

**ELVIRA VIEIRA****Applied Management Research Unit (UNIAG), Instituto Politécnico de Bragança, Portugal****RELEVANCE OF DIGITAL MARKETING FOR THE PERFORMANCE OF SMALL AND MEDIUM-SIZED ENTERPRISES: THE CASE OF THE PORTUGUESE FOOTWEAR SECTOR****Abstract:**

Digital marketing is increasingly essential for the competitiveness of small and medium-sized enterprises (SMEs), particularly in key economic sectors. This paper focuses on the Portuguese footwear industry, dominated by SMEs, to examine the role and effects of digital marketing on business performance. Through qualitative research, including in-depth interviews with managers from five leading companies, we assess how these firms have adopted digital marketing and the impact of such practices. Many SMEs show hesitancy towards digital transformation in marketing, often due to limitations inherent in their business structures and models. This reluctance may compromise their competitive advantage and long-term viability. Given the critical importance of the footwear sector to Portugal's economy, it is vital to understand the factors driving or impeding digital marketing adoption. Our findings indicate that digital marketing substantially boosts the performance of SMEs within this industry. Despite initial resistance, those adopting these practices have seen marked improvements in competitiveness and market positioning. The paper concludes with a call for further research into integrating digital marketing in SMEs, emphasizing its potential to transform business success. These insights provide a foundational reference for future studies on digital marketing strategies and their operational implications in similar sectors dominated by SMEs.

**Keywords:**

Business Digitalization, Competitive Advantage, Digital Marketing, Footwear Industry, Small, Medium-sized Enterprises Performance.

**JEL Classification:** L25, M31, O33