

# The Influence of Intangible Resources on Digital Marketing Activities in Micro, Small, and Medium Enterprises

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**Abstract:** The rapid advancement of digital technology necessitates that Micro, Small, and Medium Enterprises (MSMEs) integrate digital marketing strategies to remain competitive in the modern economy. Specifically, this analysis focuses on determining the extent to which the utilization of intangible resources measured through the indicators of employee digital skills, access to market analytics, and firm reputation influences the capacity of an enterprise to execute these digital marketing activities. Operating within the constraints of highly competitive, volatile, and digitized economic environments, MSMEs routinely lack the physical and financial capital that characterizes larger multinational corporations. Consequently, their competitive viability and market survival rely overwhelmingly on the strategic deployment of non-physical assets. Grounded in the theoretical integration of the Resource-Based View (RBV) and Dynamic Capabilities Theory (DCT), this study systematically evaluates empirical data derived from operational metrics, regression models, and utilization indexes. The findings reveal a highly significant positive relationship between the possession of intangible resources and the capacity to execute sophisticated digital marketing strategies. While the empirical data demonstrates that MSMEs exhibit very high utilization of baseline digital skills and rely heavily on established brand reputation, critical operational bottlenecks persist in the integration of new software architectures and the translation of complex market analytics into dynamic campaign reconfiguration. The analysis highlights a pronounced capabilities gap, wherein enterprises rely on tacit, informal knowledge rather than empirical, data-driven systems. Ultimately, this research establishes that intangible assets function as foundational catalysts that remain economically dormant until they are actively mobilized through structured marketing frameworks.

**Keywords:** Intangible Resources; Digital Marketing; Micro Small and Medium Enterprises (MSMEs); Resource-Based View; Dynamic Capabilities Theory; Employee Digital Skills; Market Analytics; Firm Reputation.

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## 1. INTRODUCTION

The contemporary global business landscape has been fundamentally restructured by the rapid and pervasive advancement of digital technologies, necessitating a profound paradigm shift in how commercial entities interact with their target consumer markets. In this highly interconnected, data-driven economy, the ability to successfully execute comprehensive digital marketing strategies is no longer viewed as a supplementary promotional tactic, but rather as an absolute prerequisite for organizational survival, scalability, and sustained economic growth [1]. This structural transition is particularly critical for Micro, Small, and Medium Enterprises (MSMEs), which represent the foundational backbone of regional, national, and global economies. By the year 2025, empirical data indicates that approximately 63% of MSMEs actively utilize digital tools and digital marketing platforms in an attempt to optimize their operational workflows and aggressively expand their market reach [2]. However, beneath this broad, seemingly positive statistic lies a complex and highly nuanced web of systemic challenges, infrastructural limitations, and profound strategic deficits that prevent these enterprises from achieving full digital maturity.

Unlike large multinational corporations that possess vast reserves of physical capital, extensive technological infrastructure, and highly specialized marketing departments, MSMEs operate under severe, chronic resource constraints [3]. To navigate these formidable barriers and achieve a sustainable competitive advantage, MSMEs are forced to rely heavily on their non-physical assets [4]. These non-physical assets, encompassing human expertise, internal knowledge structures, data accessibility, and public goodwill, form the core mechanism through which small enterprises interact with the

digital economy. The primary objective of this manuscript is to rigorously examine one specific operational dynamic: the extent to which the utilization of intangible resources categorized precisely as employee digital skills, access to market analytics, and firm reputation influences the execution, direction, and optimization of digital marketing activities [10].

### 1.1 The Democratization of the Marketplace

Digital marketing fundamentally democratizes access to consumer markets, effectively leveling the playing field and allowing small, localized enterprises to project their brand presence globally without the prohibitive costs associated with traditional mass media [5]. Through targeted reach and cost-efficient platforms, MSMEs can theoretically bypass traditional geographical barriers and minimize the financial waste associated with untargeted advertising [5]. Nevertheless, the theoretical potential of digital marketing is rarely realized automatically [4]. The digital marketplace is characterized by intense, hyper-accelerated competition, rapidly shifting consumer behaviors, and continuously evolving platform algorithms [4]. To succeed in this inherently hostile environment, a firm must not merely adopt technology; it must possess the internal, intangible competencies required to manipulate that technology strategically.

### 1.2 Defining the Core Problem

The central inquiry of this investigation focuses squarely on the functional, causal link between what an MSME possesses internally (its intangible resources) and what an MSME does externally (its digital marketing activities). By measuring the specific utilization levels of employee capabilities, data interpretation readiness, and brand reputation management, this

research systematically deconstructs the operational realities of small enterprises. Furthermore, by establishing the direct statistical influence of these resources on digital campaign execution, the analysis identifies the critical friction points that prevent MSMEs from maximizing their digital investments.

Micro, Small, and Medium Enterprises (MSMEs) frequently encounter structural challenges in adopting digital marketing strategies precisely due to limited internal resources and external constraints [6]. The level of digitalization achieved by these firms is significantly affected by human resources, digital skills, organizational readiness, and technological infrastructure, with internal factors emerging as the most dominant predictors and the fundamental drivers of digital transformation [6]. This study seeks to map the exact dimensions of these internal factors, proving that technology alone is an inert tool unless activated by the intangible, human-driven capabilities that reside within the firm.

## 2. THEORETICAL FRAMEWORK

To accurately interpret the highly complex interrelationships between internal MSME capabilities and outward marketing execution, it is necessary to ground the empirical analysis in robust, established theoretical paradigms. The utilization of intangible resources and their subsequent impact on business operations is best understood through the dual theoretical lenses of the Resource-Based View (RBV) and Dynamic Capabilities Theory (DCT) [7, 10]. These frameworks provide the necessary academic architecture to transcend surface-level observations and generate profound second and third-order strategic insights.

### 2.1 The Resource-Based View (RBV) in the Digital Economy

The Resource-Based View, a foundational strategic management theory originally popularized by scholars such as Jay Barney, posits that an organization's sustained competitive advantage is derived directly from the effective utilization of resources that are valuable, rare, inimitable, and non-substitutable (the VRIO framework) [4]. Within the specific context of MSMEs, physical and financial resources (such as advanced manufacturing machinery, large real estate holdings, or massive advertising budgets) are rarely unique, nor are they highly valuable on a global scale. Instead, the true, defensible competitiveness of these enterprises stems directly from their intangible resources [3, 8].

Intangible resources can be broadly categorized into human capital (the embedded skills, knowledge, digital fluency, and creativity of employees), informational resources (proprietary data systems, market analytics access, and localized intelligence), and relational capital (the brand identity, corporate reputation, and accumulated customer trust) [9]. Because these assets are deeply embedded within the specific organizational culture, shared history, and community interactions of the firm, they cannot be readily purchased in factor markets or easily copied by larger, better-funded competitors. For example, the specific, nuanced tacit knowledge a local enterprise holds regarding its community's shifting preferences, or the deeply rooted, localized trust it has built over decades of ethical operation, represents a highly unique bundle of assets that defies exact replication. The RBV framework establishes that these intangible resources serve as the foundational bedrock for any digital marketing capability [4].

However, contemporary strategic literature highlights a critical limitation within the traditional RBV paradigm: it inherently treats resources as static. The mere possession of a highly skilled employee, access to a robust analytics dashboard, or a positive corporate reputation does not automatically generate market success or operational superiority in a highly volatile digital economy. Static resources represent potential energy; they require an active, structured mechanism for deployment into the market [4].

### 2.2 Dynamic Capabilities Theory (DCT)

To address the static limitations of the Resource-Based View, the Dynamic Capabilities Theory (DCT) introduces the vital concept of strategic agility and evolutionary fitness. DCT emphasizes a firm's overarching capacity to integrate, build, and continuously reconfigure internal and external competencies to address rapidly changing technological, social, and economic environments. While RBV explains the slow accumulation of digital assets, DCT explains how MSMEs deploy, mutate, and optimize those assets through dynamic digital marketing activities.

In the digital era, marketing is fundamentally not a discrete, isolated event, but rather a continuous, iterative process of sensing market shifts, seizing emerging revenue opportunities, and transforming organizational structures to mitigate threats. Digital marketing execution encompassing real-time social media engagement, agile content creation, and highly personalized email outreach functions as the ultimate dynamic capability for the modern MSME. When an MSME effectively utilizes its employee digital skills to launch a targeted, data-driven campaign, it is actively reconfiguring its static human capital into a dynamic, revenue-generating market force. The intersection of these two theories suggests that intangible resources are the necessary internal fuel, while digital marketing activities act as the operational engine driving MSME competitiveness in the twenty-first century [7].

### 2.3 The Dimensions of Intangible Resources

To operationalize this theoretical framework, the study isolates three specific dimensions of intangible resources that dictate digital execution.

#### 2.3.1 Human Capital: Employee Digital Skills

Human capital represents the collective cognitive, technical, and creative capabilities of an organization's workforce. In the context of digital transformation, this is explicitly measured through employee digital skills, frequently conceptualized as 21st-century competencies [7]. These competencies encompass a comprehensive set of skills, knowledge, and adaptive attitudes that enable individuals to think critically, solve complex problems, collaborate virtually, and navigate digital interfaces with high proficiency [7]. The execution of digital marketing is intrinsically dependent on human intervention. Regardless of the sophistication of the software algorithm, human resources are required to manage platforms, curate engaging content, interact with consumers in real-time with authentic empathy, and troubleshoot inevitable technical anomalies [6]. Internal factors, particularly the digital readiness and skill level of the workforce, emerge as the most dominant predictors of a firm's ability to undergo successful digital transformation [6]. A severe lack of specialized human capital acts as a profound structural barrier to market entry, restricting

MSMEs to rudimentary promotional tactics and completely preventing the deployment of advanced, integrated marketing communications.

### 2.3.2 Informational Resources: Market Analytics

Informational resources extend far beyond raw, unorganized data; they encompass the technological infrastructure, the analytical software tools, and the internal organizational processes that facilitate informed, strategic decision-making. In the contemporary digital landscape, market analytics serve as the central nervous system of any effective marketing strategy [5]. By utilizing data and analytics, MSMEs can gather deep, empirical insights into customer behavior, map precise demographics, and track shifting market trends with high fidelity [5]. This heavily data-driven approach allows enterprises to transition from intuition-based guesswork and anecdotal assumption to rigorous, empirical strategy [5]. Market analytics theoretically enable MSMEs to segment their audiences with surgical precision, personalize their messaging at scale, and continuously optimize their campaigns to minimize customer acquisition costs. The ability to interpret key performance indicators (KPIs) is a critical intangible resource that firmly separates digitally mature firms from those merely experimenting with online visibility [9]. Notably, while technical skills have always been important, an increasing reliance on data analytics skills requires employees to understand not just how to click buttons on a software interface, but how to translate raw numerical metrics into actionable, profitable market intelligence [9].

### 2.3.3 Relational Capital: Firm Reputation

Firm reputation is an indispensable intangible asset defined as the collective perceptions, beliefs, trust levels, and expectations that stakeholders hold regarding a business entity. In the digital sphere, reputation is simultaneously highly visible and exceedingly fragile. Digital marketing activities inherently involve the active shaping and meticulous management of this reputation through brand identity development, rapid customer service interactions, and the careful curation of electronic word-of-mouth (e-WOM). A strong corporate reputation functions as a critical trust signal in an intensely saturated, noisy online marketplace. It heavily mitigates the perceived financial and psychological risk for consumers, thereby drastically increasing the likelihood of engagement and subsequent purchase [4]. Furthermore, a positive reputation cultivated through ethical business practices and transparent, authentic communication directly influences long-term customer loyalty and retention. However, maintaining this intangible resource requires continuous, vigilant surveillance. MSMEs must actively monitor online feedback, respond to user-generated content, and manage social media discourse to protect their fragile brand equity from sudden value co-destruction.

## 3. EMPIRICAL FRAMEWORK AND CONTEXT

To rigorously quantify the extent to which these intangible resources influence digital marketing activities, a robust empirical framework was established. Data was systematically gathered from operational leaders, including owners, managers, and marketing personnel, of specific MSMEs utilizing validated psychometric instruments. The constructs Employee Digital Skills, Access to Market Analytics, and Firm

Reputation were meticulously operationalized through distinct, multi-item scales measuring the intensity of their utilization within daily business operations.

The primary objective of this empirical measurement is to isolate the functional deployment of these resources in real-world scenarios. The investigation relies heavily on weighted means derived from standardized four-point Likert scales to categorize the utilization levels from "Low" to "Very High". Subsequently, inferential statistical models, specifically linear regression analysis, are employed to definitively test the predictive power of the aggregate intangible resource index on the execution of specific digital marketing activities, establishing a causal pathway that empirically validates the theoretical integration of RBV and DCT. The contextual backdrop of this data is grounded in the rapidly developing MSME sector, where businesses are continuously attempting to leverage digitalization for enterprise growth, making substantial contributions to employment and economic stability while navigating the harsh realities of resource scarcity [1].

## 4. UTILIZATION OF EMPLOYEE DIGITAL SKILLS

The utilization of human capital, specifically the localized digital skills possessed by employees, represents the absolute baseline prerequisite for any form of digital marketing execution. If the workforce cannot operate the digital infrastructure, the infrastructure is rendered economically useless. The empirical data presented below deconstructs the specific competencies utilized by MSME employees.

**Table 1. Level of Utilization of Intangible Resources Among MSMEs: Employee Digital Skills**

Employee Digital Skills	Mean	Interpretation
I am comfortable in using basic computer applications necessary for digital marketing tasks	3.58	Very High Level of Utilization
I use digital tools and platforms in my daily work routine	3.62	Very High Level of Utilization
I am confident I can troubleshoot minor technical issues that arise during digital marketing activities	3.23	High Level of Utilization
I am familiar with the functionalities of the digital tools and platform	3.32	Very High Level of Utilization
I quickly adapt to new digital marketing technologies and tools	3.19	High Level of Utilization
I prefer methods for staying updated on new digital marketing trends and skills	3.32	Very High Level of Utilization
I integrate new software into my marketing workflow	3.06	High Level of Utilization
I am effective at collaborating on shared	3.38	Very High Level of Utilization

digital marketing documents online		
<b>Weighted Mean</b>	<b>3.34</b>	<b>Very High Level of Utilization</b>

The aggregated data across all eight indicators yields a weighted mean of 3.34, signifying a definitive "Very High Level of Utilization" of employee digital skills across the surveyed MSMEs. This overarching, highly positive metric indicates a profound degree of digital assimilation within the organizational culture of these small enterprises. The workforce has effectively integrated information and communication technologies into their fundamental operational processes, reflecting a mature, progressive digital environment where technology is viewed as an indispensable infrastructure component rather than an optional, peripheral strategic add-on.

#### 4.1 The Normalization of Digital Routines

A highly granular analysis of the individual indicators reveals profound insights into the nature of this digital assimilation. The most prominent indicator within this dimension is the application of digital tools and platforms in daily work routines, achieving the highest mean score of 3.62 across the entire construct. This extraordinary level of daily utilization demonstrates that MSME employees possess a robust, deeply ingrained baseline of digital fluency. Similarly, the metric assessing the comfort level of employees in utilizing basic computer applications necessary for digital marketing tasks yielded a remarkably high mean of 3.58.

These findings suggest a monumental shift in the socio-technical landscape of MSMEs. Historically, technological anxiety and the steep learning curve associated with initial digital adoption formed a primary, often insurmountable barrier to market entry for small enterprises [6]. However, these elevated scores suggest that in the contemporary business environment, basic digital fluency has been entirely normalized. Employees no longer view digital interfaces as frightening novelties, but rather as essential, routine extensions of their daily professional existence. They operate with a high degree of confidence when interacting with familiar, routine interfaces. This high baseline of 21st-century competencies allows MSMEs to maintain a constant, baseline presence in the digital marketplace without requiring massive investments in external IT consultants or specialized digital agencies [7].

The ability to effectively collaborate on shared digital marketing documents online also scored very highly, with a mean of 3.38. This indicates that internal communication and workflow management have transitioned successfully into cloud-based environments, allowing for agile, decentralized teamwork, which is highly beneficial for resource-constrained firms attempting to execute marketing campaigns rapidly.

#### 4.2 Structural Friction and Cognitive Load

However, a critical, paradoxical second-order insight emerges when analyzing the hierarchical distribution of the scores at the lower end of the spectrum. Despite the exceptional proficiency demonstrated in daily, routine tasks, the indicators related to disruption and complexity reveal significant vulnerabilities. The capability to successfully integrate new software into existing marketing workflows achieved the lowest mean score in the category at 3.06. Similarly, the ability to quickly adapt to new digital marketing technologies and tools scored a relatively

lower 3.19, and confidence in troubleshooting minor technical issues scored 3.23. While mathematically classified as a "High Level of Utilization," their position at the absolute bottom of the spectrum reveals a significant operational bottleneck regarding system complexity and structural friction.

This precise discrepancy highlights a fundamental vulnerability predicted by the Resource-Based View. Operating established digital tools, such as posting organic content on an existing social media platform that the employee uses daily, requires static foundational literacy. It is comfortable and requires minimal cognitive load. Conversely, integrating entirely novel software architectures such as migrating from basic social media broadcasting to an advanced, automated Customer Relationship Management (CRM) system, or adopting a new email marketing automation suite demands a severe disruption of established routines and the expenditure of significant cognitive and operational effort.

MSME employees demonstrate exceptionally high proficiency when utilizing tools they have already mastered, yet they face substantial structural friction when forced to reconfigure their workflows to accommodate disruptive technological advancements. This phenomenon heavily underscores the limits of MSME human capital as a dynamic capability. While the enterprises possess a highly capable "digital workforce", the agility required to continuously absorb, synthesize, and deploy new technological paradigms remains severely constrained. Consequently, the reliance on comfortable, basic applications may inadvertently restrict the enterprise from pursuing highly complex, high-yield digital marketing strategies that require the seamless integration of multiple new software platforms, effectively placing an artificial ceiling on their digital competitiveness [6].

### 5. UTILIZATION OF MARKET ANALYTICS

The capacity to harvest, interpret, and deploy digital data is increasingly recognized as the primary differentiator between proactive market leaders and reactive market followers. The utilization of market analytics bridges the gap between raw digital infrastructure and strategic human insight, allowing MSMEs to make informed decisions in real-time.

**Table 2. Level of Utilization of Intangible Resources Among MSMEs: Access to Market Analytics**

Access to Market Analytics	Mean	Interpretation
I have access to real-time market data for digital marketing campaigns	3.19	High Level of Utilization
I am readily available to give insights into customer behavior analytics for digital marketing strategies	3.40	Very High Level of Utilization
I have access to tools that provide competitive digital marketing intelligence	3.19	High Level of Utilization
I often use data and analytics to inform my digital marketing decisions	3.23	High Level of Utilization

The current market analytics tools are effective in helping me optimize digital marketing campaigns	3.08	High Level of Utilization
The market analytics guide me in targeting and personalizing my efforts in digital marketing	3.36	Very High Level of Utilization
I am confident in interpreting market analytics to identify actionable insights for digital marketing	3.11	High Level of Utilization
I receive adequate training on how to effectively use and interpret market analytics for digital marketing purposes	3.26	Very High Level of Utilization
<b>Weighted Mean</b>	<b>3.23</b>	<b>High Level of Utilization</b>

The comprehensive evaluation of market analytics utilization yields a weighted mean of 3.23, indicating a robust "High Level of Utilization" across the MSME sector. This score validates the premise that small enterprises explicitly recognize the inherent, indispensable value of data-driven decision-making in navigating the treacherous waters of the digital economy [5]. By leveraging market data, MSMEs actively attempt to refine their targeting parameters, eliminate wasteful ad spend, and drastically enhance the personalization of their marketing communications [5].

### 5.1 The Dominance of Tacit Knowledge

A rigorous examination of the individual indicators exposes a profound dichotomy between human intuition and technical software efficacy. The highest-rated metric in this dimension, by a significant margin, is the readiness and availability of employees to provide insights into customer behavior, which achieved a highly impressive mean of 3.40.

This exceptional score highlights a primary intangible strength absolutely unique to MSMEs: the massive accumulation of tacit knowledge. Because small enterprises operate with flat, unbureaucratic organizational structures and maintain intimate, localized, and highly personal contact with their consumer base, employees develop a highly acute, experience-based understanding of market preferences. The barista, the shop manager, or the local social media handler inherently knows what their community wants because they interact with them daily. This deep tacit knowledge allows them to rapidly generate highly accurate behavioral insights without strictly relying on formal, complex data mining algorithms. In essence, the "analytics" are frequently housed within the minds of the employees rather than on a computer screen.

Furthermore, the data shows that market analytics guide MSMEs in targeting and personalizing their efforts in digital marketing, generating a very high mean of 3.36. This indicates a strong conceptual understanding that in the modern digital arena, mass-market broadcasting is highly inefficient; hyper-personalization is required to capture consumer attention.

### 5.2 The Deficit in Technical Interpretation and Tool Efficacy

In stark contrast to the high scores regarding intuitive insight and personalization concepts, the metrics concerning the actual technical tools reveal a critical technological capability gap. The perceived effectiveness of current market analytics tools in actually helping employees optimize digital campaigns recorded the absolute lowest mean score in this category at 3.08. Furthermore, confidence in interpreting market analytics to identify actionable insights scored a relatively low 3.11, while access to real-time market data and competitive digital intelligence both scored 3.19.

This juxtaposition exposes a major vulnerability. From the perspective of Dynamic Capabilities Theory, the MSME possesses the necessary raw human insight (the tacit knowledge), and they possess the desire to use data, but they struggle immensely to formally integrate that knowledge with advanced digital instrumentation. The literature strongly suggests that this friction is largely systemic and architectural. The majority of sophisticated market analytics platforms, integrated CRM dashboards, and comprehensive web analytics software are engineered by developers for large corporations equipped with specialized data science divisions and massive marketing budgets.

For the resource-constrained MSME, these enterprise-level interfaces frequently present overwhelming complexity, characterized by steep learning curves, excessive data noise, and confusing jargon [9]. While technical skills have always played a part, the increasing need for deep data analytics skills, knowing how to turn a complex market research report into a tangible campaign is overwhelming for staff not specifically trained in data science [9]. Consequently, while MSME operators deeply value data and actively attempt to utilize it (as evidenced by a mean of 3.23 for using analytics to inform decisions), the actual tools deployed often fail to translate complex metrics into accessible, actionable strategies for small-scale operations. This architectural failure forces the enterprise to revert to informal intuition, thereby limiting the mathematical precision and scalability of their digital marketing endeavors.

## 6. UTILIZATION OF FIRM REPUTATION

In a highly saturated digital marketplace characterized by infinite consumer choice, rampant information asymmetry, and deep skepticism toward traditional advertising, firm reputation serves as the ultimate, unshakeable anchor of trust. The strategic management and outward projection of this intangible asset are paramount to MSME survival.

**Table 3. Level of Utilization of Intangible Resources Among MSMEs: Firm Reputation**

Firm Reputation	Mean	Interpretation
I perceive our brand's online reputation in the digital marketplace	3.21	High Level of Utilization
Our firm's reputation influences the success of our digital marketing campaigns	3.34	Very High Level of Utilization

Our digital marketing in building and maintaining a strong brand reputation is effective	3.43	Very High Level of Utilization
Our digital marketing efforts foster customer trust and credibility	3.43	Very High Level of Utilization
The customer reviews and online testimonials influence our firm's reputation for digital marketing	3.28	Very High Level of Utilization
We leverage positive online reputation to attract new customers through digital marketing	3.42	Very High Level of Utilization
We monitor and respond to online feedback to manage our firm's reputation	3.36	Very High Level of Utilization
Our firm actively uses digital marketing channels to address negative feedback and build a positive image	3.40	Very High Level of Utilization
Digital ethics in maintaining and improving our firm's online reputation is very important	3.43	Very High Level of Utilization
<b>Weighted Mean</b>	<b>3.37</b>	<b>Very High Level of Utilization</b>

The utilization of firm reputation generated the highest aggregate score among all three categories of intangible resources, achieving a highly impressive, weighted mean of 3.37 ("Very High Level of Utilization"). This formidable metric definitively demonstrates that MSMEs explicitly recognize brand identity, corporate goodwill, and relational trust as deeply valuable, rare, and inimitable assets that form the absolute foundation of their competitive strategy under the RBV framework.

### 6.1 The Relational Triad: Ethics, Trust, and Reputation

An exhaustive analysis of the specific indicators reveals a highly compelling statistical convergence that illuminates the psychology of MSME operators. Three distinct, yet deeply interconnected statements achieved an identical, maximum mean score of 3.43: the effectiveness of digital marketing in building and maintaining brand reputation, its role in fostering customer trust and credibility, and the paramount importance of digital ethics in maintaining the firm's online reputation.

This "triple tie" provides a profound sociological and strategic insight into how MSMEs conceptualize digital commerce. For the small enterprise, digital marketing is fundamentally not viewed as a purely transactional broadcast mechanism designed to extract immediate capital. Rather, it is operationalized as a deeply relational tool utilized to cultivate long-term stakeholder loyalty, community integration, and authentic trust. MSMEs understand that in the absence of

massive advertising budgets, their integrity is their primary currency.

The equivalent prioritization of digital ethics (3.43) underscores a highly sophisticated, forward-thinking defensive strategy. In contemporary digital ecosystems, electronic word-of-mouth (e-WOM) possesses the terrifying velocity to build immense brand equity or obliterate it instantaneously. Consumers are acutely, even aggressively, responsive to transparency, data privacy, and authentic communication. By prioritizing highly ethical digital behavior, MSMEs actively insulate their most valuable intangible asset against reputational contagion, ensuring that their online presence generates continuous positive reinforcement rather than inviting backlash.

Furthermore, the data shows that MSMEs aggressively leverage their positive online reputation to attract new customers (3.42) and actively use digital channels to address negative feedback (3.40). This demonstrates a high level of dynamic capability in crisis management and reputation leveraging. They are not passive victims of the digital sphere; they actively shape their narrative to construct a global brand presence [5].

### 6.2 The Blind Spot in Global Perception

Despite the masterful, highly ethical deployment of reputation as a protective and relational asset, a distinct operational deficit is present within the data. The statement regarding the enterprise's ability to accurately perceive its brand's online reputation in the digital marketplace achieved the lowest mean score of 3.21 in this category. While still classified mathematically as a high level of utilization, its relative weakness at the bottom of the table highlights a significant infrastructural void.

Accurately and comprehensively monitoring a brand's total footprint across the vast, decentralized expanse of the global digital ecosystem requires advanced "social listening" algorithms, automated sentiment analysis tools, and continuous big data surveillance. Because MSMEs inherently lack these advanced, expensive technological architectures, their perception of their own digital reputation remains largely anecdotal and highly localized. They can effectively project their brand identity outward and ethically manage direct, one-on-one interactions, but they lack the dynamic sensing capabilities necessary to objectively evaluate how their brand is being discussed in external, unmonitored digital spheres (e.g., private forums, competitor threads, or niche social networks). This localized blindness limits their ability to preemptively intercept shifting macroeconomic market sentiments before they materialize as direct consumer feedback.

## 7. THE INFLUENCE ON DIGITAL MARKETING ACTIVITIES

Having empirically established the robust, widespread utilization of human capital, market analytics, and firm reputation, the analysis must transition to evaluating the functional impact of these resources. This section directly addresses the core inquiry: To what extent do these intangible assets influence the actual execution of digital marketing campaigns?

## 7.1 Cross-Dimensional Extent of Influence

The empirical data assesses how specifically these intangible assets alter the trajectory, engagement, and efficacy of various digital marketing formats across the enterprise.

**Table 4. Extent of Influence of Intangible Resource Utilization on Digital Marketing Activities**

Influential Digital Marketing Activities	Mean	Interpretation
Employee digital skills enhance the effectiveness of our digital marketing activities	3.36	Very High Level of Utilization
Access to market analytics improves our firm's digital marketing performance	3.32	Very High Level of Utilization
Our firm's reputation influences the engagement and reach of our digital marketing campaigns	3.42	Very High Level of Utilization
Employee digital skills greatly contribute to the success of our social media marketing efforts	3.32	Very High Level of Utilization
Access to market analytics significantly improves the targeting and optimization of our search engine marketing (SEM) campaigns	3.21	High Level of Utilization
A strong firm reputation leads to higher conversion rates from our email marketing campaigns	2.47	Moderate Level of Utilization
Our employees' digital skills enable us to produce high-quality digital content	3.17	High Level of Utilization
Market analytics provide crucial insights into our content marketing strategy.	3.26	Very High Level of Utilization
Our firm's reputation positively impacts our ability to secure partnerships for influencer marketing	3.15	High Level of Utilization
<b>Weighted Mean</b>	<b>3.19</b>	<b>High Level of Utilization</b>

The aggregate influence of intangible resource utilization on digital marketing activities yields a weighted mean of 3.19, definitively denoting a "High Level of Utilization". This confirms that MSMEs rely substantially and deliberately on their non-physical assets to power their digital presence.

The most pronounced, undeniable influence is observed in the capacity of firm reputation to dictate the engagement and reach of digital campaigns, achieving an exceptional mean of 3.42. This specific metric flawlessly aligns with the foundational principles of the Resource-Based View applied to digital media.

In a digital environment characterized by extreme information overload and deep consumer cynicism, a strong offline or pre-existing reputation functions as critical "social proof". When a consumer encounters a digital advertisement or an organic social media post from an MSME possessing high relational capital, the psychological barrier to interaction is significantly lowered. The established brand equity acts as an algorithmic accelerator; consumers are exponentially more likely to like, share, comment on, and validate content from a trusted entity, thereby organically amplifying the campaign's reach far beyond the enterprise's direct financial investment.

Furthermore, the data strongly supports that employee digital skills enhance the overall effectiveness of activities (3.36) and greatly contribute to the success of social media marketing (3.32). This proves that human capital remains the irreplaceable linchpin of social media execution.

## 7.2 The Disparity Between Engagement and Conversion

Conversely, the data reveals a severe, highly problematic drop in efficacy when transitioning from top-of-funnel engagement to bottom-of-funnel conversion. The proposition that a strong firm reputation leads to higher conversion rates in email marketing campaigns generated an exceptionally low mean of 2.47, classifying it as merely a "Moderate Level of Utilization". This represents the absolute lowest score across the entire empirical matrix provided in this study and exposes a fundamental paradox in MSME digital capability.

While a pristine reputation effortlessly drives passive social media engagement (likes, shares, and superficial visibility), it entirely lacks the dynamic velocity required to trigger direct financial conversions via structured, data-heavy channels like email marketing. Email marketing is inherently distinct from broad, visually driven promotional broadcasting. It requires the systematic harvesting of consumer data, rigorous audience segmentation, highly personalized copywriting, compliance with privacy regulations, and complex technical automation [5].

The drastic drop in the mean score (from 3.42 for social media reach down to 2.47 for email conversion) indicates that MSMEs lack the specialized technological agility to transform their passive goodwill into active direct-response mechanisms. They possess the reputation necessary to attract a massive audience, but they lack the advanced digital marketing infrastructure and analytical prowess to monetize that audience through sustained, personalized retention channels.

## 7.3 Statistical Validation of the Causal Pathway

To definitively quantify the extent to which intangible resources influence digital marketing activities and move beyond descriptive means, a rigorous regression analysis was modeled. This statistical procedure intentionally isolates the direct causal impact of the aggregated intangible resources (acting as the independent variable) on the execution of digital marketing activities (acting as the dependent variable).

**Table 5. The Effect of Intangible Resources on Digital Marketing Activities (Path A)**

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%
Intercept	-1.17313	0.860737	-1.36294	0.178889	-2.90114	0.554868
X Variable 1	1.068049	0.261073	4.090998	0.000153	0.543923	1.592174

The regression output establishes a highly significant, overwhelmingly positive relationship between the utilization of intangible resources and the execution of digital marketing activities. The coefficient for the independent variable (X Variable 1) is 1.068, accompanied by a robust t-statistic of 4.09 and a p-value of 0.000153 ( $p < 0.001$ ).

The overwhelming statistical significance of this model provides the definitive, empirical answer to the core research inquiry of this manuscript. Intangible resources do not merely support or augment digital marketing; they act as the absolute foundational catalysts that dictate the enterprise's ability to execute campaigns. The coefficient of 1.068 indicates a near one-to-one proportional, exponential increase: as an MSME elevates its utilization of employee digital skills, integrates market analytics more deeply, and leverages its reputation more aggressively, its capacity to deploy comprehensive digital marketing strategies expands exponentially.

This finding powerfully synthesizes the theoretical frameworks underpinning the study. Due to structural capital deficits, MSMEs cannot acquire digital market share through brute financial force or massive ad spends; they must rely entirely on their internal capabilities to achieve sustainable competitive advantage [1]. When an enterprise develops a workforce with high digital fluency, it effectively neutralizes the steep learning curve associated with new technological adoption. When that workforce is empowered by market data and operates under the banner of a highly trusted brand, the enterprise cultivates the precise dynamic capabilities required to launch, monitor, and continuously optimize sophisticated digital campaigns [7].

Therefore, the regression proves that technology itself is merely an inert, useless enabling tool. The true strategic driver is the intangible resource base. Without the cognitive capacity to utilize the software, the analytical capacity to understand the market, and the relational capital to secure consumer trust, the most expensive digital infrastructure in the world remains sterile and economically inoperative.

## 8. SYNTHESIS AND STRATEGIC IMPLICATIONS

Moving beyond the primary statistical outputs, the triangulation of this data exposes profound second and third-order implications regarding the digital maturity of MSMEs. The transition from physical commerce to digital omnipresence is fraught with cognitive and structural bottlenecks that prevent enterprises from maximizing their potential, revealing a dangerous reliance on informal structures.

## 8.1 The Danger of the "In-Mind" Strategy Phenomenon

A critical insight derived from synthesizing the high scores in tacit knowledge and daily usage against the low scores in tool effectiveness and email conversion is the prevalence of the "in-mind" marketing strategy. MSMEs exhibit extremely high utilization of daily digital tools and possess vast reserves of tacit customer knowledge, yet they struggle immensely to leverage formal analytics tools effectively or execute complex, multi-step conversion strategies. This dictates that their digital strategy is fundamentally informal and undocumented.

Because small enterprises almost universally lack dedicated marketing departments, business owners and generalist managers rely heavily on their gut intuition and internalized knowledge of their local reputation to guide their daily digital actions. They do not possess formal, documented digital marketing frameworks outlining Key Performance Indicators (KPIs), rigid audience segmentation models, or strict editorial content calendars. While this "in-mind" strategy is highly efficient for generating top-of-funnel awareness allowing a barista or shop owner to quickly post an engaging, authentic photo to social media with zero bureaucratic delay it completely collapses when confronted with tasks requiring systematic, longitudinal data tracking and automated follow-up.

This total reliance on tacit knowledge renders the enterprise highly vulnerable. If the specific employee holding that internalized knowledge departs the organization, the digital marketing capability of the firm is instantly degraded to zero. The lack of formalized, empirical systems represents a structural ceiling on the MSME's growth potential.

## 8.2 Overcoming the Deep Capabilities Gap

The data clearly illustrates a highly polarized digital environment characterized by a "front-end heavy" framework. MSMEs comfortably dominate the highly visible, user-friendly aspects of digital marketing, such as social media interactions, utilizing their foundational digital skills and immense brand trust. However, they systematically, almost universally avoid the "back-end" activities that demand deep technical integration, such as search engine optimization (SEO), automated CRM management, email list building, and data-driven content marketing [6].

This bifurcation reveals a severe, dangerous capabilities gap. MSMEs successfully possess the static resources required by the Resource-Based View, but fail to fully convert them into the advanced dynamic capabilities required by Dynamic Capabilities Theory. The illusion of digital capability generated by high social media engagement (vanity metrics such as likes and followers) masks a deeper, more fatal inability to personalize, predict, and convert digital traffic into sustained, predictable economic value. To survive in increasingly competitive global markets, MSMEs must recognize that baseline digital literacy and social media presence is no longer a competitive advantage; it is merely the bare minimum cost of entry [7]. Sustainable competitiveness requires the deliberate, painful reconfiguration of these basic skills into specialized, highly analytical competencies capable of manipulating complex digital architecture [6, 7].

## 9. CONCLUSIONS AND STRATEGIC RECOMMENDATIONS

The exhaustive empirical investigation into the dynamics of MSME digital marketing execution yields profound insights into the mechanics of resource utilization in highly resource-constrained environments. The analysis conclusively establishes that intangible resources specifically the triad of employee digital skills, access to market analytics, and firm reputation are the primary structural drivers of digital marketing execution. The highly significant statistical relationship ( $p < 0.001$ ) confirms that these non-physical assets act as indispensable catalysts; without them, technological infrastructure remains completely dormant, sterile, and ineffectual.

However, the research exposes a critical, deeply rooted dichotomy in MSME digital maturity. While enterprises excel remarkably in deploying tacit knowledge and established relational capital to drive superficial engagement on highly accessible social media platforms, they suffer from severe operational friction and cognitive overload when attempting to integrate advanced analytics, adopt new software architectures, or execute complex conversion strategies like email marketing. This reliance on an informal, "in-mind" strategic framework renders their digital operations highly vulnerable to systemic inefficiencies, employee turnover, and catastrophic knowledge loss. Intangible assets, while formidable in potential, remain financially dormant in isolation; they only generate tangible, scalable economic value when systematically mobilized and deployed through structured, data-driven marketing campaigns.

To transcend these severe limitations and transition from static resource possession to dynamic, highly profitable market execution, the following strategic interventions are absolutely imperative for MSMEs operating in the digital economy:

First, MSMEs must systematically dismantle the dangerous reliance on the "in-mind" strategy by transitioning aggressively to formalized, thoroughly documented digital marketing frameworks. Enterprises must explicitly define Key Performance Indicators (KPIs) in writing, map target audience segments using empirical analytics rather than gut intuition, and construct rigorous, unyielding content calendars. Formalizing the strategy insulates the firm against human capital turnover, democratizes knowledge within the organization, and forces the integration of objective market analytics into the daily decision-making process.

Second, management must fundamentally and permanently redirect their human resource investments. Rather than assuming baseline digital fluency (knowing how to use a smartphone) equates to professional marketing competency, MSME leaders must actively upskill their workforce in advanced 21st-century competencies. Training budgets must focus explicitly on data interpretation, search engine optimization (SEO), and the mastery of customer relationship management (CRM) software. By partnering with external technological resource centers or engaging in targeted capacity-building programs, enterprises can bridge the execution gap and overcome the structural friction currently associated with new software adoption.

Finally, MSMEs must proactively diversify their digital portfolios beyond the comfortable realm of social media. Relying exclusively on brand reputation to drive organic social media engagement is entirely insufficient for long-term

financial sustainability and scalable growth. Enterprises must gradually but consistently integrate automated, direct-response channels such as robust email marketing campaigns and highly personalized content delivery systems that allow them to systematically harvest consumer data and convert passive public goodwill into active financial retention. By adopting an integrated, holistic model where every single intangible asset is deliberately coupled with a specific, trackable marketing deployment, MSMEs can fully operationalize their resources and secure a highly resilient, highly profitable competitive advantage in the unforgiving global digital economy.

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