Customers as Major Influencers in Adopting Digital Marketing: A Study on Malaysian Small and Medium Enterprises

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Abstract

Digital marketing through social media facilitates small and medium-sized enterprise (SME) owners to market via their online presence in reaching out target audiences. In addition, customers are currently of more information technology (IT) savvy and use social media networks widely in their daily activities such as socialising, researching, entertaining, online shopping, and trading. Thus, SME owners could take this opportunity to have online presence in attracting customers' attention and awareness that may turn them into purchasers. Moreover, customers would be able to provide their feedbacks on SME owners' products and services as a 'check and balance' for long-term improvement in reaching business sustainability in their respective industries. Despite the usefulness of social media networks, it can be seen that SME owners are still preferred to do the traditional way when engaging with their customers, and that social media networks are seen as the secondary platform in reaching their audiences. In this research, SME owners are taken as the unit of observation and Technology Acceptance Model (TAM) is applied as the underpinning theory. A total of six SME owners from apparel industry are the participants. This research utilises a qualitative research method. The data were collected through multiple case studies via an in-depth interview with SME owners. The apparel industry was chosen because it has potentials in generating income for the country in the global market. Moreover, many Malaysian entrepreneurs could be more competitive in the global market through online presence. The data collected were transcribed, translated, and coded before it was uploaded into Atlas.ti software and analysed in obtaining the final results.

Keywords: Customers, Digital Marketing, Social Media, Online Presence, Customer Feedback

Introduction

Currently, there is a high competition among Malaysian Small and Medium Enterprises (SMEs) to reach global market in gaining competitive edge in their respective industry. In this context, "speed-to- market" is crucial in gaining customers' attention and could be made possible through technological applications such as the Internet through digital marketing.

Thus, "speed to market" approach may be practised by companies such as SMEs in order to be the first into the market ahead of their competitors (Bhardwaj & Fairhurst, 2014) and doing this could reduce the lead time for their new products and services to reach their targeted customers. Nevertheless, all this would depend on SME owners' willingness to apply these new technologies as part of their marketing process from traditional to digital marketing approach.

Traditional marketing activities are implemented physically through outlets, exhibitions, and roadshows where there are face-to-face interactions between retailers and customers. However, in digital marketing environment, marketing happens via websites such as companies' owned websites, blogs and social media channels (Alford & Page, 2015; Mata & Quesada, 2014; Strauss & Frost, n.d.). Social media like any other companies' owned websites operate through their web domains that users, such SME owners would easily reach larger target audiences virtually due to its ubiquity, and with minimal or no fees (Albert, Omar, & Ramayah, 2016; Nuseir, 2015).

Unlike traditional marketing, digital marketing through social media marketing provides empowerment for consumers to communicate and exchange ideas with others regarding SME products. They could provide feedback, and viral SME product information within their circles through social media and other platforms, such as blogs and online forums that are discussing more on specific topics and issues (Dahnil et al., 2014; Hajli, 2014). However, Haida and Rahim (2015) state that there are some limitations in understanding customers' interactions with social media, and in how companies can explore and exploit for advertising purposes (Haida & Rahim, 2015).

Literature Review
Online Visibility
In social media marketing environment, SMEs can operate virtually and directly to customers through the Internet. SMEs can generate their owned content to attract customers to their social media walls. Effective content could be displayed through text narration, graphics, animation, video, and audio. Unlike traditional marketing media namely magazines, newspapers, pamphlets, billboards, radio and television that are static, social media allows online interactions between SMEs and customers through various platforms such as Facebook and Instagram allow them to socialise and share information, and YouTube enables customers to stream SME clothes through online videos (Alford & Page, 2015; Mata & Quesada, 2014). Social media provides lucrative ways for SMEs to market and promote their products and services.

Muhammad et al. (2014) states that Facebook is a popular social media platforms among Malaysian SMEs, and it is also in line that Facebook is the leading social media platform (Omer, 2014). Also, Hsu (2012) highlights that Facebook is an extensive medium for SMEs to establish their online presence through online posting in their respective market as long as companies' planning and strategies are implemented effectively and successfully to attract customers (Ainin, Parveen, Moghavvemi, Jaafar, & Mohd Shuib, 2015). In addition, YouTube is another popular media sharing tool among companies and online viewers. Mustonen (2009) states that media sharing through YouTube is a free distribution channel for videos in which users, particularly online advertisers, could upload video materials, while customers would post views

and comments on the videos (Makalesi et al., 2015). YouTube would benefit SMEs as they could demonstrate their products and services through videos that are more real and practical compared to graphics and images. It will save their time in producing lengthy write-ups that may not be of customers' interests.

Social post through X platform enables SME owners to create short marketing messages for online viewers' consumption. Hence, X would boost and generate online viewers' ongoing interest as they would wait for the next tweets from SMEs and extend these tweets to friends and relatives who may have the same interest in the subject matter. Moreover, online viewers who have consumed these offerings could express their views and opinion on these products, and this leads to the creation of viral marketing through E-WOM via Twitter (Mikalef, Giannakos, & Pateli, 2013). In so doing, SMEs would gain free promotional and advertising on their offerings as their marketing messages are circulated among the viewers within the social media.

Online Customer Engagement
Customer engagement could be achieved through social media sharing of online content. Effective online communication through social media channels with customers could generate more sales and widen market shares (Ainin, Parveen, Moghavvemi, Jaafar, & Mohd Shuib, 2015). Customer engagement vis social media channels could be explored in two ways which are "earned media" and "paid media"(Strauss & Frost, n.d.). SMEs could achieve wider advertising coverage with no costs incurred through earned media. Earned media provides SMEs free advertising for customers to "share" SME posts, "tweets" their product information with other followers, and extends social knowledge regarding SMEs clothes on Wikipedia (Öztamur & Karakadılar, 2014). Information such as these spreads through E-WOM among online customers and may generate awareness of SME products among them.

On the other hand, paid media refers to the exchange that takes place in terms of money or barter of goods between companies and social media channels for marketing space (Strauss & Frost, n.d.). Thus, social media advertising involves the use of paid adverts on social media channels such as Facebook, Twitter, YouTube, blogs and other content as indicated by The Social Media Advertising Industry Report (2013) (Ohajionu & Mathews, 2016). For example, paid media takes place when SME owners pay Facebook or Instagram for their sponsored-link services in generating target customers who may generate great interest in their products. Hence, social media marketing through earned and paid media could develop more online sales and volume transactions (Ainin, Parveen, Moghavvemi, Jaafar, & Mohd Shuib, 2015). Nonetheless, lack of in-depth understanding of these communication approaches may result in lower adoption of digital marketing through social media channels.

Customer Feedbacks
Customer interactions through social media take place into various forms such as social sharing (Facebook, Twitter, Instagram), social post (Twitter), social streaming (YouTube) and social knowledge (Wikipedia) (Alford & Page, 2015; Mata & Quesada, 2014). SMEs could observe online consumer behaviour based on their feedbacks, reviews and ratings (Shaqiri, 2015) on these social media platforms. In addition, customers could have access to more information on SME products through SME blogs and hashtags. Moreover, online community could be established through online forums and blogs, as these channels generally carry

specific topics and issues that may be useful for SMEs in analysing the popularity of and demand for their products (Strauss & Frost, n.d.) through customer feedbacks.

Social media marketing involves gathering feedbacks from customers for product improvement. According to De Vries et al. (2012), the main objective of social media marketing is to gather customers' reviews and suggestions for the purpose of enhancing quality products and services (Y. Durmaz & Efendioglu, 2016). In addition, Weinberg and Pehlivan (2011), in Aspasia and Ourania (2014) emphasise three ways of achieving companies' objectives through social media, and these are: (i) using social media in the same way as other traditional media channels, namely conventional electronic and printed media that would establish customers' awareness and consumption through their feedbacks; (ii) identifying important issues that are linked to social media such as customer engagement and online community in which information are pulled from them as feedbacks; and (iii) experimenting communication modes which have *"a more human voice than a corporate voice"* (Vlachvei & Notta, 2014). In sum, social media involve interactions between and among people, that allow them to create, share, and exchange information within virtual communities and networks (Haida & Rahim, 2015) rather than one-way communication.

Research Questions
The following are the research questions formulated:
1. Do the selected Malaysian SMEs find consumers as major influencers in adopting digital marketing through online visibility via social media?
2. Do the selected Malaysian SMEs find consumers as major influencers in adopting digital marketing through online customer engagement via social media?
3. Do the selected Malaysian SMEs find consumers as major influencers in adopting digital marketing through customer feedbacks?

Theoretical Framework
Technology Acceptance Model (TAM) is a model that is regularly applied by researchers in predicting consumer behaviour with regards to online shopping in order to explain their attitudes towards digital marketing approach as stated by Bigne-Alcaniz et al.(2007) (Rapidah et al., 2014). It emphasises on customers' acceptance of online shopping in which technology namely the Internet, acts as a communication medium that connects sellers and buyers. Nevertheless, analysing and evaluating individual business owners' acceptance of digital technology adoption is equally important as their strategic decisions would affect companies' directions in achieving business sustainability (Yang, Song, & Tong, 2017). Customers' perception of digital marketing adoption could lead SMEs to utilise digital marketing through social media as part of their business processes. This is critical as SME owners are the individuals who put in their money to ensure the smooth running of their companies and decide ways in utilising internal and external resources in generating high returns from their investments. Therefore, in analysing their perception, behaviour, beliefs and attitudes towards digital marketing adoption, the TAM theory is applied in this research.

Scope of Study
This research applies qualitative research method that utilises multiple case study approach. Six SME owners from Klang Valley, Johor, Kelantan, and Terengganu are selected for the

purpose. This is a cross-sectional study in which the data were collected through interview sessions.

Methodology

This research analyses customers influence as a drive for the selected Malaysian SMEs to adopt digital marketing through social media networks as a marketing platform. It arrives at an understanding of new ideas that relates to SMEs' readiness to adopt social media marketing, and the outcomes could be introduced to those Malaysian SMEs that have yet to consider in having online presence as mentioned by Bulearca and Bulearca (2010) (Öztamur & Karakadılar, 2014). A direct communication through face-to-face conversation between researcher and participants is required in understanding the latter's knowledge levels, attitudes, perceptions and acceptance when deciding to adopt social media marketing could be analysed. A sample of six SMEs owners are selected in Klang Valley, as well as in Johor, Kelantan and Trengganu. They are in batik printing, retailing, and tailoring. It is achieved through close collaboration with the participants through unstructured interviews and observations of their social media activities.

The qualitative research method is applied in this study as the outcomes from this research could be vague and unclear due to the selected Malaysian SMEs' unawareness of the importance of social media marketing platform for marketing purposes. The primary data gathered from the interviews are transcribed, translated (where necessary) and input into Atlas.ti software for data processing and analysis.

Results

Online Visibility

The questions in this category focus on the selected SME owners' views on having online visibility through online posting on social media channels. It provides the findings on marketing opportunities when expanding their businesses by having online postings on social media. Replies are received except for SME

F. The following are the replies:

a. SME A owner states:

i. "IT savvy customers".

ii. "They browse, use wireless gadgets, posts on social media and blogs and provide online feedbacks".

b. SME B owner states:

i. *"Must have **online visibility** as **customers view our clothes** online".*

c. SME C owner states:

i. *"Having an **online visibility** is an **exposure**".*

ii. *"**Online visibility** on **Instagram** and **Facebook**".*

iii. *"**Online visibility** for **marketing**".*

d. SME D owner states:

i. *"Not the time yet".*

e. SME E owner states:

i. *"I feel maybe **online visibility** is required because at least people would **know your shop**, and they **come**".*

ii. *"**Online visibility** can but only for the **name**, and **customers would know** your **outlet**".*

The replies show that five SME owners agree that online visibility is important for their businesses. The feedbacks show that online visibility is important as they could market their products and services virtually for customers to view. In addition, customers in this millennium are more IT savvy (Y. Durmaz & Efendioglu, 2016; Leeflang, Verhoef, Dahlström, & Freundt, 2014; Strauss & Frost, n.d.) and they are always online (Strauss & Frost, n.d.). The chances that they would view the selected SMEs clothes and batik would be higher compared to viewing products the traditional way. This would help in creating awareness among customers (particularly new customers), as well as of their outlet locations. According to them, this exposure could be gained through social media channels such as Facebook and Instagram that have many viewers and followers. Moreover, they state that most customers would view their products on the walls of Facebook and Instagram, and later visit their outlets as to observe their products physically.

Despite agreeing with the fact that there are advantages from online visibility through social media, SME D feels that this is not the appropriate time for it to move into this new paradigm as it needs a full-time employee to monitor and manage its social media platforms. However, currently it is not able to do so due to commitment to its exhibitions and road show activities.

Online Customer Engagement

The questions in this category focus on the selected SME owners' views in generating online customer engagement through social media channels. The objective in posing these questions is to ascertain whether e-marketing through social media marketing encourages more customers to interact with the SMEs through various social media channels and other forms of online communication. Replies from the participating SME owners except for SME C. The following are the replies:

a. SME A owner states:

i. *"Effective in getting **customers' recommendations**".*

ii. *"**Photos** and **videos** are **effective modes** of **online content presentation**".*

iii. *"**Current customers** are **IT savvy**".*

b. SME B owner states:

i. *"**Outstation customers contact us on social media**, and they purchase online".*

ii. *"**Customers** who have **shifted** from this area **contacted us** on **social media**".*

iii. *"We **posted varieties of our fashion design on Facebook.** Suddenly, a **customer after viewing them,** came from nowhere **and asked,** 'Do you still have the dress, I feel that I could wear?' Something like that. There is something, some improvement".*

c. SME D owner states:

i. *"**Easier** for people (customers) to **know us**".*

ii. *"We **received calls** from customers after they **viewed** our **social media**".*

d. SME E owner states:

i. *"Those who knew about it, some of **my customers**, they just **looked** at it (social media), then if **they want they come"**.*

e. SME F owner states:

i. *"Sometimes they just **asked through Instagram**, and I would reply".*

ii. *"On Instagram. Only **messaging**".*

iii. *"I **wrote things** that make **people** like to **read**. After they read, they would **view** my product presentation online. Then, later they would "**Follow**" me. At times, there were people who **messaged** me asking how to tailor with me".*

The replies show that five SME owners agree that social media channels such as Facebook and Instagram generate more online customer engagement. The selected SME owners state that customers would view their social media walls for more information about their products. If the customers are interested in their product, they would contact the SMEs through various channels such as Instagram, phone calls, and online messaging, as well as visit outlets. In addition, SME B owner states that customer engagement through social media is useful, particularly when her customers are from outstation and those who have shifted elsewhere. It would establish a long-time relationship with the customers (Strauss and Frost, 2014).

SME F owner observes that customers could easily locate its outlet on Instagram. Customers view its online content on Instagram, and asked for more information through the Instagram itself, or via private messaging. SME F owner may provide more detailed information on personal basis as different customers may have different preferences. Due to this, satisfied and delighted customers would then turn to become online followers. Thus, due to current customers who are IT savvy, they would viral the selected SME products among their friends and peers on social media. This would benefit SMEs through getting "free advertising" (Blythe, 2013; Strauss & Frost, n.d.).

Customer Feedbacks
The questions in this code category focus on the selected SME owners' views of online customers' feedback that could be useful for them in relation to their apparel business through the adoption of social media channels. Replies from the participating SME owners except for SME C. The following are the replies:

f. SME A owner states:

i. *"**Fashion patterns**".*

ii. *"Customers' **preferences** for **clothes** and **patterns**".*

iii. *"Good feedback".*

g. SME B owner states:

i. *"It did **not happen through online**, at the moment as customers have the chance to come and see at our shops".*

h. SME D owner states:

i. *"Normally, I did not focus much on Facebook. Most of them just **asked** when will be the **next** batik **promotion**".*

i. SME E owner states:

i. *"Oh, no. A bit. If the ones that they **commented** and **mentioned** about the **products**.*

After that I don't view".
j. SME F owner states:
i. *"**Comments** are **ok**".*
ii. *"**Comments** are about my **clothes**".*

The replies show that five SME owners agree that social media channels enable customers to extend their feedbacks regarding their products. Four SME owners except for SME B inform that they received online feedbacks from customers regarding their products at minimal level as most of the comments were quite brief. According to SME D owner, customers would generally ask about its next promotional event, and nothing relates to any comments on its products. SME B owner mentions that most of the comments were made by walk-in customers and not through online. On the other hand, SME F owner highlights that most of the comments received show that customers are satisfied with her products. Thus, customers do not actively participate in providing feedbacks to the selected SMEs on social media. They would prefer to have face-to- face interactions with the selected SME owners in giving their feedbacks.

Discussion

The discussions of the findings relate to customers as major influencers that may motivate Malaysian SMEs to adopt digital marketing. These are based on the factors such as online visibility, online customer engagement and customer feedbacks.

Online Visibility

It is found that customers play an important role for the selected SMEs to adopt social media marketing which allows online customer engagement with SMEs. Such engagement is conducted via effective online presentations through photos, pictures, videos and simple narrations about the selected SMEs products and services. Facebook and Instagram are the most popular social media channels for customers to browse and view the selected SMEs owners' clothes.

A result of their visibility, from these two channels, customers are able locate the selected SMEs owners' outlets, and would visit them to have clearer views of their product features. This is to support their online presentations on Facebook and Instagram. Hence, the selected SMEs owners find that online visibility is crucial for customers, particularly new customers to know them and their offerings, and would lead them to the outlets. Thus, digital marketing via social media channels acts as a supplementary to their marketing activities in generating extra sales.

Customer Engagement

Online postings on social media channels namely Facebook and Instagram enable the selected SME owners to engage with their customers and potential customers virtually. This would lead long-term relationships for loyal customers and followers who have moved into another place and could not visit the outlets regularly. However, they are able to view the clothes from their favourite designers on social media and may message to enquire more about the design and availability.

Online customer engagement is not only limited to existing customers but also new or potential customers who may view the selected SMEs owners Facebook and Instagram. Structured and interesting content, with detailed descriptions of clothes and their features could also attract new customers. Their online postings on social media lead to more customer engagement, especially when introducing new fashion design.

Customers Feedback

The interactive online communication extended by social media channels enables customers to give feedbacks to the selected SMEs owners about their favourite products such as fashion design. Generally, their comments are quite brief as they prefer to visit outlets and discuss in person with the selected SMEs owners. In this way, they can express their views more and in detail compared to the conversations on social media. It is evident that even social media channels extend opportunities for customers to communicate freely with the selected SME owners, they still prefer face-to-face interaction for the purpose.

Customers also provide reviews and ratings to other online viewers based on their experiences when consuming those products. Such feedbacks and reviews can help SMEs in enhancing the quality of their products, and in this they are able to increase the value of product branding. Furthermore, the selected SMEs may earn "free-advertising" due to online viral or electronic- Word-Of-Mouth by social media users.

Finally, customers are important as they contribute income to SMEs via their purchases. In the current shopping landscape, most customers, particularly Generation Y (GEN Y) are very familiar with online shopping and utilises the Internet and social media when consuming information about their favourite product. Through social media such as Facebook and Instagram, customers could view and viral the selected SMEs apparel among their peers and friends. According to the selected SMEs owners, customers would visit their outlets after having viewed their apparel online. Moreover, through social media, the selected SMEs could acquire new customers who may view their Facebook and Instagram, and they are able to be in touched with their loyal customers who have moved to new location through social media. Customers are also able to provide their feedbacks.

Limitations

This research could be considered as one that analyses and explores digital marketing in the context of social media marketing that touches on its adoption by SMEs mainly in the Malaysian fashion apparel industry. Therefore, the replies and the results are only based on these selected SME owners' views and perceptions in this industry only. Their replies may not represent the voices of other SME owners in sectors such as manufacturing and trading. Therefore, the findings of this research may not reflect holistically the overall views and perceptions of social media marketing adoption by most Malaysian SME owners. However, certain findings from this research may also be found in other SMEs.

Future Research Directions

Future research may want to observe digital marketing adoption through social media marketing network from other industries, such as tourism, education, retailing, and food and beverages. These industries may have different approaches in tackling and handling social media marketing due to the nature of their products and services, as well as their target

audiences. In addition, as this research focuses on business-to- consumer (B2C) model, future studies could explore SMEs that practice in business-to-business (B2B) environment.

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