

Market Penetration through Digital Marketing: A Case Study of a Tractor Dealership During Covid-19 Pandemic

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Abstract

The present study investigates the efficacy of digital marketing strategies in enhancing customer reach and sales for a tractor dealership, “Shyam Tractors of Sonalika International Tractors Limited,” located in Seoni, Madhya Pradesh, during the COVID-19 pandemic. The dealership adopted digital marketing to stimulate additional inquiries, leading to increased customer reach and sales. Of the total inquiries received over four months, 32% were sourced from digital marketing initiatives. These strategies encompassed the use of automation tools for continuous customer interaction, resulting in amplified brand visibility and customer trust, and fostering positive word-of-mouth. The findings suggest that the success of digital marketing strategies is contingent upon location, demographics, and target audience, emphasizing the necessity of customizing strategies to local market conditions. While digital marketing showed promising results, the continued relevance of traditional marketing underscores the need for a balanced marketing approach for optimal customer engagement. In summary, this study concludes that digital marketing strategies can effectively augment customer reach, sales, and engagement in the tractor industry, particularly during periods of economic uncertainty and market disruption. This implies that tractor dealerships could benefit significantly from integrating digital marketing strategies into their business models.

Keywords: Digital Marketing; Tractor Dealership; Customer Engagement; Sales Enhancement; Automation Tools

1 Introduction

Agriculture, a vital industry necessitating long work hours, has seen significant improvements in productivity and efficiency with the advent of tractors [1–3]. This essential farming tool has witnessed substantial sales growth, especially in India, prior to the COVID-19 pandemic [4–6]. The pandemic’s impact has notably altered customer behavior within the tractor industry, necessitating novel marketing strategies [7]. Traditional marketing strategies, including print advertisements and direct mail, had been primary modes of customer interaction in this industry [8, 9]. With technological advancements and the influence of the pandemic, however, businesses are increasingly incorporating digital marketing strategies to broaden customer reach and enhance sales [10–12]. Research indicates that digital marketing substantially improves customer reach, engagement, and sales across various industries [13]. A study by the Global Web Index showed that a significant portion of consumers research products online before purchasing, indicating the importance of a robust online presence [14]. Yasmin et al. [15] discussed the concept of digital marketing, explaining its integral role in modern marketing, service quality improvement, and cost-effective reach. They underscored the role of technology in driving e-marketing, suggesting a shift in focus from technology to the business model. Further, Khan and Islam [16] highlighted digital marketing’s impact on customer loyalty, emphasizing its importance in competitive business markets.

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Keke [17] and Hamdani et al. [18] explored the relationship between digital marketing and consumer behavior, highlighting the relevance of social media channels and the influence of digital marketing on consumer decision-making. Notably, studies show that content marketing generates three times as many leads as traditional outbound marketing, but at 62% less cost [16]. The present study aims to investigate the impact of digital marketing on a tractor dealership, specifically “Shyam Tractors of Sonalika International Tractors Limited in Madhya Pradesh, Seoni,” which was affected by COVID-19 restrictions. It seeks to contribute to the existing literature on digital marketing within the tractor industry and provide insights into the effectiveness of digital marketing strategies in augmenting customer reach and sales.

2 Materials and Method

2.1 Data collection

To achieve this study’s objectives, primary and secondary data was collected. The primary data collection involved a questionnaire survey distributed to identified target respondents, including existing customers, farmers owning tractors, potential buyers, and tractor operators within the selected district. The questionnaire, designed in four stages, was tested and refined through a pilot survey with a small group of people from the target respondents before full-scale distribution. The dealership used both paper-based and digital distribution methods for comprehensive coverage. Face-to-face interaction and immediate feedback were facilitated through hard copy distribution during village visits by the marketing team. In contrast, digital platforms provided wide-reaching and convenient data collection methods. Using their WhatsApp customer database, the dealership shared the questionnaire electronically via Google Forms. The combined approach ensured a broader range of responses and wider audience reach. The responses from both methods were then compiled for analysis. Secondary data was collected from dealership records, including RTO data, past customer contact information, post-sales service details, and ongoing inquiry details. The integration of primary and secondary data sources provided a comprehensive understanding of the market landscape and the dealership’s performance.

2.2 Data analysis

The primary and secondary data were subjected to thorough analysis. The primary data from the questionnaires were analyzed using Microsoft Excel, which provided insights into customer preferences, social media consumption patterns, and the demand for different tractor models. RTO data and other secondary data provided insight into the tractor industry’s overall landscape in the district. Additionally, the dealership used built-in analytics tools from digital marketing platforms like WhatsApp and Facebook. These tools provided crucial metrics such as impression tracking, click-through rates, conversion tracking, and demographic analysis. The social media consumption survey helped to identify active customer platforms, while the RTO data helped analyze the demand for different tractors. By utilizing these built-in analytics tools and comprehensive data analysis, data-driven decisions were made for the dealership’s digital marketing strategies. It should be noted that while statistical tests can be used for data analysis, this study leveraged the analytical tools inherent in digital marketing platforms to assess the performance and effectiveness of the campaigns, thus eliminating the need for additional statistical tests.

2.3 Advertising approach

The dealership tailored its Facebook and WhatsApp marketing efforts to reach a specific target audience, identified through primary and secondary data analysis. The target audience, comprising individuals interested in buying tractors, seeking product information, and requiring post-sales service, varied based on the objective of each marketing effort. An illustrative example can be seen in our response to data revealing higher demand for 60 HP tractors in a specific village, resulting in a focused marketing effort promoting this model in the area. This is just one of several data-driven strategies tailored to specific audiences. To enhance digital marketing efforts, the dealership:

- Established an online presence through a Facebook business page and WhatsApp business accounts.
- Created and ran targeted ads using Facebook’s business tools. A suitable product was selected based on analyzed data, and ads were targeted at the most relevant potential customers.
- Utilized WhatsApp for customer engagement by linking it with the Facebook page. The WhatsApp business account provided customers with automated messages about the dealership’s offerings and a catalog to browse through different tractor models.
- Implemented a market automation strategy to increase customer engagement. Using the “Textlocal” software, bulk personalized SMS campaigns were conducted to inform customers about service reminders, latest updates, and offers.

Effectiveness of the strategies was gauged by tracking several metrics such as lead generation, engagement rates, click-through rates, and conversion rates. These metrics were analyzed, and based on the results, necessary adjustments were made to the marketing approach. The dealership faced challenges like a language barrier, limited internet connectivity, and digital literacy among potential customers. Solutions included translation of marketing content into local languages, optimization of content for low-bandwidth connections, creating offline versions of promotional materials, and simplification of steps for customers to contact the dealership.

Customer feedback and engagement were instrumental in shaping the dealership’s digital marketing strategies. Active feedback collection and personalization of marketing efforts based on customer preferences were significant components of the approach.

3 Results and Discussion

Table 1 and Figure 1 reveal key insights into the tractor sales and social media usage, respectively, in different tehsils serviced by the dealership.

Table 1: RTO data concerning tractor sales by tehsil and horsepower range.

Tehsil	>30 HP	31-40 HP	41-50 HP	52-60 HP	>60 HP
Tehsil A	1	43	194	16	6
Tehsil B	0	10	76	7	0
Tehsil C	0	14	51	10	0
Tehsil D	0	84	166	14	10
Tehsil E	1	41	204	26	5
Tehsil F	0	32	128	10	4
Tehsil G	0	97	240	21	1
Tehsil H	0	74	428	69	6
Total	2	395	1487	173	32

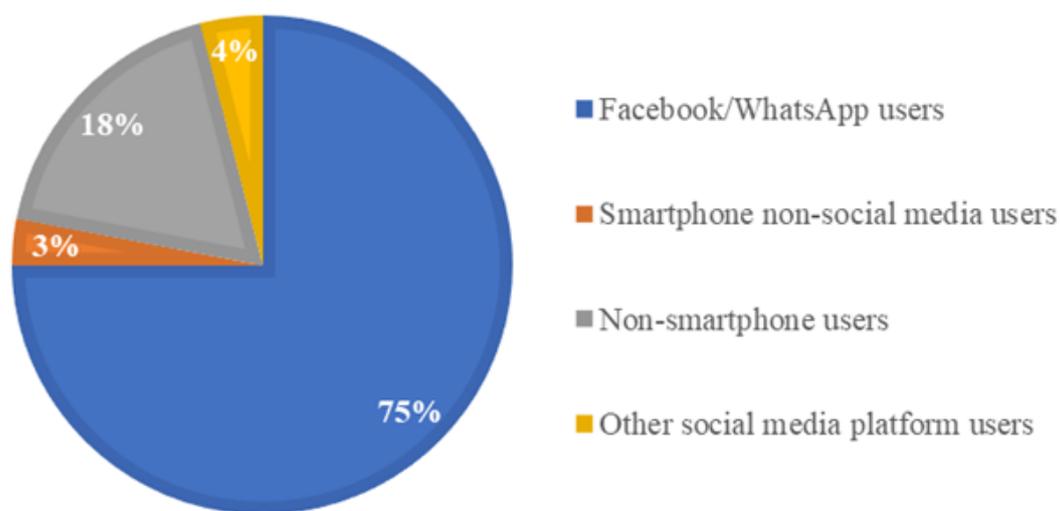


Figure 1: Social media usage in rural areas dealt by tractor dealership

3.1 Tractor sales

The dealership sold a total of 2089 tractors, with Tehsil H and G leading sales at 577 and 359 units, respectively, while Tehsil B recorded the lowest with 93 tractors. In terms of horsepower, tractors within the 41-50 range were the most popular, accounting for 1487 sales, followed by those in the 31-40 range at 395 units. Tractors exceeding 60 horsepower experienced the least demand with 32 units sold. Based on these findings, marketing efforts were focused on promoting tractors within the 41-50 and 31-40 horsepower ranges, primarily in Tehsils H and G.

3.2 Social media usage

A survey involving 500 participants from the rural areas serviced by the dealership revealed that 75% of respondents actively used Facebook or WhatsApp. However, a substantial 18% did not possess smartphones, while 3% owned smartphones but did not engage with any social media platforms. A mere 4% used other social media platforms. Given the high Facebook and WhatsApp usage, these platforms were leveraged for digital marketing, including providing tractor model information, pricing, and special offers. However, considering the significant portion of the target audience not using smartphones or social media, a multi-channel marketing approach was adopted. This approach involved traditional methods such as print advertising and radio ads, coupled with a bulk SMS technique through "Textlocal" software for those not using social media or without smartphones. Moreover, a referral

incentive program was introduced, offering discounts for new customers and incentives for those who referred others, boosting the reach of the dealership's offerings. This holistic marketing approach allowed the dealership to maximize its reach and engage with potential customers through multiple channels.

3.3 Inquiry trends and impact of marketing strategies

Table 2 provides insights into the effects of digital marketing on prospective customer engagement, as reflected by the number of inquiries recorded over two different four-month periods.

Table 2: Number of inquiries recorded over two different four-month periods.

Tehsil	Feb-March 2022		Apr-May 2022	
	Digital	Traditional	Digital	Traditional
Tehsil A	2	12	1	6
Tehsil B	8	11	6	8
Tehsil C	3	1	1	4
Tehsil D	2	1	4	7
Tehsil E	3	10	2	11
Tehsil F	1	5	4	7
Tehsil G	3	7	8	8
Tehsil H	16	38	17	35
Total	38	85	43	86

Though traditional marketing methods yielded more inquiries than digital marketing in both periods, an interesting trend emerges on closer observation: digital marketing inquiries increased from the first to the second period while traditional marketing inquiries remained static. Around 31% of inquiries in the first period and 33% in the second resulted from digital marketing, suggesting growing effectiveness of these strategies over time. However, the results differed across tehsils. In Tehsil H, digital marketing consistently outperformed traditional marketing, while the opposite held true in Tehsil F. Thus, factors such as location, demographics, and audience preferences significantly influence the success of digital marketing. Therefore, while digital marketing holds promising potential, a balanced blend of both traditional and digital strategies seems optimal for maximum reach and impact.

3.4 Sales trends and marketing impact

The impact of digital marketing was evident not only on engagement levels but also on actual sales. In February and March, digital marketing accounted for approximately 13% of 48 tractors delivered. In April and May, digital marketing contributed to roughly 17% of the 71 tractors sold. The growing percentage of sales via digital marketing indicates that these efforts are becoming more effective and critical over time.

3.5 Limitations of the study

While this study offers valuable insights into tractor sales trends, social media usage, and the impact of various marketing strategies in the rural Indian context, it is important to recognize the limitations that could have influenced the findings which are listed as follows:

- **Sample Size:** The sample size of the study, consisting of farmers, old customers, and tractor operators in the Seoni district, was relatively limited. This limitation may affect the generalizability of the findings to other regions or demographics within rural India.
- **Response Bias:** The data collection process relied on respondents voluntarily completing the questionnaires. This may have introduced a response bias, affecting the representativeness of the findings.
- **Self-Reported Data:** The primary data collected through questionnaires relied on self-reported information from the respondents. There is a possibility of inaccuracies due to memory recall, social desirability bias, or misinterpretation of the questions.
- **Availability of Secondary Data:** The secondary data collected from dealership records had its limitations as well. The accuracy of the data depended on the dealership's data management practices, which could introduce errors or biases in the analysis.
- **External Factors:** The study might have been impacted by external factors such as market conditions, seasonal variations, or unforeseen events that could influence customer behaviors and preferences.

3.6 Future opportunities

Despite its progress, the dealership has opportunities for further refinement in its digital marketing strategy. Improving the user-friendliness of the website, better utilization of social media for wider reach, conducting regular customer surveys for tailored marketing strategies, and harnessing emerging technologies like AI, machine learning, and chatbots can significantly enhance customer engagement and sales efficiency. By continually adapting and innovating, the dealership can stay competitive and optimize customer experience.

4 Conclusion

This research project set out to explore the potential of digital marketing in expanding customer reach and its effectiveness was convincingly demonstrated. It is noteworthy that digital marketing accounted for approximately 31% and 33% of customer inquiries in the first and second periods respectively. This significant contribution affirms that digital marketing is a potent strategy for broadening customer reach and generating more leads. Furthermore, the role of digital marketing in augmenting sales figures was also substantiated. Specifically, digital marketing was responsible for the sale of 13% of all tractors sold in February and March, and this figure rose to 17% in April and May. This escalation underscores the value of digital marketing in driving sales growth. A significant finding from the study was the efficacy of automation tools in enhancing customer engagement. Regular updates regarding latest schemes, reminders for service camps and events, and information about discount offers were circulated using these tools. This approach fostered better customer interaction, leading to positive word-of-mouth about the dealership in the market, as evidenced by feedback from customers and selected dealerships. In light of these findings, it can be concluded that digital marketing is not only a powerful mechanism for widening customer reach and boosting sales but also an invaluable tool for enhancing customer engagement. The successful implementation of automation tools within digital marketing strategies can facilitate constant customer connection, imparting crucial information to customers, thus bolstering brand visibility and fostering customer trust.

Ethical Consideration

Ethical considerations were given priority throughout the research project. Informed consent was obtained from all participants prior to data collection. They were provided with detailed information about the study's purpose, data collection methods, and how the data would be used. Strict measures were put in place to ensure data privacy and confidentiality. All personal and sensitive information was anonymized and stored securely. Transparency and open communication were maintained throughout the research process. Participants were encouraged to ask questions and any concerns they may have had regarding data privacy or ethical considerations were addressed.

Declaration of Competing Interests

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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Author Contribution

Vishesh Rai: Conceptualization, Investigation, Methodology, Writing - original draft, Data curation, Formal analysis, Validation, Writing - review and editing; **Vikas Chauhan:** Data curation, Formal analysis, Supervision, Investigation, Methodology, Writing - review and editing.

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