



UNIVERSITY OF WALES
Trinity Saint David
London

MBA in International Business

Research Title:

Building Competitive Advantage for SMEs through Digital Marketing.

Student Name: Bharat Lila kadachha

Student ID: 2427111

Dissertation Supervisor: DR GLADIUS KULOTHUNGAN

Total Word count: 19329

Module: Dissertation

Module code: LCMB7035

Declaration

I declare that this dissertation is my own original work and has not been submitted previously for any degree or qualification at this or any other institution. All sources of information used have been appropriately acknowledged and referenced in accordance with academic standards.

Acknowledgement

I would like to express my sincere gratitude to my supervisor for their guidance, support, and constructive feedback throughout this research. I also thank all participants who contributed their time and insights to this study. Finally, I am grateful to my family and friends for their encouragement and support during the completion of this dissertation.

Abstract

This thesis discussed how digital marketing can be used to establish competitive advantage in small and medium-sized enterprises (SMEs). Chapter 1 presented the study background, research problem, and the research aim, objectives and research questions. Chapter 2 was a literature review on digital marketing, organisational resources and capabilities and competitive positioning. Chapter 3 discussed a mixed-methods approach, a combination of 80 SMEs survey and five-semi-structured interviews. Chapter 4 presented the quantitative results obtained with the help of SPSS and revealed the positive correlations between digital marketing activities, reaching to customers, brand positioning, and business performance. Such important tools as the search engine optimisation (SEO) ($M = 3.93$) and social media marketing ($M = 3.91$) indicated an effective influence. The qualitative result was in favour of strategic significance of digital marketing and the identification of the problems connected with skill gaps, funding limitations, and swift technological evolution. On the whole, this thesis concluded that digital marketing emerged as a strategic potential of SMEs that facilitated the sustainable competitive advantage in the case of constant adaptation to the environment and further skills development.

Table of Contents

Declaration	2
Acknowledgement	3
Abstract	4
List of Figures	8
List of Tables	9
List of Abbreviations	10
Glossary	11
Chapter 1: Introduction	12
1.1 Background of the research	12
1.2 Problem statement.....	13
1.3 Research aim and objectives	14
1.4 Research Questions	14
1.5 Relevance and contribution of this research	14
1.6 Structure of your dissertation.....	15
1.7 Theoretical framework.....	15
1.8 Chapter summary	16
Chapter 2: Literature Review.....	17
2.1 Chapter Introduction	17
2.2 Key Concepts and Theories	17
2.2.1 Small and Medium-Sized Enterprises (SMEs)	17
2.2.2 Digital Marketing.....	18
2.2.3 Competitive Advantage	18
2.2.4 Theoretical Foundations.....	19
2.3 Thematic Literature Review	19
2.3.1 Digital Marketing and Competitive Advantage in SMEs	19
2.3.2 Digital Marketing Tools and Strategic Applications	21
2.3.3 Impact of Digital Marketing on SME Performance.....	22
2.3.4 Opportunities of Digital Marketing for SMEs	23
2.3.5 Challenges and Barriers in Digital Marketing Adoption	25
2.3.6 SME Perceptions and Strategic Orientation	26

2.4 Research Gaps	27
2.5 Theoretical Framework	28
2.6 Chapter Summary	28
Chapter 3: Methodology	30
3.1 Chapter Introduction	30
3.2 Research Philosophy	30
3.3 Research Approach	31
3.4 Research Design and Strategy	31
3.5 Population and Sampling	32
3.6 Data Collection Method.....	32
3.6.1 Survey	33
3.6.2 Interview	33
3.7 Data Analysis Method.....	34
3.7.1 Survey Data Analysis.....	34
3.7.2 Interview Data Analysis.....	34
3.8 Ethical Considerations	34
3.9 Research Limitations	35
3.10 Research Timeline	35
3.11 Chapter Summary	35
Chapter 4: Data Analysis	37
4.1 Chapter Introduction	37
4.2 Overview of Dataset and Sample Profile.....	37
4.3 Quantitative Data Analysis	37
4.3.1 Data Screening and Preparation.....	37
4.3.2 Descriptive Statistics.....	38
4.3.3 Reliability Analysis.....	45
4.3.4 Inferential Analysis.....	45
4.4 Qualitative Data Analysis	49
4.4.1 Analytical Approach	49
4.4.2 Theme and Sub-Theme Emergence	50
4.4.3 Analysis of Qualitative Findings	51

4.5 Comparison of Survey and Interview Findings	52
4.6 Limitations of Data Analysis	53
4.7 Chapter Summary	53
Chapter 5: Discussion	54
5.1 Chapter Introduction	54
5.2 Summary of Key Findings	54
5.3 Discussion of Findings in Relation to Research Objectives	55
5.4 Discussion in Relation to Theory and Conceptual Framework	58
5.5 Addressing the Literature Gap	58
5.6 Discussion of Unexpected Findings.....	61
Chapter 6: Conclusion and Recommendation.....	63
6.1 Overall Conclusion	63
6.2 Answers to Research Questions.....	63
6.3 Contribution to Knowledge.....	64
6.4 Practical Implications.....	64
6.5 Research Limitations	65
6.6 Recommendations for Practice	65
6.7 Future Research	67
6.8 Concluding Statement.....	67
References	68
Appendix.....	76
Appendix 1: Survey Questionnaire	76
Appendix 2: Interview Questionnaire	78
Appendix 3: Interview Responses	79

List of Figures

Figure 1: Theoretical Framework	28
Figure 2: Type of Business Participants Associated.....	38
Figure 3: Role of Participants in Organisation	38
Figure 4: Industry Sector of Participants	39
Figure 5: Year Business Operational	40

List of Tables

Table 1: Research Timeline	35
Table 2: Descriptive Statistics of Objective 1	41
Table 3: Descriptive Statistics of Objective 2	42
Table 4: Descriptive Statistics of Objective 3	43
Table 5: Descriptive Statistics of Objective 4	44
Table 6: Reliability Analysis Test	45
Table 7: Correlation Analysis	46
Table 8: ANOVA	47
Table 9: One-Sample Statistics	48
Table 10: One-Sample Statistics	49
Table 11: Theme and Sub-Theme Development	51

List of Abbreviations

SME	Small and Medium-sized Enterprise
SMEs	Small and Medium-sized Enterprises
DM	Digital Marketing
SEO	Search Engine Optimisation
SMM	Social Media Marketing
RBV	Resource-Based View
DCT	Dynamic Capabilities Theory
CRM	Customer Relationship Management
ICT	Information and Communication Technology
ROI	Return on Investment
ANOVA	Analysis of Variance
SPSS	Statistical Package for the Social Sciences
SD	Standard Deviation
N	Sample Size
M	Mean
α	Cronbach's Alpha
KPI	Key Performance Indicator
UGC	User-Generated Content

Glossary

Digital Marketing	The use of digital channels and technologies to promote products or services and engage with customers.
Competitive Advantage	A firm's ability to outperform competitors by delivering greater value or differentiation.
Small and Medium-sized Enterprises (SMEs)	Businesses with limited employees and turnover, defined by national or institutional criteria.
Resource-Based View (RBV)	A theory suggesting that competitive advantage arises from valuable, rare, inimitable, and non-substitutable resources.
Dynamic Capabilities	An organisation's ability to adapt, integrate, and reconfigure resources in response to market changes.
Social Media Marketing	The use of social media platforms to communicate, promote, and engage with target audiences.
Search Engine Optimisation (SEO)	Techniques used to improve website visibility in search engine results.
Content Marketing	The creation and distribution of valuable content to attract and retain customers.
Data Analytics	The process of analysing data to support marketing decisions and performance evaluation.
Market Orientation	A strategic focus on understanding customer needs and competitor actions to improve performance.

Chapter 1: Introduction

Small and medium-sized enterprises (SMEs) are faced with stiff competition, consumer behavior that keeps evolving, and technological shocks in the digital age. Consequently, SMEs are increasingly using digital marketing as a way of remaining competitive, interacting with customers, and gaining growth. Nonetheless, the normal constraints of resources, inadequate digital abilities, and organizational obstacles tend to undermine proper implementation. This chapter provides the context of the study on the use of digital marketing strategy by SMEs to achieve a competitive advantage. It includes background, rationale of the research, problem statement, and theoretical underpinning. Also, the chapter shows the research aim and objectives, questions, and structure of the dissertation in general.

1.1 Background of the research

SMEs are commonly recognized as drivers of economic development, employment, and innovation. However, within a rapidly expanding digitalized marketplace worldwide, SMEs have even greater challenges to keep up with them (Silva, Macedo, and Santos, 2022). Digital marketing provides SMEs with the opportunity to make use of powerful instruments, including social media marketing, search engine optimization (SEO), (Mustaqeem and Sarder, 2024) content marketing and data analytics, to reach more broadly, build a brand and connect with customers at relatively low costs compared to traditional marketing (Silva, Mamede and Santos, 2022).

The results of empirical research in various settings show that the adoption of digital marketing is associated with the enhancement of the operational efficiency, market reach, and financial results of SMEs (Mittal and Kumar, 2024; Jung and Shegai, 2023). Specifically, digital capabilities, such as technological preparedness, digital culture and digital marketing innovation, increase the capability of SMEs to adapt to emerging market and customer dynamics (Gonzalez-Varona *et al.*, 2024).

However, even with the seemingly positive advantages, a significant portion of SMEs fail to effectively execute digital marketing because of limitations such as limited financial resources, the absence of qualified staff, insufficient digital presence, and inefficient strategic planning (Mustaqeem and Sarder, 2024; Almaliki and Rofiqoh, 2025). Furthermore, swiftly changing online landscapes, e.g., the changing algorithm of social media, the evolving tastes of the consumers demand constant adjustments, and often these dynamic capabilities are beyond the capabilities of SMEs.

With these facts, it is important to research the manner in which SMEs may strategically implement digital marketing in order to develop and maintain a competitive advantage. The study aims to analyse the digital marketing strategies and capabilities that could be helpful in enhancing the market competitiveness of SMEs, and how the latter can overcome the issues of adoption.

1.2 Problem statement

Although digital marketing poses a great opportunity to SMEs to transcend the traditional limitations and scale up operations, most of them cannot fully exploit the potential because of the absence of competency, resources and organizational inertia. As an example, despite the positive results of digital marketing implementation on the performance of SMEs, many of them continue to report low returns due to poor implementation, lack of proper technological infrastructure, or lack of strategic direction (Mittal and Kumar, 2024). Further, an empirical gap in the literature about the effects of internal capabilities on digital marketing strategy efficacy in SMEs includes innovativeness, managerial competence, and organizational agility (Study on DM strategy and performance, 2023). In the absence of these capabilities, digital marketing investments will not yield sustainable competitive advantages to the SMEs.

The contextual variation is one more urgent problem: numerous SMEs work in this or that developing economy where infrastructural, financial and regulatory impediments become an extra limitation, and it is hard to generalize the results of the studies conducted in the developed country (Mustaqeem and Sarder, 2024) (Almaliki and Rofiqoh, 2025). Furthermore, dynamic environments in the market require constant change, yet dynamic capabilities are a weak point in SMEs (Gonzalez-Varona *et al.*, 2024).

In turn, there is an evident necessity to conduct thorough research, which examines:

1. The ways in which SMEs can develop and use their digital marketing potential
2. The obstacles preventing successful implementation, and
3. The way digital marketing can be turned into a competitive advantage and performance.

This study addresses this gap by studying these areas under the mixed method approach with the focus on digital marketing readiness of SMEs, strategic application of digital tools, and performance outcomes.

1.3 Research aim and objectives

Aim: To respond to the question of how small and medium-sized businesses can grow and keep their competitiveness in the market by efficiently implementing digital marketing strategies.

Objectives:

- To critically assess the relation between digital marketing applications and the competitive advantages of SMEs.
- To examine the major digital marketing practices and tools that can help in differentiating the market and business development.
- To analyse the perception of SMEs of the opportunities and challenges of implementing digital marketing strategies.
- To suggest the viable interventions that SMEs should implement digital marketing to maintain competitiveness in the long run.

1.4 Research Questions

- How do digital marketing applications relate to the competitive advantages of SMEs?
- Which digital marketing techniques and tools can be used to differentiate the market and promote the business?
- How do SMEs view the nature of the prospects and challenges posed by digital marketing?
- What are the tactics that SMEs may use to be competitive in the long term through digital marketing?

1.5 Relevance and contribution of this research

This study has academic, practical, and policy implications. It also contributes to the current literature, providing recent empirical evidence (2020-2025) on the role of digital marketing on SMEs to fill the gaps in the field and especially regarding internal capability factors, including innovativeness, managerial skills, and organizational agility, that mediate the relationship between digital marketing and firm performance (Wu, Botella-Carrubí and González-Tejero, 2024). This research contributes to a deeper insight into contextual issues that the SMEs are struggling with when digitalizing, and in particular in emerging-market environments. Practically, the findings will guide the managers of SMEs to know which digital marketing tools and strategic practices have the most returns on scarce resources. The research will give recommendations on how to overcome these barriers by emphasizing the prevalent barriers, including skill competency, insufficient digital culture, and inadequate infrastructure.

On the policy side, the results can inform government agencies, business support organizations, and industry associations to develop specific interventions to support digital readiness (e.g., digital-skills training programs, technology support programs, and financial incentives) to enhance the digital readiness of SMEs. On the whole, the research will contribute to the sustainable development of SMEs by shedding light on how digital marketing can be successfully utilized to develop competitive advantages in the current digital economy.

1.6 Structure of your dissertation

In Chapter 1, an introduction of the research, which includes the background, purpose, problem statement, aim, objectives, research questions, relevancy and theoretical framework.

Chapter 2 gives a thorough literature review on digital marketing literature, competitive advantages, SME performance, and internal capability factors, which contribute to organizational outcomes.

In chapter 3, the research methodology is described, including the research design, data collection processes, sampling plan, and ethical issues that are taken into consideration.

Chapter 4 provides the analysis and discoveries developed out of quantitative and qualitative data, providing an idea of the patterns and relations within the dataset.

Chapter 5 explains these findings in comparison with available literature and theoretical frameworks and highlights their implications for SMEs in competitive markets.

Lastly, Chapter 6 brings the research to an end with an overview of the main findings, managerial and policy recommendations, as well as future research directions.

1.7 Theoretical framework

Resource-Based View (RBV)

RBV suggests that firms may create resources and capabilities of sustainable competitive advantage through developing valuable, rare, inimitable and non-substitutable resources and capabilities (Silva, Mamede and Santos, 2022). Within the SME environment, the ability to perform digital marketing plays a strategically significant role as an intangible resource. Capabilities, including technological readiness, marketing innovation, data-driven decision making, and favourable digital culture, can help SMEs to reinforce their positioning on the market, appeal more to customers and be distinguished among other players (Silva, Mamede and Santos, 2022; Jung and Shegai, 2023). These online features have a direct contribution to performance

through the high level of effectiveness in communication, interaction with customers, and decision-making.

Dynamic Capabilities Theory (DCT)

The Dynamic Capabilities Theory is based on the RBV in that it chooses to concentrate attention on the presence of resources, but on reconfiguring and renewing them constantly. Companies need to feel the new opportunities, grasp them via timely actions of the strategy, and the change or reorganization of the resources to keep up with the changing environment. In the case of SMEs in the rapidly changing digitalized environment, organizational agility, managerial proactiveness, innovation orientation, and capacity to acquire external knowledge, among other dynamic capabilities, are critical in changing with technological disruptors and shifting customer demands (Gonzalez-Varona *et al.*, 2024).

The combination of RBV and DCT offers a holistic approach to the interpretation of ways in which SMEs can use digital marketing to gain a sustainable competitive advantage. In contrast to RBV, which describes the strategic worth of digital resources, DCT presents how companies utilize, modernize, and repackage digital resources to suit changes in the environment. The combined method lets the research examine not only whether or not digital marketing can improve competitiveness, but also the circumstances, mechanisms, and organizational strengths that can predetermine its success in the SME market.

1.8 Chapter summary

This chapter established the context and rationale for examining the role of digital marketing in enhancing SMEs' competitive performance. It presented the research problem, aim, objectives, and questions, emphasizing the significance of the study within today's rapidly evolving digital landscape. The chapter also introduced the theoretical foundations, drawing on the Resource-Based View and Dynamic Capabilities Theory to explain how internal capabilities and adaptive processes shape competitive advantage. Additionally, it outlined the structure of the dissertation to guide the reader through the forthcoming analysis. Overall, this chapter provides a clear foundation for the literature review and empirical investigation that follows.

Chapter 2: Literature Review

2.1 Chapter Introduction

The chapter is a critical review of the current on digital marketing and how it can be used to develop a competitive advantage among small and medium-sized enterprises (SMEs). The review is based on the synthesis of investigating critical concepts, theories, and empirical evidence concerning digital marketing adoption, inner capabilities, and the performance of SMEs. With the main appeal to the Resource-Based View and Dynamic Capabilities Theory, the chapter assesses the role of digital marketing resources and adaptive capabilities in the achievement of sustainable competitiveness. It also determines existing challenges and limitations of the literature, hence creating a clear research gap that guides the methodological approach and the empirical investigation in the later chapters.

2.2 Key Concepts and Theories

This section outlines the important concepts and theoretical perspectives that are important for understanding the analysis of how digital marketing contributes to the development of competitive advantage among Small and medium-sized enterprises. The importance of this concept is important in relation to understanding the analytical framework in relation to Small and Medium-Sized enterprises.

2.2.1 Small and Medium-Sized Enterprises (SMEs)

Sized enterprises form a critical part of most national economies, contributing dedicatedly to employment generation, innovation and economic growth. The interpretation of SMEs is different across different countries and institutions as this is commonly explained based on quantitative criteria such as the number of employees, annual turnover, and total assessment (Balzano *et al.* 2025). Small and Medim enterprises are also characterized by qualitative features that incudes limited financial and human resources. This depends on centralized decision-making structure and dedicated levels of owner manager involvement. This is from a strategic perspective as SMEs operates in a highly challenging and often unstable environment. The resource constraints limit the ability to compete with larger firms on economies of scale (Kgakatsi *et al.*, 2024). This is based on pricing power or on extensive market coverage relating to small and medium sized enterprises. Small and medium sized enterprises inherit strengths such as organizational flexibility, rapid decision making, and close relationships with customers. The characteristics enable SME's to quickly market changes and for exploiting subtle

opportunities (Sarfo *et al.* 2025). This is in the context of digital transformations as small and medium enterprises increasingly depends on digital tools for overcoming structural limitations and for enhancing market reach, operational efficiency and customer engagement.

2.2.2 Digital Marketing

Digital marketing is related to the use of digital technologies, platforms, and channels for promoting products and services that communicate with customers. This also helps in managing relationships throughout the customer life cycle in relation to small and medium enterprises. Common digital marketing tools include websites, search engines optimization (SEO), social media marketing, email marketing, content marketing, and online advertising. This is unlike traditional marketing. Digital marketing emphasizes interactivity, data driven decision making, and real time communication (Sharabati *et al.*, 2024). This is for Small and Medium Enterprises digital marketing offers a cost effective and scale alternative in relation to alternative marketing methods. Digital channels help in reduction entry barriers for enabling firms with limited budgets for accessing geographically dispersed markets competing with larger organizations (Bakashaba and Bindeeba, 2025). Digital marketing facilities facilitate detailed targeting and personalization that allows SME's for tailoring the offerings and messages for specific customer segments. The interoperability of the analytics and performance metrics further interprets Small and Medium Enterprises for evaluating marketing effectiveness and for refining strategies continuously.

2.2.3 Competitive Advantage

Competitive advantage is defined as the capability of a firm to generate high value as compared to the competitors, thus leading to difficulties in performance and sustainability in the long run. This may be because it is a cost leader, differentiating, or that it is better placed for serving segments of the market better than its competitors (Navaia *et al.* 2024). Competitive advantage is becoming recognized as something transient in dynamic and technology-driven markets which rely on endlessly innovative and adaptative efforts.

This is in relation to the SMEs; the limitation of resources and the high competition are even more difficult to achieve competitive advantage. The smaller firms can hardly access traditional sources of advantage, especially big-scale production or vast distribution networks. Intangible assets such as knowledge, relationships, brand reputation, and technological abilities are something that SMEs have to use (Arista and Hermawan, 2025). Digital marketing also leads to competitive advantage as it builds visibility, improves customer relationships, and allows differentiated value

propositions. This is by remaining active digitally on a regular basis, SMEs are able to create brand equity, loyalty amongst the customers and react promptly to the market response.

2.2.4 Theoretical Foundations

The number of theoretical positions can be used as a basis to comprehend digital marketing as a contributor to leading advantages in SMEs. Resource-Based View (RBV) is an implementation that assumes that the way in firms developing a sustainable competitive advantage by means of having resources that are valuable (El Nemar *et al.* 2025). Digital marketing capabilities, including the knowledge of data analytics, capacities in content creation and the management of platforms considering several strategic resources that is utilized more efficiently for improving firm performance.

This is as a supplement of RBV, Dynamic Capabilities Theory interprets a firm capacity for incorporating, developing, and reorganizing internal and external competencies in reaction to environmental change. Digital marketing is very consistent with this view, as it provides SMEs with the opportunity for feeling the market trends, taking advantage of emerging opportunities, and changing the customer engagement practice (Van Hoang *et al.* 2025). The high-paced development of digital technologies requires continuous learning and adaptation, so dynamic capabilities become especially topical in regard to SMEs that act in the digital environment.

The Market Orientation Theory that implements the significance of customer-oriented approaches, awareness of competitors, and inter-functional coordination. The digital marketing tools also supports market orientation as this allows gathering real-time information about the preferences of customers and competitive activities (Paşcalău *et al.*, 2024). SMEs are related for more responsive and customer-oriented strategies that also support competitive positioning

2.3 Thematic Literature Review

2.3.1 Digital Marketing and Competitive Advantage in SMEs

Digital marketing has become a key strategic process that can be used by small and medium-sized enterprises (SMEs) to develop and maintain competitive advantages in ever-digitising markets. A competitive advantage is the capacity of a firm to surpass the rest of the firms by providing high value in terms of cost leadership, differentiation, or responsiveness to the customers. According to the modern world of literature, digital marketing helps SMEs to break the traditional resource limits by improving market awareness, customer interaction, and brand awareness at a relatively low price (Silva, Mamede and Santos, 2022).

According to a number of research findings, digital marketing abilities, including social media marketing, search engine optimisation (SEO), and content marketing, have a positive impact on the performance and competitiveness of SMEs. According to Jung and Shegai (2023), digital marketing innovation enhances the performance of the firms due to the capacity to better marketing, especially in smaller firms that are not dependent on the scale of operations but on agility. On the same note, the empirical study of Wu, Botella-Carrubi and Gonzalez-tejero (2024) proves that customer acquisition, brand equity and sales increase are achieved when SMEs employ structured digital marketing approaches, which confirms competitive positioning.

According to a Resource-Based View (RBV), the digital marketing capabilities act as a useful and non-physical organisational resource that is hard to replicate by rivals (Silva, Mamede and Santos, 2022). Data-driven knowledge, digital brand forums, and customised customer communication are just some digital properties that will help with differentiation and the creation of long-term value. Mittal and Kumar (2024) also confirm this opinion by referring to the fact that the capacity of technological and digital marketing can contribute greatly to the operation and financial success of e-commerce-based SMEs.

The adaptability of digital resources to create competitive advantage is also significant in dynamic market conditions, where digital marketing proves to be effective in creating competitive advantage for SMEs. According to Gonzalez-Varona *et al.* (2024), companies that are highly dynamic in terms of organisational agility and learning orientation will be more suitable in taking advantage of digital marketing tools as consumer behaviour and platform algorithms evolve. This is in line with Dynamic Capabilities Theory, which emphasises constant regeneration of capabilities in order to remain competitive.

The literature, despite its strengths, appreciates the fact that digital marketing is not a sure way of achieving competitive advantage on its own. According to Mustaqeem and Sarder (2024), poor strategic planning, skills shortage, and underdeveloped digital infrastructure may diminish the performance of digital programs. Thus, sustainable competitive advantage will not be created through the mere use of digital marketing, but through its planned implementation with in-house skills as well as long-term business goals. In general, the current literature is unanimous that when competently utilised, digital marketing can act as a strong competitive advantage source to SMEs in the modern digital economies.

2.3.2 Digital Marketing Tools and Strategic Applications

Digital marketing tools are one of the strategic enablers of small and medium-sized enterprises (SMEs) aiming to benefit from market presence, customer engagement, and competitive positioning. Digital tools, as opposed to the traditional marketing channels, are scalable, can interact in real-time and make decisions based on data, a value that is especially important to resource-constrained SMEs. In modern literature, social media marketing, search engine optimisation (SEO), content marketing, email marketing, and data analytics are the most prominent digital marketing tools used by SMEs (Safitri and Komaryatin, 2025).

Facebook, Instagram, and LinkedIn are social media platforms whose use has become highly accepted as one of the most effective social media platforms in the development of brand awareness and customer relationships. Arista, Hermawan, and Sukmono (2025) believe that social media marketing helps SMEs connect to customers more closely and helps the brand improve brand storytelling and create customer trust through interactive content and social proof. On the same note, Van Hoang *et al.* (2025) point out that customer loyalty and sustainable competitive advantage are enhanced by exposure to social media, especially in emerging markets.

Search engine optimisation (SEO) and paid digital advertising are equally important as far as enhancing online presence and customer reception. Sharabati *et al.* (2024) suggest that SMEs that invest strategically in SEO and search engine marketing have more traffic to their websites and better conversion rates, which enhances their competitiveness in the market. These technologies enable SMEs to match the bigger companies in that they will be able to more accurately target niche markets and consumer segments.

The trend of content marketing is considered a long-term strategic implementation, as opposed to a promotional tool. Value-based content of high quality helps SMEs to form thought leadership and credibility in their industries (Ijomah *et al.*, 2024). Content marketing helps to increase customer lifetime value and personalised communication when incorporated with the customer relationship management (CRM) systems. This is consistent with the Resource-Based View, in which special digital content and customer data serve as intangible and difficult-to-copy resources. The strategic use of digital marketing tools is even enhanced by advanced data analytics. According to Mahendra, Ferdinand and Putri (2025), analytics-driven marketing enables SMEs to track the performance of the campaign, learn customer behaviour, and streamline marketing investment. According to a Dynamic Capabilities approach, to maintain competitive advantage, it

is necessary to be able to feel the changes in the market and adapt digital strategies with real-time information (Al Koliby *et al.*, 2024).

On the whole, strategic use of digital marketing tools can help SMEs shift their short-term promotions to long-term value creation. The literature shows in one and the same direction, as digital tools (social media, SEO, content marketing, and data analytics) are incorporated as part of the overall business strategies, SMEs are in better positions to improve engagement with customers, decision-making, and competitive advantage. The success of these tools, however, depends on the competence of the managers, knowledge of digital tools, and the capacity of the firm to keep on changing digital strategies with the changing market dynamics. This supports the point that digital marketing tools, *per se*, do not create competitive advantage, but it is their prudent use and alignment with internal capabilities that will create long-term success in SMEs.

2.3.3 Impact of Digital Marketing on SME Performance

The role of digital marketing on the performance of small and medium-sized enterprises (SMEs) is gaining increased academic interest, especially in a digitally enabled marketplace and post-pandemic business conditions. The financial indicators that are commonly used to measure SME performance include sales growth, profitability, and market share, whereas the non-financial measures include brand awareness, customer engagement, and operational efficiency. The recent literature is quite unanimous that the adoption of digital marketing adds benefits to such performance outcomes by allowing SMEs to maintain effective communication with target audiences and respond quickly to the shifts in the market (Sharabati *et al.*, 2024).

Social media marketing has often been described as a major motivation to drive the improvement of the performance of SMEs. According to Amin, Gohar, and Ali (2025), social media usage is an efficient marketing performance as it improves customer relationships and brand interaction, particularly in markets where there is too much turbulence. On the same note, Huda *et al.* (2025) note that the SMEs that utilise the opportunities of social media platforms see a rise in customer loyalty and better sales results related to the enhanced visibility of a brand and mechanisms of building trust.

The other factors that significantly affect the performance of SMEs include search engine optimisation (SEO) and online advertising, which enhances online visibility and acquisition of customers. Van Hoang *et al.* (2025) state that SMEs that are highly visible in the digital environment perform better in the market and have a sustainable competitive advantage because,

in digital channels, firms can be able to focus on certain consumer segments more effectively than when their marketing base is traditional. These data raise the notion that digital marketing tools are not just useful in achieving short-term sales results but also long-term strategic placement.

According to the Resource-Based View, digital marketing capabilities (data analytics, customer insight creation, and personalised communication) can be viewed as valuable intangible resources that increase performance outcomes when successfully used (Mittal and Kumar, 2024). Sophisticated data analytics can help SMEs track campaign performance, streamline marketing spending, and match the products to the interests of customers to enhance the quality of decisions and efficiency of operations.

The Dynamic Capabilities Theory can also be used to understand how SMEs can convert digital marketing adoption into an increase in performance that is long-term. According to Gonzalez-Varona *et al.* (2024), more organisational agility and learning orientation are associated with SMEs having greater capabilities to reconfigure digital marketing strategies in reaction to the changing consumer behaviour and platform dynamics. Nevertheless, the literature also warns that digital marketing would result in performance improvement. According to Mustaqeem and Sarder (2024), the gains in performance can be limited by limited digital capabilities, poor infrastructure, and poor strategic alignment. Consequently, digital marketing can positively affect the performance of SMEs and depend on internal strengths, strategic integration, and constant adaptation.

2.3.4 Opportunities of Digital Marketing for SMEs

There are several strategic opportunities for digital marketing that can significantly enhance small and medium-sized enterprise (SME) competitiveness and sustainability. First, digital channels are markedly less expensive than many traditional media to acquire and communicate with customers and allow SMEs to cover larger and more widespread audiences with relatively small budgets (Loku and Havolli, 2024). Cost-efficiency enables SMEs to reuse the limited resources on product development or service enhancements, which improves overall competitiveness.

Second, digital marketing enables accuracy in market segmentation and custom communication. The information obtained through social media, web analytics, and CRM systems can help companies customise messages, offers, and customer journeys to micro-segments to increase conversion rates and customer lifetime value (Almaliki and Rofiqoh, 2025). Personalisation can be of particular benefit to SMEs that operate in niche markets where the relevance and level of relations are factors in creating loyalty.

Third, online technology allows fast experimentation and education. The A/B testing, campaign iteration, and performance measurement have low marginal costs, which allows SMEs to use an agile marketing strategy: sense reactions of consumers, test options, and scale successful strategies (Nair *et al.*, 2024). This is an ability that aids the Dynamic Capabilities Theory as firms can re-align marketing practices as a response to the environment, therefore, remaining relevant amid unstable markets.

Fourth, digital platforms provide new opportunities for innovation and business model change. The incorporation of e-commerce, making direct sales to consumers, subscriptions, and collaborations with the platform, allows the SMEs to expand their value propositions beyond local limits (Sutrisno, Widodo and Ausat, 2025). Platform ecosystems also enable small companies to access logistical, payment and fulfilment infrastructure which they might not have afforded on their own and generate new revenue streams and reduce the time-to-market.

Fifth, with digital marketing, the accumulation of knowledge and the quality of decisions are increased with the help of advanced analytics. Availability of behavioural insights and performance indicators facilitates evidence-based pricing, product selection, and promotion timing- hard to overlook benefits of resource-starved companies (Tajik, Golzar and Noor, 2024). These analytics are inimitable assets together with organisational learning according to the Resource-Based View.

Sixth, the social aspect of the digital channels offers the possibilities of co-creation and building brand communities. User-generated content, micro-influencers, and community management will help SMEs to foster trust and social proof, which increases limited marketing budgets (Kraus *et al.*, 2020). Organic reach and long-term customer advocacy also occur in community engagement and are hard to recreate by competitors.

Lastly, online marketing helps in scalability. The once effective campaigns in a specific place can be rapidly extended to new markets with relatively little incremental cost, allowing SMEs to embark on internationalisation strategies without corresponding expansion of fixed costs (Almaliki and Rofiqoh, 2025).

Overall, the literature supports the idea that digital marketing provides SMEs with a set of complementary opportunities to them, including affordability, personalisation, experimentation, innovation of business models, decision making based on analytics, building communities, and scalability. The achievement of these benefits will, however, be conditional on the competence of

the firm to build managerial, data, and adaptive routines that will turn digital tools into sustainable and imitatively difficult capabilities (Loku and Havolli, 2024; Nair *et al.*, 2024).

2.3.5 Challenges and Barriers in Digital Marketing Adoption

Small and medium-sized businesses (SMEs) are still struggling with numerous challenges that do not allow them to effectively embrace and strategically implement digital marketing despite the acknowledged advantages. Resource constraint is one of the highly mentioned barriers. SMEs do not always have a high financial power and cannot invest in high-tech digital tools, professional marketing software, or specialised staff (Rahayu and Day, 2021). Consequently, online marketing activities are often conducted in an ad-hoc fashion as opposed to their implementation in a long-term plan.

The second critical challenge is associated with digital skills and management potential. Some reports suggest that the owners and managers of SMEs frequently do not have technical expertise and strategic insights on how to design, implement, and assess digital marketing campaigns (Bongomin *et al.*, 2020). Poor quality of content and bad selection of the platform and underuse of analytics may also occur due to a lack of digital literacy, and diminish the payoffs of investing in digital marketing. That skills gap is especially high in developing and emerging markets, where the availability of training and professional assistance is limited (Priyono *et al.*, 2020).

The adoption is also inhibited by technological and infrastructural barriers. Poor internet services, lack of access to digital infrastructure, and cybersecurity issues are still major challenges, particularly to SMEs that are not located in large urban centres (Ainin *et al.*, 2020). Issues of privacy of data, fraud on the web and adherence to online regulations also make SMEs unwilling to adopt online marketing fully. Such problems augment the risk perceived and diminish the eagerness of the managers to invest in digital projects.

Organisational challenges such as change resistance and lack of strategic alignment are significant. The SMEs tend to follow conventional marketing trends, and they might view the digital transformation as a complicated or disruptive flow to the established routines (Bresciani *et al.*, 2021). With the absence of a favourable digital culture and explicit leadership endorsement, digital marketing adoption will continue to be superficial, and as such, it will not have a profound effect on performance and competitiveness.

There is also the challenge of fast-changing digital platforms. The constant evolution of the social media choice algorithm and advertising rules and features necessitates constant learning and

adjustment, which is difficult to maintain in many SMEs (Kraus *et al.*, 2022). This is in line with the Dynamic Capabilities Theory, which opines that firms that cannot adapt and learn are simply less capable of responding very well to any turbulence in the environment.

Generally, literature points out that although digital marketing has huge opportunities, SMEs have interrelated barriers, including financial, technological, skills, and organisational obstacles that limit successful adoption. To overcome these challenges, it is not just possible to use digital tools but also to make investments in managerial competence, organisational learning, and supportive institutional structures to facilitate sustainable digital marketing implementation.

2.3.6 SME Perceptions and Strategic Orientation

The perceptions of digital marketing held by small and medium-sized enterprises (SMEs) and strategic orientation are a critical determinant that defines the level of adoption, quality of implementation, and performance results. Literature suggests that the managerial perception, especially beliefs of usefulness, complexity, and return on investment, are strong factors that determine the consideration of digital marketing as a strategic resource or a tactical adjunct (Cenamor, Parida and Wincent, 2021).

Research has always indicated that SMEs that have a market-oriented and proactive strategic mind have a higher probability of embracing digital marketing in an organised and goal-oriented approach. Taiminen and Karjaluoto (2021) found that owner-managers who view digital marketing as a long-term strategic investment view it as part of an overall business plan, and online activities are aligned with branding, customer relationship management, and growth goals. On the contrary, SMEs that view digital marketing as potentially risky or technologically complicated tend to adopt a disjointed and haphazard of digital usage, which restricts the strategic effect.

One of the key determinants of digital marketing success has been determined to be entrepreneurial orientation, which is defined as being innovative, proactive, and risk-taking. According to Susanto *et al.* (2021), SMEs that have strong entrepreneurial orientation are more likely to test new digital platforms, implement analytics-based decision-making, and reorganise marketing in relation to feedback on the market. The given behaviour is very much in line with Dynamic Capabilities Theory because such companies are more likely to feel and capture digital opportunities.

Strategic orientation also has an influence on the response of SMEs to environmental uncertainty. According to Cenamor *et al.* (2021), digitally oriented SMEs can be more competitive when the market becomes turbulent due to the ability to use digital channels to achieve rapid communication

and customer information and develop strategies in a flexible manner. Nonetheless, the literature records that perception gaps, including overestimating costs or underestimating benefits, are still very common, especially among micro and family-owned SMEs, which they use as a psychological block to adoption.

On the whole, the literature indicates that perceptions and strategic orientation of the SMEs are important mediating variables in the relationship between digital marketing adoption and competitive performance. Digital marketing campaigns can be effectively done when they are underpinned by a strategic mindset that appreciates innovation, learning, and the ability to build capabilities in the long term as opposed to short-term promotional benefits.

2.4 Research Gaps

Although much has been learned about digital marketing and SME performance, there are still a number of gaps that are present. The current literature is mostly based on the developed economies or major companies, which restricts the extrapolation of the findings to SME resource-constrained companies working in the environment of emerging markets. Additionally, a significant portion of the literature investigates the digital marketing tools separately with little focus on the role of internal capabilities, including managerial orientation, organisational agility and digital readiness, in mediating performance outcomes. Empirical studies that have embraced the mixed-method approach to measure both quantitative and qualitative effects of performance and the managerial perceptions are also lacking. To come up with the holistic picture of the ways in which digital marketing can enable SMEs to strategically gain a sustainable competitive advantage, it is important to address these gaps.

2.5 Theoretical Framework

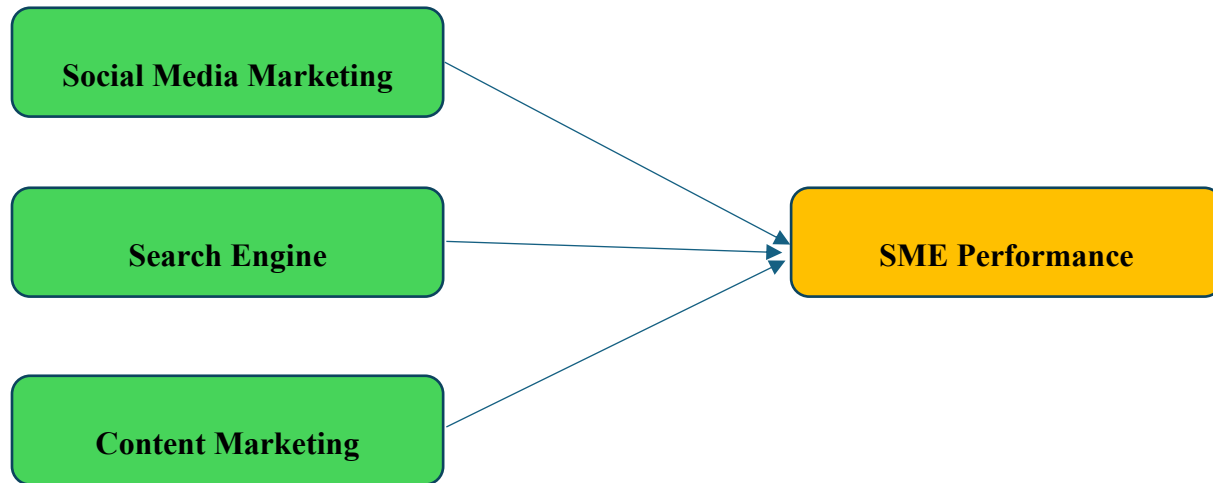


Figure 1: Theoretical Framework

(Source: Self-Developed)

This paper has been supported by the Resource-Based View (RBV) and the Dynamic Capabilities Theory in explaining the association between digital marketing and SME performance. In this context, social media marketing, search engine optimisation, content marketing and data analytics are operationalised into the concept of the independent variables that are termed as digital marketing practices and capabilities. These capabilities are valuable and intangible organisational resources that have the ability to produce differentiation when utilised effectively (Al Koliby *et al.*, 2024).

The dependent variable is the performance of SME, which is evaluated in terms of the financial (sales growth and profitability) and non-financial (brand visibility, customer engagement, and market reach) results. Dynamic Capabilities Theory also describes how organisational agility, learning orientation and strategic adaptability affect reconfigurability of digital marketing resources by SMEs to cope with changes in the environment (Van Hoang *et al.*, 2025).

In this line, the framework suggests that SMEs can perform better in the event of the strategic implementation and consistent modification of digital marketing capabilities, as opposed to adoption as a tactic (Wu, Botella-Carrubi and Gonzalez-Tejero, 2024).

2.6 Chapter Summary

This chapter was a critical review of the available literature on digital marketing and its effectiveness in improving the performance and competitive advantage of SMEs. The thematic analysis discussed the main practices in digital marketing, strategies, performance effects,

opportunities, and challenges of SMEs. Perceptions and strategic orientation of SMEs were also checked in the review, and the significance of managerial mindset and dynamic capabilities in utilising digital tools to advantage was identified. Additionally, the chapter established considerable gaps in research as far as contextual constraints and capability integration are concerned. The theoretical framework made digital marketing practices independent variables which affected the performance of the SME. These understandings put forth solid conceptualised research methodology discussed in the subsequent chapter.

Chapter 3: Methodology

3.1 Chapter Introduction

This chapter presents the research methodology that is used for investigating how SMEs can build competitive advantages through digital marketing. The chapter provides a detailed overview of the research philosophy, approach, design, and strategies that is employed for gathering and analysis of the data. The detailed approach of research design is used for integrating based on the primary quantitative and qualitative data collection methods. The combination of surveys and interviews used for a comprehensive understanding of the impact of digital marketing on SMEs. The chapter also outlines the rationale for selecting these methods, ensuring that the research objectives are met effectively.

3.2 Research Philosophy

The research philosophy used in this study is pragmatism. Pragmatism is known as the method of philosophy which focuses on the practical use of ideas and approaches. This is applicable to the proposed research that aims to determine the detailed implications of digital marketing strategies as far as SMEs are concerned (Seppänen *et al.* 2025). Pragmatism enables the transition between qualitative and quantitative approaches as it is not related to the necessity to stick to a particular methodology but to find a solution to the practical challenge.

This is in relation to dealing with this research as pragmatism interprets the researcher for realizing the dynamics of digital marketing that is through the interpretation of the SME owners and the customers. The interpretation of the philosophy guarantees that the research can be integrated in accordance with the dynamic nature of digital marketing, which is essential due to the dynamism in the digital environment (Olazo, 2023). Pragmatism does not ignore the importance of various ways of inquiry. The quantitative data collected by means of surveys and the qualitative data collected by means of interviews provide us with a comprehensive view of how digital marketing can be used by the SMEs to gain a competitive advantage. This research is pragmatic in that it does not limit itself to a single methodology paradigm but instead builds on the advantages of both methods to come up with practical implications for SMEs.

Pragmatism makes the researcher concentrate on results and feasible solutions. The aim of the research paper is to equip the SMEs with practical ideas and concepts they should utilise to strengthen their competitive stance through digital marketing (Chooset and Sukhabot, 2025).

Pragmatism would be the best philosophy in guiding this research based on the analysis of SMEs in relation to digital marketing.

3.3 Research Approach

The research approach to the study is inductive, which implies that the research aims at constructing theories and patterns out of the data gathered and not testing existing theories. The inductive method is applicable to the particular issue as because of the complexity of the relationship in between digital marketing practices and competitive advantage in SMEs.

The exploration of new phenomena that is through the inductive reasoning having the limitations of being limited by basics notions or hypotheses. The researcher in the work uses the following observations and empirical evidence collected by surveys and interviews to develop generalisations and theories based on the patterns and trends that can be identified (Dwivedi *et al.* 2021). This methodology is advantageous with the subject matter such as digital marketing in SMEs, in which the traditional models might not be able to sufficiently embody the distinctive patterns in which SMEs adopt and use digital technologies to their advantage.

The inductive approach is consistent with the goals of research to find out how SMEs can utilise digital marketing effectively to create competitive advantages. This approach implements that the findings are based perspectives by letting the data guide the conclusion. The results of the surveys and interviews are possible to reveal such themes as the influence of individual digital marketing tools (Cagiza *et al.* 2025). The difficulties that is faced by SMEs, and the aspect of having a competitive advantage due to their digital presence. The research, also based on inductive research, is iterative. This enables the constant revision of the research questions during data collection so that the study can be flexible and responsive to the needs of SMEs in the fast-evolving digital marketing environment.

3.4 Research Design and Strategy

The study design used in this research is the mixed-method design, which combines quantitative and qualitative designs in achieving a clear appreciation of the ways in which SMEs can develop a competitive advantage using a digital marketing approach. This methodology is the best solution since it gives the opportunity to analyse the research question in a strong and multidimensional manner.

The primary quantitative research is mainly based on the basis of the survey strategy. Data based on a greater number of surveyed SME owners and managers is gathered through surveys, which

will allow the researcher to estimate the connection between the digital marketing practices and the competitive advantage that SMEs receive (Eisend, 2025). The survey contains the questions that are aimed to provide the numerical data related to the level of digital marketing adoption and the type of strategies applied, as well as the differences related to the perceived results discussed by the aspect of business performance and competitiveness. A survey has the advantage of statistical analysis, which will enable determining trends and correlations between digital marketing activities and the outcomes of competition.

The primary qualitative part of the study, on the other hand, utilises qualitative interviews (semi-structured) with a few randomly chosen owners of SMEs, managers, or marketing specialists. They offer more personal insights regarding the challenges, strategies, and personal experiences of the SMEs and how they survive in the digital marketing environment. The qualitative data is used to place the results of the survey into perspective and discuss the findings in a more reflective way on what factors determine the success of digital marketing in SMEs.

This is with the primary mixed-method design, the study brings together the strengths of reliability and generalizability of theoretical data with the strength and richness of qualitative information. This design is appropriate because it allows the research to not only encompass the scope of digital marketing activities among SMEs but also to cover the richness of the experiences and opinions. This provides a thorough and balanced investigation of the way SMEs may use digital marketing as a competitive advantage.

3.5 Population and Sampling

The population of the research consists of Small and Medium enterprises (SME's) actively engaging in digital marketing practices through social media, email campaigns, search engine optimisation (SEO) or paid advertisements. SMEs in the context are related from the perspective of a business in which a certain number of employees are involved (Kindström *et al.* 2024). The sampling size of 80 participants is to be implemented in the survey as the target sample size ensures statistical validity and generalizability. The smaller sample size of 5 participant for the interviews will be undertaken to obtain insights in-depth, qualitative insights. The respective sample size aims to provide a balance presentation of various MSE perspectives on digital marketing.

3.6 Data Collection Method

The mixed-methods approach to information gathering will be embraced in order to achieve a holistic perspective of the impact of digital marketing to enable SMEs to create a competitive

advantage. Both primary quantitative (survey) and primary qualitative (semi-structured interview) techniques will be used in this approach (De Paoli *et al.* 2024). These two approaches combined permit the research to receive a wide scope of data and, at the same time, in-depth, detailed information about the experience of SMEs when dealing with digital marketing.

3.6.1 Survey

The main intention of the survey is to gather quantitative information about the digital marketing practices applied by the SMEs and their perceived relevance to the competitive advantage of the business. The survey was distributed to a larger population of participants with the help of a Google Form (Ahmed, 2024). This enables data collection to be efficient and cost-effective, especially for SMEs in other geographical locations.

Survey Design

The questionnaire will be based on close-ended Likert scales where employees will be asked to indicate their responses via a Likert scale of 1 to 5, with one denoting strongly disagree, and five strongly agree. The question entails the gathering of data, which can be easily statistically analysed, correlation, or regression analysis (Salman *et al.* 2024). The questions will be based upon a number of areas, which are the most important: Digital Marketing Tools, such as the use of different tools, such as social media, email marketing, or SEO, by the SMEs. Digital Marketing Advantages: as the perceived effects of digital marketing on sales increase, customer attraction, brand recognition, and customer loyalty increase.

Survey Method of sampling

The sample size of 80 will be comprised of various SMEs that will be eligible. The questionnaire will be distributed through emails or social media to a wide mix of businesses to have a variety of views. This technique is useful in ensuring the generalizability of the results to a broad population of SMEs.

3.6.2 Interview

Interview purpose

The qualitative data collected through semi-structured interviews of 5 participants provides detailed insights into the SMEs' experiences and challenges in the utilisation of digital marketing for competitive advantage. The survey is to be used for statical analysis as the interview enables the researcher to know detailed and niche information that is to be easily captured with the help of closed-ended questions.

Interview Design

Semi-structured interviews are chosen as a result of this, provided in the details of the conversation while ensuring that important topics are covered. The interviewer will use a detailed interview manual, ensuring that the main questions are related to digital marketing practices, challenges and outcomes are addressed (Panyasai and Ambele, 2025). The interview will take between 30-45 minutes, and interviews will be conducted via video call, phone or in person, depending on participant preferences.

3.7 Data Analysis Method

3.7.1 Survey Data Analysis

The survey data is to be analysed and collected through the survey, and interviews follow different procedures in relation to the perspective of the data. The survey data will be analysed using various statistical methods to uncover patterns and relationships between digital marketing practices and competitive advantages. The Likert Scale data are to be treated as ordinal data, and different statistical techniques are to be employed (Bodur *et al.* 2024). Descriptive statistics, including frequency distributions, mean scores and standard deviations, will be used for summarising the responses that are derived from the questions.

3.7.2 Interview Data Analysis

The thematic analysis is the qualitative analysis approach that will be used to analyse the qualitative information gathered through the semi-structured interviews to identify, analyse, and report the patterns (themes on data). Thematic analysis is performed in a number of phases, as in Data Familiarisation (Ahmed *et al.* 2025). The researcher will transcribe the tape-recorded interviews and read the transcripts on a few occasions to get the gist of the texts.

3.8 Ethical Considerations

The key factors of this study are the ethical considerations to make sure that the rights and the well-being of participants are not harmed. Informed Consent, as every respondent in both the survey and the interviews will be made aware of all the details in the study purpose, the voluntary nature of participation and their right to withdraw at will without repercussions. The participants will be requested to sign an informed consent form. The confidentiality of any information that is to be obtained during the study of participants will be maintained. The personal identifiers will be excluded, and solely aggregated data will be reported in the final report. Any interviews will be anonymised in order to safeguard the participants. This is Data Security as all electronic data

(survey responses and interview transcripts) will be ensuring a high level of security by being stored in password-protected databases and devices.

3.9 Research Limitations

The study consists of several limitations, including that the research is based on self-reported data, which is specifically subject to bias. Participants might provide different responses based on their biases and might not fully answer the challenges faced in digital marketing. The research is mainly based on SMEs in specific regions and might not capture the wide range of experiences across different geographic and cultural contexts. The rapid interpretation of digital marketing interprets the findings as it becomes outdated.

3.10 Research Timeline

Activity / Week	W1	W2	W3	W4	W5	W6	W7	W8	W9	W10	W11	W12
Literature Review												
Survey & Interview Design												
Data Collection (Survey)												
Data Collection (Interviews)												
Data Analysis												
Writing & Final Draft												

Table 1: Research Timeline

(Source: Self-Developed)

The respective timeline describes the important stages of the research process as it is from literature review data in relation to data collection, analysis, and a detailed report.

3.11 Chapter Summary

This describes the methodology that is used for interpreting the way SMEs build competitive advantages through digital marketing. This interprets the research philosophy that is pragmatism, the approach that is inductive, and the design that is related to mixed methods used for gathering quantitative and qualitative data. The chapter interprets the implication and sampling strategies as

well as the data collection methods that include surveys and semi-structured interviews. Data analysis techniques that interpret statistical analysis for the survey.

Chapter 4: Data Analysis

4.1 Chapter Introduction

The given chapter introduces the quantitative study of the data obtained to investigate the contribution of digital marketing to the establishment of the competitive advantage of small and medium-sized enterprises (SMEs). This chapter aims to analyse, interpret, and present empirical data from a survey based on statistical analysis. The statistics that are analysed are descriptive statistics, reliability tests, correlation tests, ANOVA and one sample t-tests. The use of SPSS was to provide accuracy and reliability in all the analyses. The results that are provided in this chapter are discussed and interpreted in the next chapter.

4.2 Overview of Dataset and Sample Profile

The data collected in this project engaged the utilisation of the structured questionnaire realised with the help of Google Forms. There were 80 valid responses that were received and analysed. The survey concentrated on SME owners, managers, and marketing experts who have experience in digital marketing activities. Responses are filled in, there was no unanswered information. The sample size is also found sufficient for quantitative analysis and inferential tests. The data gathered were centred on digital marketing practices, perceived advantages, challenges, and how they can drive competitive edge and corporate performance.

4.3 Quantitative Data Analysis

4.3.1 Data Screening and Preparation

The screening and preparation of data is done to provide data quality and accuracy. This is based on Google Forms, and it was imported to SPSS. The responses were complete, and no gaps in the answers were found. This is on a Likert scale; the responses are coded properly (1 strongly disagree to 5 strongly agree). There are no outliers or data entry errors that could have indicated that the dataset is appropriate to be used in a statistical analysis.

4.3.2 Descriptive Statistics

Demographic

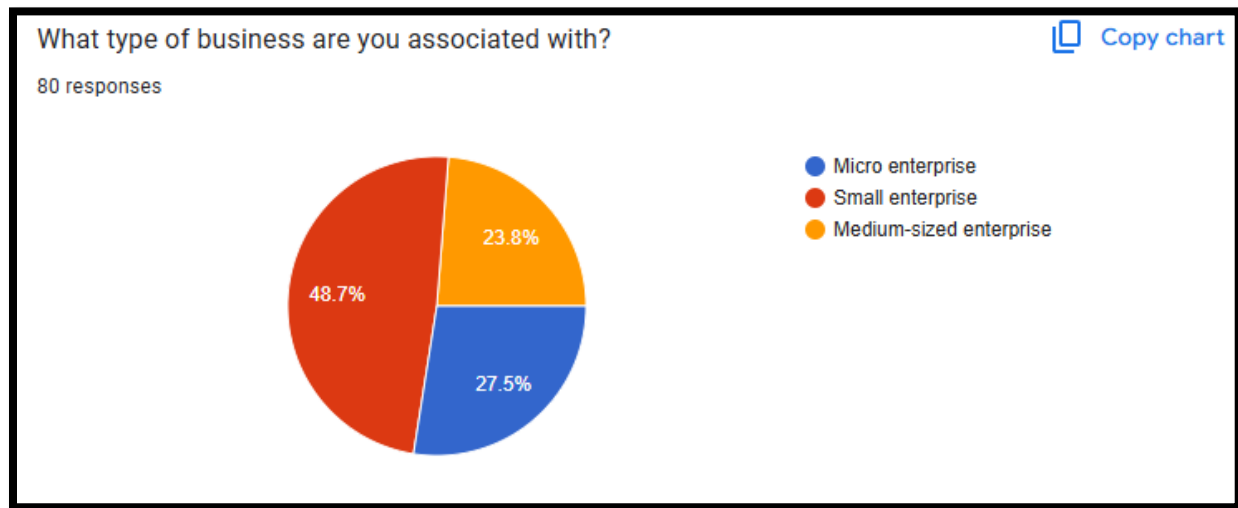


Figure 2: Type of Business Participants Associated

(Source: Self-Developed)

The findings establish that small enterprises constitute the highest percentage of the respondents (48.7%), followed by micro enterprises (27.5%), and medium-sized enterprises (23.8%). This composition is representative of the standard SME framework, and it highlights the necessity of digital marketing as a scalable solution. The personalised and affordable digital marketing tools enable the micro and small enterprises to compete successfully with the bigger organisations in terms of limited financial and human resources.

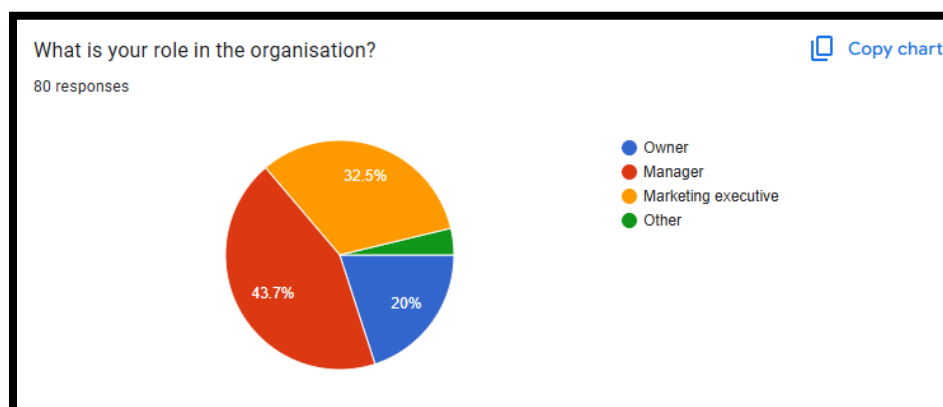


Figure 3: Role of Participants in Organisation

(Source: Self-Developed)

The largest part of respondents is represented by managers (43.7%), marketing executives (32.5%), and business owners (20%). This implies that most of the information relies on people directly involved in strategic planning activities. The data represents the implications of people who are directly related to the process of strategic decision-making and marketing execution. And is important in the implementation and exploitation of digital marketing strategies

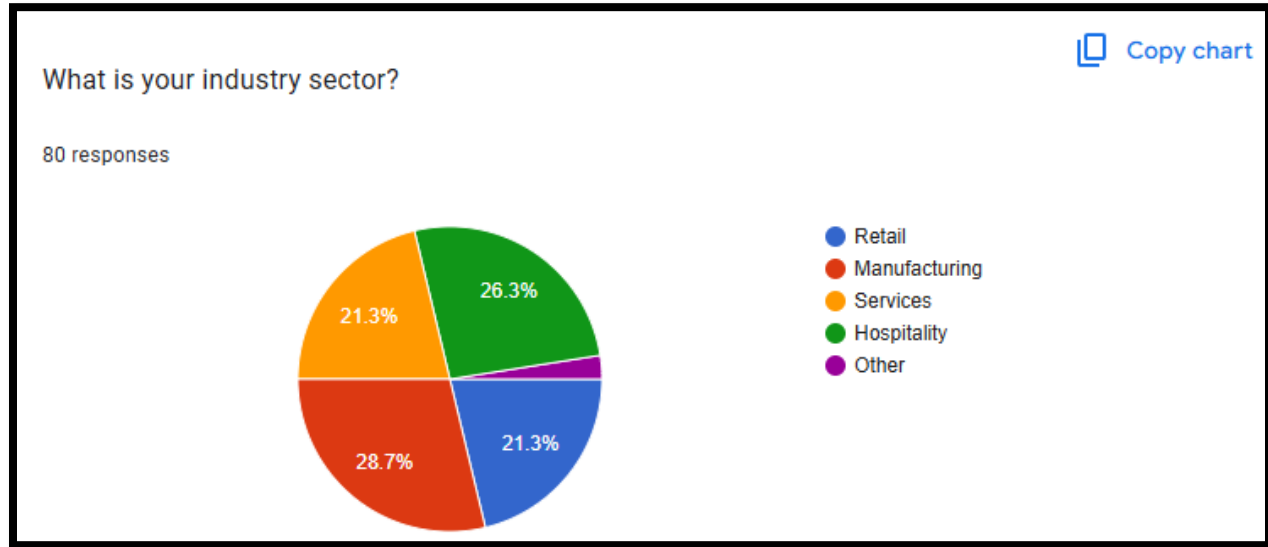


Figure 4: Industry Sector of Participants

(Source: Self-Developed)

The sample is across a range of industries, with 28.7% in them (28.7) and hospitality (26.3) followed by retail and services (21.3 each. This heterogeneity is important because it demonstrates that digital marketing is not industry-dependent but a vital competitive advantage in the various fields of SMEs, aiming at differentiating themselves in the market. The diversity of this segment suggests that digital marketing is a strategic instrument that helps in SME marketing.

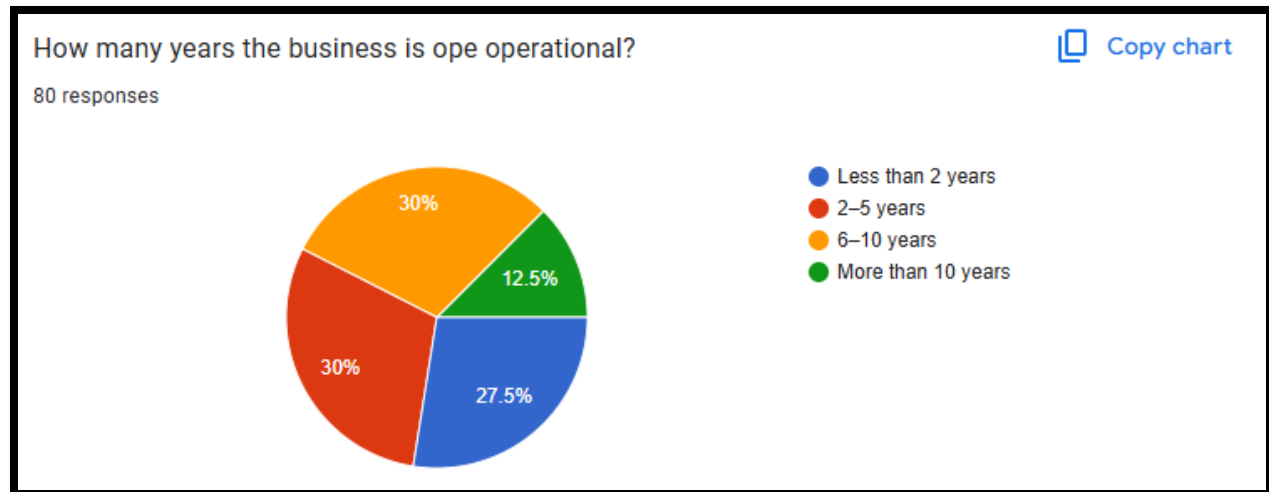


Figure 5: Year Business Operational

(Source: Self-Developed)

The majority (30) of the businesses involved have been in business 2-5 years, 6-10 years (30) and 27.5% have been in business for less than 2 years. This shows that both young and old SMEs have realised that digital marketing is a key concept in achieving long-term growth and competitiveness. These results indicate that SMEs at various development levels have realised the importance of digital marketing in expansion and branding.

Non-Demographic

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Digital marketing activities help my business gain a competitive advantage over competitors.	80	1	5	3.68	1.156
Online marketing improves our ability to attract and retain customers.	80	1	5	3.54	1.292
Digital marketing strengthens our brand positioning in the market.	80	1	5	3.80	1.163
The use of digital marketing contributes positively to our overall business performance.	80	1	5	3.89	1.136
Valid N (listwise)	80				

Table 2: Descriptive Statistics of Objective 1

(Source: Self-Developed)

The interpretation shows that there is a relatively positive attitude towards digital marketing in SMEs, with a mean value of between 3.54 and 3.89 on a five-point Likert scale. The mean is associated with the outcome of digital marketing as related to the overall business performance (M = 3.89), which implies its strategic significance. The moderate levels of standard deviations are a sign of diversified rates of adoption and effectiveness.

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Social media marketing is effectively used in our business to reach target customers.	80	1	5	3.91	1.160

Search engine optimisation (SEO) improves our online visibility.	80	1	5	3.93	1.134
Content marketing helps differentiate our products or services from competitors.	80	1	5	3.88	1.216
Data analytics supports better marketing and business decisions in our organisation.	80	1	5	3.84	1.185
Valid N (listwise)	80				

Table 3: Descriptive Statistics of Objective 2

(Source: Self-Developed)

The table interprets that there is a lot of perspective on the effectiveness of social media, SEO, content marketing and data analytics, with mean scores ranging between 3.84 and 3.93. SEO interprets that $M = 3.93$, meaning that it is the most perceived as important in terms of online visibility. The findings identify the SMEs as acknowledging the utilisation of digital marketing tools as a major impact in the market.

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Digital marketing offers cost-effective growth opportunities for our business.	80	1	5	3.80	1.226
Limited digital skills are a major challenge in implementing digital marketing.	80	1	5	3.81	1.192
Financial constraints limit our ability to fully utilise digital marketing tools.	80	1	5	3.77	1.222
Rapid changes in digital platforms make digital marketing difficult to manage.	80	1	5	3.75	1.288
Valid N (listwise)	80				

Table 4: Descriptive Statistics of Objective 3

(Source: Self-Developed)

The results indicate that SMEs are optimistic about the potential to expand their enterprises using digital marketing as the method. The results indicate that SMEs interpret that the approach is cost-efficient (M=3.80), although there are also high-level demanding issues. Weak digital skills are perceived (M = 3.81), as well as financial constraints (M = 3.77), as significant barriers.

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Digital marketing supports long-term business sustainability.	80	1	5	3.78	1.340
Continuous adaptation of digital marketing strategies is essential for competitiveness.	80	1	5	3.92	1.300
Our organisation views digital marketing as a long-term strategic investment.	80	1	5	3.66	1.321
Digital marketing enables our business to respond quickly to market changes.	80	1	5	3.76	1.204
Valid N (listwise)	80				

Table 5: Descriptive Statistics of Objective 4

(Source: Self-Developed)

The findings indicate that the medium of digital marketing is compatible with long-term sustainability and competitiveness, with the mean ranging between 3.66 and 3.92. The maximum mean ($M = 3.92$) is registered in continuous adaptation of digital marketing strategies, as the digital competitiveness is dynamic. The results imply that SMEs are using digital marketing as a tactical investment, as opposed to a short-term strategy.

4.3.3 Reliability Analysis

Objectives	Cronbach Alpha Score
Objective 1	0.752
Objective 2	0.804
Objective 3	0.860
Objective 4	0.842

Table 6: Reliability Analysis Test

(Source: Self-Developed)

The alpha of Cronbach lies between 0.752 and 0.860 in the objectives, which is more than the acceptable level of alpha (0.70). This shows that there is good internal consistency and reliability of the measurement scales that were used in the study. The reliability analysis enhances the validity of future inferential results and provides a strong argument for the potential of digital marketing on the competitiveness of SMEs.

4.3.4 Inferential Analysis

Correlations					
		Digital marketing activities help my business gain a competitive advantage over competitors.	Online marketing improves our ability to attract and retain customers.	Digital marketing strengthens our brand positioning in the market.	The use of digital marketing contributes positively to our overall business performance.
Digital marketing activities help my business gain a	Pearson Correlation	1	.474**	.384**	.338**
	Sig. (2-tailed)		.000	.000	.002
	N	80	80	80	80

competitive advantage over competitors.					
Online marketing improves our ability to attract and retain customers.	Pearson Correlation	.474**	1	.435**	.499**
	Sig. (2-tailed)	.000		.000	.000
	N	80	80	80	80
Digital marketing strengthens our brand positioning in the market.	Pearson Correlation	.384**	.435**	1	.452**
	Sig. (2-tailed)	.000	.000		.000
	N	80	80	80	80
The use of digital marketing contributes positively to our overall business performance.	Pearson Correlation	.338**	.499**	.452**	1
	Sig. (2-tailed)	.002	.000	.000	
	N	80	80	80	80
**. Correlation is significant at the 0.01 level (2-tailed).					

Table 7: Correlation Analysis

(Source: Self-Developed)

The correlation outcomes indicate that there are positive significant relationships among variables of digital marketing activities and competitive advantages ($p < 0.01$). It is important to note that online marketing and business performance are strongly correlated ($r = 0.499$), meaning that the

better the digital engagement, the better the results. The results indicate that digital marketing capabilities also lead to customer retention, brand positioning, and performance.

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Social media marketing is effectively used in our business to reach target customers.	Between Groups	28.285	4	7.071	6.790	.000
	Within Groups	78.102	75	1.041		
	Total	106.388	79			
Search engine optimisation (SEO) improves our online visibility.	Between Groups	47.114	4	11.779	16.228	.000
	Within Groups	54.436	75	.726		
	Total	101.550	79			
Content marketing helps differentiate our products or services from competitors.	Between Groups	48.788	4	12.197	13.460	.000
	Within Groups	67.962	75	.906		
	Total	116.750	79			

Table 8: ANOVA

(Source: Self-Developed)

The ANOVA outcomes demonstrate that the differences between the groups were statistically significant in social media marketing, SEO, and content marketing ($p = .000$). F-values are high; this is a sign of a significant difference in the use of these digital tools by SMEs. The findings interpret that the more advanced practices of digital marketing are related to the market reach and differentiation, which confirms the strategic relevance of digital marketing to SME competitiveness.

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Digital marketing offers cost-effective growth opportunities for our business.	80	3.80	1.226	.137
Limited digital skills are a major challenge in implementing digital marketing.	80	3.81	1.192	.133
Financial constraints limit our ability to fully utilise digital marketing tools.	80	3.78	1.222	.137
Rapid changes in digital platforms make digital marketing difficult to manage.	80	3.75	1.288	.144

Table 9: One-Sample Statistics

(Source: Self-Developed)

The one-sample statistics show that mean values of all variables are above the neutral middle point of 3, which is an encouragement that there is a general consensus among all the respondents. This is based on digital marketing as an economic expansion device ($M = 3.80$) and digital expertise constraints ($M = 3.81$). These findings indicate that, even though the SMEs appreciate the advantages of digital marketing, they are also experiencing difficulties in implementation.

One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Digital marketing offers cost-effective growth opportunities for our business.	5.835	79	.000	.800	.53	1.07
Limited digital skills are a major challenge in	6.098	79	.000	.813	.55	1.08

implementing digital marketing.						
Financial constraints limit our ability to fully utilise digital marketing tools.	5.673	79	.000	.775	.50	1.05
Rapid changes in digital platforms make digital marketing difficult to manage.	5.209	79	.000	.750	.46	1.04

Table 10: One-Sample Statistics

(Source: Self-Developed)

The results obtained in the one-sample t-test indicate that all the variables are statistically significant ($p = .000$) and the differences in the mean values of all variables are considerably greater than the test value 3. This implies that there is consensus amongst the respondents on the opportunities and the challenges of digital marketing.

4.4 Qualitative Data Analysis

4.4.1 Analytical Approach

This paper has used the thematic analysis proposed by Braun and Clarke to analyse the responses of the interviews. The data of Appendix 2 and 3 have been coded, grouped, and interpreted in six phases: familiarisation, coding, theme development, review, definition and reporting. The process revealed recurring trends that were based on the overall digital marketing practices and competitive implications of SMEs.

4.4.2 Theme and Sub-Theme Emergence

Theme	Sub-theme	Description	Participants
T1: Strategic Use of Digital Marketing	ST1.1: Integration of digital marketing into business strategy	The interviewees defined digital marketing as a premeditated strategy in accordance with business objectives and general expansion initiatives. Also,	P1, P2, P5
	ST1.2: Role of digital marketing in daily operations	online platforms are frequently utilised in promotions, engagements, and communication with customers.	P1, P3, P4
	ST1.3: Digital marketing as a core business function	Digital marketing has taken centre stage in business identity and value creation for some SMEs.	P2, P5
T2: Competitive Advantage and Market Positioning	ST2.1: Enhanced market reach and visibility	SMEs can access more customers and compete with larger firms, which are no longer restricted to their local boundaries. Branding, content, and reviews are some tools utilised in order to stand out amongst the competition.	P1, P2, P4
	ST2.2: Differentiation from competitors	Constant communication creates long-lasting customer relationships and repeats business.	P2, P3, P5
	ST2.3: Customer engagement and loyalty		P1, P4, P5
T3: Digital Marketing Tools and Capabilities	ST3.1: Effectiveness of social media and online platforms	Brand visibility, promotions, and customer service are done on social platforms. SEO and data intelligence promote better recognition, the generation of leads, and decision-making. Such strategies as targeted	P1, P4, P5
	ST3.2: Use of data analytics and SEO		P2, P3, P5

	ST3.3: Content-driven and targeted marketing	campaigns, content, and online advertisements are useful to reach groups of customers.	P3, P5
T4: Challenges and Long-Term Sustainability	ST4.1: Skills and resource constraints	The SMEs have the challenge of insufficiently trained personnel, digital expertise, and time to remain at regular intervals. Changes in algorithms, regular upgrades, and the necessity to learn were barriers, as described by interviewees. SMEs feel that digital marketing helps to grow, but it has to be constantly changed and developed.	P1, P3, P5
	ST4.2: Managing rapid digital change		P2, P4, P5
	ST4.3: Digital marketing for long-term growth		P1, P2, P5

Table 11: Theme and Sub-Theme Development

(Source: Self-Developed)

4.4.3 Analysis of Qualitative Findings

Theme 1: The participants explained digital marketing as one that is purposefully aligned to business objectives as opposed to an auxiliary activity. According to interviewee P1, “digital marketing is applied to raise awareness and promote online and in-store sales, which is the sign of integrated strategic usage. P2 also highlighted this congruency by saying,” It is consistent with our customer acquisition and retention strategies”, which demonstrates that digital marketing is an organised strategic instrument. P5 further supported its strategic centrality by stating that "it is central to our business model", which is also affirmed that in the case of some SMEs, digital marketing is not a promotional feature; it is a core business feature.

Theme 2: The replies made in the interviews supported the fact that digital marketing allows companies to become more competitive with regard to reach, differentiation, and credibility. P1 emphasised that "it allows SMEs to compete with the giants since they can reach a market further than our local one, in which case, there can be a levelling effect on competitive markets. P2 claimed that "it has tightened our positioning in the market", and P4 asserted that "digital platforms have enabled us to reach more customers", which means that we can see the visible improvement in our

market presence. Such reflections are indicative of a similar viewpoint that online marketing offers a quantifiable competitive advantage to small businesses.

Theme 3: The most influential tools were always determined by the respondents as social media, SEO, and content strategies. P1 and P4 mentioned social media as the best one to use because of its low cost and direct contact with customers, whereas P3 mentioned content and networking platforms that form credibility and trust. P5 also introduced the idea of analytics and targeted ads as aiding in making precise decisions and revealing the ability-enhancing nature of digital adoption in SMEs.

Theme 4: Even though there are obvious advantages, respondents admitted limitations that inhibit the effectiveness of digital marketing. The P1 mentioned limited digital skills and time constraints, whereas P3 mentioned the lack of technical skills as an obstacle to the use of the tools. P2 said that with the constant changes in digital algorithms, “it is challenging to maintain their consistency, and P4 said that “it may be a challenge to handle online engagement because of the limitation in staff.” However, P5 was positive, saying that “digital marketing helps to be innovative, to scale, and to learn incessantly because sustainability is connected to adaptive capability.

4.5 Comparison of Survey and Interview Findings

The section is a comparison of the results that were achieved through the use of the quantitative survey and insights that were obtained through qualitative interviews to get a more detailed picture of how digital marketing can lead to competitive advantage regarding SMEs. The survey findings show that there has been an overall positive attitude towards digital marketing, with the high mean scores being an agreement that digital marketing improves customer attraction, brand positioning and overall business performance. These results suggest that there is a general agreement among the respondents on the strategic importance of the digital marketing tools.

These quantitative results are justified and are interpreted through the interview findings that bring context to them. Participants of the interviews stressed the practical usefulness of digital marketing and especially social media marketing, search engine optimisation, and content creation in enhancing market awareness and customer relationships. Some of the challenges that were only partly reflected in the survey information, as noted by interviews, include in-house expertise and time limitation; as well as inability to keep up with the quickly changing digital platforms.

The combination of survey results and interview results enhances the validity of the study by triangulating validity. The survey defines quantifiable links between digital marketing and

competitive advantage, and the interviews give a more comprehensive understanding of the links that exist in practice. A combination of the two data sources serves to prove that digital marketing is an essential strategic capacity of SMEs, and also enhances the necessity of developing skills and allocating resources to ensure the greatest overall benefit.

4.6 Limitations of Data Analysis

The analysis of data is also constrained by a rather small sample size and the concentration on a particular group of SMEs, which does not allow generalisation. The answers were based on self-reported data, which may result in bias in the perception of the effectiveness of digital marketing. Also, the research represents practices at one moment; the high speed of development of technologies, the changes in digital platforms, and the level of skills can influence the uniformity and applicability of the results in the future.

4.7 Chapter Summary

The chapter provided a discussion of both quantitative and qualitative data to assess the role of digital marketing in the competitiveness of SME. The results of the surveys showed that there were positive attitudes towards digital tools in enhancing visibility, customer interaction, and strategic positioning. These findings were supported by interview findings, which also demonstrated the benefits, capability issues, and resource constraints. The combined information suggests that digital marketing contributes to short-term and long-term operations if the SMEs constantly modernise their skills, strategies, and technological practices.

Chapter 5: Discussion

5.1 Chapter Introduction

The chapter presents and explains the main findings of the study relative to the objectives of the study, the literature, and the realities of SMEs using digital marketing as their competitive gain. It considers the role played by the outcomes of the quantitative and qualitative data in forming the strategic position of digital marketing, its strengths, and weaknesses. In the chapter, the implications of the organisation, theoretical alignment, and areas to be improved are also explicated.

5.2 Summary of Key Findings

The Chapter 4 results are a clear indication that digital marketing will add to competitive edge, better customer engagement, and increased market visibility among SMEs. Based on the information provided in the survey questions in Appendix 1, the quantitative analysis proved that people have a unanimously positive vision of digital marketing. To illustrate, the descriptive statistics indicated that the means of the variables relating to customer retention, brand positioning, and business performance are between 3.54 and 3.89, which implies that attitudes toward digital tools are favourable. Equally, tool-based measures had high acceptance, and the highest mean score was 3.93 in SEO, and the successive scores in social media marketing, 3.91, content marketing, 3.88, and analytics, 3.84, indicating high relevance of the tools as far as strategic decision-making is concerned.

There were also challenges that could be measured. The survey showed that the implementation was limited, with the highest score of 3.81 on limited digital skills, 3.77 on financial constraints, and 3.75 on rapid changes in the platform, showing that implementing the survey is limited by these factors. Cronbach's Alpha in reliability tests determined 0.752-0.860, which indicates internal consistency of responses. The strategic relevance was also further supported by inferential analysis, whose correlation values, up to $r = 0.499$, yielded a significant relationship between online marketing and business performance. The difference in the use of social media, SEO, and content marketing was also statistically significant (ANOVA results $p = .000$), and proved that all SMEs have different levels of maturity.

Appendix 2 and Appendix 3 provided qualitative data that supported numerical data. Respondents defined digital marketing as something that is deliberately geared towards business development; P1 said that it helps to facilitate both online and in-store sales, and P2 stated that it will help enhance market positioning and credibility. P4, who affirmed that digital tools made the organization visible beyond the local borders, was an indicator of an expansion of customer reach. The obstacles were also consistent with the numerical results, with P3 mentioning the shortage of expertise in-house, and P4 referring to the lack of resources.

All these results affirm that digital marketing is a strategy that can be used to gain a competitive advantage, but this long-term potential depends on proficiency, flexibility, and long-term strategic investment.

5.3 Discussion of Findings in Relation to Research Objectives

- *To critically assess the relation between digital marketing applications and the competitive advantages of SMEs.*

The results of this paper indicate that the competitive advantage of SMEs is considerably and positively interrelated with the digital marketing applications. The results of the survey under Objective 1 (Q5-Q8) point towards the fact that most of the respondents shared or strongly held the ideas that digital marketing enhances the attraction of customers, brand positioning, and business overall. The above quantitative data is supported by qualitative data in the Theme 2 (Competitive Advantage and Market Positioning) and especially the Sub-themes ST2.1 (improved market reach and visibility) and ST2.2 (compete versus competitors) sub-themes. The participants of interviews repeatedly stated that due to digital marketing, they were able to compete with bigger companies by reaching more markets due to the non-geographical constraints and identifying the reactions of competitors more effectively.

The findings are interpreted with the literature review in Chapter 2. According to the previous research, digital marketing serves as an intangible resource with strategic support in differentiation and value-generation in SMEs (Silva *et al*, 2022). The perspective of digital marketing capabilities through the prism of the Resource-Based View (RBV). The supporting empirical evidence is the fact that digital marketing capabilities are resources that create competitive advantage when used

strategically and are difficult to imitate (El Namar *et al*, 2025). The implementation in SMEs uses digital opportunities for enhancing customer relations and loyalty to contribute to ST2.3 and to the existing studies. According to Van Hoang *et al* (2025), the study asserts that digital capabilities provide a sustainable competitive advantage in new markets, which is related to the interview.

- ***To examine the major digital marketing practices and tools that can help in differentiating the market and business development.***

The research results point to the fact that some digital marketing tools, especially social media marketing, search engine optimization, content marketing, and data analytics, can be instrumental in helping SMEs differentiate in the market and improve the state of business development. The responses on the survey under Objective 2 (Q9-Q12) indicate that there is a lot of consensus on the ability of social media marketing and SEO to enhance visibility and reach to customers. The data analytics was also seen to be valuable in making informed decisions, although the uptake was relatively lower among SMEs (Safitri and Komaryatin, 2025). The qualitative interpretation of the theme is based on support of these findings under Theme 3 (Digital Marketing Tools and Capabilities), with particular Sub-themes ST3.1 (effectiveness of social media and online platforms), ST3.3 (content-driven and targeted marketing).

The participants discussed in the interviews highlighted that social media platforms like Facebook, Instagram, LinkedIn, and online review platforms are cost-effective tools to engage with customers and tell the brand story. The manufacturing and technology-based SMEs, in particular, emphasized content marketing as one of the ways of building credibility and differentiation in the niche markets. The results are consistent with the literature analysing the usage of social media and content marketing as the effective means of SME differentiation and customer relationship creation (Arista and Hermawan, 2025). The advantage of analytics and SEO as a means of assisting the strategic decision-making process is that it is related to the process of interpreting the findings based on the results.

- ***To analyse the perception of SMEs of the opportunities and challenges of implementing digital marketing strategies.***

The results of Objective 3 show that SMEs view digital marketing as an opportunity and a challenge. The survey results (Q13-Q16) show that there is indeed strong support regarding the

firm's belief that digital marketing can be used to grow the organization at a cheaper cost, yet at the same time, there is also a concern regarding the lack of digital capabilities, financial capacity, and great technological changes. The existence of such perceptions is vivid in the qualitative responses of Theme 4 (Challenges and Long-Term Sustainability), especially of Sub-themes ST4.1 (skills and resource constraints) and ST4.2 (managing rapid digital change).

The lack of expertise and time limitations, as well as the challenge of maintaining the changes based on the platform algorithms, were also cited as primary obstacles by the participants of the interview. These results align with the literature, which singles out skills shortages, financial constraints, and infrastructure issues as such barriers that stop SMEs involved in the adoption of digital marketing (Rahayu and Day, 2021). The attitude of managers toward the utilization of digital tools and doubting the potential of recouping the investment. This also impacts the perceived complexity of digital tools, helping to confirm the arguments (Cenamor *et al* 2021). This is about the impact of perception on strategic adoption. SMEs interpret that digital marketing has the ability to be scaled, engage with customers, and be agile, which is in line with

- ***To suggest the viable interventions that SMEs should implement to maintain competitiveness in the long run.***

This is based on the process of determining feasibility that can be adapted by SMEs to remain competitive using digital marketing. Results of the survey under Objective 4 (Q17-Q20) reveal a high level of agreement with the fact that digital marketing has a positive impact on long-term sustainability and the need to constantly adapt. The additional observations that the relevance of strategic integration, constant learning, and customer-centric practices are represented in the qualitative results of Sub-theme ST4.3 (digital marketing for long-term growth).

Regularly, participants of the interviews stressed the idea that online marketing must be integrated into the business strategy and not a temporary promotional instrument. This is in line with what has been recently published in the literature, which emphasizes that long-term competitiveness is based on the development of digital marketing forces and not only the use of digital tools (Pascalau *et al*, 2024). According to the Resource-Based View, intangible assets arise due to investment in digital skills, content creation, and analytics, and are hard to copy by the competition

This is according to the findings as well; SMEs need to focus on capacity-building measures, including employee training and incremental implementation of analytics, so that they can eliminate apparent obstacles. This study interprets that the successful digital transformation depends on the commitment of the leader and organisational learning. (Kraus *et al* 2022). The approach that incorporates customer feedback and data-driven insights contributes to flexibility, which strengthens the Dynamic Capabilities Theory.

5.4 Discussion in Relation to Theory and Conceptual Framework

The results of the current research support the firm's belief in relation to the theoretical perspective and conceptual framework in Chapter 2, which is based on the Resource-Based View (RBV) and Dynamic Capabilities Theory. The conceptual framework places digital marketing practices, including social media marketing, search engine optimization, content marketing, and data analytics, as major organizational resources that determine the performance and competitive advantage of the SMEs (Al Koliby *et al* 2024). The results establish that such digital marketing practices are a useful and intangible resource when incorporated in strategic operations of the SMEs in accordance with the assumptions of RBV. The SMEs that incorporated digital marketing in their overall business model showed better market position, customer interactions, and performance results.

The outcomes of both the survey and the interview show that the most successful in terms of competitive performance were the SMEs that regularly adapted the digital marketing strategies according to the changes in the market and customer feedback. This proves the capacity of SMEs to opportunity scent, digital benefits taking, and marketing activities over time (Almaliki and Rofiqoh, 2025). The qualitative concept is based on long-term sustainability and also confirms the relevance of the framework to prioritize strategic alignment, instead of ad-hoc digital adoption. This is based on the overall empirical data, as it is based on a conceptual framework that is appropriate, and it is capable of explaining the way digital marketing capabilities translate into sustainable competitive advantage in SMEs.

5.5 Addressing the Literature Gap

Identification of various gaps of crucial concern can be viewed as a significant contribution of the present research to the existing body of knowledge on digital marketing and SME competitiveness, since these gaps are addressed in the study in a systematic way. The general view of past literature had primarily involved large institutions or the SMEs of developed economies. These studies are insightful; most of their findings lack applicability in the context of the lives of SMEs in the resource-strained and developing market environments. The firms generally lack finances, technology constraints, and the inability to source and employ talented human resources, which basically drive the adoption and application of digital marketing. The reason is that it provides a comprehensive examination of SMEs. The study is valuable to the literature as it presents specifics of context evolution by offering evidence-based findings on the value of digital marketing in developing competitive advantages in unpredictable and resource-devouring settings (Amin *et al* 2025). The enhancement of external validity of the digital marketing research would be the addition that the digital marketing research generated under the conditions of a well-resourced environment would be more applicable.

The other gap that has been addressed by the study is the narrow meaning of digital marketing tools in earlier studies. Both the literature and the literature are quite detailed on single tools of isolation, or content marketing, and have frequently measured their short-term effects on performance measures. These strategies may contribute to offering useful information, but they do not look into the organizational and strategic backdrop of how such means are to be used (Arista *et al* 2025). The present study is an addition to the body of literature because it shows that the efficacy of digital marketing cannot be determined solely by the adoption factor, but by the strategic move to introduce it to the overall business objectives. The findings indicate that the SMEs that have achieved improved competitive outputs are those that combine the digital marketing activities with the organizational strategy, managers, vision, and learning orientation. This is among the key limitations of the previous study and addresses the academic issues of desiring a more capability-based and holistic perspective of adopting digital marketing among SMEs.

The study has made a contribution in terms of methodology in the field, as there is no mixed-method study on the same topic. The current research paper seals this gap by bringing together the results of a quantitative survey and a qualitative interview (Arista *et al* 2025). The findings of

the survey provide a systematic perception related to the effectiveness of digital marketing, competitiveness, and the long-term sustainability of SMEs. The information to be gathered during the interview gives good details about the decision-making process of managers who also encounter challenges and strategic thinking behind such perspectives (Bakashaba and Bindeeba, 2025). The synthesis of the numeric patterns and thematic contributions of the study makes the study more detailed and credible in describing the effects of digital marketing on the competitiveness of SMEs. This constitutes a mixed-method study method that renders the findings more sound and a wider perspective that neither of the two methods would have been monotonous.

The study also provides a significant contribution to the research in the form of developing a foundation on the role of SME perceptions in digital marketing adoption and performance. The current literature identifies the concept of managerial perception as influential in adopting technology; the majority of the studies are mainly inclined to define the concept as a secondary or moderating variable, and not as an effective explanatory factor (Balzano *et al* 2025). This paper confirms the existence of a perception based on the costs, complexity, and long-term value that tends to determine the scope and quality of the digital marketing implementation. Digital marketing has long-term status as an investment because more SMEs are inclined to allocate resources to the field of analog development of skills, the quality of content, and analytics, establishing a long-term digital competence. SMEs facing digital marketing as a temporary advertising activity also experience a discontinuous and reactive attitude and thus weak competitive advantages (Bresciani *et al* 2021). The empirical nature of the perception as a determining element paves the way to the plethora of existing models on the introduction of digital marketing and develops a more realistic image of the decision-making procedure of SMEs.

This study contributes much to the gap in terms of the time component of competitiveness. The other literature available is focused mostly on short-term outcomes of performance, such as an increase in visibility, lead generation, or a direct increase in sales. The outcomes are critical; they present the one-sidedness of the concept of competitiveness, especially when operating in the dynamic digital world. The research also contributes to the debate as it evidences the scale to which digital marketing results in future success in the means of customer retention, organizational flexibility, and is in the process of innovation (Cenamor *et al* 2021). It is suggested in the results that sustained competitive advantage should not be the outcome of individual digital efforts, but

rather an outcome of a digital capability of learning, experimenting, and refining digital capabilities. This makes the impact on the result of transactions on the strategy of persistence a better fit, hence giving a more holistic view of the competitiveness in the digital age.

According to the research paper, digital marketing practices may serve as valuable, intangible resources and achieve the needs enforced by RBV, but are founded on organizational practices. The findings show the manner in which SMEs develop dynamic capabilities because they are aware that the market is dynamic and is a stringent source of opportunities due to continuous sensing and capturing of digital opportunities and consequent restructuring of the marketing strategies over the long run (El Nemar *et al* 2025). The presentation of these theoretical viewpoints through the assistance of empirical data contributes to the enhancement of the merit of the study and its further implementation to the real-life examples of SMEs based on the interpretation of findings

5.6 Discussion of Unexpected Findings

The overall results were very much expected with the prevailing literature; a number of surprises were also made. The interesting observation is that even though the responses to the question about the advantages of digital marketing were quite coherent. The SMEs tended to use more sophisticated tools like data analytics and SEO in a rather limited fashion (Balzano *et al* 2025). This is an implication that there is an interference between perceived significance and real action. SMEs appreciated the strategic importance of data-driven marketing; lack of expertise and time were the practical limitations that prevented further adoption.

The other unexpected discovery is that the SMEs that are found have experience competitive advantages under traditional digital marketing, including the presence on social media and online reviews. This implies that advanced digital systems are not necessarily a condition for competitive advantages, especially in small scope or local markets (Bakashaba and Bindeeba, 2025). This interprets the literature that believes in digital competitiveness, which requires high technological capability.

This is also based on the challenges; rapid digital change was seen, but in other cases, SMEs also saw this uncertainty as a chance to experiment and learn. This observation reflects the

heterogeneity of the managerial mind and implies that it may be more important than technological sophistication (Wu *et al* 2024). The surprising findings support the significance of strategic orientation and learning capacity in determining the results of digital marketing.

Chapter 6: Conclusion and Recommendation

6.1 Overall Conclusion

The general results validate the assertion that digital marketing is an influential factor in helping SMEs to gain a competitive edge, increase market penetration, and enhance customer interactions. The quantitative data showed that there were positive perceptions towards digital tools, which were also statistically significant between online marketing and business performance. The qualitative evidence supported the idea that SMEs are planning how they incorporate digital platforms to increase visibility, differentiation, and operational growth, despite skills, resources, and technological change difficulties. Together, the research comes up with the conclusion that digital marketing is not a mere promotional mechanism but a strategic capability. The value of its long-term relies on its ability to adapt continuously, build capacity, and have an organisational commitment.

6.2 Answers to Research Questions

- *How do digital marketing applications relate to the competitive advantages of SMEs?*

Digital marketing has a direct effect on competitive advantage, through increased visibility in the market, customer interaction, and the performance of the business on a global scale. Positive relationships were established through quantitative results, among them being the significant correlation between online marketing and customer retention ($r = 0.499$). The answers to the survey (means 3.54, 3.89) indicate that the respondents strongly agree that digital marketing enhances the brand positioning and strategic results. This is supported by qualitative answers where P1 said that it facilitated reaching customers outside our local location, and P2 said that it has enhanced its market positioning and credibility. Thus, online marketing helps SMEs to compete on a bigger scale than geography or resources.

- *Which digital marketing techniques and tools can be used to differentiate the market and promote the business?*

Social media marketing, SEO, content marketing, and analytics were the most successful differentiation tools identified in Chapter 4. SEO scored the most ($M = 3.93$), then social media

(3.91) and content marketing (3.88), which indicates strategic utility in terms of visibility and lead generation. This was supported by interviews, where P3 emphasized the content to be used on credibility and trust, and P5 on the analytics support, which is precise decision-making. With such tools, SMEs can advertise their products, establish an identity, and compete.

- ***How do SMEs view the nature of the prospects and challenges posed by digital marketing?***

Digital marketing is perceived as an opportunity for growth by SMEs, but with the realisation of barriers that influence implementation. The major challenges were skill shortage ($M = 3.81$), finances ($M = 3.77$), and platform transition ($M = 3.75$). This was echoed by the interviewees, where P3 stated she lacked expertise, and P4 stated that staff were a limitation. The future is bright, though ability challenges limit the impact.

- ***What are the tactics that SMEs may use to be competitive in the long term through digital marketing?***

The survey data demonstrated that sustainability factors are up to 3.92, which means that constant modification is necessary. P5 mentioned that digital marketing allows being innovative, scaled, and able to learn constantly, and demonstrated that the competitiveness of a company in the long term is determined by the development of skills, regular interaction, and analytical evaluation.

6.3 Contribution to Knowledge

The study will add to the existing research since it will explain that digital marketing can be one of the strategic capabilities of SMEs, but not an additional promotional tool. It gives numerical data that correlates digital marketing operations to competitive advantage, customer retention, and performance enhancement with statistically significant relationships. The qualitative results contribute to the comprehension by demonstrating the effect of operational realities, skills, and resource conditions on the outcomes. On the whole, the paper elucidates the ways in which SMEs can transform digital adoption into long-term competitiveness.

6.4 Practical Implications

The results are useful to the SME decision-makers by demonstrating the way digital marketing can be used as a structured business capability. The priorities of SMEs should be based on the focus on skill development, the development of resources to adopt strategic tools, and the use of analytics to make marketing decisions. The findings prove that the continuous management of the platform, the regularity of customer interaction, and the enhancement of internal digital capabilities should be improved. Generally, effective implementation can increase visibility, differentiation, and long-term competitive positioning in the changing market conditions.

6.5 Research Limitations

The study has a drawback in sample size since the researcher has only conducted 80 respondents and five interviews, which limits their generalisation to all SMEs. The research used self-reported information, and it can be affected by the subjectivity and bias of the respondents. It is also not generalizable because technologies related to digital technology change at a very fast rate. Furthermore, the research has not directly gauged financial performance outcomes; competitiveness is gauged on perceived and not objective grounds.

6.6 Recommendations for Practice

The recommendation are as follows:

- Digitise marketing as one of the business functions and not a secondary activity, so that marketing activities become part of the strategic planning, targeting customers, and developing the brand to reinforce competitiveness.
- Have a set amount of annual digital marketing budget, which will allow SMEs to invest regularly in tools, campaign management, training staff, and analytics rather than making it an irregular or ad-hoc expenditure.
- Focus on skill development and staff training programmes to address the identified gap in capabilities (limited skills mean score 3.81). Social media management, analytics, and SEO training must be treated as a necessity, not an option.
- Adopt Search Engine Optimisation (SEO) as a long-term visibility measure, as it achieved a high acceptance score ($M = 3.93$), and it is an effective measure of enhancing

discoverability. The standard practice should be to optimise the website keywords, metadata, and content on a regular basis.

- Use social media marketing as one of the main communication tools to promote brand and customer access ($M = 3.91$). SMEs are expected to post actively, engage with the audience regularly, and follow up on the platforms.
- Differentiate content marketing from offerings as compared with competitors, which is reflected in a strong mean score ($M = 3.88$). The use of educational posts, testimonials, blogs, and explanations of the products can be used to foster trust and prove value.
- Apply data analytics and insights in decision-making, which is supported by the findings that analytics help in business decisions ($M = 3.84$). Performance metrics, campaign conversion rates, customer behaviour, and budget efficiency are performance measures that should be followed by SMEs.
- Standard operating procedures (SOPs) regarding the management of digital platforms, which allow consistency in posting, responsiveness to customers, and branding the platforms across the channels.
- Partake in customer relationship management aspects by addressing queries, reviews, and feedback. The value of proactive communication is supported by the interview information (e.g., the comment of P4 about the issues with reputation management).
- Implement the low-cost and scalable tools, including Canva, Mailchimp, Meta Business Suite, and Google Analytics, to ease the financial burden ($M = 3.77$) and enhance workflow efficiency.
- Budget flexibility and continuous development because of the fast changes of the platform ($M = 3.75$). The SMEs must periodically reassess their strategies after every quarter to match the algorithm's changes, technological trends, and customer demands.
- When you have limited capabilities in terms of skills or manpower to perform certain digital services (SEO audit, paid ads, analytics, etc.) in-house, consider outsourcing those specific services. This helps in reducing the problem of resource shortages, as indicated in interview answers (P3 and P4).
- Place digital marketing in the sustainability and long-term competitiveness planning, given that continuous adaptation had the highest scores among sustainability indicators ($M = 3.92$). Digital marketing must enable expansion goals, but not just temporary promotion.

6.7 Future Research

Further studies are needed to focus on more varied and larger samples of SME to improve the generalisation of results in terms of industry and location. Longitudinal research would be useful in determining the role digital marketing plays in competitiveness, not at one point but over a period. More research on quantifiable financial performance results, platform-specific approaches, and more sophisticated tools like AI-based analytics or automation would give more insights. The analysis of the SMEs in comparison with larger companies can also provide gaps in capability and strategic development directions.

6.8 Concluding Statement

To sum up, this study proves that digital marketing can become an effective channel through which SMEs can enhance their competitiveness, broaden their market, and enhance their level of customer interactions. Although the issues of skills, resources, and technological change are still present, the results indicate that long-term benefits can be attained by sustaining a competence level and aligning digital tools with business goals. Finally, e-marketing can grant SME a viable base of sustainable growth on an increasingly competitive digital marketplace.

References

- Ahmed, S.K., 2024. How to choose a sampling technique and determine sample size for research: A simplified guide for researchers. *Oral Oncology Reports*, 12, p.100662. <https://doi.org/10.1016/j.oor.2024.100662>
- Ahmed, S.K., Mohammed, R.A., Nashwan, A.J., Ibrahim, R.H., Abdalla, A.Q., Ameen, B.M.M. and Khdhir, R.M., 2025. Using thematic analysis in qualitative research. *Journal of Medicine, Surgery, and Public Health*, 6, p.100198. <https://doi.org/10.1016/j.glmedi.2025.100198>
- Ainin, S., Parveen, F., Moghavvemi, S., Jaafar, N.I. and Mohd Shuib, N.L. (2015). Factors influencing the use of social media by SMEs and its performance outcomes. *Industrial Management & Data Systems*, [online] 115(3), pp.570–588. doi:<https://doi.org/10.1108/imds-07-2014-0205>.
- Al Koliby, I.S., Mehat, N.A.B., Al-Swidi, A.K. and Al-Hakimi, M.A. (2024). Unveiling the linkages between entrepreneurial culture, innovation capability, digital marketing capability and sustainable competitive performance of manufacturing SMEs: evidence from emerging countries. *The Bottom Line*, 37(4), pp.473–500. doi:<https://doi.org/10.1108/bl-08-2023-0241>.
- Almaliki, R. and Rofiqoh, I. (2025). The Role of Digital Marketing in Technology-Based MSME Development Efforts. *Jurnal Ekuisci*, [online] 3(2), pp.95–104. doi:<https://doi.org/10.62885/ekuisci.v3i2.943>.
- Almaliki, R. and Rofiqoh, I., 2025. The Role of Digital Marketing in Technology-Based MSME Development Efforts. *Jurnal Ekuisci*, 3(2), pp.95-104.
- Amin, M., Gohar, M. and Ali, I. (2025). Impact of digital transformation on SME's marketing performance: role of social media and market turbulence. *Discover Sustainability*, 6(1). doi:<https://doi.org/10.1007/s43621-025-01228-3>.
- Amin, M., Gohar, M. and Ali, I., 2025. Impact of digital transformation on SME's marketing performance: role of social media and market turbulence. *Discover Sustainability*, 6(1), p.378.
- Arista, S.W. and Hermawan, S., 2025. Improving MSME Performance Based on Digital Marketing, Intellectual Capital, Product Innovation and Competitive Advantage. *Jurnal Manajemen Bisnis*, 16(2), pp.526-557. <http://dx.doi.org/10.18196/mb.v16i2.25192>
- Arista, S.W., Hermawan, S., Arista, S.W. and Hermawan, S. (2025). Improving MSME Performance Based on Digital Marketing, Intellectual Capital, Product Innovation and

- Competitive Advantage. *Jurnal Manajemen Bisnis*, 16(2), pp.526–557. doi:<https://doi.org/10.18196/mb.v16i2.25192>.
- Bakashaba, R. and Bindeeba, D.S., 2025. Beyond market penetration: leveraging brand capital for competitive advantage in digitally driven SMES in resource-constrained settings. *Future Business Journal*, 11(1), pp.1-18. <https://doi.org/10.1186/s43093-025-00663-y>
- Balzano, M., Marzi, G. and Turzo, T., 2025. SMEs and institutional theory: major inroads and opportunities ahead. *Management Decision*, 63(13), pp.1-27. <https://doi.org/10.1108/MD-05-2023-0734>
- Bodur, S., Topal, S., Gürkan, H. and Edalatpanah, S.A., 2024. A novel neutrosophic likert scale analysis of perceptions of organisational distributive justice via a score function: a complete statistical study and symmetry evidence using real-life survey data. *Symmetry*, 16(5), p.598. <https://doi.org/10.3390/sym16050598>
- Bresciani, S., Huarng, K.-H., Malhotra, A. and Ferraris, A. (2021). Digital transformation as a springboard for product, process and business model innovation. *Journal of Business Research*, 128(1), pp.204–210. doi:<https://doi.org/10.1016/j.jbusres.2021.02.003>.
- Cagiza, C., Faustino, M., Cagiza, I. and Cajiza, A., 2025. AI-Powered Advisory Platforms for Sustainable Marketing Innovation in SMEs: Empirical Evidence from Underserved US Markets. *Sustainability*, 17(20), p.9336. <https://www.mdpi.com/2071-1050/17/20/9336>
- Cenamora, J., Parida, V. and Wincent, J. (2021). How entrepreneurial SMEs compete through digital platforms: The roles of digital platform capability, network capability and ambidexterity. *Journal of Business Research*, [online] 100, pp.196–206. doi:<https://doi.org/10.1016/j.jbusres.2019.03.035>.
- Chooset, N. and Sukhabot, S., 2025. Developing entrepreneurial marketing dimensions for SMEs in the digital era: a grounded theory approach. *Cogent Business & Management*, 12(1), p.2480748. <https://doi.org/10.1080/23311975.2025.2548953>
- De Paoli, S., 2024. Performing an inductive thematic analysis of semi-structured interviews with a large language model: An exploration and provocation on the limits of the approach. *Social Science Computer Review*, 42(4), pp.997-1019. <https://doi.org/10.1177/08944393231220483>
- Dwivedi, Y.K., Ismagilova, E., Hughes, D.L., Carlson, J., Filieri, R., Jacobson, J., Jain, V., Karjaluoto, H., Kefi, H., Krishen, A.S. and Kumar, V., 2021. Setting the future of digital and social

media marketing research: Perspectives and research propositions. *International journal of information management*, 59, p.102168. <https://doi.org/10.1016/j.ijinfomgt.2020.102168>

Eisend, M., 2025. Diversity in Interactive Advertising. *Journal of Interactive Advertising*, pp.1-13. <https://doi.org/10.1080/15252019.2025.2513236>

El Nemar, S., El-Chaarani, H., Dandachi, I. and Castellano, S., 2025. Resource-based view and sustainable advantage: a framework for SMEs. *Journal of Strategic Marketing*, 33(6), pp.798-821. <https://doi.org/10.1080/0965254X.2022.2160486>

González-Varona, J., López-Paredes, A., Poza, D. and Acebes, F. (2021). Building and development of an organizational competence for digital transformation in SMEs. *Journal of Industrial Engineering and Management*, [online] 14(1), p.15. doi:<https://doi.org/10.3926/jiem.3279>.

Gonzalez-Varona, J.M., López-Paredes, A., Poza, D. and Acebes, F., 2024. Building and development of an organizational competence for digital transformation in SMEs. *arXiv preprint arXiv:2406.01615*.

Huda, F., Andhyka, Jenita Frisilia, R, A.A. and Rahmat Yanuary (2025). Development Of Optimization Strategies For MSMES' Competitive Advantages In The Digital Era. *Nuansa Akademik: Jurnal Pembangunan Masyarakat*, [online] 10(1), pp.107–120. doi:<https://doi.org/10.47200/jnajpm.v10i1.2726>.

Huda, F., Frisilia, J., Azis, A. and Yanuary, R., 2025. Development Of Optimization Strategies for MSMES ' Competitive Advantages In The Digital Era. *Nuansa Akademik: Jurnal Pembangunan Masyarakat*, 10(1), pp.107-120.

Ijomah, T.I., Idemudia, C., Eyo-Udo, N.L. and Anjorin, K.F., 2024. Harnessing marketing analytics for enhanced decision-making and performance in SMEs. *World Journal Of Advanced Science And Technology*, 6(1), pp.001-012. https://www.researchgate.net/profile/Tochukwu-Ijomah-2/publication/383846668_Advancements_in_project_management_methodologies_Integrating_a_gile_and_waterfall_approaches_for_optimal_outcomes/links/66dc311abd20173667bbf492/Advancements-in-project-management-methodologies-Integrating-agile-and-waterfall-approaches-for-optimal-outcomes.pdf

- Jung, S.-U. and Shegai, V. (2023). The Impact of Digital Marketing Innovation on Firm Performance: Mediation by Marketing Capability and Moderation by Firm Size. *Sustainability*, [online] 15(7), p.5711. doi:<https://doi.org/10.3390/su15075711>.
- Jung, S.U. and Shegai, V., 2023. The impact of digital marketing innovation on firm performance: Mediation by marketing capability and moderation by firm size. *Sustainability*, 15(7), p.5711.
- Kgakatsi, M., Galeboe, O.P., Molelekwa, K.K. and Thango, B.A., 2024. The impact of big data on SME performance: A systematic review. *Businesses*, 4(4), pp.632-695. <https://doi.org/10.3390/businesses4040038>
- Khan, M.N., Khanam, S.J., Khan, M.M.A., Billah, M.A. and Akter, S., 2024. Exploring the impact of perceived early marriage on women's education and employment in Bangladesh through a mixed-methods study. *Scientific reports*, 14(1), p.21683. <https://doi.org/10.1038/s41598-024-73137-w>
- Kindström, D., Carlborg, P. and Nord, T., 2024. Challenges for growing SMEs: A managerial perspective. *Journal of Small Business Management*, 62(2), pp.700-723. <https://doi.org/10.1080/00472778.2022.2082456>
- Kraus, S., Jones, P., Kailer, N., Weinmann, A., Banegas, N.C. and Tierno, N.R. (2021). Digital Transformation: an Overview of the Current State of the Art of Research. *SAGE Open*, 11(3), pp.1–15. doi:<https://doi.org/10.1177/21582440211047576>.
- Kraus, S., Rejeb, N., Maalaoui, A., Dabic, M. and Omrani, N. (2022). Drivers of Digital Transformation in SMEs. *IEEE Transactions on Engineering Management*, 71, pp.1–14. doi:<https://doi.org/10.1109/tem.2022.3215727>.
- Loku, A. and Havolli, R. (2024). Positive leadership Indicators for Secondary School Principals in the Directorate of Education in South Hebron from the Point of View of Teachers (Qualitative Study). *Pakistan Journal of Life and Social Sciences (PJLSS)*, 22(2). doi:<https://doi.org/10.57239/pjlss-2024-22.2.00881>.
- Mahendra, A.B., Ferdinand, A.T. and Putri, Y.M. (2025). The role of pro-comparative advantage absorptive capacity in improving marketing performance using a resource advantage theory of competition perspective. *BISMA (Bisnis dan Manajemen)*, pp.192–216. doi:<https://doi.org/10.26740/bisma.v17n2.p192-216>.

Mittal, S. and Kumar, V., 2024. Analyzing the Role of Technological Capabilities and Digital Marketing on the Performance of E-Commerce-Based SMEs. *Indian Journal of Marketing*, 54(12), pp.45-60.

Mittal, S. and Kumar, V., 2024. Analyzing the Role of Technological Capabilities and Digital Marketing on the Performance of E-Commerce-Based SMEs. *Indian Journal of Marketing*, 54(12), pp.45-60.

https://www.researchgate.net/profile/Saurabh-Mittal-12/publication/386753094_Analyzing_the_Role_of_Technological_Capabilities_and_Digital_Marketing_on_the_Performance_of_E-Commerce-Based_SMEs/links/684139a7df0e3f544f5d0185/Analyzing-the-Role-of-Technological-Capabilities-and-Digital-Marketing-on-the-Performance-of-E-Commerce-Based-SMEs.pdf

Mustaqeem, K.M. and Sarder, M.A.U., 2024. The impact of digital marketing on small and medium enterprises (SMEs) in Bangladesh. *International Journal of Research and Scientific Innovation (IJRSI)*, 11(9), pp.807-816.

Mustaqeem, K.M. and Sarder, M.A.U., 2024. The impact of digital marketing on small and medium enterprises (SMEs) in Bangladesh. *International Journal of Research and Scientific Innovation (IJRSI)*, 11(9), pp.807-816. https://www.researchgate.net/profile/Khawaja-Mustaqeem/publication/384851538_The_Impact_of_Digital_Marketing_on_Small_and_Medium_Enterprises_SMEs_in_Bangladesh/links/6718f7192b65f6174dc3d039/The-Impact-of-Digital-Marketing-on-Small-and-Medium-Enterprises-SMEs-in-Bangladesh.pdf

Nair, M., Svedberg, P., Larsson, I. and Nygren, J.M. (2024). A comprehensive overview of barriers and strategies for AI implementation in healthcare: Mixed-method design. *PLoS ONE*, [online] 19(8), pp.e0305949–e0305949. doi:<https://doi.org/10.1371/journal.pone.0305949>.

Navaia, E., Moreira, A. and Ribau, C., 2024. The mediating roles of cost leadership and cost focus strategies on innovation capabilities and export performance. Results from an emerging country. *Cogent Business & Management*, 11(1), p.2375410. <https://doi.org/10.1080/23311975.2024.2375410>

Okello Candiya Bongomin, G., Chrysostome, E., Nkongolo-Bakenda, J.M. and Yourougou, P., 2025. Toward increasing financial inclusion and sustainability of indigenous microenterprises in Africa in the presence of financial literacy. *Journal of Business and Socio-economic Development*, 5(3), pp.296-310. <https://www.emerald.com/jbsed/article/5/3/296/1251603/Toward-increasing-financial-inclusion-and>

- Olazo, D.B., 2023. Marketing competency, marketing innovation and sustainable competitive advantage of small and medium enterprises (SMEs): a mixed-method analysis. *Asia Pacific Journal of Marketing and Logistics*, 35(4), pp.890-907. <https://doi.org/10.1108/APJML-01-2022-0050>
- Panyasai, P. and Ambele, E.A., 2025. Developing Interview Guide in Qualitative Research: Problems and Solutions from a Needs Analysis Doctoral Study. *rEFlections*, 32(1), pp.576-594. <https://doi.org/10.61508/refl.v32i1.280411>
- Paşcalău, S.V., Popescu, F.A., Bîrlădeanu, G.L. and Gigauri, I., 2024. The effects of a digital marketing orientation on business performance. *Sustainability*, 16(15), p.6685. <https://doi.org/10.3390/su16156685>
- Priyono, A., Moin, A. and Putri, V.N.A.O. (2020). Identifying Digital Transformation Paths in the Business Model of SMEs during the COVID-19 Pandemic. *Journal of Open Innovation: Technology, Market, and Complexity*, [online] 6(4), p.104. Available at: <https://www.mdpi.com/2199-8531/6/4/104>.
- Rahayu, R. and Day, J. (2021). Determinant Factors of E-commerce Adoption by SMEs in Developing Country: Evidence from Indonesia. *Procedia - Social and Behavioral Sciences*, [online] 195, pp.142–150. doi:<https://doi.org/10.1016/j.sbspro.2015.06.423>.
- Safitri, D. and Komaryatin, N. (2025). Digital Marketing Influence on Marketing Performance: The Role of Customer Engagement and Relationship Marketing. *Golden Ratio of Marketing and Applied Psychology of Business*, [online] 5(2), pp.316–331. doi:<https://doi.org/10.52970/grmapb.v5i2.960>.
- Salman, H.A., Kalakech, A. and Steiti, A., 2024. Random forest algorithm overview. *Babylonian Journal of Machine Learning*, 2024, pp.69-79. <https://doi.org/10.58496/BJML/2024/007>
- Sarfo, C., Fakhar Manesh, M. and Caputo, A., 2025. Exploitative and exploratory search: dynamic capabilities enhancing SME adaptation, new product development, and environmental performance. *Journal of Small Business Management*, 63(5), pp.1978-2007. <https://doi.org/10.1080/00472778.2024.2418026>
- Seppänen, S., Ukko, J. and Saunila, M., 2025. Understanding determinants of digital transformation and digitising management functions in incumbent SMEs. *Digital Business*, 5(1), p.100106. <https://doi.org/10.1016/j.digbus.2025.100106>

- Sharabati, A.-A.A., Ali, A., Allahham, M.I., Hussein, A.A., Alheet, A.F. and Mohammad, A.S. (2024). The Impact of Digital Marketing on the Performance of SMEs: An Analytical Study in Light of Modern Digital Transformations. *Sustainability*, [online] 16(19). doi:<https://doi.org/10.3390/su16198667>.
- Sharabati, A.A.A., Ali, A.A.A., Allahham, M.I., Hussein, A.A., Alheet, A.F. and Mohammad, A.S., 2024. The impact of digital marketing on the performance of SMEs: An analytical study in light of modern digital transformations. *Sustainability*, 16(19), p.8667. <https://doi.org/10.3390/su16198667>
- Silva, R., Mamede, H. and Santos, A. (2022). The Role of Digital Marketing in Increasing SMEs' Competitiveness. *Proceedings of the 19th International Conference on Smart Business Technologies*. [online] doi:<https://doi.org/10.5220/0011118000003280>.
- Silva, R.P., Mamede, H.S. and Santos, A., 2022. The Role of Digital Marketing in Increasing SMEs' Competitiveness. In *ICSBT* (pp. 93-100).
- Susanto, P., Hoque, M.E., Shah, N.U., Candra, A.H., Hashim, N.M.H.N. and Abdullah, N.L. (2021). Entrepreneurial orientation and performance of SMEs: the roles of marketing capabilities and social media usage. *Journal of Entrepreneurship in Emerging Economies*, ahead-of-print(ahead-of-print). doi:<https://doi.org/10.1108/jeee-03-2021-0090>.
- Sutrisno, Widodo and Ausat, A.M.A. (2025). In-Depth Study of the Strategic Interaction between Electronic Commerce, Innovation, and Attainment of Competitive Advantage in the Context of SMEs. *International Journal of Analysis and Applications*, 23, p.78. doi:<https://doi.org/10.28924/2291-8639-23-2025-78>.
- Taiminen, H.M. and Karjaluo, H. (2015). The usage of digital marketing channels in SMEs. *Journal of Small Business and Enterprise Development*, [online] 22(4), pp.633–651. doi:<https://doi.org/10.1108/jsbed-05-2013-0073>.
- Tajik, O., Golzar, J. and Noor, S. (2024). Purposive Sampling. *Purposive Sampling*, [online] 2(2), pp.1–9. doi:<https://doi.org/10.22034/ijels.2025.490681.1029>.
- Van Hoang, D., Hien, N.T., Thang, H.V., Phuong and Duong, T.T.-T. (2025). Digital Capabilities and Sustainable Competitive Advantages: The Case of Emerging Market Manufacturing SMEs. *SAGE Open*, 15(2). doi:<https://doi.org/10.1177/21582440251329967>.
- Van Hoang, D., Thi Hien, N., Van Thang, H., Nguyen Truc Phuong, P. and Thi-Thuy Duong, T., 2025. Digital capabilities and sustainable competitive advantages: the case of emerging market

manufacturing SMEs. *Sage Open*, 15(2), p.21582440251329967.
<https://doi.org/10.1177/21582440251329967>

Wu, C., Botella-Carrubí, D. and González-Tejero, C.B. (2024) ‘The empirical study of digital marketing strategy and performance in small and medium-sized enterprises (SMEs)’, *Technological Forecasting and Social Change*, 200, pp. 123142–123142.

Wu, C.H., Zhang, L., Guo, Y., Li, B., Yao, M. and Maio, M., 2024. Research on the Relationship Between Digital Marketing and Corporate Performance: The Mediating Role of Information Dynamic Capability. *Journal of Organizational and End User Computing*, 37(1), pp.1-23.
<https://www.proquest.com/openview/3a0c3d54bbe0b0c1efa59599c05837c6/1?pq-origsite=gscholar&cbl=29241>

Appendix

Appendix 1: Survey Questionnaire

Section A: Demographic Questions

Q1. Type of business

- Micro enterprise
- Small enterprise
- Medium-sized enterprise

Q2. Your role in the organisation

- Owner
- Manager
- Marketing executive
- Other

Q3. Industry sector

- Retail
- Manufacturing
- Services
- Hospitality
- Other

Q4. Years of business operation

- Less than 2 years
- 2–5 years
- 6–10 years
- More than 10 years

Section B: Non-Demographic Questions

Scale for all questions

- 1 – Strongly Disagree
- 2 – Disagree
- 3 – Neutral
- 4 – Agree
- 5 – Strongly Agree

Objective 1: Digital marketing and competitive advantage

- Q5.** Digital marketing activities help my business gain a competitive advantage over competitors.
- Q6.** Online marketing improves our ability to attract and retain customers.
- Q7.** Digital marketing strengthens our brand positioning in the market.
- Q8.** The use of digital marketing contributes positively to our overall business performance.

Objective 2: Digital marketing tools and strategic use

- Q9.** Social media marketing is effectively used in our business to reach target customers.
- Q10.** Search engine optimisation (SEO) improves our online visibility.
- Q11.** Content marketing helps differentiate our products or services from competitors.
- Q12.** Data analytics supports better marketing and business decisions in our organisation.

Objective 3: Perceived opportunities and challenges of digital marketing

- Q13.** Digital marketing offers cost-effective growth opportunities for our business.
- Q14.** Limited digital skills are a major challenge in implementing digital marketing.
- Q15.** Financial constraints limit our ability to fully utilise digital marketing tools.
- Q16.** Rapid changes in digital platforms make digital marketing difficult to manage.

Objective 4: Long-term competitiveness through digital marketing

- Q17.** Digital marketing supports long-term business sustainability.
- Q18.** Continuous adaptation of digital marketing strategies is essential for competitiveness.
- Q19.** Our organisation views digital marketing as a long-term strategic investment.
- Q20.** Digital marketing enables our business to respond quickly to market changes.

Appendix 2: Interview Questionnaire

1. Can you describe how your business currently uses digital marketing in its operations and overall strategy?
2. In your experience, how has digital marketing influenced your firm's competitive position compared to competitors?
3. What digital marketing tools or platforms have been most effective for your business, and why?
4. What challenges or barriers has your organisation faced when implementing digital marketing initiatives?
5. How do you see digital marketing contributing to your business's long-term growth and sustainability?

Appendix 3: Interview Responses

Interview 1 – Participant A (SME Owner, Retail Sector)

Q1. We primarily use social media platforms such as Instagram and Facebook for promotions and customer engagement. Digital marketing is integrated into our overall strategy to increase brand visibility and drive online and in-store sales.

Q2. Digital marketing has helped us compete with larger firms by reaching customers beyond our local area. It has improved customer awareness and allowed us to respond quickly to competitors' campaigns.

Q3. Social media marketing has been the most effective due to its low cost and direct interaction with customers. Paid online advertisements also help during seasonal promotions.

Q4. The main challenges are limited digital skills and time constraints. Managing multiple platforms consistently is difficult without specialised staff.

Q5. Digital marketing enables continuous customer engagement and adaptability. Over time, it helps build brand loyalty, which supports sustainable growth.

Interview 2 – Participant B (Marketing Manager, Service SME)

Q1. Our organisation uses digital marketing through email campaigns, SEO, and social media to attract and retain customers. It is aligned with our customer acquisition and retention strategies.

Q2. It has strengthened our market positioning by improving customer reach and credibility. Online reviews and visibility have helped us differentiate from competitors.

Q3. Search engine optimisation and email marketing are the most effective tools because they generate consistent leads and measurable outcomes.

Q4. Budget limitations and frequent changes in digital algorithms are major challenges. Keeping up with platform updates requires continuous learning.

Q5. It supports long-term growth by enabling data-driven decision-making and flexible marketing strategies that adapt to changing customer needs.

Interview 3 – Participant C (Owner-Manager, Manufacturing SME)

Q1. We use digital marketing mainly for brand awareness and lead generation through LinkedIn and company websites. It complements traditional marketing methods.

Q2. Digital marketing has improved our visibility in niche markets and helped us connect with business clients more effectively than traditional channels.

Q3. Content marketing and professional networking platforms are the most effective as they establish credibility and trust.

Q4. A lack of in-house expertise and limited understanding of analytics restrict the effective use of digital marketing tools.

Q5. It allows us to build long-term relationships with clients and adapt marketing strategies as industry trends evolve.

Interview 4 – Participant D (Operations Manager, Hospitality SME)

Q1. We rely heavily on social media, online booking platforms, and customer reviews to promote our services and engage with customers.

Q2. It has significantly increased our customer reach and improved our ability to compete with larger hospitality brands.

Q3. Online review platforms and social media advertising are the most effective in attracting new customers.

Q4. Managing online reputation and responding to customer feedback in real time can be challenging due to limited staff.

Q5. Digital marketing helps maintain customer loyalty and allows quick adaptation to changes in customer preferences.

Interview 5 – Participant E (Founder, Technology-Based SME)

Q1. Digital marketing is central to our business model. We use social media, SEO, content marketing, and analytics to drive growth.

Q2. It has provided a strong competitive advantage by enabling rapid market entry and customer engagement at relatively low costs.

Q3. Data analytics and targeted online advertising are the most effective tools as they support precise decision-making.

Q4. The main challenge is keeping pace with technological changes and ensuring staff are continuously trained.

Q5. It enables innovation, scalability, and continuous learning, which are essential for long-term competitiveness.