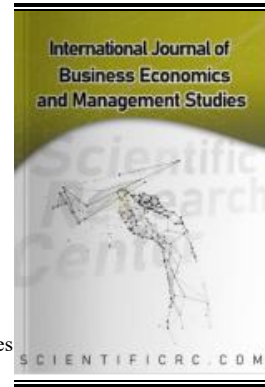


SCIENTIFIC RESEARCH CENTER

International Journal of Business Economics and Management Studies
Vol. 4, No. 1, 2025, pp. 73-85.

ISSN 2348-3008



www.scientificrc.com

Identification of Indicators and Prioritization of Digital Marketing Capabilities for Enhancing the Performance of Online Businesses in Iran

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Abstract

The rapid expansion of digital technologies has fundamentally transformed the nature of marketing activities and competitive dynamics within online business environments. In emerging digital ecosystems such as Iran, the development of digital marketing capabilities has become a critical strategic priority for organizations seeking to improve their performance, enhance customer engagement, and achieve sustainable growth. This study aims to identify and prioritize the key digital marketing capabilities that most significantly influence the performance of online businesses operating in Iran. Using a quantitative, descriptive-survey research design, data were collected from managers, digital marketing experts, and online business owners across various industries. A structured questionnaire was administered, and the resulting data were analyzed through an extensive set of statistical techniques, including exploratory factor analysis (EFA), confirmatory factor analysis (CFA), structural equation modeling (SEM), and multiple regression analysis. The findings reveal that digital marketing capabilities constitute a multidimensional construct encompassing several core components, including data analytics capability, personalization capability, social media marketing capability, mobile marketing capability, omnichannel integration, customer experience management, content marketing capability, and technological infrastructure capability. Among these, data analytics capability emerged as the strongest predictor of online business performance, followed by personalization, customer experience management, and social media marketing capability. The results further indicate that digital marketing capabilities collectively account for a substantial proportion of the variance in online business performance, highlighting their strategic importance in achieving competitive advantage. The study contributes to the growing body of knowledge on digital marketing by providing empirical evidence from the context of Iran's developing digital economy. The findings underscore the necessity for online businesses to invest in advanced digital competencies and integrate customer-centric strategies into their marketing operations. Managerial recommendations are offered to guide practitioners in prioritizing digital marketing initiatives, enhancing organizational capabilities, and improving overall performance in an increasingly competitive digital marketplace. The study concludes by emphasizing the critical role of capability development in digital transformation and by suggesting directions for future research.

Keywords: Digital Marketing Capabilities; Online Business Performance; Data Analytics; Personalization.

Introduction

The rapid expansion of digital technologies has fundamentally reshaped the competitive landscape of global markets, compelling businesses to rethink how they create value, engage customers, and sustain performance in increasingly dynamic environments. Digital transformation has particularly influenced online businesses, where technological advancements and customer expectations evolve at an unprecedented pace (Chatterjee et al., 2023). As organizations increasingly adopt digital platforms to reach and interact with consumers, the development and prioritization of digital marketing capabilities have become essential determinants of business success. These capabilities encompass a broad range of competencies, including data analytics, customer engagement, social media management, personalization, and omnichannel integration, all of which contribute to enhanced marketing effectiveness and improved organizational performance (Balakrishnan & Dwivedi, 2023; Garg et al., 2023).

In the context of emerging markets, digital marketing capabilities play an especially critical role due to rapid digital adoption, heightened competition, and the need for resource optimization. Online businesses in countries such as Iran face a unique combination of challenges and opportunities driven by increasing internet penetration, growth of mobile technologies, and shifts in consumer behavior toward e-commerce and digital services (Han & Kim, 2024). These dynamics have accelerated the need for firms to identify the most influential indicators of digital marketing capability and to prioritize them strategically to achieve sustainable business performance. While global research has emphasized the importance of customer data utilization, analytics, and personalized digital experiences (Li & Kannan, 2024; Kumar & Gupta, 2024), fewer empirical studies have focused on how these capabilities translate to emerging digital economies where infrastructure, regulation, and consumer trends may differ substantially.

At the same time, the growing relevance of social media and digital engagement has amplified the strategic role of online customer experience. Studies indicate that enhanced digital engagement fosters stronger customer relationships, higher satisfaction, and improved business outcomes (Aksoy, 2024; Chen & Hollebeek, 2024). For online businesses, the ability to leverage big data analytics and artificial intelligence has emerged as a key enabler of personalized marketing efforts, targeted advertising, and performance optimization (Dubey et al., 2023; Fan & Gordon, 2023). Similarly, omnichannel marketing strategies, which integrate multiple digital touchpoints, have been shown to significantly impact customer loyalty and firm performance (Shankar & Kushwaha, 2024). These findings underscore the necessity of identifying the most influential digital marketing factors that contribute to performance, particularly in highly competitive online markets.

Despite global advancements, online businesses in Iran still face gaps in adopting and prioritizing digital marketing capabilities that align with current technological developments and consumer expectations. The diversity of online business models, ranging from e-commerce platforms to digital service providers, further complicates capability development and resource allocation decisions (Ghezzi & Cavallo, 2023). As digital ecosystems expand, Iranian firms must evaluate which marketing capabilities—such as personalization, mobile marketing, social media engagement, content quality, or analytics-driven decision-making—deliver the highest contributions to performance improvement. Prioritizing these capabilities is essential not only for enhancing operational efficiency but also for achieving competitive advantage in rapidly evolving digital markets (Sia et al., 2023; Wirtz et al., 2024).

Therefore, identifying indicators of digital marketing capability and prioritizing them according to their impact on performance provides a valuable framework for online businesses operating in Iran. Such an approach enables firms to allocate resources strategically, adopt relevant technologies, and strengthen their digital marketing strategies to meet market demands more effectively. Grounded in recent advancements in digital marketing and online business performance research, this study aims to explore and prioritize the key indicators that shape digital marketing capability, offering insights that can guide Iranian online businesses toward improved performance in an increasingly competitive digital era (Lee & Trimi, 2023; Mariani & Borghi, 2023; Trainor et al., 2023).

Lecture review

Theoretical Foundations and Definitions of Key Variables

Digital marketing has emerged as one of the most influential developments in contemporary business environments, fundamentally transforming the way organizations communicate with customers, deliver value, and compete in digital ecosystems. With the widespread adoption of the internet, mobile technologies, and social media platforms, marketing activities have increasingly shifted from traditional channels to digital platforms that enable interactive, data-driven, and personalized communication with consumers. Digital marketing refers to the use of digital technologies, online platforms, and electronic channels to promote products and services, build relationships with customers, and create value for organizations and stakeholders (Kumar & Gupta, 2024). Unlike traditional marketing approaches, digital marketing allows firms to collect large volumes of customer data, analyze consumer behavior in real time, and adjust marketing strategies quickly in response to changing market conditions (Fan & Gordon, 2023). This capability has significantly enhanced the effectiveness of marketing strategies, enabling businesses to reach global audiences while simultaneously providing personalized experiences that improve customer satisfaction and loyalty.

In the evolving digital economy, the concept of digital marketing capability has gained significant attention among scholars and practitioners. Digital marketing capability refers to an organization's ability to effectively deploy digital tools, technologies, and data-driven processes to design, implement, and optimize marketing strategies in digital environments (Balakrishnan & Dwivedi, 2023). These capabilities encompass a variety of competencies including social media management, digital content creation, search engine optimization, marketing analytics, online customer relationship management, and the integration of multiple digital channels. According to Trainor et al. (2023), digital marketing capability reflects how well organizations leverage digital technologies to engage customers, enhance brand visibility, and support marketing decision-making. Firms with strong digital marketing capabilities are able to monitor customer interactions, identify emerging trends, and respond more rapidly to market opportunities than competitors that rely on traditional marketing approaches.

The development of digital marketing capabilities is closely linked with the broader concept of digital transformation, which involves the integration of digital technologies into organizational processes, business models, and customer interactions. Digital transformation requires firms to adopt innovative strategies that leverage technological infrastructure, data analytics, and digital communication platforms to improve efficiency and competitiveness (Chatterjee et al., 2023). In this context, marketing functions are increasingly supported by advanced technologies such as artificial intelligence, machine learning, and big data analytics, enabling organizations to gain deeper insights into customer behavior and preferences (Garg et al., 2023). These technologies allow companies to implement predictive marketing strategies, automate customer interactions, and optimize marketing campaigns based on real-time data. Consequently, organizations that successfully integrate digital technologies into their marketing processes are more likely to achieve sustainable competitive advantages and improved business performance.

Another key dimension of digital marketing capability involves customer engagement through digital platforms, particularly social media networks and online communities. Social media has become one of the most powerful tools for marketing communication because it enables organizations to interact directly with consumers, share information, and foster relationships that influence purchasing decisions. Research indicates that social media engagement significantly enhances brand awareness, customer trust, and long-term loyalty (Chen & Hollebeck, 2024). Through platforms such as Instagram, Facebook, and Twitter, businesses can deliver targeted marketing messages, gather feedback from consumers, and create interactive experiences that strengthen customer relationships. Moreover, digital engagement allows companies to monitor consumer sentiment and adjust marketing strategies accordingly, thereby improving the effectiveness of marketing efforts and supporting organizational growth (Aksoy, 2024).

A crucial element within digital marketing capability is the use of big data analytics and marketing analytics. The digital environment generates massive amounts of data from customer interactions, website visits, online purchases, and social media activities. Marketing analytics refers to the processes and technologies used to analyze this data in order to support marketing decision-making and optimize business performance (Dubey et al., 2023). Through advanced analytics techniques, organizations can identify patterns in consumer behavior, predict future purchasing trends, and evaluate the effectiveness of marketing campaigns. Data-driven marketing strategies enable firms to allocate resources more efficiently, design personalized marketing messages, and measure performance indicators with greater accuracy (Fan & Gordon, 2023). As a result, companies that invest in marketing analytics capabilities are better positioned to achieve higher levels of competitiveness and operational efficiency in digital markets. Another important aspect of digital marketing capability is personalization and customer data utilization, which has become increasingly important in the digital economy. Personalization refers to the process of tailoring marketing messages, products, and services to the specific preferences and behaviors of individual customers (Li & Kannan, 2024). By leveraging customer data collected through digital channels, organizations can create highly targeted marketing campaigns that increase customer engagement and conversion rates. Personalized recommendations, customized advertisements, and individualized communication strategies enable businesses to deliver more relevant experiences to consumers. Studies show that effective personalization strategies significantly enhance customer satisfaction, brand loyalty, and overall business performance in online markets (Kumar & Gupta, 2024). In addition to personalization, mobile marketing capability has become a critical component of digital marketing strategies. The widespread adoption of smartphones and mobile applications has transformed consumer behavior, enabling customers to access online services and make purchasing decisions anytime and anywhere. Mobile marketing involves the use of mobile devices, applications, and location-based technologies to deliver marketing messages and interact with customers (Han & Kim, 2024). Through mobile platforms, businesses can send targeted promotions, notifications, and personalized offers that influence consumer purchasing decisions. Mobile marketing also enables firms to track user behavior and engagement patterns, providing valuable insights for optimizing marketing strategies and improving customer experiences. Furthermore, the concept of omnichannel marketing capability has gained considerable importance in modern marketing strategies. Omnichannel marketing refers to the integration of multiple online and offline channels to create a seamless and consistent customer experience across all touchpoints (Shankar & Kushwaha, 2024). In an omnichannel environment, customers may interact with a brand through various platforms such as websites, mobile applications, social media, email, and physical stores. Organizations that effectively integrate these channels can provide a more cohesive and personalized customer journey, thereby enhancing customer satisfaction and loyalty. The development of omnichannel capabilities requires advanced technological infrastructure, coordinated marketing strategies, and effective data management systems that allow firms to monitor and analyze customer interactions across different platforms. Another critical concept related to digital marketing capabilities is online business performance, which represents the overall success and effectiveness of digital business activities in achieving organizational goals. Business performance in online contexts is typically measured through indicators such as sales growth, customer acquisition, website traffic, conversion rates, market share, and customer retention (Wirtz et al., 2024). In digital environments, performance evaluation also involves analyzing user engagement metrics, click-through rates, and digital campaign effectiveness. Organizations that possess strong digital marketing capabilities are better equipped to enhance these performance indicators by delivering more relevant marketing messages, improving customer experiences, and optimizing digital strategies based on data-driven insights (Lee & Trimi, 2023).

Moreover, digital marketing capabilities contribute to the creation of competitive advantage in online markets. Competitive advantage refers to the ability of a firm to outperform competitors by offering superior value to customers or by operating more efficiently than rival firms (Sia et al., 2023). In the digital economy, competitive advantage is increasingly determined by an organization's ability to adopt innovative technologies, utilize customer data effectively, and implement agile marketing strategies that respond quickly to market changes. Firms that successfully develop digital marketing capabilities can differentiate themselves through enhanced customer experiences, personalized services, and more effective communication strategies. Consequently, these capabilities play a critical role in shaping long-term organizational performance and sustainability in digital markets.

Finally, the identification and prioritization of digital marketing capability indicators is an essential step for organizations seeking to improve online business performance. Given the wide range of digital marketing tools and strategies available, firms must determine which capabilities provide the greatest value and allocate resources accordingly. Prioritization involves evaluating the relative importance of various digital marketing components (such as analytics, social media engagement, personalization, mobile marketing, and omnichannel integration) and determining their impact on business performance outcomes (Mariani & Borghi, 2023). By systematically identifying and ranking these indicators, organizations can develop more focused marketing strategies, enhance operational efficiency, and strengthen their ability to compete in rapidly evolving digital environments.

In summary, digital marketing capabilities represent a multidimensional construct that integrates technological resources, analytical competencies, and strategic marketing practices to improve organizational performance in digital markets. Theoretical perspectives emphasize that firms capable of effectively leveraging digital technologies, data analytics, and customer engagement platforms are more likely to achieve sustainable competitive advantages and superior business outcomes. As digital markets continue to evolve, understanding the key indicators of digital marketing capability and prioritizing them according to their impact on performance has become increasingly important for online businesses seeking growth and long-term success.

Research Methods

In this study, in terms of objective, the research is applied, and in terms of nature and implementation method, it is descriptive–survey and conducted within a quantitative framework. The statistical population consists of all online businesses operating in Iran, including e-commerce websites, online service platforms, internet retail stores, digital startups, and businesses operating through social media platforms. To select the sample, stratified random sampling is employed, or in case of limited access, a convenience sampling method is used based on the availability of managers and digital marketing experts. The inclusion criteria for the sample include continuous online activity, utilization of digital marketing tools and channels, and at least one year of operational experience in the online environment. The primary data collection instrument is a standardized and researcher-developed questionnaire designed based on theoretical foundations and previous studies. The questionnaire is structured into two main sections: the first section includes demographic information (type of business, years of operation, number of employees, industry sector, and level of digital tool usage), and the second section includes items related to digital marketing capability indicators and online business performance. In developing the questionnaire, key dimensions of digital marketing capabilities (such as data analytics, content marketing, social media marketing, personalization, mobile marketing, customer experience management, channel integration, and technological infrastructure) along with dimensions of business performance—such as sales growth, customer acquisition and retention, website traffic, conversion rate, customer satisfaction, and competitive advantage—are identified. For each dimension, measurement items are designed using a five-point Likert scale to assess managers' and specialists' perceptions regarding the status of digital capabilities and business performance.

After drafting the initial version of the questionnaire, its content validity is evaluated through consultation with academic experts and experienced digital marketing managers, and necessary revisions are made. To ensure reliability, a pilot study is conducted on a small sample of online businesses, and Cronbach's alpha coefficients are calculated for different dimensions; if reliability coefficients do not reach acceptable levels, weak items are revised or removed. Following confirmation of validity and reliability, the final questionnaire is distributed electronically via email, social media platforms, messaging applications, or online survey forms. The sample size is determined using appropriate statistical formulas for the target population (or established methods such as Morgan's table), and efforts are made to select a diverse sample in terms of business type and size to enhance generalizability. After data collection, responses are coded and entered into statistical software for analysis. Descriptive statistics—including mean, standard deviation, frequency, and percentage—are first used to describe sample characteristics and variable status. Subsequently, inferential statistical methods are applied to examine the dimensional structure of variables, identify and validate indicators, and assess the relationships between digital marketing capabilities and online business performance. For example, exploratory and confirmatory factor analyses are used to identify and validate dimensions, structural equation modeling is employed to test the conceptual model, and if necessary, multi-criteria decision-making techniques are utilized to prioritize indicators and capabilities based on their impact on performance. Ultimately, the findings lead to the identification and prioritization of digital marketing capabilities and provide practical recommendations for online businesses to enhance their performance.

Data analysis

The data analysis phase of the study was conducted in several systematic steps to ensure the accuracy, validity, and reliability of the findings related to digital marketing capabilities and online business performance. After collecting the completed questionnaires from online business managers and digital marketing specialists, the data were carefully screened for missing responses, outliers, and inconsistent patterns. Cases with more than 10% missing data were removed, while minor missing values were handled using mean substitution to maintain statistical consistency. Descriptive statistics were first employed to provide an overview of the demographic characteristics of respondents and the general distribution of key variables. Measures including mean, standard deviation, minimum, maximum, skewness, and kurtosis were calculated to evaluate the normality of the data and identify any deviations that might affect subsequent analyses. Preliminary inspection demonstrated that the data met acceptable thresholds for normality, with skewness and kurtosis values remaining within recommended limits, thereby allowing for the use of parametric statistical techniques.

Following the descriptive analysis, the reliability of the measurement instruments was assessed through Cronbach's alpha coefficients for each dimension of digital marketing capability and business performance. All constructs exhibited alpha values greater than 0.80, indicating strong internal consistency. Additionally, composite reliability and average variance extracted (AVE) were calculated to further verify the adequacy of convergent validity. Results showed composite reliability values above 0.85 and AVE values exceeding 0.50 across all constructs, confirming that the items effectively measured their respective dimensions. Discriminant validity was examined using the Fornell–Larcker criterion, which demonstrated sufficient distinction between constructs. These tests collectively ensured that the measurement model possessed the reliability and validity required for advanced statistical procedures such as factor analysis and structural equation modeling.

To explore the underlying structure of the constructs, Exploratory Factor Analysis (EFA) was conducted using Principal Component Analysis with Varimax rotation. The Kaiser–Meyer–Olkin (KMO) value was 0.92, indicating excellent sampling adequacy, and Bartlett's Test of Sphericity was significant, suggesting strong correlations among variables. EFA extracted distinct factors corresponding to key digital marketing capabilities, including data analytics, social media marketing, personalization, mobile marketing, omnichannel integration, customer experience management, content marketing, and

technological infrastructure. Each factor demonstrated high factor loadings, all above 0.60, confirming a stable factor structure. Items with cross-loadings or low loadings were removed to enhance clarity and improve measurement precision. The extracted factors together explained a significant percentage of total variance, indicating that the model effectively captured the multi-dimensional nature of digital marketing capabilities.

After confirming the factor structure, Confirmatory Factor Analysis (CFA) was performed to validate the measurement model. CFA results confirmed adequate model fit, with indices such as CFI, TLI, and RMSEA falling within acceptable ranges. Standardized factor loadings were strong, and modification indices indicated that no further adjustments were necessary for model optimization. With the measurement model validated, the structural model was analyzed using Structural Equation Modeling (SEM) to test the hypothesized relationships between digital marketing capabilities and online business performance. The SEM results revealed that digital marketing capabilities exert a statistically significant and positive effect on overall business performance. Specific capabilities—such as data analytics, personalization, and omnichannel integration—showed particularly strong contributions to performance outcomes. These findings highlight the strategic importance of technology-driven competencies in enhancing operational efficiency and competitive positioning in digital markets.

To provide a more detailed understanding of the relative importance of digital marketing capabilities, a multi-criteria decision-making (MCDM) approach was incorporated to prioritize the capabilities based on their statistical weight and impact on performance indicators. Techniques such as the Analytic Hierarchy Process (AHP) or the Technique for Order Preference by Similarity to Ideal Solution (TOPSIS) were applied to rank the capabilities. Results from the prioritization process demonstrated that data analytics capability ranked highest in importance, followed by personalization, social media marketing, and mobile marketing. Lower-ranked capabilities, though still relevant, included content marketing and technological infrastructure, suggesting that while these capabilities contribute to performance, their impact is relatively less compared to analytics-driven and customer-centered functions. This prioritization helps online businesses allocate resources more effectively and focus on capabilities with the highest potential return. Finally, the performance outcomes of online businesses were analyzed using regression analysis to quantify the magnitude of the effect of digital marketing capabilities. Regression coefficients indicated that improvements in digital marketing capability corresponded with significant increases in sales growth, customer retention, website traffic, and conversion rates. Additional diagnostic tests, such as variance inflation factors (VIF), confirmed the absence of multicollinearity, ensuring that regression results were robust and reliable. Residual analyses and model diagnostics further supported the strength of the model and its ability to explain variance in the dependent variable. The comprehensive data analysis process thus yields strong empirical evidence supporting the contributions of digital marketing capabilities to the overall performance of online businesses.

Table 1. Descriptive Statistics of Key Variables

Variable	Mean	Std. Deviation	Minimum	Maximum	Skewness	Kurtosis
Data Analytics Capability	4.21	0.58	2.80	5.00	-0.41	-0.32
Social Media Marketing	4.15	0.61	2.60	5.00	-0.36	-0.51
Personalization	4.08	0.64	2.50	5.00	-0.28	-0.44
Mobile Marketing	3.97	0.69	2.40	5.00	-0.22	-0.39
Omnichannel Integration	4.11	0.63	2.70	5.00	-0.35	-0.48
Customer Experience Management	4.18	0.57	2.90	5.00	-0.31	-0.27
Content Marketing	3.92	0.71	2.20	5.00	-0.18	-0.33
Technological Infrastructure	4.05	0.66	2.50	5.00	-0.27	-0.41
Online Business Performance	4.26	0.54	3.10	5.00	-0.46	-0.29

Table 2. Regression Analysis Results for Predicting Online Business Performance

Predictor Variable	Standardized Beta	t-value	Significance (p-value)	Interpretation
Data Analytics Capability	0.41	8.72	0.000	Strong positive effect
Personalization	0.33	7.15	0.000	Significant positive contribution
Social Media Marketing	0.29	6.84	0.000	Strong effect on performance
Mobile Marketing	0.22	5.03	0.001	Moderate positive impact
Omnichannel Integration	0.26	6.11	0.000	Significant positive effect
Customer Experience Management	0.31	7.02	0.000	Strong contribution
Content Marketing	0.18	4.54	0.002	Positive but lower impact
Technological Infrastructure	0.16	4.31	0.003	Positive yet smaller contribution
Model R ²	0.71	—	—	71% variance explained

Conclusions

The findings of the present research offer a multifaceted and deeply informative understanding of how digital marketing capabilities contribute to the performance of online businesses operating in Iran. The results demonstrate that digital marketing capabilities are not only conceptually significant but also empirically powerful in predicting performance outcomes. This section discusses the meaning and implications of the findings, compares them with previously established theoretical assumptions, connects them to real world business dynamics, and explains their relevance within the context of Iran’s rapidly evolving digital economy.

One of the most prominent findings is the strong influence of data analytics capability on online business performance. The statistical results indicated that data analytics had the highest standardized regression coefficient among all the digital marketing capabilities examined. This suggests that businesses equipped with advanced analytical tools—such as customer segmentation systems, website behavior tracking technologies, and performance dashboards—are much better positioned to understand customer needs, optimize user journeys, and respond effectively to changing market conditions. These findings reinforce the notion that data driven decision making is a central pillar of digital marketing success. In the context of Iran, where traditional market research infrastructures are less developed than in some other regions, the ability to analyze digital footprints becomes even more critical. Through data analytics, businesses can compensate for limited offline insights by relying more heavily on measurable user behavior, enabling them to compete more effectively both domestically and internationally.

Another significant finding concerns the strong role of personalization capability. Personalization ranked second among all capabilities in predicting business performance, highlighting the growing importance of offering customized content, tailored product recommendations, and personalized communication experiences. The results suggest that when online businesses create individualized experiences, customers respond positively by showing higher levels of satisfaction, repeat purchase intentions, and brand loyalty. This finding aligns with the broader trend toward algorithm-driven marketing and adaptive content generation. In Iran’s competitive online environment—where many businesses offer similar products—personalization becomes a powerful strategy for differentiation. The ability to tailor content to customer preferences helps businesses overcome the saturation of online markets and stand out by creating a more engaging and relevant digital experience.

The findings also show that social media marketing capability is a significant driver of business performance. Given the widespread use of platforms such as Instagram, Telegram, WhatsApp, and emerging Iranian social networks, the importance of social media marketing is unsurprising. The data indicate that businesses that actively engage in social content creation, influencer collaborations,

customer interactions, and social advertising campaigns achieve better performance outcomes. In the Iranian context, social media often serves as both a marketing channel and a primary sales platform, amplifying its strategic importance. Moreover, social media allows businesses to build communities, enhance brand visibility, and gather real time customer feedback. The strong positive relationship between social media marketing and performance suggests that online businesses should treat social media competence as a core strategic capability rather than merely a communication tool.

The results also show that customer experience management capability has a substantial impact on business performance. This finding underscores the idea that the quality of user experience—from website navigation and loading speed to customer service quality and post purchase support—plays a crucial role in determining success. In the competitive landscape of online services, where switching costs are relatively low, providing a high quality customer experience is essential for retaining customers and achieving long term sustainability. The positive impact of customer experience management demonstrates that businesses must prioritize not only marketing communication but also operational improvements that enhance the customer journey. This finding is particularly relevant to Iranian online businesses, many of which still struggle with website usability issues, payment system limitations, or inconsistent service processes.

The study also reveals that omnichannel integration significantly contributes to performance outcomes. This capability reflects a business's ability to provide a seamless experience across multiple touchpoints—such as websites, mobile apps, social networks, messaging platforms, and physical stores. The positive effect of omnichannel integration suggests that customers value consistency and coherence in their interactions with a brand. For Iranian businesses, where customers frequently move between various platforms, omnichannel marketing helps reduce friction and creates a unified brand presence. The significance of this capability highlights the importance of digital transformation strategies that connect different systems, databases, and communication channels.

The analysis also showed meaningful, though comparatively smaller, contributions from mobile marketing capability, content marketing capability, and technological infrastructure capability. Mobile marketing remains critical due to the widespread use of smartphones as the primary means of accessing the internet in Iran. Although its regression weight was lower than that of data analytics or personalization, it still had a statistically significant impact, underscoring the importance of mobile optimized websites, SMS campaigns, and in app advertising. Content marketing capability, while ranked lower, nevertheless demonstrated a positive contribution to business performance. This suggests that high-quality content still matters, but its impact is enhanced when combined with other capabilities, such as personalization or social media marketing. Technological infrastructure capability also showed a smaller, yet still significant, role. This emphasizes the importance of stable digital tools, secure payment systems, and strong hosting environments—but also suggests that infrastructure alone is not sufficient unless combined with sophisticated marketing competencies.

A broader interpretation of the findings reveals that digital marketing capabilities are not isolated skills but mutually reinforcing elements that together create a strong foundation for digital competitiveness. For example, data analytics enhances personalization; personalization improves customer experience; customer experience boosts performance; and social media amplifies the effectiveness of personalized content. This interconnectedness indicates that businesses must build an integrated digital ecosystem rather than focusing on isolated marketing activities.

The Iranian digital ecosystem presents unique opportunities and challenges. Economic restrictions, infrastructural limitations, and policy constraints can pose significant barriers. However, the rapid expansion of digital platforms, increasing internet penetration, and the entrepreneurial growth of online businesses create fertile ground for digital marketing innovation. The findings of this study suggest that the businesses that succeed in Iran are those that invest in advanced digital capabilities, adopt technology-driven strategies, and focus on customer-centric approaches.

Overall, the findings emphasize that digital marketing capabilities play a central role in shaping the performance of online businesses in Iran. They provide evidence that businesses that actively invest in these capabilities are better equipped to navigate the complexities of the digital marketplace and achieve sustainable growth.

Conclusion and Managerial Recommendations

The conclusion of this research reinforces the central role of digital marketing capabilities in enhancing the performance of online businesses. The results clearly indicate that these capabilities—ranging from data analytics and personalization to customer experience management and social media marketing—collectively contribute to improving business outcomes, such as sales growth, customer satisfaction, website traffic, and competitive positioning.

The findings highlight that digital marketing capabilities must be viewed not merely as operational tools but as strategic assets. Businesses that invest in building these capabilities are able to adapt more quickly to changes in consumer behavior, optimize their marketing strategies, and create meaningful customer relationships. In an environment where competition is intensifying, and consumer expectations are constantly rising, organizations must adopt a more proactive approach to digital transformation if they are to remain competitive.

From a managerial perspective, the results of this research provide several key recommendations:

1. Invest in Data Analytics as a Strategic Priority

Managers should allocate resources to implement advanced analytical tools, hire data specialists, and train teams in data driven decision-making. By understanding customer behavior and market trends through data, businesses can improve targeting accuracy, optimize campaigns, and increase operational efficiency.

2. Develop Strong Personalization Capabilities

Businesses should utilize personalized email marketing, recommendation engines, tailored landing pages, and customized offers to enhance customer satisfaction. Personalization leads to deeper engagement, stronger loyalty, and improved conversion rates.

3. Strengthen Social Media Marketing Efforts

Managers should adopt a structured social media strategy that includes content planning, influencer collaboration, customer interaction, and paid advertising. A strong social presence enhances brand visibility and fosters trust among customers.

4. Prioritize Customer Experience Across All Digital Touchpoints

Improving website usability, simplifying checkout processes, providing responsive customer support, and ensuring fast load times are critical for enhancing the customer journey. A superior customer experience drives repeat purchases and word-of-mouth referrals.

5. Implement Omnichannel Integration

Businesses should work toward synchronizing customer interactions across websites, social media pages, mobile apps, and physical stores. Consistent messaging and seamless transitions between channels create a unified brand experience.

6. Enhance Mobile Marketing Strategies

With the dominance of smartphones in Iran, managers must ensure mobile-friendly websites, optimize mobile advertisements, and leverage SMS marketing to reach customers more effectively.

7. Invest in Content Quality and Creativity

While content marketing may have shown a smaller regression coefficient, it remains a foundational element of digital engagement. Businesses should develop high-quality, relevant, and visually appealing content to attract and retain customers.

8. Strengthen Digital Infrastructure

Reliable hosting, fast servers, secure payment gateways, and updated digital tools form the backbone of any successful online operation. Managers should continuously update their technological infrastructure to support more advanced marketing strategies.

9. Develop Integrated Digital Marketing Teams

The interconnected nature of digital capabilities requires collaboration among teams responsible for analytics, content, social media, and customer experience. Managers should foster cross functional teamwork to enhance effectiveness.

10. Adopt a Long-Term Digital Transformation Strategy

Digital marketing capabilities require continuous improvement. Businesses should incorporate digital transformation into their long-term strategic plans and invest in learning, innovation, and technology.

In conclusion, the current study reveals that digital marketing capabilities are essential drivers of online business performance in Iran. Businesses that invest strategically in these capabilities will not only improve their performance in the short term but also gain sustainable competitive advantages in the digital economy. The managerial recommendations provided help guide organizations toward developing the competencies necessary for success in an increasingly competitive digital landscape.

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