

Stimulating E-Business Capabilities and Digital Marketing Strategies on Business Performance in E-Commerce Industry.

Del Giorgio Solfa, Federico, de Oliveira, Sandra Cristina y Simonato, Fernando Rogelio.

Cita:

Del Giorgio Solfa, Federico, de Oliveira, Sandra Cristina y Simonato, Fernando Rogelio (2023). *Stimulating E-Business Capabilities and Digital Marketing Strategies on Business Performance in E-Commerce Industry. International Journal of Computations, Information and Manufacturing (IJCIM)*, 3 (2), 1-12.

Dirección estable: <https://www.aacademica.org/del.giorgio.solfa/575>

ARK: <https://n2t.net/ark:/13683/pa9s/P12>



Esta obra está bajo una licencia de Creative Commons.
Para ver una copia de esta licencia, visite
<https://creativecommons.org/licenses/by-sa/4.0/deed.es>.

Acta Académica es un proyecto académico sin fines de lucro enmarcado en la iniciativa de acceso abierto. Acta Académica fue creado para facilitar a investigadores de todo el mundo el compartir su producción académica. Para crear un perfil gratuitamente o acceder a otros trabajos visite: <https://www.aacademica.org>.



Stimulating E-Business Capabilities and Digital Marketing Strategies on Business Performance in E-Commerce Industry

Federico Del Giorgio Solfa ¹, Sandra Cristina De Oliveira ², Fernando R. Simonato ¹

¹ National University of La Plata (UNLP), Argentina

² São Paulo State University (UNESP), Brazil

ARTICLE INFO

Keywords:

E-Business, E-Commerce,
Business Performance,
Digital Marketing, Digital
Transformation.

Received: Nov, 12, 2023

Accepted: Nov, 29, 2023

Published: Dec, 22, 2023

ABSTRACT

This study investigates how e-business capabilities and digital marketing strategies jointly influence business performance in the e-commerce industry, which has experienced unprecedented growth driven by technological advancements and changing consumer behavior. E-business capabilities encompass the use of technology and digital infrastructure, while digital marketing strategies are employed to attract and retain online customers. The study examines the effect of e-business capabilities through digital marketing strategies on the customer satisfaction and loyalty of UAE e-commerce industry. The research is descriptive and explanatory, and uses a structured 5-scale Likert questionnaire to collect data from the HR managers of 135 e-commerce companies based in UAE. The statistical analysis is performed using structural equation modeling. The findings highlight the significant relationship of the study variables. Consequently, the results of this study provide valuable insights for e-commerce businesses, elucidating the need to invest in robust e-business capabilities to support effective digital marketing efforts. Additionally, the research underscores the significance of tailoring digital marketing strategies to align with specific business objectives and customer segments. The study also contributes to the literature on digital transformation, by demonstrating how e-business capabilities and digital marketing strategies can enable e-commerce firms to adapt and thrive in the dynamic and competitive digital environment.

1. INTRODUCTION

In recent years, consumers have become increasingly used to shop online. This is based on the way business is affected by the internet and with the raising foundation of digital economy. For the sake of competitiveness in international markets, e-marketing is a necessity since it can reach wider groups and segments. It also allows reaching higher goals for modern marketing ways, especially at e-commerce industry.

The usage of e-business in commercial operations necessitates consideration of the endogenous and exogenous elements that influence it. Given the

importance of both variables for the relation-based marketing and capabilities of e-business in the competition domestically and in foreign field, companies must apply and work on strengthening their digital marketing capabilities and strategies in order to foster their organizational performance, growth and survival in globalized trading and gain a competitive advantage, as well as apply e-marketing as new technological activities.

Customer happiness and contentment are crucial to companies because they encourage consumers to repeat their purchases and suggest others to do

the same, allowing them to develop their company. The organization's ultimate goal is not to reach 100 percent customer pleasure, but measuring customer satisfaction is one method for quantifying client loyalty or customer delight. When we know the best method to measure the outcomes, we will be able to understand how effective the variables are towards each other. It is vital to start by defining customer satisfaction and customer pleasure, as well as if the two concepts are mutually incompatible. Satisfaction of customers can be expressed as their perception of products and service's performance in comparison to their expectations (Del Giorgio Solfa, 2012). Customers' loyalty is the level beyond the satisfaction that we go for to create pleasurable and unforgettable shopping experience for them. As a result, it may be inferred that customer pleasure and happiness convey a greater emotional state and signal a different level of a high psychological status than customer contentment, and that they extend beyond satisfaction to encompass surprise and delight.

We will be focusing on these main dimensions of the organization performance because satisfied and loyal customers share positive word of mouth and accordingly will have positive repetitive purchasing behavior. This will increase the brand image, which we are considering as digital marketing strategy dimension. In terms of costs as well, keeping current customers happy is less costly 5 times than having new customers. At UAE, it is starting to become an essential concept heavily adapted in almost all industries, as it affects the profitability of the organization.

Our study is adding value to the existing body of knowledge by connecting the main factors effecting customers' happiness and loyalty from the perception of e-business capabilities and digital marketing strategies in the e-commerce industry while shedding the light to the UAE companies that are racing faster than ever.

To put it simply, digital marketing is the practice of selling a company's products and services using the medium of the internet and other interactive technologies. By introducing modern methods to interact with customers and provide new systems for delivery, companies are able to reduce their costs and go bigger and have more profit, as well as expand into new markets and reach new customer segments. It also helps companies increase their

market share and foster a positive attitude toward their products, processes, services and brand, as well as increase profitability and productivity.

Since the capabilities of e-business is the main thing to consider when starting an e-commerce company at UAE, it can be argued that companies need to look at their capabilities in terms of supply chain management and visibility, website/service quality, e-marketing and marketing knowledge and e-trust to enhance the customer loyalty and satisfaction as dimensions of the organizational performance, without limiting it to this perspective.

Also, e-commerce companies are basically running online using developed technologies. Therefore, they should consider how their business performance is affecting their customer engagement though social media marketing, relation-based marketing, customer relationship management and brand image

Other researchers did not gather the 3 critical variables together to create better performance for e-commerce companies, specifically in UAE. As a result, we are trying to showcase the most effective business performance indicators that can affect customers' loyalty, satisfaction and can include other organizational performance dimensions. We will be addressing more details of the dimensions relationships in the next parts of this research.

2. THEORETICAL FOOTING

2.1. E-Business Capabilities

E-business nowadays is more important than just keeping up the business and sustaining it. It is rather considered as a disruptive way and a radical change of the way to do business. Some tools are used when integrating and enhancing the business capabilities of an organization like for instance the Total Quality management tools and the Business process re-engineering. Such tools helps business and their owners to get the e-business introduced well in the organization, helps integrating systems within organization and helps improving the consumer's affection.

E-business will be used in the context of using of modern technologies to conduct the business processes in more successfully efficient and integrated way. We will be looking at the e-business capabilities in consideration to reduction of the cost and/or giving an advantage in differentiation and competitive advantage against

competitors.

2.2. Supply Chain Management and Visibility

SCM refer to managing the movement of products and services. It includes moving and storing raw materials, inventory of work-in-process, and having the final produced goods moved from origin to the place of consuming. Networks that are interconnected, node enterprises and channels are part of the provision to goods and services needed by final customers in a supply chain (Nakasumi, 2017).

This communication method allows better relationship between both; vendors and customers. Ordinary capabilities are used in routine operations and the dynamic ones will make changes in the combination of resources.

2.3. Website / Service Quality

As technology advances, new goods and services are emerging to meet requirements and enhance human living standards. The human race has progressed beyond the stage of stomach filling and body warming. Quality has been a crucial consideration in purchase decisions rather than price tags as living standards have improved. Also, there are many definitions of service quality, based on trustworthy scientific foundation, that attempt to tackle specific challenges in certain sectors. Customer satisfaction is the measure of service quality (Shankar and Jebarajakirthy, 2019). Service quality is often defined as the capacity of a business to meet or exceed client expectations. Others said that service quality is determined by the customer's actual experience with the product or service. Others explored an integrated framework that not only assesses but also predicts good personal outcomes of e-service quality.

2.4. E-Marketing and Marketing Knowledge

With the rise of e-businesses, more and more people are shopping online. With the increasing impact of internet on the business, we built a digital economy foundation. E-marketing is becoming an important factor for international markets competitiveness for the goal of having modern marketing in e-commerce (Lee and Lin, 2005). This e-business capability in this component is about having the adequate knowledge of e-marketing and the appropriate use of it to adapt and reach a better organizational performance in the modern

environment. On the other hand, the quality and speed of customer service is getting better with the growing in e-commerce field (Chandra et al., 2022). This is a capability of managing the knowledge quality, e-marketing skills and managing the relationships to assure that goods are delivered on time and that they are accurate. The use of e-business in business needs to be looked at in terms of both internal and external factors.

2.5. E-Trust

The trustor's conviction in the trustee's competence and the setting in which the relationship takes place is meant to be the foundation of the relationship. It's much more important to have trust in an online environment because of how much more complicated it is than a conventional one (Oyelami et al., 2020).

Volatility, confidentiality, lack of control, and the possibility for opportunism are all characteristics of online transactions and exchange relationships, making risk and trust key components of e-commerce. As a causality, e-trust takes place in situations in which there are no obvious signs of physical touch but only e-equipment. E-trust is an intangible instrument that may reduce the uncertainty and complexity of e-commerce transactions and connections (Mehta and Kumar, 2012).

2.6. Digital Marketing Strategy

The concept of digital marketing is built on a combination of conventional marketing techniques and online technology enabled by the internet in the 1990s. It is also known as digital marketing, internet marketing and e-marketing. However, not all of these terms are synonymous.

Internet marketing is often seen as an add-on by companies. As a result of assessing different consumer generations, marketing has become more personalized. There is a market transaction at the end of the operation. This facilitates the exchange of goods and services on the market. The "digitally reluctant" businesses will keep doing business as usual for the time being (Edelman and Heller, 2015).

As the name implies, digital marketing is a method, strategy, or branding and marketing activity that uses digital channels. On-line marketing is the growth of a brand, product, or service. Digital marketing is currently considered the most vital

component of marketing mix. It has risen dramatically in recent years as more firms realize the value of an online presence (Alzoubi et al., 2022).

3. LITERATURE REVIEW (Hypothesis Development)

3.1. *Impact of E-business capabilities on digital marketing strategies*

As people's living standards have gotten better, quality has become more important than price when it comes to making purchasing decisions. With the rise of electronic money and the ability to do financial transactions over the internet, e-commerce has been able to spread to new parts of the world's economy, giving rise to a new business model called e-business (Motlaghi et al., 2015). Many people think business is a hot-button issue. Many businesses still use business a lot, even when the dot-com bubble burst. Companies like Dell, Wal-Mart, and Capital.

As a consequence, during the past two decades, e-commerce sites have risen in popularity, and e-shopping has become the standard. Web 2.0, which incorporates interactive aspects into Web 1.0, has become the most popular method to utilize it. The most common method to utilize it is via social media. New approaches to manage an ecommerce company have emerged as more people utilize social media sites such as Facebook and Twitter. These new firms are referred to as "social commerce." These services are a cross between online commerce and social networking. In this sense, social commerce may be regarded of as a sort of e-commerce that makes e-commerce transactions and activities feasible on a daily basis by using social technology (Kanchan et al., 2015). Customers who work for a company and people who purchase its products are both elements of a system that affects one another. As a result, the corporation must maintain open lines of contact with its customers. Marketing communication includes digital marketing. Companies and organizations may collaborate on a single marketing effort. Businesses, on the other hand, should be aware of Integrated Marketing Communication. This entails coordinating all marketing efforts. It demonstrates that management want to coordinate media channels in order to improve the effectiveness of brand marketing communications campaigns. They must

collaborate so that they can connect with their target consumers using a single voice, a single message, and a single picture (Kamal, 2016).

IT systems alone aren't enough to start using E-business. It requires the visibility of the supply chain, having enough e-marketing knowledge to perform high quality of social media and relation-based marketing, CRM and better brand image. It includes better website/service quality, better business partner and customer interactions to have e-trust and better managerial and strategic advantages for both the company and its owners. Performance evaluation covers a lot of vital variables that have direct and indirect consequences, which should be looked at simultaneously. Firms need to set important goals in order to get the most out of e-business solutions.

3.2. *Impact of E-business capabilities on business performance*

When an organization has a lot of skills and knowledge, it can do well. This is called "enterprise capability." To gain a competitive advantage, it's usually used in the way that organizations work. It is a feature of the enterprise E-business capability that is very closely linked to E-Business resources and used in business operations. Each enterprise has a unique ability because of its resources, embeddedness, and matching level (Hafeez et al., 2006). Consumers have come to trust e-commerce because it is easy and quick. There is never a meeting between the customer and the vendor when they do e-business. It turns out that many e-commerce investments don't improve performance, but also makes it more difficult for other businesses to compete in the same field. Because e-commerce isn't good at making investments more efficient, enterprises can only improve their performance if they have a wide range of hard-to-copy resources along with loyal satisfied consumers.

Developing e-business capabilities in an organization may take numerous shapes. The most prevalent is "e-communication," which includes online catalogs, intranets and extranets, and customer and employee web sites (Puspita et al., 2020). For example, "e-intelligence" allows a corporation to look at its commercial and competitive environment to better decision-making and new product market potential (Raymond and Bergeron, 2008). Third, e-

commerce growth is transactional and difficult for small firms to succeed in. It can do "e-collaboration", where the expanded value chain is integrated and communicated with upstream and downstream business partners through the internet or extranet. This enables individuals in the same industry or network to collaborate on product design, development, manufacture, and management throughout their life cycles (Raymond and Bergeron, 2008). Research shows that strategically aligning IT and e-business capabilities explains business. Alignment is the relationship between IT operations and business performance. Some believe e-business should be a strategic initiative, but little research has been done on how e-business alignment impacts small and big business performance.

3.3. Impact of Digital marketing strategies on business performance

Digital marketing communication and customer loyalty work together in an integrated way. It's said that the cost efficiency and variety of digital channels make it easier for marketers to stay in touch with their customers on a regular basis and interact with them (Edelman and Heller, 2015). Online communication, mobile phones, email, and digital television have all opened up new ways to reach out to clients and build stronger relationships with them. Digital marketing communication (DMC) had some models that explained how it worked from a relationship marketing perspective, particularly when it comes to client loyalty (Ibrahim et al., 2021). We're looking at how DMC can increase commitment, consumer value, and loyalty by boosting the frequency and substance of brand communication, personalization, and interaction (Chi et al., 2010). To be successful, and to prosper your organization's performance, digital marketing tactics must consider a variety of factors. First, pick the ideal digital platform by doing market research. You should communicate with your audience by the manner they prefer (Wong et al., 2015). Surveys and reliable market data may help you build your digital marketing strategy. Second, to properly sell your material, you must consider the benefits of various digital channels. Long emails with plenty of content should be avoided in email marketing. Third, digital marketing strategies might be seasonalized (Ibrahim et al., 2021).

Holidays and festivals should be used as opportunities for internet marketing. Finally, it's critical to monitor digital marketing efforts often by meeting the digital marketing team to discuss latest trends (Marcelo and López, 2022).

As a strategic marketing strategy, the Content Marketing Institute invented another kind of digital marketing generally referred to as content marketing. The main goal of this method is to create and deliver high-quality, relevant, and trustworthy information with the goal of attracting and retaining new and loyal customers (Alshurideh et al., 2020). Additionally, it is a continuous method of communicating with clients, even if they do not make a purchase. Rather than that, businesses should prioritize the use of content advertising to ensure the frequent presentation of relevant information to clients or consumers in order to convert them into loyal customers sooner or later.

3.4. The impact of E-business capabilities on business performance with the mediating role of digital marketing strategies

The phrase "digital transformation" now refers to new technologies used by firms to improve their performance and acquire long-term market advantages. Using modern digital technology to increase profits to understand how digital technology has altered your company (such as building strong customer relationships, creating innovative business strategies or reformation operations)(Nurmilaakso, 2008). In digital marketing, a company prioritizes its present customers' needs, or the customer is the company's emphasis. Those interested in digital technologies also spoke out. "Digital is the transformation agent, not the transformation" (Chi et al., 2010). A successful CRM approach offers consumers favorable feedback, ignores their marketing methods, and explains why they gave them erroneous information. This method may help the organization get and retain many pleased consumers.

3.5. Research Problem Statement

The available body of knowledge examined the relationship between one variable of the mentioned in this paper and another in a variety of different industries, and they have yielded some interesting results in some cases. We can find

articles on the relation between the independent variable and dependent variable. Or even between the mediating variable and any of the 2 mentioned earlier. This existing body of knowledge added to various industries, most likely based on the past interpretations. However, there haven't been enough studies published to address the relationship between the three variables mentioned above, which is necessary in order to build a long-term successful organization in the UAE e-commerce industry. This is what we need to know in order to add to the existing body of knowledge using present interpretations and analysis as well. To do so, we have conducted a questionnaire and distributed it to the HR managers of UAE E-commerce well-known businesses. The questionnaire covered areas that examine the relation between 3 variables and used Likert scale of 5 ranging the answers between strongly disagree and strongly agree with the statements.

As a result, there is a misalignment between the knowledge and skills required for success in this field and how they are put into practice. The number of online businesses that fail has increased in recent years, despite the fact that they have strong e-commerce capabilities. These companies may be concentrating on a less important variables. Furthermore, they may not be aware or noticing the importance of the mediating role for digital marketing strategies that could improve their overall profitability and performance.

The fact that this paper will be focusing on a specific population under consideration will allow it to contribute to the existing body of knowledge between each of the variables on their own. It is significant enough to make a contribution to the existing knowledge, and we are adding it to the pool of knowledge as we learn more about the subject.

The critical area not tackled by other researchers in the mentioned industry is the way e-business capabilities that keep changing with the developing environments are impacting the organizational performance with the supporting role of digital marketing strategies.

Consideration will be given to the fact that our topic has not yet been fully addressed in another paper. We will collect the necessary data in order to provide quantitative deductive research that will benefit not only other researchers, but most

importantly, newcomers to the UAE e-commerce industry.

3.6. Research Contribution

This research is being conducted in two ways in order to contribute to the existing knowledge body and close the capability gap between the resources available and the resources required to solve the complexity of modern world organizational performance. The first method is to collect data from participants and the second method is to analyze the data. In order to achieve this, we must first make the concept of each variable, as well as its dimensions and relationships, more understandable and transparent.

The final goal is to provide empirical evidence for the outcomes so that they can be applied more widely in both the real world and the relevant developing environment, if at all possible.

A contribution to the research on the e-commerce population in the United Arab Emirates is made through comparisons of variables in this industry across companies of all sizes; small, medium, and large (UAE). This is because with the development of technology in UAE, it is easy to enter this market. As a result of its investigation into the relationship between organizational performance and e-business capabilities and digital marketing strategies, it contributes to the literature on e-business capabilities and digital marketing strategies. This will be the most significant portion of the paper that will contribute to answering the research questions we are seeking in accordance with the four hypotheses we mentioned earlier, in order to determine how far they are true and good enough to be taken into consideration. The following sections will be explanatory and descriptive in nature.

H1: E-Business Capabilities statistically influence Digital Marketing Strategies.

- **H1a:** Supply Chain Management and visibility Statistically influence Business Performance.
- **H1b:** Service Quality Statistically influence Business Performance
- **H1c:** E-Marketing and Marketing Knowledge statistically influence Business Performance
- **H1d:** E-Trust Statistically influence Business Performance.

H2: Digital Marketing strategies Statistically influence Business Performance

H3: E-Business Capabilities statistically influence

Business Performance through Digital Marketing Strategies.

Research Model

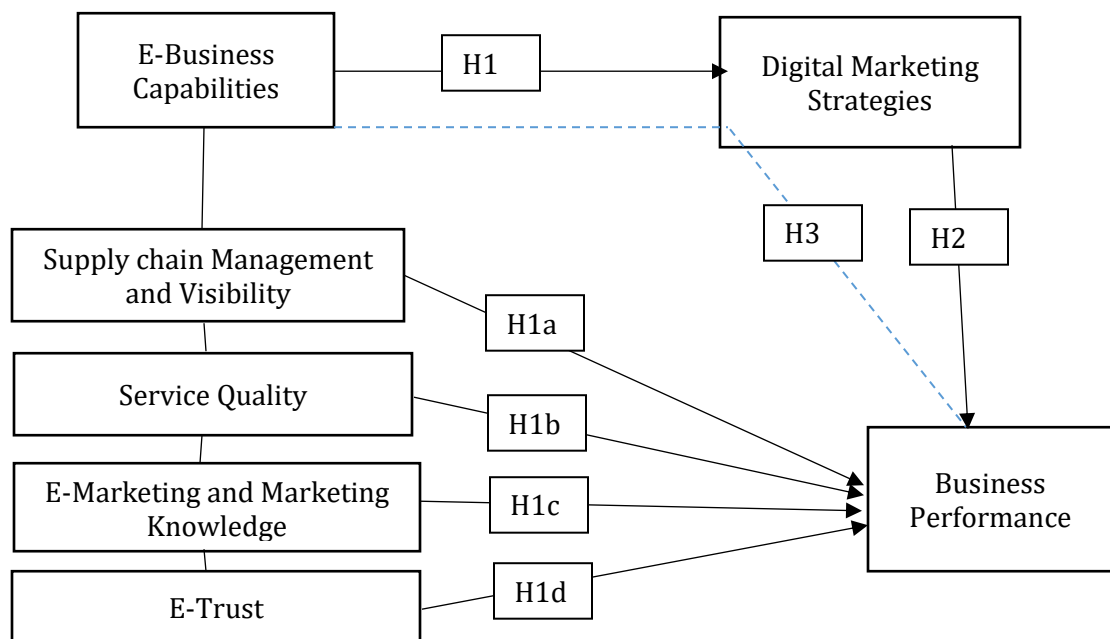


Figure (1)

4. METHODS

Choosing a research approach is critical while doing empirical research. Having the correct research method applied is essential to be aligned with the final objective of the research. This study has employed both quantitative and qualitative data analysis. This is because we are shedding the light to the relationship between the variables along with using statistical tools and questionnaire to quantitatively measure it. We utilized both primary and secondary data collection strategies. It is an empirical study but can use non-empirical data by previous articles.

A research design's objective is to construct data collection and analysis settings that are as relevant to the study's goals as conceivable while also being as efficient as possible. It's crucial to remember that research design is more than merely a technique for acquiring data; it's the conceptual framework within which research is performed. The design consequently comprises a description of the researcher's activities, from the creation of hypotheses and their operational implications to the final data analysis. We have picked descriptive

and explanatory research designs because they employ scientific approaches and processes to obtain raw data and construct data structures that describe the current properties of a specific target demographic or market structure. Designs for descriptive and explanatory research focuses on characterizing an individual's or group's features, whereas diagnostic investigations strive to discover how frequently or in what context something happens. It is also an inductive research because we are not producing totally new body of knowledge, rather, we are adding to the existing one since there are areas not covered in this field.

4.1. Population and sample

We adopted this research to examine the relationship between variables in E-commerce companies based in UAE. The size of population is around 135 online company. We have chosen the marketing managers to answer our questionnaire. This is because they have the enough data and updates on the business performance along with the view of the main drivers to reinforce it like digital marketing strategies / e-business

capabilities compared to how much they consume. Their job responsibilities and the decisions they take are aligned with our topic. As a result, they are considered qualified enough to easily understand the variables we are trying to discuss and accordingly the questions addressed in the questionnaire.

Our empirical questionnaire was the primary data collection instrument. We sent it to them via an email in English. We assure protecting the data they provide and that it will remain confidential and used only for the research purposes. The questionnaire also designed in a way that tries to address all the relationships between the variables in e-commerce industry in UAE.

5. DATA ANALYSIS

To analyse the data, we employed the variance-based Partial Least Squares Structural Equation Modelling (PLS-SEM) method. This method of multivariate data analysis makes it possible to examine several associations between a variety of variables, including latent variables, at once. As it maximises R^2 for the endogenous constructs, minimises unexplained variance, and supports superior theoretical model construction, PLS-SEM is suitable for exploratory investigation of associations. As a result, PLS-SEM would help us attain our goals more effectively than covariance-based SEM, a technique that is frequently employed in organisational and operations management studies. Before we started path modelling, we checked all of the indices and assumptions.

First, we verified that the data had no missing values. In the second step, we looked for zero variance, similarity between columns, and rank issues. Before starting the analysis, we standardised all the columns (indicators). We evaluated the correlation (in Table 2), looking for variations between the latent variables to the square root of the average variance retrieved (indicated on the diagonal), in order to test the discriminant validity (HTMT). Our results fall within acceptable bounds (Table 2); the AVE value ought to be greater than any correlation related to the hidden variable. Table 3 displays the findings of latent variable coefficients.

The composite reliability was then assessed (using Cronbach's alpha). We determined that the numbers are acceptable because they are over the threshold of 0.70. The results are shown in Table 4 for the model fit statistics and quality indices we tested next. The average path coefficient (APC), average R-squared (ARS), average adjusted R-squared (AARS), average block VIF (AVIF), Tenenhaus GoF (GoF), Simpson's paradox ratio (SPR), and the R-squared contribution ratio (RSCR) were the indices we utilised to assess the overall model fit (Kock, 2017). We moved further with the analysis because our model fit indices (Table 4) met the advised thresholds.

Based on the p-values in the model, we tested each research hypothesis (Fig. 2). In accordance with accepted standards, we used an alpha value of 0.05 (p 5%) to determine statistical significance.

Table 1

The domain of work of respondents and their working experience. (Source: Authors own compilation).

Domain of Work	Years of Work Experience					Total
	Less than 10 Years	11-20 years	21-30 years	31-40 years	41 and above	
Marketing Manager	3	8	24	11	2	
Digital Media Manager	8	12	44	13	5	
Total	11	20	68	42	7	148

Table 2

Correlations between latent variables.

	BP	DMS	EBC	EMK	ET	SCMV	SQ
BP	-						
DMS	0.771	-					
EBC	0.640	0.693	-				
EMK	0.601	0.415	0.587	-			
ET	0.566	0.653	0.720	0.805	-		
SCMV	0.651	0.680	0.836	0.646	0.787	-	
SQ	0.607	0.616	0.597	0.734	0.755	0.743	-

Table 3

The square roots of average variances extracted are shown on the diagonal.

	BP	DMS	EBC	EMK	ET	SCMV	SQ
R-squared	0.482	0.309		0.307	0.280	0.396	0.457
Adj R-squared	0.447	0.301		0.365	0.272	0.390	0.448
Composite Reliability	0.858	0.815	0.866	0.799	0.843	0.818	0.815
Chronbach's Alpha	0.834	0.832	0.912	0.871	0.877	0.973	0.854
Avg Variance Extraxted	0.548	0.569	0.622	0.643	0.591	0.703	0.641

Table 4

Model fit and quality indices. Suggested interpretation and ideal/acceptable levels are drawn from Kock (2017).

Index	Value	Interpretation
Average path coefficient (APC)	APC=0.465, p < 0.05	Significant when p < 0.05
Average R-squared (ARS)	ARS=0.655, p < 0.05	Significant when p < 0.05 Significant when p < 0.05
Average adjusted R-squared (AARS)	AARS=0.654, p < 0.05	Significant when p < 0.05
Average block VIF (AVIF)	VIF (AVIF)=3.3	acceptable if < =5, ideally < =3.3
Tenenhaus GoF (GoF)	GoF=0.23	small > =0.1, medium > =0.25, large > =0.36
Sympon's paradox ratio (SPR)	SPR=0.7	acceptable if > =0.7, ideally=1
R-squared contribution ratio (RSCR)	RSCR=0.9	acceptable if > =0.9, ideally=1

Structured Equation Model

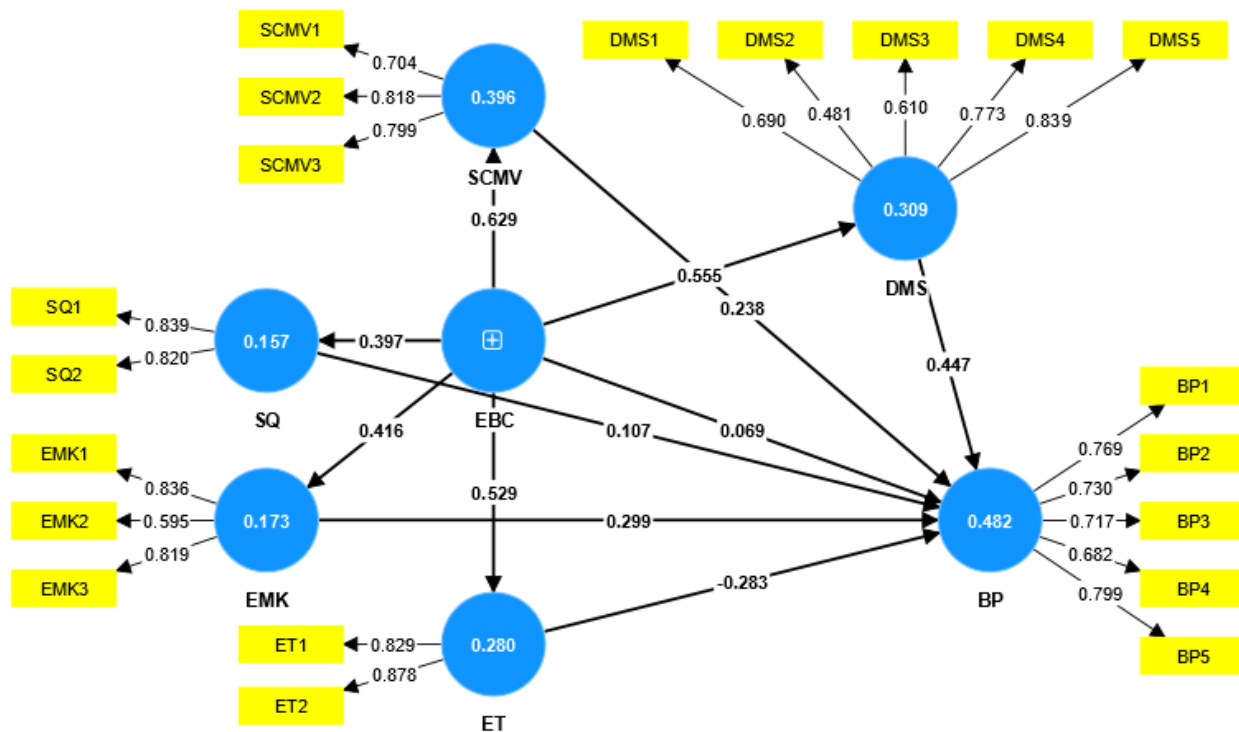


Figure (2)

5. DISCUSSION

The contemporary business landscape places significant importance on understanding and leveraging the impact of stimulating e-business capabilities and employing effective digital marketing strategies on business performance. In an era where digital transformation is pivotal, analyzing these factors becomes paramount. Our study delves into the empirical analysis, shedding light on how e-business capabilities, particularly through e-commerce platforms, serve as a conduit for global audience reach. Similarly, digital marketing offers tailored approaches to target specific demographics and geographical regions, potentially widening the customer base. Notably, the cost-effectiveness of digital marketing in contrast to traditional methods and the operational efficiency streamlined by e-business capabilities underscore their significance in modern business operations.

Beyond mere functionality, both e-business and digital marketing yield copious data, offering invaluable insights into customer behavior and

preferences. This data-driven approach enables businesses to finely tailor their strategies and offerings. Our empirical findings underscore the efficacy of digital marketing tools such as social media and email marketing, facilitating direct communication with customers, fostering heightened engagement, and nurturing brand loyalty.

However, operating in the digital sphere amid a saturated market landscape presents challenges. Standing out demands nuanced and effective digital marketing strategies, as the mere pursuit of high website traffic or social media followers does not inherently translate to business success. Quality engagement surpasses quantity, and concerns about data privacy and security necessitate meticulous handling to avoid legal repercussions and reputation damage.

The integration of e-business capabilities requires significant technological and infrastructural investments, posing challenges, particularly for smaller enterprises keeping pace with rapid advancements. Digital marketing, if perceived as

intrusive or employing misleading tactics, risks alienating potential customers and compromising trust and credibility. Furthermore, reliance on platform algorithms introduces uncertainties, as changes therein can disrupt marketing efforts and overall performance.

While short-term gains are feasible, sustaining long-term success demands continuous adaptation and investment. Accurately measuring the impact of digital marketing on business performance remains a challenge due to the complexity of the customer journey that attribution models struggle to encapsulate.

Acknowledging the indispensable role of technology, it's crucial not to overlook the human element, where skilled marketing professionals and adept customer service personnel significantly contribute to the success of e-business and digital marketing endeavors. Strategic planning, continuous adaptation, prioritizing quality, and a deep comprehension of the evolving digital landscape are imperative for success.

Moreover, ethical considerations, data privacy, and nurturing customer trust should remain at the forefront of any e-business and digital marketing strategy. This ensures long-term business performance and sustainability in an increasingly digitized business environment.

6.CONCLUSION

In this research there is substantial evidence supporting the positive impact of these factors, several critical considerations must be acknowledged.

E-business capabilities, including the adoption of e-commerce platforms and digital infrastructure, enable businesses to expand their reach, reduce operational costs, and harness valuable data analytics. Likewise, digital marketing strategies offer cost-effective means to engage with customers, target specific audiences, and enhance customer loyalty. These advantages underscore the importance of embracing digital transformation in contemporary business environments.

However, it is essential to recognize that success in e-business and digital marketing is not guaranteed. Saturation and competition in the digital space, issues of data privacy and security, the need for continuous technological investment, and challenges in measuring the impact of digital strategies all pose significant obstacles. Moreover,

the long-term sustainability of business performance through these means demands ongoing adaptation and ethical considerations.

REFERENCES

- Alshurideh, M., Gasaymeh, A., Ahmed, G., Alzoubi, H., Kurd, B.A., 2020. Loyalty program effectiveness: Theoretical reviews and practical proofs. *Uncertain Supply Chain Manag.* 8, 599–612.
- Alzoubi, H.M., Alshurideh, M., Kurdi, B. Al, Akour, I., Obeidat, B., Alhamad, A., 2022. The role of digital marketing channels on consumer buying decisions through eWOM in the Jordanian markets. *Int. J. Data Netw. Sci.* 6, 1175–1185.
- Chandra, S., Verma, S., Lim, W.M., Kumar, S., Donthu, N., 2022. Personalization in personalized marketing: Trends and ways forward. *Psychol. Mark.* 39, 1529–1562.
- Chi, M., Zhao, J., Lu, Z., Liu, Z., 2010. Analysis of e-business capabilities and performance: From e-SCM process view. *Proc. - 2010 3rd IEEE Int. Conf. Comput. Sci. Inf. Technol. ICCSIT 2010* 1, 18–22.
- Del Giorgio Solfa, F., 2012. Benchmarking Design: Multiplying the Impact of Technical Assistance to MSMEs in Design and Product Development. *Proc. -Design Manag. Inst. 2012 Int. Res. Conf., DMI 2012* 8, 109–115.
- Edelman, D., Heller, J., 2015. How digital marketing operations can transform business. *MCKinsey Co.* 6.
- Hafeez, K., Hooi Keoy, K., Hanneman, R., 2006. E-business capabilities model. *J. Manuf. Technol. Manag.* 17, 806–828.
- Ibrahim, B., Aljarah, A., Sawaftah, D., 2021. Linking Social Media Marketing Activities to Revisit Intention through Brand Trust and Brand Loyalty on the Coffee Shop Facebook Pages: Exploring Sequential Mediation Mechanism. *Sustainability* 13, 2277.
- Kamal, Y., 2016. Study of Trend in Digital Marketing and Evolution of Digital Marketing Strategies. *Int. J. Eng. Sci. Comput.* 5300.
- Kanchan, U., Kumar, N., Gupta, A., 2015. a Study of Online Purchase Behaviour of Customers in India. *ICTACT J. Manag. Stud.* 01, 136–142.
- Lee, G.G., Lin, H.F., 2005. Customer perceptions of e-service quality in online shopping. *Int. J. Retail Distrib. Manag.* 33, 161–176.
- Marcelo, D., López, A., 2022. Digital Marketing in small and Medium-sized Companies (SMEs) 130–142.
- Mehta, V., Kumar, V., 2012. Online Buying Behaviour of Customers : a Case Study of. *Pranjana* 15, 71–89.
- Motlaghi, E.A., Hosseini, H., Teimouri, M., 2015. Investigating the effect of the quality of e-banking services on customer's satisfaction of ghavamin bank: (Case Study: Tehran City). *Int. J. Appl. Bus. Econ. Res.* 13, 4203–4214.
- Nakasumi, M., 2017. Information sharing for supply chain management based on block chain technology. *Proc. - 2017 IEEE 19th Conf. Bus. Informatics, CBI 2017* 1, 140–149.
- Nurmilaakso, J.-M., 2008. Adoption of e-business functions and migration from EDI-based to XML-based e-business frameworks in supply chain integration. *Int. J. Prod.*

- Econ. 113, 721–733.
- Oyelami, L.O., Adebisi, S.O., Adekunle, B.S., 2020. Electronic payment adoption and consumers' spending growth: empirical evidence from Nigeria. *Futur. Bus. J.* 6.
- Puspita, L.E., Christiananta, B., Ellitan, L., 2020. The effect of strategic orientation, supply chain capability, innovation capability on competitive advantage and performance of furniture retailers. *Int. J. Sci. Technol. Res.* 9, 4521–4529.
- Raymond, L., Bergeron, F., 2008. Enabling the business strategy of SMEs through e-business capabilities. *Ind. Manag. Data Syst.* 108, 577–595.
- Shankar, A., Jebarajakirthy, C., 2019. The influence of e-banking service quality on customer loyalty. *Int. J. Bank Mark.* 37, 1119–1142.
- Wong, A., Kee, A., Yazdanifard, R., 2015. The Review of Content Marketing as a New Trend in Marketing Practices. *Int. J. Manag. Account. Econ.* 2, 1055–1064.