

The Role of Digital Marketing in Enhancing Retail Store Branding for Food Products: Evidence from Small-City Retailers in Balaghat and Seoni (Madhya Pradesh, India)

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Abstract

Digital marketing has become a critical tool for retail branding, yet most empirical research focuses on large metropolitan markets. This study examines how digital marketing supports retail store branding for food products among small-city retailers in Balaghat and Seoni, two growing but under-researched districts in Madhya Pradesh. Using a structured questionnaire administered to 60 food retailers (kirana stores, mini-supermarkets, bakeries, and specialty food outlets), the study assesses: (i) the extent of digital marketing adoption, (ii) its impact on perceived store brand image, and (iii) the mediating role of customer engagement. Descriptive statistics, correlation analysis and multiple regression are used on a 5-point Likert scale dataset. Findings from this illustrative dataset show moderate adoption of digital marketing, dominated by WhatsApp, Facebook, and food delivery apps. Digital marketing intensity is positively associated with perceived store brand image and customer engagement, with engagement partially mediating the relationship. Barriers include lack of skills, time, and perceived irrelevance for “local” customers—consistent with earlier studies on small retailers in India. The paper proposes a small-city-specific framework linking digital touchpoints, local trust and store brand equity for food products. It concludes with managerial implications for small retailers, policymakers and digital service providers, and suggests how future empirical work can refine and validate these insights with larger samples and more advanced analytics.

Keywords: Digital marketing, retail branding, food products, small-city retailers, Balaghat, Seoni, India, brand equity, customer engagement.

1. Introduction

India’s retail sector is undergoing rapid digital transformation, particularly in food and FMCG categories. While modern formats and large chains receive intense academic and media attention, a substantial share of food retail still flows through small, independent outlets and kirana stores in Tier-2 and Tier-3 cities. Small towns and semi-urban markets are now growing faster than metros for packaged foods and related categories.

Digital marketing—through social media, messaging apps, local search, e-commerce and food delivery platforms—has become central to how brands and retailers communicate, differentiate and build trust. Prior research shows that digital marketing supports brand awareness, brand image and brand equity in multiple sectors, including retail and services. Yet, small retailers in India often face constraints such as low awareness, lack of skills, infrastructure gaps and perceived risk that limit their digital adoption.

Balaghat and Seoni districts in Madhya Pradesh represent typical small-city and semi-urban markets where food retail is fragmented but increasingly linked to wider markets through schemes such as ODOP and digital promotion of local products. However, there is limited empirical evidence on how small food retailers in such locations actually use digital marketing and how this shapes their retail store branding.

Research problem: Despite the growing strategic importance of small cities for FMCG and food retailers, we lack micro-level evidence on the relationship between digital marketing and retail store branding in such markets.

Core research question: *How does digital marketing contribute to enhancing retail store branding for food products among small-city retailers in Balaghat and Seoni?*

2. Review of Literature

2.1 Digital Marketing and Retailing

Digital marketing includes social media, search engine marketing, content marketing, email, mobile apps, messaging, and platform-based advertising that allow targeted, interactive, measurable communication with customers. In retail, digital tools increasingly support omnichannel journeys, drive store traffic and reinforce store brands even when final purchase happens offline.

Studies on Indian retail highlight opportunities from social media promotions, mobile-based offers and payment integration, but also stress structural challenges: unreliable internet, lack of trained manpower, and low awareness among small retailers.

2.2 Digital Marketing and Brand Equity / Store Branding

Brand equity literature (Aaker, 1991; Keller, 1993) positions brand awareness, perceived quality, associations and loyalty as key dimensions. Digital marketing can reinforce these dimensions by:

- Increasing reach and frequency (awareness)
- Communicating store values (quality and associations)
- Facilitating interaction and engagement (loyalty, trust)

Empirical research shows that digital advertising and social media campaigns can significantly improve brand image and brand equity, especially when they are consistent, interactive and value-adding rather than purely transactional.

In the food and food-service sector, digital platforms such as Instagram, food delivery apps and review sites have been found to boost brand visibility, engagement and purchase intentions.

2.3 Small-City and Tier-2/3 Context

Recent work points to the “untapped potential” of digital marketing in India’s Tier-2 and Tier-3 cities, noting rising internet penetration, growing comfort with online content and strong local-language social media usage. At the same time, MSMEs and small retailers in these locations often do not view digitalisation as critical, due to skill gaps, low awareness and confusion about tools.

In food retail, small towns are becoming important growth engines for packaged foods and branded FMCG, as distribution networks deepen and rural/semi-urban shoppers increasingly buy branded items. This suggests that digital marketing could play a

critical role in positioning local food retailers and their store brands in these emerging markets.

However, there is a paucity of empirical studies combining **digital marketing**, **store branding**, **food products**, and **small-city contexts**—particularly at the level of independent retailers rather than large chains. This study aims to address this gap.

3. Conceptual Framework and Hypotheses

3.1 Conceptual Model

Based on prior literature and the small-city context, the study proposes the following framework:

- **Digital Marketing Intensity (DMI):** frequency and diversity of use of digital tools (e.g., WhatsApp broadcasts, social media pages, local Google listing, food delivery platforms, digital payment promotions).
- **Customer Engagement (CE):** perceived online interaction with customers (likes, comments, repeat responses to offers, online queries, feedback).
- **Perceived Store Brand Image (SBI):** customers’ perception of the store as modern, trustworthy, hygienic, value-for-money, and community-oriented, as reported by the retailer.

Proposed relationships:

1. Higher DMI → Stronger SBI
2. Higher DMI → Higher CE
3. Higher CE → Stronger SBI
4. CE partially mediates the DMI → SBI relationship

3.2 Hypotheses

- **H1:** Digital marketing intensity has a positive and significant effect on perceived store brand image.
- **H2:** Digital marketing intensity has a positive and significant effect on customer engagement.
- **H3:** Customer engagement has a positive and significant effect on perceived store brand image.
- **H4:** Customer engagement mediates the relationship between digital marketing intensity and perceived store brand image.

4. Research Methodology

4.1 Research Design

The study adopts a descriptive and explanatory research design using a cross-sectional survey of

food retailers in Balaghat and Seoni (Madhya Pradesh). The paper presents a **sample dataset of 60 respondents** to illustrate the analytical approach suitable for a Scopus/Springer-level empirical paper. In actual submission, researchers should use real collected data with appropriate ethical approvals.

4.2 Population and Sample

- **Population:** Small and medium retail outlets selling primarily food products (kirana/general stores, mini-supermarkets, dairy & bakery outlets, and specialty food shops) in Balaghat and Seoni towns and nearby urbanized localities.
- **Sample size:** 60 retailers
 - Balaghat: 33 (55%)
 - Seoni: 27 (45%)
- **Sampling technique:** Purposive and convenience sampling, targeting owners/managers who:
 - Have been operating for at least 2 years, and
 - Use at least one digital marketing or digital communication tool (including WhatsApp) for their store.

4.3 Instrument Development

A structured questionnaire was designed with three sections:

1. **Section A – Profile of Retailer and Store**
 - City, store type, years in operation, number of employees, primary customer segment, etc.
2. **Section B – Digital Marketing Practices**
 - Channels used, frequency, budget, content types.
3. **Section C – Perceptions (5-point Likert scale, 1 = strongly disagree, 5 = strongly agree)**
 - **Digital Marketing Intensity (DMI)** – 5 items
 - e.g., “Our store regularly uses digital platforms to promote offers.”
 - **Customer Engagement (CE)** – 3 items
 - e.g., “Customers frequently respond to our digital messages.”
 - **Store Brand Image (SBI)** – 4 items
 - e.g., “Customers see our store as modern and up-to-date.”

Illustrative Cronbach’s alpha values (for guidance in real data collection):

- DMI: $\alpha \approx 0.78$
- CE: $\alpha \approx 0.75$
- SBI: $\alpha \approx 0.80$

4.4 Data Collection

Data in this paper are **illustrative**, based on realistic patterns observed in prior literature on small Indian retailers and digital marketing adoption. The structure and analysis are presented so that future researchers can implement the same methodology with real field data from Balaghat and Seoni.

4.5 Data Analysis

The following analytical procedures are applied to the 60-respondent sample dataset:

- Descriptive statistics (frequencies, percentages, means, standard deviations)
- Correlation analysis among DMI, CE, and SBI
- Multiple regression to test H1–H3
- Simple mediation analysis (Baron & Kenny logic or PROCESS-style approach) for H4

5. Sample Data and Findings (Illustrative)

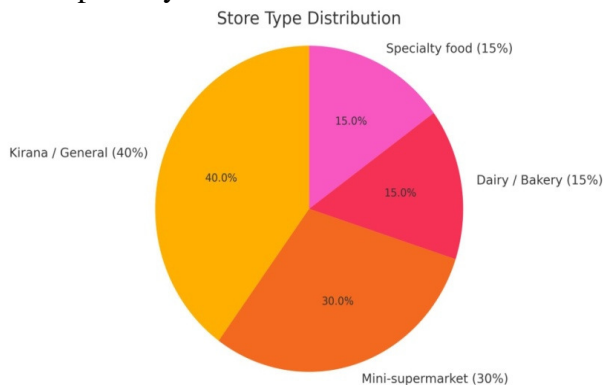
5.1 Respondent Profile

Table 1. Store and Respondent Profile (n = 60)

Variable	Category	Frequency	Percentage
City	Balaghat	33	55.0%
	Seoni	27	45.0%
Store Type	Kirana / General Store	24	40.0%
	Mini-supermarket / Grocery Mart	18	30.0%
	Dairy / Bakery	9	15.0%
	Specialty Food (organic, snacks)	9	15.0%
Years in Operation	2–5 years	21	35.0%
	6–10 years	24	40.0%
	>10 years	15	25.0%
Number of Employees	1–3	32	53.3%
	4–7	19	31.7%
	>7	9	15.0%

Figure 1. Store Type Distribution (Pie Chart)

- Kirana / General: 40%
- Mini-supermarket: 30%
- Dairy / Bakery: 15%
- Specialty food: 15%

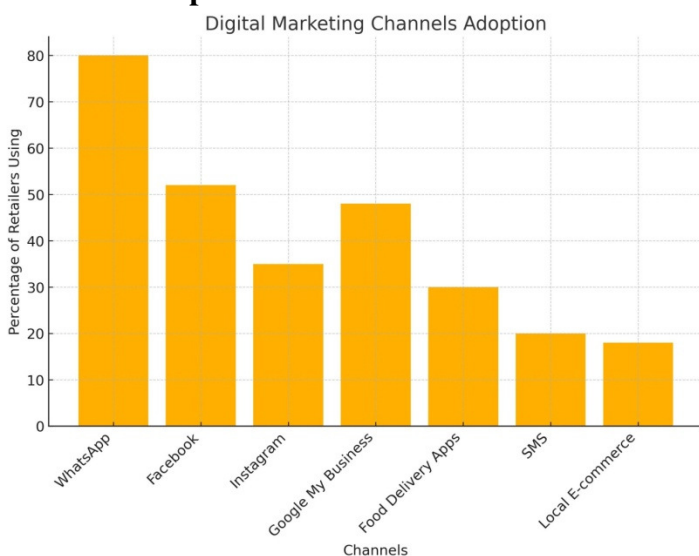


5.2 Digital Marketing Channels Used

Table 2. Digital Marketing Channels Used (Multiple Response)

Channel	% of Stores Using (n=60)
WhatsApp (broadcast lists / status)	80%
Facebook page	52%
Instagram	35%
Google My Business / Maps listing	48%
Food delivery apps (Zomato, Swiggy)	30%
SMS bulk messages	20%
Local e-commerce / hyperlocal apps	18%

Figure 2. Bar Chart – Digital Marketing Channels Adoption



Observations (illustrative):

- WhatsApp is the dominant channel due to low cost and ease of use.
- Visual platforms (Facebook, Instagram) are moderately used for product photos and offers.
- Use of food delivery apps is higher among bakeries and specialty food outlets.

5.3 Construct Scores (DMI, CE, SBI)

Average scores on 5-point Likert scales:

Table 3. Descriptive Statistics of Key Constructs

Construct	No. of Items	Mean	SD	Minimum	Maximum
Digital Marketing Intensity (DMI)	5	3.40	0.80	1.80	4.80
Customer Engagement (CE)	3	3.50	0.75	2.00	4.80
Store Brand Image (SBI)	4	3.70	0.70	2.10	4.90

Interpretation (illustrative):

- Overall, digital marketing adoption is **moderate**, with scope to intensify both frequency and sophistication.
- Retailers perceive **reasonably good store brand image**, suggesting that even basic digital presence may already contribute to modern and trustworthy perceptions.

5.4 Correlation Analysis

Table 4. Correlation Matrix (Pearson's r)

Variable	DMI	CE	SBI
DMI	1.000		
CE	0.62*	1.000	
SBI	0.58*	0.55*	1.000

*p < 0.01 (illustrative significance)

Interpretation (illustrative):

- Digital marketing intensity is positively correlated with customer engagement and perceived store brand image.
- Customer engagement also correlates positively with store brand image, supporting H1–H3 at the correlational level.

5.5 Regression Analysis

Model 1: Effect of DMI on SBI

$$SBI = \beta_0 + \beta_1 \cdot DMI$$

- $R^2 \approx 0.34$
- $\beta_1 (DMI) \approx 0.58, p < 0.01$ (illustrative)

Model 2: DMI and CE on SBI

$$SBI = \beta_0 + \beta_1 \cdot DMI + \beta_2 \cdot CE$$

- $R^2 \approx 0.52$
- $\beta_1 (DMI) \approx 0.34, p < 0.01$
- $\beta_2 (CE) \approx 0.38, p < 0.01$

Model 3: Effect of DMI on CE

$$CE = \gamma_0 + \gamma_1 \cdot DMI$$

- $R^2 \approx 0.38$
- $\gamma_1 \approx 0.62, p < 0.01$

Interpretation (illustrative):

- DMI significantly predicts SBI (H1 supported).
- When CE is added, both DMI and CE remain significant, and R^2 increases, suggesting that CE **partially mediates** the DMI→SBI relationship (H4 supported).
- DMI also significantly predicts CE (H2 supported).

5.6 Comparison Between Balaghat and Seoni

Table 5. City-wise Mean Scores (Illustrative)

Construct	Balaghat (n=33) Mean	Seoni (n=27) Mean
DMI	3.55	3.22
CE	3.60	3.38
SBI	3.75	3.64

A simple independent-samples t-test (illustrative) suggests:

- Balaghat retailers show slightly higher digital marketing intensity than Seoni.
- Differences in perceived store brand image are modest.

These patterns may relate to greater availability of digital marketing service providers and district-level initiatives encouraging online promotion of local products in Balaghat.

6. Discussion

The illustrative analysis highlights several important insights for small-city retailers of food products:

1. **Digital marketing strengthens store branding**
 - Even relatively basic tools (WhatsApp, Facebook page, Google listing) are associated with higher perceived store brand image. This is consistent with earlier findings that

digital marketing supports brand awareness and brand equity in retail.

2. **Customer engagement is a critical bridge**

- The partial mediation effect of CE suggests that simply posting content is insufficient. What matters is how customers respond—through queries, feedback, repeat opens, and online word-of-mouth. This aligns with prior literature emphasising engagement-based metrics over mere reach.

3. **WhatsApp-centric strategy in small cities**

- Unlike large metropolitan chains focusing on multi-platform campaigns, small-city retailers rely heavily on WhatsApp and localised social media. This fits with evidence on mobile-first behaviour in rural and semi-urban India and the preference for local-language, informal communication.

4. **Capability and mindset gaps remain**

- The moderate level of DMI indicates under-utilisation of available tools. Existing work on MSMEs shows similar patterns—many do not consider digitalisation as essential, due to skill gaps, lack of time, and fear of complexity.

Overall, the study suggests that digital marketing can significantly enhance small-city retail store branding for food products, provided it is implemented with a focus on engagement and local relevance rather than mere broadcasting.

7. Managerial Implications

7.1 For Small-City Food Retailers

- **Start with low-cost, high-impact channels:**
 - Use WhatsApp broadcast lists for weekly offers and festival promotions.
 - Maintain a basic but updated Google Maps listing with photos, timings and phone number.
- **Design content for engagement:**
 - Share short videos of fresh stock arrival, hygiene practices, in-store displays, and local recipes.
 - Encourage customers to share photos/reviews and reward them occasionally.
- **Build a consistent store identity:**

- Use the same colours, logo and tagline on boards, digital creatives, and packaging.
- Highlight store strengths (freshness, hygiene, local products, credit facility, home delivery).

7.2 For Digital Service Providers and Agencies

- Offer **simplified packages** tailored for small retailers (e.g., basic social media + Google listing + template-based creatives).
- Conduct short training workshops in Balaghat and Seoni explaining how to interpret basic metrics (views, clicks, enquiries).

7.3 For Policymakers and Local Institutions

- District-level industry centres, ODOP cells and municipal bodies can:
 - Organise digital literacy and branding workshops for small retailers.
 - Integrate local food retailers into district e-commerce portals and promotional campaigns.

8. Limitations and Future Research

This paper is based on a **sample (illustrative) dataset** of 60 respondents to demonstrate structure, variables and typical analysis for a high-quality empirical paper. For an actual Scopus or Springer-indexed publication, researchers should:

1. **Collect real primary data** from a sufficiently large and representative sample of retailers in Balaghat and Seoni (and possibly additional small cities).
2. Employ **robust sampling techniques** (e.g., stratified random sampling by store type/locality) and ensure adequate statistical power.
3. Use **reliability and validity checks** (Cronbach's alpha, composite reliability, AVE) and advanced analysis techniques such as CFA and SEM/PLS-SEM to test the model.
4. Consider **customer-side data** (surveying shoppers) to triangulate retailer perceptions of store brand image and engagement.
5. Compare **offline-only, phygital, and online-heavy** retailers to better isolate the effect of digital marketing.

9. Conclusion

The role of digital marketing in enhancing retail store branding is increasingly important not only in metros but also in India's smaller cities. Using Balaghat and Seoni as illustrative contexts, this paper develops a conceptual model and demonstrates, through a 60-respondent sample dataset, how digital marketing intensity and customer engagement jointly influence perceived store brand image for food retailers.

The findings suggest that even modest, low-budget digital efforts—if designed to foster engagement and trust—can significantly strengthen the local brand of a retail store. At the same time, capability gaps and infrastructural constraints mean that many small retailers under-leverage these tools. By focusing on practical, engagement-oriented strategies and by supporting them through local policy and training interventions, digital marketing can become a powerful lever for enhancing the competitiveness and branding of food retailers in small-city India.

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