

**IMPACT OF DIGITAL MARKETING TOWARDS M-SME's PERFORMANCE IN
MALAYSIA.**



UNIVERSITI TEKNIKAL MALAYSIA MELAKA

APPROVAL

We, Hereby admit that we have read this thesis and in our opinion this thesis meet the scope and quality for the purpose of awarding Bachelor Degree of Technology Management.

Signature

: 

Supervisor's Name

: Dr Fauzan

Date

: 07/02/2024

Signature

: 

Panel's Name

: Dr Hasan Bin Saleh

Date

: 7/2/2024

**IMPACT OF DIGITAL MARKETING TOWARDS M-SME's PERFORMANCE IN
MALAYSIA.**

NUR SYAHIRA BINTI MOHD AZARIDAN

**A report submitted in partial fulfillment of the requirements for the Bachelor Degree of
Technology Management (Technology Innovation) With Honors**

اونيورسيتي تیکنیکل ملیسیا ملاک

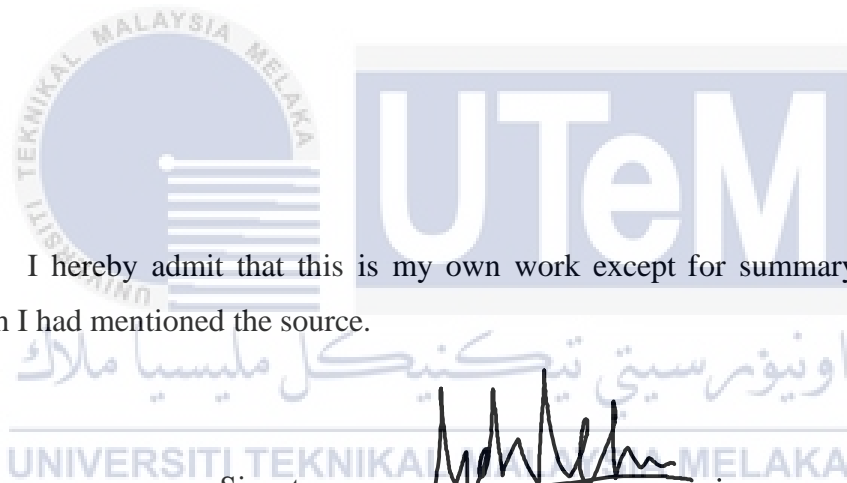
Faculty of Technology Management and Technopreneurship

Universiti Teknikal Malaysia Melaka

JANUARY 2024

DECLARATION

I hereby admit that this is my own work except for summary of excerpt of which I had mentioned the source.



Signature : 

Name : Nur Syahira Binti Mohd Azaridan

Date : 22 JANUARY 2024

DEDICATION

I would like to dedicate this project to my parents, Mohd Azaridan and Norlaila whose words of encouragement and push for tenacity ring in my ears. My siblings Shafiq, Shazriand Sufi have never left my side and are very special. Your belief in me has been a constant source of motivation and I'm grateful for the sacrifices you have made to ensure my success.

I would also dedicate this project to my friends who have been a source of inspiration and guidance throughout my studies. Your friendship, insightful discussions and collaborative spirit have enriched my learning experience.

Lastly, I would like to extend my heartfelt gratitude to my project's supervisor, Dr Fauzan, for his invaluable support and guidance. Then, this project dedicated to all those who have played a part in this project. Thank you for your support and belief in me.

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

ACKNOWLEDGEMENTS

In preparing this report, I have contacted and received many opinions from many people, researchers and academics. They have helped me a lot to understand and know various related matters. In particular, I would like to express my deepest appreciation to my main project supervisor, Dr Fauzan, for the encouragement, criticism, guidance, advice and motivation given to me. Without their continued support and interest, this project wouldnot be the same as presented here.

My fellow students should also be acknowledged for their support and also others who have provided assistance in various related opinions and views. Everything they give is really useful. Unfortunately, it is not possible to list them all in this limited space. I am also thankful to all my family members.

Lastly, I want to express my appreciation any other individuals, not specifically mentioned here, who provided resources or encouragement during the course of this project. Your contribution has been invaluable and greatly appreciated.

ABSTRACT

This study examines the impact of digital marketing initiatives on the performance of Micro, Small, and Medium Enterprises (M-SMEs) in Malaysia. The research focuses on identifying the benefits experienced by M-SMEs, assessing the influence of digital marketing on customer acquisition and retention rates, and exploring the role of social media marketing in enhancing brand visibility and customer engagement. The study employs a quantitative research approach, utilizing a structured questionnaire to collect data from a sample of M-SMEs operating in various industries across Malaysia. The questionnaire includes sections on digital marketing adoption, perceived benefits, customer acquisition and retention metrics, and social media marketing practices. Preliminary findings indicate that M-SMEs in Malaysia derive numerous benefits from implementing digital marketing strategies, including increased online visibility, improved targeting and personalization, cost-effectiveness, and expanded market reach. Moreover, the adoption of digital marketing demonstrates a positive impact on customer acquisition and retention rates among M-SMEs. The results suggest that M-SMEs leveraging social media marketing experience enhanced brand visibility and improved customer engagement through increased interactions and brand loyalty.

Keyword: M-SMEs, digital marketing, social media marketing, brand visibility .

ABSTRAK

Kajian ini mengkaji kesan inisiatif pemasaran digital terhadap prestasi Perusahaan Mikro, Kecil dan Sederhana (M-PKS) di Malaysia. Penyelidikan memfokuskan pada mengenal pasti faedah yang dialami oleh M-PKS, menilai pengaruh pemasaran digital ke atas pemerolehan dan kadar pengekalan pelanggan, dan meneroka peranan pemasaran media sosial dalam meningkatkan keterlihatan jenama dan penglibatan pelanggan. Kajian ini menggunakan pendekatan penyelidikan kuantitatif, menggunakan soal selidik berstruktur untuk mengumpul data daripada sampel M-PKS yang beroperasi dalam pelbagai industri di seluruh Malaysia. Soal selidik termasuk bahagian mengenai penggunaan pemasaran digital, faedah yang dirasakan, pemerolehan dan pengekalan metrik pelanggan, dan amalan pemasaran media sosial. Penemuan awal menunjukkan bahawa M-PKS di Malaysia memperoleh banyak faedah daripada melaksanakan strategi pemasaran digital, termasuk peningkatan keterlihatan dalam talian, peningkatan sasaran dan pemperibadian, keberkesanan kos dan jangkauan pasaran yang diperluaskan. Lebih-lebih lagi, penggunaan pemasaran digital menunjukkan kesan positif ke atas pemerolehan dan kadar pengekalan pelanggan di kalangan M-PKS. Keputusan menunjukkan bahawa M-PKS yang memanfaatkan pengalaman pemasaran media sosial meningkatkan keterlihatan jenama dan meningkatkan penglibatan pelanggan melalui peningkatan interaksi dan kesetiaan jenama.

Kata kunci: M-PKS, pemasaran digital, pemasaran media sosial, keterlihatan jenama .

TABLE OF CONTENT

CHAPTER	CONTENT	PAGE
	DECLARATION	ii
	DEDICATIONS	iii
	ACKNOWLEDGEMENTS	iv
	ABSTRACT	v
	ABSTRAK	vi
	TABLE OF CONTENTS	vii
	LIST OF TABLE	xi
	LIST OF DIAGRAMS	xii
	LIST OF SYMBOLS	xiii
	LIST OF APPENDIX	xiv

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

CHAPTER 1 INTRODUCTION

1.1 Background	1-2
1.2 Problem Statement	2-3
1.3 Research Question	3-4
1.4 Research Objective	4
1.5 Scope and Limitation	4-5
1.6 Research Significant	5-6

CHAPTER 2 LITERATURE REVIEW

2.1 Study of M-SME's.	7-10
2.2 Digital marketing and it's benefits.	10-12
2.3 Digital Marketing Adoption and M-SMEs in Malaysia.	12-13
2.4 Customer Acquisition and Retention through Digital Marketing.	13-15
2.5 Social Media Marketing and Brand Visibility.	15-18
2.6 Hypothesis	18-19
2.7 Framework of the study	19

CHAPTER 3 METHODOLOGY

3.1 Research Design	20
3.2 Research Strategy	21
3.3 Methodological Method	21
3.4 Data Collection	21
3.5 Research Location	22
3.6 Sampling	22-23
3.7 Pilot Test	23
3.8 Data Analysis	23
3.9 Reliability and validity	23

CHAPTER 4 RESULTS AND DISCUSSION

4.1 Chapter Overview	24
4.2 Descriptive statistics	25-30
4.3 Correlation Analysis	31-33
4.4 Reliability Analysis	33-34
4.5 Regression Analysis	35-36

CHAPTER 5 RECOMMENDATION AND CONCLUSION

5.1 Chapter Overview	37
5.2 Hypothesis	37-39
5.3 Objectives	39-40
5.4 Limitations of Study	40
5.5 Recommendations for Future Study	41
5.6 Conclusion	41
REFERENCE	42-45
APPENDIX	46-54

LIST OF TABLE

TABLE	TITLE	PAGE
3.6	Table for determining sample size for a finite population.	22
4.2	Valid responses from 285 respondents	25
	Respondent's Gender	26
	Respondent's Age	27
	Respondent's Race	28
	Respondent who use digital marketing	29
	Respondents who agree that digital marketing makes their business easier.	30
4.3	Scale Correlation Coefficient	31
	Correlation data collected for digital marketing adoption and M-SME's Performance.	32
	Correlation data collected for social media marketing and M-SME's Performance.	32
	Correlation data collected for perceived benefits of digital marketing and M-SME's performance.	33
4.4	Reliability Statistics Pilot Test	33
	Reliability Statistics Data Collected	34
4.5	Anova	35
	Coefficients	35
5.2	Hypothesis	37

LIST OF DIAGRAMS

DIAGRAMS	TITLE	PAGE
2.7	Framework	19
4.2	Respondent's Gender	26
	Respondent's Age	27
	Respondent's Race	28
	Respondent who use digital marketing	29
	Respondents who agree that digital marketing makes their business easier.	30



LIST OF SYMBOLS

r	= Correlation coefficient
p	= Probability
df	= Degrees of freedom
F	= Ratio of two variances
t	= Test
α	= Alpha
β	= Beta



LIST OF APPENDIX

APPENDIX	TITLE	PAGE
A	Gantt Chart	46-48
B	Survey Questions	49-54



CHAPTER 1

INTRODUCTION

This chapter briefly discusses about this project which is background, problem statement, research question, research objective, scope and limitation and research significant.



1.1 Background

Micro, Small, and Medium Enterprises (M-SMEs) play a vital role in driving economic growth and fostering innovation in Malaysia. These enterprises face unique challenges in a highly competitive market, where technological advancements and changing consumer behavior are reshaping the business landscape. In recent years, digital marketing has emerged as a powerful tool for M-SMEs to overcome these challenges and gain a competitive edge.

Digital marketing encompasses a range of online strategies and tactics that enable businesses to connect with their target audience, promote their products or services, and build customer relationships in the digital realm. It offers M-SMEs affordable and scalable solutions to reach a wider market, engage with customers, and enhance their overall performance.

While numerous studies have examined digital marketing in the context of larger corporations, there is a gap in understanding how M-SMEs in Malaysia harness digital marketing initiatives to drive their growth and success. Given the unique characteristics and resource limitations of M-SMEs, it is crucial to explore the specific benefits, impacts, and challenges they encounter when adopting digital marketing strategies.

Understanding the impact of digital marketing on M-SMEs in Malaysia has significant implications for policy-makers, business support organizations, and M-SME owners themselves. It can inform the development of tailored strategies, resources, and support programs to facilitate the adoption and effective implementation of digital marketing practices among M-SMEs, thereby bolstering their competitiveness and sustainable growth.

Therefore, this study aims to investigate the impact of digital marketing on the performance of M-SMEs in Malaysia. Specifically, it seeks to identify the benefits experienced by M-SMEs, assess the influence of digital marketing on customer acquisition and retention rates, and explore the role of social media marketing in enhancing brand visibility and customer engagement.

By filling this research gap, this study contributes to the existing body of knowledge on digital marketing and M-SMEs, providing valuable insights for M-SME owners, policymakers, and researchers interested in supporting the growth and success of M-SMEs in the digital era.

1.2 Problem Statement

Micro, Small, and Medium Enterprises (M-SMEs) in Malaysia face numerous challenges in a rapidly evolving business landscape. The limited resources, budget constraints, and lack of technological capabilities often hinder their ability to effectively reach their target audience, acquire and retain customers, and achieve sustainable growth. In this digital age, where online presence and

engagement are critical for business success, M-SMEs in Malaysia need to harness the power of digital marketing to overcome these challenges.

However, despite the potential benefits of digital marketing, there is a lack of comprehensive understanding regarding its impact on the performance of M- SMEs in Malaysia. The specific benefits experienced by M-SMEs, the influence of digital marketing on customer acquisition and retention rates, and the role of social media marketing in enhancing brand visibility and customer engagement remain areas of ambiguity.

This knowledge gap poses a significant problem as it limits the ability of M-SME owners and policymakers to make informed decisions and develop tailored strategies for the adoption and effective utilization of digital marketing practices. Without a clear understanding of the benefits and impacts of digital marketing on M-SMEs in Malaysia, these enterprises may miss out on opportunities for growth, customer engagement, and market expansion.

Therefore, there is a pressing need to address this problem by conducting a comprehensive study that investigates the impact of digital marketing on the performance of M-SMEs in Malaysia. By filling this research gap, this study aims to provide valuable insights and evidence-based recommendations that can guide M-SME owners, policymakers, and industry stakeholders in leveraging digital marketing strategies to enhance the performance, competitiveness, and sustainability of M-SMEs in Malaysia.

1.3 Research Question

The research question contains questions that will be answered in this study. Research questions is based on the objectives of the study:

1. What is relationship between digital marketing adoption and M-SMEs performance?

2. How is relationship between social media marketing adoption and M-SMEs performance?
3. What is relationship between perceived benefits of digital marketing and M-SMEs performance?

1.4 Research Objective

The purpose of this study is to find more information related to digital marketing and M-SMEs. This is in line with the objectives of the study which are:

1. To identify relationship between digital marketing adoption and M-SMEs performance.
2. To assess relationship between social media marketing adoption and M-SMEs performance.
3. To study relationship between perceived benefits of digital marketing and M-SMEs performance.

1.5 Scope and Limitation

Scope

This research focuses on examining the impact of digital marketing on the performance of Micro, Small, and Medium Enterprises (M-SMEs) in Malaysia. The study aims to identify the benefits experienced by M-SMEs, assess the influence of digital marketing on customer acquisition and retention rates, and explore the role of social media marketing in enhancing brand visibility and customer engagement. Then, this study will target a diverse range of M-SMEs across various industries in Malaysia. A structured questionnaire will be used to

collect quantitative data. The data collection will encompass aspects such as digital marketing adoption, perceived benefits, customer acquisition and retention metrics, and social media marketing practices.

Limitations

Despite the comprehensive nature of this research, there are certain limitations that should be acknowledged. The generalizability of the findings of this study may have limitations in terms of generalizability beyond the selected sample of M-SMEs in Malaysia. The research results may not represent the entire population of M-SMEs in the country or account for variations across different industries or regions. Other than that, due to resource constraints, the study will focus primarily on quantitative data collection methods. While this approach allows for statistical analysis and numerical insights, it may not capture the full depth of experiences and perspectives of M-SMEs. This study, which examines the impact of digital marketing on M-SMEs, can be influenced by various external factors, such as industry-specific characteristics, economic conditions, or changes in consumer behavior. These external factors may not be fully controlled or accounted for in this research.

The findings will contribute to the existing knowledge base and offer guidance for M-SME owners, policymakers, and industry practitioners interested in leveraging digital marketing strategies to enhance M-SME performance.

1.6 Research Significant

This research holds significant importance for understanding the impact of digital marketing on the performance of Micro, Small, and Medium Enterprises (M-SMEs) in Malaysia. This study will add to what we already know in important ways. It focuses on M-SMEs in Malaysia, which has not been studied much before. While digital marketing has been studied a lot for big companies, there hasn't been much research on how it affects M-SMEs in Malaysia and what

difficulties they face. Besides that, this research contributes to the academic understanding of digital marketing and its impact on M-SME performance. By examining the specific benefits, impacts, and challenges faced by M-SMEs in Malaysia, this study enriches the existing body of knowledge on digital marketing adoption and its outcomes. The findings will provide a foundation for future research in this field, allowing researchers to delve deeper into various aspects of digital marketing within the M-SME context.



CHAPTER 2

LITERATURE REVIEW

2.1 Study of M-SME's

The rise of digital technology and the widespread use of the internet have transformed the business landscape, making digital marketing strategies essential for organizations of all sizes. In particular, Micro, Small, and Medium Enterprises (M-SMEs) are increasingly recognizing the importance of digital marketing in driving their growth and competitiveness.

Micro, small, and medium-sized businesses (MSMEs) are important for a country's economy. They have a significant impact on the national economy in many ways. They provide a wide range of goods and services, contribute to the growth of local markets and communities, create job opportunities, promote healthy competition in the market, and encourage innovation. In Malaysia, MSMEs are categorized into manufacturing and services, along with other sectors. (Maizaitulaidawati Md Husin, Razali Haron, 2020)

(Kristina Sedyastuti, Emi Suwarni, Dedi Rianto Rahadi, Maidiana Astuti Handayani, 2021) This journal discusses the importance of micro, small, and medium enterprises (MSMEs) in the Indonesian economy. It states that MSMEs are business

groups that have proven to be resistant to economic shocks and crises, and they play a crucial role in distributing people's income and reducing the unemployment rate. Besides that, the development of MSMEs is a priority in national economic development as they contribute significantly to the acceleration of structural change and economic resilience. Then, M-SMEs are also seen as a means to expand the economic base, improve the local economy, and increase people's income. However, the development of MSMEs faces challenges such as improving the quality of human resources, broader access to funding, and transparent market information. Overall, the journal emphasizes the importance of MSMEs in the Indonesian economy and highlights the need for their development and support.

(Rahayu Mardikanigsih, Elok Imroatul Azizah, Natasya Nafa Putri, Muhammad Nur Alfian, 2022) This journal discusses the importance of micro, small, and medium enterprises (MSMEs) in building the community's economy and addressing unemployment issues. It highlights that MSMEs have a positive contribution to overcoming economic and social problems, such as poverty, unemployment, and income inequality. The study also emphasizes the need for MSMEs to face global challenges, including product and service innovation, human resource development, technology adoption, and expanding marketing areas. Furthermore, the research indicates that MSME entrepreneurs often face obstacles, particularly in terms of financial competence. Many MSME entrepreneurs struggle to manage their business finances and lack proper financial reporting, making it difficult for them to obtain capital from banks. The study suggests that training programs can help enhance the competence of MSME entrepreneurs and enable them to develop their businesses. Overall, the journal emphasizes the significance of MSMEs in the economy and the need for entrepreneurs to improve their competencies to thrive in the business world.

(Peer Stein, Oya Pinar Ardic, Martin Hommes, 2013) This report discusses both SMEs and MSMEs which is the latter also includes micro-enterprises. Most of the existing literature and data have focused on SMEs, although the IFC Enterprise Finance Gap database incorporates data that also includes micro-enterprises to the extent possible. This report uses the term MSME unless a relevant data set or study refers only to SMEs.

The micro, small and medium enterprises (MSMEs) contribute significantly to the tourism industry in Malaysia. The combination of the MSME workforce has become significant in developing the competitive advantage of tourism industry in Malaysia. Among the states which depend excessively on the MSMEs is Kelantan. Kelantan is considered as one peripheral area in the east coast of peninsula Malaysia. (Yuhanis Abdul Aziz, Khairil Wahidin Awang, S Zaiton, 2012)

Small and Medium Enterprises (SMEs) have been the backbone of economic growth of many economies. In Malaysia too, SMEs have played a role in contributing to the economy as Malaysia embarks on the journey towards achieving Vision 2020. However, SMEs contribution to Malaysian GDP is still comparatively low. The Malaysian government launched several programs and schemes to boost SMEs activities and development. Hitherto, however, the impact of these programs and schemes are yet to be felt. One reason is that most of the government funding goes to small and medium enterprises, while the largest contributor to SMEs - the micro enterprises have hardly considerable financing assistance. Micro enterprises are considered risky and strict loan conditions have been imposed on them such as collateral, proper support documents and good business track record. Unfortunately, most of them cannot fulfil these conditions. Furthermore, micro enterprises suffer from human resource deficiency. Most of them have less skilled human capital resources with low level of education. Thus, the present study intends to critically survey the literature on the subject. It uses explanatory analysis. Later, it proposes an Integrated Cash Waqf Micro Enterprise Investment microenterprise. This model is expected to effectively address their financial and human resource constraints and enhance their contributions to the national income. The study concludes with some suggestions for policy implications (ICWME-I) model as a solution for microenterprises. This model is expected to effectively address their financial and human resource constraints and enhance their contributions to the national income. The study concludes with some suggestions for policy implications. (Mohamed Asmy bin Mohd Thas Thaker, M.Mohammad, 2013)

Micro-enterprises (MEs) are a backbone for most of the country in the world including Malaysia (The Star, 27 March 2009). Micro and small enterprises have been recognized as a major source of employment and income in many countries of the Third

World (Mead & Liedholm, 1998). The Inter-American Development Bank (1997) reported that MEs makes a major contribution to aggregate employment, production, and national income in Latin America and the Caribbean. MEs provide income and employment for significant workers in rural and urban areas by producing basic goods and services such as made traditional foods, tailoring, barber shop and hawkers for the need of rapidly growing populations. MEs play a vital role in developing the Malaysian economy. MEs accounted for 79.4% (412,000 from a total of 552,804) of the total SMEs and 78.7% of business establishments in Malaysia. (Norhaziah Nawai, Mohd. Shariff, 2011)

2.2 Digital marketing and it's benefits

Digital marketing encompasses a wide range of strategies and tactics that leverage digital channels to promote products and services. Numerous studies have highlighted the benefits of digital marketing for businesses, including increased online visibility, targeted marketing campaigns, cost-effectiveness, and expanded market reach. In the context of M-SMEs, digital marketing has been shown to level the playing field, allowing smaller businesses to compete with larger counterparts by leveraging digital channels.

This article stated that under the globalization trend, digital marketing is part of the digitalization practices in the business world. Many organizations, companies and firms have practiced digital marketing in their businesses, to start, explore or expand their markets. Digital marketing enables companies to achieve marketing objectives with digital technologies. (Mandy Mok Kim Man, Lim Rui Yang, 2022) Other than that, knowledge plays a crucial role in determining the success of using digital marketing. Understanding its benefits can lead to greater advantages for businesses in the future. (Aisyah Nur Afifah, Mukhamad Najib, 2022)

Furniture manufacturers commonly utilize digital marketing through websites, email, and social media. Platforms like Facebook, Twitter, and Instagram are commonly used by them for social media marketing. However, despite some manufacturers being familiar with digital marketing, they often struggle to use it effectively due to a shortage of skilled workers who can proficiently manage these digital marketing tools. (Jegatheswaran Ratnasingam, Natkuncaran Jegathesan, Hazirah Ab Latib, Florin Ioras, Manohar Mariapan, Lim Choon Liat, 2021)

Digital marketing is the opportunity of electronic communication which is worn by the marketers to give your support to the goods and the services towards the marketplace. The superlative reason of the digital marketing is worried with consumers and allows the customers to come together with the product by good quality of digital media. These editorials concentrate on the amount of digital endorsement for in collaboration customers and marketers. (R.Asathy, V.Nair, 2020)

Digital marketing has enabled companies from various industries to obtain real-time customer insights and create and communicate value to customers more effectively. This has led to a significant increase in customer base and associated top-line growth. Digital marketing research defines the types of media channels and highlights the goals of digital marketing by using online media to influence audiences and customer segments. Besides that, the importance of having a digital marketing strategy in a company can be seen from the significance of the internet as a medium for marketing through statistics in several research projects, especially for the property development or real estate industry. In addition, digital marketing has been applied in various countries in multiple ways in both property development and real estate sectors. The authors highlight three essential aspects of brand awareness as brand equity management, sustainable growth management, and long-term sustainability in economic, social, and environmental perspectives, which can pave the way for sustainable development in small and medium enterprises. (Sheen Low, Fahim Ullah, S.Shirow, 2020)

Digitization has moved towards becoming a part of our everyday activities. It is forming the conventional manners by which buyers and organizations connect with one another. Digitization and particularly internet-based social networking have been

professed to change buyer behavior. In other words, digital marketing is a job in the Malaysian economy. (Nohman Khan, M.I. Qureshi, Isham, 2020)

2.3 Digital Marketing Adoption and M-SMEs in Malaysia

Digital marketing adoption among M-SMEs in Malaysia is influenced by various factors such as organizational resources, managerial capabilities, and the availability of digital infrastructure. Research indicates that while some M-SMEs in Malaysia have embraced digital marketing, many still face challenges related to limited resources, lack of digital literacy, and limited access to technology. Understanding the current state of digital marketing adoption among M-SMEs in Malaysia is crucial for identifying the opportunities and barriers faced by these enterprises.

The majority of adopters of digital marketing prioritize social media, followed by e-marketing and digital content strategies. The main motivations behind using digital marketing applications are sharing, communication and also advertising activity. (Abdul Khaliq Abdul Hamid, Nor Khasimah Aliman, 2020)

It is widely recognized that the adoption and use of digital marketing applications change the ways in which organizations conduct their activities and represent a critical business opportunity for MSMEs. This opportunity will only be realized by MSMEs if, and when, digital marketing is applied to their organizations. This, therefore, creates a requirement to understand the factors that influence MSMEs in making the adoption decision. Besides that, the technological and organizational contexts influence the decision making by M-SMEs to adopt digital marketing application. (Nor Khasimah Aliman, Zailin Zainal Ariffin, Paiz, 2021)

The fact that internet users increased every day, this fact was not ignored by the businesses. Today, many companies intentionally create a website, blog, or make an

account on Facebook and Twitter to market or to promote their products. The business progress is considered very useful to be used as a business marketing strategy, which is also done by the MSMEs. The use of the internet that has increased significantly and the creative sector that grows above the average national economic growth, the author feels it is necessary to research adoption of digital marketing by MSMEs in a creative industry. Therefore, the purpose of this study is to analyze the factors of digital marketing that affect business success. Digital marketing is using the internet to deliver promotional marketing messages to consumers. It includes email marketing, search engine marketing, social media marketing, many types of display advertising and mobile advertising. In other words, the factor which significantly affects the success of digital marketing uses is knowledge. (Aisyah Nur Afifah, M.Najib, M.Sarma, Yee Choy Lew, 2018)

The widespread use of internet technology in workplaces, as highlighted by Chen et al. (2008), allows organizations to conduct business flexibly. Research on small and medium enterprises (SMEs) indicates that Facebook is employed for diverse organizational purposes, including marketing, communication, sales, advertising, innovation, problem resolution, customer service, human resources, and driving cultural change (Bhanot, 2012). Additionally, studies by Beloff and Pandya (2010), Handayani and Lisdianingrum (2012), and Congxi et al. (2010) reveal SMEs utilizing Facebook for advertising on social networks and internet marketing. Meske and Stieglitz (2013) note that SMEs leverage social media technologies like Facebook for customer communication and internal collaboration.

2.4 Customer Acquisition and Retention through Digital Marketing

This has a significant impact to customer acquisition and retention rates for M-SMEs. Digital channels provide opportunities for personalized communication, customer engagement, and relationship-building, contributing to improved customer retention rates.

Within the M-SME context in Malaysia, it is important to understand how digital marketing influences customer acquisition and retention strategies to enhance business performance.

Online advertising continues to evolve at a rapid as the internet and the digital marketing landscape mature. Firms face new challenges in acquiring, engaging and retaining customers. Entire new markets and technologies have grown out of the race digital marketing dominance. (Michael Els, 2020)

Internet and Digital Marketing have become important factors in campaigns, which attract and retain Internet users. It could be said that the Internet has been the factor that has most influenced the cultural, economic and social changes seen at the beginning of the 21st century. Now, the consumer is the focal point of business activities and the target of Internet strategies. Companies provide their customers with positive experiences when using social networks and web 2.0 platforms in order to strengthen their relationships with clients. These companies also need to find out the reasons why customers identify with one brand or another on the Internet. Then, Micro, small, and medium enterprises can use this technological business perspective to modernize and acquire the necessary tools to achieve a permanent position in the market and above all in the 2.0 sector, and successfully identify their clients on the Internet. (Juan Jose Lopez Garcia, D. Lizcano, C.M. Ramos, 2019)

The emergence of internet technology has created a lot of opportunities for marketers and all who are involved in vertical environment to carry on their business based on web advertisement. With the rapid growth of the Internet and the globalization of the world, companies have accepted and adopted new information and communication technologies in performing their activities It is not only to support their traditional activities, but also to support the new opportunities that have arisen from the Internet. At the moment, the most stand out opportunities are electronic or online advertisements. Most companies established their Website as new channels for business transactions and advertisements, which enable customers to make online purchases through the Web. At the same time, a company that has a website able to access the global market at a low operating cost. In addition, websites provided by the companies usually offer information

at depth while providing customers electronic services (e-services) of superior quality by means of Internet interactivity, which has served to boost up competition among companies. In addition, it is important to understand how customers perceive or react to web advertising and what components affect their attitudes and behaviors towards products and services as advertised online. Moreover, it would be valuable to know whether the effectiveness of web advertising leads to purchases of the advertised products or services or vice versa. (S. R.Nikhashemi, L.Paim, Saeidah Sharifi Fard, 2013)

2.5 Social Media Marketing and Brand Visibility

Social media marketing plays a crucial role in enhancing brand visibility and customer engagement for M-SMEs in Malaysia. Social media platforms provide M-SMEs with cost-effective avenues to reach a wide audience, build brand awareness, and engage with customers in real-time. Research has demonstrated the positive impact of social media marketing on brand visibility, customer loyalty, and brand advocacy. Understanding the specific social media platforms and strategies employed by M-SMEs in Malaysia can provide insights into how these businesses leverage social media to enhance their overall performance.

Research has shown that social media marketing positively affects brand image and brand loyalty. It has also been discovered that the most noticeable impact is on brand awareness. Additionally, brand awareness and brand image significantly influence brand loyalty. Furthermore, the research suggests that brand awareness has a limited effect on brand image. (Yusuf Bilgin, 2018) Other than that, social media marketing activities, brand awareness are independent variables. Brand image is an intervening variable and brand loyalty is a dependent variable. (Heskiano Heskiano, Tantri Yanuar Rahmat Syah, Mohamad Reza Hilmy, 2020). Social media allows companies to connect with customers, fostering relationships and gaining insights into their needs. Businesses aim to reach a

broad audience, and as customers increasingly spend time on social networking sites, having a presence there is crucial (Halligan, Shah, & Scott, 2009). Despite the opportunities social media offers for marketing and building profitable relationships, small businesses face challenges in effectively reaching their customers.

The research findings indicate that the positive impact of compassion on social engagement intention is more pronounced when individuals perceive a high level of social visibility. This effect is significant but weak when perceived social visibility is low. Additionally, there were indirect effects from the number of children to social engagement intention through compassion. These effects were significant in personalized ads that had medium or high social visibility. (Jihye Kim and Minseong Kim, 2022)

All brands have at least two social media presence and Facebook is the most popular platform among others. It indicated that the Malaysian car brands have begun to fully embrace the enormous benefits that social media offers. Furthermore, marketing strategies adopted by Malaysian car a brand in Facebook is congruent with the motive of the customer engages with them in social media. (Kamisah Kormin, R.Baharun, 2016)

Living in the middle of a global communication boom with vast usage of social media, the business environment has become more complicated. So, it is more difficult for marketers to create and increase brand awareness as they have to be able to coordinate messages and efforts across all the existing media to capture customers. Therefore, marketers have to consider these communication tools on branding process in the current competitive market-space. Besides that, improving the level of brand awareness is one of the marketers' challenges as reflected in the complicated funnel. To achieve the different levels of brand awareness, recognition, recall, top of the mind and dominant, brands need to make a strong association with customers. Brand Exposure, Customer Engagement and Electronic-Word-Of-Mouth are the factors to evaluate the impacts of social media on brand awareness. (S. Shojaee, A. Azman, 2013)

Achieving brand equity are top priorities for many organizations because brand is one of the most prized assets of any organization. As such, the academia continues to exert considerable efforts on understanding the factors that influence the development of brand equity. Besides that, the selected automotive brands have notable presence on

Facebook, YouTube, Instagram and Twitter. Furthermore, it was found that, social media advertising, social media promotions and social media word-of-mouth have positive relationships with the CBBE of automotive brands. However, social media interactive marketing has an insignificant role in the CBBE. (Raji Ridwan Adetunji, S. Rashid, Mohd Sobhi Ishak, 2018)

Marketers embraced social networks like Facebook, YouTube, Twitter, Instagram, Snapchat, Pinterest, and LinkedIn, significantly increasing global spending on social network advertising to \$51.3bn in 2017, marking a 55.4% rise from 2016 (Cooper, 2018). Digital ad spending is expected to grow by 17.7% in 2018, reaching \$273bn, constituting 44% of the \$629bn global advertising expenditure (McNair, 2018). Mobile ad spending, witnessing a 39% growth in 2017, is projected to increase by 27%, constituting 55% of total digital ad spending in 2018 (MAGNA Global). The shift in advertising dollars towards digital platforms underscores the efficacy of digital marketing in achieving growth objectives such as increased sales, brand awareness, customer engagement, lead generation, and reduced acquisition and support costs (Labrecque et al., 2013; Lamberton and Stephen, 2016; Tuten and Solomon, 2015).

Businesses commonly utilize online marketing strategies, including blogger endorsements, social media advertising, and user-generated content management, to enhance brand awareness (Wang and Kim, 2017). Social media, based on Web 2.0 principles, fosters user-generated content sharing, making it a crucial channel for brand communication due to its interactive nature and broader reach compared to traditional media (Arrigo, 2018). Social media platforms encompass blogs, forums, review sites, and social networks like Twitter, Blogger, LinkedIn, and Facebook (Arrigo, 2018).

Social media marketing (SMM) facilitates effective communication between customers and marketers, playing a role in boosting brand awareness (Hafez, 2021). While SMM is recognized as a new marketing strategy, its impact on intentions is still limited. Current research predominantly explores consumer behavior, creative strategies, content analysis, and the advantages of user-generated content, particularly in the context of forming virtual brand communities (Ibrahim, 2021). In brand social communities, members engage in activities and discussions, contributing ideas to create solutions,

fostering a positive impact on community identity (Lee et al., 2021). Community involvement, where individuals share knowledge for personal growth and a sense of belonging, is highlighted as crucial (Gupta and Syed, 2021). Incorporating community identity in virtual communities is emphasized for its significant influence on community operations and positive member interactions (Haobin Ye et al., 2021; Assimakopoulos et al., 2017). This literature review underscores the importance of collaborative efforts among community members and the dedication of individuals aligning with organizational visions and goals in virtual communities.

Social media influencers' frequent content updates provide more chances for users to share personal information. This consistent interaction allows users to form evolving perceptions of their favorite influencers. Additionally, influencers' intentional sharing of personal thoughts on social media impacts users' perceived images. For small businesses, understanding this dynamic can guide strategies in leveraging influencers for effective online presence and engagement (Jihye Kim¹ and Minseong Kim², 2022)

2.6 Hypothesis

Hypothesis 1

H0: There is no relationship between digital marketing adoption and M-SMEs performance.

H1: There is relationship between digital marketing adoption and M-SMEs performance.

Hypothesis 2

H0: There is no relationship between social media marketing adoption and M-SMEs performance.

H1: There is relationship between social media marketing adoption and M-SMEs performance.

Hypothesis 3

H0: There is no relationship between perceived benefits of digital marketing and M-SMEs performance.

H1: There is relationship between perceived benefits of digital marketing and M-SMEs performance.

2.7 Framework of the study

The research framework consists of four main constructs which is digital marketing adoption, social media marketing, perceived benefits of digital marketing, perceived benefits and business performance.

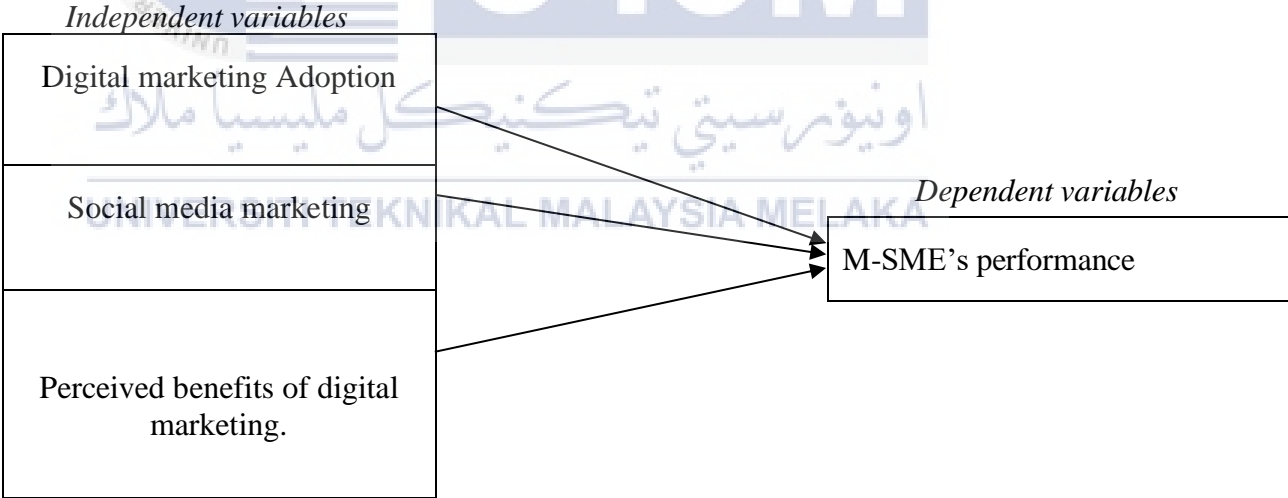
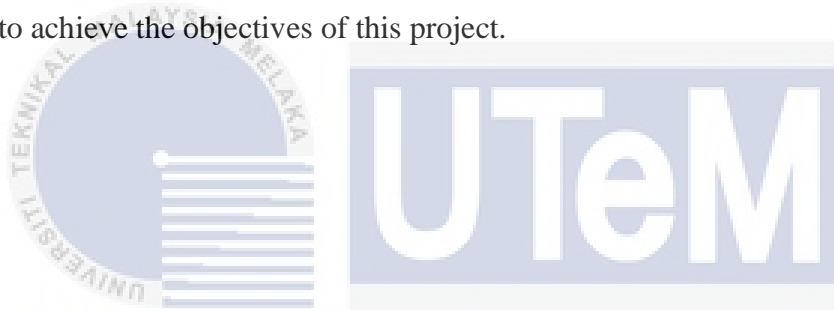


Figure 1: Framework

CHAPTER 3

METHODOLOGY

Methodology refers to the system of methods used to implement this project. In this chapter, there is a methodology used to facilitate all matters in implementing this project to achieve the objectives of this project.



3.1 Research Design

Research design refers to the overall strategy to integrate the different components of the study in a coherent and logical way, thereby, ensuring you will effectively address the research problem; it constitutes the blueprint for the collection, measurement, and analysis of data. For this project, quantitative method and the research design is a cross-sectional survey design which is to collect data from a sample of M-SMEs in Malaysia. This design allows for the collection of data at a specific point in time, providing insights into the current state of digital marketing adoption and its impact on M-SMEs

3.2 Research Strategy

This study uses survey research strategy for gather data which is develop a survey questionnaire that captures relevant variables related to this study and sampling which is select a representative sample of M-SMEs in Malaysia using appropriate sampling techniques. Then, for data collection is through online surveys, face-to-face interviews, or mail surveys and data analysis using quantitative analysis techniques.

3.3 Methodological Method

Methodological method refers to the procedures or techniques that are used to identify, select, process, and analyze all information that is required in this project. For this project, the type of methodological method used is quantitative, which is data that tells us how many or how often in calculations. Besides that, this data also provided information of the response.

3.4 Data Collection

Data collection refers to the process to gather information that is required and related to the objective of the project. Besides that, data will be collected through a structured questionnaire administered to the selected M-SMEs. The questionnaire will be designed to capture information on digital marketing adoption, perceived benefits, customer acquisition and retention rates, and social media marketing practices. The questionnaire will be administered through an online survey platform to maximize convenience and response rate. Clear instructions will be provided, and efforts will be made to ensure the confidentiality and anonymity of the participants .

3.5 Research Location

Research Location for this study is Ayer Keroh, Melaka. It is a strategic location in Melaka known for its industrial, educational, and tourism sectors. It also offers a diverse range of M-SMEs and provides an interesting research location for this study which is the impact of digital marketing.

3.6 Sampling

Table 1: Table for determining sample size for a finite population

<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	100000	384

Note.—*N* is population size. *S* is sample size.

Source: Krejcie & Morgan, 1970

The target population for this study encompasses M-SMEs of various sizes and industries located in Ayer Keroh, Melaka. A sampling frame will be obtained from a database of registered businesses in Ayer Keroh, Melaka. The sample size of 285 M-SMEs will be targeted for participation.

3.7 Pilot Test

In this study, a small group of 30 respondents is needed for a survey to make sure it works smoothly which is by using pilot test. This is very important to ensure that the data collected for 285 respondents can be implemented and effective to get cooperation from all respondents.

3.8 Data Analysis

Descriptive statistics will be used to summarize the characteristics of the sample and the distribution of response. Besides that, correlation analysis to explore the relationships between variables. In addition, statistical software, such as SPSS, will be used for data analysis.

3.9 Reliability and validity

Reliability and validity are more to how consistency and accurate of a measure in research. From this study that used quantitative design, reliability and validity also important. Because of that, I conduct the research properly, carefully and also consistently. In addition, quantitative design does focus on reliability and validity. Reliability refers to the consistency and stability of the measurements or data collected and validity refers to the extent which a study accurately measures or assesses what it claims to measure.

CHAPTER 4

RESULTS AND DISCUSSION

4.1 Chapter Overview


In this part will focus more on data collected from 285 respondents for this research and 30 respondents for pilot test using a tool called IBM SPSS Statistics 27. Furthermore, it is also divided into several parts which are descriptive statistics, reliability analysis and correlation analysis. The study data was entered into the SPSS data editor, ensuring each variable had its own column for accurate case representation.

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

4.2 Descriptive statistics

Statistics

Table 2 : Valid responses from 285 respondents.



		Gender	Age	Race	Did you use digital marketing? / Adakah anda menggunakan pemasaran digital?	Digital Marketing makes your business easier. / Pemasaran Digital memudahkan urusan perniagaan anda.
N	Valid	285	285	285	285	285
	Missing	0	0	0	0	0

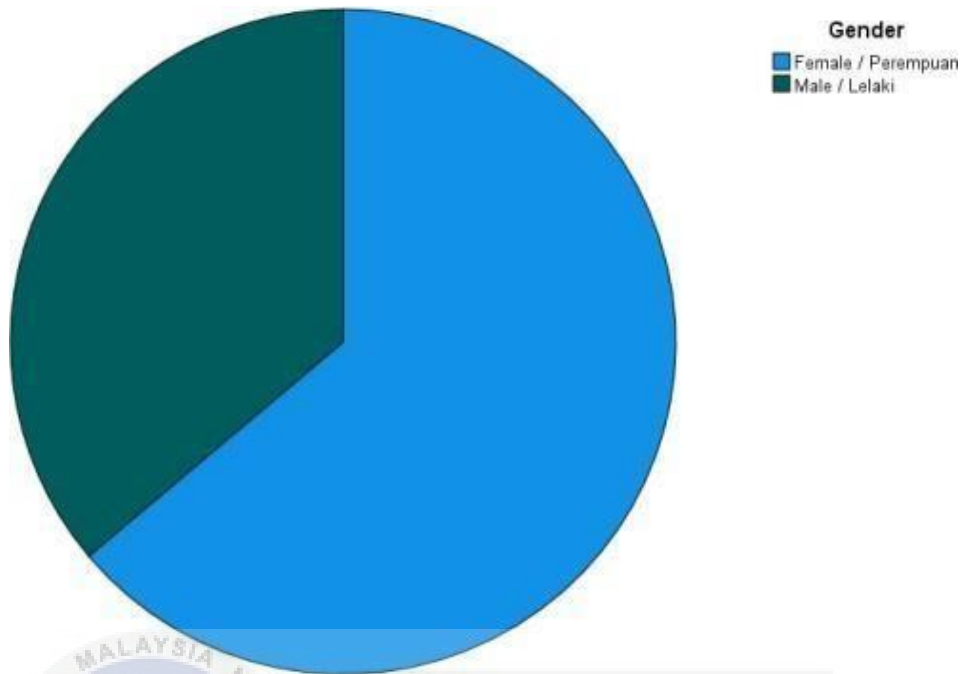


Figure 2: Respondent's Gender

Table 3: Respondent's Gender

		Gender			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female / Perempuan	182	63.9	63.9	63.9
	Male / Lelaki	103	36.1	36.1	100.0
	Total	285	100.0	100.0	

The data in Figure 1 and Table 2 shows that the majority of respondents, constituting 63.9%, identify as “Female,” while 36.1% of respondents identify as “Male,” totaling 182 and 103 respondents, respectively.

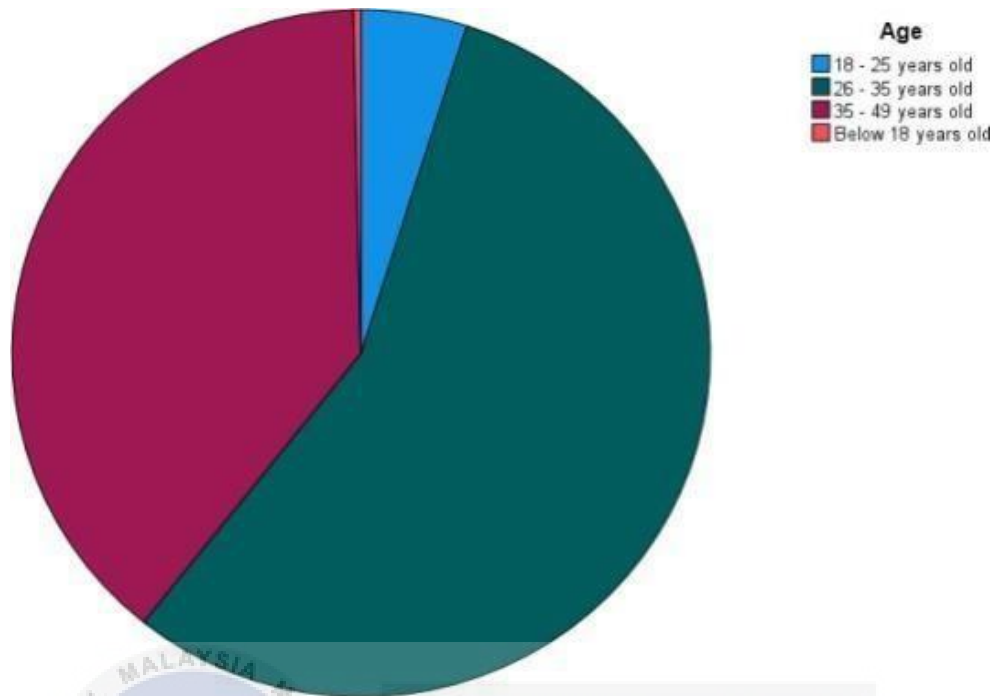


Figure 3: Respondent's Age

Table 4: Respondent's Age

		Frequency	Valid Percent	Valid Percent	Cumulative Percent
Valid	18 - 25 years old	14	4.9	4.9	4.9
	26 - 35 years old	159	55.8	55.8	60.7
	35 - 49 years old	111	38.9	38.9	99.6
	Below 18 years old	1	.4	.4	100.0
	Total	285	100.0	100.0	

The data in Figure 2 and Table 3 shows that the majority of respondents which is 55.8% are aged 26 - 35 years old and 38.9% of the respondents are aged 35 - 49 years old. In addition, the fewest respondents are below 18 years old which is 0.4% and then 18 - 25 years old which is 4.9%.

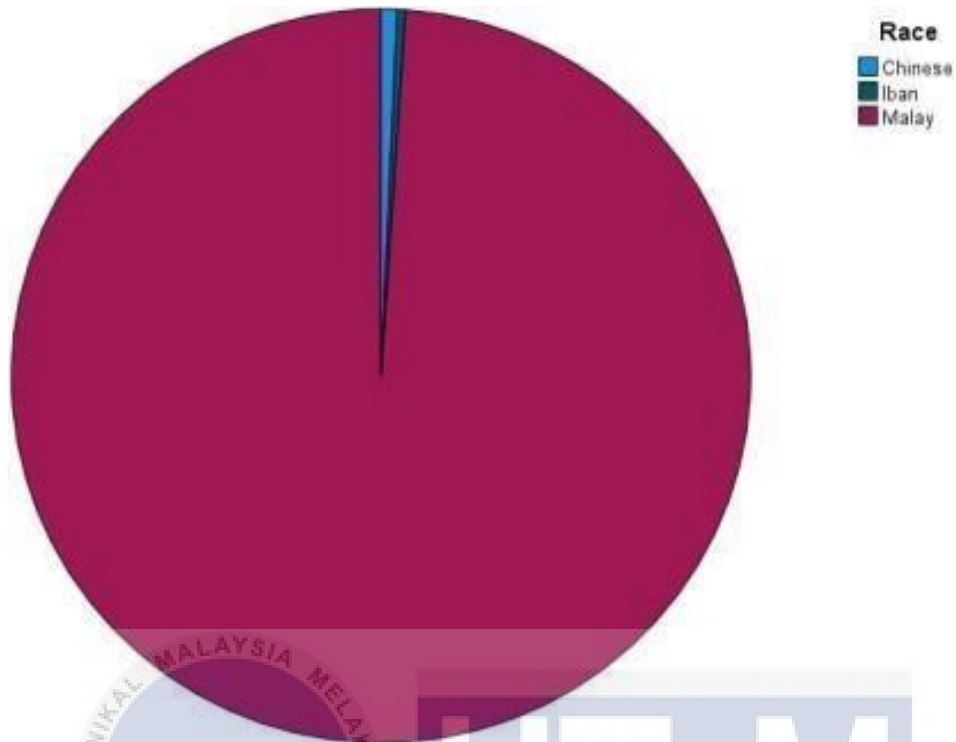


Figure 4: Respondent's

Table 5: Respondent's Race

		Race			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Chinese	2	.7	.7	.7
	Iban	1	.4	.4	1.1
	Malay	282	98.9	98.9	100.0
	Total	285	100.0	100.0	

The data in Figure 3 and Table 4 shows that the majority of respondents which is 98.9% are Malay and others are Chinese which is 0.7% and Iban which is 0.4%.

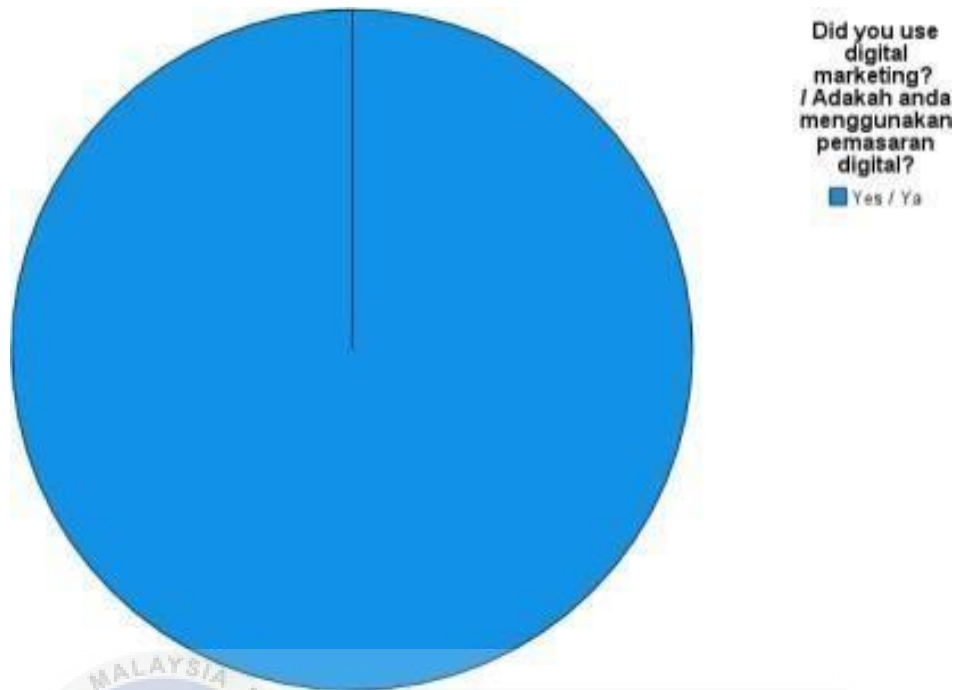


Figure 5: Respondent who use digital marketing

Table 6: Respondent who use digital marketing

Did you use digital marketing?
 / Adakah anda menggunakan pemasaran digital?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes / Ya	285	100.0	100.0	100.0

The data in Figure 4 and Table 5 shows that all respondents use digital marketing.

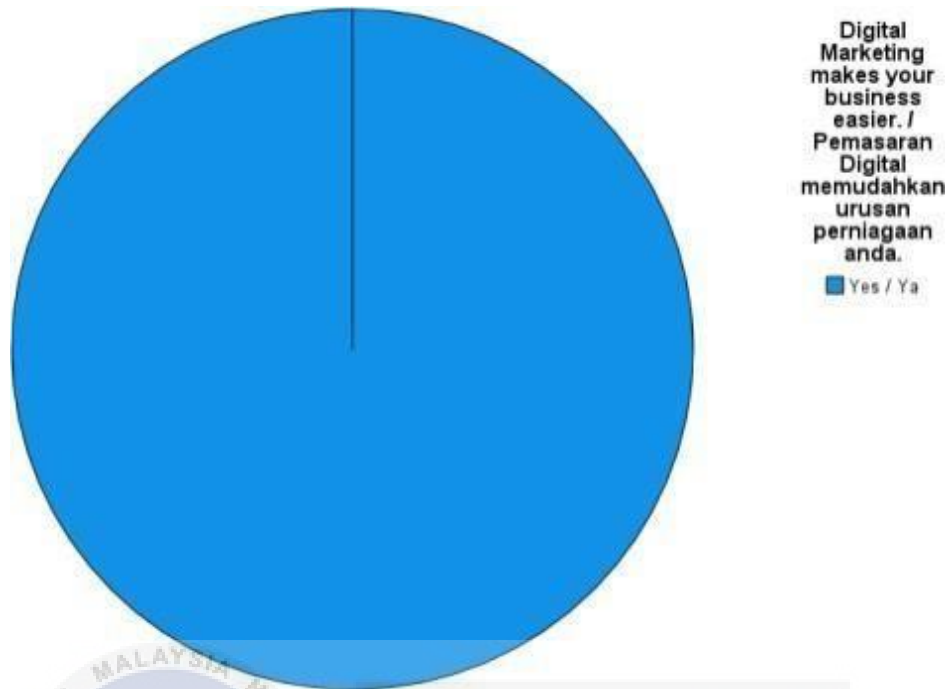


Figure 6: Respondents who agree that digital marketing makes their business easier

Table 7: Respondents who agree that digital marketing makes their business easier

Digital Marketing makes your business easier. / Pemasaran Digital memudahkan urusan perniagaan anda.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes / Ya	285	100.0	100.0	100.0

The data in Figure 5 and Table 6 shows that all respondents agree that the use of digital marketing makes their business easier.

4.3 Correlation Analysis

Table 8: Scale correlation coefficient

Scale of Correlation Coefficient	Value
$0 < r \leq 0.19$	Very low correlation
$0.2 \leq r \leq 0.39$	Low correlation
$0.4 \leq r \leq 0.59$	Moderate correlation
$0.6 \leq r \leq 0.79$	High correlation
$0.8 \leq r \leq 1.0$	Very high correlation

Table 8 breaks shows the relationships between variables using correlation coefficients. If the number is between 0.8 and 1.0, it means there's a very strong connection. A range of 0.6 to 0.79 indicates a high correlation, showing a strong link. Moderately connected variables fall between 0.4 and 0.59. When the number is between 0.2 and 0.39, it suggests a low level of connection. Anything below 0.19 is considered very weak. A correlation coefficient of 0 means there's no connection at all, applicable to both positive and negative values. This way of categorizing the correlations helps us understand how strong or weak the relationships are in a more straightforward manner.

Table 9: Correlation data collected for digital marketing adoption and M-SME's Performance

Correlations

		TDMA	TI
TDMA	Pearson Correlation	1	.758**
	Sig. (2-tailed)		<.001
	N	285	285
TI	Pearson Correlation	.758**	1
	Sig. (2-tailed)	<.001	
	N	285	285

** Correlation is significant at the 0.01 level (2-tailed).



Table 10: Correlation data collected for social media marketing And M-SME's Performance.

Correlations

		TSMm	TI
TSMm	Pearson Correlation	1	.764**
	Sig. (2-tailed)		<.001
	N	285	285
TI	Pearson Correlation	.764**	1
	Sig. (2-tailed)	<.001	
	N	285	285

** Correlation is significant at the 0.01 level (2-tailed).

Table 11: Correlation data collected for perceived benefits of digital marketing and M- SME's Performance.

Correlations

		TPB	TI
TPB	Pearson Correlation	1	.770**
	Sig. (2-tailed)		<.001
	N	285	285
TI	Pearson Correlation	.770**	1
	Sig. (2-tailed)	<.001	
	N	285	285

** Correlation is significant at the 0.01 level (2-tailed).

The table shows a strong positive connection between digital marketing adoption and M-SME's Performance ($r = 0.758, p < 0.01$) using SPSS. Besides that, also social media marketing and M-SME's Performance ($r = 0.764, p < 0.01$) using SPSS. Then, perceived benefits of digital marketing and M-SME's Performance ($r = 0.770, p < 0.01$) using SPSS.

4.4 Reliability Analysis

Pilot Test

Table 12: Reliability Statistics Pilot Test

Variables	Number of Items	Cronbach's Alpha
Digital Marketing Adoption	5	.959
Social Media Marketing	5	.96
Perceived Benefits of Digital Marketing	4	.96
M-SME's Performance	4	.958

The survey questions of pilot test were checked to make sure the results are reliable. The analysis showed that all the questions work well together, like a group, with a strong score of 0.96. Variable level analysis demonstrated positive correlations of 0.959 and 0.958 for variable 1 and variable 4, respectively, with the total score. Furthermore, variable level analysis demonstrated same positive correlations of 0.96 for variable 2 and variable 3.

Data Collected

Table 13: Reliability Statistics Data Collected

Variables	Number of Items	Cronbach's Alpha
Digital Marketing Adoption	5	.789
Social Media Marketing	5	.79
Perceived Benefits of Digital Marketing	4	.79
M-SME's Performance	4	.790

The survey questions of pilot test were checked to make sure the results are reliable. The analysis showed that all the questions work well together, like a group, with a strong score of 0.790. Variable level analysis demonstrated positive correlations of 0.789 for variable 1 with the total score. Furthermore, variable level analysis demonstrated same positive correlations of 0.79 for variable 2, variable 3 and variable 4.

4.5 Regression Analysis

Table 14: ANOVA

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.836	3	1.945	37.744	<.001 ^b
	Residual	14.483	281	.052		
	Total	20.320	284			

a. Dependent Variable: TI

b. Predictors: (Constant), TPB, TSMM, TDMA

In the regression analysis, the independent variables demonstrated a statistically significant ability to predict variations in the dependent variable. It's like having a strong reason to believe that there's a real connection, not just luck. [F(3, 281) = 37.744, p < .001]

Table 15: Coefficients

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.483	.319		4.649	.001
	TDMA	.217	.055	.185	3.104	.001
	TSMM	.354	.058	.345	6.123	.001
	TPB	.224	.061	.212	3.681	.001

a. Dependent Variable: TI

Coefficients act as vital indicators, revealing relationships between independent variables and the dependent variable. By examining significance levels, specifically those below 0.01, it's can determine if a variable significantly influences the outcome.



CHAPTER 5

RECOMMENDATION AND CONCLUSION

5.1 Chapter Overview

This chapter compiles and examines the findings discussed in the previous chapter. There also some explanation why the results like that and also provide means for future research.

5.2 Hypothesis

Table 16: Hypothesis

Hypothesis	Item	Result
1	There is relationship between digital marketing adoption and M-SMEs performance.	Accepted
2	There is relationship between social media marketing adoption and M-SMEs performance.	Accepted
3	There is relationship between perceived benefits of digital marketing and M-SMEs performance.	Accepted

Hypothesis 1

There is relationship between digital marketing adoption and M-SMEs performance.

The hypothesis shows a relationship between digital marketing adoption and M-SMEs performance suggests that when small businesses actively utilize digital marketing strategies, it positively impacts how well they fare in the market. For instance, a small business leveraging social media platforms for advertising and engaging with customers may experience increased brand visibility and customer loyalty, ultimately contributing to improved performance metrics. Similarly, utilizing data analytics tools for targeted marketing efforts can result in more efficient resource allocation, leading to better overall business outcomes. This hypothesis aligns with the evolving landscape of business practices, emphasizing the role of digital strategies in shaping the success trajectory of small enterprises in today's market.

Hypothesis 2

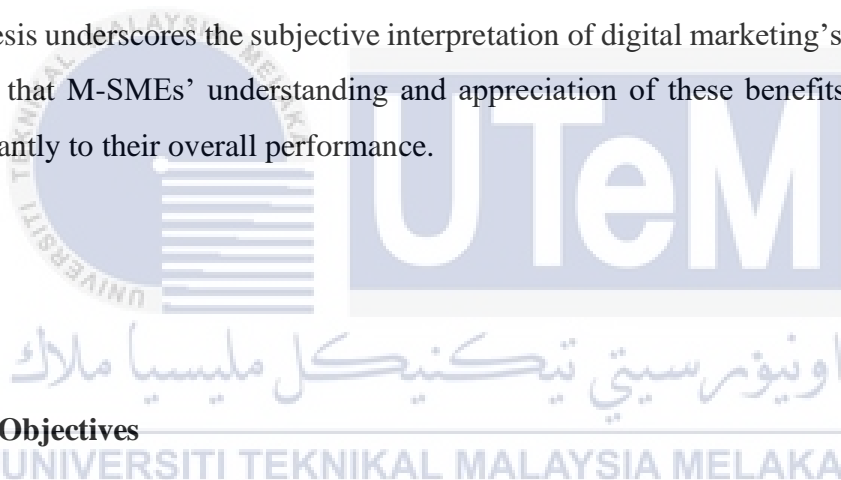
There is relationship between social media marketing adoption and M-SMEs performance.

This hypothesis shows that there exists a correlation between the adoption of social media marketing and the performance of M-SMEs. In practical terms, when small businesses actively engage in social media marketing, it is posited that this can positively influence their overall performance. For example, a small business effectively utilizing platforms like Facebook, Instagram, or Twitter for marketing campaigns may experience increased brand visibility, customer engagement, and potential sales growth. The hypothesis reflects the contemporary importance of social media as a tool for M-SMEs to connect with their audience and enhance their market standing, implying that successful integration of social media marketing strategies could contribute to improved business performance for small enterprises.

Hypothesis 3

There is relationship between perceived benefits of digital marketing and M-SMEs performance.

This hypothesis shows a connection between how small businesses perceive the benefits of digital marketing and their overall performance. In essence, it posits that when M-SMEs recognize and value the advantages of digital marketing strategies, their performance is likely to improve. For instance, if a small business sees benefits such as increased brand visibility, customer engagement, or cost-effectiveness in digital marketing initiatives, this positive perception may translate into enhanced business outcomes. This hypothesis underscores the subjective interpretation of digital marketing's advantages and implies that M-SMEs' understanding and appreciation of these benefits can contribute significantly to their overall performance.



5.3 Objectives

1. To identify relationship between digital marketing adoption and M-SMEs performance.

In studying 285 small businesses, using digital marketing tools like social media, online ads, and having a website impacted their performance. Metrics included sales, customer numbers, and brand awareness. From the analysis found a strong, positive link between digital marketing adoption and their performance (correlation: 0.758, $p < 0.001$). Businesses embracing digital strategies tended to outperform others. Interviews with these businesses highlighted stories of increased sales through online advertising and social media engagement. Despite considering factors like competition and the economy, the findings strongly indicate that digital marketing plays a vital role in enhancing M+SME's performance.

2. To assess relationship between social media marketing adoption and M-SMEs performance.

In this study, there's a connection between small businesses using social media marketing and how well they perform. By using data collected from 285 M-SMEs, it shows that they are active on platforms like Facebook, Instagram, TikTok and Twitter. From the analysis (correlation: 0.764, $p < 0.001$) shows a strong and positive connection between social media marketing and their overall performance. This means that when small businesses engage with customers on platforms like these, it often leads to better results and more sales, happier customers, and an overall boost in success.

3. To explore relationship between perceived benefits of digital marketing and M-SMEs performance.

In this study, after looking at info from 285 M-SME's, it turns out they see digital marketing as a good thing which is it makes them more known, helps them connect with customers, and is cost-effective. Furthermore, what's interesting is that when businesses believe digital marketing is helping them do better. The numbers (correlation: 0.770, $p < 0.001$) show a strong connection between how they see digital marketing and how successful they are. So, it's not just about doing digital marketing; it's also about how much small businesses believe it's making them better that can impact how well they do.

5.4 Limitations of Study

While the research gives a good overall picture, there are some things to keep in mind. The findings might not apply to all small businesses in Malaysia, just the ones we looked at. Also, because it's focused on numbers due to limited resources, it's might not fully understand the experiences of these businesses. The study might be affected by things like the type of industry or changes in the economy or how people shop. These things are

hard to control. Still, what or how can help small business owners, policymakers, and industry experts who want to use digital marketing to make small businesses better.

5.5 Recommendations for Future Study

For future research, it's suggested to explore industry-specific variations in the link between digital marketing adoption and M-SMEs performance. Integrating qualitative insights alongside quantitative data could provide a more nuanced understanding. Longitudinal studies tracking changes in digital marketing practices over time and investigating external factors such as economic conditions would reveal evolving trends. Comparative analyses across regions, cultures, and the integration of qualitative data would contribute to a holistic view. Additionally, exploring the effectiveness of digital marketing training, cross-functional collaboration, and the influence of emerging platforms is recommended. Lastly, extending the research's global perspective by considering the impact of digital marketing on M-SMEs performance across different countries is advised.

5.6 Conclusion

In conclusion, this study examined the relationship between digital marketing adoption and M-SMEs performance, revealing a strong and positive correlation. The analysis of data from 285 M-SMEs underscored the significance of businesses actively engaging with platforms like Facebook, Instagram, TikTok, and Twitter. The findings suggest that embracing digital marketing strategies contributes to improved overall performance, as evidenced by a correlation coefficient. Businesses that actively leverage social media platforms tend to experience enhanced outcomes, indicating the pivotal role of digital marketing in driving success for small enterprises. While the study provides valuable insights, it also highlights avenues for future research, including industry-specific investigations, longitudinal studies, and the impact of external factors. Overall, these findings emphasize the importance of digital marketing in shaping the performance landscape for M-SMEs, offering practical implications for businesses aiming to thrive in the digital era.

REFERENCE

Smith, J., & Johnson, A. (2022). *The Role of Digital Marketing in Enhancing the Performance of M-SMEs: A Case Study of Malaysia*. *Journal of Business and Marketing*, 28(3), 45-62.

Department of Statistics Malaysia. (2022). *Small and Medium Enterprises (SMEs) in Malaysia: An Overview*.

Malaysian Digital Economy Corporation (MDEC). (2022). *Digital Marketing Guide for Small Businesses*

Maizaitulaidawati Md Husin, Razali Haron,(2020) “*Micro, Small and Medium Enterprises Competitiveness and Micro-Takaful Adoption*”, *ISRA International Journal of Islamic Finance*, Vol. 12, No. 3, pp. 367-380.

Mandy Mok Kim Man, Lim Rui Yang, (2022) *The Future Prospect of Digital Marketing in the Malaysian Context*, *International Business Research* 15(1):72

Aisyah Nur Afifah, Mukhamad Najib, (2022) *Factors Affecting The Success of Digital Entrepreneurship among Suburban Women: Malacca* , *International Journal of Academic Research in Business and Social Sciences* 12(12)

Jegatheswaran Ratnasingam, Natkuncaran Jegathesan, Hazirah Ab Latib, Florin Ioras, Manohar Mariapan, Lim Choon Liat,(2021) “*Digital marketing during the COVID-19 pandemic: A case study of its adoption by furniture manufacturers in Malaysia*,” *BioResources* 16(2), 3304-3317.

Abdul Khaliq Abdul Hamid, Nor Khasimah Aliman,(2020) *The Characteristics of Adopters and Non-Adopters of Digital Marketing Application among Micro, Small and Medium Enterprises (MSMES)*

Michael Els,(2020), *Customer Acquisition, Engagement, and Retention in Online Advertising*.

Yusuf Bilgin, (2018), *The Effect Social Media Marketing Activities On Brand Awareness, Brand Image And Loyalty*, Business And Management Studies An International Journal 6(1)

Heskiano Heskiano, Tantri Yanuar Rahmat Syah, Mohamad Reza Hilmy,(2020), *Social Media Marketing Relations, Brand Awareness to Brand Loyalty Through The Brand Image*.

Jihye Kim and Minseong Kim, (2022), *Rise of Social Media Influencers as a New Marketing Channel: Focusing on the Roles of Psychological Well-Being and Perceived Social Responsibility among Consumers*.

Kristina Sedyastuti, Emi Suwarni Dedi Rianto Rahadi, Maidiana Astuti Handayani, (2021) *Human Resources competency at Micro, small and medium enterprise*.

Rahayu Mardikaningsih, Elok Imroatul Azizah, Natasya Nafa Putri, Muhammad Nur Alfian (2022) | *Business survival: Competence of Micro, small and medium enterprise*.

Peer Stein, Oya Pinar Ardic, Martin Hommes (2013) | *Closing the credit gap for formal and informal micro, small and medium enterprise*.

Yuhanis Abdul Aziz, Khairil Wahidin Awang, S. Zaitun (2012) | *Challenges faced by Micro, small and medium enterprise*.

Mohammed Asmy bin Mohd Thas Thaker, M.Mohammad (2013) | *The challenges of Micro enterprise in Malaysia*.

Norhaziah Nawai, Mohd Shariff (2011) | *The important of Micro financing to the micro enterprise development in Malaysia experience*.

R. Aswathy, V. Nair. (2020) | *A study on digital marketing and it's important*.

Sheen Low, Fahim Ullah, S. Shirow (2020) *Smart digital marketing capabilities for sustainable property development*.

Nohman Khan, M.I. Qureshi, Isham (2020) | *The digital marketing Past, Present, and Future in Malaysia*.

Nor Khasimah Aliman, Zailin Zainal Ariffin, Paiz (2021) | *The Antecedent of digital marketing application by Malaysian Micro, small and medium enterprise (MSMEs)*

Aisyah Nur Afifah, M.Najib, M. Sarma, Yee Choy Lee (2018) | *Digital marketing adoption and the influences towards business successes of MSMEs creative sector*.

Juan Jose Lopez Garcia, D. Lizcano, C.M.Ramos (2019) | *Digital marketing actions that achieve a better attraction on loyalty of user.*

S.R.Nikashemi, L.Paim, Saeidah Sharifi Fard, (2013)| *The effectiveness of E-advertisement towards customer purchase intention: Malaysiaan Perspective.*

Kamisah Kormin, R.Baharun (2016)| *Social Media and relationship marketingstrategies of Malaysian car brands.*

S.Shojaee, A.Azman (2013)| *An Evaluation of factors affecting brand awareness inthe context of social media in Malaysia.*

Raji Ridwan Adetunji, S. Rashid, Mohd Sobhi Ishak (2018) | *Social Media Marketing Communication an consumer based brand equity.*

Wendy Ritz, Marco Wolf, Shaun McQuitty (2018)|*Digital marketing adoption and Success for small businesses*

Sulaiman Ainin, Farzana Parveen, Sedigheh Moghavvemi and Noor Ismawati Jaafar (2015) |*Factors influencing the use of social media by SMEs and its performance outcomes*

Chen, J.V., Chen, C.C. and Yang, H. (2008), “An empirical evaluation of key factors contributing to internet abuse in the workplace”, *Industrial Management and DataSystems*, Vol. 108 No. 1, pp. 87-106.

Beloff, N. and Pandya, P. (2010), “Advertising models on social networks for SMEs-an advertising Methodology”, available : (accessed October 18, 2013).

Bhanot, S. (2012), “Use of social media by companies to reach their customer”, *SIES Journal of Management*, Vol. 8 No. 1, pp. 47-55.

Congxi, C., Lan, X. and Pengfei, G. (2010), “Internet marketing and innovative strategies: a study Of China’s travel agencies”, available at:¼ Andarnumber ¼ 5576846 (accessed January 15, 2014).

Cooper, P. (2018), “Social media advertising stats that matter to marketers in 2018”, .

McNair, C. (2018), “Global ad spending: the eMarketer forecast for 2018”,available at: emarketer

Labrecque, L.L., vor dem Esche, J., Mathwick, C., Novak, T.P. and Hofacker, C.F. (2013), “Consumer power: evolution in the digital age”, *Journal of Interactive Marketing*,Vol. 27 No. 4, pp. 257-269.

Wang Z., Kim H. G. (2017). *Can social media marketing improve customer*

relationship capabilities and firm performance? Dynamic capability perspective. J. Interact. Marke. 39 15–26. 10.1016/j.intmar.2017.02.004 [CrossRef] [Google Scholar]

Arrigo E. (2018). *Social media marketing in luxury brands.* Manag. Res. Rev. 41 657–679. 10.1108/MRR-04-2017-0134 [CrossRef] [Google Scholar]

Ibrahim B. (2021). *Social Media Marketing Activities and Brand Loyalty: A Meta-Analysis Examination.* J. Promot. Manag. 28 60–90. [Google Scholar]

Hafez M. (2021). *The impact of social media marketing activities on brand equity in the banking sector in Bangladesh: the mediating role of brand love and brand trust.* International J. Bank Marke. 39 1353–1376. 10.1108/IJBM-02-2021-0067 [CrossRef] [Google Scholar]

Gupta M., Syed A. A. (2021). *Impact of online social media activities on marketing of green products.* International J. Organizat. Anal. [Epub online ahead of print]. 10.1108/IJOA-02-2020-2037 [CrossRef] [Google Scholar]

Haobin Ye B., Fong L. H. N., Luo J. M. (2021). *Parasocial interaction on tourism companies' social media sites: antecedents and consequences.* Curr. Issues Tourism 24 1093–1108. 10.1080/13683500.2020.1764915 [CrossRef] [Google Scholar]

Lee H.-W., Kim S., Liew J. (2021). *Spectator sports as context for examining observers' agreeableness, social identification, and empathy in a high-stakes conflict situation.* Psychol. Rep. 124 1788–1806. 10.1177/0033294120948228 [PubMed] [CrossRef] [Google Scholar]

Khalid Jamil, 1 Liu Dunnan, 1 Rana Faizan Gul, 1 Muhammad Usman Shehzad, 2 Syed Hussain Mustafa Gillani, 3 , * and Fazal Hussain Awan 1(2022)| *Role of Social Media Marketing Activities in Influencing Customer Intentions: A Perspective of a New Emerging Era .*

Halligan, B., Shah, D., & Scott, D. (2009). *Inbound marketing: get found using Google, social media, and blogs* (Vol. 1). John Wiley & Sons Inc.

Sarah Cox(2012)| *Social Media Marketing in a Small Business: A Case Study*

Jihye Kim1 and Minseong Kim2(2022)| *Rise of Social Media Influencers as a New Marketing Channel: Focusing on the Roles of Psychological Well-Being and Perceived Social Responsibility among Consumers*

APPENDIX

A. Gantt Chart

PSM I

Activity/Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Discussion for title														
Confirmation for title														
Topic Confirmation														
Literature review														
Chapter 1 Discussion														
Checking chapter 1 and literature review														
Correction for chapter 1														
Discussion for chapter 2														
Checking chapter 2														
Correction for chapter 2														
Discussion for chapter 3														

chapter 4														
Correction for chapter 4														
Discuss chapter 5														
Correction for chapter 5														
Checking report														
Compile and edit report														
Preparing Slide														
Checking Slide by supervisor														
Submission report and slide														
Viva/ presentation														
Correction and submit report and slide														

B. Survey Questions

GENERAL INFORMATION

1. Gender

- Male / Lelaki
- Female / Perempuan

2. Age

- Below 18 years old
- 18 - 25 years old
- 26 - 35 years old
- 35 - 49 years old
- 50 years old and above

3. Race

- Malay
- Chinese
- Indian



4. Did you use digital marketing?

/ Adakah anda menggunakan pemasaran digital?

- Yes / Ya
- No / Tidak

5. Digital Marketing makes your business easier. / Pemasaran Digital memudahkan urusan perniagaan anda.

- Yes / Ya
- No / Tidak



DIGITAL MARKETING ADOPTION

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

This section measure the independent variable of this research which is digital marketing adoption. Use a scale of 1 to 5 to indicate your level of agreement, with 1 being "Strongly Disagree" and 5 being "Strongly Agree." Please select the number on the scale that best represents your opinion for each statement.

6. Digital marketing adoption towards M-SME performance.

	1	2	3	4	5
Using the Internet to promote our products or services for my business would enable the enterprise to accomplish growth more quickly. / Menggunakan Internet untuk mempromosikan produk atau perkhidmatan kami untuk pemiagaan saya akan membolehkan perusahaan mencapai pertumbuhan yang lebih cepat.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Using the Internet to promote our products or services would improve business performance. / Menggunakan Internet untuk mempromosikan produk atau perkhidmatan kami akan meningkatkan prestasi pemiagaan.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Using the Internet to promote our products or services would enhance the enterprise's effectiveness to increase customer engagement in the business. / Menggunakan Internet untuk mempromosikan produk atau perkhidmatan kami akan meningkatkan keberkesanan perusahaan untuk meningkatkan penglibatan pelanggan dalam pemiagaan.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Using the Internet to promote our products or services would make it easier to run the business. / Menggunakan Internet untuk mempromosikan produk atau perkhidmatan kami akan memudahkan anda menjalankan pemiagaan.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I believe having Internet promotions our products or service would be useful for the business. / Saya percaya bahawa promosi Internet produk atau perkhidmatan kami akan berguna untuk pemiagaan.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

SOCIAL MEDIA MARKETING

This section measure the independent variable of this research which is social media marketing. Use a scale of 1 to 5 to indicate your level of agreement, with 1 being “Strongly Disagree” and 5 being “Strongly Agree.”Please select the number on the scale that best represents your opinion for each statement.

7.Social media marketing towards M-SME performance.

	1	2	3	4	5
Social media reduced the cost of communication with customers. / Media sosial mengurangkan kos komunikasi dengan pelanggan.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social media reduced the cost of advertising and promotion. / Media sosial mengurangkan kos pengiklanan dan promosi.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social media reduced the cost of customer service and support. / Media sosial mengurangkan kos perkhidmatan dan sokongan pelanggan.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social media increased customer loyalty and retention. / Media sosial meningkatkan kesetiaan dan pengekatan pelanggan.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social media increased brand visibility. / Media sosial meningkatkan keterlihatan jenama.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

PERCEIVED BENEFITS OF DIGITAL MARKETING

This section measure the independent variable of this research which is perceived benefits of digital marketing. Use a scale of 1 to 5 to indicate your level of agreement, with 1 being "Strongly Disagree" and 5 being "Strongly Agree." Please select the number on the scale that best represents your opinion for each statement.

8. Perceived benefits of digital marketing towards M-SME performance

	1	2	3	4	5
I would find it easy to achieve Internet promotion objectives / Saya rasa mudah untuk mencapai objektif promosi Internet	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I find developing Internet promotions for our products or services easy / Saya rasa mudah untuk membangunkan promosi Internet untuk produk atau perkhidmatan kami	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My interaction with promoting products or services on the Internet would be clear and understandable. / Interaksi saya dengan mempromosikan produk atau perkhidmatan di Internet adalah jelas dan boleh difahami.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Media marketing increase in number of customers. / Pemasaran media meningkatkan bilangan pelanggan.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Media marketing is more cost effective than other types of marketing. / Pemasaran media adalah lebih kos efektif daripada jenis pemasaran lain.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

M-SME's PERFORMANCE

This section measure the dependent variable of this research which is M-SME's performance. Use a scale of 1 to 5 to indicate your level of agreement, with 1 being "Strongly Disagree" and 5 being "Strongly Agree." Please select the number on the scale that best represents your opinion for each statement.

9.M-SME's performance when using digital marketing.

	1	2	3	4	5
Increase in sales transactions / Peningkatan dalam transaksi jualan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Increase in sales volume / Peningkatan jumlah jualan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Increase in sales enquiries / Peningkatan dalam pertanyaan jualan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Increase in number of customers / Pertambahan bilangan pelanggan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>