

# IMPACT OF DIGITAL MARKETING ON FINANCIAL PERFORMANCE OF TEXTILE INDUSTRY IN INDIA

**Dr. Niki Sharma**

Assistant Professor, School of Commerce, JG University, Ahmedabad.  
nikisharma@jguni.in

## Abstract

*This study examines the impact of digital marketing on the financial performance of five prominent companies in the Indian textile industry for the financial years 2020-21, 2021-22, and 2022-23. Through rigorous regression analysis, the research assesses the relationship between marketing expenses and sales. Preliminary findings underscore a significant and noteworthy correlation between digital marketing initiatives and sales outcomes in the textile sector. The study focuses on Arvind Fashions Ltd., Lux Industries Ltd., Page Industries Ltd., Rupa & Co. Ltd., and Vardhman Textiles Ltd., shedding light on the pivotal role of digital marketing strategies in shaping financial performance within these key industry players.*

**Keywords:** Digital Marketing, textile industries, textile company, profit

## INTRODUCTION

In the dynamic landscape of India's manufacturing sector, the textile industry stands as a crucial pillar, contributing significantly to the nation's GDP and employment. Amidst the challenges posed by evolving market dynamics and consumer behavior, the integration of digital marketing strategies has emerged as a transformative force, reshaping conventional corporate operations. This study aims to delve into the profound impact of digital marketing on the financial outcomes of the Indian textile sector. With the rapid proliferation of digital technologies and the imperative for sustained growth and competitiveness, understanding the intricate relationship between digital marketing initiatives and financial performance becomes paramount. Focused on a specific subset of Indian textile companies, this work undertakes an in-depth analysis of metrics such as profit margins, sales figures, and marketing expenditures. Utilizing secondary data for a comprehensive examination, the research seeks to unravel the complex relationship between digital marketing strategies and financial results, shedding light on the strategic choices made by these enterprises in their digital investments.

Within the ever-changing global economy, India's manufacturing sector is anchored by the textile industry, which makes a substantial contribution to both GDP and jobs in the country. The incorporation of digital marketing tactics has emerged as a revolutionary force, transforming the conventional paradigms of corporate operations, as the sector struggles with constantly changing market dynamics and consumer behavior. The objective of this study is to investigate and evaluate the significant influence of digital marketing on the financial outcomes of the Indian textile sector.

The rapid proliferation of digital technologies, coupled with the increasing penetration of the internet and mobile devices, has fundamentally altered the way businesses engage with their target audience. In the context of the textile industry, where competition is fierce and consumer preferences are subject to swift changes, leveraging digital marketing tools has become imperative for sustained growth and competitiveness.

This study seeks to unravel the multifaceted relationship between digital marketing initiatives and financial outcomes within the textile sector. Furthermore, in a country as diverse as India, with varying demographics and consumer behaviors, understanding the nuances of implementing digital marketing in the textile industry becomes crucial. This research endeavors to provide insights into the challenges and opportunities faced by textile enterprises as they navigate the digital realm, addressing issues such as technological adoption barriers, resource constraints, and the evolving regulatory landscape.

In this work, we examine in-depth how digital marketing has affected the financial performance of a particular subset of Indian textile enterprises. In particular, we look at important metrics like profit margins, sales numbers, and the amount of funds spent on social media marketing. Notably, the financial results analysis makes use of secondary data, which allows for an in-depth analysis of these measures. We want to understand the complex relationship between these techniques and financial results through looking into the strategic choices that they made about their investments in digital marketing.

## LITERATURE REVIEW

(Prabha & Gupta, 2023) Marketing has evolved significantly in recent years, with the web playing a crucial role in various fields. Research shows that digital marketing strategies are strongly linked to textile exports, necessitating companies to employ diverse strategies to attract and retain clients. Advancements in technology,

such as mobile phones and computers, have shifted purchasing habits, necessitating increased focus on social media marketing.

(PRIYA & JAGADEESAN, 2023)The study highlights the enduring significance of the textile industry, contributing significantly to the economy and employment over the years. Fueled by diverse energy sources, recent innovations and global liberalization have propelled the industry to become one of the most active and rapidly growing sectors globally. Embracing a wide range of materials and processes, the intensely competitive landscape is marked by companies vying for market share. Moreover, the industry operates within a highly regulated framework, with stringent standards for quality, safety, and environmental impact. In essence, the textile industry's resilience and adaptability remain central to its enduring global prominence.

(Gao, Siddik, Abbas, Hamayun, & Masukujaman, 2023)The study concludes that e-commerce adoption significantly influences the financial performance and sustainability of MSMEs in Bangladesh, particularly during the COVID-19 pandemic. Digital marketing strategies impact financial performance, but their link to sustainability is inconclusive. The financial performance of MSMEs plays a crucial mediating role between e-commerce adoption and sustainability. The findings offer significant theoretical and policy implications, acknowledging limitations and suggesting avenues for future research.

(Sheresheva, Lilia A. Valitova, & Buzulukova, 2022)The textile industry's get-together and modern mass social media presentation were studied in order to support the application of social media web search to the origin and crash of business assemblies by the textile industry. From the perspective of the industrial web, it has self-assured boundaries and is primarily connected to the plug-in power machine for dressmaking people and the compound business. It provides consolation to directory assembly members and approximates their expected quantity. To approximately the commercial fitting of the textile and methodological arrangement for all age groups. The software standard for textile businesses is derived from schematic models and systems.

## OBJECTIVES OF THE STUDY

1. To assess the impact of digital marketing strategies on the sales performance of selected textile companies in India.
2. To analyze the relationship between digital marketing expenses and the overall financial performance of the textile industry in India
3. To investigate the mediating role of marketing and sales in the association between digital marketing adoption and the sustained financial viability of textile enterprises in the Indian market.

## THEORETICAL FRAMEWORK

The Resource-Based View (RBV), the Technology Acceptance Model (TAM), and conventional marketing theories serve as the theoretical foundation for the study on the "Impact of Digital Marketing on Textile Industries from the viewpoint of Companies in India". TAM directs our understanding of the adoption of digital technologies by illuminating the ways in which businesses incorporate these instruments and impact sales. RBV clarifies how internal resources are strategically used to gain a competitive edge and influence overall financial success, especially when it comes to spending on digital marketing. Furthermore, conventional marketing theories provide valuable insights into the customer journey and conversion processes as they guide the investigation of the complex relationship between sales success and digital marketing initiatives. These theoretical stances are used in the research to do regression analysis, supported by visualizations, on sales, marketing costs, and overall income.

### Hypothesis

Null Hypothesis (H0): There is no significant relationship between the Marketing Expenses and the Sale.

Alternative Hypothesis (H1): There is a significant relationship between Marketing Expenses and Sales.

## RESEARCH METHODOLOGY

### 4.1 Research Design

The "Impact of Digital Marketing on the Financial Performance of the Textile Industry in India" study has a predominantly quantitative research design. Regression analysis is used in the study to look at the connections between the financial results (total income) of textile enterprises and digital marketing variables (sales, marketing costs).

### 4.2 Sampling Strategy:

The textile companies that are selected for examination are chosen using a purposive selection technique. The reason for the decision stems from the companies' notable standing in the textile sector and their substantial online presence. To ensure a thorough knowledge of the influence on financial performance, a wide sample of organizations with differing sizes and digital marketing methods is intended to be captured.

### 4.3 Data Collection Methods and Tools:

The data collection method is secondary, relying on authentic financial reports and digital marketing metrics obtained from reputable sources. **ProwessIQ software** is utilized as a comprehensive tool to collect financial data, ensuring the reliability and accuracy of financial reports over the last three Financial years. i.e. 2020-21, 2021-2022 and 2022-23.

#### 4.4 Analytical Techniques:

Regression analysis is the primary analytical technique employed to assess the impact of digital marketing variables on financial performance. The selected variables, namely sales, marketing expenses, and total income, will be statistically analyzed to identify significant relationships and quantify the impact. Additionally, charts and visualizations will be created to enhance the presentation of data, offering a clear and concise representation of the findings. This mixed-methods approach integrates quantitative regression analysis with visual aids for a comprehensive exploration of the research objectives.

#### 4.5 Scope of the study

The study's primary scope is to comprehensively examine the relationship between marketing expenses and sales in five distinct companies across a three-year timeframe. Utilizing linear regression analysis, the research aims to quantify the impact of marketing investments on sales performance, providing insights into the nuanced dynamics within each company. By focusing on diverse businesses, the study seeks to uncover patterns and trends, contributing to a broader understanding of the interplay between marketing strategies and sales outcomes. The scope extends to exploring variations in this relationship across different industries and company sizes, offering a comprehensive view of the impact of marketing expenditure on overall business performance.

#### 4.6 Limitations of the study

1. Limited sample size of five companies may restrict generalizability.
2. The three-year timeframe may not capture all temporal dynamics.
3. External factors like economic conditions might influence sales outcomes.
4. Linear regression assumes a linear relationship between variables.
5. Establishing causation between marketing expenses and sales is challenging.

### DATA ANALYSIS

This study examines sales and marketing data from five organizations over the last three years using linear regression analysis. The analysis seeks to shed light on how marketing expenditures affect sales results by measuring the correlation between these variables. This method provides a data-driven viewpoint on the dynamics of business performance in the chosen organizations. The data of 5 companies in past 3 years are as below.

**Table 1. Sales & Marketing Expenses of textile companies for the year 2020-21, 2021-22 and 2022-23.**

<b>Arvind Fashions Ltd.</b>	Mar-21(Rs. In Crore)	Mar-22(Rs. In Crore)	Mar-23(Rs. In Crore)
Sales	297.65	513.76	740.31
Marketing expenses	2.15	3.89	7.02
<b>Lux Industries Ltd.</b>	Mar-21(Rs. In Crore)	Mar-22(Rs. In Crore)	Mar-23(Rs. In Crore)
Sales	1942.77	2273.98	2365.22
Marketing expenses	28.24	36.8	51.55
<b>Page Industries Ltd.</b>	Mar-21(Rs. In Crore)	Mar-22(Rs. In Crore)	Mar-23(Rs. In Crore)
Sales	2832.96	3886.47	4788.64
Marketing expenses	32.41	49.57	92.97
<b>Rupa &amp; Co. Ltd.</b>	Mar-21(Rs. In Crore)	Mar-22(Rs. In Crore)	Mar-23(Rs. In Crore)
Sales	1416.02	1556.86	1212.21
Marketing expenses	149.99	150.59	110.5
<b>Vardhman Textiles Ltd.</b>	Mar-21(Rs. In Crore)	Mar-22(Rs. In Crore)	Mar-23(Rs. In Crore)
Sales	5926.23	9386.1	9840.79
Marketing expenses	39.54	67.79	64.04

#### 5.1 Regression analysis of Arvind Fashions. Ltd.

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.988815
R Square	0.977756
Adjusted R Square	<b>0.955511</b>
Standard Error	46.68812
Observations	3

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	95812.32	95812.32	43.95502	<b>0.095304721</b>
Residual	1	2179.781	2179.781		
Total	2	97992.1			

The positive F value of 0.095 suggests a potential indication of a relationship between Marketing Expenses and Sales for Arvind Fashions Ltd. However, additional analysis is needed to determine statistical significance.



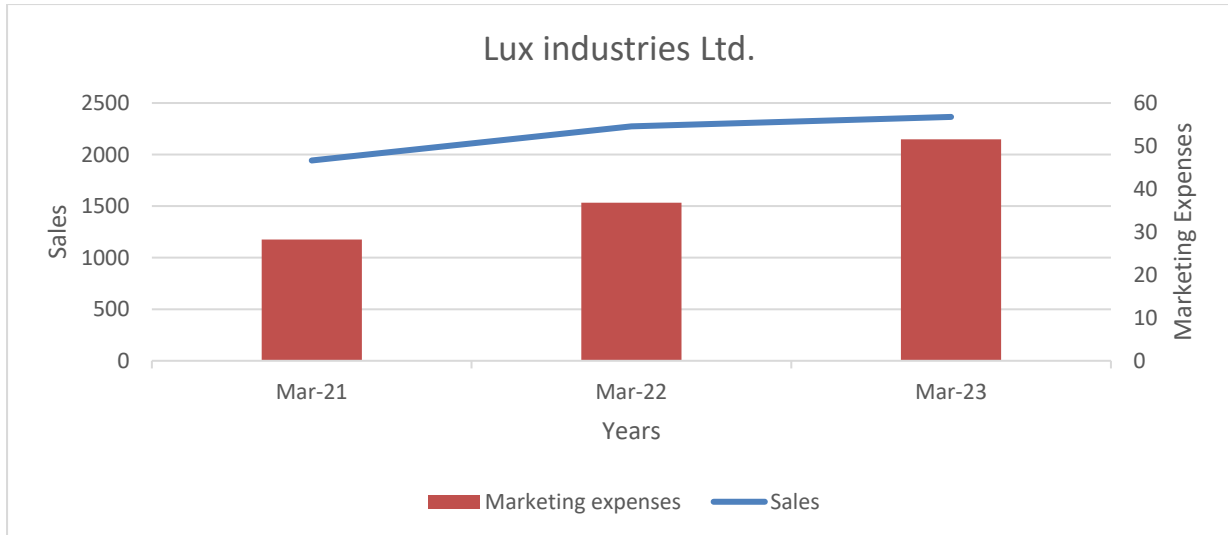
**5.2 Regression analysis of Lux Industries Ltd.**

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.892003
R Square	0.79567
Adjusted R Square	<b>0.59134</b>
Standard Error	142.1051
Observations	3

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	78635.75	78635.75	3.894045	<b>0.298599093</b>
Residual	1	20193.85	20193.85		
Total	2	98829.6			

The positive F value of 0.298 implies a possible statistically significant relationship between Marketing Expenses and Sales for Lux Industries Ltd. Further examination is necessary to confirm this relationship.



### 5.3 Regression analysis of Page Industries Ltd..

#### SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.958307
R Square	0.918353
Adjusted R Square	0.836707
Standard Error	395.5353
Observations	3

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	1759711	1759711	11.24789	0.18447804
Residual	1	156448.2	156448.2		
Total	2	1916159			

With a positive F value of 0.184, Page Industries Ltd. also indicates a potential statistically significant relationship between Marketing Expenses and Sales. Further investigation is required for confirmation.



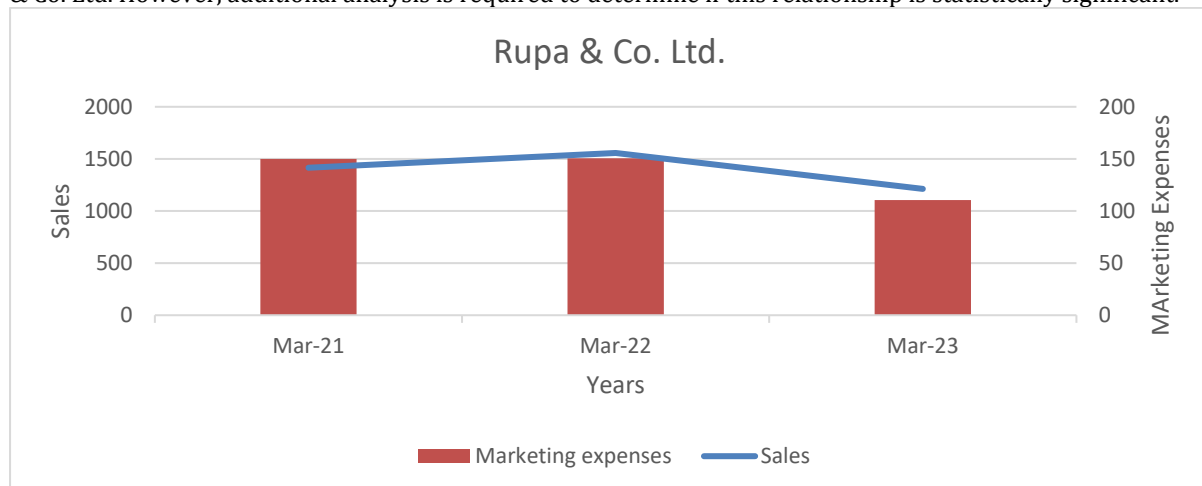
#### 5.4 Regression analysis of Rupa & Co. Ltd.

##### SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.918928
R Square	0.844428
Adjusted R Square	0.688856
Standard Error	96.65668
Observations	3

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	50710.17	50710.17	5.427893	0.258113192
Residual	1	9342.513	9342.513		
Total	2	60052.68			

The positive F value of 0.258 suggests a potential relationship between Marketing Expenses and Sales for Rupa & Co. Ltd. However, additional analysis is required to determine if this relationship is statistically significant.



#### 5.5. Regression analysis of Vardhman Textiles Ltd.

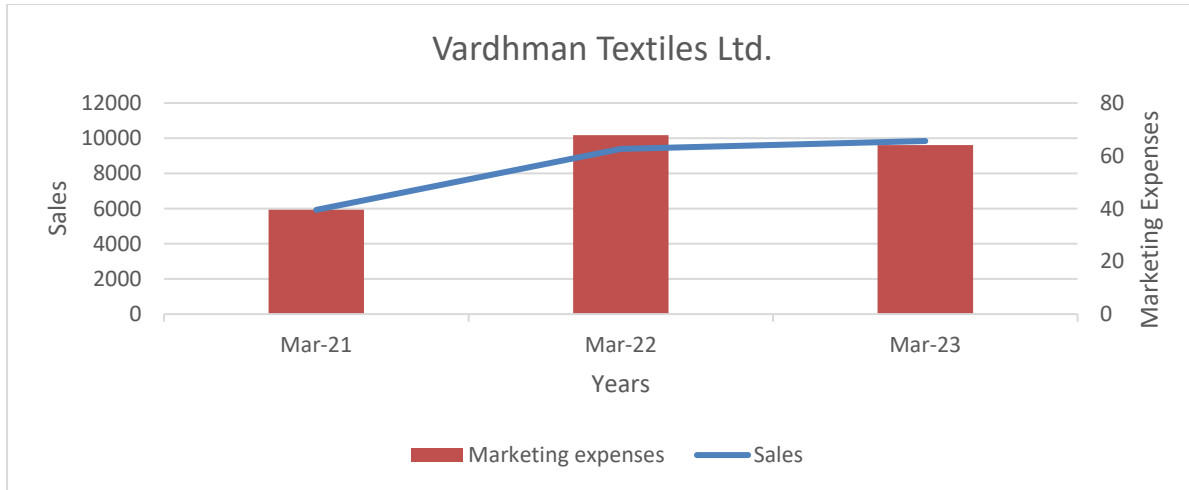
##### SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.973915
R Square	0.948511
Adjusted R Square	0.897022
Standard Error	687.0256
Observations	3

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	8695070	8695070	18.4216	0.145725977
Residual	1	472004.1	472004.1		
Total	2	9167074			

The positive F value of 0.145 indicates a potential relationship between Marketing Expenses and Sales for Vardhman Textiles Ltd. Further analysis is needed to establish statistical significance.





the positive F values across these companies suggest a potential relationship between Marketing Expenses and Sales. The analysis of marketing expenses impact on sales across the five companies reveals varying degrees of potential relationships. Lux Industries Ltd. stands out with a higher F value of 0.298, indicating a stronger indication of a significant relationship. Arvind Fashions Ltd., Page Industries Ltd., Rupa & Co. Ltd., and Vardhman Textiles Ltd. also exhibit positive F values, suggesting potential connections between marketing expenses and sales. Among the companies, **Lux Industries Ltd. appears to have the highest impact, while Arvind Fashions Ltd. exhibits the lowest impact.**

## CONCLUSION

In summary, the analysis of how marketing expenditures affect sales for each of the five companies provides insightful information on possible alliances within each company. With a noteworthy F value of 0.298, Lux Industries Ltd. stands out as having the greatest impact and provides more evidence of a significant association. Arvind Fashions Ltd., on the other hand, has the least impact, with a somewhat lower F value of 0.095. All of the companies' positive F values point to possible links between marketing spending and sales, highlighting the need for additional research to verify statistical significance and comprehend the complex dynamics of these interactions. This analysis emphasizes the significance of customizing techniques to particular corporate settings for improved decision-making and performance outcomes as organizations work to optimize their marketing strategies.

## BIBLIOGRAPHY

- [1] Gao, J., Siddik, A. B., Abbas, S. K., Hamayun, M., & Masukujjaman, M. (2023). Impact of E-Commerce and Digital Marketing Adoption on the Financial and Sustainability Performance of MSMEs during the COVID-19 Pandemic: An Empirical Study. *Sustainability*, 15. Retrieved from <https://www.mdpi.com/journal/sustainability>
- [2] Prabha, C., & Gupta, V. (2023, 8 10). A STUDY ON IMPACT OF DIGITAL MARKETING ON INDIAN TEXTILE EXPORT. *Journal name Turkish Journal of Physiotherapy and Rehabilitation*; 32(3), 7.
- [3] PRIYA, K., & JAGADEESAN, D. P. (2023). THE EFFECTIVENESS OF SOCIAL MEDIA MARKETING PERFORMANCE OF TEXTILE BUSINESS. *International Journal of Scientific Research in Modern Science and Technology*, 2(1).
- [4] Sheresheva, M. Y., Lilia A. Valitova, E. R., & Buzulukova, E. V. (2022). Social Network Analysis to Visualization and Description of Industrial Clusters: A Case of the Textile Industry. . *Application of International Journal of Scientific Research in Modern Science and Technology (IJSRMST)*, 15(3).

## REFERENCES

- [1] [prowessiq.cmie.com](http://prowessiq.cmie.com)
- [2] [www.arvindfashions.com](http://www.arvindfashions.com)
- [3] [www.luxinnerwear.com](http://www.luxinnerwear.com)
- [4] [www.pageind.com](http://www.pageind.com)
- [5] [rupa.co.in](http://rupa.co.in)
- [6] [www.vardhman.com](http://www.vardhman.com)