

Examining the Relationship between Transformational Leadership and Dynamic Capability to the Adoption of Digital Marketing in Consumer Shopping Good Firms

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ABSTRACT

The topic of digital marketing has been studied from various perspectives by scholars in recent years as an effect of Internet usage advances. The Internet has also fundamentally changed the paradigm of today's business communications, altered the way in which information is shared, and set an enormous influence on marketing strategy. There are prior studies on the relationship between leadership type and new technology adoption, as well as dynamic capability and new technology adoption. Most of these studies have confirmed that there is a significant correlation between both transformational and dynamic capabilities to new technology adoption, of which most emphasized the adoption of the Internet or e-commerce. While previous studies have confirmed the relationship amongst those variables, this paper investigates empirically in one cohesive research model on the relationship between transformational leadership and digital marketing adoption, dynamic capability and digital marketing adoption, and dynamic capability as a mediating variable on the relationship between transformational leadership and digital marketing adoption. Furthermore, this research uniquely studies consumer shopping goods in the context of Indonesia. The survey was undertaken in Greater Jakarta, Indonesia, with 215 firms in the field of consumer shopping goods. The outcome reveals that there is a direct impact of dynamic capability to digital marketing adoption, but to the contrary, there is an indirect impact between transformational leadership and digital marketing adoption. This study also finds that the relationship between transformational leadership and digital marketing adoption is fully mediated by the dynamic capability of the firms.

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Keywords: Digital Marketing, Dynamic Capability, Transformational Leadership, Technology Acceptance

JEL Classification: M10, M31