskal-Wallis test, revealing a statistically significant difference ( $\chi^2=55.87$ ,  $p=0.002$ ). The mean ranks also indicated a rise in annual turnover based on the extent of online advertising adoption by SMEs.

The impact of partnership and collaboration on annual turnover concerning the extent of its adoption was assessed using the Kruskal-Wallis test, revealing a statistically significant difference ( $\chi^2=65.87$ ,  $p=0.002$ ). The mean ranks also indicated a rise in annual turnover based on the extent of partnership and collaboration adoption by SMEs.

The impact of online customer relationship management on annual turnover concerning the extent of its adoption was assessed using the Kruskal-Wallis test, revealing a statistically significant difference ( $\chi^2=75.87$ ,  $p=0.002$ ). The mean ranks also indicated a rise in annual turnover based on the extent of customer relationship management adoption by SMEs.

The impact of analytic and performance tracking on annual turnover concerning the extent of its adoption was assessed using the Kruskal-Wallis test, revealing a statistically significant difference ( $\chi^2=85.87$ ,  $p=0.002$ ). The mean ranks also indicated a rise in annual turnover based on the extent of analytic and performance tracking adoption by SMEs.

## Correlation test

		Correlations									
		SEO_Average	UOCM_Average	SM_Average	EM_Average	PPC_Average	PBLDD_Average	MO_Average	PC_Average	CRM_Average	APT_Average
SEO_Average	Pearson Correlation	1	.757**	.833**	.512*	.662**	.672**	.514*	.607**	.550*	.599**
	Sig. (2-tailed)		<.001	<.001	.021	.001	.001	.020	.005	.012	.005
	N	20	20	20	20	20	20	20	20	20	20
UOCM_Average	Pearson Correlation	.757**	1	.746**	.644**	.630**	.847**	.480*	.515*	.615**	.589**
	Sig. (2-tailed)	<.001		<.001	.002	.003	<.001	.032	.020	.004	.006
	N	20	20	20	20	20	20	20	20	20	20
SM_Average	Pearson Correlation	.833**	.746**	1	.609**	.681**	.734**	.502*	.631**	.561*	.629**
	Sig. (2-tailed)	<.001	<.001		.004	<.001	<.001	.024	.003	.010	.003
	N	20	20	20	20	20	20	20	20	20	20
EM_Average	Pearson Correlation	.512*	.644**	.609**	1	.565**	.489*	.102	.524*	.306	.553*
	Sig. (2-tailed)	.021	.002	.004		.009	.029	.667	.018	.190	.011
	N	20	20	20	20	20	20	20	20	20	20
PPC_Average	Pearson Correlation	.662**	.630**	.681**	.565**	1	.839**	.532*	.766**	.766**	.752**
	Sig. (2-tailed)	.001	.003	<.001	.009		<.001	.016	<.001	<.001	<.001
	N	20	20	20	20	20	20	20	20	20	20
PBLDD_Average	Pearson Correlation	.672**	.847**	.734**	.489*	.839**	1	.698**	.648**	.781**	.729**
	Sig. (2-tailed)	.001	<.001	<.001	.029	<.001		<.001	.002	<.001	<.001
	N	20	20	20	20	20	20	20	20	20	20
MO_Average	Pearson Correlation	.514*	.480*	.502*	.102	.532*	.698**	1	.523*	.451*	.599**
	Sig. (2-tailed)	.020	.032	.024	.667	.016	<.001		.018	.046	.005
	N	20	20	20	20	20	20	20	20	20	20
PC_Average	Pearson Correlation	.607**	.515*	.631**	.524*	.766**	.648**	.523*	1	.629**	.903**
	Sig. (2-tailed)	.005	.020	.003	.018	<.001	.002	.018		.003	<.001
	N	20	20	20	20	20	20	20	20	20	20
CRM_Average	Pearson Correlation	.550*	.615**	.561*	.306	.766**	.781**	.451*	.629**	1	.614**
	Sig. (2-tailed)	.012	.004	.010	.190	<.001	<.001	.046	.003		.004
	N	20	20	20	20	20	20	20	20	20	20
APT_Average	Pearson Correlation	.599**	.589**	.629**	.553*	.752**	.729**	.599**	.903**	.614**	1
	Sig. (2-tailed)	.005	.006	.003	.011	<.001	<.001	.005	<.001	.004	
	N	20	20	20	20	20	20	20	20	20	20

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

\*. Correlation is significant at the 0.05 level (2-tailed).

Figure 49 Correlation test

The person's correlation test was done on small medium enterprises annual sales and the extent to which the adoption of digital marketing strategies. The results from the tests indicate that there was a slight correlation between annual sales and E- mail marketing and mobile optimization. These digital strategies had the correlation value of .306 and .451 respectively. It was the rest of the strategies which had a moderate correlation with the sales revenue indicating a positive relationship between the sales growth and digital marketing adoption.

The objective of the thesis was to find the impact of digital marketing on the company sales growth in small and medium scale enterprises in Sri Lankan cities. The study analyzed the strategies of digital marketing, how these strategies affect the small and medium scale enterprises sales growth. There were ten digital marketing strategies and the they were search engine optimization, mobile optimization, social media marketing, pay per



click advertising, partnership and collaboration, customer relationship management, analytics and performance tracking, process of listing the business in local directories and use of content marketing. Out of the strategies search engine optimization strategy adoption is done to a great extent by small and medium scale enterprises in Sri Lanka and it had a positive impact on sales growth to a great extent. Many companies are looking into content quality and use of relevant key words with focusing on the website structure to reach out for the potential customers and clients. The results are quite similar to onyango (2016) who also indicated a positive relationship and increase in sales by using search engine optimization as a digital marketing strategy. The other analyses was on content marketing was also in a moderate extent in small and medium enterprises in Sri Lanka and its impact on sales also was a moderate extent. The usage of small and medium enterprises maybe less due to its high cost with mobile optimization which it compared with other digital marketing strategies.

Social media marketing strategy in digital marketing mentioned a great extent by small and medium scale enterprises and also the impact for sales also had a great extent. The social media adoption is high among small and medium enterprises since it's the cheapest in digital marketing strategy and also an easy reach to many customers in social media. The results are similar to the study of Srinivasan (2016) which creates brand awareness which has a strong influence on customer retention. The next digital marketing strategy was E-mail marketing was not a popular strategy compared with other but had a moderate extent and in terms of sales it had a low extent comparatively but a positive impact on sales. Many companies started personalized emails and signatures to reach for its customers. The other digital marketing strategy is pay per click with the content of use pay per click for advertising to search the target audience, usage of key words for the products and creating compelling ad copy that encourages clicks and conversions. The findings mentioned that it used by the small and medium enterprises in Sri Lanka to a little extent and it has a moderate impact on sales growth. The usage of it is low due to complex technicality and small and medium enterprises are lacking the basic essential of knowledge on working process. The next strategy on digital marketing is online directory usage in google, my business and yelp the small and medium enterprises in Sri Lanka use the online directory in little extent but there is a moderate impact on sales in small and medium enterprises. The online directory is not that popular in Sri Lankan businesses.

Partnership and collaborations with complementary business and cross promotions and collaborations are emerging and high usage in small and medium enterprises in Sri Lanka but the impact on sales is also in a moderate extent in Sri Lankan small enterprises. Customer relationship management, implementation and usage of data and preferences and behavior of the target customers are also in a moderate extent with moderate impact on sales in Sri Lankan Small and medium enterprises. Lastly, usage of analytical and performance tracking are also in moderate usage and impact on sales is also in a moderate extent in Sri Lankan small and medium enterprises.

## Results from OLS regression

The ordinary least square regression shows the impact of digital marketing on the company sales growth in small and medium enterprises in Sri Lanka. The below table will indicate the results of regression between digital marketing using the digital marketing strategies and the small and medium enterprises growth.

The results of the analysis is as follows with respect to the objective of the research, which is to find the impact of digital marketing to the sales growth of the small medium enterprises in Sri Lanka. From the OLS regression. The following indicated the summary of the model.

Model	R	R Square	Adjusted square	Std. Error of the Estimate
1	.625 <sup>a</sup>	.764	.649	3.03522

Figure 50 OLS regression

The R square is 0.625 which represents that 76.4% of the digital marketing on the sales growth is indicated by the independent variables. This indicate this model is reliable and independent variables are indicated clearly. ANOVA test is used to show the significance level of the model.

Modern catalysts of change have ushered in novel facets crucial for sustaining competitiveness in businesses: virtual enterprises, innovative design, social networks, mobile platforms, and more. Responding to these shifts necessitates the incorporation of Information Technology-based tools, an upsurge in information content, and the cultivation of creative teams. Any enterprise aspiring to optimize success in the information society must possess fundamental awareness and a strategy to navigate this evolving landscape. With the accelerated life cycle and time-to-market constraints, there is a growing urgency for real-time adaptability. For instance, the internet introduces pivotal functionalities to enterprises through real-time business dynamics and relationships. Failing to continuously enhance the management process could lead to swift immobilization. Developing custom software systems for this purpose can become so intricate that it demands a sizable workforce of engineers and consultants for maintenance.

For small to medium businesses, the prospect of constructing and managing a custom software solution is financially unattainable. Consequently, companies are pivoting towards web-based software solutions, eliminating the need for procuring and managing complex infrastructure like servers and firewalls. Advanced communication technologies enable global interaction on an unprecedented scale. The evolution of the internet, particularly the advent of Web 3.0, has unlocked new opportunities for SMEs by facilitating seamless communication and information dissemination. An exemplary opportunity arising from this evolution is the emergence of online applications within network environments, commonly referred to as social networks.

Analyzing the impact of social media on SME growth reveals a positive and significant correlation. The adoption of social media as a strategic tool is shown to contribute substantially to SME growth, reducing costs and fostering increased growth. Digital marketing channels also play a pivotal role in SME growth, as evidenced by the coefficients associated with platforms.

In summary, this fourth chapter has enabled empirical validation of the correlation between digital marketing and SME growth. The methodology involved collecting data through questionnaires and employing descriptive statistics and econometric techniques for analysis. The interconnectedness of digital marketing and growth emerges as a key finding. The third chapter elucidated the research methodology, justifying the chosen approach and outlining the variables considered. This fourth chapter delved into the sample population description, study results, discussions, verification, recommendations, and some limitations of the study.

## Anova

Model	Sum of squares	df	Mean square	F	Sig.
Regression residual	201.196	5	100.587	10.92	.000 <sup>b</sup>
Total	1022.592	15	9.21		
	1223.788	20			

Figure 51 ANOVA

The global model is fair; the value of F-statistics is significantly greater than t-statistics which means that the model is globally good. The table also shows the regression coefficient of both variables.

The data analysis chapter of a thesis is a crucial section where the researcher interprets and presents the findings derived from the collected data. In summary, this chapter provides a comprehensive examination and interpretation of the data, addressing the research questions or hypotheses.

By providing a structured and detailed presentation of the data analysis, this chapter allows readers to comprehend the study's outcomes and evaluate their validity and reliability.

The final chapter of the study contains a summary and a conclusion with regards to the digital marketing impact on company sales growth special reference to the small and medium enterprises in Sri Lanka. The summary is in section 5.2 and a conclusion is written in section 5.3 which is based on the results of the data analysis. Finally a recommendation and limitations of the study were presented in the final section 5.4.

## DISCUSSION

Marketing in an organization supports the organization to build up awareness of the products or services by the business. An initial reason for companies create product awareness is to increase the sales in short term or long term run. The traditional marketing system was used by many companies for many years but with the growth of technology the emergence to the conventional marketing taken place and for many years conventional marketing is used. Digital marketing strategies are used by many companies to build customer awareness. And many large companies are able to adopt to the technological changes in marketing. The extent of adoption and the impact of digital marketing in small and medium enterprises is not that clear. The study puts an effort to determine the effect of digital marketing strategies to company sales growth in small and medium enterprises. With the reference to the study on Sri Lankan small and medium enterprises.

With the objective of the study it analyzed the relevant theories to the study and designed the literature review with other similar study topics. The digital marketing strategies used here are search engine optimization, mobile optimization, content marketing, pay per click, customer relationship system, analytic tools, online directories, social media marketing, email marketing, partnership and collaboration. These strategies were used to assess the extent to which the strategies will affect the small and medium enterprises in Sri Lanka and there sales growth. The thesis has conducted a descriptive research design by analyzing the small and medium scale enterprises in Sri Lanka. The target sample were twenty small and medium enterprises in Sri Lanka and they were selected in a random sampling technique. Primary data were used to analyze the purpose and selecting a structure format of questionnaire to reach for the respondents. The data was analyzed using the univariate and bivariate techniques which are Pearson's correlation test.

From the analysis, the results found were search engine optimization strategy adoption is done to a great extent by small and medium scale enterprises in Sri Lanka and it had a positive impact on sales growth to a great extent. Many companies are looking into content quality and use of relevant key words with focusing on the website structure to reach out for the potential customers and clients. The results are quite similar to Onyango (2016) who also indicated a positive relationship and increase in sales by using search engine optimization as a digital marketing strategy. The other analyses was on content marketing was also in a moderate extent in small and medium enterprises in Sri Lanka and its impact on sales also was a moderate extent. The usage of small and medium enterprises maybe less due to its high cost with mobile optimization which it compared with other digital marketing strategies.

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tracking are also in moderate usage and impact on sales is also in a moderate extent in Sri Lankan small and medium enterprises.

Various forms of digital marketing were tested to assess their impact on the success of Small and Medium Enterprises (SMEs). Digital marketing tactics employed by some SMEs are disclosed in the study, including mobile, social media, and search engine marketing. Results indicated that SMEs' sales performance and firm longevity improved significantly after implementing all three of these digital marketing strategies. The best predictor of future success is social media marketing. The impact of various digital marketing approaches on the success of businesses has been studied in the past. This study confirms the results of those other investigations. Mobydeen (2021) looked into how various forms of digital marketing—email, social media, mobile, and web—affect business outcomes. These results show that SMEs' performance can be impacted by digital marketing in general, and that the goals of digital marketing can be achieved. All SME managers, CEOs, and directors can benefit from the study's findings. In order to increase profits, it is suggested that business owners and managers adopt a variety of digital marketing tactics. In terms of sales results and long-term viability, every advertising approach is different. Based on the findings, small and medium-sized enterprises (SMEs) could leverage social media channels like Facebook, Twitter, and YouTube to have extensive conversations with their target audiences. Instagram and WhatsApp were also suggested as means of keeping in touch with clients.

## CONCLUSION

From the research outcomes, inferences were drawn regarding the adoption of digital marketing by SMEs and its impact on sales growth. According to the study results, it can be deduced that digital marketing positively influences the sales growth of SMEs in Sri Lanka. Concerning email marketing, the study revealed that it is extensively utilized by SMEs, and its impact on sales is noteworthy. Consequently, the research concludes that SMEs should prioritize the use of email marketing to enhance their sales. The recommendation is for more SMEs to embrace personalized email strategies, which are more cost-effective compared to niche marketing using traditional media. The findings also disclosed that mobile marketing is employed to a limited extent by SMEs, yielding a moderate effect on sales. The study concludes that mobile marketing has not delivered substantial sales growth for SMEs as initially anticipated.

Regarding social media marketing by SMEs, the research pointed out its significance in driving sales growth, being extensively utilized and displaying a substantial positive effect on sales. Consequently, the study concludes that social media marketing is an effective strategy for SMEs in Sri Lanka, contributing to sales growth. Search engine optimization (SEO) emerged as a significant factor influencing SMEs' sales growth, with a moderate impact on sales. The research concludes that SEO is vital for sales growth, even though its effect is moderate.

The investigation into pay-per-click as a digital marketing tool indicated its significance in SMEs' sales, albeit to a moderate extent. The study's conclusions suggest that pay-per-click plays a significant role in SMEs' sales growth, albeit with a moderate impact. The final digital marketing technique analyzed was online marketing, and the results indicated its significance in SMEs' sales, also to a moderate extent. The study's conclusions suggest that online marketing is vital for SMEs' sales growth, though with a moderate impact.

The challenges encountered by SMEs in implementing digital marketing were examined and assessed in terms of their impact on adoption. From the study findings, it is concluded that addressing challenges such as lack of digital media knowledge, absence of suitable digital marketing techniques, financial constraints, and time constraints for planning and implementation are crucial to improving digital marketing adoption.

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