



## Providing a Digital Marketing Adoption and Application Model for Promotion of Brand Equity

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### ABSTRACT

Present research investigates how a digital marketing adoption and application model developed by managers can promote brand equity in small enterprises. This is an applied research with a quantitative approach conducted through an exploratory design. The statistical population included all senior managers of small enterprises operating in digital markets. The sample size was determined by theoretical saturation after conducting 12 in-depth interviews with the managers who had been selected using purposive, non-probability, convenience sampling. The coding involved three stages of open, axial, and selective coding performed in MAXQDA software. In this process, of 184 initial concepts, 35 categories were formed. Next, by axial coding, the categories were grouped into 7 major themes: organizational factors, technical factors, digital marketing strategies, digital marketing tools, digital marketing outcomes, and brand equity. Finally, in the selective coding, all description axes and storyline were drawn and the research final model was set up. According to the results, digital marketing strategies, by aiding small enterprises to get better access to target markets, identify customers, and stimulate sales growth, improves their brand equity.

**KEYWORDS:** Digital marketing; Brand equity; Small enterprises

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## 1. Introduction

Recently, the advancement in digital technologies has led to the emergence of digital marketing, which in turn has provided a significant opportunity for small enterprises to promote and develop their business (Eze et al, 2020). Digital marketing, as the promotion of goods and services, using digital technologies (mainly on the Internet, mobile phones and other digital media) has greatly contributed to maintenance of a continuous communication between companies and customers (Taiminen & Kajaluoto, 2015). Digital marketing goals include increasing customer engagement (comments, reviews, recommendations), brand awareness (shares, likes), increasing sales, loyalty, and providing opportunities to create shared customer value (new product development) (Wang et al, 2020).

Brand equity is what businesses today need to increase their customer base (Wang et al, 2020). Brand equity is considered as the business asset which increases the business cash flows and leads to brand differentiation as superior to rival brands (Aaker, 2000). Therefore, marketing practitioners need to focus more on brand equity. Meanwhile, marketers quickly recognized the benefits of social networks such as Facebook, YouTube, Twitter, Instagram, etc for interaction with customers, so that in 2017, 3.51 billion dollars were spent worldwide for advertising on social networks, which had an increase by 4.55% relative to 2016 (Cooper, 2018). The amount spent on digital advertising in 2018 is expected to increase by 17.7% and include \$273 billion (44%) of the \$629 billion spent on global advertising (McNair, 2018). The dramatic increase in advertising spending is convincing evidence of the effectiveness of digital marketing in reaching target markets and company growth (Ritz et al, 2019).

Marketing is regarded crucial for survival, development and success of small and new businesses (Teixeira et al, 2018), because small businesses face environmental challenges, such as rapid technological evolution, globalization, and more sophisticated competitors. Therefore, they should be able to identify and pursue market opportunities, so that despite the limitations of financial and human resources, and their limited and small market, they can adapt to market opportunities (Eze et al, 2020). Currently, the key to identifying these opportunities is clearly the Internet, where companies offer their products/services to a global audience and reach large masses that largely reduce their costs. For this reason, paying attention to digital marketing is a must in order to obtain the maximum competitive advantage made possible by this tool for companies. Marketing professionals are required to constantly update their knowledge and search for information, as the sector is continuously changing (Teixeira et al, 2018).

The purpose of this article is to present a model for the adoption and application of digital marketing by managers of small enterprises to promote their brand equity.

## 2. Theoretical framework and research background

Mazzone (2014: 8) defines digital transformation as the conscious and continuous digital transformation of a company, a business model, an idea, a process or a method, which can be both strategic and tactical. Procter (2017: 9) defines digital transformation as transformation in the corporate world through the development of new Internet-based technologies that affect society. It is obvious that the use of new technologies is placed at the top of this definition. Boue'e and Schaibel (2015: 6) understand this process as the networking of economic sectors and adaptation of actors to the new realities of the digital economy. Doing so involves making decisions about networked systems that include data exchange and data analysis, calculating and evaluating options, and initiating actions. Schallmo and Daniel (2018) define digital transformation as a sustainable transformation at the corporate level through revised or newly

created business operations and business models achieved through digitization initiatives, which as a result leads to improved profitability.

Today, digitalization is considered as the background of work in all fields of business and society. In addition, digitalization is the ability to collect relevant information, analyze them and transform them into actions that are linked to the topics of big data and analysis (BMW, 2015: 3).

Digital marketing has been developed since the 1990s and is constantly evolving, changing businesses and the way the winning technology is used. Due to greater ease and convenience, the use of digital devices is more effective and more widespread than visiting physical stores (Banis, 2014). Digital marketing is the implementation and management of marketing using digital channels and technologies such as the web, digital televisions, and wireless media to reach markets in a timely, interactive, and cost-effective way (Eze et al, 2020). Also, digital marketing can be defined as the use of digital technologies to create channels to reach the potential beneficiary, to achieve the goal of the brand or company by effectively fulfilling customer needs (Sawicki, 2016).

Digital marketing is not just the evolution of traditional marketing and a faster or newer channel. This is a new approach to marketing. Digital marketing is a term used for marketing that uses electronic devices such as computers, smartphones and tablets to attract customers (Gravatt, 2018). Digital marketing refers to the promotion of products and services using digital distribution channels through mobile phones, computers, smartphones or other digital devices (Ritz et al, 2019).

Eze et al (2020) investigated the important success factors in shaping the use of digital marketing tools by small businesses. They identified 14 critical success factors in the adoption of digital marketing tools by small businesses in Nigeria: functional capability, adaptive capacity, and development capability, which are related to technology. Collective understanding, participation degree, and information diversity are related to organizational context, while training level, service delivery quality, customer realization, and intense competition are related to environmental context.

Pandey et al. (2020) analyzed the existing literature on the use of digital marketing in the B2B context using a systematic review. This review suggested that a few areas such as digital marketing communications and sales management have seen continuous progress, while decision support systems, critical success factors, e-marketing orientation, etc., have been less explored.

Wang (2020) conceptualized digital marketing capabilities from the perspective of dynamic relational capabilities and examined the performance results of digital marketing capabilities. He found that digital marketing capabilities positively contributed to performance. Companies with more entrepreneurial orientation use digital marketing capabilities more effectively and perform better.

### 3. Methodology

This is an applied research with a qualitative approach conducted through an exploratory design. It is applied, in that it seeks to solve a practical problem and its findings are of direct use to enterprises. For the data collection, first, the library research was used to collect the data on the literature. In this research, in-depth interviews were used to collect the required actual information. The interviewees were selected using purposive, non-probability convenience sampling. These interviews were conducted by the researcher based on the main research question about the research topic and based on the feedback received during the data collection and analysis process. In-depth interviews are one of the most common types of interviews used in qualitative social research, in which all respondents are asked the same questions, but they are free to present their answers in any way they wish. In this case, the researcher is

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responsible for decoding the answers and classifying them (May, 1997). In this research, the three open, axial, and selective coding methods for analysis of the qualitative data in MAXQDA software were used.

**4. Data analysis**

After it was determined what kind of composition the participants in the research have, according to the type of the research qualitative data, which is a text document, the data was analyzed. In analyzing the research data, the researcher followed the systematic school of Strauss and Corbin (1994) according to which, first, the blocks or meaningful units were created through two steps of open and axial coding, ending with selective coding.

**Coding**

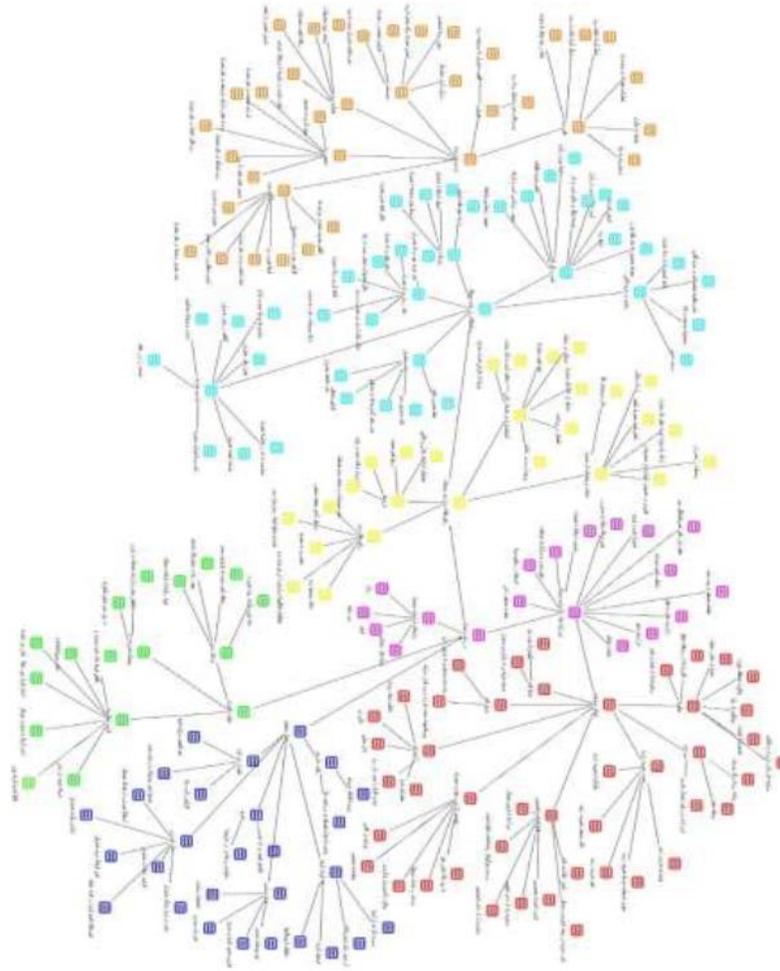
This step is the first stage of coding in many qualitative approach strategies (Strauss and Corbin, 1998). Strauss and Corbin (1998) describe open coding as "a part of analysis that is specifically concerned with naming and categorizing phenomena through careful examination of the data". The most important issue is that, according to Saldana (2008), in this section, 35 subcategories were placed in 7 major themes of organizational factors, environmental factors, technical factors, digital marketing strategies, digital tools, digital marketing consequences and brand equity.

**Digital marketing strategies**

Digital marketing includes a wide range of methods and actions to make businesses more profitable and more profitable, especially in cyberspace. In this context, the interviewee 4 admitted: "Content marketing acted as a kind of helper, which also had a great effect on the SEO site. In content production, there were many options for our business, such as producing textual content with video, through which we were able to introduce and attract the audience to our special products and services."

In this regard, the interviewee 1 admitted: "With the help of influencers, setting awards and holding online competitions, we reached a satisfactory result, and despite the lower costs relative to classic media, we still spent money."

In another place, he admitted: "The website and virtual networks, especially Instagram, were active around the clock, which brought great results, and every month we receive a special award from Google for active users, which is very valuable."



**Figure 1.** Research model tree chart (MAXQDA output)

### *Storyline*

Based on the opinion of the participants, the adoption of digital marketing in small businesses is influenced by three axes of organizational, environmental and technological factors. These three factors are based on the framework of technology, organization and environment (TOE) in order to base the research theory. The TOE model of Tornatzky and Fisher (1990) is a conceptual framework that specifies what factors are used for IT application. The organizational dimension examines structures, resources, as well as business size and degree of monopoly (Eze et al, 2020). Organizational factors include strategy innovation, senior management support, expert human resources, financial resources, participation, specialization and skill-oriented, technical resources. The participants in the research considered the adoption of digital marketing as its institutionalization in all departments and organizational units, which requires the preparation of the necessary human, technical and financial infrastructure in the organization. According to the participants, another main focus that drives organizations towards adopting digital marketing is the technology dimension. The technology dimension examines the performance of tools as well as the benefits of technology. Digital marketing with up-to-date technology, cheap, cost-effective, error reduction and ease of use has made it possible for small businesses to achieve the highest efficiency in the shortest time. As far as the interviewees acknowledged, with the budget and power provided by

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digital marketing, it can have feedback as many branches in the real world without being limited by time and place. Technological factors include the relative advantages of technological complexity and functional capability. In the following, it was found that the business environment was also effective as another axis in the path of digital marketing adoption. Surely all businesses are affected by their environment and this influence is more in small businesses because these businesses undergo environmental changes due to lack of resources and more dependence on markets for survival. Environmental dimensions focus on business size, competitors, macroeconomic outlook and laws and regulations. Environmental factors include changes in the market, customers' desire for foreign competition, sanctions, political factors, and the Corona epidemic. As mentioned in the interviews, customers' lifestyles are mixed with technology, so businesses must connect their business to the digital world in order to connect with millennial customers. Along with factors such as foreign competition and boycotting of political agents, coronavirus has been one of the most frequent environmental factors affecting the digital marketing adoption in the last two years. The fear and worry caused by the coronavirus, the closure of in-person sales branches and social distancing made customers prefer to stay at home and follow up and buy products from home and through digital channels, and this greatly boosted the digital marketing growth. According to the interviewees, the category of digital marketing also included digital marketing strategies and digital marketing tools. These tools and strategies are adopted according to budget conditions and business objectives, but the main tools used are social networks and content marketing strategies, which have become very popular among marketing practitioners and customers in recent years. In this field, in order to achieve better results, strategies were also presented by the interviewees, which enhance its effectiveness. Digital marketing strategies include customer service and support, building trust in the online space, processes, and brand strategies. In this context, businesses emphasize customer support, which means that businesses should emphasize that selling is not the end of the road, but the beginning of a commitment. It is important to provide warranty and support services for customer complaints and questions. Another important issue in the digital field is building trust in the customer and reducing his perceived risks, because the online environment is inherently associated with uncertainty. It is also necessary to have sufficient coordination in internal areas to realize digital marketing so that there is no conflict in functional tasks and as a result, failure in providing services. And finally, brand strategies should be in line with the digital marketing realization.

According to the interviewees, the digital marketing outcomes included convenience in online shopping, brand communication, creating value for customers, attracting customers, and identifying customers. In the meantime, brand communication and customer identification were identified as the most frequent categories. As stated in the interviews, in the past, accessing the customer's needs and desires, i.e. knowing about these demands in various ways, was difficult and had many errors, but now the customer himself/herself is eager to be in interaction with the brand and participate in making the brand bigger. In fact, in traditional marketing methods, you can never reach a wide range of audiences. In fact, with this method, you can have the most targeted audiences for business. Therefore, the main consequences of digital marketing for the brand are identifying customer needs and gaining more insight in this field, as well as facilitating communication between the customer and the brand.

Finally, according to the interviewees, with the emergence and expansion of digital marketing as well as the influence of social media, brand awareness and loyalty on the part of the customer was well demonstrated, and a close relationship was formed between the brand and the customer, strengthening future brand associations in customer's mind, especially during the Corona quarantine period. Businesses in the past were in contact with customers only through sales agents and intermediaries, and there was no



current research is based on the theoretical basis of environmental organization technology. This theoretical framework identifies three dimensions of an organizational context that affects the adoption and implementation of a technological innovation: technological context, organizational context, and environmental context. The technological context includes external technology and appropriate technology for the organization. Size, scope, management structure, and internal resources constitute the environmental context referring to the industry, organization, competitors, and government policies (Chong and Olsen, 2017). The variables that make up the three organizational and environmental technological fields vary in different studies. This means that by building the organization-technology structure of the environment, researchers can identify the relevant factors that are specific to their research field and focus only on the more relevant variables. Cooper and Moval's (2014) validation of this framework has also been confirmed in several studies in the field of information technology adoption (Eze et al, 2020; Al Shamiya et al., 2013). In addition, most of the adoption related theories neglected the environmental characteristics of the market and industry as important factors in adoption, while this framework accounts for the characteristics of the market and industry (Chong and Olsen, 2017). In this research, this framework has been used to measure the effect of technological, organizational and environmental factors on the adoption of digital marketing in small enterprises.

As mentioned, organizational factors are considered a main axis in digital marketing adoption. Organizational factors refer to the characteristics of the organization such as the scope of the managerial structure and internal resources. In order to be adopted, any strategy requires the preparation of grounds for its adoption in the organizational platform. In fact, organizational platforms must be provided in line with digital marketing adoption and application. In this research, these contexts are grouped into 8 subcategories of innovation, strategy, senior management support, specialized human resources, financial resources, and skill-oriented technical resources. Therefore, since digital marketing is an innovation, its adoption and application depends on the level of innovation and courage of the organization's people. Innovativeness in an organization and the desire to be bold and first-mover relative to competitors promotes change as a solution for improvement and reduces the fear of change for the business. Innovativeness brings the cultivation of an idea to the organization and leads to expertise and initiation of an innovation during its development and implementation. According to Eze et al (2018), openness to change is one of the factors that affects the adoption of ICT using the concepts of dynamic capabilities. This is also supported by Teixeira et al (2018).

Based on the axial coding of technological factors, it is considered to be one of the influential factors in digital marketing adoption. The technological context includes technology-related features for the organization. This axis includes 3 subcategories of relative advantages, technological complexity, and functional capability. The results of Ritz et al. (2019) showed that technology-related factors were an important motivation for small business owners/managers who do digital marketing.

Based on axial coding, environmental factors are crucial for the adoption of digital marketing. Environmental context refers to industry, organization, competitors, and government policies. This axis includes 6 sub-categories of changes in the market, customer desire, foreign competition, sanctions by political agents, and the Corona epidemic. In this context, Shaltoni et al (2018) found that the level of competition is an effective factor in the adoption of electronic marketing in small and medium-sized enterprises. This is consistent with the findings of Eze et al (2020).

Based on the the axis of organizational factors, it is suggested that the internal space of the business be based on the principles of creativity and innovation, and innovative ideas be accepted by the management, and a free space be provided in such a way that the members express their ideas and do not fear their

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acceptance or rejection. According to the axis of technology factors, it is necessary for businesses to identify the advantages of this technology by increasing their knowledge about digital marketing and to be aware of the diversity of its tools, because digital marketing is not limited only to social networks. According to the axis of environmental factors, businesses should monitor their marketing methods by continuously following the activities of their competitors and collecting information on their marketing methods. According to the axis of digital marketing application, businesses should identify different digital marketing tools and choose the most optimal tool according to the budget and business goals.

According to the axis of digital marketing strategies, businesses should prioritize customer service and support. Adding facilities such as free shipping, the possibility of returning goods and handling customer complaints is helpful in this regard. Businesses should focus on the principle of honesty and building trust. For this purpose, it is suggested to provide the basis for building trust in business by encouraging other customers to present and publish their experiences in the online environment. In order to realize digital marketing in organizational processes. Organizational processes must be aligned with the goal of digital marketing, so it is, at times, necessary to redesign some processes to realize digital marketing.

According to the axis of digital marketing consequences (outcomes), by providing detailed and up-to-date information about products, they can provide customers with the possibility to compare and choose products in the shortest possible time. Businesses should employ digital marketing despite facilitating communication with customers for B2B marketing and facilitating communication between work units and other businesses.

According to the brand equity axis, businesses should create an identity for their brand and expand their brand message on social networks. For this purpose, it is necessary to continue in this work and avoid intermittent efforts. The accessibility of the brand for the customer and the improvement of the level of support (24/7), i.e. 24 hours a day and 7 days a week, can help to improve customer understanding of the image of a reliable and responsive brand.

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**ETHICAL CONSIDERATION**

Authenticity of the texts, honesty and fidelity has been observed.

**CONFLICT OF INTEREST**

Author/s confirmed no conflict of interest.