

MEDIATING ROLE OF DIGITAL MARKETING BETWEEN DIGITAL TRANSFORMATION ORGANIZATION AND OPERATIONAL PERFORMANCE OF FOOD AND BEVERAGE INDUSTRY IN THAILAND

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Abstract

The purpose of this research is to study digital transformation organizational, digital marketing, operational performance and checking the consistency of the structural equation model of digital organizational transformation and digital marketing that affect the operational performance of the food and beverage industry. The population used in this research includes executives of 280 food and beverage factories in Thailand, which were obtained from stratified sampling. The sample size was determined based on 20 times the parameter line. Data were collected using questionnaires and interviews, analyzed using structural equation modeling. The research results found that digital transformation organization, digital marketing and operational performance is at a high level. The results of checking the consistency of the structural equation model are consistent with the empirical data. Results from research can be used in practice by developing innovation and technology to create new things in product development and service marketing innovations for speed, accuracy, learning and working participate in modern thinking and joint development in designing enterprise big data analytics platforms from upstream, midstream, and downstream. Develop advanced data analysis skills to support rapid decision making. The executives must set a clear vision, strategy and promote the learning of employees' skills to work with the digital system. Improve the digital infrastructure and cooperation platform to exchange real-time internal and external data with predictive analysis techniques of market and customer needs in advance.

Keywords: Digital Transformation Organization, Digital Marketing, Operation Performance, Food and Beverage Industry

1. Introduction

Fachrunnisa et al., (2020) stated that digital transformation involves changes in technology that can bring about changes in a company's business model and, importantly, results in changes

in products. Puckett (2022) adds that the principle of digital adaptability is an organization's ability to learn and adapt to new technologies. Improve supplier relationships, relationships with customers and the ability to develop new products following dynamic changes in the market amid increasing competition. This includes trade restrictions, nature, disasters, geopolitical crises, or epidemics. Ning & Yao (2023) discovered that an organization's digital transformation can enhance an organization's overall supply chain management capabilities. This will have a positive impact on sustainability performance and increase competitiveness. Shehadeh et al. (2023) found that digital transformation does not only influence competitive advantage. But it also affects the operating direction of entrepreneurs in terms of innovative capabilities towards competitive advantage in reducing production costs and responding to customer needs. Alathamneh & Al-Hawary (2023) also found It is said that digital transformation through big data analysis and investment in modern technology production has a positive impact on the sustainable performance of enterprises.

According to Kannan (2017), digital marketing is a process that uses technology and tools to collaborate with customers and partners to create, communicate, deliver, and preserve value for all stakeholders. Kawira et al. (2019) added that digital marketing is a key corporate strategy towards improving productivity using mobile marketing and internet connectivity. Coupled with the availability of social media and easy-to-use platforms and positioning such tools for marketing purposes. Omar et al. (2020) found that digital marketing has a significant influence on the performance of companies. business and help develop the business into a more efficient system. Ikramuddin et al. (2021) digital marketing that focuses on interaction and engagement with customers through various digital marketing platforms plays an important role in improving efficiency business marketing. Olazo (2022) also found that the adoption of digital marketing is critical to the survival of small and medium-sized enterprises (SMEs) and is essential to achieve adoption and agile operations. However, developing a digital marketing plan that strong. There is still a lack of technical ability among corporate leaders with backward thinking in properly applying digital marketing.

Kaplan and Norton (1996) stated that increasing the efficiency of an organization's operations is a planning process that aims to develop the organization's capabilities and is like the main aim of developing all aspects of the organization's resources. This can be expressed by documenting how money, materials, people, and time are spent in an efficient and economical manner. Yu et al. (2022) found that strategic orientation has a positive impact on digital transformation capabilities. And digital transformation capabilities have a positive impact on operational performance and mediate between an organization's strategic orientation and performance. Organizations need to focus on building their digital transformation, themselves to build the ability to create value by integrating business processes through digital technology to achieve competitive advantage. Moreover, Saryatmo and Sukhotu (2021) discovered that digital supply chain management has a significant impact on It greatly affects operational efficiency in terms of quality, productivity, and efficiency in reducing costs. Alkhatib & Momani (2023) also

found that digital supply chain technology has an impact on organizational performance when disruptions and changes occur, quick supply chain processes to meet customer needs.

Thailand's food and beverage industry is vital to the country's economy and is interconnected with many other industries, from agriculture and trade to transportation and services, both domestically and internationally. And is under the national strategic plan to promote and develop entrepreneurs to be able to integrate Modern digital technology to manage all aspects of business. Therefore, studying the concept of digital organization transformation digital marketing and operational efficiency. This is the key to upgrading the ability to use digital technology intelligently and to its full potential in operations, including proactive marketing plans with modern digital technology, transforming them into operations that create an advantage in compete internationally to be a digital and innovation leader organization powered by real-time big data. Generate additional income and marketing value with a technology platform that is convenient and quick to respond to customer needs and can grow with quality and sustainably.

From the above information, studying the concepts of digital organizational change and digital marketing. It is the key to enabling organizations to use their creative and intelligent digital capabilities to balance proactive and reactive planning. By studying and understanding the status, challenges, and future directions of being a digital leader organization and marketing driven by digital technology, drive structural changes in organizational management in various dimensions to create value for customers and strengthen the organization's ability to grow with quality and sustainability.

2. Research objectives

1. To study the transformation of digital organizations digital marketing and operational efficiency of the food and beverage industry in Thailand
2. To examine the consistency of the structural equation model of digital organizational change and digital marketing that affect the operational efficiency of the food and beverage industry in Thailand.

3. Research method

Population and sample

The population in this study is food and beverage industry factory executives in Thailand a total of 7,396 set (Industrial Business Information Center Information and Communication Technology Center Department of Industrial Works, 2021). Determined that the sample size should be approximately 10-20 times the observed variables (Hair et al., 2010) and the sample size for structural equation model analysis must not be less than 100 samples because of the size of the number a sample that is too small will not be sufficient for structural equation analysis (SEM). This research has 14 observed variables, the researcher specifies 20 times the number of observed variables. Therefore, a total of 280 establishments were sampled, with data collected for 1 person per 1 establishment.

The questionnaire is designed to be closed except for questions/statements regarding the identity of the respondents in the form of a semi-open questionnaire. Each item of closed questions/statements is given five answer options, namely: strongly agree score (5), agree on the score (4), neutral score (3), disagree score (2) and strongly disagree score (1).

4. Literature review and hypotheses development

Digital Transformation Organization

Rogers (2016) presented the key factors of change in the digital era, consisting of 5 aspects 1) customers 2) competition 3) data 4) innovation and 5) value. Legner et al. (2017) identified 8 key issues that will transform organizations towards digital systems, 1) Leadership and empowerment of digital leadership 2) Organizations that excel in agility in data-driven, 3) customer and partner engagement, 4) digital platform management, 5) business model innovation, 6) IT infrastructure transformation, 7) process digitization and 8) automation and retention. Rueckel et al. (2020) an organization's digital strategy and leadership is built on strategic management, tactics, and performance with individual creative and innovative capabilities. ICT knowledge corporate culture Internal and external collaboration with digital platforms. Puckett (2022) adds an organization's digital transformation is its ability to learn and adapt to new technologies to improve supplier relationships, customers and the ability to develop new products to support market changes and increased competition. Legner et al. (2017) found that organizational transformation into a digital system organizations' top executives must develop their digital skills to be able to participate in innovation and digital transformation and organizations excel at data-driven agility. Participation of customers and partners and there must be personnel with skills in big data analysis. Aamer et al. (2022) found that technology, personnel, and internal process factors are the main drivers for assessing readiness for supply chain digital transformation in organizations. Ning & Yao (2023) also found that an organization's digital transformation can enhance the capabilities of its overall supply chain management. This will have a positive impact on sustainability performance and increase competitiveness. Shehadeh et al. (2023) further stated that digital transformation influences not only competitive advantage, but also influences the direction of enterprises' operations from innovative capabilities to competitive advantage in reducing production costs and responding to customer needs. Alathamneh & Al-Hawary (2023) also found that digital transformation through big data analytics and investment in modern technology production has a positive impact on operational efficiency, corporate sustainability.

Digital Marketing

Kannan (2017) stated that digital marketing is a process that uses technology and tools to collaborate with customers and partners to create, communicate, deliver, and sustain value for all stakeholders. Kawira et al. (2019) added that digital marketing is an organization's key strategy towards improving productivity using mobile marketing systems and internet connectivity. Coupled with the wide variety of social media and easy-to-use platforms and positioning of such tools for marketing purposes. Omar et al. (2020) found that digital marketing has a significant

influence on business performance and help develop the business into a more efficient system. Ikramuddin et al. (2021) found that digital marketing that focuses on interaction and engagement with customers through various digital marketing platforms plays an important role in improving marketing efficiency of the business. In addition, Olazo (2022) also found that the adoption of digital marketing is critical to the survival of small and medium-sized enterprises (SMEs) and is essential to achieve adoption and agile operations. However, developing a digital marketing plan that strong There is still a lack of technical ability among corporate leaders with backward thinking in properly applying digital marketing.

Operational Performance

Kaplan and Norton (1996) stated that increasing the efficiency of an organization's operations is a planning process that aims to develop the organization's capabilities and is like the main aim of developing all aspects of the organization's resources. This can be demonstrated by documenting how money, materials, people, and time are used in an efficient and economical manner. Yu et al. (2022) also found that strategic orientation has a positive impact on the ability to change, digitally and that digital transformation capabilities have a positive impact on operational performance and mediate between strategic orientation and performance, organizations need to focus on building their own digital transformation to create value creation capabilities by integrating business processes through digital technology to achieve competitive advantage. Saryatmo and Sukhotu (2021) also found that digital supply chain management has a significant impact on operational efficiency, work in terms of quality, productivity, and efficiency in reducing costs. In addition, Alkhatib & Momani (2023) found that digital supply chain technology has an impact on organizational performance when there are disruptions and changes in work processes supply chain quickly to meet customer needs.

In summary, transformation performance may refer to the success or effectiveness of a company's efforts to undergo significant changes in its operations, strategy, or culture. This could involve mergers and acquisitions, digital transformation, restructuring, or any other major shift in the way a business operates and realizing value benefits, such as efficiency improvement, cost reduction, and quality improvement. Based on the description, we present the following conceptual framework. In connection with this research, the following hypotheses were developed:

H1: Digital Transformation Organization have a significant effect on digital marketing.

H2: Digital Transformation Organization have a significant effect on operation performance.

H3: Digital Marketing have a significant effect on operation performance.

For more details, this research model can be described simply through the following scheme:

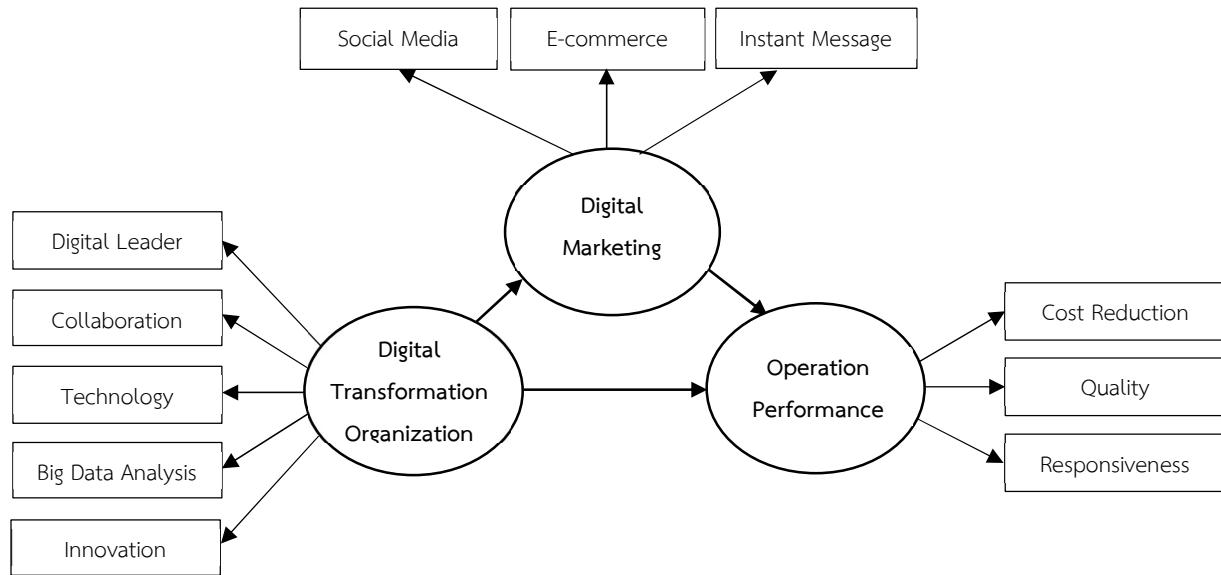


Figure 1 Conceptual Framework

As in figure 1, the research consisted of three latent variables: Digital Organizational Transformation, digital marketing, and operation performance. Digital Organizational Transformation comprised fifth indicators are digital leader, collaboration, technology big data analysis and innovation. Digital marketing comprised three indicators are social media, e-commerce, and instant Message. Operation performance comprised third indicators are cost reduction, quality, and responsiveness.

5. Results

Table 1 Index of consistency, Cronbach’s Alpha, Composite Reliability, and Average Variance Extracted (AVE)

Variables	Indicators	Standardized Loading Factors	IOC	Cronbach’s Alpha	Composite Reliability	AVE
Digital Transformation Organization	DLD	0.806	0.863	0.947	0.916	0.686
	COL	0.767				
	TEC	0.792				
	BDT	0.835				
	INO	0.931				
Digital Marketing	SOC	0.778	0.830	0.968	0.887	0.724
	ECOM	0.890				

	INST	0.880				
Operational Performance	COST	0.932	0.887	0.925	0.913	0.778
	QUA	0.934				
	RES	0.771				

All constructs were tested for their reliability and construct validity. Confirmatory factor analysis was used to measure the validity of indicators to produce the loading factor values for all latent variables' indicators. Loading factor values greater than 0.70 are used to limit the indicator's validity (Hair et al., 2010). Table 3 below shows that all the indicator factor loading values are estimated to be above 0.70; that all indicators declared valid are confirmed. For the reliability test, it was tested through composite reliability (CR). It was found that all the constructs (Digital Transformation Organization = 0.947, Digital Marketing = 0.968, and Operational Performance = 0.913) have CR above the cut-off value of 0.7, as suggested by Hair et al. (2010).

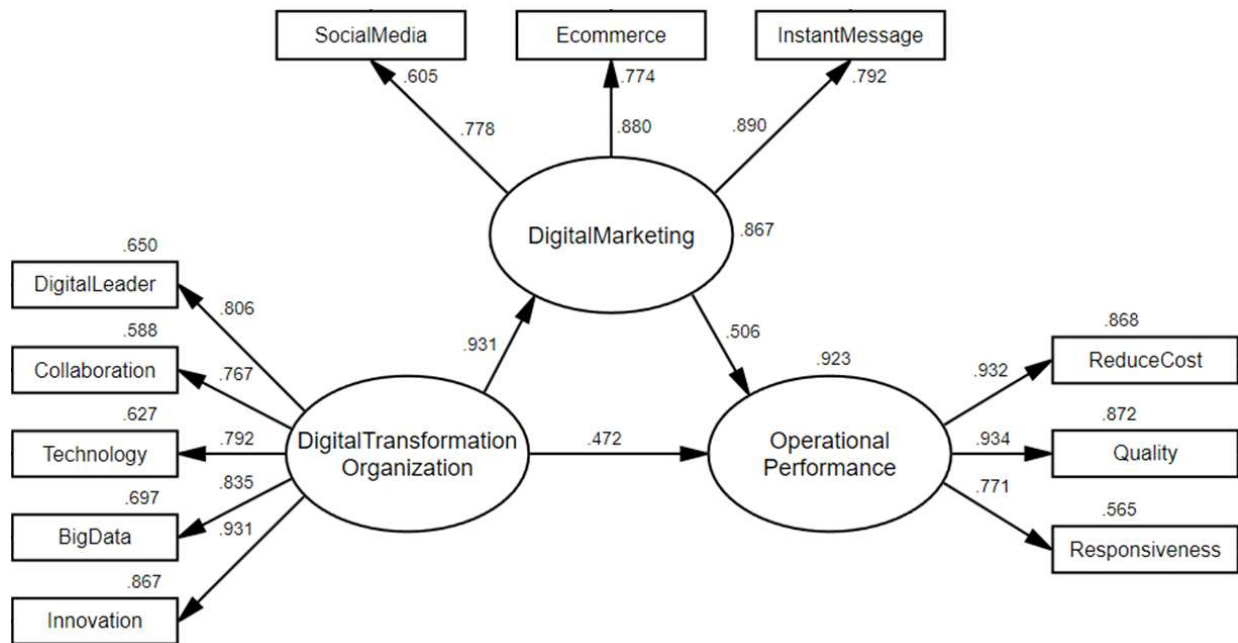


Figure 2. Path analysis results

For structural model fit, the results show sufficient good fit (Chi-Square = 51.672, df = 38, Relative Chi-square = 1.360, p-value = .069, GFI = .973, AGFI = .935, RMSEA = .036, RMR = .012) The results are presented in Figure 1.

Table 2. Total effects, direct effects, and indirect effects

Variables	Digital Marketing			Operation Performance		
	TE	IE	DE	TE	IE	DE
Digital Transformation Organization	0.931	-	0.931	0.943	0.471	0.472
Digital Marketing	-	-	-	0.506	-	0.506
Statistics	Chi-Square = 40.373, df = 28, Relative Chi-square = 1.442, p-value = .061, GFI = .974, AGFI = .939, RMSEA = .040, RMR = .004					
Correlation matrix between variables						
Latent variables	ODGT	DGTM	OPF			
Digital Transformation Organization	1.00					
Digital Marketing	0.931	1.00				
Operation Performance	0.472	0.506	1.00			

Remark: *p > .05, **p > .01, TE = Total Effect, IE = Indirect Effect, DE = Direct Effect

Summary of research results according to objective number 2 can be described as digital organizational transformation of food and beverage operators involves the development of innovation and technology to create new things in product development and service marketing innovations to be fast and accurate. Participatory learning and working according to modern concepts and joint development in designing the organization's big data analysis platform from upstream, midstream, and downstream. Developing advanced data analysis skills to be able to support for making decisions quickly Executives must set a clear vision, strategy and promote employee learning skills to work with digital systems. Improve the digital infrastructure and cooperation platform to exchange real-time internal and external data with predictive analysis techniques of market and customer needs in advance. Develop a content-optimized instant messaging platform with concise messages. Clearly to create engagement with customers, which creates long-term relationships. There must also be a logistics and delivery infrastructure to support efficient and reliable e-commerce trading, such as online payments. Keep personal information safe Develop the quality of products and services to be different and superior to competitors. Design processes to find ways to reduce operating costs and use resources to achieve the most value.

6. Conclusions

The results reported in this paper suggest that digital organizational transformation of food and beverage operators involves the development of innovation and technology to create new things in product development and service marketing innovations to be fast and accurate. Learning and working collaboratively according to modern concepts and joint development in designing big data analysis platforms for organizations from upstream, midstream, and downstream. Develop

advanced data analysis skills to be able to support for making decisions quickly executives must set a clear vision, strategy and promote employee learning skills to work with digital systems. Improve digital infrastructure and data exchange cooperation platforms. Real-time internal and external resources with predictive analysis techniques for marketing and customer needs in advance. This finding is consistent with previous scholars such as Rueckel et al. (2020) who stated that an organization's digital strategy and leadership comes from Manage strategic, tactical, and operational operations with personal creativity and innovation. ICT knowledge corporate culture Internal and external cooperation with digital platforms. Similarly, Legner et al. (2017) found that organizational transformation towards digital systems Organizations' top executives must develop their digital skills to be able to participate in innovation and digital transformation and organizations excel at data-driven agility. Participation of customers and partners and there must be personnel with skills in big data analysis. Aamer et al. (2022) found that technology, personnel, and internal process factors are the main drivers for assessing readiness for supply chain digital transformation in organizations. Puckett (2022) adds that digital transformation is an organization's ability to learn to adapt to new technologies to improve supplier relationships, customers, and the ability to develop new products to support market changes and increased competition. Ning & Yao (2023) also found that an organization's digital transformation can enhance the capabilities of its overall supply chain management. This will have a positive impact on sustainability performance and increase competitiveness. Shehadeh et al. (2023) further stated that digital transformation influences not only competitive advantage, but also influences the direction of enterprises' operations from innovative capabilities to competitive advantage in reducing production costs and responding to customer needs. Additionally, Alathamneh & Al-Hawary (2023) found that digital transformation through big data analytics and investment in modern technology production has a positive impact on operational efficiency. corporate sustainability.

Design and build an instant messaging platform to engage with customers, building long-term relationships. Brand loyalty have appropriate content with concise, clear messages, revised according to feedback from customers. There must also be a logistics and delivery infrastructure to support efficient and reliable e-commerce trading, such as online payments. Maintain the security of customer personal information and adapting to keep up with the social media landscape. Similarly, Kannan (2017), who stated that digital marketing is a process that uses technology and various tools to collaborate with customers and partners to create, communicate, deliver, and maintain value for all stakeholders. Kawira et al. (2019) added that digital marketing is an organization's key strategy towards improving productivity with mobile marketing systems and internet connectivity. Coupled with the wide variety of social media and easy-to-use platforms and positioning of such tools for marketing purposes. Omar et al. (2020) found that digital marketing has a significant influence on business performance and help develop the business into a more efficient system. In addition, Ikramuddin et al. (2021) also found that digital marketing that focuses on interaction and engagement with customers through various digital marketing platforms plays a part. Important in improving the marketing efficiency of a business.

Finally, guidelines for increasing operational efficiency to raise the quality of products and services to be different and superior to competitors. Recruiting and selecting employees with high analytical thinking skills and knowledge and ability in process design to find ways to reduce operating costs and use resources for the most value. But it must also maintain the ability to respond to customer needs accurately, quickly, and on time as specified by customers. This is consistent with Kaplan and Norton (1996), who stated that increasing the efficiency of an organization's operations is a planning process that aims to develop capabilities of the organization and serves as the main objective in developing all aspects of the organization's resources. This can be demonstrated by documenting how money, materials, people, and time are used in an efficient and economical manner. Yu et al. (2022) also found that strategic orientation has a positive impact on the ability to change digitally and that digital transformation capabilities have a positive impact on operational performance and mediate between strategic orientation and performance, organizations need to focus on building their own digital transformation to create value creation capabilities by integrating business processes through digital technology to achieve competitive advantage. Saryatmo and Sukhotu (2021) also found that digital supply chain management has a significant impact on operational efficiency work in terms of quality, productivity, and efficiency in reducing costs. In addition, Alkhatib & Momani (2023) also found that digital supply chain technology has an impact on organizational performance when there are disruptions and changes in work processes, supply chain quickly to meet customer needs.

7. Suggestions

In terms of policy, executives must set a clear vision, policy, strategy, and plan to support the transition to digital working by promoting participatory work among employees to create modern ideas and joint development. Create a management process that is quick and accurate. As well as creating a network of business partners to have strong relationships and pushing the entire supply chain network to work with a digital system to meet market needs and create profits for the business.

Work process, creating an instant messaging platform to allow customers to express their opinions will result in a chain analysis that shows the steps involved in creating added value for products and services from the beginning to the consumer. Including developing personnel to have advanced working skills in analyzing big data that can be used to make immediate business decisions and create business continuity to help organizations recover from crises into opportunities. Make a profit with a continuous process that is in line with changes in the business environment and technology that is constantly changing.

Operational efficiency develops the quality of products and services to be different and superior to competitors. Design processes to find ways to reduce operating costs and use resources for the most value.

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