The Role of Data-Driven Marketing Strategy in Sustaining Halal SMEs

Haruna Babatunde Jaiyeoba[1]*, Hamzah Mohd Salleh[2]

[1]Institute for Halal Research and Training (INHART), International Islamic University Malaysia, Kuala Lumpur, Malaysia.
[2]Halalan Thayyiban Research Centre, Universiti Islam Sultan Sharif Ali, BE 1310 Gadong, Negara Brunei Darussalam

Corresponding author's e-mail: harunjaiyebab@iium.edu.my

ABSTRACT

Halal SMEs are often regarded as the engine of economic growth around the world due to their significant contributions to innovation and economy. Despite their impacts, these businesses are faced with enormous challenges in today's highly competitive environment. To excel in this fierce marketplace, halal SMEs must leverage every available advantage that could contribute to their growth and sustainability. One of such useful tools to adapt quickly to changing market dynamics, compete effectively, and secure long-term success in the marketplace is a data-driven marketing strategy. Thus, understanding the role of this tool has become crucial for these businesses than ever. As such, this study explores the pivotal role of data-driven marketing in sustaining halal SMEs by adopting qualitative research design. Based on this research design, data were collected from 10 academic marketing experts in Malaysia who are also familiar with data analytics. Using thematic analysis, it was discovered that the adopting data-driven marketing strategy can help halal SMEs to make informed decisions, drive customer engagement, and build meaningful connections with the audience. Their ability to use data to create more targeted, effective, and personalised marketing strategies can potentially drive halal SMEs growth and ensure their long-term sustainability. Overall, these findings offer practical implications for halal SMEs regarding the role of data-driven marketing strategies in sustaining these businesses from the perspective of Malaysia.

Keywords: Halal SMEs, Data-driven marketing, Sustainability, Innovation, Technology

1   Introduction

Small and Medium Enterprises (SMEs) and, by extension halal SMEs, are often celebrated around the world for their contributions to job creation, innovation, and economic development. These enterprises, which include a diverse range of sectors and industries, account for the majority of businesses worldwide and have become indispensable components of modern economies [1]. According to Reuters, SMEs account for 97 percent of the businesses in Malaysia, contributing 38.2 percent to GDP. Despite their contributions to the economic and national development, SMEs are often faced with enormous challenges that can limit their growth potential. Navigating these challenges demands the adoption of various

innovative approaches that can ensure their competitiveness and sustainability [2]. Interestingly, the emergence of data-driven marketing has provided a unique opportunity for halal SMEs to thrive in an increasingly digitally driven world.

In recent years, the application of data and digital technology in marketing products and services has transformed how businesses relate with their target audiences and how consumer behaviours are analysed. In truth, the business landscape has undergone immense transformation, largely driven by the expansion of digital platforms, technological innovation, and changing consumer behaviour. To be sustainable in this dynamic environment, Halal SMEs must understand the needs and wants of their customers and satisfy them with products or services that offer competitive advantage [1]. Doing this requires that those in the helm management of these businesses understand the role of data and digital technologies in brand communication, customer engagement, making informed decisions, and overall business success. As noted by the [3], data-driven marketing strategies offer businesses new ways to enhance customer experience, observe and understand consumer behaviour, and sustain profitable growth.

While some research have been conducted to design an integrated methodology for data-driven marketing strategic planning [4], examine data driven-marketing adoption practices and how companies can aim to enhance shareholder value by bringing about customer centricity [5], produce a holistic, nonlinear e-business development model for SMEs that takes into account the interactions of the organisation in the pursuit of its business objectives [2], etc. the role of data driven-marketing strategy in sustaining halal SMEs is yet to be found in the existing literature. As such, this study aims to shed light on the role of data-driven marketing in sustaining halal SMEs. Building on extant literature and resource-based view (RBV), this study contributes to literature by providing novel evidence on the role of data-driven marketing strategy in sustaining halal SMEs. Also, the qualitative results presented in this study provide the perspective of academic marketing experts on how data-driven marketing strategy can contribute to the success of halal SMEs different from what is obtainable in the previous studies. The remaining part of this study is organised as follows. Section 2 presents the literature review, section 3 explicates data and methodology, section 4 summarises the findings, section 5 concludes this study.

2   Literature Review

The genesis of data driven marketing strategy can be traced back to the fifties when there was a concerted effort to integrate quantitative techniques to marketing discipline. During this period, the approach to marketing as a descriptive discipline was shifted to marketing as a predictive science with a specific interest in optimisation [6]. Data-driven marketing has been described as the use of customer data to drive communications about businesses' products and services [7]. As never before, a substantial amount of data is being collected by businesses

in this era, driven by various factors, such as increased connectivity, advancements in technology, and the growing importance of data-driven decision-making. The available data is useful in businesses to enhance their marketing contents in such a way that contributes to the achievement of their goals and ensures sustainability [8]. With the intention of exposing SMEs to how data sciences can be combined with digital marketing strategies to sell products, generate brand awareness, or access new markets, several studies have been conducted in recent years.

[8] conduct a systematic literature review to understand the role and use of data science by SMEs in their online marketing performance, they highlight seven ways through which SMEs use data science in their digital marketing strategies. [9] draw on past literature to trace the adoption of digital technologies and data-driven marketing strategy have transformed the scope of marketing from advertisement analysis function to analytics-driven customer-centric marketing, they document the challenges faced by marketing practitioners and discuss the research issues that need to be addressed in future. [6] document the historical evolution of data driven marketing and suggest future research opportunities with respect to digital tsunami as well as affordability and accessibility to conduct databased research. They conclude that the future data will be in search of techniques as against the earlier where techniques were in search of data, especially in this era of social media. Compared to the existing literature, the present study differs in scope and context as it employs a qualitative approach to examine the role of data-driven marketing strategy in sustaining halal SMEs, particularly to promote the importance of data-driven marketing strategy to these businesses. Meanwhile, this study is built on RBV. This theory seeks to understand the sources of firm sustainable competitive advantage. It argues that resources are valuable when they help implement strategies that greatly contribute to firm efficiency or effectiveness [10]. The theory establishes that businesses are likely to gain a sustained competitive advantage that would lead to higher performance if their assets can be characterised as valuable, rare, inimitable, and non-substitutable (VRIN) [11]. By adopting this theory, this study argues that data-driven marketing strategy can align with the VRIN framework if developed and applied correctly. Data-driven marketing strategy can be regarded as valuable if it leads to increased customer satisfaction, improved customer insights, make informed decisions, higher conversion rates, and higher returns on investment (ROI). This strategy can be considered rare if it relies on proprietary data sources, a unique combination of data points, and advanced analytics techniques. It can also be regarded as inimitable if it is made up of complex data integration, a deep understanding of customer behaviour, and specialised analytics capabilities. Finally, data-driven marketing strategy can be considered as non-substitutable if it offers a unique competitive advantage that cannot be easily achieved through traditional marketing approaches.

3   Data and methodology

This study adopts qualitative research design in its quest to understand the role of data-driven marketing strategy in sustaining halal SMEs. According to [12], qualitative research is suitable when attempting to provide factual and descriptive information on certain phenomena. Using semi-structured interview questions, data were collected from 10 academic marketing experts who are also familiar with data analytics in Malaysia. Data were analysed using thematic analysis in line with six steps as outlined by [13]. The six steps are: familiarising with the data, generating initial codes, searching for themes, reviewing themes, naming the themes, and producing the report/manuscript. Following these steps, the summary of four themes generated are discussed in the subsequent section.

4   Summary of the findings

Based on the research objective and the adopted research design, eight interview questions were developed and used as guide when conducting interviews with the interviewees. As indicated, four themes were generated. These themes are understanding the role of data-driven marketing in sustaining halal SMEs, data-driven marketing strategy implementation, measuring data-driven marketing strategy success, and how the effectiveness of data-driven marketing strategies can be enhanced through collaboration. With respect to the first theme, experts' responses show that the insights from data analytics can help halal SMEs to make informed decisions, drive customer engagement, and build meaningful connections with the audience. Their ability to use data to create more targeted, effective, and personalised marketing strategies can potentially drive halal SMEs growth and ensure their long-term sustainability. Regarding the second theme, experts' responses indicate that these businesses must ensure ethical and cultural alignment when implementing data-driven marketing strategy by establishing clear guidelines, collaborating with advisors, prioritising transparency, and respecting cultural sensitivities. The findings suggest that the fundamental pillar of proper implementation of data-driven marketing strategy is proper data collection and analysis. Moving further to the third theme, experts' responses imply that measuring the success of data-driven marketing strategy is based on established objective, key performance indicators, analysed data, etc. With respect to the final theme, experts' responses disclose that collaborating with technology providers will empower halal SMEs with the tools, expertise, and insights required to create effective strategies that resonate with their target audience.

5   Conclusions

This study examines the role of data-driven marketing strategy in sustaining halal SMEs. To achieve this objective, qualitative research design was adopted. In line with the adopted research design, semi-structured interview questions were developed and used to collect data from 10 academic marketing experts who are also familiar with data analytics. Having analysed the data using thematic analysis, it was discovered that data-driven marketing

strategy can indeed help halal SMEs to make informed decisions, drive customer engagement, build meaningful connections, and ensure their long-term sustainability. Theoretically, this study has enriched the body of knowledge on data-driven marketing strategy by offering novel insights into how the application of this strategy can contribute to the sustainability of halal SMEs from the perspective of academic marketing experts in Malaysia. Practically, halal SMEs can leverage the insights from this study to implement effective and culturally aligned data-driven marketing strategies, particularly to enhance customer relationships, drive growth, and their overall sustainability.

Funding

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