

IMPACT OF DIGITAL MARKETING ON BUSINESS PERFORMANCE OF MANUFACTURING SMES IN DELHI-NCR

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Abstract

The main aim of this study was to study the impact of digital marketing practices on the business performance of manufacturing SMEs from Delhi-NCR. To conduct this study, a descriptive and quantitative research design was employed. A total of 368 participants working in manufacturing SMEs were selected. Quantitative data on the perceived benefits and challenges of digital marketing, usage of digital marketing and business performance of SMEs was collected using a set of questionnaires. Collected data was statistically analysed using SPSS v24.0. The study found that the usage of digital marketing was influenced by perceived benefits and challenges of digital marketing. In addition, usage of digital marketing had a significant influence on the business performance of SMEs and this relationship was moderated by the level of adoption of digital marketing and support tools used for digital marketing. It was found that use of digital marketing strategies such as affiliate marketing, use of videos and blogs improved the sales and profit of SMEs. The study recommends improving awareness on digital marketing and consultation with digital marketing experts to facilitate easy implementation of digital marketing in SMEs. Further studies should include study on a larger scale and on specific SMEs from other parts of India.

Keywords: Adoption, business performance, digital marketing, India, SMEs

INTRODUCTION

Digital marketing refers to the use of digital technologies to achieve the market objectives. In a broader term, digital marketing involves “use of digital technologies to create an integrated, targeted and measurable communication which helps to acquire and retain customers while building deeper relationships with them” (Wymbs, 2011). For any business model, digital marketing is a relevant, cost-effective, informative and interactive medium to establish relationship with customer, provide services, promote the brand, share ideas and information and increase the sales (Omar et al., 2020; Tiago & Veríssimo, 2014) via use of digital tools such as internet, display advertisements and other electronic medium. In this context, digital marketing tools such as social media and websites can be a powerful tool for Small and Medium Enterprises (SMEs) to gain competitive advantage and create a large customer base (Thaha et al., 2021). Currently data-driven strategy in online marketing is the new norm in SMEs. Digital marketing strategies combined with data science are supposed to increase the sale of products, generate brand awareness and enable access to new markets (Saura et al., 2021). In developing economies, SMEs contribute to the nation’s economic growth and larger employment rate.

Given their economic importance, there has been considerable increase in the research pertaining to the adoption and trends of digital marketing in different SMEs including food and drink industry, hospitality and manufacturing sector (Thaha et al., 2021).

In the Indian context, SMEs have a large contribution to the Indian economy in terms of industrial production of 40%, total export of 36% and employment to more than 8 million people (Rathod et al., 2016). In the year 2016 India had 3.2 million registered SMEs which increased to 7.9 million by March 2022 thus suggesting a prominent role of SME in the socio-economic development of India (Veena, 2020). Globally, SMEs are run by entrepreneurs, family or with sole proprietorship or partnerships, therefore they are constrained at multiple fronts including funds, lack of technical expertise and limited customer base. SMEs tough competitors are larger or multinational companies which have inherent advantages in terms of finance, digital infrastructure, established customer base and global reach. In the current scenario where globalization has increased and digitization has penetrated every sector, adoption of technology by SMEs can be a solution to keep pace with multinational firms (Kumar et al., 2021). According to Pelletier and Cloutier (2019) digital technology can support different business functionalities of SMEs including marketing, finance and accounting, human resource management. In the context of marketing, online platforms such as social media, e-commerce, technology 4.0 application can be used to increase interaction with customer and the supplier and to improve the standards of marketing practices (Kumar et al., 2021). Nevertheless, “one size fits all” approach of digital marketing for different types of SMEs is not viable (Setkute & Dibb, 2022). On top, the Covid-19 pandemic has unleashed problems to small industries as evident with fall in sales, reduced turnover, financial instability and loss of customers (Klein & Todesco, 2021). In view of this, utilization of digital marketing by SMEs will not only be in accordance with social distancing or no-physical contact guidelines, but will also offer an opportunity to increase automation, improve sales and turnover and regain the customer base (Kumar & Ayedee, 2021). Thus, for SMEs digital marketing will be a new medium to unleash multiple possibilities. However, studies indicate that despite large potentials, digital marketing is not fully utilized by many SMEs (Taiminen & Karjaluo, 2015). Under this background, the main objective of this paper is to (i) assess the role of perceived benefit and challenges in the usage of digital marketing; (ii) assess the relationship between usage of digital marketing and business performance of SMEs and (iii) to identify the factors that affects the relationship between usage of digital marketing and business performance.

REVIEW OF LITERATURE AND HYPOTHESES

Benefits and Challenge of Digital Marketing by SMEs

According to Klein and Todesco (2021) digital technology requirements of small and large scale businesses are different, therefore, aligning companies’ objective with digital marketing needs of SMEs can be challenging. Besides, the adoption of digital marketing by SMEs depends on multiple factors including awareness and competence in digital literacy, infrastructure for digital technology and organizational culture (Centobelli et al., 2016). The

perceived benefit of digital marketing includes cost-efficiency, increased visibility of product, brand creation, acquisition of customers from across the globe, customer relationship and efficient communication (Isohella et al., 2017). Some of the challenges associated with digital marketing in SMEs are limited budget, choice of platform for marketing strategy and content development for marketing strategy (Kumar, 2022). The quality and amount of content generation is decided by the requirement for the promotion of brand awareness. Further, there is a requirement to collect quality leads to build relationships with new customers (Kumar, 2022). From the context of adoption of digital marketing Indian MSMEs, a qualitative study highlighted multiple challenges including lack of adequate skills, financial/budget constraints, quality of service or products, lack of technical knowledge and security concerns limited the usage of digital marketing. According to Pettersson and Andersson (2018), digital marketing using social media platforms was to increase awareness and to build the relationships with customers. Thus, it is proposed that (H2) *'Perceived benefits and challenges have a significant impact on the usage of digital marketing by SME'*.

Relationship between Digital Marketing and SMEs Business Performance

A body of research indicates positive link between digital marketing strategies and performance of SMEs (Kumar et al., 2021; Omar et al., 2020). There are different dimensions of business performance of SMEs such as customer patronage, customer retention, market coverage and sales performance (Etim et al., 2021). In addition, increase in market share and sales volumes, brand recognition, customer satisfaction, increased visitors to social media pages, access to new markets and a large customer base is also an indicator of SMEs performance (Kalei, 2020). Research indicates that digital marketing practice can play a crucial role in the performance of SMEs. Hanafizadeh et al. (2012) advocated use of internet advertising option by Iranian SMEs while Kalei (2020) supported use of multiple digital marketing practices including adoption of websites, search engine optimization, blogs and display advertisements by Kenyan SMEs. In a cross-sectional study, Etim et al. (2021) supported use of social media marketing, online advertising tools and email marketing. From the Indian context, use of social media marketing improved the business outcomes in terms of performance and sales. Social media platforms piqued employees' creativity and helped to identify the customer needs (Chatterjee & Kumar Kar, 2020). Hence, the following hypothesis (H2) is proposed: *'Usage of digital marketing has a significant impact on the business performance of SME'*.

Factors Affecting Usage of Digital Marketing and Performance of SMEs

Multitude of factors including firms' internal environment such as size, management and level of adoption of digital marketing can influence the performance of SMEs.

Duration of Digital Marketing

Digital marketing practices proliferated in the 2010s and became a trend from 2013 onwards (Desai, 2019). Digital marketing platforms such as Facebook (Alraja et al., 2020) or LinkedIn (Mora Cortez & Ghosh Dastidar, 2022) provides a user-friendly experience to customers to search for new products and relevant information. Over a period of time, the marketing strategy

has diversified, and a plethora of digital marketing techniques has emerged to achieve companies' marketing objectives. Digital marketing can change the methods of functioning of SMEs, yet the changes in the performance of SMEs can be predicted only after a while (Gillpatrick, 2019).

Level of Adoption of Digital Marketing

For small businesses, internal factors such as lack of funds, shortage of skilled human resources, expensive and time-consuming analysis of effectiveness of digital marketing practices can limit the level of implementation of digital marketing (Teixeira et al., 2018). In addition, lack of risk management strategies to overcome online security issues such as data privacy and data protection has led to partial adoption of digital marketing wherein products are promoted via digital tools, but online transactions or expenses are not allowed (Faqih, 2016). Additional factors such as language barriers, cultural and trust issues, internet accessibility has also limited the reception and approval of digital marketing practices by companies (Faqih, 2016).

Support Tools

According to Kumar Sharma et al. (2020), digital marketing can be managed internally by in-house technical staff or by external sources such as digital marketing service providers. The competence of technical staff to provide a broad range of services such as search engine optimization (SEO), web development and page handling, social media marketing, generation of online prospects and pay per click (PPC) are elemental to the performance of SMEs. Currently digital marketing experts support use of artificial intelligence, mobile marketing and augmented reality to improve brand awareness, engage customers and increase the sales (Dwivedi et al., 2021).

Type of Business

(MacGregor et al., 2006) opines that SMEs of B2B and B2C style differ in E-commerce barriers. In addition, the decision-making approach towards adoption of E-commerce depends on the CEO's gender and educational qualification. According to (Klein et al., 2006), B2B SMEs outperforms B2C SMEs because of greater advantages of resources, larger budgets, greater expertise and association with supply chain, trade or industry. Further, Sayal and Banerjee (2021) opines that B2B's emphasis on brand-orientation and market readiness improves their performance.

Size of Business

Studies have linked SMEs size to performance (Mendoza, 2015). Larger firms may have more suitable internal and external environments. Larger enterprises have higher capability to provide funds, skilled human resources and infrastructure to adopt digital marketing and hence they can easily adopt the digital practices to improve their performance (Rahayu & Day, 2015). Quoc Trung (2021) states that smaller enterprises face multiple issues such as trust and confidence of investors and return on investment which hinders their performance. According

to (Wincent, 2005), larger firms may have more integrated networking behaviour than the small firms thereby determining their higher performance.

Top Level Management

Top level management has been associated with the adoption of digital marketing by small companies (Teixeira et al., 2018), SMEs performance and productivity (Acar, 2015; Timothy, 2022). Top managers involvement, support and attitude (Teixeira et al., 2018), demographic characteristics such as age, experience and educational qualification (Timothy, 2022), and leadership style with innovativeness and proactiveness (Hayat & Riaz, 2011) has been shown to influence SMEs performance. Ismail et al. (2020) opined that top management's global mindset and foreign knowledge is elemental to the performance of SMEs at an international level.

Based on above literature review, following hypotheses are proposed

- H3:** Duration, level of digital adoption and tools support moderates the relationship between usage of digital marketing and business performance
- H4:** Type of business, size of business and level of management can affect business performance of SMEs.

Research gap

Since SMEs contribute to the nation's economy, studies have been performed on analysing the benefits/challenges towards the adoption of digital practice and their effectiveness on SMEs performance worldwide. The reviewed literature showed limited studies on the perceived benefits or challenges and business performance of SMEs from across Delhi- NCR region of India. To conduct the present study, the following framework was conceptualized (Figure 1). In the given framework, perceived benefit and challenges and usage of digital marketing were independent variables, business performance was dependent variable; duration of digital marketing, level of adoption of digital marketing and types of support tools was moderating variable while type of business, level of management and size of business were control variables.

METHODOLOGY

Study design

A descriptive, quantitative and positivist research approach was implemented to study the prospective impact of digital marketing on the business performance of manufacturing SMEs of Delhi-NCR region of India. Besides, a random sampling technique under non-probability was selected to arrive at a sample size of 368 participants.

Instrument

The participants' perception on perceived benefits and challenges of digital marketing in SMEs, business performance of SMEs was obtained using a questionnaire which was prepared by the researcher. The first section of the questionnaire involved demographic details such as

participants age and position at the management level. In addition, characteristics of SMEs such as location of organization, type of business, size of business, duration and level of adoption of digital marketing, and types of support tools used for digital marketing. The second section consisted of questions to gather participants' perception on different aspects of digital marketing. Participants' response to usage of digital marketing tools for product/service promotion were coded on a 5-point Likert scale ranging from 1 to 5 with 1 as 'never', 2 as 'seldom', 3 as 'sometimes', 4 as 'frequently' and 5 as 'always'. Participants' response to business performance, perceived benefits and perceived challenges of business performance was coded on a 5-point Likert scale ranging from 1 as 'strongly disagree', 2 as 'disagree', 3 as 'neutral', 4 as 'agree' and 5 as 'strongly agree'.

Statistical analysis

The demographic information of the respondents and characteristics of SMEs was tabulated in percentage and frequency. The proposed hypotheses were tested using partial-least-squares structural equation modelling (PLS-SEM). The moderating effect of duration, adoption and tools support was measured by bootstrapping. Bootstrapping was performed with 368 samples and the process was repeated 5000 times. Smart PLSv 3.3.3 software was used to assess structural equations through PLS. Finally, a p value with less than 0.05 was considered statistically significant.

RESULTS

Table 1 presents the demographic characteristics of respondents. Out of 368 respondents, a larger number of respondents worked in B2B type of business (65.5%) from Delhi (34.8%), Noida (24.5%) and Gurgaon (22.6%) region. About 70% of respondents were between the age of 36 years and 55 years and held positions at the top level of the management (73.1%). Representation of participants from micro (28.0%), small (36.4%) and medium (35.6%) industries was similar. In the majority of SMEs digital marketing has been partially implemented (72.8%) and for a duration of 2-4 years (41.8%). Both internal (45.4%) and external (54.6%) sources supported digital marketing for SMEs.

Table 2 presents the validity, reliability statistics, and collinearity of the proposed model. Reliability or the internal consistency of a set of items under each construct was tested using composite reliability (CR) and Cronbach's alpha estimation. As shown in Table 2, CR and Cronbach alpha value for all the variables including perception of benefits, business performance, perception of challenges and usage of digital marketing was equal or greater to threshold value of 0.7 (Hair et al., 2014) suggestive of reliable nature of all the items under each latent construct. In addition, average variance extracted (AVE) values was considered to estimate the convergent validity of the latent variables. AVE, the grand mean value of the squared loadings of a set of indicators, above the value of 0.5 for each construct indicated good convergent validity (Hair et al., 2014). In the present study, AVE values for each latent construct were above the minimum threshold value of 0.5. In addition, variance inflation factor (VIF) values indicated the severity of multicollinearity. According to (Daoud, 2017), VIF

values in the range between 1 to 5 is suggestive of moderate collinearity. In the present study, VIF value ranged from 1.14 to 3.26, an acceptable range.

To validate the hypotheses, the parameter estimates (path coefficients and significance level) of the structural model were calculated by partial least squares structural equations modelling (PLS-SEM) (Table 3). Taking into account the T-statistic, t-value of ≥ 1.96 at 0.05 level, benefits had a positive and significant (t-value = 18.47, $p < 0.001$) while challenges had a negative and significant (t-value = 5.57, $p < 0.001$) relationship with the usage of digital marketing, indicative of high impact of perceived benefits on the usage of digital marketing. Further, the hypothesized relationship between the usage of digital marketing and business performance was positive and significant (t-value = 3.09, $p < 0.001$) and this relationship was moderated by adoption (t-value = 2.09, $p < 0.05$) and tools support (t-value = 2.09, $p < 0.05$). Duration of digital marketing exerted no moderation effect (t-value = 1.56, $p > 0.05$). Among the control variables, level of management contributed to business performance (t-value = 2.25, $p < 0.05$). Therefore, hypothesis H1, H2, H3 and H4 were accepted. The path coefficients are illustrated in Figure 2 and Figure 3.

Discriminant validity, the measure of distinctness and correlation between factors, was measured by two criteria - the Fornell-Larcker Criterion and a stringent Heterotrait-Monotrait Ratio (HTMT) (Hamid et al., 2017). According to the Fornell-Larcker Criterion, the AVE value for each construct should exceed the squared inter-construct correlations. Further, the HTMT ratio of < 0.90 indicates the discriminant validity of latent constructs (Henseler et al., 2015). In the present study, the Fornell-Larcker Criterion was satisfied by all constructs thus denoting discriminant validity (Table 4). Likewise, HTMT ratio for all latent constructs were below 0.9 validating the threshold value and distinct nature of each construct (Table 5).

The requisite indices of the structural model are presented in Table 6. The coefficient of determination (R^2) value explains the variance of endogenous variables. R^2 value of 0.444 on usage of digital marketing indicates that 44.4% of the variation in the usage of digital marketing is accounted by perception of benefits and challenges while R^2 value of 0.154 indicate that 15.4% of variation in business performance is contributed by usage of digital marketing. The indices suggest goodness of fit of the structural model. The Stone-Geisser's Q^2 value is a measure of predictive relevance. The Q^2 value of 0.02, 0.15 and 0.35 indicates a small, medium and high effect size, respectively (Garson, 2016). The Q^2 value of 0.076 on business performance and 0.293 on usage of digital marketing suggest small and medium level of predictive relevance, respectively. Additionally, the goodness of fit was assessed using standardized root means square residual (SRMR). A value of 0 indicates perfect fit, while value less than 0.08 indicates good fit. In the present study, the model fit value for SRMR was 0.063, below the threshold value of 0.08. Likewise, the Normed Fit Index (NFI) value of 0.903, above the threshold value of 0.90. The indices indicated good fit.

The effect size is indicated by f^2 values. It indicates the impact of independent/exogenous constructs on the dependent/endogenous constructs (Table 7). The f^2 square values of 0.02, 0.15 and 0.35 indicate small, medium and large effect size, respectively (Benitez et al., 2020). Perceived benefits ($f^2 = 0.671$) and perceived challenges ($f^2 = 0.08$) had a large and small effect

size on the usage of digital marketing, respectively. The effect size of usage of digital marketing on business performance was small ($f^2 = 0.037$).

DISCUSSION

Digital technology has become an integral part of business marketing. Digital marketing offers ample opportunities to improve brand awareness, customer engagement, sales and many other aspects of business. The present study was conducted to explore the impact of digital marketing on the business performance of SMEs. In the present study perceived benefits such as increased customer base, customer satisfaction and customer loyalty supported usage of digital technology. In addition, higher conversion rate, higher return on investment (ROI), trackable and measurable results, higher sales and profit enticed SMEs to use digital marketing tools. While challenges such as lack of technical skills and time factor reduced the use of digital marketing tools. According to Pettersson and Andersson (2018), previous experience determines the perceived benefit and subsequently aids in the acceptance of technology by SMEs. Though the use of social media marketing tools such as LinkedIn and Facebook were noticed among Swedish SMEs in the B2B sector, companies faced lack of skilled persons, time and funds which challenged the acceptance of digital tools by SMEs. Mohan and Ali (2019) stated that personal factors such as lack of awareness and skills, and environmental factors such as competitive market, poor capital fund, macroeconomic factors and infrastructure were the major hurdles faced by Indian MSMEs in the usage of digital marketing. The findings resonate with other studies wherein lack of technical ability has been a big hindrance to the use of digital marketing strategies in SMEs (Danzen, 2022).

Further, business performance of SMEs was dependent on the usage of digital marketing. Digital marketing strategies involving use of websites, videos, blogs and affiliate marketing to promote the products or services improved business performance. Use of search engine optimization and pay-per-click also benefited the performance of SMEs. The usage of digital marketing increased business opportunities at domestic and global level, increased customer base, improved the sales and profits of SMEs. The benefits of digital marketing in the performance of small businesses are reported in literature (Mechman et al., 2022; Nuseir & Aljumah, 2020). The positive contribution of digital marketing applications such as affiliate marketing, online advertising, social media marketing and email marketing to the business performance of SMEs of UAE has been reported by Nuseir and Aljumah (2020). According to Lockett (2018) the choice of appropriate digital marketing strategies to reach end-users serves multiple advantages including promotion of products, increased brand awareness, communication with customers and increased revenue or profits. The new normal is use of e-marketing strategies including social media platforms such as Facebook, online advertising tool such as search engine or website advertising and email tools such as newsletters (Etim et al., 2021)

In the present study, adoption of digital marketing at a partial or full level moderated the relationship between usage of digital marketing and performance of SMEs. Implementation of digital marketing practices such as search engine optimisation (Tomasi & Li, 2015), social

media marketing (Chatterjee & Kumar Kar, 2020), different online payment modes (Desiyanti et al., 2022), instant messaging, marketing through mobile, video or email (Obradovic et al., 2018) will increase the exposure of product to consumer and improve SMEs performance. Use of support tools with-in the company or through external or outsourced also showed a moderating role. In support of this, a qualitative study conducted on digital marketing service providers to Indian SMEs reported that a wide array of marketing services such as development of web pages and search engine optimization benefits SMEs (Kumar Sharma et al., 2020). Further, in the present study, unlike type and size of business, level of management affected the business performance of SMEs. Based on literature findings it can be argued that top executive's involvement and attitude (Teixeira et al., 2018), proactive and innovative style of leadership (Hayat & Riaz, 2011) will have a higher influence on SMEs performance. According to Park and Byun (2021), in small and medium enterprises executives' managerial skills, awareness of technology and utilization of resources is important for the growth of a firm.

Considering India is home to many SMEs, the selection of sample size was relatively small. Further the focus was on manufacturing SMEs from Delhi-NCR region, therefore generalizability of the findings to SMEs from other parts of India and outside India should be made after analysing the marketing resources, technical infrastructure and the level of digital implementation. In addition, a larger number of SMEs operate within the B2B sector which means managers are in direct contact with the retailers or salesperson, thus, there is lower exposure to what type of impact digital marketing strategies had directly on the end-users or customers. This was a quantitative study; a mixed approach wherein qualitative interviews of the participants should be conducted to gather their perspective on the various aspects of digital marketing in SMEs. Further, a larger sample size and data from single and specific SMEs across different Indian states will broaden the understanding of current state of digital marketing practices by Indian SMEs.

RECOMMENDATIONS

Digital marketing firms can increase the awareness on the effectiveness of implementation of digital technologies in SMEs by conducting seminars. SMEs owners can consult with government agencies or a third party or digital marketing experts to gain information on the digitization of SMEs. In addition, SMEs can do minimal investment and collaborate with digital marketing firms on a short-term basis to monitor the effectiveness of digital marketing on the productivity and performance of the company. SMEs owners should keep abreast of the emerging digital technology and might take up training to increase their own awareness and to remodel the digital marketing practices if required. In addition, SMEs owners should learn to handle different social media platforms to promote their products and attract customers from across the globe.

CONCLUSION

Based on the outcomes of the present study, it is concluded perceived benefits such as high sales and profit, high ROI, increased conversion rate, and customer satisfaction and loyalty, and perceived challenges such as lack of technical infrastructure and limited time influenced the usage of digital marketing. Further, business performance of SMEs was dependent on the usage of digital marketing strategies such as videos, blogs, pay-per-click, affiliate marketing which improved business opportunities at national and international level and increased the sales and profit of SMEs.

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TABLES

Table 1: Demographic details and SME's characteristics

	Frequency	Percentage
Age group		
Below 25	9	2.4
26 - 35	83	22.6
36 - 45	149	40.5
46 - 55	110	29.9
56 - 65	17	4.6
Location of organisation		
Noida	90	24.5
Delhi	128	34.8
Gurgaon	83	22.6
Faridabad	41	11.1
Ghaziabad	25	6.8
Other	1	0.3
Type of Business		
B2B	241	65.5
B2C	22	6.0
B2B; B2C	105	28.5
Level of management		
Top level	269	73.1
Middle level	84	22.8
First level	15	4.1
Size of business		
Micro Enterprise*	103	28.0
Small Enterprise **	134	36.4
Medium Enterprise ***	131	35.6
Duration of digital marketing (Years)		
0 to 2	62	16.8
2 to 4	154	41.8
4 to 6	98	26.6
More than 6	54	14.7
Adoption of digital marketing		
Fully Implemented	100	27.2
Partially Implemented	268	72.8
Tools support for digital marketing		
Internally by the organisation	167	45.4
External (Outsourced)	201	54.6

Table 2: Construct reliability and validity

Latent variable	PLS code item	Scale item		Factor loadings	Outer VIF	Cronbach's Alpha	CR	AVE
		Mean	SD					
Perception of Benefits	BF_1	4.120	0.615	0.847	2.682	0.888	0.918	0.691
	BF_2	4.082	0.638	0.843	2.774			
	BF_4	4.435	0.816	0.869	2.640			
	BF_5	4.410	0.856	0.850	2.451			
	BF_7	4.291	0.968	0.740	1.897			
Business Performance	BP_1	4.008	0.736	0.849	1.141	0.696	0.806	0.675
	BP_2	4.054	0.662	0.793	1.141			
Perception of Challenges	CH_5	4.253	0.927	0.805	1.144	0.693	0.807	0.677
	CH_7	4.353	0.907	0.841	1.144			
Usage of Digital Marketing	UDM_2	3.731	1.337	0.784	1.740	0.887	0.917	0.688
	UDM_4	3.321	1.347	0.841	2.313			
	UDM_5	3.027	1.397	0.872	2.841			
	UDM_6	2.709	1.355	0.847	3.262			
	UDM_7	2.606	1.318	0.799	2.655			

Table 3: Structural estimates of the model

	Path Coefficients (β)	T Statistics	P Values	Decision
Adoption -> Business performance	-0.131	0.865	0.387	Negative and insignificant
Adoption x UDM -> Business performance	0.302	2.098	0.036	Positive and significant
Benefits -> Usage of digital marketing	0.613	18.478	0.000	Positive and significant
Challenges -> Usage of digital marketing	-0.223	5.579	0.000	Negative and significant
Duration -> Business performance	0.089	1.441	0.150	Positive and insignificant
Duration x UDM -> Business performance	0.077	1.566	0.118	Positive and insignificant
Level of management -> Business performance	0.135	2.250	0.025	Positive and significant
Size of business -> Business performance	-0.068	1.063	0.288	Negative and insignificant
Tools support -> Business performance	0.131	2.096	0.037	Positive and significant
Tools support x UDM -> Business performance	0.142	2.165	0.031	Positive and significant
Type of business -> Business performance	-0.007	0.140	0.888	Negative and insignificant
Usage of digital marketing -> Business performance	0.332	3.099	0.002	Positive and significant

Table 4: Fornell-Larcker Criterion

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Adoption (1)	1.000									
Benefits (2)	0.214	0.831								
Business performance (3)	0.254	0.176	0.821							
Challenges (4)	-0.413	-0.073	-0.094	0.823						
Duration (5)	0.347	0.121	0.178	-0.126	1.000					
Level of management (6)	0.000	-0.077	0.018	0.087	-0.007	1.000				
Size of business (7)	0.503	0.316	0.123	-0.207	0.463	-0.002	1.000			
Tools support (8)	-0.115	-0.337	0.061	0.165	-0.002	-0.173	-0.314	1.000		
Type of business (9)	0.150	-0.103	0.066	-0.008	0.046	0.038	0.078	0.199	1.000	
Usage of digital marketing (10)	0.582	0.628	0.252	-0.268	0.278	-0.206	0.544	-0.348	0.039	0.829

Table 5: Heterotrait-Monotrait Ratio (HTMT)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Adoption (1)										
Benefits (2)	0.222									
Business performance (3)	0.352	0.256								
Challenges (4)	0.566	0.106	0.198							
Duration (5)	0.347	0.124	0.245	0.178						
Level of management (6)	0.000	0.082	0.024	0.121	0.007					
Size of business (7)	0.503	0.332	0.170	0.282	0.463	0.002				
Tools support (8)	0.115	0.357	0.106	0.227	0.002	0.173	0.314			
Type of business (9)	0.150	0.108	0.097	0.035	0.046	0.038	0.078	0.199		
Usage of digital marketing (10)	0.628	0.683	0.371	0.396	0.300	0.223	0.580	0.365	0.048	

Table 6: Predictive relevance

	SSO	SSE	Q ² (=1-SSE/SSO)	R Square	R Square Adjusted
Business performance	736.000	679.769	0.076	0.154	0.131
Usage of digital marketing	1840.000	1300.549	0.293	0.444	0.441

Overall model fit: SRMR = 0.063, d_ULS = 0.892, d_G = 0.545, Chi-Square (χ^2 = 3732.380) and Normed Fit Index (NFI = 0.903)

Table 7: F square

	Business performance	Usage of digital marketing
Benefits		0.671
Challenges		0.089
Usage of digital marketing	0.037	

FIGURES

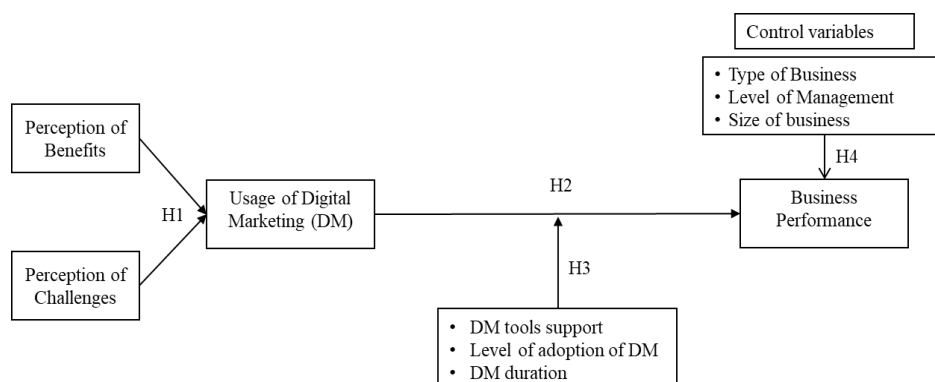


Figure 1: Conceptual Framework

Figure 2: Measurement model

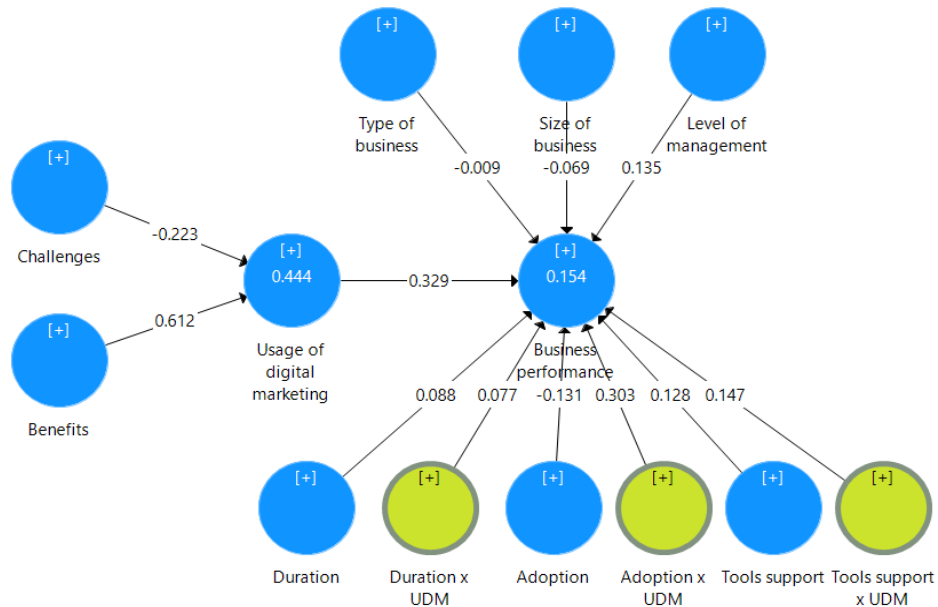


Figure 3: Structural model

