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Effectiveness of digital marketing on building brand equity in the MSMEs service sector

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Abstract

The research is being conducted to find out how well digital marketing works as a brand-building strategy. We do this by looking into the ways in which various forms of digital marketing including email, mobile phone, search engine optimization, and company websites influence one another. They used quantitative research approaches like the structural equation modeling methodology to look at the variables and got 210 responses from a slightly revised questionnaire. Direct impact studies have shown that all digital marketing channels improve the efficiency of brand equity in the MSMEs services sectors of Andhra Pradesh. In addition, the findings have important practical implications for marketers and digital media managers, who can use this information to develop superior media and marketing strategies that keep them at the forefront of their industries and at the forefront of their markets.

Keywords: Digital marketing, Brand equity, sustainability.

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Introduction

The value of a company's brand is perhaps the most valuable strategic asset, and it is the responsibility of managers everywhere to cultivate and orchestrate this asset. The long-term viability of a business is often equated by marketing directors with the success of their brand's development and expansion. Most marketers use the phrase "brand equity" to represent the worth of a brand to its company, with the caveat that various marketing efforts may have varying effects on said brand. Recognizing some of the advantages gained in the marketplace by developing a viable brand is another way to assess the brand value of any modern firm, no matter its size.

Every marketer needs a thorough approach to using marketing communication tools (Seric, 2017). Brand equity refers to the value that companies invest in their products through marketing and communicating with consumers in ways that make those items stand out from competitors and are easily associated with the company's core values. Achieving strong brand equity requires time, effort, and persistence despite appearances to the contrary. Having solid brand equity is an essential indicator of the success of every communication channel (Raji et al., 2018). Before putting any marketing communication strategy into action, its anticipated value must be verified.

However, in this day and age of social media, a variety of online displays, and ever-evolving search engine optimization (SEO) algorithms, it has become exceedingly difficult to configure the optimal balance. Therefore, this research aims to establish a framework for digital marketing practices with the end goal of fostering positive associations with service-sector brands equity.

Literature Review

The term "digital marketing" refers to an approach that combines the use of digital tools and techniques with more conventional methods of advertising in the service of achieving a company's overarching marketing goals. The corporations embrace this new kind of advertising in order to increase their market share and take advantage of the convenience and ease with which customers can conduct business via the numerous Smartphone applications designed to facilitate and promote trading (Leefflang et al., 2014; Almaazmi et al., 2021).

The advent of search engines and the rise of intense non-traditional company competition over the past few decades have both contributed to the development of the idea of digital marketing and its associated aspects (Ahmed et al., 2020; Diventy et al., 2021). With the proliferation of online communication channels like social media, most modern students from their first impressions of educational institutions based on their interactions with these platforms, making brand marketing programmes all the more important for HE providers. Email marketing and search engine optimization are two more examples (Raji et al., 2018).

The ability to create an offer and effectively convey its value to the intended audience is crucial for the management of every successful brand. The most effective use of few communication resources requires a concerted and purposeful effort to express this value. In order to build and maintain a positive reputation for a brand, integrated marketing communication (IMC) has been advocated as a useful approach to public relations. That's also considered a method of strategic management (Ramanathan et al., 2017).

Search engine marketing refers to the practice of promoting a product or service through the incorporation of a search engine's returned results. To increase traffic to a website, "search engine" optimization has become increasingly prioritized as of late (Bolat and O'Sullivan, 2017). Companies do this by employing SEO tactics to boost their brand's visibility in online search results.

The use of search engine optimization (SEO) is crucial in attracting a large audience online. It's a method for attracting more people who find a website when looking for specific terms in a database like Google or Yahoo! Promotion via "search engines" is not the same as "paid advertising." When users enter a keyword into a search bar, results from major search engines like Yahoo, Google, and Bing all return somewhat different sets of links (Jan and Ammari, 2016). If a prospective student is looking for a business school and enters a search query like "top business school in Malaysia," Google will use its algorithm to return relevant links. The school's marketing department is motivated to take action by SEO strategies in order to rise to the top of these rankings. This is because most people prefer a top-down approach and only look at the first few results (Ramanathan et al., 2017).

The best way to get a handle on how social media accounts work is to view them as a community. Historically, there hasn't been a centralised meeting place for prospective and current students, faculty, and alumni. This was true whether they were in the same physical location or communicating through the internet. Lists on social networks are a useful way to keep track of the people who follow a particular account. The convenience of social media is that different types of constituents can have their own distinct groups or mailing lists. In addition to serving as a place for people to connect with one another, social media may be used to track down an individual fan (Jan and Ammari, 2016).

In recent years, the use of social media to communicate with clients has become standard practice for many corporations and enterprises including banks, fast food chains, and others. They typically hire or contract with a social media marketing specialist whose job it is to monitor the community and direct the conversation so as to project a positive picture to the followers (Booth and Matic, 2011).

Objective

- To study the different digital marketing tools for brand promotion.
- To examine the effect of digital marketing on brand equity.

Hypothesis

- H1: Social media marketing significantly influences brand equity
 H2: Email marketing significantly influences brand equity
 H3: Mobile phone marketing significantly influences brand equity
 H4: Search engine optimization marketing significantly influences brand equity
 H5: Company's website marketing significantly influences brand equity

Research methodology

In order to better understand the topic at hand, a descriptive survey was used as the backbone of this investigation. A questionnaire is a common research instrument used to collect data from the study population. An individual's demographic information (such as gender, age, employment, level of education, and company type) is collected in the survey's initial section. Questions about the study's dependent and independent variables make up the second section of the questionnaire. All responses were collected using a 5-point Likert scale, with 1 indicating strongly disagreeing and 5 indicating strongly agreeing, from the respondents. Respondents were chosen using a combination of discretion and convenience to represent the various service industries in Andhra Pradesh State. After distributing and evaluating data from 235 questionnaires, 210 were chosen for further investigation. Participant data and survey results were analysed using a combination of SPSS version 24 and AMOS. The purpose of descriptive statistics is to provide a concise overview of a study by tabulating and presenting summary statistics such as the mean and standard deviation of the study's variables. Cronbach's was used to determine the data's credibility. Structure equation modelling was utilised for hypothesis testing (SEM).

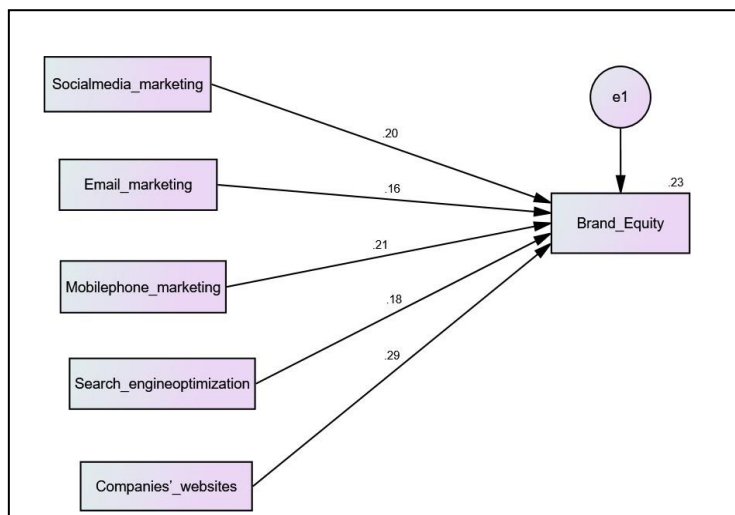
Table 1: Descriptive statistics:

Statistics		
	Mean	Std. Deviation
Social media marketing	3.6365	.91222
Email marketing	3.6524	.80621
Mobile phone marketing	3.0778	.84263
Search engine optimization	3.1444	.72091
Companies' web sites	3.5190	.83892
Brand Equity	3.4595	.58246

The above data shows the mean and standard deviation of descriptive statistics of various digital marketing tools. Here mean of social media marketing and email marketing is higher.

Table 2: Correlation

		Social media	Email	Mobile phone	Search engine	Companies' web sites	Brand Equity
Social media	Pearson Correlation	1	.190**	.173*	.200**	.205**	.329**
	Sig.(2-tailed)		.006	.012	.004	.003	.000
Email	Pearson Correlation	.190**	1	.202**	.068	.316**	.318**
	Sig.(2-tailed)	.006		.003	.330	.000	.000
Mobile phone	Pearson Correlation	.173*	.202**	1	.349**	.225**	.371**
	Sig.(2-tailed)	.012	.003		.000	.001	.000
Search engine	Pearson Correlation	.200**	.068	.349**	1	.232**	.338**
	Sig.(2-tailed)	.004	.330	.000		.001	.000
Companies' web sites	Pearson Correlation	.205**	.316**	.225**	.232**	1	.432**
	Sig.(2-tailed)	.003	.000	.001	.001		.000
Brand Equity	Pearson Correlation	.329**	.318**	.371**	.338**	.432**	1
	Sig.(2-tailed)	.000	.000	.000	.000	.000	
**. Correlation is significant at the 0.01 level (2-tailed).							
*. Correlation is significant at the 0.05 level (2-tailed).							



As a comprehensive statistical method, structural equation modelling (SEM) may evaluate several interrelationships between and among the constructs or components under study. Besides setting up individual connections, SEM also decides whether or not the entire model is acceptable by providing a justification for its fitness.

According to the recommendations of the academic literature, this study used confirmatory factor analysis (CFA) to verify the items in the relevant factor analyses (Hair et al., 2010). In order to evaluate the hypothesised linkages, the CFA path model can be analysed because of its good overall model fit.

Figure and Table 3 present the results of analyses of the effect of digital marketing strategies on the dependent variable (Brand equity). Hypotheses are tested using critical ratios, p-values, and the standardised coefficient weights (.). Acceptance is predicated on meeting the criterion of a critical ratio (CR) greater than 1.96 and a p value of less than 0.05 at the 5% level of significance.

Table 3: Regression weights

S. No.	Hypotheses	CR	Regression weights	P value	Result
H1	Social media marketing significantly influences brand equity	3.232	0.197	.001	Accepted
H2	Email marketing significantly influences brand equity	2.675	0.163	.007	Accepted
H3	Mobile phone marketing significantly influences brand equity	3.464	0.211	***	Accepted
H4	Search engine optimization marketing significantly influences brand equity	2.905	0.177	.004	Accepted
H5	Company’s website marketing significantly influences brand equity	4.786	0.291	***	Accepted

Table 4: Goodness of Fit indices

Goodness of Fit index	Cut-off values	Analysis results	Model evaluations
CMIN/Df	<3	1.595	Good
RMSEA	≤0.08	0.053	Marginal
CFI	≥0.95	0.957	Good
TLI	≥0.95	0.950	Good
GFI	≥0.90	0.889	Marginal
AGFI	≥0.90	0.856	Marginal

Testing the relationship between social media marketing significantly influences brand equity (CR= 3.23 p <.05) which shows the hypothesis has accepted. Testing the relationship between email marketing significantly influences brand equity (CR= 2.67, p <.05), which shows the hypothesis has accepted. Testing the relationship between mobile phone marketing significantly influences brand equity (CR=3.464, p <.05), which shows the hypothesis has accepted. Testing the relationship between search engine optimization marketing significantly influences brand equity (CR=2.90, p <.05), which shows the hypothesis has accepted. Testing the relationship between company’s website marketing significantly influences brand equity (CR=4.786, p <.05), which shows the hypothesis has accepted

Regression weight: It demonstrates that there are substantial derived links between social media, email marketing, mobile marketing, SEO, website optimization, search engine, and brand equity.

Goodness of fit indices demonstrate that this model is consistent with or a good fit for the data set. CMIN/DF = 1.595; CFI= 0.957; GFI= 0.889; AGFI= 0.856; TLI= 0.950; and RMSEA= 0.053. All these parameters’ values are as per threshold confirmed the good fit of measurement model.

Discussion

The current study analysed the impact of different digital marketing tools on brand equity. The paper selected social-media, email, mobile marketing and search engine marketing as digital marketing practices used by select MSMEs service sectors. The findings of the study confirmed that these three digital marketing have positive and significant influence on brand equity of MSMEs service sector.

The data suggests that marketing executives should prioritise novelty if they want to increase brand recognition among consumers. There needs to be more of an effort made to provide material that is up to date on various digital marketing strategies if you want to be hip. The service sector also has an ongoing obligation to convey news of advancements, discounts, and new products and services. In addition, companies should make a concentrated effort to create interesting and engaging material for their various social media accounts, including images and videos, in order to attract customers and engage them with the company's activities. Consumers' attitudes and feelings can be swayed favourably by humorous material. Brand recognition and perception can be improved by giving customers a platform to voice their opinions and concerns and by providing personalised responses to their requests. Since the advent of social media, the dynamic between a brand and its audience has shifted significantly. Having a strong online and, in particular, social media presence may be beneficial to a company's bottom line and their brand's overall worth. This research suggests that social media incentives and perks have an effect on consumers' loyalty to a given brand. Brand loyalty can be strengthened through social media contests and incentives Brand loyalty and reputation.

Conclusion

A brand must aim to maximise value and benefit to the business of any type of modern organisation, but brands are sometimes left in second place, almost neglected, because generally, current account regulations prohibit the actual value of intangible assets from being reflected in financial statements. In order to overcome this deficiency, seasoned economic players review the worth of brands on a periodic basis. The time has come for brands to do the same and maximise the potential a brand offers a modern organisation, with a greater emphasis on the online environment as a general strategy for growing the brand's value through appropriately planned and managed Digital marketing strategies. It's common knowledge in marketing that keeping an existing customer cost less than acquiring a new one. Brand equity increases when consumers have a positive association with a company.

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