# EFFECTS OF DIGITAL MARKETING ON INTERNATIONAL MARKET GROWTH

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**A R T I C L E I N F O**

**A B S T R A C T**

Today, information and communication technology is the economic, social, and cultural development arm in different countries. Digital-marketing is one of the new processes and methods of marketing that has emerged as a result of the appearance/advent of an information technology phenomenon. One of its most significant tools is the Internet, which has profound effects on business processes. Despite the fact that the Internet as most effective electronic marketing tool with global markets has made it possible many companies access to global markets, but many companies are losing out on its use in export markets. Therefore, this study explains the effects of digital marketing on the growth of international markets. In this research data is gathered using field technique. In the field technique, the inventory is considered as a vital method of data collection. So, in this work an inventory was applied as an instrument for data collection. To examine the reliability of the inventory, the Cronbach's alpha was utilized. A questionnaire measuring for variables, including internet marketing capability, data availability, business network relationships, and the growth of the customer export market, is provided and distributed among 232 experts. Finally, the statistical hypothesis was tested through structural equations with LISREL software. The results of study confirmed the hypothesis of the effect of digital marketing ability on the growth of the export market and the business network relationships and information availability as well.

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## 1. INTRODUCTION

The Internet has been revealed to encourage components of internationalization such as data aggregation and network opportunities. In any case, there is restricted understanding of how the Internet aggregated with showcasing opportunities extracted from international market growth [1]. Change, transformation, and innovation in different dimensions of life have always been an integral

part of the system of being. These novation and modern events have influenced whole factors of human life. The universe of business and economy is also section of human life and has not run away the movement of novation and shift. Perhaps it is safe to say that the domains that have the most impact on change and innovation are in the business and economy [2]. The features of this century are the amazing development of communication and information technology and its application to increase the quality and quality of service delivery. In addition, the service sector accounts for 20% of global trade and over the past fifteen years, commodity trade has been growing at a fast pace of more than 8% [3]. Today, information and communication technology is the economic and social arm and cultural development in different countries. Using this technology to address the challenges facing countries and cities at all levels [4]. According to the quick advancement of information and communication technology in the world and the deep impact of electronic equipment and tools in facilitating and accelerating work and saving time and cost, every day, the importance of using information technology is added [5]. Digital marketing is a new industrial revolution in the 21st century, and with the globalization of the market, progress and development. Today, the Internet is an important commercial factor and has grown faster than any other communication technology and has transformed world markets more than any other media technology [6]. E-marketing is an important dimension in which analysts must assess the company's capabilities to meet the needs of customers' demands and priorities, and regarding to the enhancing the importance of applying the Internet in trade, the advancement, and development of information technology and communications have had a profound and broad effect on trade processes, and the Internet has prepared the world's most useful internet marketing instrument with the probability to bring companies to international markets [7].

In recent years, the Internet and Internet marketing for companies in many industries have become revenue-generating and interacting with customers and stakeholders, offering electronic products and services and electronic sales. In fact, Internet marketing can be addressed as a novel theory and a trade-like business that consisted of the marketing of commodities, services, data, and opinions using the Web and other electronic tools [8]. Regarding the effect of the Internet on business and the arrangement of the basis of digital economy, Internet marketing has been considered as a key factor in the competitiveness of international players in order to attain the goals of modern marketing in electronic commerce. Increasing speed in computing, rapid processing of information, the ability to search and increase accuracy, omitting unnecessary intermediaries and doing electronic work, overshadow the exchange process, decrease the time of transactions, and enhance the value of transactions. Value of marketing and e-commerce is on the rise. In today's markets, the customer is equated with a true customer plus a virtual customer and Internet marketing on this axis [9]. The study of the impact of the Internet on international companies considers as section of the developmental part of understanding in the field of digital marketing background and international business. But despite the extensive experience of examining the effects of the Internet on internationalization as well as its ability for overseas customer access, there is an incomplete understanding of the complex relationship between digitalization of international companies and the functioning of international markets [10]. Since the probable relation among the Internet and the export outlets has recently been determined and examined by the researchers, there has been limited research in analyzing the impacts of internet marketing on the performance of online markets. So the special role of the Internet has

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been overlooked in the Internet market as well as the Internet evaluation as the driving force behind the international performance of companies [11]. The importance of digital marketing although, at the beginning of the commercialization of the Internet, there were many tools for its ability to transform its business and its core activities, such as marketing, was mostly fictitious. But gradually, with the passage of time and various researches in this area, the capabilities and benefits of the Internet were genuinely identified. The benefits of internet marketing have been evaluated and categorized by various researchers. One of these categories belongs to Qiang and Chi (2001). The Internet as one of today's vital phenomena has a huge role in the success of export marketing. In this paper, in addition to examining the ninth roots of the Internet in removing marketing barriers, we examine the barriers to using this phenomenon of information technology by manufacturing and exporting companies. This is done by referring to related exporters and experts and their survey. After a detailed review of the benefits of using the Internet and collecting and analyzing data as well as determining the barriers to Internet use, we conclude it is necessary to make suggestions [12]. Hence, this study tries to analyze the effect of digital marketing on international market growth.

## 2. LITERATURE REVIEW

The work [13] examined how the Internet compound with marketing ability extracted from international market growth. The research population consisting of 224 Australian companies investigates and examines structural equation modeling (SEM), which considered as a conceptual model of Internet marketing capabilities and international market growth. The findings showed that companies using Internet marketing capabilities profited with the losses of data uncertainty and enhanced capacity to improve international network capabilities. Besides, Internet marketing capabilities indirectly caused to international market growth as the company with a high level of international strategic direction and international network capabilities. Totally, Internet marketing capabilities increase the company's capability to create other inner ability among the company, that in turn have a positive effect on the international market growth of the company.

A study [14] explained through the world with digital changing to an increasingly vital source of competitive benefit in marketing. They showed problems regarding the findings of a study between conveniences populations of 777 marketing managers through the worlds. The findings of research shown that filling talent gaps set the organizational design and executing actionable metrics were the larger development opportunities for firms among sectors.

A study [15] investigated the potential of Internet marketing for the growth of the international market. For this purpose, using the data of the companies of the export organization in Mazandaran province, there are 120 companies. The present research is applied in a targeted and survey type. Through descriptive indexes and inferential statistics, data analysis 94 that have a website has been studied over the years. The findings of the research indicate that there is a meaningful relation between Internet marketing capability on the availability of strategic direction information and international networking capabilities.

In [16], the study focused on the effect of relationship digital marketing and customer satisfaction and trust on customer loyalty behavior of active tourism companies in the province of

Babol, Mazandaran province. A standard inventory consisting of 14 queries in 4 aspects was applied and divided between 300 samples as the statistical population of the research. Therefore, the analysis of relations between variables was analyzed using structural equation modeling using SPSS® and AMOS® software. The results indicated that relationship marketing affects both customer satisfaction and trust process. Customer satisfaction, independent variable, affected customer loyalty. Even car sales in Russia [17] needed a leeway for international market.

## 3. METHOD

There are several methods for collecting data, and more than one method is often used to obtain information in research. This research data was gathered using field technique. The inventory was a vital method for data collection. The inventory is one of the powerful instruments for gathering data in descriptive research. A questionnaire tool was used to collect data. In this study, we are faced with a survey, as we examine the impact of the native features of the organization on the export performance of emerging markets. To examine the reliability of the inventory, the Cronbach's alpha was utilized. To this end, we designed a questionnaire for problem variables, including internet marketing capability, availability of information, business network relationships, and customer market growth, and provided to 213 experts. Then, after a descriptive analysis of respondents, we examined the variables' normalization. In this study, using descriptive and inferential statistics, LISREL software has been used for analyzing the data and testing the hypotheses. In descriptive statistics, the researcher actually describes the specimen in the study by collecting and summarizing the quantitative information obtained from the samples. In the inferential statistics, the researcher considers the one or more samples and uses statistical methods and models from the sample indicators or from the sample characteristics to determine the parameters and characteristics of the entire statistical society. In other words, using inferential statistics, the sample results are generalized to the entire statistical society, and the research without it is lacking scientific credibility.

### 3.1 CONCEPTUAL MODEL OF RESEARCH

In this research, we intend to study the effect of digital marketing on the growth of international markets. So the conceptual model of research describe in Figure 1.
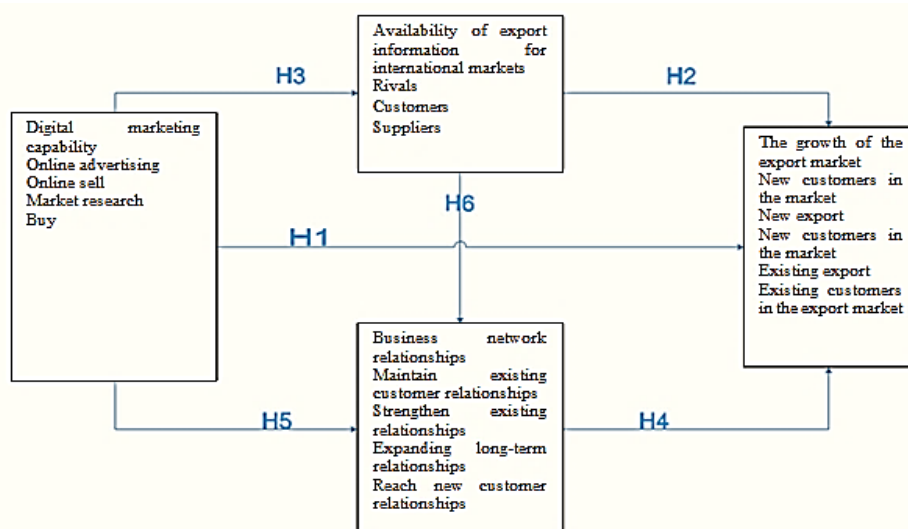


**Figure 1:** Conceptual model derived from the research of Bianchi and Mathews [11].

# 4. RESULT AND DISCUSSION

## 4.1 RELIABILITY OF THE QUESTIONNAIRE

In order to assess the quality of the questionnaire and the desirability of its questions (reliability), Cronbach's alpha tests are considered, Considering the distribution of the questionnaire with 47 questions for a sample of 213 people, the collected data can be safely used as the computed Cronbach's alphas are more than 0.7, see Table 1.

**Table 1:** Cronbach's Alpha Results (SPSS)

| Variable | Questions | Cronbach's alpha |
|---|---|---|
| Digital marketing ability | 1-13 | 0.863 |
| Availability of export information | 14-27 | 0.872 |
| Business network relationships | 28-38 | 0.852 |
| Export market growth | 39-47 | 0.825 |

## 4.2 DATA NORMALITY

To determine the normality of the data, we use the Kolmogorov-Smirnov test (K-S). This test was performed at a significant level of 0.05. If the value of sig or the p-value of this test is less than or equal to 0.05, the assumption of the normality of the data is rejected. The results of this test are reported in Table 2.

**Table 2:** Results of normality of data from the Kolmogorov-Smirnov (K-S) Test (n=213).

| Variable | Average | SD | K-S | Sig. level | Normality |
|---|---|---|---|---|---|
| Digital marketing ability | 2.65 | 0.70 | 0.78 | 0.125 | Normal |
| Availability of export information | 2.12 | 0.85 | 0.79 | 0.189 | Normal |
| Business network relationships | 2.33 | 0.98 | 1.01 | 0.036 | Normal |
| Export market growth | 2.85 | 0.80 | 2.54 | 0.114 | Normal |

Since the significance level of all variables is greater than 0.05, the data is normal.

## 4.3 RESULT OF HYPOTHESES TESTING

Table 3, given that factor, loads should be between 0 and 1, according to the results obtained from the table 3 and mean, SD and t-value graph, we can conclude that mean, SD values are the factor loads between 0 to 1 fields can well explain the relevant variables. If the values for standard tests and M are between 0 and 0.3, then the weak correlation is between 0.3 and 0.6, and the correlation is moderate and if there is between 0.6 and 1, there is a good correlation between the data.

The impact of digital marketing on international companies is part of the growing body of knowledge in the international marketing and business sector. But despite extensive experience examining the impact of digital marketing on internationalization and its potential for foreign customer access, there is an incomplete understanding of the complex relationships between digitalization of international companies and the functioning of international markets.

While recent research has identified and investigated the potential relationship between the

Internet and export outs, there has been limited research in analyzing the effects of digital marketing on the performance of online markets. As the Internet's special role in the direction of the internet market, as well as the Internet evaluation, has been ignored as the driving force behind the international performance of companies. Therefore, this study attempted to analyze the effect of digital marketing on the development of online markets.

Table 3: Research hypotheses.

| Hypotheses | Mean | SD | t-value | Results |
|---|---|---|---|---|
| Digital marketing ability→ Export market growth | 0.27 | 0.56 | 3.65 | Confirmed |
| Availability of export information →Export market growth | 0.7 | 0.34 | 1.8 | Confirmed |
| Digital marketing ability → Availability of export information | 0.71 | 0.67 | 8.21 | Confirmed |
| Business Network Relationships →Export market growth | 0.71 | 0.54 | 4.80 | Confirmed |
| Digital marketing ability →Business Network Relationships | 0.11 | 0.42 | 2.81 | Confirmed |
| Availability of export information →Business Network Relationships | 0.57 | 0.69 | 4.38 | Confirmed |

We examined the demographic characteristics of the respondents and according to the demographic characteristics: in the age group: 11% of respondents between the ages of 21 - 25, 22% of respondents between the ages of 26-30, 34% between 31-35, 25% of 36-40 years, and 8% has above 41 years of age.

In education: 10% of the respondents were diplomas and lower, 13% of the respondents received an associate degree, 42% of respondents were bachelors and 35% of respondents were masters and higher. 25% under 5 years of age, 23% between 6-10 years, 23% 11-15 years, 18% between 16-20 years 11% more than 21 years. 40% of the sexes were female and 60% had male gender. We then examined these hypotheses using the structural equation model in LISREL.

According to the results, all the hypotheses were confirmed.

The first hypothesis: digital marketing capabilities have significant effects on the growth of the export market. Given the fact that the t-value test statistic is 3.65 and more than 1.96, the hypothesis is confirmed. Also, the value of the estimate and standard test statistic is ranged 0.3 and 0.6, so it is acceptable.

The second hypothesis: the availability of export information has significant effects on the growth of the export market. Given the fact that the t-value test statistic is 1.8 and more than 1.96, the hypothesis is confirmed. Also, the value for the standard test statistic is 0.34 and ranged 0 and 0.3, so it is acceptable. The value of the estimate test statistic is 0.7 and ranged 0.6 and 0.1, so its value is desirable.

The third Hypothesis: Digital marketing capabilities have a positive relationship with the availability of export information. Given that the t-value test statistic is 8.21 and more than 1.96, the hypothesis is confirmed. Also, the value of the standard test statistic is 0.67 and more than 0.4, so it is desirable. The value of the estimate test statistic is 0.71 and ranged from 0.6 to 1, so it is desirable.

The fourth hypothesis: business network relationships have significant effects on the growth of

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the export market. Given the fact that the t-value test statistic is 4.80 and more than 1.96, the hypothesis is confirmed. Also, the value of the standard test statistic is 0.54 and more than 0.4 and is between 0.6 and 1, so it is desirable. The value of the test estimate statistic is 0.71 and ranged from 0.6 to 1, so it is desirable.

The fifth hypothesis: Internet marketing capability has significant effects on business network relationships. Given the fact that the t-value test statistic is 2.81 and more than 1.96, the hypothesis is confirmed. Also, the value for the standard test statistic is 0.42 and ranged from 0.3 to 0.6, so it is acceptable. The value of the test statistic is 0.11 and between 0.2 and 0.3, so its value is desirable.

The sixth hypothesis: The availability of export information has significant effects on business network relationships. Given the fact that the t-value test statistic is 4.38 and more than 1.96, the hypothesis is confirmed. Also, the value for the standard test statistic is 0.69 and ranged from 0.3 to 0.6, so it is acceptable. The value of the test estimate is 0.57 and ranged 0.2 and 0.3, so its value is desirable.

We designed a questionnaire for problem variables, including internet marketing capability, availability of information, business network relations, and the growth of the customer export market, and provided 213 experts.

## 5. CONCLUSION

The impact of digital marketing on international companies is section of the growing body of understanding in the international marketing and business sector. But despite extensive experience examining the impact of digital marketing on internationalization and its potential for foreign customer access, there is an incomplete understanding of the complex relationships between digitalization of international companies and the functioning of international markets. While recent research has identified and investigated the potential relationship between the Internet and export outs, there has been limited research in analyzing the effects of digital marketing on the performance of online markets. As the digital marketing special role in the direction of the internet market, as well as the Internet evaluation, has been ignored as the driving force behind the international performance of companies. Therefore, this study attempted to analyze the effect of Internet marketing on the development of online markets. To this end, we designed a questionnaire for problem variables, including digital marketing capability, availability of information, business network relations, and the growth of the customer export market, and provided to 213 experts. The research results showed that digital marketing capabilities have significant effects on the growth of the export market. The availability of export information has significant effects on the growth of the export market. Digital marketing capabilities have significant effects on the availability of export information. Business network relationships have significant effects on the growth of the export market. The availability of export information has significant effects on business network relationships. The availability of export information has significant effects on business network relationships. It is suggested that this research be done in other companies active in the field of digital marketing and Internet markets and the results related to it are compared with the results of this research, because each organization and company need to know the exact customer and maintain it.

It is suggested that this research be done in other companies active in the field of digital marketing and Internet markets and sales, and its results will be compared with the results of this research because each organization and company need to customer's accurate know and keep the customers.

## 6. AVAILABILITY OF DATA AND MATERIAL

The used or generated data in this study is available by request to the corresponding author.

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