LAPAI JOURNAL OF MANAGEMENT SCIENCE (LAJOMAS), Vol. 14 NO.1 APR/OCT 2025 - ISSN: 2315 9243
A Publication of the Department of Business Administration, Ibrahim Badamasi Babangida University, Lapai, Niger State

EXPLORING THE INFLUENCE OF DIGITAL MARKETING ON MARKETING PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES (SMES): THE ROLE OF INTELLECTUAL CAPITAL

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ABSTRACT
Despite significant contribution of Small and Medium Enterprises (SMEs) to the economy, limited marketing capabilities and weak competitive positioning prevent them from achieving sustainable marketing performance. This study examines how key digital marketing determinants influence marketing performance of SMEs, while also examining the role of intellectual capital. The study is anchored in Dynamic Capability (DC) Theory. Quantitative survey research design was adopted, targeting a population of registered 1,467 SMEs in Jigawa State, Nigeria. Using Yamane's formula, a sample size of 314 firms was selected through stratified random sampling. Data were collected by the use of structured questionnaires and analysed using SPSS and SMART PLS SEM. The measurement model presented acceptable reliability and validity, with Cronbach's alpha and composite reliability values exceeding the threshold of 0.70, and Average Variance Extracted (AVE) values also above 0.50. The findings reveal that digital marketing determinants significantly influence SME marketing performance. Content marketing exhibits strongest effect, followed by email marketing and social media marketing. The model explains 66.1% of the variance in marketing performance ($R^2 = 0.661$). Moderation analysis also reveals that intellectual capital enhance the relationships between social media marketing and marketing performance, as well as content marketing and marketing performance. However, no significant moderating effect was established in the relationship between email marketing and marketing performance. The study recommended that SMEs should prioritise the development and integration of intellectual capital into their digital marketing strategies. This requires sustained investment in human capital through continuous training in digital literacy, marketing skills, and data analytics.

Keywords: *Digital marketing, Intellectual capital, Marketing performance, Dynamic capability theory*

1. INTRODUCTION
Globally, Small and Medium Enterprises (SMEs) were described as essential driver of economic progress in every country. They contribute to provision of employment, innovation and creativity, poverty reduction and entrepreneurship development in both developed and developing countries (Dahmiri, Junaidi, Johannes, Yacob & Indrawijaya, 2024). In advanced countries, SMEs

contribute about 50% of Gross Domestic Product where as in emerging economies they contribute to 35% (World Trade Organisation, 2023). In emerging economies like sub Saharan Africa, SMEs also play a crucial role in regional and rural development, enhancing community adaptability and serve as a means of livelihoods (Trisnawati, 2024).

In Nigeria, SMEs hold a strategic position in the economic landscape. According to reports by the National Bureau of Statistics and SMEDAN, MSMEs make up 96% of all businesses, take on closely 87.9% of the workforce, and contribute 46.32% to GDP (NBS/ SMEDAN MSME Survey, 2021). Despite their significance to the economy, a large number of Nigerian SMEs continue to grapple with the challenges in converting market participation into sustainable marketing performance. Marketing performance is a measure of how well a firm meets the major objectives of its marketing, which include new customer acquisition, making the brand visible, increasing sales, and making more Profits (Diepriye & Baratuaipere, 2024). Business Day (2024) reported that about 80% of SMEs in Nigeria collapse within their first five years of operations. This claim is attributed to poor marketing strategy and weak competitive advantage.

The advent of digital technologies has fundamentally transformed contemporary marketing practices, positioning digital marketing as a critical strategic tool for business growth. Firms leverage online platforms, advanced technologies, and data analytics to enhance customer engagement and optimise marketing outcomes. SMEs are now adopting digital marketing to strengthen their competitive position and expand market presence (Nugroho, 2026).

However, despite the growing adoption of digital marketing in Jigawa State, the marketing performance of SMEs remains relatively low. A report by the Jigawa State Ministry of Commerce (2025) indicates that approximately 75% of SMEs in the state struggle with poor marketing performance, largely due to limited market access and ineffective marketing strategies. This situation has contributed to a high business mortality rate within the state. The report further reveals that SMEs face persistent challenges in effectively leveraging digital marketing tools, primarily due to inadequate digital literacy and limited competencies among business owners and employees. These constraints hinder the ability of SMEs to fully exploit the potential of digital marketing for improved performance outcomes.

Emerging evidence shows that the success of digital marketing depends not only on the availability of digital tools, but also on the quality of the firm's intangible resources, especially intellectual capital (Ajede, Ibrahim, Bakare & Abdulwahab, 2025). Intellectual capital refers to the intangible knowledge based resources embedded within organisations, including employees' proficiency and capabilities (human capital), organizational processes and systems (structural capital) and relationships with customers and stakeholders (relational capital) (Bontis, 1998). These resources ease organisational learning, innovation and strategic decision making, thereby allowing enterprises to use digital marketing tools more effectively and adapt to dynamic market environments. This perspective aligned with DC Theory, which indicate that firms achieve competitive advantage by been responsive to market changes through sensing opportunities, seizing them through strategic actions and reconfiguring internal resources (Wang, Dato & Choy, 2024). From this perspective, digital marketing may be viewed as a dynamic capability that requires strong intellectual capital to induce sustainable competitive advantage.

Most of the existing empirical studies on digital marketing and firm performance in Nigeria such as Sanusi, Ebenehi, and Yunusa (2024).; Afolabi, Owoade, Emmanuel and Nwobi (2024) and Diepriye and Simeon (2024) rely heavily on simplistic direct models that did not take into account possible interaction effects and contextual moderator such as intellectual capital, despite its recognised significance in supporting digital capability development and strategic execution. Thus, understanding the situation under which digital marketing improve SMEs marketing outcomes in resource constrained environments is limited. likewise, a large portion of the existing literature conceptualises digital marketing as a single construct without examining the individual effects of its key determinants, such as social media marketing, content marketing and email marketing. These determinants may establish contrasting degrees of consequences on marketing performance. Past researches in Nigeria have predominantly concentrated on medium enterprises abandoning small businesses, similarly more concentration was given to SMEs in urban centers like Lagos, Abuja, Kano and Port Harcourt (Eze & Nwankwo, 2023). Consequently, semi urban centers like Jigawa received comparatively little scholarly attention, despite having issues in digital infrastructure, digital knowledge, organisational rigidity and institutional support.

Drawing on the preceding discussion, the primary objective of this study is to examine the influence of social media marketing, content marketing and email marketing on the marketing performance of SMEs, with particular emphasis on the moderating role of intellectual capital. The study seeks to provide empirical evidence on how these digital marketing dimensions interact with internal organisational capabilities to shape performance outcomes. In doing so, it contributes to the existing body of knowledge by advancing both theoretical understanding and practical policy discourse on improving SME marketing performance, especially within resource-constrained environments.

In line with these objectives, the following alternate hypotheses are formulated in order to achieve the specific objectives.

Ha_1: Social media marketing has a significant effect on the marketing performance of SMEs.
Ha_2: Content marketing has a significant effect on the marketing performance of SMEs.
Ha_3: Email marketing has a significant effect on the marketing performance of SMEs.
Ha_4: Intellectual capital moderates the relationship between social media marketing and the marketing performance of SMEs.
Ha_5: Intellectual capital moderates the relationship between content marketing and the marketing performance of SMEs.
Ha_6: Intellectual capital moderates the relationship between email marketing and the marketing performance of SMEs.

2. LITERATURE REVIEW AND THEORY

This section presents a review of relevant literature pertaining to the research topic. The review is structured into four main components: conceptual review, empirical review, and theoretical underpinning. The conceptual review examines the key constructs of the study, including the marketing performance of SMEs, digital marketing and its dimensions, as well as intellectual capital. The empirical review synthesizes prior studies on the relationships among these variables, highlighting existing findings and identified gaps and concludes with a discussion of the theoretical framework underpinning the study.

2.1 Conceptualization of Study Variables

This section conceptualizes the study variables such as marketing performance, social media marketing, content marketing and email marketing.

2.2 Marketing Performance of SMEs

Marketing performance is a vital indicator for assessing SMEs' growth, competitiveness and long term sustainability. It's a multifaceted construct that relates to how businesses attain their marketing objectives through evaluation of financial and non-financial indicators (Diepriye & Simeon, 2024; Lestari, 2024). Financial measures commonly relate to sales growth, profitability, market share, and return on marketing investment, while non-financial indicators cover customer satisfaction, brand awareness, loyalty, and employee retention (Nugroho, 2026). Systematic assessment of marketing performance helps firms to identify their strengths and shortcomings, effective allocation of resources, and make informed strategic decisions (Zainuddin & Sudarmiatin, 2023). Empirical evidence reveals that SMEs with strong marketing performance understand their customers' needs better, innovate their product/service frequently and remain agile in competitive environments (Augustine, Usriyono & Istiyawari, 2024). Digital platform adoption in today's marketing practices is important for SMEs wishing to enhance engagement with customers. But, many SMEs find it difficult to utilize these opportunities due to various challenges (Jaya, Mashadi & Fadillah, 2026). Consistent with Augustine, Usriyono and Istiyawari (2024) this study conceptualises marketing performance as the assessment of a firm's stated marketing objectives, both financial and non-financial against actual marketing results or outcomes.

2.3 Digital Marketing

Digital marketing has basically metamorphosed contemporary marketing practices by applying online platforms, data analytics, and interactive technologies to engage customers and induce measurable outcomes (Ayodeji & Hezekiah, 2023). It's the application of digital technologies and platforms like websites, social media networks, search engines, email systems, and mobile applications to reach and interact with target audiences effectively (Hardiansyah, Fahlia & Nuramaliyah, 2024). These platforms enable organizations to convey their value propositions, increase brand awareness, induce possible leads, and raise long- term customer relationships. In line with Fuad, Noman, Chowdhury and Nath (2023); this study conceptualises digital marketing as a multidimensional construct consisting of three determinants social media marketing, content marketing and email marketing.

2.3.1 Social Media Marketing

Social media marketing is the application of social networking handles like Facebook, WhatsApp, Instagram, Twitter/ X, and TikTok to engage audiences, increase brand mindfulness, and build relationship with customer (Abideen, 2024; Sang, 2023). It involves incorporating social media handles in various phases of marketing mix to facilitate promotional activities and interaction with customers (Mukhtar, Ahmad & Khan, 2023). In recent times, social media marketing has become an essential part of ultramodern marketing strategies, contributing to advertising customer service, public relations and reputation management (Afolabi, 2023). Its strategic significance in contemporary marketing environments lies in how it influences consumer behavior, purchase intentions, customer relationship and brand loyalty. This study conceptualizes social media marketing as the strategic use of social networking platforms to create and share content, engage

target audiences, foster customer relationships, and promote products or services through interactive digital communication.

2.3.2 Content Marketing (CM)

Content marketing is a strategic plan for building an audience by publishing, maintaining, and distributing consistent content that educates, entertains, or inspires, with the ultimate goal of driving profitable customer actions (Dilys, Sarlaukiene & Smitas, 2022). Diepriye and Simeon (2024) defines content marketing as the creation of relevant, compelling, entertaining, and valuable content that must be consistently provided to influence customer behavior. Content marketing is an essential activity for retaining customers, acquiring new ones, and building a strong brand. Its primary purpose is to educate consumers by providing valuable information, which then fosters brand loyalty and encourages future purchases (Sharma, 2024). This type of marketing generally does not involve direct selling; instead, customers are encouraged to purchase when ready.

This study conceptualizes Content marketing as the strategic creation, designing and distribution of valuable, relevant and consistent digital content such as blog posts, videos and infographics aimed at attracting, informing and persuading a clearly defined audience to stimulate interest in a firm's offerings and encourage profitable customer action.

2.3.3 Email Marketing (EM)

Email marketing is a digital communication strategy that involves sending targeted messages to customers through email for the purpose of promoting products, strengthening customer relationships, and encouraging repeat patronage. Email marketing entails sending promotional emails to both current and potential clients product information via email (Eze & Nwankwo, 2023). Compared to other digital marketing strategies, this one is incredibly affordable and enables the customization of content for the recipient, facilitating a simple engagement that can be tracked and the impact easily be quantified (Desku & Sadrija, 2023). Email marketing remains one of the most cost effective digital tools, delivering personalised communication directly to customer inboxes. It is used for sending promotional offers, providing service updates, sharing newsletters, delivering reminders and confirmations, and maintaining long term customer relationships. This study conceptualizes email marketing as a strategic digital communication approach involving the delivery of targeted and personalized electronic messages such as newsletters, promotional campaigns, and transactional emails to both prospective and existing customers.

2.4 Intellectual Capital (IC)

Aslam and Haron (2020) define intellectual capital as the possession of knowledge, applied experience, organisational technology, customer relationships and professional skills that provide the firm with a competitive edge in the marketplace. Intellectual capital refers to the intangible resources embedded within an organisation that support innovation, strategic implementation, and value creation. These resources are generally categorised into three main components: human capital, structural capital, and relational capital (Bontis, 1998).

However, intellectual capital does not automatically generate organisational value; its effectiveness largely depends on how it is strategically utilised within organisational processes (Samsuden, 2024). In the context of digital marketing, intellectual capital enables SMEs to design relevant digital content, manage online platforms, interpret market information, and build

meaningful customer relationships. Consequently, it functions both as a strategic resource and an organisational capability that enhances the effectiveness of digital marketing initiatives, thereby contributing to improved marketing performance and sustainable competitive advantage.

2.5 Review of Empirical Literature

Recent studies have emphasised the growing importance of social media marketing in boosting the competitiveness and performance of small and medium enterprises (SMEs) in Nigeria. Agbonifor and Ozulua (2023) in their study which examined digital marketing and small and medium scale enterprises performance in Egor Local Government Council, Benin City. The result showed that social media marketing, Email marketing, search engine marketing was positive and significantly related to SMEs' performance in Egor Local Government Council. Diepriye and Simeon (2024) analysed the relationship between business content creation and marketing performance among television stations in South-South Nigeria. Using a cross-sectional and correlational approach, the study revealed that business content creation significantly boosts value creation, customer retention, and access to new markets. The study concluded that content creation is a key driver of marketing performance in the broadcast media industry.

While a substantial body of literature reports a positive relationship between digital marketing and marketing performance, emerging empirical evidence shows that this relationship is not universally consistent. For instance, Susanti, Sri, Iftitah, Fitria and Milenia (2024) reported that digital transformation does not exert a direct effect on the performance of women owned micro, small and medium enterprises. Similarly, Hardiansyah, Fahlia and Nuramaliyah (2024) found that digital marketing initiatives do not automatically translate into improved marketing performance outcomes. These contrasting findings highlight the complexity of the digital marketing performance nexus and suggest that its effectiveness is contingent upon additional organisational factors.

Recent studies provide further insight by demonstrating that digital marketing contributes more significantly to firm performance when it is strategically aligned with internal organisational capabilities. For example, Sharabati, Ali, Allahham, Hussein, Alheet and Mohammad (2024) show that digital marketing initiatives yield superior outcomes when complemented by adaptive organisational practices. This perspective is supported by Hindu (2021) who argues that variations in performance outcomes reflect differences in firms' internal capacities to effectively deploy and manage digital tools. Consequently, scholars consistently advocate for the inclusion of moderating variables that can explain the conditions under which digital marketing translates into improved marketing performance.

2.6 Theoretical Framework

Dynamic Capability (DC) Theory extends the Resource Based View by emphasising that sustainable competitive advantage depends not only on possessing valuable resources but also on the ability to adapt, renew, and reconfigure these resources in response to changing environments (Teece, 2007). In rapidly evolving digital markets, firms must continuously adjust their strategies and capabilities in order to remain competitive. The theory highlights three fundamental processes: sensing opportunities and threats, seizing opportunities through strategic actions, and reconfiguring organisational resources to maintain alignment with market dynamics. Within this

context, digital marketing activities such as social media marketing, content marketing and email marketing can be viewed as adaptive capabilities rather than static tools.

Intellectual capital, which comprises human, structural, and relational capital, plays an important role in enabling these dynamic capabilities. It strengthens a firm's capacity to effectively implement and continuously adapt digital marketing strategies in response to changing market conditions. Accordingly, this study conceptualises intellectual capital as a moderating variable that enhances the relationship between digital marketing strategies and SME marketing performance.

3. METHODOLOGY

This study adopts a quantitative approach using a descriptive survey design, which allows for the systematic examination of relationships among variables without manipulation. The population consists of 1,467 registered SMEs in Jigawa State, spanning manufacturing, trade, services, and agriculture. Using Yamane's formula with a 5% margin of error, a sample size of 314 was determined. Story and Tait (2019) opined that in survey research 10% to 30% can be added to the minimum sample size in order to take care of incomplete responses or compensate non-response error, therefore, the sample was increased by 20% to give the sum of 377 to account for possible non-response. Stratified random sampling was employed to ensure proportional representation across sectors and senatorial zones.

Data were collected through a structured questionnaire comprising closed ended items measured on a five point Likert scale. The instrument captured demographic information alongside measures of digital marketing, intellectual capital, and marketing performance. Validity was established through face, content, and construct validation procedures, including Confirmatory Factor Analysis. Reliability was confirmed through Cronbach's alpha and composite reliability values exceeding the recommended threshold of 0.70. A pilot study involving 30 SMEs further confirmed the instrument's clarity and consistency. Questionnaires were administered using both physical drop and pick and online distribution methods, with follow-ups to improve response rates. Data collected were analysed using SPSS and SmartPLS. PLS SEM was used in this research to establish the relationships among the research's constructs and to answer the research questions as well as achieve the research objectives. The analytical techniques included descriptive statistics, correlation analysis and PLS-SEM for hypothesis testing. Moderation effects were examined using bootstrapping procedures.

4. RESULTS AND DISCUSSION

This section presents and analyses the data collected from questionnaire administration to test hypotheses and draw conclusions

4.1 Table 4.1 **Response *Rate of the Questionnaires***

Detail	**Copies**	**Percentage (%)**
Questionnaire Distributed	377	100%
Questionnaire Returned	319	84.62%
Questionnaire Not Returned	58	15.38%
Invalid Questionnaire	4	1.25%
Usable Questionnaire	315	98.75%

Source: Field Survey, 2025

4.1 Preliminary Analysis

In order to ensure accurate and reliable results, it is important that the data gathered from the field should undergo some screening. Consequently, data duly collected were coded and screened.

4.2 Partial Least Square – Structural Equation Modelling (PLS-SEM)

To use PLS-SEM effectively in establishing causal relationships, two level evaluation criteria are required, assessment of measurement model and assessment of structural model.

4.2.1 Measurement Model (Outer model)

The measurement model is assessed by evaluating the measurement model reliability using composite reliability, convergent validity through average variance extracted (AVE) and discriminants validity through Hetro-Trait-Mono-Trait (HTMT) criterion (Memon & Rahman, 2023). This level evaluation ensures that the indicator variables measure what they ought to measure in the underlying construct.

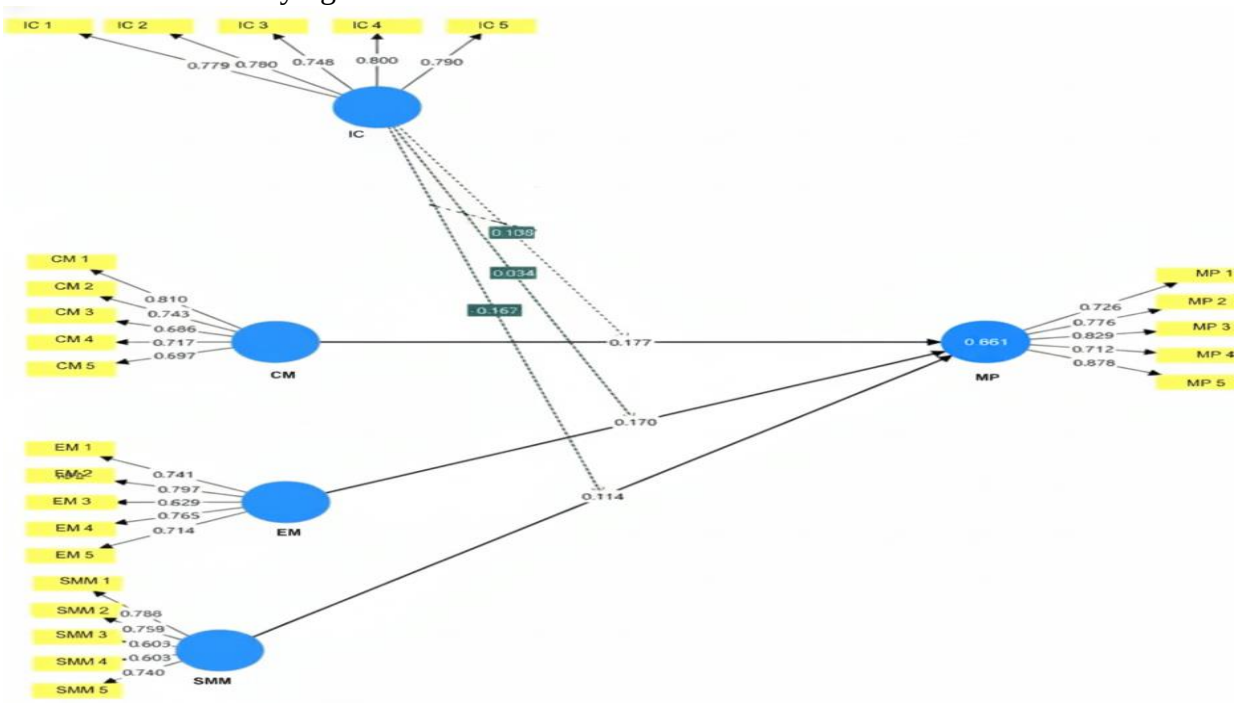


Figure 4.2: Measurement Model

In the measurement model represented by figure 4.2 above. The circular shapes represent the constructs under study while the rectangular shapes represent the indicators, which are items measuring the constructs of the study.

Construct Reliability and Validity Analysis

Table 4.2 presents the results of the measurement model assessment using outer loadings, Composite Reliability (CR), Cronbach's Alpha (CA) and Average Variance Extracted (AVE). Indicator loadings should preferably be 0.70 and above, although values between 0.60 and 0.70 may be retained if composite reliability and AVE are satisfactory (Hair et al., 2021). Composite Reliability and Cronbach's Alpha should exceed 0.70 to confirm internal consistency reliability (Nunnally & Bernstein, 2024), while AVE should be at least 0.50 to establish convergent validity (Fornell & Larcker, 1981).

Table 4.2 Construct Reliability and Validity Analysis

Construct	Item	Loadings	CR	CA	AVE
Marketing Performance (MP)	MP1	0.726	0.883	0.834	0.602
	MP2	0.776			
	MP3	0.829			
	MP4	0.712			
	MP5	0.878			
Social Media Marketing (SM)	SM1	0.788	0.852	0.739	0.657
	SM2	0.759			
	SM3	0.603			
	SM4	0.603			
	SM5	0.740			
Content Marketing (CM)	CM1	0.810	0.858	0.779	0.602
	CM2	0.743			
	CM3	0.686			
	CM4	0.717			
	CM5	0.697			
Intellectual Capital (IC)	IC1	0.779	0.885	0.839	0.607
	IC2	0.780			
	IC3	0.748			
	IC4	0.800			
	IC5	0.790			
Email Marketing (EM)	EM1	0.741	0.862	0.788	0.61
	EM2	0.797			
	EM3	0.629			
	EM4	0.765			
	EM5	0.714			

Source: Extracted from SmartPLS4 output, 2025.
Note: the following items were deleted IC6, IC7 SM6, EM6 and MP6.

All constructs achieved Composite Reliability and Cronbach's Alpha values above 0.70 and AVE values above 0.50, indicating satisfactory internal consistency and convergent validity. The deletion of IC6, IC7, SM6, EM6, and MP6 improved the measurement quality by removing weaker indicators, consistent with PLS-SEM guidelines (Hair, Black, Babin, Anderson & Tatham, 2023). Therefore, the measurement model is considered reliable and valid for subsequent structural model analysis.

Discriminant Validity

Table 4.3: Discriminant Validity (HTMT) Matrix

Constructs	CM	EM	IC	MP	SM
Content Marketing (CM)	—				
Email Marketing (EM)	0.742	—			
Intellectual Capital (IC)	0.688	0.701	—		
Marketing Performance (MP)	0.764	0.773	0.812	—	
Social Media Marketing (SM)	0.809	0.768	0.796	0.842	—

Source: Extracted from SmartPLS4 output, 2025.

Discriminant validity was established among all the constructs. This confirms that each construct measures a unique concept and that the measurement model satisfies the discriminant validity requirement.

4.2.2 Structural Model (Inner model)

Hair *et al.* (2023) identified four key criteria for assessing the structural model in PLS-SEM. These include assessments of significance of the path coefficients, coefficient of determination (R^2), the effect size (F^2), and lastly predictive relevance (Q^2).

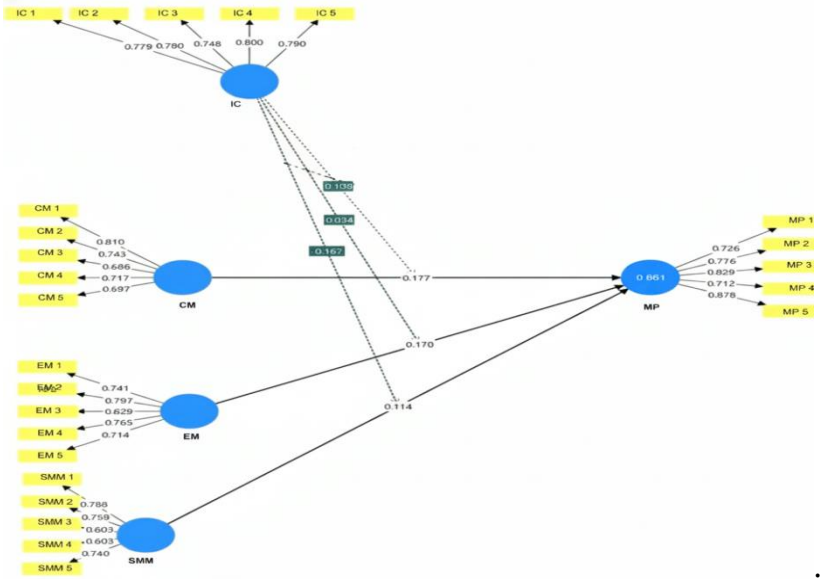


Fig. 4.2

Table **4.4: Coefficient of Determination (R^2)**

Constructs	R^2 Value
Marketing Performance (MP)	0.661

Source: Researcher's Original Construction

4.4 Effect Size (F^2)

Table 4.5: Effect Size (F^2)

Construct	Marketing Performance	Effect Size
Social Media Marketing	0.107	Small Effect
Content Marketing	0.246	Medium Effect
Email Marketing	0.044	Small Effect

Source: Extracted from SmartPLS4 output, 2025.

Table 4.6: Predictive Relevance (Q^2)

Endogenous Constructs	Q^2predict	RMSE	MAE	Predictive Relevance
Marketing Performance	0.175	0.968	0.718	Yes
Intellectual Capital	0.335	0.828	0.645	Yes

Source: Extracted from SmartPLS4 output, 2025.

4.3 Test of Hypotheses

The study tested for the first three hypotheses before the moderation.

Table 4.7 Path Coefficient for Direct Relationship

Hypothesis	Relationship	Beta (β)	T-Statistics	p-value	Decision
Ha_1	SM → MP	0.142	2.108	0.007	Supported
Ha_2	CM → MP	0.408	4.547	0.000	Supported
Ha_3	EM → MP	0.315	4.786	0.001	Supported

Source: Extracted from SmartPLS4 output, 2025

Table 4.7 presents the results of the structural model analysis examining the effect of Social Media Marketing (SM), Content Marketing (CM) and Email Marketing on Marketing Performance (MP). In Partial Least Squares Structural Equation Modeling (PLS-SEM), hypothesis testing is assessed using the path coefficient (β), t-statistics, and p-values obtained through bootstrapping. According to (Hair *et al.*, 2023), a path coefficient is considered statistically significant when the t-value exceeds 1.96 at a 5% significance level (two-tailed test), corresponding to p value < 0.05.

Table 4.8 Path Coefficient for Moderation Relationship

Hypothesis	Relationship	Beta (β)	Std. Error	T-Statistics	p-value	Decision
Ha_4	IC x SM → MP	0.288	0.047	6.128	0.000	Supported
Ha_5	IC x CM → MP	0.326	0.064	5.094	0.001	Supported
Ha_6	IC x EM → MP	0.016	0.038	0.421	0.371	Not Supported

Source: Extracted from SmartPLS4 output, 2025

The moderation effects were examined using the bootstrapping procedure in PLS-SEM to determine whether Intellectual Capital (IC) moderates the relationship between digital marketing strategies and Marketing Performance (MP). Following Hair *et al.* (2023), moderation is established when the indirect effect is statistically significant, indicated by a t-statistic ≥ 1.96 and a p-value < 0.05 at the 5% significance level (two-tailed test).

4.4 Discussion

The findings demonstrate that digital marketing strategies significantly influence the marketing performance of SMEs, although the magnitude of the effects varies across strategies. Social Media Marketing (SM) shows a significant positive impact on marketing performance (β = 0.142, t = 2.108, p = 0.007), indicating that SMEs leveraging social media platforms for customer engagement and promotion achieve improved brand visibility, customer interaction, and sales outcomes. This result is consistent with previous studies that highlight the role of social media in enhancing performance of SMEs. Abideen (2024) found that effective use of social media marketing leads to improved competitive positioning, stronger customer relationships, and increased market share. Similarly, Afolabi (2023) reported that social media marketing significantly boosts sales and customer acquisition, particularly through targeted advertising and promotional campaigns. From a managerial perspective, this finding emphasises the importance of integrating social media strategies into the marketing operations of SMEs.

Similarly, Content Marketing (CM) exhibits the strongest positive influence on marketing performance (β = 0.408, t = 4.547, p = 0.000), suggesting that SMEs that produce valuable and informative content can significantly strengthen customer relationships, brand credibility, and overall marketing outcomes. This finding aligns with earlier research emphasising the strategic role of content marketing in driving engagement and business performance. Raphael *et al.* (2024) found that interactive elements such as videos, infographics, and quizzes positively influenced product patronage. Diepriye and Simeon (2024) revealed that business content creation significantly boosts value creation, customer retention, and access to new markets. The present study reinforces these findings within the SME context, highlighting that content marketing is not merely a supplementary tactic but a core strategic tool that can significantly impact marketing performance. While previous studies confirm the effectiveness of content marketing, the current research extends these insights specifically to SMEs, demonstrating that even resource-constrained firms can achieve measurable performance gains through strategic content initiatives

In addition, Email Marketing (EM) has a significant positive effect on marketing performance (β = 0.315, t = 4.786, p = 0.001), indicating that personalised email campaigns enhance customer retention and sales performance. The result corroborates prior empirical studies that emphasise the effectiveness of email marketing in driving SME performance. Eze and Nwankwo (2023) observed that targeted email campaigns significantly improve customer engagement and conversion rates, facilitating both short-term and long-term marketing goals. Similarly, Desku and Sadrija (2023) highlighted that email marketing remains one of the most effective channels for maintaining customer relationships, particularly for SMEs that require low cost yet high impact marketing tools. The present study adds to this body of literature by quantifying the direct positive effect of email marketing on SME marketing performance, reinforcing its strategic relevance.

Furthermore, the moderating analysis reveals that Intellectual Capital (IC) significantly strengthens the relationship between Social Media Marketing and marketing performance (β = 0.288, t = 6.128, p = 0.000). The result aligns with previous empirical studies that emphasise the mediating role of intellectual capital in enhancing firm performance. Youndt *et al.* (2024) demonstrated that human, structural, and relational capital significantly influence how knowledge based resources translate into organisational outcomes. Wang and Ahmed (2022) similarly highlighted that intellectual capital moderates the effects of strategic initiatives on performance by enabling firms to deploy knowledge effectively. In the context of SMEs, the current study provides empirical evidence that IC is a critical conduit through which social media marketing enhances marketing performance. From the perspective of Dynamic Capability (DC) Theory, Intellectual Capital represents a key capability that allows firms to sense, seize, and reconfigure resources to achieve competitive advantage. In this context, IC serves as the mechanism through which SMEs transform social media marketing activities into performance gains. Human capital enables sensing by interpreting customer engagement data and market trends; structural capital facilitates seizing by providing systems and processes to implement marketing strategies; and relational capital allows reconfiguration by building networks and partnerships that strengthen market positioning.

The structural model results indicate that Intellectual Capital (IC) significantly moderates the relationship between Content Marketing (CM) and Marketing Performance (MP) among SMEs (β = 0.326, t = 5.094, p = 0.001). This demonstrates the positive effect of content marketing on marketing performance is transmitted through the firm's intellectual capital. The moderation effect

is statistically significant and moderately strong, highlighting IC as a pivotal mechanism through which SMEs transform content marketing initiatives into measurable improvements in marketing outcomes. The finding aligns with previous research highlighting the complementary role of IC in enhancing the effectiveness of strategic initiatives. While studies by Diepriye and Simeon (2024) and Dilys *et al*. (2022), emphasize content marketing's direct impact on engagement and performance, the current study extends this understanding by demonstrating that IC moderates this relationship, providing the internal mechanism through which content marketing generates measurable marketing outcomes.

The structural model analysis indicates that Intellectual Capital (IC) does not significantly moderate the relationship between Email Marketing (EM) and Marketing Performance (MP) among SMEs ($\beta = 0.016$, $t = 0.421$, $p = 0.371$). The extremely low beta coefficient and t-value, combined with a p-value above the 0.05 threshold, confirm that the indirect effect of EM on MP via IC is statistically insignificant. This implies that while email marketing may improve marketing performance directly, it does not meaningfully operate through the firm's intellectual capital. In other words, the knowledge based resources of SMEs, such as human expertise, structural systems, and relational networks, are not substantially leveraged in the execution of email marketing campaigns to enhance performance outcomes.

5. CONCLUSION AND RECOMMENDATIONS

This study demonstrates that digital marketing significantly influences SME marketing performance, with content marketing and email marketing playing particularly prominent roles. More importantly, it highlights the critical role of intellectual capital in shaping these relationships. By strengthening human, structural, and relational resources, SMEs can more effectively leverage digital marketing to sense opportunities, respond to market changes, and improve performance outcomes. These findings support the core propositions of Dynamic Capability Theory, emphasising the importance of adaptability and resource reconfiguration in achieving competitive advantage (Teece, Pisano & Shuen, 1997).

SMEs should prioritise the integration of intellectual capital into their digital marketing strategies. This includes investing in employee skills, strengthening organisational systems, and cultivating strong customer relationships. Given the strong impact of content and social media marketing, firms should focus on developing high quality, audience focused content and adopting more strategic approaches to social media engagement. SMEs should institutionalise continuous monitoring and feedback mechanisms to evaluate the effectiveness of their digital marketing activities. Policymakers and support institutions should also provide training and infrastructure that enhance SMEs' digital and knowledge capabilities, particularly in less developed regions.
Future research could extend this work by incorporating additional moderating or mediating variables, adopting longitudinal designs, or exploring the role of emerging technologies such as artificial intelligence and advanced analytics.

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