

Application of Digital Marketing to Drive Digital Business Strategy in the Era of Digital Transformation

Alifya Azzahra^{1*}

¹ Universitas Diponegoro, Semarang, Indonesia

Abstract

Article history:

Received: July 16, 2022

Revised: August 29, 2022

Accepted: October 27, 2022

Published: December 30, 2022

Keywords:

Digital Marketing,
Digital Business Strategy,
Search Engine Optimization (SEO),
Data Analytics,
Customer Engagement.

Identifier:

Nawala

Page: 88-101

<https://nawala.io/index.php/ijdb>

This research aims to examine the application of digital marketing in supporting the development of digital business strategies in the digital transformation era. Using the literature study method, this research analyzes various relevant academic sources and industry reports, including journals, and scientific articles. The findings show that digital marketing provides significant benefits, such as promotional cost savings, expansion of global market reach, and increased customer engagement through content personalization. The successful implementation of digital marketing is influenced by factors such as clear business goal setting, identification of target audience, content quality, Search Engine Optimization (SEO), and use of data analytics. Implementation steps include strategic planning, social media platform optimization, technology automation, and campaign performance monitoring. This research concludes that a holistic approach to digital marketing implementation can strengthen a company's competitive position and support business growth amidst the dynamics of the digital market. The results of this research are expected to serve as a guide for businesses in designing effective digital strategies.

*Corresponding author:
(Alifya Azzahra)

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1. Introduction

In the era of rapidly growing digital transformation, the modern global economy has undergone significant changes due to the influence of digital technology. This technology not only changes the way business is conducted, but also encourages innovation, improves company performance, and creates new opportunities for businesses to compete in an increasingly competitive market (Berliandaldo et al., 2020). Digital transformation is defined as the utilization of digital technology in various aspects of business operations, from marketing strategies to supply chain management, to achieve efficiency and competitive advantage (Pasaribu & Widjaja, 2021). One of the key elements in this transformation is digital marketing, which is the main pillar in developing a digital business strategy to reach a wider market and increase interaction with consumers (Naimah et al., 2020).

Digital marketing refers to a series of marketing activities that utilize digital platforms, such as the internet, social media, and mobile devices, to promote products, services, or brands (Pramawati et al., 2020). This approach enables more interactive and integrated interactions between producers, market intermediaries, and consumers, ultimately increasing marketing efficiency and sales volume (Safitri & Fajrin, 2020). With technology development continuing to accelerate, digital marketing has become an essential strategic tool in dealing with global market dynamics. Digital transformation is not only about the adoption of new technologies, but also about how companies can integrate these technologies into business strategies to create innovative business models (Olson et al., 2021).

Digital business strategy focuses on long-term planning that leverages technology to achieve corporate goals, such as increased market share, operational efficiency, and customer satisfaction. This approach involves various aspects, including digital marketing strategy, human resource management, and information technology optimization. In this context, digital marketing plays an important role in shaping adaptive and digitally connected organizations, enabling companies to capture new opportunities amid changing market trends (Promaksani et al., 2021). In addition, digital transformation also affects the way small and medium-sized enterprises (SMEs) operate, utilizing digital platforms to expand market reach and improve competitiveness (Ziółkowska, 2021).

However, the successful implementation of digital marketing is inseparable from challenges, such as changes in consumer behavior, data security, and the need for continuous technological innovation (Foss & Saebi, 2017). To overcome these challenges, companies need to adopt a data- and analytics-driven approach to understand audience needs and measure the effectiveness of marketing campaigns (Kitsios & Kamariotou, 2021). In addition, the importance of user experience and responsiveness to mobile devices are key factors in ensuring the success of digital strategies (Liu et al., 2021). By integrating digital technologies into business strategies, companies can create added value and strengthen their competitive position in the global market.

The use of digital marketing also allows companies to adapt to dynamic changes in the business environment, such as globalization and the development of artificial intelligence technologies that support marketing automation (Van Looy,

2021). In an international context, digital strategies must consider the dynamics of national institutions that affect business operations in different countries (Katsikeas et al., 2020). Thus, digital marketing is not only a tool to promote products, but also a catalyst for business innovation and economic growth in the era of digital transformation. This article aims to examine how the implementation of digital marketing can support the development of digital business strategies, focusing on the benefits, influencing factors, and implementation steps in the context of digital transformation.

2. Methods

This research adopts the literature study method to analyze the implementation of digital marketing within broader digital business strategies. According to Zed (in Kartiningrum, 2015), a literature study is a systematic method of data collection that involves identifying, reviewing, and synthesizing information from various written sources such as documents, journals, books, and credible publications. This approach was considered appropriate because it enables researchers to integrate a wide range of academic and practical perspectives without relying on primary data collection, which is often time-consuming and requires significant resources. Through this method, the study benefits from previously established knowledge while also critically assessing the gaps and opportunities in current research.

The data used in this study were gathered from reliable and reputable sources, including peer-reviewed academic journals published in the last five years, scholarly

articles, reference books, and industry reports. Databases such as Google Scholar, Researchgate, and Elsevier, were employed to access relevant materials, particularly those addressing the themes of digital marketing, digital business strategies, and digital transformation. To ensure validity and reliability, only sources meeting specific inclusion criteria were considered. These criteria included direct relevance to the research focus, alignment with the keywords, and publication in English or Indonesian. Conversely, sources such as non-peer-reviewed articles, blog posts, or outdated studies were excluded, as they did not guarantee academic rigor or current applicability.

The data analysis process involved several steps. First, the researcher collected and reviewed each source to identify key arguments, findings, and concepts. Second, important information was carefully recorded and categorized into three main themes: (1) the benefits of digital marketing, (2) factors influencing its effectiveness, and (3) strategies for successful implementation. Finally, a synthesis was conducted to highlight patterns, similarities, and differences across the literature. This systematic process allowed the study to construct comprehensive, evidence-based insights into the role of digital marketing as a central element of digital transformation strategies.

3. Results

3.1. Benefits and Influencing Factors of Digital Marketing

Digital marketing has become an essential element of modern business strategy, providing significant benefits to companies of all sizes, including small and

medium-sized enterprises (SMEs). One of the key benefits of digital marketing is the cost savings of promotion compared to traditional marketing methods, such as print or television advertising. By utilizing digital platforms such as social media, email marketing, and internet-based paid advertising, companies can reach a wider audience with a more efficient budget (Twaekanaï & Payonoo, 2019, in Putri et al., 2021). In addition, digital marketing allows companies to target more specific markets, thereby increasing the effectiveness of marketing campaigns and the potential for conversion (Pramawati et al., 2020).

Another benefit of digital marketing is its ability to expand market reach globally. Through online platforms, companies can reach consumers in different geographical areas without physical barriers, which is particularly beneficial for SMEs looking to compete in international markets (Prasanna et al., 2019). Digital marketing also serves as a tool to increase sales through direct interaction with customers, such as through interactive content or social media campaigns designed to encourage purchases (Naimah et al., 2020). In addition, digital marketing allows companies to build long-term relationships with customers through strategies such as content personalization and two-way communication, which increases brand loyalty (Olson et al., 2021).

However, the success of digital marketing does not only depend on the utilization of digital platforms, but is also influenced by a number of key factors. First, clear business goal setting is an important foundation. Digital marketing must be aligned with the company's strategic goals, such as increasing sales, brand strengthening, or market expansion, to ensure campaign effectiveness (Wicaksana,

2018, in Putri et al., 2021). Second, identifying the right target audience is crucial. Understanding consumer demographics, preferences, and behaviors allows companies to deliver relevant and engaging marketing messages (Kitsios & Kamariotou, 2021).

Content quality is also a critical success factor for digital marketing. Content that is informative, engaging, and fits the needs of the audience, such as articles, videos, or infographics, can increase customer engagement and strengthen brand image (Liu et al., 2021). In addition, search engine optimization (SEO) plays an important role in increasing online visibility. The use of the right keywords, user-friendly website structure, and optimized content can improve the website's ranking in search results, thereby attracting more visitors (Foss & Saebi, 2017). Social media is also a significant factor in digital marketing. An active presence on relevant platforms, such as Instagram, LinkedIn or TikTok, allows companies to interact directly with audiences and build online communities (Van Looy, 2021). Good User Experience (UX), including attractive website design and easy navigation, as well as responsiveness to mobile devices, also affects the success of digital campaigns (Katsikeas et al., 2020).

Another important factor is the use of analytics and data to measure campaign performance. Analytic tools such as Google Analytics allow companies to track metrics such as conversion rate, Click-Through Rate (CTR), and customer retention, which aids in data-driven decision-making (Berliandaldo et al., 2020). Adequate budget and resources, as well as the adoption of the latest technologies such as marketing automation and artificial intelligence, also support the effectiveness of

digital marketing (Kitsios & Kamariotou, 2021). Finally, data security and customer privacy are major concerns. Ensuring compliance with data protection regulations, such as GDPR, can increase consumer trust and strengthen corporate reputation (Liu et al., 2021). By understanding the benefits and factors that influence digital marketing, companies can design a more targeted and adaptive strategy. A holistic approach, combining creativity, technology and data analysis, enables organizations to maximize the potential of digital marketing to support business growth in the era of digital transformation.

3.2. Implementation of Digital Marketing in Developing Business Strategy

The implementation of digital marketing in developing business strategies in the era of digital transformation requires a structured and integrated approach to harness the potential of digital platforms to achieve business goals. This process involves a series of strategic steps designed to improve brand visibility, customer engagement, and overall business results. By utilizing digital technology, companies can create adaptive, efficient, and data-oriented marketing strategies that support growth in a dynamic business environment (Putri et al., 2021). The following section explains the key steps in implementing digital marketing to support business strategies, with a focus on practical and technology-based approaches.

The first step is setting clear and measurable business goals. These goals should align with the company's vision, such as increasing sales, expanding market share, or strengthening brand awareness. According to Katsikeas et al. (2020), setting specific goals enables focused campaigns and prevents resource waste. For example, an SME might target a 20% increase in online sales within six months using social

media advertising. Such a goal provides direction and measurable benchmarks for success.

Next, identifying the target audience is essential. Understanding demographics, preferences, and behaviors allows businesses to craft relevant and engaging messages. Kitsios and Kamariotou (2021) emphasize that data-driven segmentation, such as age or interests, improves effectiveness. A retail firm could use analytics tools like Google Analytics to identify customer segments most engaged with particular content, allowing targeted campaign delivery. Content quality is another crucial pillar. Relevant and engaging formats blogs, videos, or infographics strengthen brand image and encourage customer interaction. Foss and Saebi (2017) note that high-quality content must reflect brand values while meeting audience needs. For example, a tech company might publish video tutorials explaining product features, simultaneously educating customers and building trust. To maximize reach, content should also be optimized for SEO with strategic keywords and user-friendly structures.

Social media serves as a core channel in digital strategies. Platforms such as Instagram, LinkedIn, or TikTok provide spaces for direct interaction and community building. Van Looy (2021) highlight that effective social media strategies involve choosing platforms that fit the target audience and maintaining consistent posting schedules. For instance, a food business could use Instagram to showcase attractive images and host giveaways, boosting engagement. Timely responses to customer interactions further strengthen loyalty.

User experience (UX) and mobile responsiveness are also vital. Websites and applications must feature intuitive navigation and fast load times to support conversion. Liu et al. (2021) stress that mobile optimization is critical as most consumers access content via smartphones. Companies should ensure that all campaign elements, from websites to advertisements, are device-friendly to maintain accessibility. Analytics and data play a key role in measuring performance. Using tools like Google Analytics or social media dashboards, firms can track metrics such as CTR, conversion rates, or customer retention. Berliando et al. (2020) argue that real-time analysis allows quick strategy adjustments. For example, if an ad underperforms, businesses can modify keywords or formats to improve outcomes.

Automation technologies can also increase efficiency. Kitsios and Kamariotou (2021) highlight that tools for social media management or email marketing reduce repetitive tasks, enabling teams to focus on creativity. For example, Mailchimp can send personalized emails triggered by previous purchases or site interactions, fostering stronger customer relationships. Security and privacy remain priorities. With growing concerns about data breaches, firms must comply with regulations like GDPR. Katsikeas et al. (2020) emphasize that transparency in data management builds trust. Clear opt-in and opt-out options in email campaigns, for instance, reassure customers and respect preferences.

Training marketing teams is another critical step. Teams equipped with knowledge of current trends and technologies can design more impactful campaigns. Foss and Saebi (2017) suggest investing in skills development to keep pace with innovations like artificial intelligence or predictive analytics. Encouraging

experimentation with new content formats or tools also helps companies maintain competitiveness.

Finally, continuous monitoring and adjustment of digital strategies are essential. Van Looy (2021) stress that responsiveness to consumer and technological trends ensures relevance. Regular evaluations and adaptation based on insights enable firms to optimize strategies for maximum results. In conclusion, successful digital marketing requires a holistic approach that combines clear planning, quality content, technology use, and adaptability. By following these steps, businesses can enhance visibility, foster relationships, and achieve strategic goals in the digital transformation era. This integrated approach not only drives growth but also enables companies to remain resilient in evolving markets.

4. Conclusion

Digital marketing has become an important element in developing digital business strategies in the era of digital transformation. Its benefits, such as cost savings, wide market reach, and increased interaction with consumers, make it an invaluable tool for companies, especially MSMEs. However, the success of digital marketing depends on factors such as content quality, SEO, and data analysis, as well as the company's ability to adapt to changes in technology and consumer behavior. Effective implementation requires a holistic approach that includes goal setting, content management, and utilization of technologies such as automation and CRM. Going forward, companies must continue to innovate and invest in digital literacy to harness the full potential of digital marketing. By integrating these

strategies into their business models, organizations can improve visibility, customer engagement and overall business outcomes. Further research is needed to explore how MSMEs can overcome resource limitations in adopting digital technologies, as well as the long-term impact of digital transformation on global competitiveness.

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