Effectiveness of digital marketing strategies in small and medium Enterprises in Nepal.

BY

Binam Baruwal

A project work report Submitted to Pokhara University in partial fulfilment of the requirement of the degree of

Bachelor of Business Administration (BBA)

at the

Nepal Tourism and Hotel Management College

Pokhara Lekhnath- 14, Kaski

2025

DECLARATION

I hereby declare that the project work report entitled " Effectiveness of digital marketing strategies in small and medium Enterprises in Nepal." Submitted for the BBA is my original work and Project Work Report has not formed the basis of the award of any degree, diploma or other similar titles.

……..

Signature

Binam Baruwal

Date: 2025

Certificate

This is to certify that the project work titled **"Effectiveness of digital marketing strategies in small and medium Enterprises in Nepal"** submitted by Binam Baruwal (22031889) for partial fulfilment of BBA embodies the Bonafide work done by him under my supervisor.

……..

Signature of Supervisor

Mr. Prakash Regmi

Date: 2025

ACKNOWLEDGEMENTS

The purpose of project work is to provide students the opportunity to synthesize knowledge from several academic disciplines and apply it creatively and critically in practical settings. Adhering to Pokhara University's curriculum, this project has been put together to partially fulfil the internal assessment standards for sixth-semester Bachelor of Business Administration students. Therefore, it is extremely fulfilling that the institution has implemented such a challenging and academic task to enhance and implement the conceptual knowledge we have gained, thereby promoting practical proficiency.

The author's efforts alone have not been sufficient to complete this project. This report's current state is the result of years of work and the encouragement of several kind creditors.

Firstly, I am always indebted to my BBA coordinator Mr.Harihar Poudel for providing us the opportunity and necessary guidelines for conducting this research and I'm grateful to respected Mrs. Dikshya Rana Hamal, Research supervisor for her constant guidance towards various research problems and providing insights and suggestions focused on the topic and also for her considerable help to complete this project work in time. I would like to express my gratitude towards all employees for their kind support, cooperation and for giving me such attention and their valuable time.

Finally, I would like to express my warm respect to my parents, whom I am indebted for constant love and encouragement to this stage. They have always support me to pursue further study. Despite of sincere efforts made the chance of human error cannot be neglected. Therefore, I would also like to take full responsibility of any kind of deficiency presented in this project work.

Thank You!

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Executive summary

In today's fast-paced business climate, Small and Medium Enterprises (SMEs) are under growing pressure to implement digital marketing strategies in order to remain competitive and relevant. This research investigates the present level of digital marketing adoption, the efficacy of various methods, and the obstacles faced by SMEs, with an emphasis on tools like as search engine optimization (SEO), social media marketing, content development, and targeted advertising. The study used a descriptive and comparative research approach, collecting primary data via structured questionnaires and interviews with SME owners, managers, and marketing people. Secondary data from industry reports and academic articles offered further context and validity. While many SMEs appreciate the benefits of digital marketing, such as increased customer involvement, brand awareness, and market responsiveness, hurdles such as insufficient knowledge, financial limits, and fast changing digital trends provide major challenges. The study finds that SMEs must implement a well-planned, comprehensive digital marketing strategy to develop market competencies and maintain a competitive edge. Recommendations are provided to assist SMEs in successfully integrating digital marketing into their company strategy and adapting to continuing technological advances

CHAPTER I

INTRODUCTION

1.1 Background of the study

A short summary of the studies on how well digital marketing works to improve market competence in the fast-paced corporate environment of today. Businesses are forced to exploit the potential of digital platforms and instruments as traditional marketing techniques change to keep up with technological improvements. By examining its complex effects on consumer engagement, brand awareness, data-driven insights, and rivalry strategies, this research analyzes how digital marketing impacts market competence. This abstract emphasizes the significant ramifications of digital marketing for companies hoping to thrive in the modern market by combining results from several empirical research, industry reports, and conceptual frameworks. (ghafari, 2024).

The results underscore how the integration of search engine optimization, social media marketing, content creation, and targeted advertising can collectively drive a company's competitiveness, foster customer loyalty, and facilitate adaptability to ever-changing market trends. Competitive strategies are also revolutionized by digital marketing. Businesses can monitor competitors in real time, gaining insights into their strategies and adjusting their approaches accordingly. Moreover, digital platforms provide opportunities for innovative marketing campaigns that can quickly capture consumer attention and establish a competitive edge. Overall, digital marketing revolutionizes customer engagement, brand visibility, data utilization, and competitive strategies. Embracing these strategies is imperative for businesses to not only stay relevant but also thrive in the contemporary market arena. This abstract contributes to a deeper understanding of the pivotal role digital marketing plays in reshaping business strategies and underscores the necessity for organizations to embrace a holistic digital approach to remain competitive in today's market.

1.2 Statement of the Problem

In today's fast-paced digital environment, businesses confront an increasing challenge: keeping up with swiftly developing digital marketing methods. While digital platforms provide strong tools such as social networking, content production, and targeted advertising, many businesses, particularly small and medium-sized organizations, struggle to use these resources successfully. The need to remain competitive, communicate with customers in real time, and adapt to changing market trends is greater than ever.

Regardless of its enormous potential, many businesses today struggle to translate digital marketing strategies into meaningful outcomes due to a lack of technical skills, resources, and clarity on measuring success, all while dealing with a constantly changing digital landscape that includes new platforms and consumer behaviours. This causes uncertainty and makes it tough to remain visible and competitive, since good digital marketing today necessitates data-driven decisions, real interaction, and adaptation, in addition to traditional advertising. This study aims to shed light on these real-world problems and investigate how organizations may bridge the gap between digital marketing's promise and actual outcomes in order to improve their ability to compete in the current market.

1.3 Objectives of the study

This research study has been undertaken with the following objectives:

- To identify determinants of influence of digital marketing.
- To measure associate between digital marketing strategies and its determinants.
- To know the knowledge of marketing in small and medium enterprises of with respect to their progress.
- To analyse work satisfaction by satisfaction attributes.
- To know the problem of digital marketing strategies.

1.4 Need and Scope of the Study

Small and medium-sized businesses (SMEs) are under increasing pressure to implement creative marketing techniques to stay competitive and relevant in the rapidly changing digital economy of today. Modern consumers, who depend more on digital platforms for information, decision-making, and brand connection, are getting harder to reach using traditional marketing techniques. Therefore, the requirement for targeted, scalable, and affordable solutions that enable SMEs to reach a wider audience with fewer resources is what drives the need for digital marketing.

SME engagement, brand visibility, and real-time data analysis are made possible by digital marketing methods like search engine optimization (SEO), social media marketing, content marketing, and targeted advertising. In addition to improving client interaction, these tools assist companies in customizing their products.

1.5 Literature Review

The effectiveness of digital marketing strategies in small and medium enterprises (SMEs) is a crucial area of study, particularly in the context of developing economies such as Nepal. The literature surrounding this topic reveals various dimensions that impact the performance of SMEs, including marketing challenges and their implications. In the year 2019, Dangisso undertook a thorough and meticulous examination of the myriad effects that marketing challenges can have on the performance of small and medium-sized enterprises (SMEs) that are operating within the Loka Abaya woreda of Ethiopia. This comprehensive study illuminated the significant and often crucial role that a variety of marketing factors play in influencing the performance levels and overall success of these SMEs. It was identified through this rigorous research process that not only marketing challenges but also various pricing difficulties have proven to be pivotal elements that determine the overall success and long-term sustainability of these enterprises. The research strongly emphasized the pressing necessity for SMEs to effectively navigate and overcome marketing hurdles in order to enhance their overall performance metrics and achieve better results in the competitive landscape. The findings of this extensive analysis strongly suggest that tackling these marketing and pricing challenges could potentially pave the way for improved economic development within the region, as well as increased employment opportunities for the local population. This reinforces the critical importance of adopting strategic marketing

approaches, such as targeted marketing strategies and efficient pricing methods, that can better equip SMEs to confront and manage the complexities they face in an increasingly competitive market environment. By focusing on these key areas, SMEs can foster growth, resilience, and adaptability in the face of challenging circumstances and market dynamics. (Yure Dangisso, 2019)(Basit et al.2024)(Amin, 2021)(Qalati et al.2022) (Deku et al.2024)(Mainardes et al.2022)(Massoudi and Fatah2021) This foundational work sets the stage for a more nuanced exploration of how digital marketing strategies can specifically address these marketing challenges faced by SMEs in Nepal. By understanding the implications of marketing difficulties as outlined by Dangisso, subsequent research can build upon these insights to evaluate the effectiveness of digital marketing interventions tailored for the unique context of Nepalese SMEs.

1.6 Research Methodology of the study

1.6.1 Research design

This study follows a descriptive research design that aims to describe the current state of adoption, effectiveness, and challenges of digital marketing strategies among Small and Medium Enterprises (SMEs). Descriptive research helps to systematically collect, analyze, and present information to provide a clear and accurate picture of the phenomena as they exist.

Additionally, this study is comparative in nature, as it attempts to compare the extent and effectiveness of digital marketing practices across different sectors and sizes of SMEs. The objective is to understand how digital marketing strategies contribute to enhancing market competence and competitiveness among SMEs.

The researchers chose this topic because, in the fast-paced corporate environment of today, SMEs face mounting pressure to adopt digital tools to remain competitive. As traditional marketing techniques evolve in response to technological advancements, it is crucial to understand how SMEs leverage digital platforms such as search engine optimization (SEO), social media marketing, content creation, and targeted advertising.

1.6.2 Nature and Sources of data

The study utilizes both primary and secondary data to achieve a comprehensive understanding of digital marketing strategies in SMEs.

Primary Data

- **Nature:** First-hand, original data collected specifically for this study.

- **Source:** Owners, managers, and marketing personnel of SMEs across various sectors.
- **Collection Methods:**
    - Structured questionnaires containing closed and Likert-scale questions to quantify practices, perceptions, and challenges related to digital marketing.
    - Semi-structured interviews conducted to gather in-depth insights, personal experiences, and qualitative perspectives on digital marketing adoption and its effectiveness.

Secondary Data

- **Nature:** Existing data collected and published by other researchers, organizations, and industry bodies.
- **Source:**
    - Industry reports on digital marketing trends in SMEs.
    - Academic journals and empirical research studies related to digital marketing effectiveness and adoption in SMEs.
    - Government publications and statistical data about SME demographics and digital infrastructure.
    - Reports from digital marketing agencies and consulting firms providing insights into current practices and market performance metrics.

The combination of primary and secondary data ensures the study captures both the practical realities faced by SMEs and the broader theoretical and industry perspectives, thereby enhancing the validity and depth of the findings.

1.6.3 Methods of data analysis

The collected data will be evaluated using descriptive statistical methods such as frequency distribution, percentages, means, and standard deviation. Cross-tabulation and mean comparison will be used to detect differences in digital marketing techniques among SME sectors and sizes.

1.7 Organization of the Study

The study is divided into three chapters. Chapter 1 offers an overview of the context, study challenge, aims, and significance of investigating digital marketing methods in SMEs. The second chapter describes the research design and methodology, including the descriptive and comparative approach, research objectives, population and sampling methods, data collection tools like questionnaires and interviews, data analysis techniques, ethical considerations, data nature and sources, and study limitations. Chapter 3 includes the analysis, interpretation, and discussion of findings, highlights major results, draws conclusions, and makes recommendations for SMEs, as well as proposals for future study.

CHAPTER II

DESCRIPTIVE ANALYSIS

2.1 Analysis of customer satisfaction by Satisfaction Attributes

This study is concerned with customer satisfaction associated at different institution in Nepal. To complete the study various data are collected from primary sources. The collected data are the raw data. In this section all the forms of raw data are edited, tabulated, analyzed and will be plotted in the graph for analysis and major findings of the study is presented in the last section of this chapter.

2.1.1 Respondents from different institution

The following table and figure show the number of respondents from different institution:

Table 2.1 Respondents from different institution

1 Respondents from different institution

S.N.	Company Name	Industry	Respondent Name/Position	Digital Marketing Channels Used	Main Objectives	Challenges Face
1	Green Life Foods	Food & Beverage	Beverage Ms. Sita, Marketing Head	Facebook, Instagram, SEO	Increase brand awareness	Limited budget, lack of expertise
2	Everest Tech Solutions	IT Services	Mr. Raj, Digital Strategist	Google Ads, LinkedIn, Email marketing	Lead generation	High ad costs, measuring ROI
3	Himalayan Handicrafts	Handicrafts	Ms. Maya, Owner	Instagram, Pinterest, TikTok	Expand market reach	Content creation challenges

The table displays data obtained from three Pokhara-based SMEs across various industries, emphasizing their usage of digital marketing tactics. It displays the firm names, industries, responder names and positions, digital marketing channels used, primary marketing objectives, and important problems encountered. The findings show that SMEs frequently utilize platforms such as Facebook, Instagram, SEO, Google Ads, and TikTok to raise brand recognition, generate leads, and broaden market reach. They have considerable problems, such as restricted budgets, high advertising expenses, monitoring ROI, and developing appealing content.

2.1.2 Respondents age group

The following table and figure show the age group of the respondents:

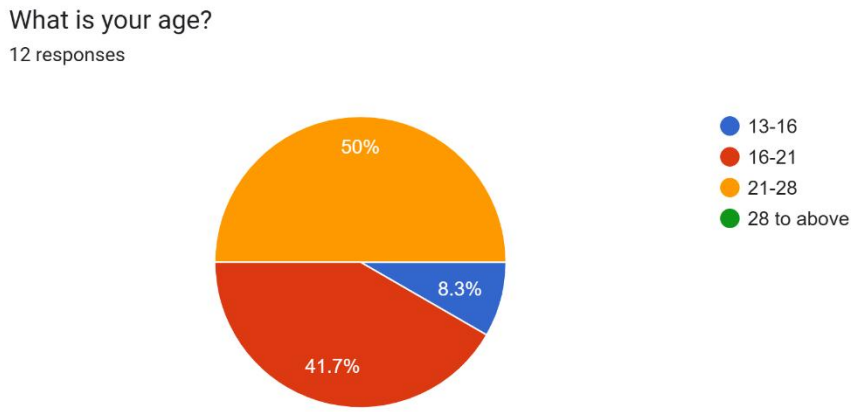

Figure 1 Age Group

Fig 2.2: Respondents age group

The above figure reveals that the majority of the respondents were within the age of 21 – 28 years old, followed by the age group 16-21, few respondents were above 13 ears age group and respondents below 18 years age group. Therefore, the sample of the present survey are heterogeneous and representation.

2.1.3 Respondent's Occupation title

The following table and figure show respondent's job title:

Table 2.3: Respondents Occupation title

2 Occupation Title

Job Titles	No of respondents	Percentage
student	7	58.3%
Self employed	3	25%
employee	1	8.3%
business	1	8.4 %
Total	12	100%

Source: Questionnaire, 2025

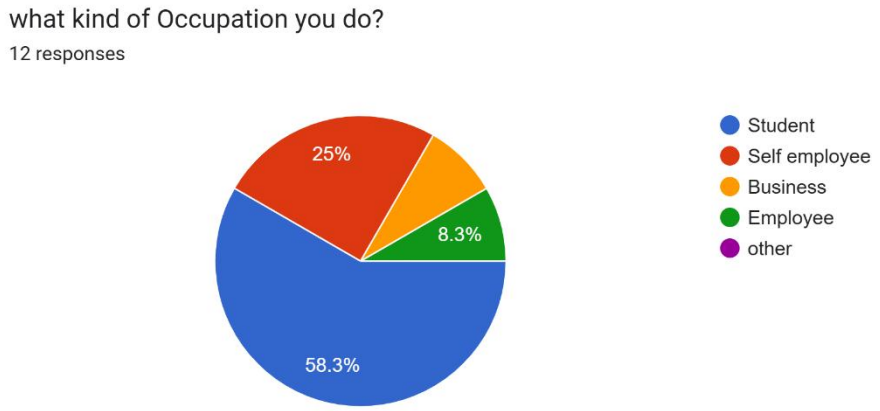

Figure 2 Occupation Title

From the above figure, it reveals that 58.3% are student. Similarly, 8.3% of the respondents are employee, 25% are self-employed and 8.4% are among the 12 respondents. This figure shows the highest percentage of student and the lowest percentage of the employee.

2.1.4 Level of your Education

The following table and figures show the working experience of the employees:

Table 2.4: Level of your Education

3 Level of your Education

Eduation level	No of respondent	Percentage
SEE	2	14.3%
SLC	3	21.4%
Bachelor	6	42.9%
PHD	3	21.4%
Total	14	100%

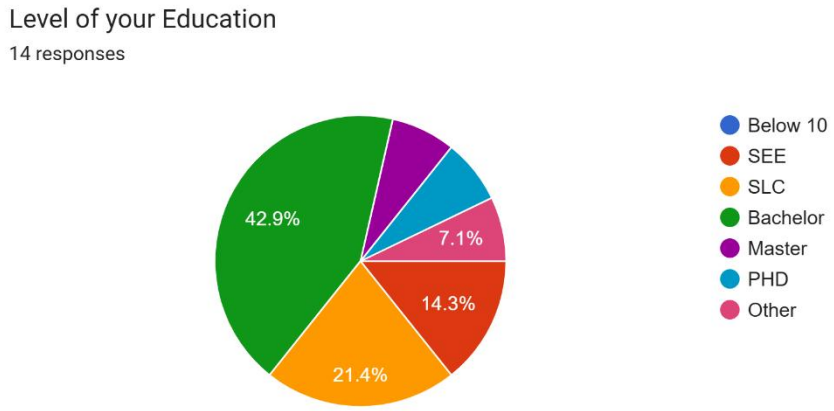

Figure 3 Level of your Education

From the above figure, it shows 42.9% of respondents are from Bachelor in the organization below the 2 years, 21.4% of respondents are from SLC and PHD in the respective

organization from 2 to 5 years, 14.3% are from SEE education background who are giving their giving feedback and opinion.

2.1.5 Factor that contributes to success of Digital marketing.

The following table and figure show the factor that contributes success of Digital marketing strategies in training program:

Table 2.5: factor

4 Factor

Level	No of respondents	Percentage
Posting and engagement	3	21.4%
Quality content	8	57.1%
Use of analytics and data driven strategies	3	21.4%
Paid advertising	0	0%
Total	14	100%

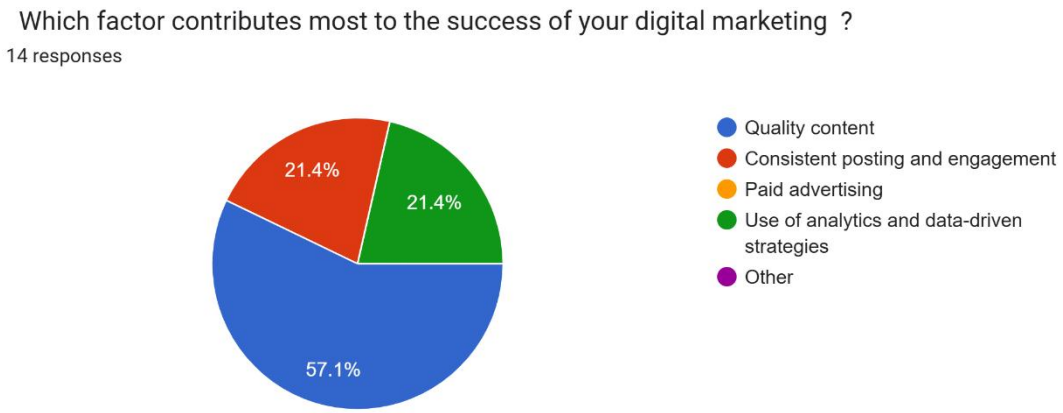

Figure 4 factor

From the above table and figure, 57.1% of the respondents are from who said quality content factor can most contribute to uplift digital marketing strategies. Similarly, 21.4% of the respondents are satisfied with consistent posting and engagement and use of analytics

and data driven strategies who have equally contributed to factor that effect digital marketing strategies provided through the different institution from Nepal.

2.1.6 which marketing method does small and Medium Enterprises use most

The following table and figure show which marketing method does small and Medium Enterprises use most

Table 2.6: which marketing method does small and Medium Enterprises use most

5 Digital marketing method

Method	No of respondents	Percentage
Traditional	2	14.3%
Online	5	35.7%
Equal	7	50%
Total	14	100%

Fig 2.6:

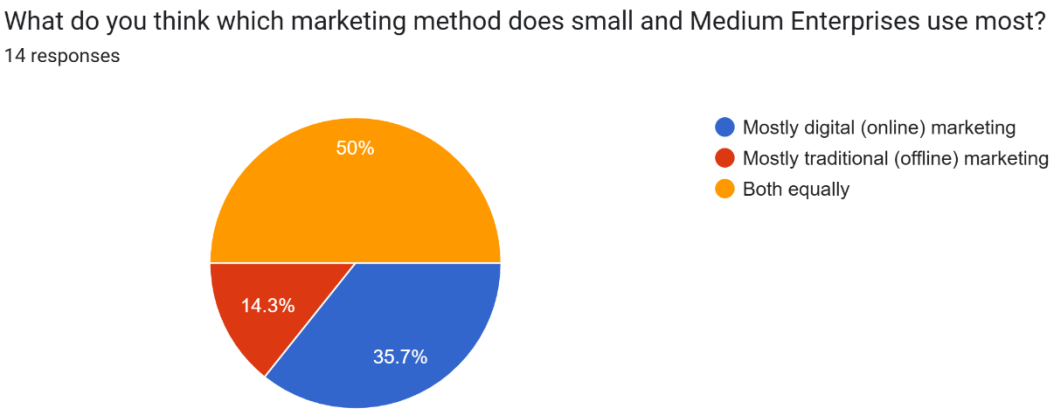

Figure 5 Marketing method

From the above table and figure, 52% of the respondents are satisfied with equally use of method to do digital marketing strategies to run the institution, 36.7% are satisfied with the digital online marketing by the institution and 14.3% of the respondents are offline towards marketing strategies method.

2.1.7 What is the biggest challenge in creating digital marketing strategies

The following table and figure show the biggest challenge in creating digital marketing strategies

Table 2.7 Biggest challenges in digital marketing

6 Biggest challenges in digital marketing

Challenges	No of respondents	Percentage
Knowledge and skill	8	57.1%
Lack of budget	3	21.4%
Time constraints	3	21.5%
Total	75	100%

Fig 2.7 Biggest challenges

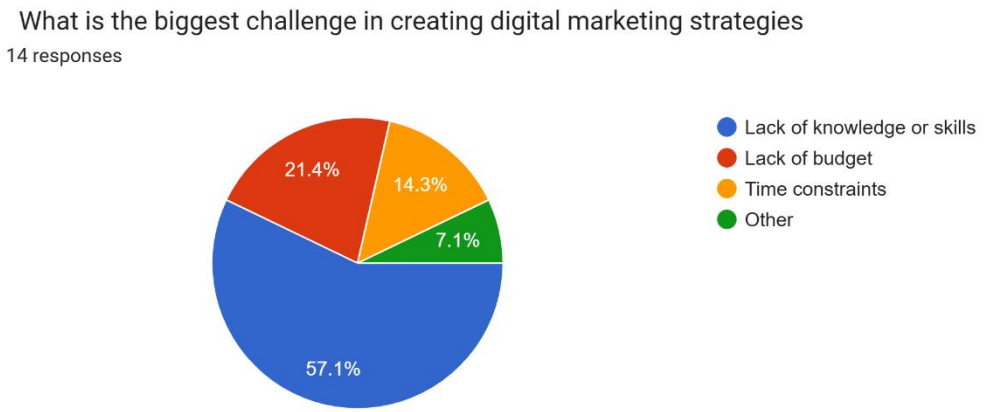

Figure 6 Biggest challenges in Digital Marketing

Above table and figure shows that, 57.1% of the respondents are giving opinion on biggest challenges of digital marketing strategies due to lack of knowledge and skill, 21.4% of the respondents are giving opinion on biggest challenges of digital marketing strategies due to lack of budget. And 21.5% of the respondents are giving opinion on biggest challenges of digital marketing strategies due to Time constraints.

CHAPTER 3

SUMMARY, CONCLUSION AND RECOMMENDATION

3.1 Summary

This research investigates how small and medium-sized enterprises employ digital marketing methods such as SEO, social media, and content development to remain competitive in today's rapidly changing market. Data was collected using a descriptive and comparative study approach, including surveys and interviews with SMEs' owners and managers. The findings reveal that while digital marketing may help SMEs boost consumer interaction, brand awareness, and flexibility, problems such as restricted funds and a lack of experience continue to be significant impediments.

Many SMEs want to use digital tools but struggle to stay up with fast changing technologies. The study also identifies sectoral disparities, with some industries pursuing digital strategies more vigorously than others. Despite the hurdles, digital marketing is seen as a critical road for development and sustainability. The report underlines the importance of strategic planning and appropriate resource allocation for SMEs to fully realize the potential of digital marketing. Adopting digital methods may greatly improve market competency and help SMEs obtain a competitive advantage.

3.2 Conclusion

This study emphasizes the growing relevance of digital marketing tactics for SMEs functioning in a highly competitive and technologically advanced corporate environment. The findings show that technologies such as SEO, social media marketing, content production, and targeted advertising help SMEs improve consumer interaction, brand exposure, and market adaptation. Despite seeing these advantages, many SMEs confront challenges such as limited finances, lack digital competence, and the rapid rate of technology development, which impedes successful adoption. Sectoral disparities also exist, with some industries having higher levels of digital adoption than others. Overall, the study suggests that SMEs must adopt a well-planned and integrated digital marketing strategy in order to develop market competency, sustain growth, and preserve a competitive advantage. To effectively capitalize on the potential provided by digital marketing, SMEs must engage in digital skills development, strategic planning, and ongoing adaption to new digital trends.

Furthermore, collaborating with digital marketing specialists and utilizing low-cost digital solutions can assist SMEs overcome resource limits. Policymakers and industry groups should also offer SMEs support and training programs that are suited to their specific requirements. As consumer behaviours change toward digital platforms, SMEs must take proactive steps to prevent falling behind competition. Future study might go deeper into digital tactics or analyse the effects of digital marketing on SMEs in other geographical locations or industries, providing more insights to assist SMEs successfully navigate the digital era.

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Questionnaire

What is your age?*

13-16

16-21

21-28

28 to above

what's your gender*

Male

Female

LGBTQ

Other

Level of your Education*

Below 10

SEE

SLC

Bachelor

Master

PHD

Other

what kind of Occupation you do?*

Student

Self employee

Business

Employee

other

What kind of business do you run? *

Mechanical shop

Whole sale

Retail

Food and beverage

Fashion

other

Business Running periods*

Less than 6 months

1 -2 years

3 - 5 years

5 - 10 years

10 years above

other

Which social media platforms do you use regularly for your business? *

Tiktok

Instagram

Facebook

Twitter

Threads

other

Which digital marketing channels does your business use most often? (Choose the primary one) *

social Media Marketing (Facebook, Instagram, TikTok, etc).

Search Engine Optimization (SEO)

Neutral

Email Marketing

Paid Ads (Google Ads, Facebook Ads, etc.

What is the primary goal of using digital marketing in your business? *

Increasing sales

Building brand awareness

Neutral

Customer engagement and retention

Reducing marketing costs

Digital Marketing helps educate or inform audience about production of new technologies.*

Strongly Agree

Agree

Neutral

Disagree

Strongly Disagree

The platforms we are suitable for the kind of information I want to share about Digital Marketing Awareness.

*

Strongly Agree

Agree

Neutral

Disagree

Strongly Disagree

Which factor contributes most to the success of your digital marketing ?*

Quality content

Consistent posting and engagement

Paid advertising

Use of analytics and data-driven strategies

Other

Customers trust digital marketing more because of what they see on social media. *

Strongly Agree

Strongly disagree

Disagree

Neutral

Social media has helped to build strategies of Digital marketing to small enterprises*

Strongly Agree

Agree

Neutral

Disagree

Strongly Disagree

Do you plan to increase your investment in digital marketing in the future

Yes

No

Maybe

Do you use digital marketing analytics tools to guide your business decisions

Yes, Regularly

Sometimes

No

Rarely

In your opinion, how can digital marketing help small and medium compete with large enterprises

By improving brand visibility at lower cost

By enabling personalized marketing

By reaching new markets

All of the Above

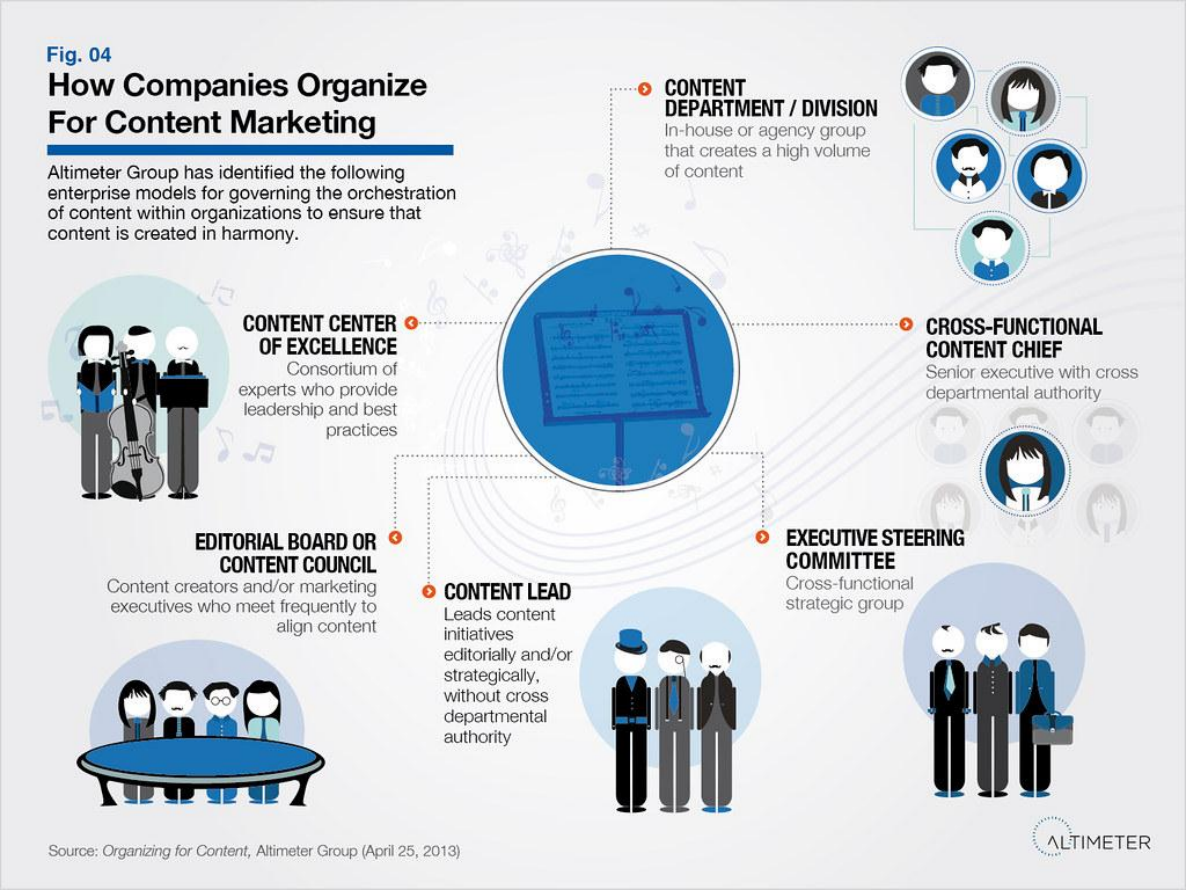
What do you think which marketing method does small and Medium Enterprises use most?*

Mostly digital (online) marketing

Mostly traditional (offline) marketing

Both equally

Small and Medium Enterprises Digital marketing Strategies



What is the biggest challenge in creating digital marketing strategies *

Lack of knowledge or skills

Lack of budget

Time constraints

Other

Lastly, Learn About Digital Marketing Strategies in SMES!!

Have you enjoyed while giving answers?*