

DO INTERNET MARKETING FACTORS WITH ISLAMIC VALUES IMPROVE SME PERFORMANCE?

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ABSTRACT

Internet marketing is regarded as the right business strategy for small and medium-sized enterprises (SMEs) in the current revolutionary era. This study aims to determine the impact of internet marketing factors on improving the business performance of SMEs using the Islamic perspective. Specifically, the aim of this study is to examine how the influence of landing pages, search engine optimisation and customer databases affects SME performance through internet marketing with Islamic values. Statistical testing was undertaken to build and test statistical models in the form of causal models, along with factor analysis, path analysis and regression. The analysis was therefore undertaken using the structural equation modelling (SEM) approach. The research project was conducted among the internet marketer community in Indonesia, with a sample of 245 business units based on the desired criteria. Analysis of the research results shows that the hypotheses in this study as a whole are accepted, from which it can be concluded that a business strategy that uses a combination of internet marketing aspects and Islamic perspectives can be a competitive advantage. This is especially true in the aspects of building consumer trust, categorising consumer preferences specifically and producing broad customer relationship solutions.

Keywords: Landing Page, Search Engine Optimisation, Customer Database, Internet Marketing, SMEs Performance.

JEL Classification: M21; M31; O32.

Article history:

Received : September 16, 2019

Revised : December 3, 2019

Accepted : December 23, 2019

Available online : December 27, 2019

<https://doi.org/10.21098/jimf.v5i4.1101>

I. INTRODUCTION

1.1. Background

Indonesia was ranked 5th for the number of internet users in 2017, with a total of 112.6 million. The Ministry of Communication and Information forecast a significant increase in the following year to almost 123 million internet users. Furthermore, based on the results of the 2010 census, Indonesia is the country with the largest Muslim population in the world, comprising approximately 237 million people and accounting for 87.18% of the country's total population. Business units can thus be informed by this data when implementing their product marketing strategies using internet media and Islamic values. Small and medium-sized enterprises (SMEs) make a very substantial contribution to economic growth, the availability of jobs and product innovations at the same time as helping to build a social climate in the economy (Williams, Manley, Aaron, & Daniel, 2018). These business units also contribute to the use of products in niche markets and the development of new technologies (Halabi, Dyt, & Barrett, 2010). Given the limitations of SMEs with regard to various internal strategies, it is relevant for experts and researchers to contribute to the use of appropriate strategies that have a positive impact on their business performance.

Electronic marketing (e-marketing) offers a new marketing paradigm for individuals, organisations, business entities and policymakers. According to Taiminen and Karjaluto, e-marketing can be defined in several ways according to promotional needs (Taiminen & Karjaluto, 2015). Chaffey states that e-marketing refers to the use of electronic communication technology, which includes the internet, websites, email and wireless media, as well as traditional marketing media, for the purpose of obtaining and providing services to customers (Chaffey, 2006).

Recently, the use of electronic communication technology has revolutionised the marketing perspective. The application of electronic communication technology in marketing involves a range of different actors, namely suppliers, sellers, organisations, individuals and SMEs, all of whom can seize opportunities in large markets, advertising media, distribution channels and platforms for buying and selling transactions (Taiminen & Karjaluto, 2015). The form of e-marketing used depends on the interests of the business entity in question, as long as they can develop their ability to explore the opportunities that arise from e-marketing. Although e-marketing is not commonly used in developing countries, it is still a new marketing concept (El-Gohary, Trueman, & Fukukawa, 2010). By utilising e-marketing, business entities, especially SMEs, will be able to exploit the opportunities it can provide where they otherwise have to contend with a lack of business infrastructure, limited resources and strong competition (Taiminen & Karjaluto, 2015).

Although many benefits are predicted to arise from the emergence of e-marketing, further research is nevertheless needed to explain its broader effects on marketing practices (Jean & Kim, 2019). Brown, Broderick, and Lee, in their research, stated that there had been an increase in e-marketing pressure so that the application of e-marketing is positively related to performance and can provide a competitive advantage (Brown, Broderick, & Lee, 2007). Tsiotsou and Vlachopoulou, meanwhile, found that market orientation contributes to the

performance of business entities through e-marketing, both directly and indirectly (Tsiotsou & Vlachopoulou, 2011). In another study, Iddris and Ibrahim state that the e-marketing adoption factor significantly influences the rate of e-marketing adoption among SMEs but does not have a significant impact on SME marketing performance (Iddris & Ibrahim, 2015).

Several studies have found marketing strategy indicators in small business enterprises to be unstructured and not fully approved (Keh, Nguyen, & Ng, 2007), with a preference for expertise in application identified, along with inadequate supporting resources (Rocks, Gilmore, & Carson, 2005). As marketing strategies help companies to generate more value for consumers, they therefore contribute directly to the growth of business performance (Sephton, 2012).

However, the existing research on marketing strategies in e-marketing is mainly related to large companies in developed countries. So far, there has been very little research conducted on e-marketing strategies in developing and Islamic countries, with researchers up to now having tended to analyse e-marketing from a small business perspective. Also, several studies have identified deficiencies and insufficient empirical evidence on the conceptual study of the relationship between e-marketing and the marketing performance of SMEs. Therefore, this study seeks to fill the gap in the relationship between internet marketing factors and SME performance. This is because the relationship between the e-marketing and marketing performance of SMEs can help management make strategic decisions.

This research will employ Islamic values in studying the e-marketing and marketing performance of SMEs. This approach differs from that taken by previous research, which has not used Islamic values. Islamic marketing is a strategic business discipline that guides the process of creating, offering and changing the value of one initiator to its stakeholders, and the whole process follows the contract and principles of Islam (*muamalah*). In fact, business behaviour is a widely debated topic owing to the fact that many business people are largely oriented towards the capitalist model (Sandikci, 2011). Such conditions pose a threat to business transactions in that poor business behaviour will lead to a loss of the belief system and result in dishonesty, thus creating further delays in market economic growth (Tournois & Aoun, 2012). This is especially true for digital businesses, which open up wide opportunities for business people to use non-halal ways to earn profits. In this phase, the concept of Islamic business serves as a guideline for every Muslim business person in implementing marketing strategies in e-marketing that are expected to improve business performance.

1.2. Objective

It remains very rare for SMEs to make extensive use of internet marketing as a business strategy, especially for SMEs that operate according to Islamic principles. This study formulates three determinants of internet marketing, namely landing page, search engine optimisation (SEO) and customer database. The Islamic approach is used to assess internet marketing, landing pages, SEO, customers and SME performance in terms of halal products and processes. This study aims to generate raw material in terms of how business strategies employ internet marketing in the context of Indonesian SMEs with aspects that exist in Islam. It is

expected that a deepening of internet marketing using the Islamic perspective will enable the continuous development of SMEs and help to create maximum Islamic economic growth. More specifically, this study aims to achieve the following objectives: (1) to analyse whether internet marketing has a positive effect on SMEs' business performance; (2) analyse whether the landing page has a positive effect on internet marketing; (3) analyse whether search engine optimisation has a positive effect on internet marketing; (4) analyse whether the customer database has a positive effect on internet marketing; (5) analyse whether the landing page has a positive effect on SMEs' performance; and (6) analyse whether the customer database has a positive effect on SMEs' performance.

II. LITERATURE REVIEW

2.1. Background Theory

2.1.1. Islamic Marketing

The most important understanding in Islam is Tawheed, which is a concept adhered to by Muslims in their lives in both the world and the hereafter (Arham, 2010). This principle states that everything is the work of God and therefore humans are God's representatives who are entitled to everything in the world (Wilson, 2012). In the context of the terms of commerce, in Islam, justice and honesty are the keys to success. Upholding justice and honesty becomes a consideration for consumers because humans are considered the same before God (Arham, 2010; Jafari, 2012). In commerce, marketing is an aspect that is considered important. It is important in sales growth, which means it has direct implications for commercial performance (Kadirov, 2014). The Islamic world understands marketing as it was clearly described by the Prophet Muhammad as a role model for successful business people. The aspects of marketing in Islam must be in line with the Quran and the Hadith, and marketing practices are based on the Islamic perspective for the benefit of Muslims (Ahmad, 2018).

Based on the principles and values contained in the Al Quran and Hadith, Islamic marketing is defined as a policy to provide customer satisfaction, through lawful behaviour, products and services, and agreed to by both parties (Ashraf, 2019). Islamic marketing is also defined as a 'mind breakthrough' in accordance with the morals, ethical norms and values contained in Islam (Wilson, 2012). The Islamic marketing system must be in harmony with change and interact with other social systems; going further, however, this change is modified based on Islamic values and principles. Thus, the welfare of the Muslim community can be achieved, in addition to the welfare unnoticed past the boundaries of religion (Al Badi, 2019; Kadirov, 2014).

2.1.2. Islamic Perspective on SMEs

From their definition, it can be seen that SMEs are not characterised or represented by any definite size, and various articles have pointed to different sizes of SMEs in various economic sectors, including services, manufacturing, transportation and others (Gofman, Moskowitz, & Mets, 2009). In general, new companies that survive in their first year directly enter the world of SMEs (Kurt, Sinkovics, Sinkovics, &

Yamin, 2020). SMEs, regardless of their scale, exhibit specific traits such as their uncontrollable view of the macroeconomy, a reliance on innovation as the main driving force and the classic problem of limited resources (Gilmore, Gallagher, & Henry, 2007; Gofman et al., 2009; Soule et al., 2019). From the perspective of Islam, SMEs are very closely related to trade; indeed, being an entrepreneur and trading is highly recommended in Islam as an activity taught and recommended by the Prophet Muhammad SAW. Here, honest actions and the avoidance of usury are characteristic of the Prophet in commerce. The Qur'an and hadith explain the importance of commerce in relation to SMEs as follows:

'... so that the treasure does not circulate among rich people only among you. what the Prophet gave you, then accept it. leave what he forbids. and fear Allah. Verily Allah is severely punished.' (QS Al Hasyr: 7)

'... I offer Abdurrahmah a woman to marry and also a treasure. But Abdurrahman said: "may Allah bless your family and your wealth, but it is enough to show where the market is". Then there he got a profit in the form of aqith and samin oil.' (HR Bukhari: 3937)

2.1.3. Islamic Perspective on Internet Marketing

Internet marketing can be applied in accordance with an Islamic perspective, but the application of this strategy must comply with the values in the Quran and Hadith. Internet marketing itself is a technological approach, focusing on connection speed and acceleration (Tan, Chong, & Lin, 2013). The internet remains a significant marketing strategy in the revolutionary economic era; people of all ages adjust their paradigms and then use services with internet facilities to make ends meet (Tan, Chong, Lin, & Eze, 2009). This adjustment presents business opportunities, results and growth (Varadarajan & Yadav, 2009). In internet marketing, trust is the key to building loyalty (Pomirleanu, Schibrowsky, Peltier, & Nill, 2013), security and privacy can guarantee a sense of security, while prices and policies can improve purchasing decisions (Chen & Chang, 2003). Referring to the Islamic perspective, this strategy requires four approaches: (1) Goods or services are commodities that are in accordance with Islamic values; goods or services are halal, decent, free of gharar and usury commodities, and are honestly defined; (2) There is clear communication – constant communication can reduce suspicion by various parties; (3) There are two forms of cancellation policy: an offline (real world) and an online system; (4) The products purchased by customers must be shipped on the date promised and free from fraud (Amin, 2008; Ibrahim, Noor, & Mehad, 2009).

2.1.4. Landing Page

Landing pages are tools that enable consumers to do something specific (Kozielski, Mazurek, Miotk, & Maciorowski, 2017). Their aim is to close product sales using internet media (Hanafizadeh, Behboudi, Ahadi, & Varkani, 2012). Landing pages can be distinguished into two types based on their purpose, namely, click-through and lead generation. Click-through focuses more on the amount of content displayed, while lead generation is more about the speed with which a sale can

be closed through the content displayed (Gofman et al., 2009). The content itself contains the range of information needed and is useful in terms of making it easier for consumers to adjust their product preferences so that the buying and selling process can be carried out (Bhandari & Bansal, 2018). Landing pages help people who were not familiar with the products and services offered by SMEs to become acquainted with them and ultimately want to make transactions. In principle, people enter and then voluntarily provide their names and e-mail addresses because the topics and information on the landing page have caught their attention. These people will become valuable assets for SMEs, as business partners, communities and buyers.

2.1.5. Search Engine Optimisation (SEO)

The internet has become an information-rich medium where users can interact and find pages according to their preferences. In an internet search engine, media are third parties that act as intermediaries and connect users to the pages that contain the information they are looking for (Onaifo & Rasmussen, 2013). When users use a media 'search', data-based pages are processed through an algorithm in sequence, sorted based on their relevance to the user and then published as the best results of a search (White, 2013). SEO techniques can be divided into two, namely black hat SEO and white hat SEO. Black hat SEO is oriented towards a method that is prohibited (negative content) while white hat SEO is oriented more to the quality of content and legal aspects that do not violate the convenience of internet users (Gandour & Regolini, 2011). The purpose of SEO is to make a website appear on the first page of internet search engine results to enable consumers to easily find it. Thus, it is hoped that SMEs can develop their marketing and generate increased sales. In order for this SEO technique to provide benefits to SMEs, it requires the support or participation of the surrounding community to activate the group members. SME actors with websites can also link their own websites (linking). This needs to be carried out on a massive scale to ensure that the website appears on the first page of internet search engines.

2.1.6. Customer Database

Data-based marketing is a systematic approach to the collection, consolidation and processing of consumer data managed by companies (Stone, 2012). Consumer data are processed based on segmentation, services and specific individual preferences to produce personalised communication (Wilson, 2008). This marketing database can include a variety of data, including demographic information and data related to the bank accounts, telephone numbers and social media of consumers (Liu, 2019). This consumer database processing can be used as research media, broadcasting media and product penetration media that follow buyer preferences (Sparks, 2012). The customer database is often used to create customer relationships, which is an SME strategy that is used to cultivate and reward customers (O'Leary, Rao, & Perry, 2004). In essence, an SME will seek to build stronger bonds with customers aimed at maximising customer loyalty.

2.1.7. Islamic Value

Linked to this pattern of internet marketing, the classical Islamic realm has a pattern of transactions that is not substantially different, namely ba'i salam (as-salam). Ba'i salam is the exchange of goods for money whose delivery is deferred until an agreed time (Widiana & Annisa, 2018). In this pattern, certain provisions must be fulfilled, namely provisions regarding payment, provisions on goods and provisions on the delivery of goods (Wiroso, 2009).

Table 1.
Terms of As-Salam Agreement

Payment	An instrument of payment must be mutually agreed
Terms	Payment is made after the contract agreement
	The characteristics and specifications of a product must be clear
Product	Submission is made later
Terms	Time and place are mutually agreed
	It is permissible to exchange goods of the same type and specifications
	Delivery of the product must be made on time according to the agreement
Delivery	If the product delivered is of a higher or lower quality, the seller has no right to ask for additional payment
Terms	In the event of any damage to or incompatibility of a product agreed mutually, the buyer has the right to cancel or exchange the product without any loss

Source: Developed from Wiroso (2009)

Regarding the content presented by this internet marketing strategy, it should not violate the values in the Qur'an and Hadith. Content should emphasise the positive values in society, use polite language that does not attack the other party and focus on product penetration using the halal process. In its application, the seller must also provide security in the process of buying and selling, using wisely any buyer data obtained, protect the privacy of buyers and emphasise the buyer's convenience in using the internet. The proof for use as a reference is as follows (Murtaza, 2015):

'For those who believe, if you trade not in cash for a specified time, you should write it correctly ...' (QS Al Baqarah: 282)

'Whoever makes Salam, he should do with a clear measure and a clear scale too, for a known time' (HR. Bukhari & Muslim)

2.2. Previous Studies

Research on the topic of internet marketing using Islamic values is still quite rare. The literature used in this research area uses a common function; the authors emphasise the paradigm of integration–interconnected science in the thought process (see Table 2). This paradigm emphasises the variety of different disciplines that are interrelated and involve active-dynamic. Several studies have demonstrated the results of using the internet that offers benefits following consumer preferences, accurate pricing and effectiveness of marketing reach, which directly increases the performance of SMEs (Quinton & Khan, 2009). Furthermore, mastery of the search

engine and customer database can improve the accuracy of customer preferences and customer traffic needs (Bhandari & Bansal, 2018; Gandour & Regolini, 2011; Wilson, 2008).

Jean and Kim, in their research, empirically evaluated a theoretical framework of the effects of internet capability, which consists of platform and web capabilities, on the product marketing capabilities and performance of SMEs (Jean & Kim, 2019). The findings showed that platform and web capabilities were positively related to product marketing capabilities and SME performance. Besides, product complexity and competition intensity moderate the influence of platform and web capabilities on product marketing capabilities. This was in contrast to Quinton and Khan, who attempted to formulate a new model of web traffic management in SMEs. The findings prove that the combined use of press release distribution and directory submissions increases traffic generation to websites (Quinton & Khan, 2009).

Wilson explains how online file e-mailing can be used as a guide in efforts to identify preference and new business prospects (Wilson, 2008). The results show that managing an internet database properly can improve the competitive position of a business. In the revolutionary era, people are required to rethink the fundamental needs of business and institutional forms as their marketing strategy (Varadarajan & Yadav, 2009). Furthermore, it is hoped that the marketing strategy and marketing operations will be more integrated into the digital market environment. Gandour and Regolini, in their research, showed it took almost a week after an SEO campaign to see the effect of site optimisation in terms of achieving better rankings for relevant keywords and bringing in more visitors (Gandour & Regolini, 2011). Bhandari and Bansal found that an increased understanding of the impact of SEO on various marketing parameters can be used to help marketers develop appropriate and effective strategies (Bhandari & Bansal, 2018).

Table 2.
Previous Studies

No	Author	Title
1	Jean and Kim, 2019	Internet and SMEs' Internationalization: The Role Of Platform and Website
2	Quinton and Khan, 2009	Generating Website Traffic: A New Model for SMEs
3	Wilson, 2007	The Use of an Online Commercial Database as a Source of Competitive Advantage for Developing Marketing Strategies

Source: Various sources gathered by the authors

No	Author	Title
4	Varadarajan and Yadav, 2009	Marketing Strategy in an Internet Enabled Environment: A Retrospective on the First Ten Years
5	Gandour and Regolini, 2011	Website Search Engine Optimization: a Case Study of FragforNet
6	Bandari and Bansal, 2018	Impact of Search Engine Optimization as a Marketing Tool for SMEs

Source: various sources gathered by the authors

III. METHODOLOGY

3.1. Data

This research was conducted using seminars and training among the internet marketer community, with a total population of 453 trainees and seminars in the cities of Semarang, Bandung, Yogyakarta and Kediri. The cities were selected based on data from the central statistical agency as those areas with the best SME development in Java. Samples were analysed using purposive sampling techniques with the following criteria: (a) small and medium business unit; (b) have used the internet in marketing for at least one year; (c) sell halal products; and (d) use online and offline media in their business. Based on these criteria, the sample in this study amounted to 245 SME units, which is a sufficient size according to Hair, Black, Babin, and Anderson (2010).

3.2. Model Development

3.2.1. Internet Marketing Effect on SMEs' Performance

The mastery of a high level of internet marketing is likely to provide the ability to continually scan and monitor the operating environment with the aim of finding new opportunities and strengthening the company's competitive position (Qashou & Saleh, 2018). As part of the anticipation and monitoring of their environment, companies look for information that can help them increase the range of needs of their customers, manage their risk-taking and challenge their competitors (Ahmed, Ab Hamid, Gani, Khan, & Khan, 2019; Rocks, Gilmore, & Carson, 2005). Studies that have been carried out have shown empirically that the use of this strategy in operational terms can help reduce the cost of sale (Gilmore et al., 2007) and that the implementation of internet marketing can also reduce the risk of marketing the run (Jean & Kim, 2019). Supporting these results, his research states that high internet use has a positive effect on the performance of SMEs.

H1: Internet marketing has a positive effect on SMEs' business performance.

3.2.2. Landing Page Effect on Internet Marketing

Internet marketing in terms of acceptance and implementation was positively affected by the benefits of the use of websites and social media support (Heang & Khan, 2015; Rocks et al., 2005). This means that the use of landing pages delivers the highest probability of acceptance and implementing marketing as a platform for interaction with consumers (Kurt et al., 2019; Wilson, 2003). Empirically, the use of an effective and attractive landing page has a positive effect on internet marketing (El-Gohary, Trueman, & Fukukawa, 2010). This statement supports the results obtained for trust and the exact contents of the most important role in the success of internet marketing in relation to approach things .

H2: Landing page has a positive effect on internet marketing.

3.2.3. Search Engine Optimisation Effect on Internet Marketing

The benefits of SEO are the administration of sales and the ease of access by consumers online as the core of the internet strategy (Bhandari & Bansal, 2018).

Perfecting this SEO strategy enables traffic to be drawn to the site (Gandour & Regolini, 2011). SEO can both drive and increase the movement of consumer traffic and then help them to directly expand the reach of internet marketing (Quinton & Khan, 2009). SEO is an important tool when marketer visibility takes precedence. It has been empirically proven that superior SEO has a positive effect on a company's market share (Gandour & Regolini, 2011).

H3: Search engine optimisation has a positive effect on internet marketing.

3.2.4. Customer Database Effect on Internet Marketing

Data awareness is a must, and compatibility according to statistics is important when talking about consumer preferences (Kurt et al., 2019; Wilson, 2008). The customer database is useful as a benchmark for marketing policy, and decision-making based on sales history is mandatory. Empirically, it is proven that there are very real implications of customer databases on the segmentation of a product (Wilson, 2012). Supporting this statement, research has revealed that the customer database can facilitate a digital marketer to work professionally and precisely where he will sell his products (Varadarajan & Yadav, 2009).

H4: Customer database has a positive effect on internet marketing.

3.2.5. Landing Page Effect on SMEs' Performance

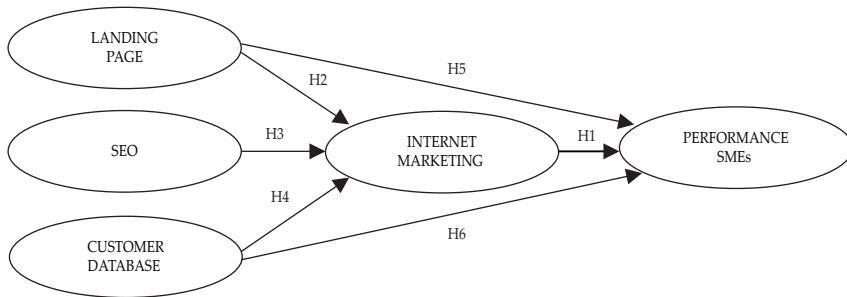
Landing pages are usually used as part of a company's marketing strategy. The aim is for customers opening the company's content to become interested in knowing about the products being sold (Jean & Kim, 2019). The implementation of a landing page marketing strategy involves creating an attractive design, so that visitors go beyond an interest in seeing the product and immediately buy it. It has been empirically stated that the landing page has a positive effect on company performance (Heang & Khan, 2015; Qashou & Saleh, 2018). In line with these results, Gilmore, Gallagher, and Henry (2007) assert that the use of landing pages in internet marketing strategies can increase profitability (Gilmore et al., 2007).

H5: Landing page has a positive effect on SMEs' performance.

3.2.6. Customer Database Effect on SMEs' Performance

In order to derive greater benefit from their existing customers, companies need to manage their databases (Wilson, 2003). From this data processing, a company can form various marketing programmes and strategies, as well as services, that are appropriate and correctly targeted (Jean & Kim, 2019; Varadarajan & Yadav, 2009). Empirically managing the customer database can increase the effectiveness and accuracy of product sales (Heang & Khan, 2015). Other studies have also implied that the customer database has a positive effect on sales growth (Kurt et al., 2019). This supports the finding from two studies conducted that greater database management can provide a competitive advantage for SMEs (Jean & Kim, 2019).

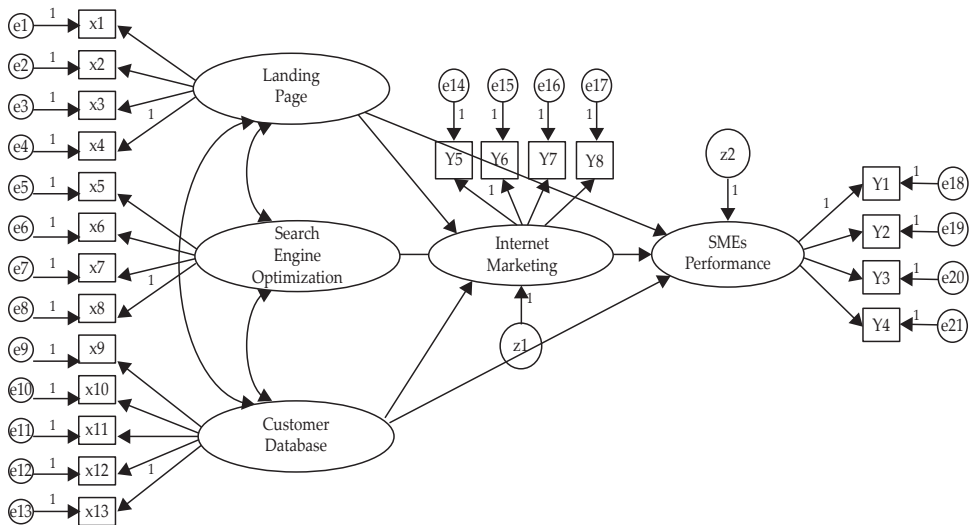
H6: Customer database has a positive effect on SMEs' performance.



Source: Various sources gathered by previous studies

Figure 1.
Conceptual Framework

The model in this study is built from existing business phenomena, where SME business performance is a matter that needs attention (see Figure 1). Referring to the problem, we need a model that can both describe and serve as a solution in order for SMEs to be able to improve business performance. The model was built based on some of the results from the studies previously presented. The next theoretical model is illustrated using a path diagram, which aims to make it easier to see the causality relationship to be tested (see Figure 2).



Source: Various sources gathered by previous studies

Figure 2.
SEM Path Diagram

Table 3.
Research Indicators and Variables

No	Variable	Islamic Value	Indicator	Symbol	Source
1	Performance	Based on the values of the Qur'an and Hadith	Sales Growth	Y1	Meutia & Ismail (2012) and Li et al. (2004)
			Customer Growth	Y2	
			Asset Growth	Y3	
			Capital Growth	Y4	
2	Internet Marketing	Meet the conditions based on the as-salam agreement	Traffic Source	Y5	Jean & Kim (2019) and Kozielski et al. (2017)
			Click-through Rate	Y6	
			Conversion Rate	Y7	
			Social Engagement	Y8	

Source: Various sources gathered by the authors

No	Variable	Islamic Value	Indicator	Symbol	Source
3	Landing Page	Emphasise positive content, halal process and use of polite language	Website	X1	Gofman et al. (2009) and Kozielski et al. (2017)
			Email	X2	
			Social Media	X3	
			Marketplace	X4	
4	Search Engine Optimisation	Using legal methods and emphasising the convenience of using internet media	Keyword Research	X5	Quinton & Khan (2009) and Bandari & Bansal (2018)
			Competitor Analysis	X6	
			Site Structure	X7	
			Link Building	X8	
5	Customer Database	Maintain the confidentiality of consumers data and use consumer data wisely	Number Phone	X9	Kozielski et al. (2017) and Wilson (2007)
			Social Media Account	X10	
			Email Account	X11	
			Bank Account	X12	
			Profile Information	X13	

Source: Various sources gathered by the authors

3.3. Method

Structural Equation Modelling (SEM) is a multivariate technique that combines aspects of factor analysis and multiple regression and allows researchers to simultaneously analyse a series of interrelated dependency relationships between the measured variables and latent variables, as well as among several latent variables (Hair, Black, Babin, & Anderson, 2010).

This research carried out SEM using AMOS software. SEM prioritises technical analysis to be more challenging (confirmation) than to explain. That is, a further study uses SEM to determine whether or not a particular model is valid rather than to determine whether a particular model is suitable or not, while SEM

analysis often involves elements used to explain. SEM analysis includes various statistical analyses such as path analysis, confirmatory factor analysis (CFA), root mean square area (RMSEA), causal modelling with latent variables and analysis of multiple regression variants (Anwar, Rehman, & Shah, 2018). SEM is used because of the complexity of the model in this study, to enable a proper analysis of the hypothesis testing.

IV. RESULTS AND ANALYSIS

4.1. Results

4.1.1 Measurement Model

Various tests were conducted prior to SEM testing, using SPSS software, to test whether the data used met the assumptions needed for covariance-based SEM. The first test entailed an analysis of reliability and validity and aimed to determine whether the research questionnaire was feasible to use. The analysis was performed using Cronbach's alpha testing (>0.6) and corrected item-total correlation (<0.4). The test results show that the Cronbach's alpha and corrected item-total correlation value for each variable follow the parameters (see Table 4).

Table 4.
Reliability and Validity Test

No	Variable	Cronbach's Alpha	Corrected Item-Total Correlation	Conclusion
1	Landing Page	0.831	0.828	Accepted
2	Search Engine Optimisation	0.814	0.845	Accepted
3	Customer Database	0.822	0.839	Accepted
4	Internet Marketing	0.819	0.828	Accepted
5	KinerjaBisnis	0.814	0.819	Accepted

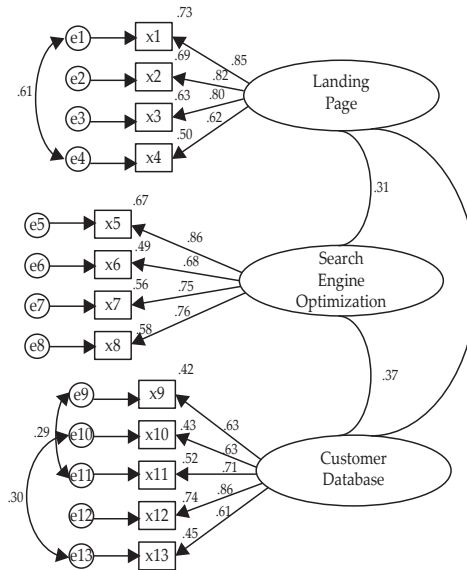
Source: Data processed, 2019

Subsequent testing involved CFA using exogenous and endogenous constructs (see Table 5). Analysis of the results of the CFA for exogenous construct reveals $CMIN / DF = 1.171$, $GFI = 0.94$, $AGFI = 0.92$, $CFI = 0.99$, $TLI = 0.94$, $RMSEA = 0.026$, $Chi-Square = 20.261$, $Probability = 0.38$. The results of data processing for the CFA endogenous construct showed $CMIN / DF = 1.078$, $GFI = 0.89$, $AGFI = 0.91$, $CFI = 0.94$, $TLI = 0.96$, $RMSEA = 0.021$, $Chi-Square = 21.234$, $Probability = 0.29$. The parameters produced are evaluated to be within the recommended limits.

Table 5.
Confirmatory Factor Analysis Testing Results

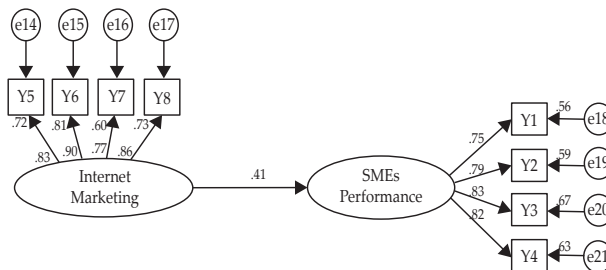
Goodness Of Fit Index	Cut-Off Value	Construct Exogenous		Construct Endogenous	
		Result	Evaluation	Result	Evaluation
Chi-Square	< 21.774	20.261	Good	21.234	Good
Probability	≥ 0.05	0.38	Good	0.29	Good
RMSEA	≤ 0.08	0.026	Good	0.021	Good
GFI	≥ 0.90	0.94	Good	0.89	Marginal
AGFI	≥ 0.90	0.92	Good	0.91	Good
CMIN/DF	≤ 2.00	1.171	Good	1.078	Good
TLI	≥ 0.95	0.94	Marginal	0.96	Good
CFI	≥ 0.95	0.99	Good	0.94	Marginal

Source: Data processed, 2019



Source: Data processed, 2019

Figure 3.
Confirmatory Factor Analysis Construct Exogenous



Source: Data processed, 2019

Figure 4.
Confirmatory Factor Analysis Construct Endogenous

4.1.2. Structural Model

The final test is an analysis of SEM as a full model, following unidimensional analysis of the level of the indicator forming a latent variable tested using CFA. Analysis of the data processing results at the full-model stage was carried out by conducting suitability tests and statistical tests (Anwar et al., 2018; Camgoz-Akdag & Zaim, 2012; Hair et al., 2010). Analysis of the results of the CFA showed CMIN / DF = 1.077, GFI = 0.90, AGFI = 0.89, CFI = 0.96, TLI = 0.95, RMSEA = 0.021, Chi-Square = 21.134, Probability = 0.29. The parameters generated by this analysis are evaluated as being within the recommended limits (Table 6).

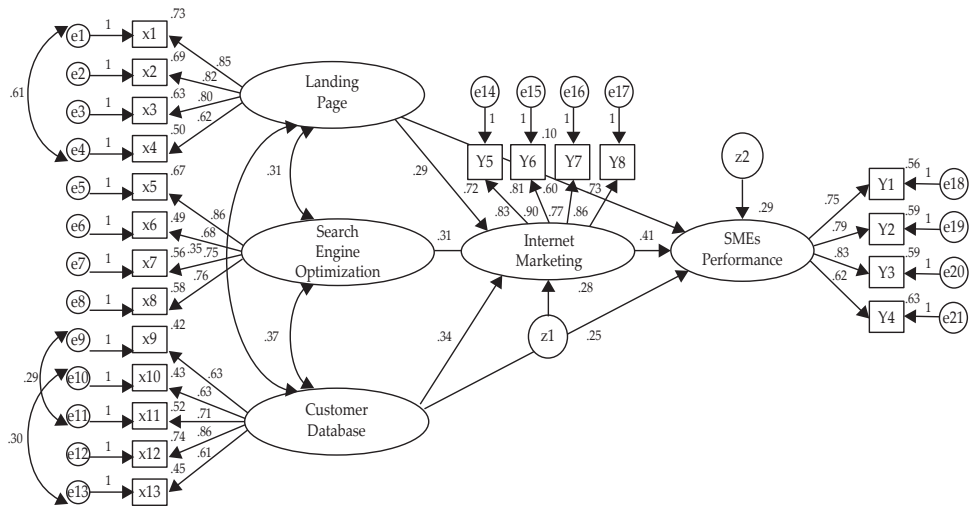


Figure 5.
Confirmatory Factor Analysis Construct Full Model

Table 6.
Confirmatory Factor Analysis Testing Results

Goodness Of Fit Index	Cut-Off Value	Full Model	
		Result	Evaluation
Chi-Square	< 21.774	21.134	Good
Probability	≥ 0.05	0.29	Good
RMSEA	≤ 0.08	0.021	Good
GFI	≥ 0.90	0.90	Good
AGFI	≥ 0.90	0.89	Marginal
CMIN/DF	≤ 2.00	1.077	Good
TLI	≥ 0.95	0.95	Good
CFI	≥ 0.95	0.96	Good

Source: Data processed, 2019

4.2. Analysis

After testing to establish that all of the assumptions were fulfilled, the hypothesis testing was analysed using the value of the critical ratio (CR) and probability (P) of a causality relationship through the operation of SEM, using CR value parameters >1.96 and $P < 0.05$ (Anwar et al., 2018; Hair et al., 2010). The following are based on the results of the analysis (see Tables 7 and 8): internet marketing has a positive effect on SMEs' performance (CR = 3.89, $P = 0.01$, H1 supported); landing page has a positive effect on internet marketing (CR = 2.71, $P = 0.01$, H2 supported); search engine optimisation has a positive effect on internet marketing (CR = 3.25, $P = 0.01$, H3 supported); customer database has a positive effect on internet marketing (CR = 2.96, $P = 0.03$, H4 supported); landing page has a negative effect on SMEs' performance (CR = 1.11, $P = 0.23$, H5 not supported); and customer database has a positive effect on SMEs' performance (CR = 2.15, $P = 0.00$, H6 supported). It can thus be concluded that the hypotheses in this study as a whole are confirmed, with the exception of Hypothesis 5 (Table 8) because the resulting parameters show the values of $CR = 1.11 < 1.96$ and $P = 0.23 > 0.05$, meaning the conditions for acceptance of this hypothesis are not fulfilled.

Table 8 shows the standardised direct effect, standardised indirect effect and total effect of the particular variables. In the study, the total effect of landing page on SMEs' performance (through internet marketing) is (estimate = 0.397), and customer database on SMEs' performance (through internet marketing) is (estimate = 0.58). The direct effect of the landing page on SMEs' performance is (estimate = 0.103), while that of the customer database on SMEs' performance is (estimate = 0.248). The indirect effect of the landing page on internet marketing is (estimate = 0.294), search engine optimisation on internet marketing (estimate = 0.312) and customer database on internet marketing (estimate = 0.337). The total effect of internet marketing on SMEs' performance is (estimate = 0.409).

Table 7.
Regression Weight Structural Equation Model

Relationship			Estimate	SE	CR	P
Internet Marketing	<--	Landing Page	0.294	0.138	2.715	0.015
Internet Marketing	<--	Search Engine Optimisation	0.312	0.078	3.253	0.010
Internet Marketing	<--	Customer Database	0.337	0.124	2.964	0.037
SMEs Performance	<--	Landing Page	0.103	0.084	1.113	0.232
SMEs Performance	<--	Customer Database	0.248	0.112	2.158	0.000
SMEs Performance	<--	Internet Marketing	0.409	0.223	3.897	0.016

Source: Data processed, 2019

Furthermore, based on the data, internet marketing has a positive effect on SMEs' performance. Internet marketing has been shown empirically to act as a business strategy that is broadly capable of reaching customers so that customer growth can increase significantly. Therefore, these results support the research of Quinton and Khan (2009) showing that the use of the internet increases the marketing reach of SMEs. But unlike Varadrajana and Yadav (2009), who argue

that the use of the internet directly can improve the ability to determine prices and preferences accurately, our results tend to show that this internet strategy requires the implementation of supporting factors by SMEs. Landing pages empirically act as a factor in the quality and capability of using platforms in internet marketing. These results support the opinion of Jean and Kim (2019) that platform and web capabilities support marketing capabilities. SEO plays an important role in terms of boosting traffic. It is empirically understood that traffic is very important for expanding market share. These results are consistent with the findings of Bhandari and Bansal (2018) that SEO offers a prominent advantage in increasing market share, to the point of having a positive long-term effect. While the customer database plays a role in determining consumer preferences for products and accelerating growth in new business, these results support the findings by Wilson (2007) that online email can be used as a guide in identifying the preferences and growth of a new business.

Table 8.
Hypotheses Results

Relationship	CR	P	Result
H1 Internet marketing has a positive effect on SMEs' performance.	3.89	0.01	Accepted
H2 Landing page has a positive effect on internet marketing.	2.71	0.01	Accepted
H3 Search engine optimisation has a positive effect on internet marketing.	3.25	0.01	Accepted
H4 Customer database has a positive effect on internet marketing.	2.96	0.03	Accepted
H5 Landing page has a negative effect on SMEs' performance.	1.11	0.23	Rejected
H6 Customer database has a positive effect on SMEs' performance.	2.15	0.00	Accepted

Source: Data processed, 2019

V. CONCLUSION AND RECOMMENDATION

5.1. Conclusion

Statistically, analysis of the results shows that the hypotheses in this research as a whole are accepted. It can thus be concluded that the use of internet marketing as a strategy can impact the ability of SMEs to expand the range of business functions that focus on the customer, so that the customer growth achieved can be utilised in improving the overall performance of SMEs. A deepening of the factors of internet marketing can also lead to an increase in the ability to use digital platforms in marketing, expand the scope of market share, increase the quality of consumer preferences for products and accelerate the growth of new business for SMEs. This research differs from previous studies through its use of Islamic values in determining performance indicators, internet marketing, landing page, search engine optimisation (SEO) and customer database. Internet marketing strategies should not be at variance with the values contained within the Quran and Hadith. For example, in terms of the choice of content, strategies must emphasise positive values in the community, use polite language and not attack others, at the same time as focusing on improving products using halal processes.

5.2. Recommendation

The results of this research may be used by regulators such as Bank Indonesia, the National Committee for Islamic Finance (KNKS) or related regulators. Active policies and activities are needed in terms of stimulus, such as the implementation of intensive training in the use of internet marketing with Islamic values for SMEs, easy access to servers and free domains for small businesses, in order to facilitate the significant growth of new businesses that hold Islamic values.

For SMEs, it is better to improve the ability to design internet marketing strategies, which means a deepening of mastery related to various technologies, especially with regard to internet marketing factors. Furthermore, in relation to increasing SMEs' performance, the internet marketing strategy must be adjusted to consumers' preferences by not moving away from Islamic values.

This study has a limitation in relation to the deepening of the variables as a whole. It is thus recommended that further research seeks to deepen each variable while integrating with Islamic values, such as by deepening the application of landing pages specific to SMEs, SEO operations, the effective utilisation of customer databases and other factors in this study.

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