



Measuring the Influence of Interest on Digital Marketing Performance among SMEs in Sarawak with Data Management Capabilities as the Mediator

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ABSTRACT

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Digital Marketing has gained spectacular popularity amongst the Small and Middle Enterprises (SMEs) in Sarawak. This phenomenon was triggered due to how much they struggled to survive during the recent impact of the Covid-19 pandemic. However, not many among those digital players realize that the abilities in data management are the key to the success of any digital marketing activities. Using “Interest” as the influencing factor, this research would like to measure the performance of Sarawak’s SME digital marketing players through actions that would trigger consumer interest in products or services. Activities such as retargeting, duration, number of visits, up-to-date information, gathering information, and page seen have been proved as activities to be performed on digital marketing platforms to attract viewers’ interest. Using data management capabilities as the mediator, the research concludes that none of the mentioned activities that caused interest related to digital marketing performance. However, data management capabilities are found to mediate the relationship between interest and digital marketing performance.

Keywords:

Digital Marketing Performance, Data Management Capabilities, Sarawak SME, Interest

1. BACKGROUND OF THE STUDY

Despite all the negative impacts of the Covid-19 Pandemic, the world of business must agree that it somehow contributes if not significantly but at least to a portion of how much businesses finally understood the importance of digitalization towards their survival. The culture of business in Malaysia generally and in Sarawak specifically is currently eager to get a piece of the pie on the benefits of digitalization which can be seen from the initiative taken by the State Government of Sarawak towards digitalization (Abang Ahmad et al., 2020).

Digitalization in the concept of businesses is not only focused on the usage of electronics functions related to the Digital Economy such as wallet and payment gateway. It is also very much related to how businesses adopt digitalization into their promotion and marketing activities. Digital marketing is a wide concept and covers a big area (Pandey, 2021). Even though Digital Marketing currently is actively

being promoted by the State Government (Growth, 2018), few digital marketing players focus on the performance of their digital marketing activities. Digital Marketing performance can be measured through several indicators such as eWOM (Rani & Nagesh, 2019), sales (Djakasaputra et al., 2021), strategies (Kristinae et al., 2020), and consumer engagement (Mohammad, 2020), and not many realize how important it is to keep monitoring their performance to enable them to draw a better and improved their next digital marketing activities.

Another important element that affects digital marketing performance is the capabilities of digital players in data management (Saura, 2021a). Digital marketing platforms such as Facebook, Instagram, TikTok, other chatting and message apps (WhatsApp, WeChat, telegram), Google ads, and many others are not only able to provide opportunities in terms of connecting and relating ads and promotion to as many people as possible (ubiquitous). The natural ability and what is being offered by these platforms is data that they provide during or after every marketing activity. This data is the key and secret for businesses to have the best performance in digital marketing (Saura, 2021b). Digital marketing players

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need to be exposed to the importance of data management capabilities for them able to produce the best promotion which able to detect which product is the best to which customer segment (by demographic and psychographic) and therefore which marketing approach should be implemented to attract those targeted consumer segment.

To improve digital marketing performance, digital marketing players need to be familiar with the process that consumers will go through during the decision-making process (Dahiya & Gayatri, 2018). The AIDA (Awareness, Interest, Desire, Action) Model is one of the consumer decisions making processes that is popular and is used to explain how consumers would come to a decision. Through this model, businesses will be able to target which method would benefit them more and which process they need to improve using digital marketing techniques (Purbaningsih et al., 2022). One of the important processes from the AIDA Model is Interest. Interest according to the AIDA Model consists of another four activities that need to be monitored by businesses (retargeting, duration, number of visits, up-to-date information, gathering information, and page seen).

2. LITERATURE REVIEW

Digital Marketing is generally known as Internet or Online advertising utilized in sending promotional marketing messages to potential customers over the Internet to gain their attention (Sridevi et al., 2021). In the literature, Digital Marketing has also been described as the practice of promoting a company's products and services using all types of digital advertising (Omar et al., 2020). According to Parida et al., (2016), entrepreneurs who used social media platforms as a more popular business network have a positive impact on business performance while companies have a substantial edge over their rivals because of the market's involvement in deciding their competitive advantage, as well as their resources and talents (Grant, 1991; Yulianto, 2010).

Digital media is useful to build data on who our customers are, what they like and hate, and where they were online. The new media landscape has experienced an immense change from the mid-1990s to today. There most dominant media forms for a good 10 years are still very relevant today. The first is advertising media, such as paid search (think Google AdWords) or display ads (think DoubleClick banner ads). Paid media is digital media outlets a company pays to use (Khraim & Alkrableih, 2015). Today's data and resources will give us the insight to boost marketing and advertisement efficiency (Djakasaputra et al., 2021). We can now better grasp a prospect's qualitative and quantitative aspects. Use this information to personalize user experiences and promote a real value exchange that meets the needs and

interests of users. Simply put, thanks to the powerful data and analytics software ecosystem, we have never been better able to produce the desired results and forecast future behavior (Flyverbom et al., 2019). Media form includes many platforms that serve a function and contribute to the marketing mix. The related data and analytics help deter how much or how little of a role each can play (Kulova, 2018).

Based on the literature review, for SMEs to boost the interest in their products and services and to reach their potential and existing customers through various venues and platforms, they need to consider the usage of digital and online marketing activities (SYAIFULLAH et al., 2021). Companies need to have access to marketing channels to spread their messages and therefore to improve interest in their business for better marketing performance (Yusra et al., 2020). Companies are transferring their marketing spending to e-marketing since digital marketing is more cost-effective than conventional media and is the better tool to engage the interest of the consumers. (Rollins et al., 2014). When effectively executed, digital marketing techniques may enhance the audience's interest, client connections, operational effectiveness, marketing efficacy, and a company's success (Abass & Ahmad, 2018; Dlodlo & Mafini, 2014; Hamidi & Safabakhsh, 2011). Researchers agreed that the advantages of digital marketing may boost the competitiveness of small businesses by triggering a large amount of interest which can be easily executed (Harrigan et al., 2021).

3. RESEARCH FRAMEWORK

This study aims to test the direct and indirect impact of interest as one of the customers' decision-making processes adopted by digital marketing players as guidance in performing digital marketing activities on digital marketing performance, with the focus on the moderating effect of data management capabilities. Accordingly, based on Figure 1, this study intends to examine whether data management capabilities moderate the relationship between interest and digital marketing performance. To achieve the objectives of the study, a thorough review of the existing relevant literature was performed, and subsequently, a theoretical framework was developed. This study considers various determinants of the customer decision-making process which in this case is interesting. The research framework adoption covers an important objective of this research, which includes all relevant determinants that shape and influence the digital marketing players of Sarawak's SME toward digital marketing performance. The study also acknowledges that interest leads to a better performance of digital marketing as moderated by data management capabilities.

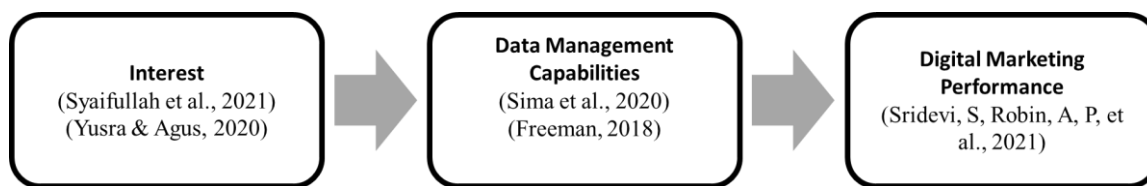


Fig. 1. Proposed research framework

4. METHOD

To obtain data from all of Sarawak's major cities, an English-language questionnaire, which respondents completed on their own, was employed. As part of the effort to eliminate bias, the data collection took place over four months. The questionnaire was self-administered and delivered online (by Google Form), and numerous series of follow-up actions were carried out to remind the participants who were being targeted. Respondents submitted the form were from Betong, Bintulu, Kapit, Kuching, Limbang, Miri, Mukah, Samarahan, Sarikei, Serian, Sibuan and Sri Aman. The predictors of interest, which include five aspects, were evaluated using ten items, each of which was graded using a seven-point Likert scale. Meanwhile, the capacities of data management comprised of four aspects (collecting the data, processing the data, interpreting the data, and implementing the data), each of which was measured by twenty elements. In the end, a total of five elements were used to measure the performance of digital marketing across four different aspects. After the questionnaire was written, it was put through some preliminary testing with the SPSS program. To further strengthen the stability of the questionnaire's format, a Cronbach reliability analysis was carried out. The results of the Cronbach Alpha test for the interest fell into a range from 0.893 to 0.837. The data management capabilities have a Cronbach Alpha score that is outstanding overall at 0.975, with digital data management having the most exceptional value at 0.980.

5. CONFIRMATORY FACTOR ANALYSIS (CFA)

All of the individuals who were targeted for the questionnaire contributed a total of 217 responses. Before continuing with the structural modeling, a confirmatory factor analysis, abbreviated as CFA, was used on the data that was extracted to carry out a test to see if the measurement scale was accurate. The results of the factor analysis are presented in Table 1. The quantitative data strategy is the method that should be used since it is the most appropriate one to use based on the applicability of the study in regards to the relevance and the issue. In keeping with the idea presented above, the necessary information was collected from the actors in digital marketing through the use of a questionnaire that they managed. Additionally, a cross-sectional methodology was utilized in this investigation, and variable measurements were carried out during the same period.

The recommended value of GoF small = 0.1, GoF medium = 0.25, and GoF large = 0.36 (Akter et al., 2010). As presented in the table 1, in this study, GoF value was 0.875 (R square = 0.827, average AVE = 0.925) for digital marketing performance. This figure shows that the GoF values of digital marketing performance exceeded the largest cut-off value of 0.36, and indicate that the proposed model of this study has accurate prediction capability. Therefore, this confirms that the proposed PLS model in this study was sufficient.

Table 1. The confirmatory factor analysis result

Construct Dimension	Loading	Composite Reliability
<u>Digital Marketing Performance</u>		0.98
Business performance	0.955	
Better review	0.955	
Sales increase	0.966	
Effective strategies	0.968	
Marketing performance	0.958	
	0.961	
<u>Data Management Capabilities</u>		0.975
Collection	0.959	
Process	0.941	

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Interpretation	0.981	
Implementation	0.975	
<u>Retargeting</u>		0.893
Remarketing increase interest	0.955	
Paid search/SEO gathers interest	0.945	
<u>Duration</u>		0.887
Visit Duration	0.946	
Bounce rate	0.95	
<u>Page Seen</u>		0.837
Average page visit	0.929	
Information Inclusion	0.926	
<u>Number of Visit</u>		0.897
Most visited page	0.952	
Clear info	0.952	
<u>Up-to-date information</u>		0.959
Timely and updated info	0.98	
Immediate advertise	0.98	

The goodness of Fit (GoF) Calculation	AVE	R square	AVE x R square	(AVE x R square) ^ .5
Digital Marketing Performance	0.925	0.827	0.765	0.875

AVE (Average Variant Extracted)

6. DIRECT EFFECTS

Based on Table 2, clearly stated that none of the components representing interest directly impacted digital marketing performance. The results of the PLS analysis indicated that all variables of interest are negatively related to

digital marketing performance. Those results are as follows: Retargeting to digital marketing performance ($\beta = 0.035$; $t = 0.415$), duration ($\beta = -0.052$; $t = 0.511$), page seen ($\beta = -0.076$; $t = 0.754$), number of visits ($\beta = 0.156$; $t = 1.498$) and up-to-date information ($\beta = -0.03$; $t = 0.293$).

Table 2. Path Coefficients Between Independent Variables and Digital Marketing Performance (Direct Impact)

Relationships	Path Coefficient	t-value
RETARGETING -> DIGITAL MARKETING PERFORMANCE	0.035	0.415
DURATION -> DIGITAL MARKETING PERFORMANCE	-0.052	0.511
PAGE SEEN -> DIGITAL MARKETING PERFORMANCE	-0.076	0.754
NUMBER OF VISITS -> DIGITAL MARKETING PERFORMANCE	0.156	1.498
UP-TO-DATE-INFORMATION -> DIGITAL MARKETING PERFORMANCE	-0.03	0.293

7. INDIRECT IMPACTS

Based on testing the mediating effect, as a result, there was a mediating effect of data management capability between interest and digital marketing performance ($t=2.847$,

$p < 0.05$) as in table 4.11. Thus, these results implied that data management capabilities had an indirect effect on the relationship between interest and digital marketing performance.

Table 3. The Mediating Impact of Data Management Capability on Interest with Digital Marketing Performance

Relationships	Path Coefficient	t-value
Interest -> Data Management Capabilities -> Digital Marketing Performance	0.154	2.847

8. CONCLUSION

Table 2 on the path coefficients results clearly stated that none of the components of interest is impacting the digital marketing performance. This indicates that the Sarawak SME digital marketing players do not realize steps that should be taken in digital marketing activities to improve the consumer interest in their products and services (Faraji-Rad et al., 2017). Some of the elements in interest require digital marketing players to have abilities in utilizing some advanced platforms related to the website. Platforms such as Google Ads will enable marketers to perform retargeting activities with the help of the Google Analytics platform (Cui et al., 2018). While the duration of visits, the number of pages visited and several visits performed by customers and audience can be seen directly from Google Analytics, many other platforms also provide the same service but in more detail with subscriptions such as Semrush, KWFinder, and Ahrefs (Blog.hubspot.com, n.d.). To be familiar with the information provided by these websites required users to have extensive training with hours of log-in time. While it's also time-consuming, not many experts are available that can share their knowledge and expertise in the field.

As presented in Table 3, data management capabilities do mediate the relationship between interest and digital marketing performance. This indicates that the efforts of the state in promoting the digital economy based on the importance of data management are showing a positive effect (Sarawak Government, 2018). The mediation effect means digital marketing players among the SMEs in Sarawak realize the importance of data as one of the crucial factors of business success. However, similar to elements of interest which consist of activities related to managing consumer data, there are only a few experts or even institutions either in the state or around the country that can share their experience in the data management field (Roque & Raposo, 2016). Digital players need to make understood that the main objective of performing digital marketing activities through digital marketing performance is not to generate sales. Sales can be the fifth or maybe the later objective of why businesses perform digital marketing. The main focus of online marketing is to gather data especially related to customers. It focuses on providing the best method for businesses to recognize their potential customers which later to be grouped and segmented according to either their demographic, psychographics and many other criteria. With the assistance provided by almost every digital marketing platform, businesses are finally able to promote their products and services according to previous segmented and grouped customers. The formula behind the success of many

multinational brands around the world is due to the way they see what is marketing. They believe that to improve customers' interest and attract their attention by making them feel they are specially treated and somehow related to any products offered by businesses. This will trigger their next following steps of the decision-making process (desire and finally action).

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