

### RESEARCH ARTICLE

## Digital Marketing and Business Performance of Selected Micro-Enterprises in China

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#### ABSTRACT

Determining the Impact of Digital Marketing on Selected Micro-Enterprises on Business Performance is the study's main challenge. Descriptive-correlational research designs, according to Quaranta (2017), characterize the variables and the inherent relationships that exist between and among them. It measures two or more relevant variables without modification. Consequently, in order to characterize the relationship between variables and ascertain the impact of digital marketing on the performance of chosen microenterprises, the study will employ a descriptive correlational approach. Instead of increased market share, higher product demand, new market acquisition, or higher prices, respondents felt that they do better in more customer acquisition, profitability, sales, and revenue.

#### **KEYWORDS**

Digital Marketing, Business Performance, Micro Enterprises

#### **ARTICLE INFORMATION**

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#### 1. Introduction

Digital marketing is a multidimensional strategy of promoting goods, services, and the entire company as a brand through the use of a vast range of digital channels, as well as the integration of traditional channels into the virtual marketing industry (Girchenko and Ovsiannikova, 2016). Digital marketing is a systematic process for identifying, understanding, and successfully addressing client needs (Chartered Institute of Marketing, 2015). It is about reaching the specific customer segment, creating a connection, and developing a good relationship, from the transition of old-fashioned marketing using printed materials to the trend nowadays using online marketing platforms, which have a wide audience. It is easier and costs less than the old-fashioned platform (Verma, 2018).

Digital Marketing encourages competition (Verma, 2018), and it is in a process of transformation and evolution. Businesses can no longer use traditional marketing practices to advertise and offer products for the reason that we are in the 21st century, where consumers already changed their behavior in choosing and buying a product or service. Old-fashioned marketing is no longer operational and practical since it focuses on sending a message outbound. In the online business framework from the study A New Development in Online Marketing: Introducing Digital Inbound Marketing, the researchers discovered a new online marketing structure called Digital Inbound Marketing (DIM). This new marketing type is focused on attracting valuable consumers who are potential, existing, or aspirational and choose to interact with a particular company that can provide them with something useful based on their needs and wants.

In this study, the researcher will be discussing the digital marketing influence of selected micro-enterprises in business performance and examining its effect through the use of emails, digital displays, short message texts, YouTube, short video displays, social media, online advertising, mobile applications, websites, and others in increased revenue, increased market share, more customer acquisition, increased profitability, more sales, new market acquisition, and higher prices performance of the business.

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From the related studies and literature, it is revealed that there is a gap between online marketing and business performance. Digital marketing is one of the most effective elements of the marketing communications complex in different microenterprises, which does not show signs of slowing down or stopping, according to Muhammedrisaevna, Bakhriddinovna and Rasulovna in 2021. However, according to Weidmann et al., 2018, digital marketing may even be used as a Unique Selling Proposition (USP) by enterprises to highly encourage more customers to buy and enjoy their product or service; on the contrary, there is a gap revealed in the study Integrating Sustainability Education Into International Marketing Curricula according to Perera and Hewege in 2016, it is identified that undergraduates find it difficult to assess critically and articulate futuristic views on digital marketing practices. According to Weidmann et al. (2018), the product development process in the implementation of digital marketing is rarely used because of the unmanageable number of methods.

It is, therefore, the objective of the study to determine the significant influence of digital marketing of selected micro-enterprises on business performance and to address the current gap that digital marketing has no significant effect on business performance.

The study will be beneficial to future research and researchers in terms of related studies, related literature, and conceptual framework. Successful generalization of the study findings may lead to better digital marketing practices for micro-enterprises.

#### 2. Review of Related Literature

#### 2.1 Digital Marketing

Old-fashioned marketing is perceived as an intrusive manner where consumers will be intruded to get their attention and buy the product, and this old way of marketing is not beneficial and sustainable for the business because it costs time, effort, and money. But old-fashioned marketing has now changed and corrected into digital marketing using the most powerful network and platform, which is the internet. There are now called email marketing, digital display marketing, short message text marketing, YouTube marketing, short video display marketing, social media marketing, online advertising marketing, mobile application marketing, website marketing, and others. Digital marketing develops and evolves into attracting people in a way that they are not intruded on but focuses on developing a relationship with the consumers by understanding their needs and wants and providing them. In digital marketing, developing relationships becomes easier, businesses can easily gain regular customers, and products or services will be served with quality (Opreana and Vinerean, 2015). and these ideas were also mentioned in the study of Jayasuriya and Azam, 2020.

It was mentioned in the study of Vinerian in 2017 that future researchers should examine consumer behavior with regard to social media marketing by putting forth and confirming a scale to explain this behavior. Additionally, scholars should look into the variations in online shopper behavior based on various social media sites (Facebook, Twitter, Snapchat, and Instagram. Social media components are still being researched to see how significant they are for digital advertising. Alalwan et al. (2017) suggest that this may be the key challenge in researching customer attitudes and behaviors regarding digital marketing strategies on social media networks.

One of the main reasons why traditional marketing does not work anymore is because of the technological boom that increases the level of marketing creativity and reaches potential, existing, and aspirational consumers in a non-intrusive manner. Enterprises want to reach more customers easily with a low marketing budget, and they can do it by using digital marketing strategies such as email marketing, digital display marketing, short message text marketing, YouTube marketing, short video display marketing, social media marketing, online advertising marketing, mobile application marketing, website marketing, and others.

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Modern digital marketing is formed on the basis of a variety of communication channels (Halligan & Shah 2014). Today, enterprises of various shapes and sizes use Internet marketing methods. Small micro-business organizations comprise a separate group of enterprises. This type of enterprise is virtually devoid of high-cost Internet marketing technologies – it has financial personnel limitations, as well as limitations in its competencies. The need to use low-budget marketing technologies defines the issue of an effective combination of methods and tools that underlie each technology of Internet marketing of a small micro-enterprise. Studies show that modern marketing has a flow structure (De Cleen, 2018). Digital marketing has a form of consumer and customer flow in the channels of Internet marketing communications. The specificity of digital marketing is characterized.

Challenges for the Knowledge Society are represented by diverse communication channels - search engines, social networks, various advertising systems, and measurement tools (Halligan & Shah 2014). One of the most common indicators that determine the efficiency of Internet marketing activities is the visibility of an Internet resource in communication channels, which includes visibility in search engines (Weideman, 2006), social networks (Krstic, 2019) and other types of Internet websites. The methodological tools of digital marketing are determined by a set of interacting information flows (Berdyshev, 2010). Digital marketing methods and tools interact with each other and influence the flow of consumers. This process is characterized by the following features:1) Internet marketing is seen as an element that enhances and complements the characteristics of classic marketing. Internet marketing transforms the elements of classic marketing into a digital form (Kapustina & Mosunov, 2015).2) The development of digital marketing tools determines the possibilities in targeting advertising campaigns to narrow segments of the target audience in communication channels (Halligan & Shah 2014). It means access to segments of the target audience, the needs of which small micro-enterprises can satisfy at a higher level than medium and large businesses (Levinson, 2007).3) Modern marketing is characterized by interaction processes (Bagiev, 2009). Internet marketing methods enhance each other's effectiveness. So, in the inbound marketing methodology, the effectiveness of content distribution depends on the number of communication channels used and the connections between them (Halligan & Shah2014). The reasons previously presented allow the identification of a research problem. Modern marketing has a multi-channel nature (Halligan & Shah 2014). Internet marketing methods interact within as well as between communication channels. The focus of small organizations on a single method or channel reduces the effectiveness of Internet marketing activities (Datainsight & Avito, 2017). The survival rate of a small business in the Russian Federation depends on the ability to use marketing methods (Sidorchuk, 2013). Many authors considered marketing activities (Zemlyak, 2007) and the Internet marketing activities of small businesses (Kaya, 2019) as specific aspects of Internet marketing in the form of Internet marketing tools. At the same time, the issues of the interaction of individual Internet marketing methods within the framework of communication channels were indirectly considered. In the authors' opinion, this is a gap in the study of Internet marketing activities of small businesses. Thus, it is necessary to study the interaction of methods and communication channels of Internet marketing for small businesses.

In recent times, firms of different classifications in virtually all industrial sectors are constantly enriching their domain with digital tools (Bokša, Šaroch & Bokšová, 2020). Digitalization is perceived to be a major topic in all aspects of society, with a key note on the effects it poses on political, economic and social elements (Isensee, Teuteberg, Griese & Topi, 2020). According to Li, Su, Zhang, and (Mao,2017), the introduction of the Internet in the 1960s has propelled many firms to network via multiple computers, reaching out to each for the sole purposes of expansion and growth. In this regard, virtually all management domains and employees in both large and medium firms now access computers via the internet to constantly create awareness.

A brand without an effective digital marketing strategy is like a car without tires. Its efficiency and essence are bound to be limited. The turn of the century experienced lots of business brands ditch the Analog medium of conducting business and embrace diverse digital tools to solidify their presence in the business environment and project their brands with a view of increasing their customer base, making a significant impact on small and medium-sized companies and large companies Lee et al., (2011). The application of digital tools in business activities has been found to improve business competitiveness and opportunity base for SMEs to compete on closer terms with larger organisations (Chapman et al., 2000). It has a special significance in the projection of business activities through effective digital marketing strategies, which is the most prevalent method of marketing in the modern technological era (Kamal,2016). The purpose is not only to sell products and services but also to build relationships with customers. A perquisite for SMEs to explore the digital space vial sustainable digital marketing practices which help access and communicate to a wider range of customers for a better productive output (Mazzarol., 2015)

Digital marketing is at the forefront of every marketing campaign in every business. Organizations have continued to prioritize the need to boost their brand productivity, increase their customer base, and realise more turnover by applying effective digital marketing strategies (Kamal, 2016). Research into SMEs and entrepreneurship has grown immensely at some point in the last decade, and studies may have greatly increased focus on the various economies of the world. Digital platforms provide an excellent ability to grow an SME's brand (Castells, 2010). A massive majority of corporations compete in various parts of the world as SMEs; even though the performance level of SMEs varies, they play a significant role in the overall performance of the whole economy despite the challenge of sustained performance in the long term (Ates et al., 2013).

Digital marketing for SMEs needs to align with the target audience's marketing plans and strategies in adhering to the evolving complexity of customer behaviour, according to (Dwivedi et al.,2020). The development of corporate identity in modern times is an important strategic requirement for SMEs to grow their own brand marketing methods and processes (Mingione & Abrarr, 2020). Small and Medium-Sized Enterprises operate in a complex and unpredictable business environment, faced with the constant challenge of competing and providing value to customers against established business organisations due to their size and economic capacity (Lee et al., 2011). SMEs Brand building and projection through digital channels involve the application of digital marketing strategies, ensuring a move from traditional marketing methods Eggers et al., (2020). There is a drastic need for SMEs to apply social networks, online advertising campaigns and different virtual approaches to boost their companies' developmental growth, which is in cognisance with adapting to new and innovative ways to improve and adapt to a rapid transformational growth Mohsen et al., (2020). Business has proven to be essential to economic growth, and in the last two decades, SMEs have become more important around the world (Mingione & Abratt., 2020). It becomes pertinent for governments and industry players around the world to encourage the growth of SMEs for a sustainable impact on the economy and, in doing so, maintain a competitive advantage. Glaser et al., (2010).

It is crucial for organisations to position their brand in a manner that ensures continued growth and maintains a competitive advantage in the market, thus not creating an avenue for its competitors to grow more to gain a massive edge in the market. SMEs must increase or maintain a healthy sales and profit level to ensure their survival. Claver et al. (2006) management literature provides a platform for entrepreneurs to enhance their SMEs' brand value and bolding through the digital space as a guaranteed way of increasing sales, creating new customers and ensuring customer retention. Bianchi & Bivona, (2002). This is in line with governmental efforts, which aim at investing in solid internet infrastructure as a way of encouraging SMEs' digital business operations Beckinsale & Levy, (2004). SMEs have been generally viewed as an integral part of significant economic growth and development both on a national and international pedestal (Smallbone & Wyer, 2000)

**Interactive marketing.** Interactive marketing is a way to engage with customers through dynamic content like hierarchical information, personalized content, visual storytelling, bidirectional, etc. a primary goal of interactive marketing is to make brand content relevant and engaging with customers.

**Interactive marketing.** Marketing Strategies 8 relies on customers expressing their preferences so that marketers can create more relevant marketing messages. Unlike past out- band marketing, interactive marketing creates an interactive dialogue between a company and its customer Hajli et al., (2017). Advertising is a process that follows customers rather than directing them. Whenever customers are asked to provide feedback, express their personal preferences, or provide demographic information, that serves as a guide for marketers when making brand adverts (Montgomery, 2018). Interactive marketing can take many forms, but search engine marketing is one of the most common. When a customer enters a search engine, the ad is served on the search term. For instance, when you search for shampoo, you may see ads for hair care products.

**Personalised content.** Personalized content uses advanced technology to collect data about customers' geographical, demographic and lifecycle information. The benefit of personalised content includes applying a system that creates profiles for various customers and as well can be adopted in targeting certain individuals to create a personalised, relatable and meaningful experience, as it motivates customers to interact more with the brand content by sharing their experience or feeling about the brand with others which can be a massive factor in boosting a brands marketing strategy and increasing sales (Galetto, 2016)

**Layered Information.** Layered information is adopted when the purpose of the advertisement is to educate customers about the brand name, product or service. This method provides detailed information about certain business activities. It is crucial to deliver detailed information through this process, viewed as small increments with the ability to tell the brand mission and vision, applying a small amount of information delivered in quick, easy to read snippets that subsequently reveal more information to customers who might be interested. Layered information could be structured along a two –way interactive process, using tools such as videos and puzzles, which provide a more powerful experience to customers (Galetto, 2016)

#### 2.2 Components of Digital Marketing

Digital Marketing has different components that will help the study determine its influence on business performance. The components of digital marketing are email marketing, digital display marketing, short message text marketing, YouTube marketing, short video display marketing, social media marketing, online advertising marketing, mobile application marketing, website marketing, and others. The following components will be examined using related literature and studies from both domestic and international sources to add relevance and depth to the research study.

**Emails.** Sending information and offers to people who have agreed to receive them by email is known as email marketing. Email marketing is a great complement to other digital marketing initiatives since it may increase engagement and consumer loyalty at

a low cost. The first stage in email marketing, as with any other sort of marketing, is to set goals and build a list of consumers who have previously agreed to receive commercial emails. Most email marketing platforms have a contact database that requires to have at least one user's email address. Additionally, users should be able to cancel their subscriptions. Online registration forms should be short and straightforward to complete, ensuring success. Given that clients receive a large number of emails each day, even the most intriguing message does not guarantee that it will be read. As a result, it is recommended that the material be concise, sections be no longer than five sentences, and a call-to-action link be set up for more extensive articles and extra information on the website. The text should be more enticing, and the audience should be spoken to in a friendly manner. Many digital marketers overlook email marketing, but if done correctly, it can significantly influence consumers because they are already aware of the company and its products and provide their email addresses.

**Digital Displays.** Digital display marketing is where ads can appear on any site with content when used. Advertisers can use a variety of unique advertisement ideas with digital display advertising, including varied sizes and formats, photos, and videos, which means more options to attract potential customers. Digital display advertising is a digital counterpart of gigantic posters or television commercials that appear on websites. Businesses purchase goods to attract as many potential clients as possible.

**Short Message Texts.** One great example of utilizing short message text marketing is Twitter. Twitter is a social media platform that was launched in 2006. It now has over 300 million registered and monthly active users. Twitter users can send "tweets," which are short messages of up to 140 characters. Users can embellish their posts with photos, videos, and links. Twitter gives marketers a variety of advertisement formats that may be tailored based on the campaign's aims, ranging from increasing site visits and sales to growing the number of fans. Twitter also allows you to target a specific audience based on their demographics, hobbies, and behaviors.

**YouTube.** According to studies, four times more users prefer to watch a product video than read about it. Thus, popularity and improved online video quality represent a tremendous advertising opportunity. Videos are rapidly gaining attraction as the primary marketing tactic. The cost of an internet connection has decreased, the speed has increased significantly, and there are more options to reach viewers in the online video market. Video can be generated and uploaded on a website like YouTube to advertise.

**Short Video Display.** One example of a short video display is Snapchat. Snapchat started as a visual messaging service but has since expanded into a platform combining content and multimedia messaging. Snapchat has over 150 million monthly active users who send photographs and short videos that are deleted once the recipient views them.

**Social Media.** Social media is a tool for collaboration and self-actualization in cyberspace and a means of communication (Elbanna, Bunker, Levine, & Giring, 2019). One hundred sixty million people in Indonesia use social media, with an average daily usage time of 3 hours and 26 minutes (We are social, 2020). This demonstrates how social media has enormous market potential and is now a simple tool for online communication between customers and businesses as well as between customers all over the world at any time. SMEs should use this platform because they have limited resources, such as money and technological experience, among other things (Rana, Barnard, Baabdullah, Rees, & Roderick, 2019). In addition to making it more straightforward for customers to learn about a company's products, social media marketing helps businesses build customer trust and brand loyalty (Puspaningrum, 2020). Additionally, social media marketing positively correlates with client loyalty, closeness, and faith (Khoa, 2020). Companies can quickly boost their business activities and develop their brands using social media (Sullivan & Koh, 2019; Fatima & Bilal, 2019; Charttejee & Kumar Kar, 2020). SMM can aid MSMEs in performing better. This information enables the formulation of the following hypothesis. All of these data were mentioned in the study of Syaifullah, Syaifudin, Sukendar and Mjunaedi in 2020.

**Online Advertising.** Online advertising, such as banner advertisements, has been shown to effectively influence consumer behavior and improve advertisement perception and recall. Personalization has been found to boost a customer's loyalty to a retailer. Millennials respond to messages that are tailored to them.

**Mobile Applications.** According to a study, the Internet is now more accessible through mobile devices than computers, which is a benefit of mobile marketing and its features. Mobile advertising has the ability to increase the number of phone calls made to the advertiser or encourage users to download mobile applications. Because mobile device users do not search the internet the same way as personal computer users, advertisements should be tailored to mobile devices. Because mobile phones are more minor, advertisements should have a clear call to action and the option to show in text, picture, or video. In addition to the quality of an advertisement, having a mobile-friendly website is critical since consumers are more likely to leave a website that is not mobile-friendly. (Ištvanić et al., 2017)

**Websites.** Search Engine Optimization. Search Engine Optimization, or SEO, is a well- known online marketing tactic that refers to creating a website and inbound links to that website to improve its position in search engine results pages. This tool makes it

easier for target potential customers to find the company's content. It also represents a key element after content marketing that helps increase the visibility and discoverability of content on search engines. The trend nowadays is that consumers begin the buying process in online settings, usually by using a search engine to find answers to specific questions or queries. Therefore, a company should ensure that it will appear and be visible when consumers search for it. To achieve search engine optimization, enterprises need to choose keywords, optimize pages, create content and build links around the keywords buyers are looking for. Search engines reward in the form of better search result placement the companies that publish quality and consistent content (Terrance, Shrivastava & Asmita Kumari, 2017).

**Others.** Content Marketing. One of the most impressive strategies in the area of business marketing today is content marketing. The value of this type of marketing has increased over time, thanks to the most recent advancements in communication and computing technologies. Today, platforms based on social media, in particular, are crucial for enabling businesses to create multimedia-focused, interactive content. On the other side, there is still work on better content marketing strategies. Artificial intelligence is one of the most impressive research areas in existence today, which lends itself well to diverse applications (Kose & Sert, 2017). The use of content marketing has increased. Around the world, content marketing is gaining popularity and importance in businesses' marketing strategies. However, the scientific world has paid very little attention. Mainly, relatively little is known about the efficiency, ideal layout, and application of content marketing. (Koob, 2021).

Brand-Focused Marketing Communications. In the online context, brand-focused marketing communications significantly influence the company's capitalization. Marketing communications are how businesses attempt to inform, persuade, and inform consumers about the items and brands they sell, either directly or indirectly. It represents the brand's voice and tools that can start communication and build relationships with consumers. With the trends in technology, consumers have changed the way they process information. Therefore, marketing communications should be integrated to deliver a consistent message and to achieve strategic positioning in all relevant communication platforms or mediums. Online brands appear as a result of advances in information and communication technologies. An online brand includes a name or a symbol, a set of products, and service features associated with a specific name. Like its offline counterpart, an online brand is an augmented and identifiable product so that customers or users perceive it as valuable and distinct from other competitive products. Subjective perceptions of an integrated package of information and experiences in a consumer's mind arouse a confident presence of personality and performance. Most brands today communicate with customers on several platforms along with their own branded websites. In the context of digital marketing, marketers have to focus their branding efforts on developing an authentic and relevant brand for their main consumer segments. The brands most likely to convert digitally bored consumers into purchasers offer the strongest array of digital experiences. As they create favorable word of mouth on social media, these successful players appear to be moving away from less superior brands and gaining greater momentum. Online firms that have mastered digital channels effectively gained a profound grasp of client preferences, crafted digital experiences, and improved offers through social feedback have established a competitive advantage that may be difficult to match. As a result of these experiences, marketers should develop strategies to promote companies by improving positioning relative to competitors, making them more relevant, distinctive, and trustworthy to customers. This frequently means repositioning established brands better to meet customer needs (Li, 2018).

#### 2.3 Small Micro-enterprises

James (2021) explained that a microenterprise is a small company with few employees, usually referred to as a micro business. A microenterprise is often founded with little capital raised from a bank or other institution and employs fewer than ten people. Most micro businesses focus on offering goods or services to their immediate communities. Microcredit, a tiny loan made available to persons with no collateral, credit history, savings, or employment history, finances microenterprises, which are small businesses. The tiny loans are frequently enough to launch a local small business. These companies typically offer a good or service in their communities and play an essential role in enhancing the quality of life for people in developing nations. Gifts, Housewares, and Decorations (GHD) and Food Products Processing are two examples of micro enterprising, which will be the focus of the study. Gifts, Housewares, and Decorations (GHD) focus on the production of household products. On the other hand, Food product processing refers to any business related to food.

One of the studies by Claveria and Mendoza in the year 2021 focused on one of the examples of microenterprises, which is food product processing. This investigation aims to evaluate the Micro Food Businesses surveyed in Sorsogon City using a descriptive approach. A survey was developed to collect the preliminary information that the situation requires. There are 305 micro food farmers among the respondents— proprietors of businesses in Sorsogon City. The analytical techniques are frequency, percentage, weighted mean, and placing. Based on the results, it was determined that the majority of the tiny food businesses are owned by women owners, who run a variety of businesses and are often makers and processors with less than 50 employees. Small-scale food businesses always have ownership, the nature and type of the business, and employees working on the project and lacking in capitalization, food deterioration, poor product quality and safety, and the difficulties encountered by the dishonest personnel entrepreneurs in the micro food enterprise operation. Additionally, it was suggested that the micro food business-related

workshops be open to business owners and instruction to keep the existing operation up to date. Business owners can make ongoing improvements to numerous processes and systems using continuous review and inspection. The issues encountered could be addressed by the company owners so that they can continue running. Future studies in this area topic could be explored and given more attention with the addition of additional factors not included in the study.

The term SMEs is used more and more often but is often quite unclear Savey et al., (2020). Scholars interpret this term differently (Mazzarol, 2015). A variety of companies, ranging from local small businesses to medium tech companies, now identify as small and medium scale enterprises, therefore bringing more prominence to this term (COOK. S., 2020). Small and medium scaleenterprise by definition, could be addressed as an entrepreneurial company established by one or more founders for the sole purpose of operating business activities that are designed to manufacture and sell innovative or valuable products and services to target customers, with employees less than 250, even as the figure differs across countries LaariSalmela, et al., (2017) SMEs could be classified as industries that have been in business operations for less than 10 years according to a comprehensive literature analysis by (Gruber, 2004). The first and most frequent attribute of SMEs could be referred to as novelty, as they more than often do not need to evolve from a level of naivety to total awareness about the business environment they compete in. Secondly, the size of SMEs is often used to identify them. The third feature is the variability of the environment, which is reflected in the instability of gaining and retaining customers as well as realizing a significant profit percentage (Ergeer & Sigfridsson, 2018). Therefore, SMEs can be defined as small and medium-scaled enterprises created to provide valuable products and services with limited capital. Small and medium scale enterprises (SMEs) are important for maintaining strong economic growth Ates et al., (2013). They are not just smaller versions of large firms but also have characteristics that they depend on within the context of specific economic, cultural and political constructs (Castells, 2010). Their governance structure is largely defined by ownership, staff strength, and finance, which are usually dependent on a relatively small number of customers and limited market operations. Hudson et al., & Hausman. (2005) Scholars are of the opinion that adopting relevant marketing digitalization models and innovations is a key element in building and sustaining a good SME performance in the long run. There is a pertinent need for SMEs to create value through innovation to improve their performance in a real-life changing business environment. Adopting the right digital marketing strategy boosts business attraction, especially to prospective customers, and gives them a competitive presence against established or larger firms (Davila, 2012). Small and medium scale enterprises should ensure to strategically execute their brand marketing strategies. Using their limited resources in a creative and unorthodox manner to create value and achieve an impactful momentum (Haereid & Indregard, 2015), it is crucial for SMEs to emphasize the economic aspect of marketing on online platforms such as social media marketing, email as well as visualizing their concepts and value proposition to aid customer attraction and patronage. (Stokes, 2000).

#### 2.4 Business Performance

Lebans and Euske (2006) describe performance as a set of monetary and non- monetary indicators showing how well an organization achieves its goals. According to Lebas in 1995, performance should be supported by concepts of performance management that include the validity of cause-effect relationships among variables. Performance assessment has been restricted to a financial perspective, resulting in limitations such as a focus on the company's internal factors and delayed access to performance-related data. To overcome these constraints, performance must be assessed on a multidimensional scale.

Aside from money, other aspects influence an organization's performance. Performance can be summarized as valuable contributions to achieving a firm's objectives in a specific time period based on the various literature reviews (Anthony, 1965). An organization's performance can be measured across multiple parameters, including productivity, efficiency, profitability, and market share. Performance measuring uses different indicators to identify, monitor, and communicate the results (Brudan, 2010). Marketing performance management includes marketing planning, implementation, and evaluation in order to improve marketing results. Several factors contribute to the floriculture industry's overall financial performance. Product quality, productivity aspects, operating expenses, company marketing prowess, and tax implications are all factors that influence performance.

The business performance of microenterprises and how the respondents of the study will use digital marketing can be measured through the adapted instrument from the Onyangoin 2016 survey. In his research, it has shown that the instrument has enough reliability. It has a Cronbach's alpha of .922. This has shown that it can be used in any future study. The said instrument can be seen in Appendix B of the study.

#### 2.5 Components of Business Performance

Business performance is a mechanism for converting the efficiency and effectiveness of work done into numbers (Hussain et al., 2014). The components of business performance are increased revenue, increased market share, more customer acquisition, increased profitability, more sales, new market acquisition, and higher prices.

To add relevance and depth to the research study, the following components will be examined using related literature and studies from both domestic and foreign sources.

**Increased Revenue.** Customers purchasing additional items and services from a company can be ascribed to increased revenue (Anderson and Sullivan, 1993; Bolton et al., 2000; Fornell, 1992; Fornell et al., 2006; Reichheld and Sasser, 1990; Seiders et al., 2005). Increased revenue may also be due to a supplier earning a higher share of wallets from satisfied consumers (Cooil et al., 2007; Keiningham and Perkins-Munn, 2003). Less price sensitivity among pleased consumers prepared to pay more can result in increased revenue (Homburg et al., 2005; Reichheld and Sasser, 1990). Additionally, the acquisition of new clients may result in more significant revenue. Higher customer retention and satisfaction levels contribute to higher future revenue (Rust and Zahorik, 1993; Rust et al., 1995) and reduced operating expenses (Rust et al., 1995). (Reichheld and Teal, 1996; Srivastava et al., 1998) (Williams and Naumann, 2011).

**Increased Market Share.** In many businesses, the goal of gaining market share is important. Market share can be used to summarize a company's business performance and economic profit. One of the essential goals of businesses is to increase market share to attain greater scale in their operations and improve profitability. As a result, managers are constantly looking for strategies to increase their market share. It is critical for a company to anticipate the factors of market share in the competitive environment of market share. According to The Influence of Marketing Strategy Elements on Firm Market Share, marketing strategy, which includes the product, price, promotion, and place strategies, influences increased market share (Ayinde, 2012).

**More Customer Acquisition.** As competitive density and market dynamism rise, firms improve performance by shifting their focus away from customer retention towards more customer acquisition techniques. Firms optimize revenues by adopting a customer acquisition strategy emphasizing innovation and competitor learning in dynamic, fragmented markets. Performance is improved by a customer acquisition strategy that emphasizes innovation and competitor learning (Voss and Voss, 2008).

Increased Profitability. The organization's primary goal is to increase profitability by satisfying customers, which is based on the stakeholder theory. Marketing helps achieve increased business profitability through satisfied customers (Sheng & Hsin, 2007). Marketing is an important driver of financial and non-financial business performance, and it has a beneficial influence on the increased profitability of the business (Panigyrakis and Theodoridis, 2009) (Zaman et al., 2012).

**More Sales.** According to Corstjens & Corstjens (1999), a lack of collaboration between sales and marketing might risk an organization's overall success. Poor sales and marketing collaboration can hurt business performance, but successful collaboration can help add more sales (Meunier-FitzHugh and Piercy, 2006).

**New Market Acquisition.** Acquiring new markets can help a firm appear extraordinary in order to attract new clients and maintain customer satisfaction. Using digital tools in digital marketing technology, this recent market acquisition is simple to make. The purchase is made in order to make the company's operations more competitive and profitable. To improve new market acquisition, many B2B businesses are shifting to digital marketing (Bhagaswara, 2021).

**Higher Prices.** It has been discovered that a successful digital marketing strategy helps firms better understand their consumers' demands, allowing them to serve their customers better than their competitors, resulting in cost savings and increased customer loyalty (Gaurav, 2008). Increased sales, market share, cheaper costs, and higher prices can all result from instilling loyal consumers (McKenzie &Woodruff, 2017).

#### 2.6 The Influence of Digital Marketing of Selected Micro-enterprises on Business Performance

Bala and Verma's compilation of articles, studies, reports, newspapers, journals, websites, and online material was published in 2020, wherein India has seen a significant shift toward digitalization. As opposed to traditional or conventional techniques, consumers are browsing the internet more and more to discover the best bargains from suppliers all over India. In this study, they recognized that digital marketing techniques like search engine optimization (SEO), search engine marketing (SEM), content marketing, influencer marketing, content automation, e-commerce marketing, campaign marketing, social media marketing, social media optimization, direct e-mail marketing, display advertising, e-books, optical disks, and games could be very beneficial for businesses. These techniques are becoming more and more popular as technology develops. It has been shown that we are all. We can see that Facebook and Whatsapp have made us all more connected, and the rising popularity of social media is giving digital marketers new ways to reach consumers online. Because it provides a deeper insight into what motivates consumers to write content about a brand or store, understanding consumer motivations is crucial. Digital marketing is economical and has a significant positive business impact. According to this study, it can also be stated that a considerable element in ensuring the effectiveness of online marketing is understanding which social media platforms a company's target market uses. It is possible to

analyze the success of Internet marketing for various businesses. The research can be expanded further to compare internet marketing techniques specific to various businesses.

The same was found in the study of Summer 2017, wherein they discussed how the landscape of digital marketing is evolving quickly, and for microbusinesses, it is currently a critically essential opportunity. The important components of developing good customer connections are attracting customers, piquing their interest and engagement, keeping them around, discovering their preferences, and relating to them. However, a lot of businesses overlook managing client relationships in the long run. The goal of the study was to advance knowledge of current microenterprise tactics in terms of cutting-edge digital marketing technologies that strengthen client interactions. This article describes how two digital marketing service providers' microenterprise clients use their digital marketing tools using the five components of customer relationship building based on interviews with the providers. The results emphasize how crucial it is to have a practical understanding of digital marketing tools as the landscape of digital marketing evolves rapidly. This digital marketing has given great success in their business.

It has the same notion as Attaran and Woods, who conducted research on cloud computing technology (CCT) in 2018. CCT is a groundbreaking new technique that uses the Internet's power to offer software and infrastructure solutions to organizations all over the world. Many businesses, both big and small, are expected to switch to this platform in 2017, which is expected to be a huge breakthrough year for this technology. The use of this technology can help organizations communicate more effectively with one another and benefit small firms financially and operationally. This article's main goal is to suggest a conceptual framework for the effective application of CCT in small firms. This article also addresses some of the CCT's possible advantages for micro enterprises and potential implementation difficulties. Moreover, this study analyzes the key attributes of successful CCT and discusses some of the routes that might be taken to implement this technology in small businesses. Lastly, this article analyzes the specific application of CCT to small businesses, gives importance to developing technologies and trends, studies the deployment of CCT in different types of small businesses, and provides a case example of success.

In order to analyze the motives and anticipated results of such participation, Ritz, Wolf, and McQuitty, in 2019, set out to examine small businesses' engagement in digital marketing and merge the DIY behavior model and technology acceptance model (TAM). Through an online survey, information was gathered from 250 small business owners and managers who handle their own digital marketing. It uses structural equation modeling to examine the connections between the models. The findings support the notion that small business owners and managers may not be only motivated by technological advantages when engaging in digital marketing, which advances our knowledge of small businesses digital marketing behavior. The authors also discover that the DIY behavior model applies to small business owners/managers who must perform tasks that require specialized knowledge.

#### 2.7 Effects of Digital Marketing in Small Micro-enterprises

**Growth of company.** Digital marketing provides companies that fall under the SME business category with a very strong growth outlook. (Insight success, 2020). Digital marketing strategies enable SMEs to powerfully 14 portrait and promote their brand products and services using relevant online mediums, which helps in achieving a sustainable amount of success (Chaffey, 2020). Haven established itself as the most important way to access the wider audience by showcasing their brand products and services in an appropriate manner. (Insight success, 2020). Digital marketing is the essence and core of small and medium–sized enterprises' growth, and a realistic way to manage expenses without necessarily limiting product and service exposure (Chaffey, 2020). The Strategic awareness generation and adequate integration of effective digital marketing strategies and patterns have the potential to guarantee the competitive, comprehensive and profitable accomplishments of SMEs companies. (Insight success, 2020). A lot of emphasis should be on the conversation rate between the company and customers. Such is critical to evaluating certain marketing performances; hence, entrepreneurs implore digital marketing tools to achieve a high conversation rate (Jain, 2014); digital marketing strategy ensures new customer acquisition, business knowledge expansion and improved sales, contributing to the overall outlook of the business objectives (Jangongo & Kinyua 2016).

**Brand awareness.** Brands are more than labels and icons. They reflect consumer expectations and feelings about the brand's products and services. Consequently, the brand really lives in people's minds (Kotler et al., 2013). Therefore, a good and profitable brand has a high market reliability, which indicates that consumers have a comparatively influential impact on the brand (Keller, 2003). brand awareness depends on the power of the product links. A memory trace that represents the ability of a customer to remember and identify a brand under various circumstances is quite significant. The most important marketing goal is to create brand awareness (Bija & Balas, 2014). Digital marketing is very important for rand awareness. Digital marketing enabled by digital technology raises awareness through innovation, consumer experience and consumer connections. (Kannan & Li 2007). Validating the significance of creating a strong online presence through integrating the required network and marketing deployments by organizations. (Teixeira et al., 2018). Digital marketing is known for its revolutionary impact on business and subsequent significant impact on brand consumers. It becomes pertinent for organizations to facilitate consumer connections at all times. Makrides, A.,

et al., (2020). Digital marketing platforms like social media help SMEs increase brand value through networking, interactions and community development. Karamian et al., (2015). Through this process, brand names can have a significant impact on customers, according to (Bhati & Verm, 2018). Branding attempts need to be balanced with developing a framework for designing and implementing technological and digital brand presence. SMEs can use digital marketing to build relationships with existing buyers, therefore influencing their personal view of the brand by sharing their own perceptions in communicating with potential customers. (Krishnapabha & Tatunika, 2020).

Building trust. It is essential that SMEs build trust among their customers to retain them with their brand Ruyter et al., (2001). When buying the brand, trust is an essential element, such as in practice consumption. It creates a long-term impression in the customer's mind. Liu et al. (2012) state that repeating buying behaviour can be achieved when consumers have trust in a brand; therefore, building consumer trust is crucial to the sustainability of SMEs (Enehasse & Saglam, 2020). Brand trust is strongly influenced by digitalized communication channels on purchase decisions. (Schivinski & Dabrowski 2016). Digital marketing ensures SMEs keep in regular contact with customers and, in the process, fosters good relationships. Akhtar et al. (2016) are of the opinion that the adoption of digital marketing strategies enables SMEs to realize significant benefits, promote competitiveness and increase their investment in visibility through web-based networking channels. Consumers can now track business activities on new digital platforms and provide feedback. This two-way interaction process goes a long way in building consumer trust in a brand. SMEs must also respect security and privacy measures to strengthen consumer confidence in the brand. According to Steenkamp & Geyskens (2006), cited in (Kannan and Li, 2007), one of the key findings is that consumers trusted more in the nature of the web with the safety and security of privacy and personalization in their assumed personal value. 2.5.4 Customer engagement Businesses and researchers continually show an understanding of the value of providing quality customer service and a committed customer network. Optimizing customer satisfaction and engagement are top priorities of marketers Grewal et al., (2017). Customer commitment requires the strength of the individual's presence and concern for corporate services. Vivek et al. (2012) there are many topics related to consumer interaction, such as interpersonal links between the companies and customers, customer service and shared consumer perception relating to digital marketing practices Raeisi & Lingjie (2017). Digital marketing is a transformative platform that enables a complete customer experience, from product information to assisting consumers. Applying a wide range of knowledge on customer engagement, combined with structured resources, to evaluate consumer preference and behaviour, therefore enabling a means to identify new patterns, envision new possibilities and get predictions for the future. (Insight success, 2020). Digital marketing engages customers and encourages them to interact with the brand through digital channels Yasmin et al., (2015).

#### 2.8 Digital Marketing in Business

Digital marketing factors play an important role in influencing business performance in this new millennium. It is important to drive a more creative and global business with the involvement of access, skills and motivation to use this digital marketing medium. Malaysia is a country that strongly supports the efforts to integrate the usage of ICT in development. The provision of technological infrastructure is one of the government's efforts to ensure that Malaysians are able to compete globally. In fact, digital marketing has grown exponentially since the 1990s and 2000s, thus changing the way brands and businesses are run using digital communication technologies as well as tools for marketing entrepreneurs and business owners. Digital marketing campaigns are becoming more efficient as digital platforms are incorporated into the marketing strategy and daily life of consumers and as consumers use digital devices instead of going to physical stores. Today, the most commonly used digital marketing tool is Search Engine Optimization (SEO). Wienclaw (2017) defines SEO as the process of increasing the probability that a website will be listed in online search results and clearly placed in search results. Some SEO strategies are observed by Weinclaw (2017), including website content customization, keyword addition, proper website indexing, and ensuring that website content is unique. The results of the study by Pineiro-Otero and Martinez-Rolan (2016) show that 88 percent of access worldwide is through the Google search engine, while Gaikwad and Kate (2016) argue that SEO is a must for online marketing. In addition, the power of digital marketing in the form of social media can also determine the marketing of goods and services. As can be seen in recent years, the popularity of social networking sites and social media has increased globally (Kucuk & Krishnamurthy, 2007). Social media has opened up a business opportunity to communicate with millions of people about products and services and has opened new marketing opportunities in the market (Mangold & Faulds, 2009). For instance, Facebook is said to have more than one billion users when it was first introduced in 2004. The social network is expanding its power by showing the majority of users, including entrepreneurs, spend their time online. The users also use different online formats for communicating, such as blogs, YouTube, Myspace, Instagram, and Facebook, to share information about products or services (Kozinet, 2002). In this regard, Zhang, Dubinsky, and Tan (2013) state that blogging is a tool for digital marketing that has created an impact on increasing sales revenue, especially for the products that customers can read reviews on and comment on their personal experiences. Online surveys show that business activity works just as well as overall marketing strategies. Online services have a greater influence on consumers than traditional communication methods (Helm, Moller, Mauroner & Conrad, 2013). Thus, the digital marketing variables in this study will be measured by three dimensions, namely the benefits, reputation and purpose of using digital media in business.

#### 2.9 New Millennium Business Performance

According to Guijarro, Auken and Garcia (2007) and Ab Wahab and Shuhymee Ahmad (2017), business performance is very important in a company or organization. Strong performance can generate benefits such as resource management, wealth creation and job opportunities. In running a business, an entrepreneur needs to have a strategy or approach to ensure that the business being run can improve its sales performance. A study by Talib et al. (2017) found that rural online entrepreneurs can explore more market opportunities as online businesses are a new mechanism in borderless transactions that use information technology as a means of communication more widely and simultaneously opening up market opportunities that make it easier to have unlimited customers. In this regard, Indrupati and Henari (2012) found that the Facebook platform is one of the digital marketing mediums which helps companies or organizations maximize their profits. These platforms are an important channel for communicating with new prospects or regular customers. Mahwish et al. (2017) found that the impact of internet usage on business performance shows that entrepreneurs in Lahore who used social media platforms as a more popular business network are growing in their marketing compared to the entrepreneurs who do not use internet mediums for advertising or marketing purposes. According to Nawal (2015), four factors that describe the impact of social media usage in entrepreneurship are advertising and branding, information access, customer service and social capital. As such, the usage of social media as a digital marketing medium has also influenced entrepreneur marketing strategies and has increased the reputation of brands and services in the business field. Moreover, Fruhling and Digman (2000) found that internet usage can help businesses increase the number of customers and market share as well as contribute to their business growth strategy. The usage of the internet facilitates the business to expand its scope and core business through market penetration and product development. This fact is supported by Porter (2001), who found that relationships established through the internet would increase sales and generate opportunities for new products and services.

#### 3. Significance of the Study

The researcher believes that the results of the study would be beneficial to the following:

**Government.** The study will be beneficial to the government in that it can be used as a reference in planning sustainable digital marketing programs for micro-enterprises that will help improve and level up their businesses.

**Micro-enterprises.** The study will serve as a basis to invest in digital marketing because it will help grow the performance of the business, and those who are still using traditional marketing will be influenced and motivated to transition into online marketing.

**Potential Entrepreneurs.** The study will be beneficial to future entrepreneurs because it can be a basis for deciding how to put up a business.

**Ministry of Education.** The study will be beneficial to the Ministry of Education, colleges and universities in planning the marketing curriculum.

**Future Researchers.** The study can be used as a reference in conducting related studies, related literature, and conceptual framework about digital marketing and its effect on business performance.

#### 3.1 Theoretical Framework

The study is anchored on the Social Exchange Theory by Gorge Homans (1961). Social exchange is the exchange of activity, tangible or intangible, and rewarding or costly, between at least two persons (Homans, 1961). It is a sociological and psychological theory that studies the social behavior in the interaction of two parties that implement a cost- benefit analysis to determine risks and benefits. Social Exchange Theory (SET) is the most influential conceptual paradigm for understanding workplace behavior. There are venerable roots of social exchange theory, and although many views have emerged about it, Emerson stated in 1976 that theorists agree that social exchange involves a series of interactions that generate responsibilities and obligations. Within social exchange theory, interactions are seen as interdependent and contingent on the actions of another person (Blau, 1964).

Cropanzano and Mitchell mentioned that social exchange theory emphasizes that interdependent transactions have the potential to create high-quality relationships (Chernyak-Hai & Raben, 2018). Homans demonstrated how A's conduct reinforced B's behavior (in a two-party relationship between actors A and B), and B's behavior reinforced A's behavior in return, to explain social behavior and the types of social organization produced by social contact. It was formally advanced in the late 1960s in the work of sociologists Gorge Homans (1961), Emerson (1962), and Peter Balu (1964).

#### 3.2 Conceptual Framework

The conceptual model that will be utilized in the process of determining the impact that digital marketing has on the performance of selected microenterprises can be seen in Figure 1. Emails, digital displays, short message texts, YouTube, short video displays, social media, online advertising, mobile applications, websites, and other forms of digital marketing will be evaluated as part of the digital marketing evaluation. While the performance of the firm will be discussed in terms of increased revenue, increased

market share, increased customer acquisition, increased profitability, increased sales, increased market acquisition, and increased prices, additional sales will be described.

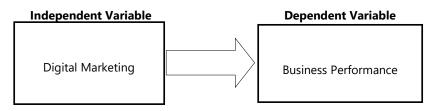


Figure 1. Conceptual Framework of the Study

#### 3.3 Statement of the Problem

The major problem of the study is to determine the Influence of Digital Marketing on Selected Micro-enterprises in Business Performance.

Specifically, the research seeks to answer the following questions:

1. To what extent do the micro-enterprises utilize the following digital technologies in their business operation:

- 1.1 Emails;
- 1.2 Digital Displays;
- 1.3 Short Message Text;
- 1.4YouTube;
- 1.5 Short Video Display;
- 1.6 Social Media;
- 1.7 Online Advertising;
- 1.8 Mobile Applications;
- 1.9 Websites; and
- 1.10 Others?

2. How may the business performances of the micro-enterprises be described in terms of the following indicators:

- 2.1 Increased Revenue;
- 2.2 Increased Market Share;
- 2.3 More Customer Acquisition;
- 2.4 Increased Profitability;
- 2.5 More Sales;
- 2.6 Higher Demand for Products;
- 2.7 New Market Acquisition; and
- 2.8 Higher Prices?

3. Does the extent of utilization of digital marketing strategies significantly influence the business performance of microenterprises?

4. Based on the findings of the study, what business implications may be drawn to further improve the performance of microenterprises?

#### 3.4 Definition of Terms

**Business Performance.** Business performance is an indicator of commercial effectiveness, which is the capacity of an organization, a division, or a person to achieve the company's goals and anticipated outcomes.

**Email.** A system for sending messages to one or more recipients via telecommunications links between computers using dedicated software or a web-based service.

**Mobile App.** A mobile application, most commonly referred to as an app, is a type of application software designed to run on a mobile device, such as a smartphone or tablet computer. Mobile applications frequently serve to provide users with similar services to those accessed on PCs.

**Online Advertising.** Online advertising, also known as online marketing, Internet advertising, digital advertising, or web advertising, is a form of marketing and advertising that uses the Internet to promote products and services to audiences and platform users.

**Short Message Text.** Short Message Service (SMS), or text messaging, has become integral to modern communication, with billions of messages being sent and received daily. SMS messages are used for quick and efficient communication between mobile devices and are used for a variety of purposes, including personal communication, business communication, and marketing

**Short Video Display.** A type of video display that is thin and flat, commonly used in laptop computers monitor, monitoring device display produced by a device that takes signals and displays them on a television screen or a computer monitor. This type of video is no longer than 10 minutes.

**Social Media.** Communications on the Internet (such as on websites for social networking and microblogging) through which users share information, ideas, personal messages, and other content (such as videos). Social networking and social media are overlapping concepts, but social networking is usually understood as users building communities among themselves, while social media is more about using social networking sites and related platforms to build an audience.

**YouTube.** YouTube is a free video sharing website that makes it easy to watch online videos. You can even create and upload your own videos to share with others.

**Websites.** A website (also written as a web site) is a collection of web pages and related content that is identified by a common domain name and published on at least one web server. Websites are typically dedicated to a particular topic or purpose, such as news, education, commerce, entertainment or social networking.

**Customer Acquisition.** Customer acquisition is the process of finding and persuading prospective customers to buy from your business. It involves strategies that create awareness, engagement, and trust among potential customers.

**Higher Demand for Product.** The market system is governed by the laws of supply and demand, which determine the prices of goods and services. When supply equals demand, prices are said to be in a state of equilibrium.

**Increased Market Share.** Increasing market share means increasing the percentage of total sales generated by a particular company in an industry.

**Increased Profitability.** Increasing profitability refers to the process of generating more profit. Higher profitability ratios can indicate strengths and advantages that a company has, such as the ability to charge more (or less) for products and to maintain lower costs.

**Increased Revenue.** Increasing revenue means bringing in more money from a company's normal business activities. <sup>2</sup> There are only four methods to increase revenue: increasing the number of customers, increasing the average transaction size, increasing the frequency of transactions per customer, and raising the prices.

**Micro Enterprises.** Micro Enterprises shall be defined as any business activity or enterprise engaged in industry, agribusiness and/or services, whether single proprietorship, cooperative, partnership or corporation whose total assets, inclusive of those arising from loans but exclusive of the land on which the particular business entity's office, plant and equipment are situated, must have value not more than 3,000,000.

**New Market Acquisition.** An acquisition is when one company purchases most or all of another company's shares to gain control of that company.

**Sales.** Sales is a term used to describe the activities that lead to the selling of goods or services. It refers to the exchange of a product, commodity, service or delivery for money.

#### 4. Methods and Techniques of the Study

According to Quaranta (2017), descriptive-correlational research designs describe the variables and the natural correlations that exist between and among them. Without manipulation, it measures two or more relevant variables. Therefore, the study utilizess a descriptive correlational design to describe the relationship among variables with the aim of determining the influence of digital marketing of selected micro-enterprises in business performance. It will make use of a qualitative research approach to analyze and understand the variables and to verify the answers they have shown in a survey that will be given. A standardized questionnaire on digital marketing by the study of Kennedy Onyango entitled Influence of Digital Marketing Strategies on Performance of Cutflowers Exporting Firms in Kenya in 2016 with a 0.922 Cronbach's alpha ( $\alpha$ ) generated for the instrument will be utilized.

#### 4.1 Respondents of the Study

The respondents of the study were the fourty (40) microenterprises that must have an asset value of not more than 3,000,000 located in Guangzhou, China, and must be engaged in digital marketing.

#### 4.2 Population and Sample of the Study

In addition, the researcher seeks the assistance of a statistician to ascertain the ideal sample size of the respondents and generate statistical results that are reliable for the study.

#### 4.3 Instruments of the Study

The study utilizes one validated instrument, which comprised of nominal and closed-ended questions in determining the influence of digital marketing of selected microenterprises in business performance and will be lifted from the study of Kennedy Onyango entitled Influence of Digital Marketing Strategies on Performance of Cutflowers Exporting Firms in Kenya in 2016 and with a 0.922 Cronbach's alpha ( $\alpha$ ) generated will be utilized. It is designed to capture the variables of investigation in line with the research objectives. The questionnaire was divided into three sections: part one: background information of the company, part two:

marketing strategy, and part three: performance indicators. The different aspects of digital marketing and business performance will be analyzed using financial and non-financial data.

#### 4.4 Data Processing and Statistical Treatment

The researcher collected the completed survey questionnaire after the two (2) weeks period of data gathering from the selected customers of the selected micro-enterprises in Guangzhou, China. The data will be arranged in a tally sheet and will be forwarded to a statistician for data processing. Descriptive statistics will be applied to describe the digital marketing and business performance of the micro-enterprises. Calculated mean scores with verbal interpretation for measurement will be applied to the rating scale. This will determine if the digital marketing applied by the selected micro-enterprises has a significant influence on their business performance, in which inferential statistics will be used. The influence of digital marketing provided by the selected micro-enterprises will be measured using the Analysis of Variance (ANOVA). ANOVA, as the statistical analysis technique for the study, compared the and measured data sets that determined the significance. All statistical tests of significance will be tested using  $\alpha$ = 0.05 level of significance. Multiple Regression Analysis will also be used for the independent variables whose values are known to predict the value of the single dependent value.

#### 4.5 Presentation, Analysis, And Interpretation of Data

This chapter presented the results of the study as well as the analysis and interpretation of data gathered from forty (40) microenterprises who must have an asset value of not more than 3,000,000, be located in Guangzhou, China, and have engaged in digital marketing. The data gathered are meant to provide evidence of the significance of the study in finding out how digital marketing can influence the business performance of micro-enterprises. Through thorough observation and evaluation, the study was divided into categories based on the specific questions presented on the statement of the problem to give understanding and emphasis to the content of the study.

# 1. To what extent do the micro-enterprises utilize the following digital technologies in their business operation: Emails, Digital Displays, Short Message Text, YouTube, Short Video Display, Social Media, Online Advertising, Mobile Applications, Websites, and Others?

The research findings presented in Table 4 provide insights into the extent to which microenterprises utilize digital marketing platforms in their business operations. The results indicate that social media is the most frequently utilized platform, as it received a mean rating of 4.80, corresponding to a verbal interpretation of "Always Utilized." In contrast, websites were reported as being "Never Utilized" by the respondents, with a mean rating of 1.45. Additionally, YouTube, Mobile Applications, Short Video Displays, and Digital Displays were reported as being utilized only occasionally by the respondents in their business operations. These findings were consistent with an existing study conducted by Febriyantoro and Arisandi (2019) about a study on the role of digital marketing in improving sales, and found that social media platforms, such as Facebook and Instagram, were extensively used for marketing purposes.

Digital Marketing Platforms	Mean	Verbal Interpretation		
Emails	2.98	Occasionally Utilized		
Digital Displays	2.24	Sometimes Utilized		
Short Message Text	4.28	Frequently Utilized		
YouTube	1.73	Sometimes Utilized		
Short Video Display	2.35	Sometimes Utilized		
Social Media	4.80	Always Utilized		
Online Advertising	3.23	Occasionally Utilized		
Mobile Applications	1.90	Sometimes Utilized		
Websites	1.45	Never Utilized		
Others	1.38	Never Utilized		
Overall Mean	2.64	Occasionally Utilized		

Table 5 presents the non-financial performance indicators derived from a research study conducted by Onyango (2016) to assess business performance. In this study, respondents were asked to rate their own business performance, which was then analyzed to determine the extent of performance. The findings indicate that the microenterprises surveyed demonstrated a "great extent" overall business performance, with a mean rating of 3.53, suggesting a favorable performance across the non-financial performance indicators considered in the study.

Specifically, four indicators received particularly high ratings. These indicators include Increased Revenue (mean rating of 3.58), More Customer Acquisition (mean rating of 3.70), Increased Profitability (mean rating of 3.88), and More Sales (mean rating of

4.13). These results indicate that the microenterprises performed exceptionally well in these areas, demonstrating their effectiveness in generating higher revenue, acquiring new customers, improving profitability, and increasing sales.

Table 5. Business Performance of the Micro-enterprises						
Business Performance Indicators	iness Performance Indicators Mean					
Increased Revenue	4.13	Great Extent				
Increased Market Share	3.40	Moderate Extent				
More Customer Acquisition	3.58	Great Extent				
Increased Profitability	3.70	Great Extent				
More Sales	3.88	Great Extent				
Higher Demand for Products	3.45	Moderate Extent				
New Market Acquisition	3.25	Moderate Extent				
Higher Prices	2.85	Moderate Extent				
Overall Mean	3.53	Great Extent				

As depicted in Table 6, the impact of various digital marketing strategies on business performance was investigated through a regression analysis. The results indicate that out of the nine digital marketing platforms examined, only the short video display exhibited a significant coefficient with a p-value lower than 0.05. Consequently, it can be inferred that the utilization of short video displays ( $\beta$ =0.517, t=2.492, p=0.018) significantly influences the business performance of the selected micro-enterprises.

This finding contradicts the findings of Onyango (2016) that emails, YouTube, and websites had a significant influence on nonfinancial performance. This could be due to the significant impact of short video displays on business performance, which can be attributed to their ability to capture attention, convey information effectively, and evoke emotional responses from viewers. In the context of microenterprises, this finding underscores the importance of leveraging video content within digital marketing strategies to enhance their overall performance and competitiveness.

	<u>Coefficients</u>	Coefficients			
а	В	Std. Error	Beta	т	Sig
(Constant)	1.182	.937		1.262	.217
Emails	024	.079	046	300	.767
Digital Displays	075	.109	133	692	.494
Short Message Text	.137	.089	.231	1.541	.134
YouTube	.218	.136	.266	1.607	.118
Short Video Display	.277	.111	.517	2.492	.018
Social Media	.164	.230	.099	.710	.483
Online Advertising	.041	.061	.095	.675	.505
Mobile Applications	105	.096	212	-1.099	.281
Websites	.182	.137	.274	1.327	.194

# Table 4. Regression Coefficients: Digital Marketing Strategies on Business Performance Unstandardized Standardized

Dependent Variable: Business Performance (Non-Financial Performance Indicators)

Based on the findings of the study, several business implications can be drawn to further improve the performance of microenterprises:

1. Focus on Short Video Display. Micro-enterprises should prioritize incorporating short video displays into their marketing efforts to attract and retain customer attention, increase brand awareness, and drive conversions. They should allocate resources to develop high-quality video content and optimize its distribution.

2. Allocate Resources Strategically. Micro-enterprises should prioritize platforms that have been proven to be effective, such as short video displays, to maximize the impact of digital marketing activities and maximize their resources.

3. **Experiment with Other Effective Strategies.** Micro-enterprises should diversify their digital marketing efforts to reach a broader audience and enhance their overall performance. This includes SEO, social media marketing, content marketing, influencer collaborations, and email marketing. These strategies have shown positive impacts on business performance.

4. **Continuous Monitoring and Evaluation.** Micro-enterprises should track key performance indicators (KPIs) such as website traffic, conversion rates, engagement metrics, and sales figures to make data-driven decisions and optimize their digital marketing strategies.

5. **Stay Updated with Industry Trends.** Micro-enterprises should stay up-to-date with industry trends, platforms, and consumer preferences to adapt their strategies to align with changing customer behaviors and maximize business growth.

Implementing these business implications based on the findings of the study can help micro-enterprises enhance their digital marketing strategies, drive better business performance, and remain competitive in their respective markets.

#### 5. Summary of Findings

1. The extent micro-enterprises utilize digital technologies in their business operation: Emails, Digital Displays, Short Message Text, YouTube Short Video Display, Social Media Online Advertising, Mobile Applications, Websites, and Others. The purpose of this study is to determine whether the digital marketing of selected microenterprises influences their business performance. Upon the presentation of the results of the study, the following are the findings based on the statement of the problem given.

The extent of digital technologies in microenterprises' business operation Microenterprises use social media, short message text, online advertising and emails but not websites. They also sometimes use YouTube, Mobile Applications, Short Video Displays, and Digital Displays in their business operations, with social media being the most frequently utilized.

2. Business performances of the micro-enterprises in terms of Increased Revenue, Increased Market Share, More Customer Acquisition, Increased Profitability, More Sales, Higher Demand for Products, New Market Acquisition, and Higher Prices Micro-enterprises demonstrated a "great extent" on the overall business performance, with four indicators receiving particularly high ratings: Increased Revenue, More Customer Acquisition, Increased Profitability, and More Sales. These indicators demonstrate their effectiveness in generating higher revenue, acquiring new customers, improving profitability, and increasing sales.

#### 3. The extent of utilization of digital marketing strategies that significantly influence business performance of microenterprises

**Regression Coefficients.** Digital Marketing Strategies on Business Performance

Short Display Video significantly influences the business performance of select micro-enterprises.

#### 4. Business implications drawn from the study to further improve the performance of micro-enterprises

Business implications for improving the performance of micro-enterprises should prioritize incorporating short video displays into their marketing efforts to attract and retain customer attention, increase brand awareness, and drive conversions. To maximize the impact of digital marketing activities, micro-enterprises should allocate resources strategically and experiment with other effective strategies. Additionally, micro-enterprises should establish mechanisms for continuous monitoring and evaluation and stay updated with industry trends. These strategies can help micro-enterprises enhance their digital marketing strategies, drive better business performance, and remain competitive in their respective markets.

#### 6. Conclusions

Based on the findings of the study, the researcher arrived at the following conclusions:

1. Most of the respondents are utilizing social media but have never utilized websites.

2. Respondents believed that they perform well in More Customer Acquisition, Increased Profitability, More Sales, and Increased Revenue rather than Increased Market Share, Higher Demand for Products, New Market Acquisition, and Higher Prices.

3. Among the 9 digital marketing platforms, only the short video displays significantly affect the business performance of selected microenterprises.

#### 7. Recommendations

Based on the conclusions drawn, the following recommendations were proposed:

**1. Government.** The government can support micro-enterprises in improving their utilization of digital marketing platforms by creating awareness and education, providing financial support and incentives, providing capacity building programs, ensuring access to technology and infrastructure, and fostering collaboration with industry and academia. These can help micro-enterprises harness the full potential of digital marketing platforms, leading to improved business performance, increased competitiveness, and economic growth.

**2. Micro-enterprises.** Micro-enterprises should diversify their digital marketing strategies, optimize their website presence, embrace video content, and invest in website development and SEO to maximize the effectiveness of their online presence. This will allow for a broader reach and engagement with different target audiences. Micro-enterprises should maintain an active presence on social media, seek digital marketing training and support, monitor and analyze performance, and collaborate with digital marketing professionals or agencies. These recommendations will help them strengthen their digital marketing capabilities, expand their online presence, and effectively leverage digital marketing platforms to reach and engage their target audience.

**3. Potential Entrepreneurs.** It is essential for entrepreneurs to adopt digital marketing strategies at an early stage, remain informed and up-to-date with the latest trends, customize their approaches to align with their business objectives and capitalize on social media platforms to advertise their offerings. These recommendations will enable them to make well-informed decisions and adjust their strategies in response to the ever-changing digital marketing. Thus, creating engaging and relevant content, investing in website development, utilizing video content, seeking mentorship and guidance, and leveraging digital marketing platforms can effectively promote their business.

**4. Ministry of Education, Colleges and Universities.** The researcher recommends integrating digital marketing into the school curriculum to teach students how to manage and use digital marketing platforms, to improve digital marketing education, specialized courses or programs, collaboration with the industry, access to digital marketing tools and resources, research and case studies, and faculty professional development to improve digital marketing education. These activities will help students learn about and practice social media marketing, SEO, content marketing, and digital advertising. By implementing these recommendations, the Ministry of Education, colleges, and universities can ensure that students are equipped with the necessary knowledge and skills to excel in the field of digital marketing. This will contribute to the development of a skilled workforce that can effectively leverage digital marketing platforms to drive business growth and innovation.

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