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Digital Marketing Strategies, Financial Performance, and Economic Growth: Examining the Role of Digital Transformation in Emerging Markets

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ABSTRACT

Digital marketing and digital transformation are being touted as drivers of competitiveness and national development for emerging markets. However, the knowledge base on these connections is fragmented across the fields of marketing, information systems, and development economics, and very limited research examines the impact of institutional and infrastructural factors on the gains from digital adoption from the firm to the economy level. This study investigates the interaction between digital marketing strategies and digital transformation on the financial performance of the firm and economic growth in emerging markets. The study used a qualitative design with an interpretivist and exploratory approach, without relying on any primary evidence. An integrative literature review was conducted and thematic synthesis was used to analyse the findings of peer-reviewed studies and institutional publications. Five themes emerged. Digital marketing is the first step towards digital transformation for many SMEs. Its economic benefits rely on its complementary attributes, which include data use, managerial prowess, and organisational adjustment. Low levels of infrastructure, affordability of devices and variability of broadband access constrain the impact of digital strategies. Digital payments and financial inclusion help convert online visibility into actual sales. However, benefits at the firm level are not necessarily shared equally across firms, skill groups or countries. The study provides a holistic and contextually grounded perspective on the linkage between digital marketing, digital transformation, financial performance and economic growth. The central message of its relevance is that digital marketing can only help foster sustainable growth if firms and policymakers work in parallel to build capacity, connect them, and build inclusive digital infrastructure.

Introduction

Digital marketing is not just a communication channel; it is part of the value creation and value capture streams for firms. Now, the term customer journey refers to integrated journeys that combine search engine optimization, paid search, social media

ads, e-commerce storefronts, and analytics (Kannan & Li, 2017). While social media has revolutionized how firms communicate with, sell to and learn about customers, it has also created a host of unanswered questions regarding dependence on platforms and privacy (Appel et al., 2020; Dwivedi et al., 2021).

These changes seldom stay within the marketing department. Vial (2019) defines digital transformation as a process that starts from digital technologies and leads to the disruptions that compel organisations to rethink the ways in which they generate value. Verhoef et al. (2021) distinguish between digitisation, digitalisation, and digital transformation, the latter of which requires a change of business model. This separation is pertinent to this current research. A firm can utilize the digital marketing tools without changing itself, and this distinction can make the difference between a tool that brings about long-term financial value and one that does not.

Emerging Market Context

Most Internet access in low and middle-income countries is mobile-based, with the high price of Internet-enabled handsets being one of the factors that is impeding adoption (GSMA, 2025). Access to the internet is also closely tied to income level. According to the International Telecommunication Union (ITU, 2025), 94 per cent of high-income country residents use the internet, as compared to 23 per cent in low-income countries. The share of account ownership, in contrast, has increased significantly in LMICs, primarily with mobile money (Klapper et al., 2025).

Emerging markets are thus characterized by high digital adoption speed and persistent infrastructure, skills, financing and regulatory weaknesses. These environments are characterized by the absence of awareness among small businesses of more advanced technologies, and the lack of resources to implement these technologies (Akpan et al., 2022). The adaptation of digital technologies by firms is also shaped by weak institutions (Ashiru et al., 2023). The overall level of digital readiness varies by country, industry and firm size, as a result.

Digital marketing and financial performance

Digital technologies reduce the expense of searching, replicating, moving, tracking and verifying (Goldfarb & Tucker, 2019). In theory, this enables companies to obtain customers at a lower cost, extend reach to farther markets, and communicate more effectively to customers, thereby increasing revenues, efficiency and profitability.

The gains will only be realised if other conditions are met. However, research on information technology indicates that returns are not only related to technology itself but also to the complementary investments made in the organization (Brynjolfsson & Hitt, 2000). Digital marketing is often done by small business owners themselves and the motives behind it affect its adoption and effectiveness (Ritz et al., 2019). There is also a limited use of digital channels, which is not enabling SMEs to keep up with technological change (Taiminen & Karjaluoto, 2015). The COVID-19 pandemic saw Indonesian SMEs embark on various digital transformation journeys, contingent on their situation (Priyono et al., 2020). Financial outcomes are more easily interpreted as a result of digital marketing in specific capabilities, or in specific contexts, rather than as a consequence of adoption.

Digital Transformation and Economic Growth

In addition to the firm, digital transformation is associated with entrepreneurship, innovation, employment and trade (Nambisan et al., 2019). Higher employment, firm entry, productivity and exporting in Africa have been linked to the arrival of fast internet, albeit with higher-skill workers benefiting (Hjort & Poulsen, 2019). In Kenya, use of mobile money has been linked to a reduction in poverty, and a transition from farming to business activities (Suri & Jack, 2016).

National growth, however, is not just about firm successes. The World Bank (2016) asserts that digital dividends rely on non-digital complements: regulation, skills, and accountable institutions, and that digital technologies can increase inequality when these complements are lacking. The United Nations Conference on Trade and Development (UNCTAD, 2024) also notes that digitalisation has environmental consequences, which are also disproportionate in developing countries. This article maintains a separation between the analysis of firm-level financial performance and economy-wide growth for the above reasons. Economic growth is understood broadly here, to include the employment, productivity, entrepreneurship, and welfare outcomes through which digitalisation contributes to development.

Research Problem and Knowledge Gap

Reviews that have been influential have contributed to the understanding of digital marketing (Dwivedi et al., 2021; Kannan & Li, 2017), as well as digital transformation (Hanelt et al., 2021; Vial, 2019). Their questions, however, are organisational and marketing questions and they are not trying to link firm results with macroeconomic growth. The development economics studies above are at the other end of the scale. They explore connectivity and digital finance for households, labour markets and regional economies, yet offer little information on the marketing approaches that firms have to employ these technologies.

The two strands are not often found together in the literature examined in the present study. It is thus not yet fully understood how digital marketing – mediated or enabled by digital transformation – connects business-level financial performance to wider economic development in the infrastructural and institutional environment of emerging markets. This study addresses this problem through synthesis, instead of new empirical testing.

Research Objectives

1. To analyse the role of digital marketing strategies in the financial performance of the firms in the emerging markets as per the literature.
2. To analyse the impact of digital transformation on the effectiveness of digital marketing strategies.
3. To examine how better performance of the firms could help to foster greater economic growth.
4. To pinpoint the opportunities and barriers in the context that influence these relationships in emerging markets.

Research Questions

- RQ1: What does reviewed literature say about the role of digital marketing strategies in the financial performance of businesses in emerging markets?
- RQ2: How does digital transformation impact the effectiveness of digital marketing strategies?
- RQ3: What relationships between better business performance and broader economic development does the literature reveal?
- RQ4: What are the contextual opportunities and barriers that affect these relationships in emerging markets?
- The research significance of the article is discussed in the first section, followed by a discussion of its structure.

Research Significance and Article Structure

An important theoretical reference for the study is the combination of the three theories: Resource-Based Theory and Dynamic Capabilities Theory (Barney, 1991; Teece et al., 1997); Technology–Organisation–Environment Framework (Tornatzky & Fleischer, 1990); and Diffusion of Innovations Theory (Rogers, 2003). Managers will appreciate its stark reminder of the need to invest in data, skills, and organisational change along with digital marketing tools. It highlights for policy makers the role of connectivity, digital skills, digital payments, and regulation in determining the inclusion of firm-level gains in inclusive growth.

The rest of the article is organised as follows. The literature review and its theoretical background are given in Section 2 and the methodology is described in Section 3. The findings are presented and discussed in Sections 4 and 5. The recommendations and implications are provided in Section 6 and the conclusion is provided in Section 7.

Literature Review and Theoretical Foundations

Evolution and Dimensions of Digital Marketing

The study of digital marketing has moved beyond the study of single channels to the study of how channels interact throughout the customer journey. Lamberton and Stephen (2016) demonstrate this progression from research on online word of mouth to research on the strategic and data-rich nature of social media and mobile marketing. Kannan and Li (2017) suggest an integrative approach that brings together search, social, mobile, e-commerce, and customer relationship management (CRM) that collect data to make decisions about product, pricing, and relationships. In this context, SEO and paid search drive demand that customers already have, while social media and content marketing create awareness and engagement. Mobile marketing reaches mobile users who get online primarily via their mobile device, and CRM systems convert transactions into relationships.

There is less consensus on the goals of these tools. Appel et al. (2020) predict that social media will increasingly be a part of consumers' everyday lives, and highlight issues of privacy and misinformation. Dwivedi et al. (2021) juxtaposed the opportunities artificial intelligence and immersive technologies present with ethical and regulatory issues. While it is widely acknowledged that digital marketing is now central to strategy, the boundaries of digital marketing, and who can benefit from it, are not clear. In emerging markets, uncertainty is higher: companies depend on the global platforms and most people access the internet over mobile devices (GSMA, 2025).

Digital Marketing and Financial Performance

The majority of empirical research has found positive relationships between digital marketing and firm performance, albeit in different ways. Tajvidi and Karami (2021) conducted a study on hotels in the UK and concluded that social media had an impact on the performance in terms of its marketing capabilities, namely innovation and brand. In contrast, studies in developing countries are concerned with the conditions for adoption. Based on survey responses from 381 SMEs, Qalati et al. (2022) concluded that top management support and competitive pressure were primary drivers of social media adoption, which had a direct impact on SME performance. Ullah et al. (2023) mentioned that the factors influencing the use of digital marketing among SMEs in Pakistan were compatibility, owner/manager support, employees' IT skills, financial cost, government policy, and social influence, while the adoption of digital marketing in SMEs was related to the performance.

There is some caution that should be taken with these findings. Some of the studies use cross-sectional survey data, which restricts conclusions about the effect on revenue, profitability or costs (Qalati et al., 2022; Tajvidi & Karami, 2021). Further, factors that predict adoption (managerial support, skills, finances) could be independent predictors of performance as well. The association may be due to capability that the firm already had, as firms that are well resourced can perform well on the Internet and use digital marketing. The bigger-picture small-business data, many of them from outside emerging markets, are consistent. Indeed, owner-managers are often doing their own digital marketing (Ritz et al., 2019), and SMEs often have a limited application of digital channels (Taiminen & Karjaluoto, 2015). Overall, the literature provides some evidence of a relationship between digital marketing and financial performance, but it is not a consistent one.

Digital Transformation as an Organisational Capability

The same marketing tools give different results, and this is explained by the digital transformation literature. Bharadwaj et al. (2013) contend that digital business strategy integrates information technology with business strategy rather than seeing technology as a support service. Vial (2019) demonstrates that the results of the transformation rely on structural change and on overcoming organisational obstacles like inertia and resistance. Verhoef et al. (2021) point to specific digital resources, redesigned structures and new performance metrics as elements needed for transformation, while Hanelt et al. (2021) define transformation as a shift towards more flexible organisational forms within digital ecosystems. The arguments are consistent with an earlier study (Brynjolfsson & Hitt, 2000) that found that information technology is only cost-effective when there is an associated complementary organisational investment.

The most important complement for marketing is customer data collection, analysis and action, according to Kannan and Li (2017). There is evidence from emerging markets that this skill is not evenly distributed. There is a lack of knowledge regarding more advanced technologies among small businesses (Akpan et al., 2022) and employees' IT skills play a role in the adoption of these technologies (Ullah et al., 2023). In the context of the COVID-19 pandemic, Indonesian SMEs followed various paths in transformation, depending on their own conditions (Priyono et al., 2020). It does not seem to be the tools that make the difference between companies that see the online marketing opportunity as a performance opportunity and those that do not.

Digital transformation and economic growth in emerging markets

From an economic perspective, digital technologies reduce the costs of search, replication, transportation, tracking and verification (Goldfarb & Tucker, 2019) and bring new forms of entrepreneurship (Nambisan et al., 2019). There is emerging market evidence that shows there are significant but differential results. Using a natural experiment, Hjort and Poulsen (2019) link these developments with an increase in employment, entry of new firms, productivity, and exports in African nations, and find greater increases in higher-skill occupations. Suri and Jack (2016) correlate access to mobile money in Kenya with lowered poverty rates and a higher likelihood of entering business. Digital payments also increase market participation as mobile money has helped to increase account ownership in low- and middle-income economies (Klapper et al., 2025), enabling customers reached via the internet to conduct transactions.

The results cannot be neatly explained as the sum of gains at the firm level. As the World Bank (2016) states, the key elements of digital dividends are regulation, skills and accountable institutions, and where these are lacking, digital dividends are likely to be experienced by already advantaged groups. The environmental cost of digitalisation, particularly affecting developing countries, is highlighted by UNCTAD (2024). It will therefore depend on the labour markets and institutions, as well as the share of the value created by local firms and global platforms, whether firm-level performance will turn into national growth.

Structural Challenges and Barriers

There are multiple barriers that are interwoven in the literature. Financial barriers directly affect adoption (Ullah et al., 2023), and part of the reason that small firms are more likely to market their products on their own is that they may not have the funds to hire a specialist for marketing (Ritz et al., 2019). The gap in digital access persists: many people in low- and middle-

income countries still cannot access the internet, and handset affordability remains a barrier to digital access (GSMA, 2025; ITU, 2025). Lack of skills represents a problem in both adoption and effective use (Akpan et al., 2022; Ullah et al., 2023).

The concerns with data practices are a second set. As companies increasingly use data to target consumers, privacy impacts consumer trust and marketing results, as demonstrated by Martin and Murphy (2017). There is limited literature that focuses on the cybersecurity risks in digital marketing in emerging markets; therefore, this is not a settled finding in the literature, but rather an evidence gap. Institutional differences add another layer. Intermediaries like market research providers and reliable payment systems can be absent (Khanna & Palepu, 2010), and they vary from one emerging market to another. Some may be addressed by digital tools, like not having enough payment channels, whereas others remain, like not having strong enforcement of the contracts or uncertainty about the rules.

Theoretical Foundations

The research problem is explained by four theoretical perspectives. According to the resource-based view, sustained advantage is achieved if the resources are valuable, rare, inimitable, and non-substitutable (Barney, 1991). The view is very helpful here, but there is also a problem. Most digital marketing tools are easily accessible and can be replicated, so they all require additional resources – data, skills and brand. The view is also rather static.

To overcome that weakness, dynamic capabilities theory has focused on the capability of a firm to integrate, develop and reconfigure competences in rapidly changing environments (Teece et al., 1997). It supports digital transformation. In developing countries, however, not all resources are readily available for reconfiguration, and the capacity can be difficult to document.

The technology–organisation–environment (TOE) framework (Tornatzky & Fleischer, 1990) is known to explain the adoption decisions and is applied in SME digital marketing research in developing countries (Qalati et al., 2022; Ullah et al., 2023). It adds to it on the individual adopter level, for example, by the concept of perceived compatibility (Diffusion of innovations theory, Rogers, 2003). However, both frameworks focus more on the adoption and less on financial performance or growth.

The institutional theory makes a link between the behaviour of firms and the larger rules of the game in the economy (North, 1990); the concept of institutional voids applies this theory to emerging markets (Khanna & Palepu, 2010). That it is so broad creates a danger, as the term "institutions" can be used to answer any question that is not answered. These vantage points provide a multi-layered explanation. TOE accounts for adoption, the resource-based and dynamic capabilities perspectives account for the translation of adoption into performance, and institutional theory accounts for whether gains from the firm go to the wider economy. This layered framework is summarised in Figure 1 and Table 1.

Figure 1

Layered Theoretical Framework of the Study

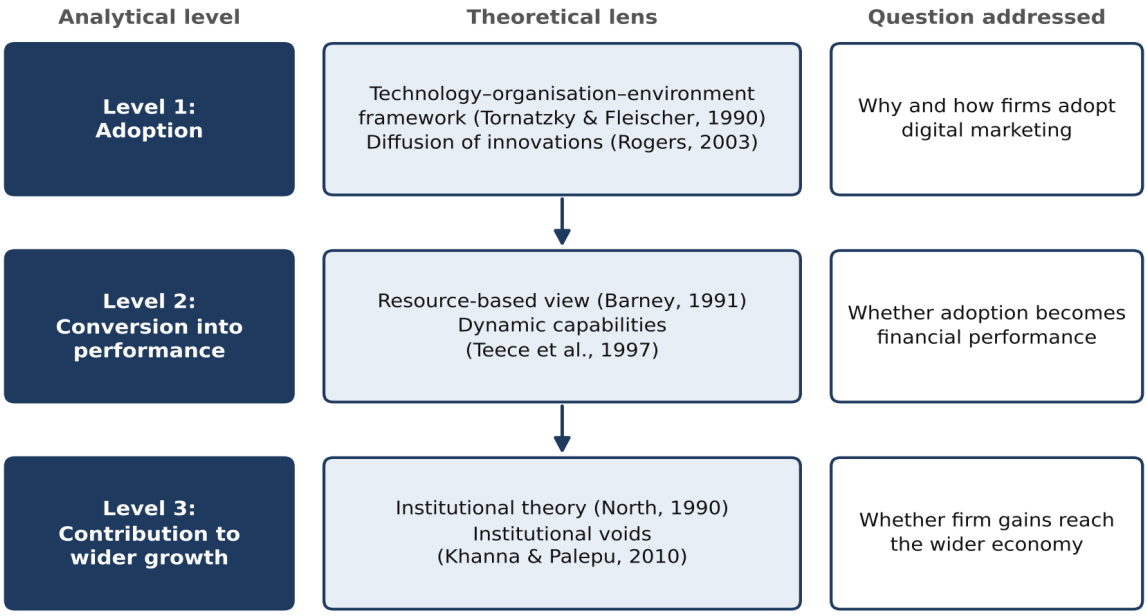


Table 1

Theoretical Perspectives, Their Role in the Study, and Their Limitations in Emerging Markets

Perspective	Core argument	Role in this study	Limitation in emerging markets
Resource-based view (Barney, 1991)	Sustained advantage comes from valuable, rare, inimitable, and non-substitutable resources	Explains why advantage lies in capabilities surrounding digital tools	Most digital tools are widely available and easy to copy; the view is largely static
Dynamic capabilities (Teece et al., 1997)	Firms integrate, build, and reconfigure competences when environments change quickly	Explains how adoption is converted into performance	Scarce resources may limit reconfiguration; capabilities are hard to observe in documents
Technology–organisation–environment framework (Tornatzky & Fleischer, 1990)	Technological, organisational, and environmental factors shape adoption	Explains digital marketing adoption by SMEs	Says more about adoption than about performance or growth
Diffusion of innovations (Rogers, 2003)	Adopters' perceptions, such as compatibility, shape adoption	Complements TOE at the level of the individual adopter	Shares the adoption focus of TOE
Institutional theory (North, 1990; Khanna & Palepu, 2010)	Institutions set the rules of the economy; institutional voids differ across emerging markets	Explains whether firm gains reach the wider economy	Risks becoming a catch-all explanation for unexplained variation

Critical Synthesis and Research Gap

The literature agrees that digital marketing is associated with better firm performance and that this association depends on complementary capabilities. Where it diverges, or remains uncertain, is on how widely the benefits are shared. Studies of connectivity report gains that favour skilled workers (Hjort & Poulsen, 2019), while research on mobile money reports reductions in poverty (Suri & Jack, 2016). Institutional analyses warn that weak complements can concentrate gains (World Bank, 2016). The evidence also has contextual limits. Much firm-level work is cross-sectional and confined to single countries, and studies from the pandemic period may capture crisis conditions rather than stable patterns.

Several questions remain open. It is not clear how firm-level gains add up to economic growth, how dependence on platforms affects the distribution of value, or how environmental costs change the overall picture. Because the relevant evidence is spread across marketing, information systems, development economics, and institutional reports, and was produced with different methods, no single empirical design can easily bring it together. An integrative qualitative synthesis is well suited to this task, and the next section explains how it was carried out.

Methodology

Research Philosophy

The study adopts an interpretivist perspective. Interpretivism views knowledge about social and organisational life as a product of meaning-making processes, not as a product of a fixed external fact (Lincoln & Guba, 1985). The central concepts of this position – digital marketing, financial performance, digital transformation, and economic growth – have different definitions and linkages in the fields of marketing, information systems, development economics, and policy writing and are therefore well suited for this investigation. The idea here is a hermeneutic analysis of the relationships that are described and understood in scholarship and institutional documents, as well as under what conditions they are claimed to hold.

Research Approach and Design

The research is exploratory and qualitative in nature. An exploratory approach is appropriate when evidence is dispersed and the relationships between levels of analysis are not agreed upon. The design of the study is an integrative literature review with the thematic synthesis method. Integrative reviews are used to compile various methodologies and sources for the purpose of creating new frameworks or understanding a topic (Snyder, 2019; Torraco, 2005; Whittemore & Knafl, 2005). This flexibility is required in this area because the evidence comprises conceptual reviews, studies of individual firms based on surveys, economic studies, and institutional reports. This existing documentary evidence is interpreted and synthesised in the study. It does not gather primary data, nor reanalyze the quantitative data that underlie the sources that it reviews.

Sources of Secondary Evidence

There are four types of evidence, which are all included in the reference list:

1. Marketing, Information Systems, Management, Entrepreneurship and Economics peer-reviewed journal articles.
2. Scholarly books of strategy, innovation diffusion, institutions and qualitative method.
3. Reports from international organisations such as the World Bank, the International Telecommunication Union and UNCTAD.
4. Reporting on the digital economy, in particular the GSMA's series on mobile internet connectivity.

Partly by using specific keywords in well-known open-access research indexes and partly by searching the official websites of the institutions mentioned above, the sources were identified. Theory and method were selected purposively. The databases typically used for systematic searches (Scopus, Web of Science) were not searched. The bibliographic information for each included source was checked against Crossref records, the publisher's page, an institutional repository, or a library catalogue.

The literature's relevance to the research was determined through the following steps:

There was no fixed screening protocol, but rather a set of explicit considerations.

Inclusion considerations:

Strong connection to at least one of the research objectives: digital marketing and performance, digital transformation as capability, digitalisation and economic development, and contextual barriers.

Published in a peer-reviewed journal or in a published report by a recognised international or industry body.

It includes evidence from or directly relevant to emerging, developing or low- and middle-income economies, and includes studies from developed economies where they can be useful to describe a contrasting situation or a basic concept.

Work from 2020–2026 is given priority, together with the contributions of seminal theoretical and methodological works.

Bibliographic details which could be checked independently.

Exclusion considerations:

Sources whose author, place or date of publication could not be identified.

Commercial or marketing material with an unclear evidential foundation.

Since it was a purposive, not exhaustive, selection, no screening counts are reported and it does not claim to be a comprehensive study of the field.

Qualitative Thematic Synthesis

The analysis used six phases of thematic analysis for documentary text, as described by Braun and Clarke (2006) and differentiating between descriptive and analytical themes, as described by Thomas and Harden (2008). According to Bowen (2009), documents were considered as data in and of themselves.

For each source, the central argument was identified, the context was summarized, the method used in the source was summarized, and the claims about the four core concepts were summarized. These claims were subsequently coded conceptually, with codes like "complementary capability", "adoption barrier", "payment infrastructure", "skill-biased gains", and "platform dependence". The codes were compared with each other across sources to see where findings were similar, dissimilar, and/or context dependent. The full set of codes was clustered into candidate themes and each candidate was screened

and evaluated against the entire set of codes to ensure that it had more than one source and more than one type of evidence. Themes were then identified and labeled, and eventually expanded into the analysis of the narrative found in Section 4.

There were two adaptations which needed to be made. The documents were not written for the purpose of this study, but rather for other reasons, and therefore had their own interpretations, which meant the synthesis preserved what a source reported and not what this study inferred by comparing sources. Moreover, abstracts or publisher summaries were used for some papers where full text was not available, and statements made from these abstracts were only as extensive as the abstract. Table 2 summarises how the phases were adapted.

Table 2

Adaptation of Braun and Clarke's (2006) Phases to Documentary Evidence

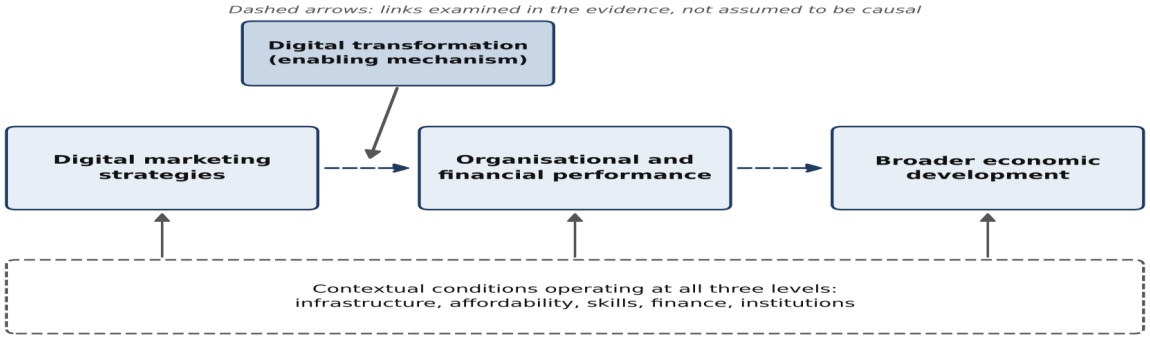
Phase	Application in this study
1. Familiarisation with the data	Each source was read for its central argument, context, method, and claims about the four core concepts; abstracts and publisher summaries were used where full texts were unavailable
2. Generating initial codes	Claims were coded conceptually, for example as complementary capability, adoption barrier, payment infrastructure, skill-biased gains, and platform dependence
3. Searching for themes	Codes were compared across sources for convergence, divergence, and contextual dependence, and related codes were grouped into candidate themes
4. Reviewing themes	Candidate themes were retained only when supported by more than one source and more than one type of evidence
5. Defining and naming themes	Five themes were defined and named
6. Producing the report	Themes were developed into the analytical narrative in Section 4, with documented evidence kept separate from interpretation

Analytical Framework

The analysis was structured in three levels: digital marketing strategies; organizational and financial performance; and economy as a whole. Between the first two levels sits an enabling mechanism: digital transformation, which influences how marketing activity becomes financial performance. Various context conditions (infrastructure, affordability, skills, finance and institutions) were considered at all three levels. The structure serves as an organizational framework, and does not imply causation. This study does not presume digital marketing leads to better performance or better performance leads to growth. Rather, it poses questions about the strength of evidence for each connection and about the gaps in evidence. The framework is shown in Figure 2.

Figure 2

Analytical Framework Guiding the Thematic Synthesis



Trustworthiness and Research Rigour

The ethical and scientific standards of the research work are adequate.

The criteria of trustworthiness dealt with were those provided by Lincoln and Guba (1985), which were adapted to the documentary research.

Credibility: All substantive claims are accompanied by a cited and verified source, and claims about what sources found are meant to separate statements from the interpretation of the study.

Triangulation of sources: only themes that had been backed up by studies from various types of sources were considered (firm level, economic level, institutional level).

Transparency and traceability: source categories, selection considerations and analytical steps are reported, and all sources are listed so that readers can trace claims to their sources.

Consistency and interpretive coherence: themes were checked to ensure findings, discussion, and conclusions follow from the evidence; themes were checked with research questions and analytical framework to ensure interpretive coherence.

Methodological Limitations

The study has a number of limitations. Being secondary, it also suffers from weaknesses of its sources, such as the predominance of cross-sectional designs in firm-level research. Incomes, infrastructure and institutions will vary from place to place in the emerging markets and the themes are merely recurring patterns, not features common to all. Studies have inconsistent definitions of key terms like digital marketing, digital transformation and performance. The published research may be over-represented, and a purposive search may have overlooked relevant publications such as those not published in English. The analysis for some sources was based on abstracts, so the interpretation of these sources is limited. Lastly, the design does not make any causal claims. It is useful not only in conceptual integration, but also in indicating the gaps for more empirical evidence.

Findings

Five themes emerged from the thematic synthesis. As the analysis progressed, the themes suggested by the initial candidates evolved: payment infrastructure became a standalone theme, and managerial and institutional conditions were incorporated into the themes on capabilities and structural limitations. Within each theme there is a separation of documented evidence and the study's interpretation. Table 3 links each theme to the research questions and the main types of evidence.

Table 3

Summary of Themes, Research Questions, and Main Types of Evidence

Theme	Research questions	Main types of evidence
1. Digital marketing as an entry point to market reach and wider transformation	RQ1, RQ2	SME adoption studies; digital transformation reviews
2. Financial returns depend on complementary capabilities	RQ1, RQ2	Firm-level performance studies; IT productivity research
3. Structural and institutional conditions limit what digital strategies achieve	RQ4	ITU and GSMA reports; SME studies; institutional theory
4. Digital payments link online visibility to completed transactions	RQ3, RQ4	Global Findex; mobile money research
5. Pathways from firm performance to economic development are real but uneven	RQ3	Economic studies; World Bank and UNCTAD reports

Theme 1: Digital Marketing as an Entry Point to Market Reach and Wider Transformation

Digital marketing is the first digital capability that many SMEs in emerging markets adopt, and it is usually the most prevalent. Qalati et al. (2022) identify SMEs leveraging social media to connect with more customers and to foster customer relationships.

The transformation paths identified by Priyono et al. (2020) can be divided into two, which are related to market-facing activities: digitalisation of sales to survive and partnership with digital platforms to access customers. Overall, evidence from small businesses indicates that owner-managers may undertake these activities themselves (Ritz et al., 2019) and therefore face a low cost of entry.

Much of this activity is more of a digitisation or a digitalisation than a transformation according to the phases indicated by Verhoef et al. (2021). This is not only the case in emerging markets; SMEs in Finland also use digital channels in a limited way, as Taiminen and Karjaluoto (2015) describe. In emerging markets, however, it happens to come at a time when awareness of advanced technologies is low (Akpan et al., 2022), making firms less inclined to implement advanced technologies.

In this study's interpretation, digital marketing is seen as a gateway. It is fast and inexpensive to expand reach, but it can be a ceiling if firms do not progress past the initial stage. In the cases of RQ1 and RQ2, the relation between adoption of digital marketing and undergoing transformation is one of connection and distinction. No longitudinal evidence has been found in the reviewed sources indicating that more transformative change is a common result of adopting entry-level programs.

Theme 2: Financial Returns Depend on Complementary Capabilities

The track record of digital marketing performance is consistently correlated with skills that are not about the tools. Tajvidi and Karami (2021) concluded that social media had an impact on the performance through the branding and innovation capability in UK hotels. For SMEs in developing economies, managerial support, IT skills of employees, and the compatibility with their operations determined the adoption, which in turn was linked to the performance of the SMEs (Qalati et al., 2022; Ullah et al., 2023). The patterns align with the established research on the returns to technology, which relies on organisational complements (Brynjolfsson & Hitt, 2000), and with the perspective that transformation needs new resources, structures, and metrics (Verhoef et al., 2021).

The reviewed studies are also different in their queries. The developed-market study focused on the transformation of capabilities to successfully use technology, while the developing-economy studies focused on what motivates the adoption of technology. This may only be a result of varying areas of research. It might also indicate that in many emerging markets the limiting factor is earlier in the chain.

No study directly measures specific financial metrics like operating efficiency, customer acquisition cost or profit margins, and some studies use cross-sectional survey data, thus reducing causal and financial inferences. The theme thus indicates a conditional, rather than a quantified, financial impact for RQ1 and RQ2. From the manager's perspective, investing in skill, data usage, and processes is as important as having a digital presence.

Theme 3: Structural and Institutional Conditions Limit What Digital Strategies Achieve

The firms and customers who are able to sell digitally are restricted by structural conditions. On the demand side, ITU (2025) estimates that 2.2 billion people remained off the internet in 2025, with most of them located in low and middle-income countries, and that internet use in Africa is 36 per cent, while it is 77 per cent in Asia-Pacific. According to the GSMA (2025), device affordability is one of the greatest challenges and mobile is the primary access point. On the supply side, financial cost and government policy impact SME adoption (Ullah et al., 2023), skills and awareness gaps continue to exist (Akpan et al., 2022), and weak institutions have an impact on the usage of digital tools in companies (Ashiru et al., 2023).

These statistics show that emerging markets are not a homogeneous group. An online market of this kind differs significantly from one region to another, and within regions between urban and rural people, as well as among income groups. This suggests that digital marketing could primarily address connected and wealthy customers, and thus perhaps compound current market cleavages when customers are not connected.

Institutions add an additional layer. As indicated by Khanna and Palepu (2010), institutional voids are not uniform across emerging markets, and Martin and Murphy (2017) connect privacy practices with consumers' trust. There was little evidence of emerging-market risks or regulatory uncertainty specific to digital marketing, which remains a gap. To answer RQ4, the theme reveals that context is not only important for the adoption of digital marketing, but it is also important regarding the amount of value that can be derived from it.

Theme 4: Digital Payments Link Online Visibility to Completed Transactions

The synthesis defines payment platforms as the juncture where digital marketing becomes revenue. Despite the dominance of mobile money in low- and middle-income economies, almost 900 million adults who lack accounts have mobile phones, as reported by Klapper et al. (2025). In terms of only having a mobile money account, sub-Saharan Africa has the highest proportion of adults, suggesting different regional pathways to digital finance. Access to mobile money in Kenya is linked to a

reduction in poverty and an increase in business activity (Suri & Jack, 2016); poor payment systems are a common institutional void (Khanna & Palepu, 2010).

All of these sources combine to indicate that if a customer can be reached via mobile marketing and the customer is not a digital payment customer, it is a visibility that is not easily converted to a sale. Payment inclusion thus affects the financial aspect of digital marketing (relevant to RQ3 and RQ4). The connection is drawn from cross-referencing sources, though, and none of the studies reviewed explicitly examines the impact payment access has on the returns to digital marketing.

Theme 5: Pathways from Firm Performance to Economic Development Are Real but Uneven

There are several pathways between digitally enabled business activity and the spread of development: entrepreneurship (Nambisan et al., 2019); employment, firm entry, productivity, and exporting (Hjort & Poulsen, 2019); and household welfare (Suri & Jack, 2016). Only a slight shift in jobs across space was found by Hjort and Poulsen (2019), who concluded that connectivity did not merely move jobs from one location to another but generated economic activity.

But the gains are not equally distributed, and they are primarily in the higher-skilled occupations (Hjort & Poulsen, 2019). The World Bank (2016) asserts that benefits are dependent on regulation, skills and institutions, and UNCTAD (2024) emphasizes the environmental costs which are disproportionately borne by developing countries. There is one more important difference. The focus of these macro-level studies is on connectivity and digital finance, rather than on marketing strategy. Firm-level marketing benefits could potentially be a result of market share transfers from offline competition and some value may be transferred to global platforms rather than local firms. These possibilities cannot be confirmed or denied by the evidence reviewed. In terms of RQ3, the theme reveals that firm performance and economic growth are linked, not through mere aggregation, but through labour markets, institutions and the distribution of value.

Discussion

Theoretical Implications

The results support some of the theories reviewed in Section 2, extend others and challenge the scope of one. They endorse an aspect of the resource-based view. The tools are not the source of the advantage; because the tools are widely available and accessible, the advantage lies in complementary capabilities such as branding, innovation, skills, and the utilization of data (Barney, 1991; Tajvidi & Karami, 2021). This fine-tunes the theory rather than supplanting it; what matters is not the technical resources, but the organizational ones.

The different transformation pathways revealed during the COVID-19 pandemic were in line with the dynamic capabilities theory (Priyono et al., 2020; Teece et al., 1997). The theory is extended by the findings because they reveal that reconfiguration can be limited by external constraints, such as connectivity, payments and institutions, which firms do not have the power to influence easily. The TOE framework is a good explanation of adoption (Qalati et al., 2022; Ullah et al., 2023), but it was applied to explain adoption rather than the returns that follow. Themes 3 and 4 suggest that this scope is too restrictive as returns are being influenced by the environment, specifically by customers' connectivity and payment access, after adoption. Finally, the institutional theory provides a framework to understand that voids can be both barriers and possibilities (Khanna & Palepu, 2010), as in the case of mobile money. The theoretical contributions are summarised in Table 4.

Table 4

Contribution of the Findings to the Theoretical Perspectives

Perspective	Relationship to the findings	Basis in the findings
Resource-based view	Supported and refined	Advantage lies in complementary capabilities such as branding, innovation, skills, and data use rather than in the tools (Theme 2)
Dynamic capabilities	Supported and extended	Firms followed varied transformation paths, but reconfiguration is bounded by external conditions (Themes 1 and 3)
Technology–organisation–environment framework	Scope challenged	The environment, including customers' connectivity and payment access, continues to shape returns after adoption (Themes 3 and 4)

Institutional theory	Supported	Institutional voids act as both obstacles and opportunities, as the spread of mobile money shows (Themes 3 and 4)

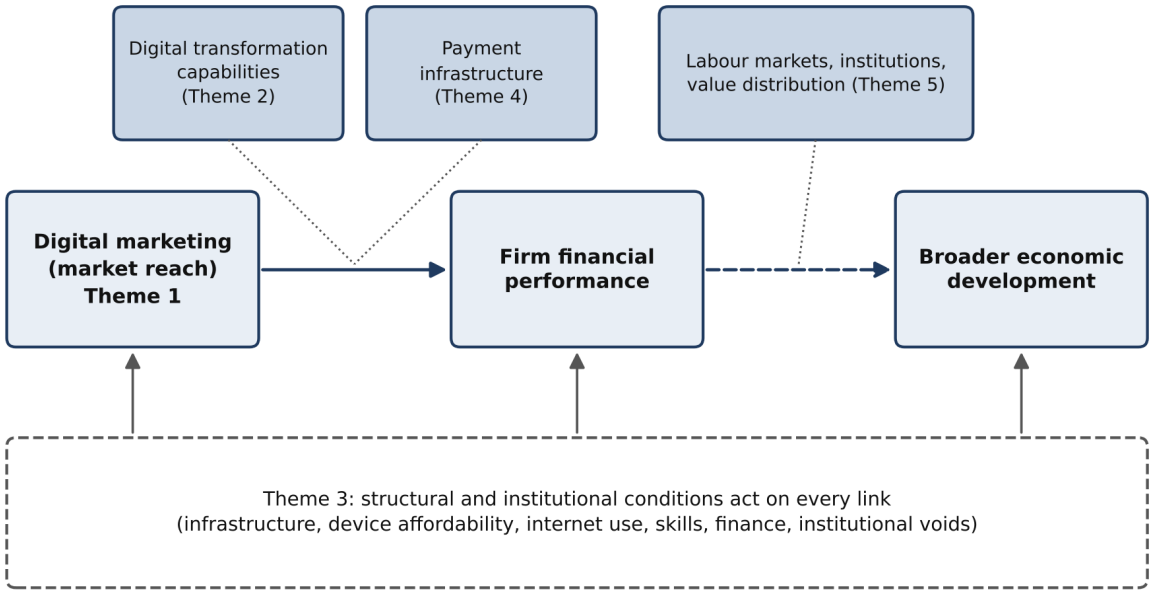
An Integrated Conceptual Understanding

When read together, the themes form more of an if-then relationship than a causal sequence. Digital marketing opens access to markets. Payment infrastructure is the key to turning visibility into transactions, and digital transformation capabilities are the key to turning that access into financial performance. Whether firm performance then benefits overall development hinges on labour markets, institutions and value capture between local firms and global platforms. As structural conditions can influence all links, the effects of the same strategies can vary significantly among firms and countries. This chain is shown in Figure 3.

The weakest link, where the evidence is thinnest, is the step between firm-level marketing gains and economy-level growth. This link is based on inference rather than direct evidence, because existing macro-level studies focus on connectivity and finance.

Figure 3

Conditional Chain Linking Digital Marketing to Economic Development



Solid arrow: link supported by documentary evidence. Dashed arrow: link supported mainly by inference.

Synthesis of Findings Against the Research Questions

With regard to RQ1, the literature indicates that digital marketing is positively associated with financial performance, but evidence is mainly cross-sectional and the link is conditional. On RQ2, digital transformation provides the tools that enable digital marketing to be effective; otherwise, digital marketing adoption can only get to the level of visibility. On RQ3, there are plausible pathways between business performance and employment/entrepreneurship/welfare outcomes, with benefits being unevenly distributed, and little research on the links between business performance and marketing specifically. On RQ4, infrastructure, affordability, skills, finance, payment access and institutions are very different across emerging markets and influence adoption and return.

Recommendations and Implications

Managerial Recommendations

A social media presence is a starting point, not an end point, in digital marketing since returns are dependent on complementary capabilities (Theme 2). Owners and managers need to invest in the digital literacy of their staff, leverage data from digital channels to inform pricing, product and service decisions, and align all digital investments with a clear organisational goal. Companies targeting mobile-first customers need to create engagement and payment experiences for mobile, with a focus on mobile money, where it is the primary payment method (Themes 3 and 4).

Policy Recommendations for Institutions and Governments

Theme 3 reveals that device affordability, connectivity and skills limit both firms and customers, and there are regional disparities in these constraints. Policy priorities should therefore be based on local gaps – devices and network coverage for low usage, and more advanced digital skills for high usage. SME support programmes should not only assist SMEs in establishing an online presence but also in developing data, marketing and managerial skills. Also, payment interoperability and access to digital accounts are worthy of consideration, as phone owners without an account might be difficult to turn into a digital transaction (Theme 4). Lastly, the information available on cybersecurity and privacy risks within emerging-market digital marketing is sparse, so governments should work to enhance data protection regimes and fund research on cyber and privacy risks to ensure consumer confidence.

Strategic and Financial Recommendations

Digital investment should be introduced in a gradual manner based on the firm's readiness. For smaller companies, it is best to begin with low-cost channels and then gradually integrate them and start using analytics when the budget allows. Indicators that a firm already monitors and measures should be used to assess performance, not reach – for instance, customer retention, repeat purchases, conversions from enquiries to purchases, and marketing spend to sales. This addresses the Theme 2 result that there is limited evidence to directly measure specific financial outcomes.

Theoretical and Research Implications

The study builds on the resource-based view by finding advantage in the capabilities associated with digital tools, and extends the TOE framework by demonstrating that conditions on the demand side remain relevant following the adoption of digital tools. The next steps for future research are to test the conditional chain introduced in Figure 3, with longitudinal and cross-country designs, that correlate marketing activities with observed financial results, and that measure the value of global platforms.

If implemented together, these recommendations are expected to help maximize the potential of digital transformation for smaller enterprises, for low-income groups and for less-connected parts of the world – as well as for the already connected firms and users.

Conclusion

This study aimed to explore the interaction between digital marketing strategies and digital transformation on firm financial performance and the overall economic growth in emerging markets. The question is important because digital marketing is often touted as a pathway to competitiveness and development, and the evidence of the practice of digital marketing and the outcomes for the nation is dispersed across the disciplines and contexts.

In the synthesis, the relationship is reported as conditional. Typically, digital marketing is the gateway, helping spread the word about a business, but companies can reach a dead end after they are discovered. It thrives on the complementary strengths in skills, data and management. Adoption and market size for firms are constrained by infrastructure, affordability and institutions, which are different across and within emerging economies. Digital payments bring online visibility to a completed transaction. There are pathways between firm performance and economic development, but they are not always uniformly beneficial and require certain conditions in the labour markets, institutions and distribution of value.

The four research questions are addressed through these themes. The association between digital marketing and financial performance is found to be conditional, with evidence largely being cross-sectional (RQ1). Digital transformation provides the capabilities which enable digital marketing to be effective (RQ2). There are potential links to broader development, but these are not consistently found, and in the case of marketing they are only indirectly supported (RQ3). Both adoption and returns are influenced by contextual conditions (RQ4).

Digital transformation is thus the facilitator of this relationship. It transforms marketing tools into organisational capability and illuminates the reason for the varying outcomes of similar marketing strategies. However, it does not ensure economic results, since the transformation of the firms occurs in external conditions, which the firms cannot change easily.

In theory, the study builds on the resource-based view by bringing into focus what is being gained through the capabilities that envelop accessible digital resources. It contributes to dynamic capabilities theory by introducing external constraints on reconfiguration, and it extends the TOE framework by demonstrating that demand-side factors continue to influence post-adoption returns. In practice, companies need to develop skills beyond having a channel presence, and implement a "digital readiness" strategy for their digital investments. Policymakers should address local weaknesses in connectivity, skills, payment accessibility and SME capabilities and improve data protection.

The study has some limitations. It is based on secondary documentary data collected purposively and some sources were analysed from abstracts without reading the full texts. Many are based on cross-sectional analysis of a handful of firm-level data points, usually from a single country; definitions differ across studies; and the design does not allow for causal conclusions. The conditional chain that has been proposed here should be tested in future studies using longitudinal and cross-country designs that correlate marketing practices with proven financial results. Future research must also consider the impact of payment access on marketing returns, and the extent to which global platforms are capturing value from that. For now, digital marketing's ability to spur economic growth in emerging markets should be viewed with skepticism until there is proof.

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