THE IMPACT OF DIGITAL MARKETING ON SALES PERFORMANCE AMONG
SMEs IN MELAKA

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DECLARATION

"I hereby declare that the work of this exercise is mine except for the quotations and summarize that have been duly acknowledge"

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SUPERVISOR'S APPROVAL

"I hereby declared that I had read through this thesis and in my opinion that this thesis is adequate in terms of scope and quality which fulfill the requirements for the award of Bachelor of Technopreneurship (Honours)"

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DEDICATION

I dedicate this research to my beloved father Abu Hasan Bin Mustapa, mother Haslinda Binti Hosaini and my brother Ahmad Nazrin bin Abu Hasan and my sister Nurul Hidayah Binti Abu Hasan. Thank you for raising me with affection and love and always supported me from the beginning until now. A special thanks to my supervisor Prof Datuk Dr Izaidin bin Abdul Majid, my panel Cik Sitinor Wardatulaina Binti Mohd Yusof and my friends for helping me throughout the project towards accomplishing my thesis.

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ABSTRACT

This study is about the impact of digital marketing on sales performance among SMEs in Melaka. In this era, the SMEs business need to compete with other big company who have a huge financial. Digital marketing gives a big impact to the larger firm. This challenge was causing the sales of the SMEs business become lower due to this situation. So, digital marketing has provided small and medium enterprises a platform to make awareness to customers on what they provide due to their comparatively low value. This study also describes the independent variables (email marketing, mobile marketing, social media marketing, search engine optimization (SEO) that have relationship with dependent variable (Sales Performance). In this study, the researcher uses descriptive studies because easy to collect and analyze data. This research had targeted a sample size of 100 respondents from the location that has been selected that is Melaka. The quantitative method also been use in this research. The questionnaire was structured to provide uniformity in response of SMEs. From the result of this study, we will know whether the suggestion that had been done by the researcher to improve the impact of digital marketing on sales performance among SMEs.

ABSTRAK

Kajian ini adalah mengenai kesan pemasaran digital terhadap prestasi jualan di kalangan IKS di Melaka. Dalam era ini, perniagaan IKS perlu bersaing dengan syarikat besar lain yang mempunyai kewangan yang besar. Pemasaran digital memberi impak besar kepada firma yang lebih besar. Cabaran ini menyebabkan penjualan perniagaan IKS menjadi lebih rendah disebabkan keadaan ini. Oleh itu, pemasaran digital telah menyediakan satu platform untuk memberi kesedaran kepada pelanggan mengenai apa yang mereka berikan kerana nilai mereka yang agak rendah. Kajian ini juga menggambarkan pembolehubah bebas (pemasaran e-mel, pemasaran mudah alih, pemasaran media sosial, pengoptimuman enjin carian (SEO) yang mempunyai hubungan dengan pembolehubah bergantung (Prestasi Jualan). Dalam kajian ini, penyelidik menggunakan kajian deskriptif kerana mudah untuk mengumpulkan dan menganalisis data kajian ini telah mensasarkan saiz sampel 100 responden dari lokasi yang telah dipilih iaitu Melaka. Kaedah kuantitatif juga digunakan dalam kajian ini, soal selidik disusun untuk memberikan keseragaman sebagai tindak balas kepada IKS. Hasil daripada kajian ini, kami akan mengetahui sama ada cadangan yang telah dilakukan oleh penyelidik untuk meningkatkan kesan pemasaran digital terhadap prestasi jualan di kalangan IKS.

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LIST OF ABBREVIATIONS

UTeM	**Universiti Teknikal Malaysia Melaka**
SEO	**Search Engine Optimization**
SMEs	**Small Medium Enterprise**
SPSS	**Statistical Package for Social Science**
ANOVA	**Analysis of Variance**

CHAPTER 1

INTRODUCTION

1.0 INTRODUCTION

This paper will be divided into five chapters. The first chapter will discuss about the introduction of this research which is about the impact of digital marketing that improving sales performance among SMEs in Melaka. It is consisting of the Background of the Research, Problem Statements, Research Questions, Research Objectives, Scopes and Limitation of Research and Significance of the Research. For this chapter, the reader will have the idea of the key elements of why this research is conducted.

1.1   BACKGROUND OF STUDIES

In the era of globalization, the internet has become an information field for many people. The internet could be a globally connected network that enables internet users to exchange info or knowledge over the network. The net could be a world knowledge communications system, an infrastructure consisting of hardware and software system that connects computers that square measure on its network. According to Judith and Rita (2002) stated that over the past twenty years, the web has big into a world communication network linking scores of users to an endless stream of data.

Businesses tend to expand in terms of market size and assets and they have to verify that they attract and maintain clients in order to remain profitable because of competition. Many little businesses struggle with deciding which type of promoting to do, as a result of their budget can only stretch to at least one or the opposite, not both. The decisions that must be made are not easy because the entrepreneur need to understand which method of marketing will give me the most bang for their business. According to Jobber and Ellis-Chadwick, 2013 stated that the marketing structure is based on a fundamental concept that contributes to company results by its implementation.

Moreover, Small and medium-sized enterprises are also highly restricted in their way of gaining visibility because of their restricted money resources. According to Jain (2014) emphasize that big companies generally have enormous possibilities because of their big marketing budgets, so they are readily seen through a multi-channel marketing attempt.

1.2   PROBLEM STATEMENT

Firstly, in traditional types of marketing, such as marketing, media advertising, government relations and direct marketing, commercializes have over the years used promotional traditional advertising to foster possibilities to act or convince current clients to continue buying their goods or services for their goods or services. According to Jaffe (2005) has regarded these shapes of traditional media to be non-viable since of their failure to reach huge mass gatherings of people. This appear that a few of the entre still utilizing the traditional strategy of publicizing whereas the computerized marketing a grant a huge effect on their business development.

Secondly, the problem that the researcher can identify is that according to Cindy and Hatem (2013) the web media has changed the design and usefulness of the conventional mass media in promoting communication. This is also something that really can influence the sales performance because there is lack of knowledge that

SMEs get about the through the digital marketing that is used. This additionally can cause or result wherever by the client can have an expectation versus reality where when the client obtaining what they purchase and finds out that it's not as what they expected because of the lack of data from the marketers.

Third and last problem that researcher found are the larger firms more advanced in using digital marketing than SMEs. This show that the larger firms have a huge budget in term of marketing compared to SMEs. According to Lipiäinen and Karjaluoto (2013) stated that this makes small and medium-sized enterprises more important than enormous businesses because of the marketing view of the selection of sophisticated marketing. But the SMEs should acknowledge the use, maximization and impact of digital marketing methods by their clients.

1.3 RESEARCH OBJECTIVES

The main objective of this research is to examine the impact of digital marketing towards sales performance and how much have it impacted the SMEs in Melaka. Therefore, the following are the primary purposes of this study:

• To study the awareness of digital marketing among the SMEs in Melaka

• To analyze the relationship between digital marketing on sales performance among SME In Melaka

• To access the most important factor that contribute to sales performance of SMEs in Melaka.

1.4 RESEARCH QUESTIONS

In order to achieve the research objectives, the researcher should come out with the research question as a guideline to conduct this study. The following are the research question:

1. To what extend does awareness are the SMEs about Digital Marketing in Melaka?

2. How does the digital marketing relationship the sales performance of SMEs?

3. What is the most important factor that contribute to sales performance of SMEs in Melaka?

1.5 SCOPE OF STUDY

Traditional promoting wants to be the only source of selling within the past. Over the past few years, we tend to saw a brand-new promoting tool and it's known as digital marketing. The means of implementing promoting methods are changed. Customers will directly ask the marketers and provide feedbacks. previously it wont to one sided communication. There are few alternative things that don't seem to be constant anymore.

Scope of study for this research is to focus on the impact of digital marketing towards the sales performance of the SMEs in Melaka. In order to complete this study, the researcher will use a quantitative method and be doing some questionnaire to the SMEs in Melaka to get the data.

1.6 LIMITATION

To complete this study, the researcher has several limitations to deal with. The limitations of the researcher are as follows:

•   **LACK OF RESOURCES**

The scope of this study covered many topics of Digital Marketing. So, it could be more difficult for researchers to gain more information and suitable with my specific topics.

•   **LACK OF COST**

As a budget, it is difficult for the researchers because all the costs involved in completing this study by using personal savings.

1.7 SIGNIFICANCE OF RESEARCH

This research may help to boost the sales and returns on investments (ROI) for the business which is seeking to enhance their marketing operations via digital marketing channels. Furthermore, it can assist SMEs impact their revenues in all digital marketing channels as a reference.

It also advantages the researchers in these studies in digital marketing to acquire understanding and experience. It can also assist students or others interested in future studies on digital marketing.

1.8 SUMMARY

This chapter is the structure of the study. It presents the subject of the study including the research background, the statement of problems, research question and research objective, the scope and limitation of the study and the importance of research.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

The chapter reviews the conceptual framework on the impact of digital marketing on sales performance among SMEs. Specifically, it discusses the theories that inform the research, a general review of study variables literature, a conceptual framework with a model. Finally, a conceptual framework was given in the chapter to define and operationalize the variables.

2.2 Definition of Digital Marketing

The idea of promoting has evolved over many years from the idea of the assembly and then the idea of products. The following was the marketing strategy that buyers will not adequately buy associates in the product company if left alone. According to Järvinen et al, (2012) and Liu, Karahanna and Watson (2011), Rowley (2008) stated that digital marketing is a fresh marketing strategy, not just traditional digital marketing. This show that the new era of marketing for business owner. According to Kotler and Keller (2012) stated that this theory has been converted into a long-standing marketing concept and today businesses have embraced a holistic

marketing concept based on the creation, design and implementation of promotional operations, procedures and operations that acknowledge their scope and dependencies. The development of the internet and digital channels has promoted the growth of customer reach and speed, and the way the company interacts with customers in terms of jumps and boundaries.

Digital technology is thus seen as having an effect on business models, the kind of promotion instruments and media that should be prepared to deliver to all communication organizations. According to Singh (2011) stated that traditional communication instruments have taken a major step forward and businesses are looking for ways in which service suppliers are prepared for their digital marketing plans correctly. Digital marketing is the process of using the digital channels to reach consumer the key objective is to market the brand through numerous varieties of digital media. Digital promoting extends on the far side internet promoting to include channels that don't need the use of the web. According to Miller (2012) stated that we and advanced media have more opportunity to develop and more guest than traditional ones.

2.3 Form of Digital Marketing

Digital technologies are flexible in repeating most aspects of old media and communication channels, calling the marketing mix at intervals. Digital promotions are heaps of specific components and promote the communication mix. Digital marketing includes the use of digital media in the plan to end marketing procedures. Digital marketing includes e-mail marketing, mobile marketing, social media marketing and SEO.

Rehman and Khan (2011) emphasize in his study that increasing digital media is breaking every obstacle within the company promotion. Data flow through digital marketing with mobile marketing, social media marketing, and email marketing is rising day by day, and other individuals are hoping with the digital media for the information that is being shared with them. Digital marketing has changed the means

of communication from traditional marketing to trendy marketing that is addicted to internet marketing usage, making it easier for marketers to concentrate on their shoppers merely to make any purchase.

2.3.1 Email Marketing

Email marketing is one of the oldest methods of digital promotion and includes delivering personalized or targeted messages at the right moment to particular people. Businesses can produce messages with the messages that satisfy the user's needs email opens on mobile gadgets expanded by 34 percent from April 2011 to September 2011 compared to the last six months. Email marketing is a crucial promoting channel and most businesses have interaction in it for numerous purposes like to accumulate new customers or have interaction and retain returning customers (Experian Marketing Survey (2014). According to Simmons (2007) stated that for various advertising apps, e-mail can be used, including data sharing, promotion, relationship growth and website instruction. The email marketing's primary goal is to obtain fresh customers.

2.3.2 Mobile Marketing

Mobile marketing is described as using a wireless medium to provide clients with time and location-specific, tailor-made information that encourages merchandise, services and thoughts (Scharl, Dickinger & Murphy, 2005). According to Dushinski (2009), emphasizing in his article describes mobile marketing as a progressive tool for linking companies with each of their consumers through their mobile gadgets within the correct moment, on the correct place and with appropriate direct message.