

Mediating Effect of Digital Marketing Capability on Marketing Effectiveness of Community Enterprises in Nakhon Pathom Province, Thailand

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ABSTRACT

Most community enterprises in Thailand are not successful because of limited marketing channels and technology. The purpose of this paper is to examine the effect of platform capability and web capability on marketing effectiveness with a consideration of the mediating effect of digital marketing capability to community enterprises in Nakhon Pathom Province, Thailand. The study uses a multi-stage sampling method surveying 400 community enterprise members in Nakhon Pathom Province. The model applies and combines the concepts of dynamic capability. Data analysis uses structural equation modelling and the LISREL program for path analysis and testing the congruence of the causal relationship model. The causal model of factors influencing marketing effectiveness significantly fits the empirical data. The fit statistics are $\chi^2 = 349.046$, $df = 245$, $p\text{-value} = 0.158$, $\chi^2/df = 1.425$, $RMSEA = 0.024$, $NFI = 0.996$, $NNFI = 0.998$, $CFI = 0.996$, $RMR = 0.024$, $SRMR = 0.024$, $GFI = 0.933$ and $AGFI = 0.910$. The results show that digital marketing is a full mediating effect of platform and web capabilities on marketing effectiveness of community enterprises. Community enterprises need to implement more online marketing channels for better performances. Moreover, the study serves as a guideline for developing community enterprises and the capability level of grassroots, which are a significant base of local economic development of Thailand. Importantly, grassroots development has been a national agenda of the Thai government.

Keywords: *Community enterprise, mediating effect, dynamic capability, marketing effectiveness, digital marketing.*

INTRODUCTION

Sustainable development has been the keyword of the Thai government to strengthen the community and society. It is a solid foundation of the country's strategies endorsed in the 12th National Economic and Social Development Plan (12th NESDP) and the subsequent 13th National Economic and Social Development Plan (2023-2027). As the world's situations are rapidly changing and connected more closely, the "Philosophy of Sufficiency Economy" introduced by King Rama IX has served as a solid base guiding the country's development as prescribed in the national economic and social development plans. As a result, the country's development strategies put emphasis on balanced and sustainable development in a society where most of the people are centred on rural development. Various stakeholders in Thailand have joined hands to promote integrated ideas and knowledge, aligned with skilled competencies, to drive sustainable development. It is a belief that local wisdom from communities creates higher values

for the goods and services of the country. As such, local development would benefit from the improved production value and sufficiency in the community.

The concept of community enterprise strives for social and marketing purposes, which aims to improve the quality of life of a community and its members. As a result, local stakeholders must play a major role in the community, and community assets cannot be sold off for private gains. Community enterprises must be financially self-sustainable, and be responsible for natural resources usage and environmental protection (Minrada & Satapron, 2016). They also add value to agricultural products. The community enterprise is similar to community business, mainly selling and buying goods and services, and dealing with changing demand and supply of consumers and producers (Utai, 2017). They can also work with ordinary people, village talents, local governments, universities, and other related agencies.

Local development can use community-based enterprise (CBE) as a strategy to structure and produce a diversity of stakeholders resulting in comparative advantages (Torri, 2009). Furthermore, it enhances the capacity of the grassroots level for collective action and sustainability through local development efforts. As such, it enables communities to protect and solve complex problems as well as to eradicate poverty.

The market effectiveness with successful capabilities is due to their ability to see opportunities and develop their capability in line with environmental changes (Teece et al., 1997). Following continuous changes, the ability to adjust the business model can increase market competitiveness (Jean et al., 2020). However, Jeong et al. (2019) found that small and medium-sized enterprises (SMEs) have lower skills and capabilities in marketing than larger enterprises, such as in marketing communication, product development and online distribution channels. The advancement of technology to businesses opens up more opportunities and increases communication channels between entrepreneurs and customers. These, in turn, improve the prospect for them to build relationships with customers. Digital technology helps reduce costs from intermediaries, and helps customers compare product features. Effective promotion and pricing strategies allow brands to communicate directly with customers without intermediaries (Hu & Wang, 2020).

Presently, social media usage has become an integral element of people's lives across the world. In 2021, 3.78 billion people were active social media users. The number is projected to increase to almost 4.41 billion by 2025. Southeast Asia has the second-highest number of social media users with 482.73 million users in 2021 (Gaubys, 2021). Such statistics indicate good marketing opportunities for the social media and e-commerce business to reach the community. There are low-cost digital platforms available such as Facebook, Line, and WeChat. The application system of various platform providers such as Foodpanda, Grab, and Airbnb allows them to share product information and details with customers. These digital platforms help increase marketing capabilities of enterprises (Aksoy, 2017). They can use the website to communicate and provide product information to customers. Jeerakat and Sukhuman (2020) indicated that community enterprises may not be able to increase the marketing capabilities if there is a lack of digital marketing capability to meet customer demands.

Still, there is less academic work on the issue of digital marketing of community enterprises, thus limiting new knowledge in their digital marketing capabilities. Eduardsen and Ivang (2016) noted that SMEs with only high web capability without capability in digital marketing

activities would not be able to increase marketing effectiveness (Yu, Jacobs, Chavez, & Feng, 2016). Moon and Jain (2007) found that digital marketing capability is a determinant of business and a link to increase marketing effectiveness. Suppanunta and Akhilesh (2021) pointed out that community enterprises, which are the most significant base operation of the local economy, should be assertive to enhance its digital marketing capability.

The globalisation trend has caused enormous economic and ecological impacts on the nation. A sustainable balance is thus pivotal to strengthening the household sector's sustainable way of life, especially natural resources and ecological balances. It is, therefore, necessary to increase the potential and economic opportunity of the people to improve the quality of life and to promote grassroots economic development. Digital literacy and digital marketing capacity could help community enterprises drive their local development efforts.

The purpose of this study is to test the congruence of a hypothetical model of factors influencing the marketing effectiveness by examining the effect from platform capability and web capability on marketing effectiveness by direct effect and through the digital marketing capability, and to explore the mediating effect of digital marketing capability on marketing effectiveness.

LITERATURE REVIEW

Community Enterprises in Thailand

The community enterprise in Thailand is the gathering of people in the community from seven or more people to carry out an activity that would benefit the operation of the community enterprises as stated in the Thai Community Enterprise Promotion Act 2005 (Utai, 2017). The community will be the owner and operator of community enterprises, with a focus on products or services. The heart of the operations will be based on the self-sufficiency of people within the community. But today's business operations are faced with an ever-changing environment and business risks. Community enterprise is a concept aimed at processing natural products or creating a product by family members in a community to generate income for the community and reduce family expenses (Natchanat, Supitchaya & Ornanong, 2020). Therefore, the community enterprise is the unit to strengthen community cooperation to raise the standard of living of the community.

The community enterprise is a cooperative movement of business activities concerning capital, labour, management, and juristic person status. Community enterprises in Thailand involve ownership by a group of residents in the community through ideas and innovation, local wisdoms, a network system, knowledge practices, and finally, a sufficiency economy concept (Phongpit, 2005). Self-reliance is an essential concept for community development. It aims to increase the sense of belonging in the community, gradually developing the living conditions of rural people, and strengthening the community (Jakraphong, 2018). The sense of belonging occurs when rural people feel proud of their locality, have self-confidence, and believe in their potential without depending on support from the outside.

Community enterprises in Thailand mostly adopt the principle of self-reliance based on a sufficiency economy philosophy founded by King Rama IX. Later in 2005, the Thai government launched the Community Enterprise Promotion Act, B.E. 2548, to support and promote community enterprises to accomplish their goals (Bunsin, 2014). The Act underlines product

manufacturing, service rendering, or other businesses undertaken by a group of persons who share the same purposes of social and business activities (Jakraphong, 2018). At present, Thailand has around 97,677 community enterprises nationwide with combined revenues of around USD 2 billion (Chanetti & Narumol, 2020). There are 316 community enterprises in Nakhon Pathom Province (Community Enterprise Promotion Division). The Thai community enterprise typically focuses on business activities and merchandise goods pertaining to natural resources, marketing, local wisdoms, and product designs influenced by local culture and tradition (Sakolnakorn & Naipinit, 2013). Community enterprises also produce goods for local consumption to reduce their expenses, and sell products at competitive prices.

Nevertheless, community enterprises mainly concentrate on similar businesses, causing high competition among themselves. As a result, many groups have failed. Soomro, Shah and Mangi (2019) indicated that factors affecting failure have arisen from a lack of strong leaders who are knowledgeable and decisive. Thanyamai (2014) highlighted the problems of community enterprises such as low budgets, digital skills shortages, low technology operation, and a lack of government support. Similarly, Sakolnakorn and Naipinit (2013) defined factors related to the problems of community enterprises, including lack of accounting and financial systems, marketing management, less training, low technology knowledge, production issues, high labour ages, and inferior product designs.

Parinyarat (2008) studied the success of community enterprises in Thailand. The key impacts come from internal and external factors. Internal factors include local wisdom, knowledge management, group management, and marketing, while external factors are network cooperation and government support. The groups can be self-reliant if they have appropriate technology, circulated capital, sufficient raw materials in the locality, active group leaders, and group members. Similarly, Aree (2014) studied community enterprise strengths. The strong points of community enterprises include the involvement and support of government agencies and the opportunity for product development. Technology training helps to develop products in terms of increasing production efficiency and distribution channels. A new marketing strategy through online media helps expand the market and increase more customers (Wararat & Nopporn, 2020). Bandyopadhyay and Ray (2019) suggested that marketing strategy in community enterprises becomes the main issue and challenge. To address these concerns, many social entrepreneurs survive through cost-effective marketing techniques.

Nutchanat et al. (2020) concluded that crucial factors on the success of Trang community enterprises include the length of business factor, overall external organisation, technology, use of personal funds, workload, and social and cultural factors. Their study stated guidelines for developing local community enterprises of Trang Province, having arisen from internal and external factors which affect community enterprises. The chairman of the committee and group members should assume essential roles and responsibilities, share experiences, and take up duties. The group members need to be competent, skilled, and proficient. Members should participate in the operation to carry out group activities for shared ideas, work cooperatively, and deal with problem-solving. External factors include support from outside agencies, universities, the Provincial Agriculture Office, the Provincial Community Development Office, and the Provincial Commerce Office to develop a variety of products, carry out research in product development, and partial state funds.

Digital Marketing

Marketing principles are dependent upon the analysis, planning, implementation, and control of projects (Stephen, 2016). They aim to achieve and satisfy the demands of both sellers and buyers, no matter what products or services. Marketing nowadays uses cutting-edge technology to enable firms to expand markets in numerous forms. The companies that use such new technology will have different perspectives and objectives. As technology development increases, so does digital marketing, including social media marketing, search engine marketing, and mobile applications (Boomika & Murugan, 2020). In addition, consumer buying behaviour is changing towards more various formats of digital marketing activities.

Digital marketing has become more vital and encompasses a wide range of consumers. It quickly reaches sellers' target groups which are likely to be drawn to the products. Aitken (2021) revealed that over half (56%) of all brick-and-mortar transactions are preceded by a digital engagement. A growing number of consumers are opting to purchase on an e-commerce platform and then pick those items up at physical locations.

Social media marketing is one of the most critical modes in digital marketing. It is the fastest-growing digital channel. Social media marketing is the process of content creation to drive user engagement and information sharing through various platforms like Facebook, LinkedIn, Google+, Instagram and Twitter (Challa & Anute, 2021). Search engine optimisation (SEO) is another digital marketing instrument as a web-based tool that helps users find the information they need such as Google, Yahoo, Bing or Baidu and increase a user's rank on a website (Prajapati, 2020). Social media helps to increase the awareness of corporate brands, and connect customers directly. It also helps to influence consumer's attitudes, receive feedback, improve current products and services, and increase sales (Lal, Ismagilova, Dwivedi, & Kwayu, 2019).

Sharma and Thakur (2020) examined the impact of digital media and its impact on consumer preferences. Digital marketing can leverage a highly competitive environment by escalating the distribution of goods and services. Reasons for online shopping come from a wide variety of products, and social media is the most influential factor in a consumer's purchase and demands. Digital marketing is crucial to commercial performance because customers have adopted online technologies very well. However, monthly income plays a significant role in buying preferences.

Bae and Zamrudi (2018) stated that social media marketing helps motivate consumers. Community participation and psychological factors are significant motivators. In addition, consumer attitudes towards social media can influence consumer perceptions; for example, many e-commerce vendors would prefer using Instagram for its credibility.

Digital marketing quickly targets customers and provides outstanding opportunities for business competitiveness. It impacts every sector, especially local start-up businesses, minimising marketing costs via the online marketing transformation. Mobile applications can help buy and sell products and crops in various markets. Moreover, understanding personal preferences is an important reason for ensuring uniqueness in community service (Suppanunta & Akhilesh, 2021). Local communities and farmers integrate new and modern technology with their cultures and the agricultural value chain to improve local production. The study showed that online marketing training supports farmers and local agricultural communities, giving them a head start in the revolutionary transitional movement towards achieving a productive income, and shifting to

higher-value agricultural products. It also helps them to learn more about the Thai economy and how to adapt and endure the rapidly changing world of digital innovation in order to attain future sustainability.

Dynamic Capability Theory

Dynamic capabilities are the theory created by Teece, Pisano, & Shuen (1997) to help integrate, create, reshape or transform internal and external resources and competencies of the enterprise environment. It helps align competencies needed to strengthen the organisations to achieve their objectives and enterprise profitability. It focuses on adapting and improving towards internal and external changes, which require a combination of various capabilities. They need competencies to explore valuable internal and external skills and internalise and integrate new competencies for enterprise adaptation. Path requires market opportunities and technologies. Positions are historical and adapted capabilities in technologies, processes, and market channels.

Teece et al. (1997) explains various dimensions of the digital platform and digital marketing capabilities. Platform capabilities refer to the technical capability of community enterprises. The personnel within the operation need skilled and digital platforms to exchange information—an online connection among enterprises or between enterprises and customers (Rai & Tang, 2010). The dynamic capability theory of Teece et al. (1997) explains that the marketing efficiency of an organisation results in better capability by internal capabilities in the organisation. The ability to see opportunities (sensing) to the development of new talents, the ability to choose opportunities (seizing) and the ability to adapt resources (transforming) within the organisation to accommodate changes in technology are pivotal.

A dynamic capability is the ability to integrate, create, and set goals of an organisation to cope with changes. It is the skill and ability of organisations in using technology to communicate between organisations to exchange information on digital platforms even in remote areas such as social media, and electronic commerce platforms (Narakorn, 2020). It can display products and services (Schwartzman, 2021), collect information and customer needs, as well as communicate or analyse market trends. Online display of products and services will help the organisation to manage marketing promotions and valuable offers to customers effectively, as well as analysing market trends to provide information for entrepreneurs. It helps develop new quality products or determine pricing strategies that are superior to competitors.

Platform capabilities adapted from Cenamor and Wincent (2019) consist of product, price, delivery, and payment information with customers. Jean, Kim and Cavusgil (2020) pointed out that the web capabilities use the website to support various activities and purposes to display product information. It provides detailed information about products, history and overview of the company, suggestions from customers, and technical advice on products and services to customers. A website can offer and show detailed product information. It can also accommodate customer complaints, which help the organisation to understand customer needs and improve product development.

Digital marketing capability refers to the capability of small and medium-sized community enterprises by analysing, developing, and collecting online activities from target customers in product development, pricing, communication, and online sales channel development (Murray et al., 2010). It consists of four capability areas - product development, price, communication,

and online channel. These are the keys to better business capability. Entrepreneurs need to focus on digital marketing capabilities in today's commerce business. They need to change to meet consumer behaviours and demands, to always observe and understand competitors, and regularly transform their strategies according to the changing environment context (Narakorn, 2020). Yasmin et al. (2015) highlighted the advantages of digital marketing in the update of products and services, better engagement, clear information of product comparison, and shared content to enable instant purchase around the clock with apparent pricing.

Cenamor and Wincent (2019) found that the vast majority of community enterprise operators are far less capable of digital marketing than large operators. The ability to develop products and the ability of online distribution channels are still problematic. Community enterprises should enhance their marketing efficiency by increasing capabilities in four areas including product development, communication, online sales channel, and price (Sousa and Rocha, 2019).

Moreover, Jean et al. (2020) pointed out that entrepreneurs who can continually change their business model will continue to build marketing competitiveness. The study measured the product development capability with three indicators such as product competitors, new product developments, and product price based on the product quality. Price capability includes price based on the competitor, price expectation, price advertisement, and continuous marketing promotion. Murry et al. (2011) stated that communication capability delivers good value to customers' planning-advertising effectiveness, continuous marketing promotion, new creative ideas in advertising and promotion, and professional marketing communication skills for customers.

Marketing capability is a measure of the strategic success of community enterprises. Merrilees et al. (2011) defined marketing effectiveness as evaluating the success of implementing strategies that create customer satisfaction. Market effectiveness includes customer attractions, marketing goals, and market share. It needs strategic marketing, including strategic management to improve market share, and financial efficiency (Grewal, Hadi, Appel & Stephen, 2019).

RESEARCH METHODOLOGY

The study used a structural equation model (SEM) by LISREL based on Cronbach's Alpha coefficient for research reliability (Barbera, Naibert, Komperda, & Pentecost, 2020). It is a statistical method used to examine the relationship between variables. It measures the relationship between observed variables and latent variables (latent variables or unobserved variables), or the relationship between two or more latent variables. The structural equation model is also a model for finding the causal relationship. It consists of the dependent and independent variables, including the latent variables. This model indicates whether the independent or latent variables cause the dependent variables. In this model, the coefficients of the variables are called regression weight and factor loading.

The target population of community enterprises in the province of Nakhon Pathom amounts to 750. The appropriate sample size that Hair et al. (2012) suggested for the structural equation model (SEM) analysis is between 10-20 times the number of observed variables. Since this study consists of 24 observed variables, the sample size should be between 240-480 samples. The researcher used a sample size of 400 samples, which is considered appropriate.

$$CR = \frac{(\sum\lambda)z}{(\sum\lambda)z + (\sum\theta)}$$

Figure 1: Formula of Coefficient Correlation

Latent variables in this research include platform capability, web capability, digital marketing capability, and marketing effectiveness. Under the dynamic theory of Teece et al. (1997) and Lindgren et al. (2004), a conceptual research framework to describe the relationship has been developed. Seven hypotheses were tested as follows:

Hypothesis 1: Platform capability has a positive impact on digital marketing capability.

Hypothesis 2: Web capability has a positive impact on digital marketing capability.

Hypothesis 3: Platform capability has a positive impact on marketing effectiveness.

Hypothesis 4: Web capability has a positive impact on marketing effectiveness.

Hypothesis 5: Digital marketing capability has a positive impact on marketing effectiveness.

Hypothesis 6: Digital marketing capability mediates the effect of platform capability on marketing effectiveness.

Hypothesis 7: Digital marketing capability mediates the effect of web capability on marketing effectiveness.

Research Tools and Data Collection

Data collection in this research is in compliance with ethics in human research as it has gained approval from the research ethics board. This research used the theory of dynamic capability (dynamic capability) of Teece et al. (1997). The multi-stage sampling technique was used to select the sample size of 400 samples. The researcher collected data through questionnaires adapted from Narakorn (2020) comprising 5 parts: 1) characteristics of community enterprise members 2) platform capability 3) web capability 4) digital marketing capability and 5) marketing effectiveness.

The researcher examined the measuring tool quality by checking the content validity. The questionnaire had been sent to three digital marketing experts to review and score each item through the IOC – Index of Item – objective congruence method. All the 24 out of 48 items were accepted through the experts' consideration based on Likert scale. To test the reliability of the measuring tool, 30 pilot samples were tested. The reliability was 0.911 of Cronbach's alpha coefficient correlation.

The data were collected online from the community enterprises in Nakhon Pathom Province (n = 400). The KMO (Kaiser-Meyer-Olkin Measure of Sampling Adequacy) was equal to .905 (KMO value should be greater than .50 is considered as good). Affirmative element (confirmatory factor analysis: CFA) is between 0.860 - 0.980, which is greater than 0.70, indicating that each variable is suitable to the criteria of Hair et al. (2012). The researchers measured marketing effectiveness consisting of 4 indicators adapted from Merrilees et al. (2011) and

Narakorn (2020) as follows: 1) market effectiveness, 2) new customers, 3) marketing goals, and 4) market share.

A mediating variable is a variable that connects the cause factor to the effect factor. The criteria to consider whether that variable is reliable needs to consider the total effect of the model with a variable between the independent variable and the dependent variable. The coefficient must be reduced. (Route coefficient $c' < \text{Path coefficient } c$) (As shown in Figure 2 and Figure 3). Suppose that the value decreases to a statistically insignificant level ($p < .05$), the reliable variable is a total mediator effect variable; however, if the value decreases significantly at the .05 level, it is expressed as a reliable partial variable (partial mediator effect) (Baron & Kenny, 1986).

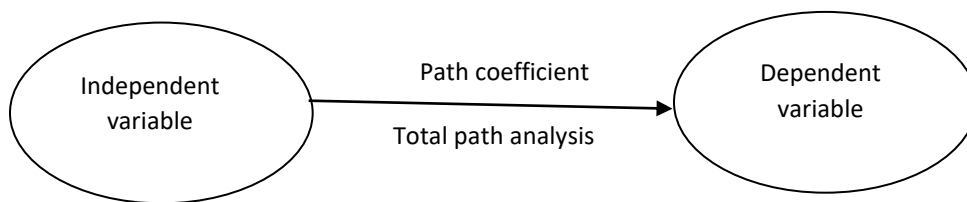


Figure 2: Path coefficient analysis without mediating variables (Baron & Kenny, 1986).

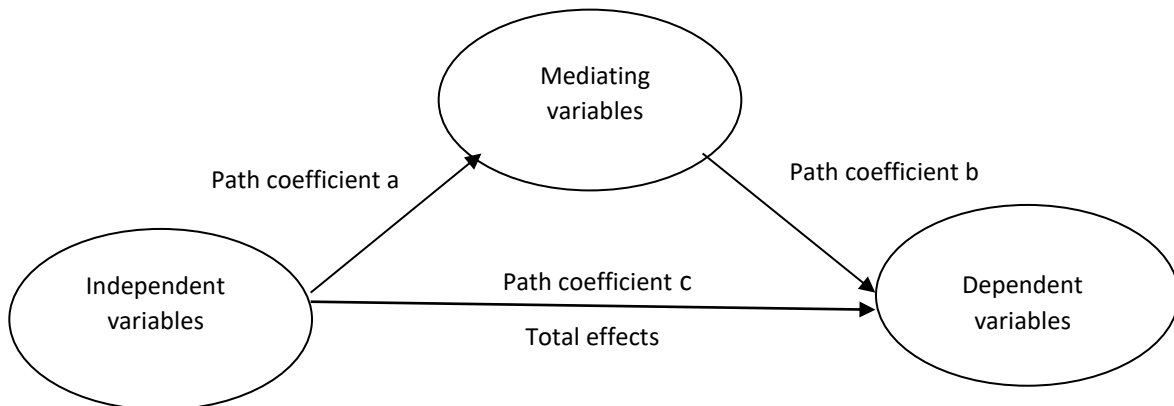


Figure 3: Path coefficient analysis with mediating variables (Baron & Kenny, 1986).

RESEARCH FINDINGS

The sample group focused on community enterprises in Nakhon Pathom Province with 400 samples (76.54 percent). The business operation of these community enterprises is less than or equal to 5 years (56.34%), and most of them have less than or equal to 5 members (80.32%), respectively. The findings showed the highest mean of 3.47 (especially for pricing capability, product development capability, and online distribution channels capability), followed by digital marketing capability at 3.37, platform capability at 3.19, and web capability at 3.03 respectively (high level equals 2.50-3.50).

The findings revealed that:

The causal model of factors influencing marketing effectiveness significantly fit the empirical data after it was modified. The fit statistics were $\chi^2 = 349.046$, $df = 245$, $p\text{-value} = 0.158$, $\chi^2/df = 1.425$, $RMSEA = 0.024$, $NFI = 0.996$, $NNFI = 0.998$, $CFI = 0.996$, $RMR = 0.024$, $SRMR = 0.024$, $GFI = 0.933$ and $AGFI = 0.910$.

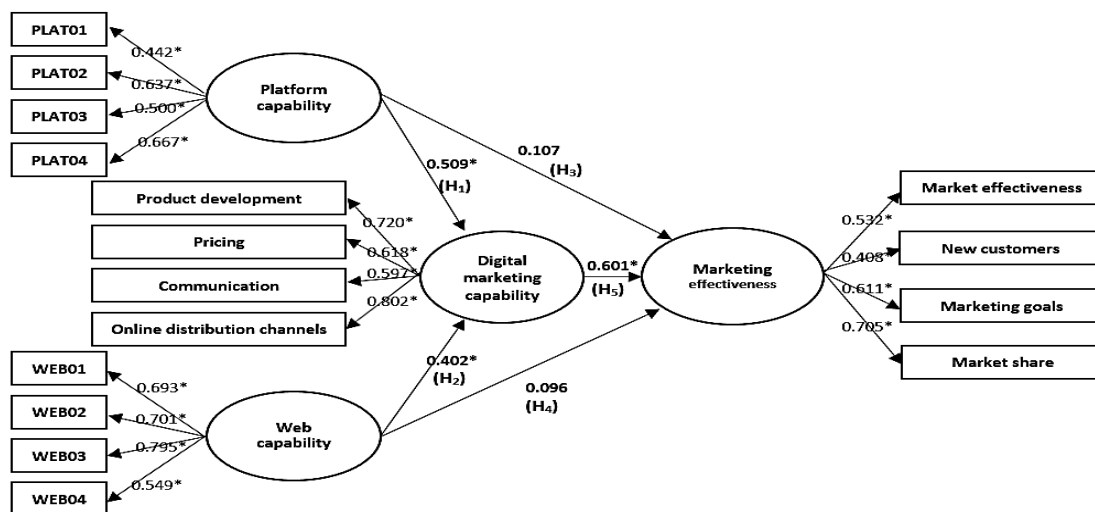
An effect from platform capability was significantly direct to digital marketing capability at 0.05 level with path coefficient 0.509 and was significantly indirect through the marketing effectiveness with total effect 0.383.

An effect from web capability was significantly direct to digital marketing capability at 0.05 level with path coefficient 0.402 and was significantly indirect through the marketing effectiveness with total effect 0.298.

An effect from digital marketing capability was significantly direct to marketing effectiveness at 0.05 level with path coefficient 0.601 and digital marketing capability was a variable through full mediation from web capability and marketing effectiveness on marketing effectiveness.

Platform capability, web capability and digital marketing capability factors could mutually explain the variation of marketing effectiveness variables as 67.50%.

Structural relationship of the causal model of platform capability, web capability, and digital marketing capability affects marketing effectiveness of community enterprises. To examine the path coefficients, direct effects, indirect effects, and total effect from the exogenous variables to the endogenous variables indicates results in the model, as shown in Figure 4.



Fit Indices: $\chi^2 = 349.046$, $df = 245$, $p\text{-value} = 0.158$, $\chi^2/df = 1.425$, $RMSEA = 0.024$,
 $NFI = 0.996$, $NNFI = 0.998$, $CFI = 0.996$, $RMR = 0.024$, $SRMR = 0.024$,
 $GFI = 0.933$, $AGFI = 0.910$.

Figure 4: Causal model of platform capability, web capability and digital marketing capability influencing marketing effectiveness

The structural relationship of the causal model summarised that:

An effect from platform capability was significantly direct to digital marketing capability at 0.05 level with path coefficient 0.509.

An effect from web capability was significantly direct to digital marketing capability at 0.05 level with path coefficient 0.402.

An effect from platform capability was not significantly direct to marketing effectiveness but was significantly indirect through the marketing effectiveness with path coefficient 0.276, so the total effect was 0.383.

An effect from web capability was not significantly direct to marketing effectiveness but was significantly indirect through the marketing effectiveness with path coefficient 0.202, so the total effect was 0.298.

An effect from digital marketing capability was significantly direct to marketing effectiveness at 0.05 level with path coefficient 0.601.

The squared multiple correlations for structural equations of digital marketing capability were 0.545.

The squared multiple correlations for structural equations of marketing effectiveness were 0.675. The result was shown in Table 1.

Table 1: Path coefficients, direct effects, indirect effects and total effect from the cause variables to the effect variables

Cause Variables	Effect Variables					
	Digital marketing capability			Marketing effectiveness		
	DE	IE	TE	DE	IE	TE
Platform capability	0.509*	-	0.509*	0.107	0.276*	0.383*
Web capability	0.402*	-	0.402*	0.096	0.202*	0.298*
Digital marketing capability				0.601*	-	0.601*
Squared Multiple Correlations for Structural Equations	0.545			0.675		

Remarks: * statistical significance at 0.05

DE = direct effect, IE=indirect effect, TE = total effect

The validation of the construct model was presented by goodness of fit indices as displayed in Table 2. Results of the structural equation modelling (SEM) for the causal model of “platform capability” “web capability” and “digital marketing capability” on marketing effectiveness indicated congruent between the conceptual model and the empirical data with the good fit statistics: $\chi^2 = 349.046$, $df = 245$, $p\text{-value} = 0.158$, $\chi^2/df = 1.425$, $RMSEA = 0.024$, $NFI = 0.996$, $NNFI = 0.998$, $CFI = 0.996$, $RMR = 0.024$, $SRMR = 0.024$, $GFI = 0.933$ and $AGFI = 0.910$.

Squared multiple correlations for structural equations or coefficient correlation determined the endogenous latent variables as follows:

Digital marketing capability: SMC = 0.545 indicated that platform capability and web capability factors can explain the variation of digital marketing capability variables as 54.50%.

Marketing effectiveness: SMC = 0.675 indicated that platform capability, web capability and digital marketing capability factors can explain the variation of marketing effectiveness variables as 67.50%.

Table 2: Goodness of fit indices

Fit indices	Value	Criterion	Meaning
1. χ^2	349.046	-	-
2. df	245.000	-	-
3. p	0.158	$p > 0.050$	Accurate
4. χ^2/df	1.425	$\chi^2/df < 2.000$	Accurate
5. RMSEA	0.024	$RMSEA < 0.050$	Accurate
6. NFI	0.996	$NFI > 0.900$	Accurate
7. NNFI	0.998	$NNFI > 0.900$	Accurate
8. CFI	0.996	$CFI > 0.900$	Accurate
9. RMR	0.024	$RMR < 0.050$	Accurate
10. SRMR	0.024	$SRMR < 0.050$	Accurate
11. GFI	0.933	$GFI > 0.900$	Accurate
12. AGFI	0.910	$AGFI > 0.900$	Accurate

The result of the study supported the hypothesis 1 to 5:

1. Platform capability has a positive impact on digital marketing capability.
2. Web capability has a positive impact on digital marketing capability.
3. Platform capability has a positive impact on marketing effectiveness.
4. Web capability has a positive impact on marketing effectiveness.
5. Digital marketing capability has a positive impact on marketing effectiveness.

The mediating effect of “Digital marketing capability” on “Marketing effectiveness”

The objective of this part of the study was to test the mediating effect of digital marketing capability on marketing effectiveness (Baron and Kenny's principles, 1986).

Hypothesis 6: digital marketing capability mediates the effect of platform capability on marketing effectiveness.

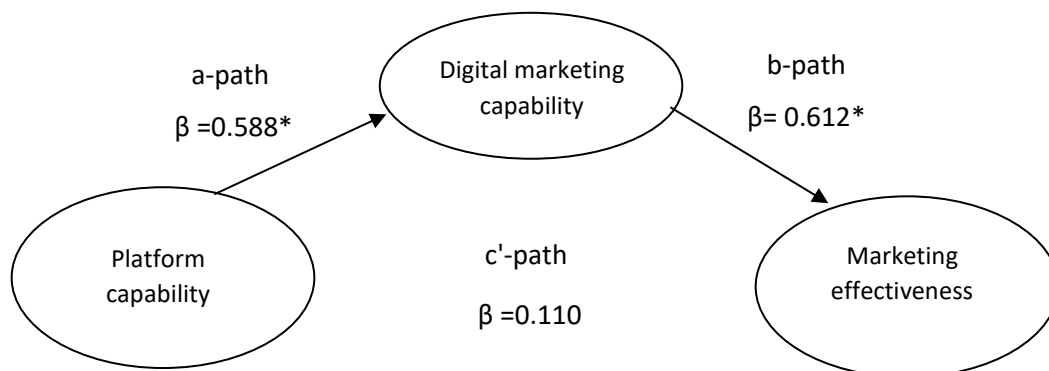


Figure 5: Total effect of platform capability on marketing effectiveness with mediating variables

Figure 5 shows that; the a-path coefficient was 0.588, statistically significant 0.05, the b-path coefficient was 0.612, statistically significant 0.05, and the total influence decreased from 0.641 to 0.110 (c' -path < c-path) was not statistically significant (figure 6). Digital marketing capability is a variable through perfect (full mediation) between platform capability and marketing effectiveness.

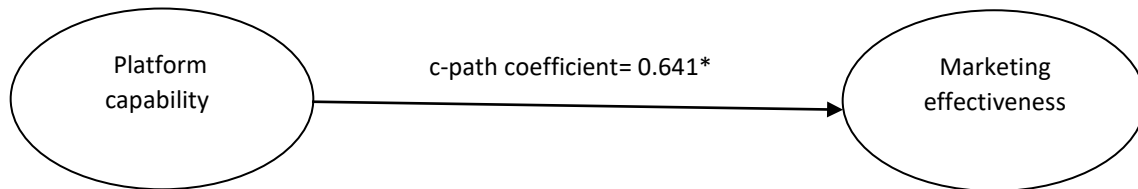


Figure 6: Total effect of platform capability on marketing effectiveness without mediating variables

Hypothesis 7: Digital marketing capability mediates the effect of web capability on marketing effectiveness.

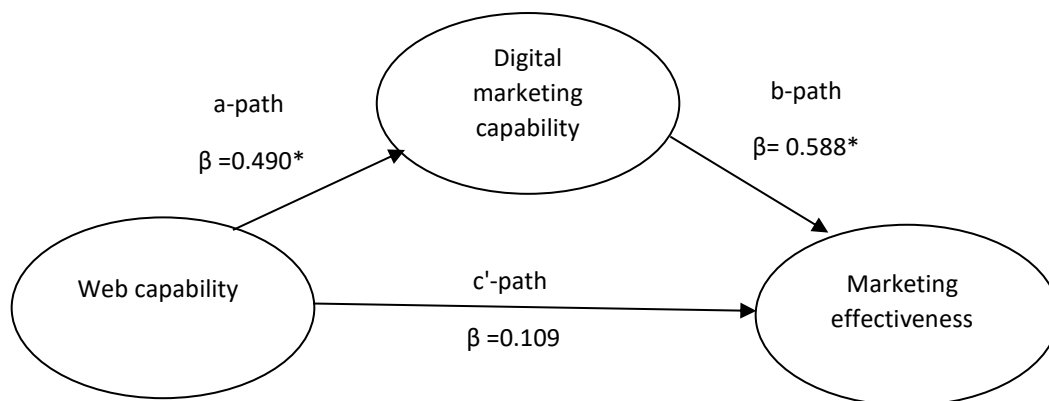


Figure 7: Total effect of web capability on marketing effectiveness with mediating variables

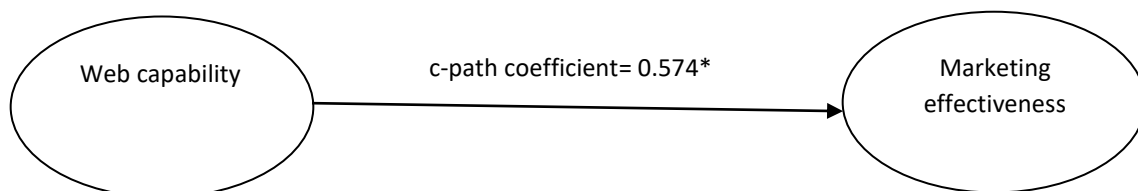


Figure 8: Total effect of web capability on marketing effectiveness without mediating variables

Figure 7 shows that the a-path coefficient was 0.490, statistically significant 0.05, the b-path coefficient was 0.588, statistically significant 0.05, and the total influence decreased from 0.574 to 0.109 (c' -path < c-path) was not statistically significant (Figure 8). Digital marketing capability is a variable through perfect (full mediation) between web capability and marketing effectiveness.

The result of the study supported the hypothesis 6 to 7;

1. Digital marketing capability mediates the effect of platform capability on marketing effectiveness.
2. Digital marketing capability mediates the effect of web capability on marketing effectiveness.

DISCUSSION

Platform capability affects the digital marketing capability, which is consistent with what Jean et al. (2020) pointed out. Operators use a platform to share product information with customers, prices, logistics, and payments to customers that would affect digital marketing capability (Mas-Tur et al., 2020). The platform can generate psychological and social values, and thus go beyond financial matters. It can also be used for value exchanges, attracting social attention, and sharing valuable information (Rangaswamy et al, 2020).

Web capability affects the digital marketing capability in line with analysis of Jean et al. (2020). Web capability, such as using a website, recommends products and services to customers. In addition, the information on community enterprises and their stories affects their digital marketing capability (Veer & Dobele, 2019). Entrepreneurs should select the right platform to promote marketing value as stated in Nurhayati & Abdurrahman (2019). Website helps entrepreneurs to develop their business by reaching customers quickly. Therefore, the web capability plays a significant role in business operations.

Regarding web capability and marketing effectiveness of community enterprises in Nakhon Pathom Province, the results showed that the empirical data support both direct and indirect impacts of web capability on marketing effectiveness. It is consistent with Ibidunni et al. (2021) that web capability indirectly affects entrepreneurial marketing effectiveness. Furthermore, members from small community enterprises are less skilled and tech-savvy than prominent ones.

The results of the research showed that digital marketing capability directly affects marketing effectiveness. Consistent with Supaporn and Boontai (2021), community enterprises in Nakhon Pathom Province require digital marketing capability, especially online channel capability. Marketing communication capability and product development lead to increased marketing effectiveness.

Digital marketing is a full mediation effect between platform capability and marketing effectiveness, aligning with Jean et al. (2020) research that competent platform operators indirectly affect marketing effectiveness. Digital marketing capability also directly affects marketing effectiveness (Rangaswamy et al., 2020).

Digital marketing is a variable through full mediation effect between web capability and marketing effectiveness, consistent with Eduardsen and Ivang (2016). For example, members with web-capability will not result in marketing effectiveness if they lack knowledge on online distribution channels, communication, and product development, and the lack of capability in digital marketing. In addition, many features on the website require skilled staff to operate the community enterprise effectively (Veer & Dobele, 2019). As new social media platforms are gaining popularity, social media marketers need to adapt and use the platforms to reach consumers effectively. Furthermore, new social media platforms must be created to gain customer leads and enhance more consumer engagement (Dwivedi et al., 2021).

CONCLUSION

This research has applied the dynamic capability theory to analyse digital marketing effectiveness that could benefit community enterprises in Nakhon Pathom Province. This article recommends that the community enterprises members' competencies be adapted to achieve their goals. Therefore, entrepreneurial competencies will directly affect the effectiveness of community enterprises. The theory of dynamic capability is used as a framework for the study to formulate guidelines to enhance digital marketing in creating competitiveness. Digital marketing, especially new social media platforms, would increase the marketing effectiveness in terms of customer behaviour and product preferences.

Digital marketing capability helps strengthen long-term community enterprises profitability, local economy, and Thailand's national development. In addition, the government can create a body of knowledge about enterprise management such as production technology, product design, product branding, and marketing management, and work with educational institutions, especially local universities, to serve as mentors and to provide practical training for community enterprises.

Future research work should explore appropriate variables that would improve marketing effectiveness and digital marketing capability, platform capability, and web capability for the future metaverse era. Good understanding of the ecosystem can strengthen community enterprises to gain competitive advantages and become more sustainable in the future. They are critical success factors that community enterprises should know.

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