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THE EFFECTIVENESS OF ADVERTISING IN DIGITAL MARKETING  
TOWARDS CUSTOMER SATISFACTION

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A thesis submitted  
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Bachelor of Technology Management (High Technology Marketing)

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## DECLARATION

I declare that this thesis entitle “The Effectiveness of Advertising in Digital Marketing towards Customer Satisfaction” is the result of my own research except as cited in the references.

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## DEDICATION

I would like to dedicate the appreciation to my beloved family especially my parents En. Zamli bin Sulong and Pn.Zulina binti Mohd nor who always provide the support and encouragement to me when I faced the challenges in university life. Next, I would also like to dedicate to my supervisor and panel who offered valuable suggestion to me throughout the research, friends and course mates for the assistance during the completing of research

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## ABSTRACT

As we know, the expansion of focus on effectiveness afford marketing operation the convenience plan in role in order to improve marketing ability to deliver on marketing performance then set up the marketing excellence. The advertising in digital marketing nowadays more closer to the consumer so it highlight the relationship of the effectiveness advertising in digital marketing with customer satisfaction. This research aim to investigate the effectiveness of advertising in digital marketing towards customer satisfaction in Melaka, Malaysia. This study had been mainly adopted from SERVQUAL model. Thus, Tangibility features, Reliability, Responsiveness, Assurance and Empathy were the focused factor in this research. Quantitative data had been collected through the questionnaire. A total of 384 respondents who live in Melaka City area were participated in this research by using simple random sampling techniques. Software Package for Social Science (SPSS) was used to analyse the collected data. The data analysis techniques that conducted in study were descriptive analysis, Pearson correlation and multiple regression analysis to describe the variables numerically and found out the relationship between independent variables and dependent variable. The results showed that all the factors had significantly influenced customer satisfaction toward advertising in digital marketing. Assurance was the most influencing factor and all the research objectives had been achieved in this study. The findings would contribute for practitioners to have a clear understanding and become more consumer-sensitive to create positive attitude from consumers. Implications and recommendations for further research were also mentioned in this study.

Keywords: Digital Marketing, Advertising, SERVQUAL model, Melaka, Malaysi

## ABSTRAK

Seperti yang kita ketahui, pengembangan tumpuan terhadap keberkesanan yang membolehkan operasi pemasaran pelan kemudahan dalam peranan untuk meningkatkan keupayaan pemasaran untuk menyampaikan prestasi pemasaran kemudian menubuhkan kecemerlangan pemasaran. Pengiklanan dalam pemasaran digital kini lebih dekat dengan pengguna supaya ia menyerlahkan hubungan pengiklanan keberkesanan dalam pemasaran digital dengan kepuasan pelanggan. Kajian ini bertujuan untuk mengkaji keberkesanan pengiklanan dalam pemasaran digital terhadap kepuasan pelanggan di Melaka, Malaysia. Kajian ini telah digunakan terutamanya dari model SERVQUAL. Oleh itu, ciri-ciri Ketakteraturan, Kebolehpercayaan, Responsif, Jaminan dan Empati adalah faktor fokus dalam kajian ini. Data kuantitatif telah dikumpul melalui soal selidik. Seramai 384 responden yang tinggal di kawasan Melaka telah menyertai kajian ini dengan menggunakan teknik pensampelan mudah rawak. Pakej Perisian untuk Sains Sosial (SPSS) digunakan untuk menganalisis data yang dikumpulkan. Teknik analisis data yang dilakukan dalam kajian adalah analisis deskriptif, korelasi Pearson dan analisis regresi berganda untuk menggambarkan pembolehubah secara numerik dan mengetahui hubungan antara pembolehubah bebas dan variabel dependen. Keputusan menunjukkan bahawa semua faktor telah mempengaruhi kepuasan pelanggan terhadap pengiklanan dalam pemasaran digital. Jaminan adalah faktor yang paling mempengaruhi dan semua objektif penyelidikan telah dicapai dalam kajian ini. Penemuan ini akan menyumbang kepada para pengamal agar dapat memahami dan menjadi lebih sensitif pengguna untuk mewujudkan sikap positif dari pengguna. Implikasi dan cadangan untuk kajian lanjut juga disebutkan dalam kajian ini.

Kata kunci: Pemasaran Digital, Pengiklanan, model SERVQUAL, Melaka, Malaysia

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**LIST OF ABBREVIATION**

$\alpha$	Alpha
A	Assurance
AMA	American Advertising Affiliation
CS	Customer Satisfaction
E	Empathy
OFT	Office of Fair Trading
m	Mean
MRA	Multiple Regression Analysis
PPC	Pay-Per-Click Pay-Per-Click
R	Reliability
RE	Responsiveness
TF	Tangibility features
s.d	Standard Deviation
SERVQUAL	Service quality

## CHAPTER 1

### INTRODUCTION

#### 1.1 Background of the study

Nowadays, it is widely recognized that the business environment and markets in almost every industry are undergoing dramatic change. Thus, this environment issue mostly due to the increasing global competition advancement in technology for example. So that, the business landscape by accelerating connectivity, transparency and unpredictability was transformed by the technology development. As a proven, institution logic and established business models are being challenged. To overcome the decline of current business at that time mostly companies' struggle looking for recipes to enable them can float in the industry.

Thus, technology has collide the field of marketing significantly, along with virtually every other discipline in business. The impact of technology in marketing are diverse so that the organizational encumber with managing more marketing option than ever before, and consumer are more combined with marketing flow of information than they have been in prev. From the marketing perspective, technology has impacted the understanding to collect and organizing marketing data and information. According to Gartner (2016), 65 percent of marketing leaders plan to increase their digital ad in 2017. The researcher's CMO Spend Survey 2016-17, which surveyed 377 marketers in the U.S. and U.K., also found that 52 percent will invest more in their websites during the months ahead compared with 2016.

In general, this research is to identify effectiveness of advertising in digital marketing towards customer satisfaction. As we know, the expansion of focus on effectiveness afford marketing operation the convenience plan in role in order to improve marketing ability to deliver on marketing performance then set up the marketing excellence. Marketing strategies and improvement have been advancing so marketing is a societal flow for consumer obtain what they need and wants through creating, offering and freely exchanging products and service value with others. In the rapidly changing context. With smart retail technologies, customers enjoy greater autonomy in creating their own experience, which calls for more research into understanding the constituents of customer experience (Ostrom et al., 2015).

However, traditional media formats still consider for the majority of advertising spending in Malaysia at 2017, digital advertising expenditure is expected to increase considerably by 2020. According to Tom Osborne, Regional Director of Hays Malaysia, “Malaysia is a perfect place for e-commerce to expand so that Malaysia is on the cusp of a dynamic growth in the digital marketing sector.

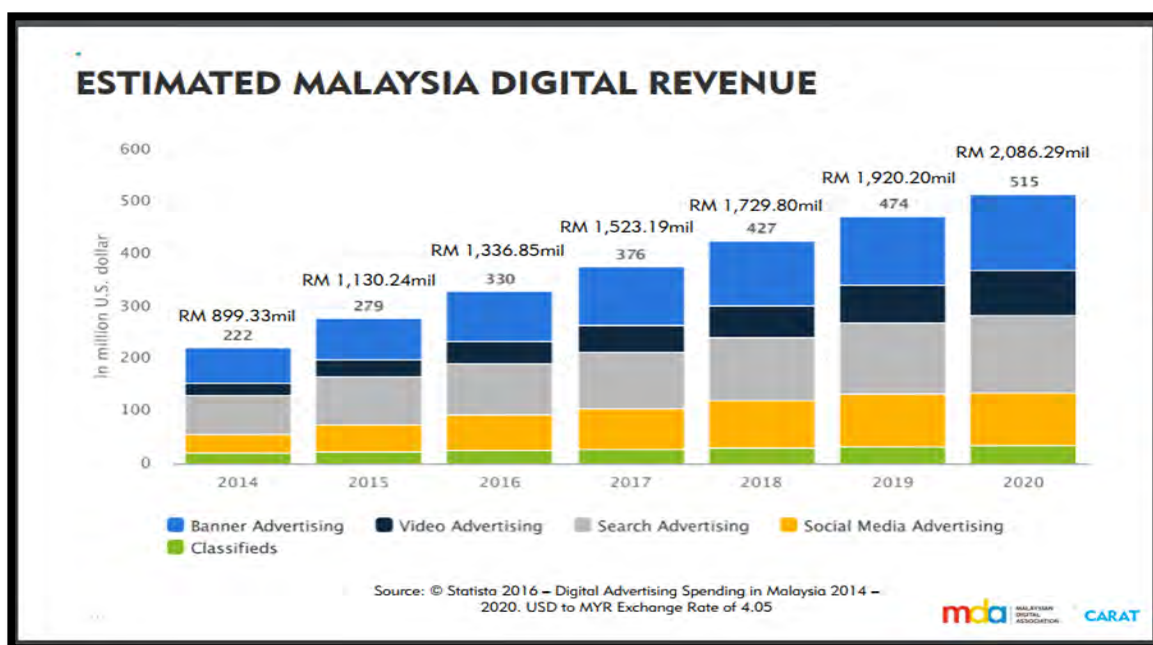


Figure 1.1: Source 2016-Digital Advertising Spending in Malaysia 2014-2020 (Malaysia Digital Association)



## 1.2 Problem statement

These days, the showcasing scene is partitioned between traditional marketing and digital marketing. Innovation has changed showcasing and the way battles and techniques are being created. Likewise, innovation moved advertising from conventional methods for advertising to new stages, for example, online networking, messages, sites and websites. Advanced advertising offers incalculable open doors for growing more customized content and conveying particular offers to particular people on the web. The challenge facing the companies today is how to take strategic advantage of these opportunities to build brand equity and increase revenues and profits.

Firmly related with the problem of security and privacy is the issue of lack of trust on the part of customers which has been recognized a great challenge on the way of online marketing growth transit of web based promoting development which is the motivation behind why "online trust is developing in significance. According to Bart et al (2005) define trust in virtual environment as follows: "online trust includes consumer perceptions of how the site would deliver on expectations, how believable the site's information is, and how much confidence the site commands". The Office of Fair Trading (OFT) found 30% of consumers who don't shop online, cite a lack of trust as the main factor. In more detail, further 20% steer clear due to personal security fears and 15% simply don't trust companies that sell online.

Lack of personal contact is another deficiency of online marketing which has been addressed in online marketing research and literature (Goldsmith and Goldsmith, 2002; Phau and Poon, 2000). Ultimately, not all individuals have just become tied up with the possibility of Internet advertising, customer preferring to choose or put more importance to products that they can actually touch before they purchase. They prefer to talk to store personnel in a face to face manner and virtual marketplace cannot provide for this function of offline shopping and lacks personal interaction.

Through digital marketing, company can connect with clients whenever. Rather than disturbing them with numerous telephone calls, achieving clients online is by all accounts a superior thought. Simply send an email and let them make a buy and take in more about association. From such collaborations, critical leads can be produced, which would in the end acquire an expansion transformation rates. However, whether with such advancement is capable of satisfying customer with different way of buying? This is because however, this effective, new method also involves its special disadvantages such as lack of personal contact, security and privacy.

### 1.3 Research Question

A research question is an answerable inquiry into a specific concern or issue. It is the initial step in a research project. Researcher identify several research question that is used in this research is

- I. What is the relationship between the determinants of effectiveness advertising in digital marketing with customer satisfaction?
- II. What is the main of determinant of effectiveness advertising in digital marketing influence the customer satisfaction?

### 1.4 Research objective

The purpose of the research are to determine the effectiveness of advertising in digital marketing towards customer satisfaction. There are two objective derive in the study based on the problem statement above as follow:

- I. To identify the relationship between the determinant of effectiveness advertising in digital marketing with customer satisfaction
- II. To determine the main of the determinant of effectiveness advertising in digital marketing influence the customer satisfaction.

### 1.5 Scope of Study

The researcher proposed this study that focused in the effectiveness of advertising in digital marketing towards customer satisfaction at Melaka, Malaysia. So that, the respondent of the researcher categorizing to those buyers or consumer who live at Melaka. This study will explore the effectiveness of advertising in digital marketing towards customer satisfaction.



Figure 1.2: The location of Melaka

## 1.6 Limitations of Study

During the research there are run into several obstacle that were:

The obstacle might include lack of funding and limited geographic coverage (Melaka city only). Also, the rowdy of environment at research place and unreliable of random responded attitude which can affect the research outcomes.

Finally, data that collected only within the month might not help any intuitive of customer perception. A further study should be continuously to explore the association in relative industries.

## 1.7 Significant of the Study

The significant of this study is to develop a theoretical and provided information about how the advertising in digital marketing can affect customer satisfaction and help to understand the customer perception at the effectiveness of advertising. This study also define the concept of customer satisfaction which is to identify that effectiveness gave affect in influence customer in making purchasing or not. Through this research, it can be the guideline to the company to find the information whether to take action on a particular subject. In addition, this study also develop a lot of data information to be able to analyze customer and particular trends.

## 1.8 Research contribution

This research can benefit on organization that involved with this study when they use the information and knowledge through this research. This is according to every marketer need to make sure the satisfaction of their customer. Effectiveness of control digital marketing towards customer satisfaction also will make any business any business

can compete with any competitor regardless of strength digital marketing strategy towards their customer. Digital marketing is how the business run now so with the outcome this research any business can measure their digital marketing strategy in order to develop customer satisfaction and purchasing the product.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 Introduction

This study aimed to investigate the factor that influence customer satisfaction in the effectiveness of advertising in digital marketing as well as influence customer to purchasing or not. The service quality is delivered by the difference of customer perception towards service and their actual experiences from that services. This chapter will explained more detail about the effectiveness of technology in digital marketing towards customer satisfaction and also the tools and techniques that involve in this research. In this chapter, the researcher can understand more about the research.

This research is highlight about the effectiveness of advertising in digital marketing towards customer satisfaction. Distributed articles, diaries and books were gathered to explore the hypotheses and past experimental examinations which are identified with this investigation. This part comprises of writing survey, audit of applicable hypothetical model, reasonable structure, theory advancement and general conclusion for Section 2.

#### 2.2 Marketing Evolution

According to Petkus (2010), what we normally consider as "advertising" has experienced major change over the previous decade, moving from a limit administrative/authoritative concentration to a substantially more extensive definition that

Recognizes showcasing's part in other institutional settings and in the public arena when all is said in done. While, The American Advertising Affiliation (AMA) has changed its meaning of advertising twice, in 2004 and 2007, with its latest definition situating advertising as an "action" as opposed to a "capacity," as a more extensive action inside the organization or association as opposed to only an office, and as making long haul esteem instead of only a trade of. The new 2007 definition states, "Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large".

In addition, according to Mohammed, Fisher, Jaworski, & Paddison (2004, p. 4) state that with the rise of the Web, innovation particular meanings of advertising have likewise been advanced, for instance, "Web advertising is a procedure of building and keeping up client connections through online exercises to encourage the trading of thoughts, items, and administrations that fulfill the client. So, the key differences between this definition and the 2007 AMA definition are the focus on building and control customer relationships through online activities, the empowerment of customers.

Wind (2008) gives knowledge to the progress that is taking put when he expresses that our present contemplating promoting is bound by an arrangement of center ideas, that is, marketing's trade, the four Ps (item, value, place, and advancement), the three Cs (organization, clients, and contenders), consumer loyalty, relationship showcasing, authorization promoting, and synergistic showcasing. Each of these ideas is being tested and changed by a universe of enabled purchasers, elevated rivalry, globalization, propels in innovations, and the interdependencies of these powers. As highlight by Kelly and Extension (2005), the importance of quickly factoring feature the significance of rapidly figuring these progressions into the showcasing educational programs when they affirm that the prerequisites of the 21st century workforce straightforwardly influence what showcasing instructors educate their understudies.

## 2.3 Digital Marketing

### 2.3.1 Digital Marketing Definition

Computerized promoting is a developing idea; in any case, it is imperative to give an unmistakable and steady meaning of it here to fill in as an establishment for the rest of the examination. The Advanced Promoting Foundation characterizes computerized showcasing as "the utilization of computerized innovations to make a coordinated, directed furthermore, quantifiable correspondence which secures and hold clients while building further associations with them" (Smith, 2007) firms what's more, people. According to Deighton (1996), digital marketing Advanced promoting incorporates both direct showcasing, which regards clients as people and characterizes them by their individual attributes as well as by how they carry on, and intelligent advertising, which has the capacity to address an individual and the capacity to accumulate and keep in mind the reaction of that individual.

According to Chaffey (2010) added that digital marketing Computerized promoting additionally includes applying advanced innovations, that is, web, email, databases, versatile/remote, and computerized television, to help intuitive and no interactive advertising Exercises went for accomplishing beneficial securing and maintenance of clients inside a multichannel purchasing process what's more, client lifecycle. This is because the use of digital marketing in digital marketing it so meet the need and want of consumer to be satisfied with the service rendered.

Advanced marketing is a standout amongst the most noteworthy wonders having occurred in the online business condition in the last five years. Since most firms have as it were started to position themselves to misuse the business openings introduced by web based business, is hard to know how best to measure the achievement and viability of an e-business' endeavors. To give better administration of e-business, more experimental look into and hypothetical advancement are required regarding the viability measure of sites. As Kettinger and Lee (1994) noted, creating measures of adequacy has long been a concentration of the MIS field (Delone and McLean, 1992; Zmud, 1979). Such strategies as framework utilization (Ein-Dor and Segev, 1982; Lucas, 1974), cost/advantage