



The Impact of E-Marketing on the Financial Performance of Jordanian Islamic Banks

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ABSTRACT

This study analyzes the influence of E-marketing alongside traditional bank-specific and macroeconomic factors on the performance of Islamic banks in Jordan. The study sample comprised three fully operational Islamic banks out of four in Jordan, selected based on data availability for the period from 2015 to 2024. Data were collected from the ASE data stream and the World Bank database. The research employed two widely recognized performance metrics, return on assets (ROA) and market share (MKS), as dependent variables. The research utilizes the E-marketing index (EMI) as an independent variable. Panel data analysis was employed to achieve the study objective. The findings of this investigation show that e-marketing improves Islamic bank performance in Jordan. The statistical analysis found that Jordanian Islamic banks implementing successful e-marketing tactics increased profitability, presence in the market, and interaction with customers. This underlines how digitization improves productivity, satisfaction with customers, and profitability. The study provides valuable insights for policymakers, regulators, and stakeholders aimed at improving the performance of Islamic banks in Jordan.

Keywords: E-Marketing, Performance, Islamic Banks, Panel Data, Jordan

JEL Classifications: M31, L25, L81

1. INTRODUCTION

The internet is the most effective medium for providing financial services to consumers, enabled by rapid technological advancement, unrestricted by time or geographical limitations. Financial institutions consider the internet an essential element of their strategies. Its architecture and service delivery have revolutionized commercial banking (Sumo et al., 2016). The banking sector has persistently sought innovations in communication and information technology, leading to the development of what is often termed “E-marketing.” This term encompasses all marketing efforts that utilize electronic devices or the internet to connect with customers and promote products or services. E-marketing has profoundly influenced people’s everyday lives and occupations. Technology, especially in the financial sector, is widely employed to improve public access

to financial services. Technological advances have enabled the ordinary public to conduct financial activities with convenience, security, and independently (Block and Shapira, 2017).

E-marketing has overcome industry, regional, and legal barriers to modernizing banking. New market opportunities and innovative products and services for investors and consumers have also resulted (Tiago and Veríssimo, 2014). Considering this advancement, banks have used E-marketing to leverage market opportunities and provide adequate services to their customers. Every company has a distinct purpose to fulfill while doing business and increasing performance. Performance in an organization determines final achievement. It requires defined goals, a timeframe, and efficiency and effectiveness (Blowfield and Dolan, 2014). Banks may reach their target demographic via E-marketing. Due to the unique challenges and opportunities

faced by banks in developing nations, such as market dynamics, E-marketing's effects on firm success must be carefully examined. In a growing nation such as Jordan, the banking industry significantly influences the economy, having undergone substantial alteration in recent years due to the extensive evolution of business models by its institutions. The COVID-19 epidemic has enhanced the sector's reliance on technology, resulting in significant transformations in administrative, banking, and financial activities (Housing Bank, 2024).

Despite the increasing prevalence of E-marketing techniques globally and locally, there is a deficiency in thorough understanding of the specific impact of E-marketing adoption on the performance of Islamic banks in Jordan. E-marketing strategies are essential for market competitiveness. Understanding the impact of these tactics on performance enables banks to adjust their marketing strategies to align with customer expectations and surpass competitors. This understanding is crucial for developing tailored and successful marketing tactics that enhance customer loyalty. Recent study has highlighted the importance of E-marketing in fostering organizational performance and improving competitiveness (Sharma et al., 2024). Nonetheless, there is a dearth of empirical research specifically examining the effect of E-marketing adoption on financial performance of Islamic banks inside a developing nation such as Jordan. It is crucial to understand how Islamic Jordanian banks strategize, implement, and use E-marketing strategies to enhance their performance, especially considering their increased market share in the last years. This comprehension is essential for directing legislative interventions, management strategies, and resource distributions intended to foster the advancement of Islamic banks and the economic progress.

The subsequent portions of this article adhere to the following format: Section II addresses prior empirical studies and the formulation of hypotheses. Section III delineates the study methodology, sample, and data gathering techniques followed by the findings and discussion in section IV. The last section presents the conclusions and recommendations.

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

E-marketing has significantly altered the banking sector by allowing banks to engage with customers more efficiently and effectively via digital channels. The influence of technological adoption on bank performance has attracted significant scholarly attention, highlighting its critical role in competitive financial markets. E-marketing allows banks to expand geographically without significant infrastructure costs, capturing new markets and increasing revenue streams (Del Sarto et al., 2024). Enhanced visibility through online platforms correlates positively with market share growth. E-marketing reduces operational costs associated with traditional marketing methods. Automated campaigns, online customer support, and mobile banking diminish the need for physical branches and staff, resulting in improved profitability (Liu et al., 2024).

Financial companies, particularly banks, use e-marketing to contact and engage customers. Banks are using social media, email marketing, and mobile apps to reach their target audience, build relationships with potential customers, and improve performance as digital channels become more important for customer engagement (Mansoori et al., 2023). Recent social media expansion has transformed the internet scene, allowing firms to communicate with clients abroad (Al-Gasawneh et al., 2020). This shift has initiated a new era in marketing that transcends traditional advertising methods (Smyth, 2019).

Social media has emerged as a crucial instrument for organizations across various sectors, facilitating enhanced website traffic, fostering stronger consumer relationships, and promoting brand awareness (Al-Gasawneh et al., 2020). Aljabari et al. (2023) assert that marketing through platforms like social media provides a versatile and cost-effective method for promoting products, services, and content, applicable across various sectors. Organizations must adapt to contemporary trends and leverage the significant potential of social media to achieve success in the current digital landscape. Social media has transformed banks' efficiency (Badi et al., 2016). Social media boosts brand awareness among target customers. Macarthy found that banks with strong social media presences were more likely to reach clients and leave a lasting impression (Macarthy, 2024). Increased visibility generally leads to heightened consumer attention, thereby enhancing the efficiency of the business (Mehdi and Kalim, 2023). Discussions regarding the impact of social media on banks have primarily focused on customer involvement and relationship enhancement. Research indicates that social media platforms effectively facilitate direct connections with clients (Fraccastoro et al., 2020). By answering questions, resolving difficulties, and personalizing encounters, banks build customer loyalty and community (Habes et al., 2020). Relationship-building tactics may boost bank performance, according to Habes et al. (2022). These techniques boost customer loyalty, recommendations, and connections.

Social media's marketing power affects banks. Researchers widely recognize that focused on content and advertising promotion on internet-based platforms can be successful (Belew, 2014). These operations may lead to enhanced customer interaction, increased internet traffic, and improved conversion rates, enabling financial companies to create connections with certain customer categories. Previous research revealed that using social media to strengthen marketing efforts leads to an immediate improvement in business efficiency metrics (Evangelista et al., 2010). Academic research unequivocally indicates that social media significantly influences the financial performance of banks. Contacts with customers enhance brand visibility, foster participation, improve marketing efforts, elevate sales, and stimulate innovation (Chafey and Ellis-Chadwick, 2019). Despite the hurdles, social media management may improve banks' performance in the era of technology (Jadhav et al., 2023).

Technological communication, brand awareness, and consumer engagement are efficient social media marketing strategies for banks (Rahi et al., 2022). In the present competitive corporate

climate, digital marketing may considerably impact bank development and performance (Frost et al., 2018). The primary benefits of the connection between technological communication and banking institutions include the potential for enhanced brand visibility and audience expansion via social media platforms. Institutions can effectively present their products and services to a broad online audience by strategically developing content that emphasizes their unique value offerings (Awa et al., 2017). Banks can contact prospective customers beyond their local locations and connect with them in a more personalized and engaging manner via creative communication strategies thanks to social media (Karimi and Naghibi, 2014; Lee et al., 2017).

Online tools facilitate direct engagement, allowing financial institutions to promptly address customer concerns, resolve issues, and collect feedback (Tuten and Mintu-Wimsatt, 2018). The presence of a two-way link enhances consumer satisfaction and enables financial institutions to tailor their offerings using real-time data, thereby facilitating the development of products and services aligned with client preferences (Yu et al., 2021). E-marketing offers various methods for banks to enhance their performance. An essential element of e-marketing effectiveness is its ability to enhance customer engagement. Personalized messages, real-time communication, and seamless digital experiences contribute to increased customer satisfaction (Del Sarto et al., 2024). Customer satisfaction enhances loyalty, increases the likelihood of service recommendations, and encourages participation in cross-selling initiatives, thereby contributing to better financial outcomes. Banks can utilize online marketing to expand their reach, strengthen relationships, and promote a growth-oriented mindset (Cioppi et al., 2019). Banks are at the forefront of leveraging growth opportunities and achieving success in the contemporary digital business landscape through effective online marketing (Da Silva Wegner et al., 2023). Furthermore, Hess et al. (2020) indicate that the proliferation of social media platforms has increased customer engagement with content and opened the door for real-time engagement with the company. Kim and Ko identify three essential components of social media use: Interactions, entertainment, and trends (Kim and Ko, 2011). E-marketing enhances connections between businesses, consumers, and the online community (Leguina et al., 2020).

The existing studies on the impact of E-marketing on bank performance exhibit numerous limitations. Some of these issues include a narrow focus on particular time periods, an absence of consideration for larger sustainability aspects, insufficient controls for some crucial factors such as bank-specific and macroeconomic variables. Despite the growing importance of E-marketing and its integration with practices of banks' bottom lines, many studies have ignored or misrepresented the Islamic banks in Jordan. E-marketing's influence on performance may be reduced by bank capital, size, liquidity, and cost efficiency, which prior research has neglected. Macroeconomic issues like inflation and GDP have not been adequately explored, which may distort outcomes. By focusing on the effect of E-marketing on the performance of Jordan's listed Islamic banks, this study hopes to close a knowledge gap. The research offers a comprehensive and contextually appropriate examination of the issue in this economically diversified and

dynamically changing area by evaluating data from 2014 to 2023 and carefully controlling numerous aspects. Previous research indicates a significant positive correlation between e-marketing activities and bank performance. E-marketing strategies that are effectively contributed to enhanced customer acquisition, retention, operational efficiencies, and increased profitability. As a result, the subsequent hypothesis will be developed:

H₁: There is a positive relationship between E-marketing and Islamic banks performance in Jordan.

3. DATA AND METHODOLOGY

The study focuses on Islamic banks listed on the Amman Stock Exchange (ASE), a significant stock market in the Middle East. A selection of 3 listed Islamic Jordanian banks from 2014 to 2023 was made due to the increased market share of Islamic banks in Jordanian banking sector in the last few years as shown in the Table 1. This dramatic growth in Islamic Jordanian banks' market share since the most recent COVID-19 epidemic may suggest that these institutions have made effective use of E-marketing strategies. The current study utilizes financial data sourced from the ASE data stream and the annual report of banks. Data for additional macroeconomic indicators, including the GDP growth rate and inflation rate, were obtained from the World Development Indicators (WDI) provided by the World Bank. Jordan was chosen due to its strategic significance in the Middle East and its economic connections to vast markets including over a billion customers (Matar et al., 2018; Al-Rdaydeh et al., 2019). Notwithstanding Jordan's importance and status as an emerging economy, the nation's commercial sector has seen declines that have adversely affected its performance throughout time (Matar et al., 2020).

3.1. Variables and Measures

The dependent variable in this study was bank performance, assessed through return on assets (ROA) and market share (MKS) as indicators, consistent with previous research (Hamouri et al., 2018; Al-Rdaydeh et al., 2018). The independent variable was E-marketing, which was quantified using the E-marketing index (EMI) as outlined by Kilgour et al. (2015). This index was utilized to evaluate the degree of a bank's active involvement in E-marketing. The EMI encompasses search engine optimization (SEO), web presence, content promotion, social media activity, and mobile optimization. Scores have been assigned to each of the specified dimensions and normalized to a scale ranging from 0 to 100 (Masrianto et al., 2022). To reduce subjective assessment biases, all dimensions are weighted equally (Yaseen et al., 2019; Gibson, 2018). Increased website traffic, social media engagement,

Table 1: Islamic banks market share of banking sector

Years	Assets %	Deposits %	Facilities %
2019	16.5	21.4	21.4
2020	17.2	22.6	23.3
2021	18.2	24.1	25.3
2022	18.2	24.0	25.7
2023	18.7	24.3	25.8
2024	20.0	25.6	25.9

Source: Central Bank of Jordan

and SEO enhance EMI, reflecting an effective online presence that attracts more clients and improves banks' revenues and financial performance (Trainor, 2012; Aldouri, 2023). To authenticate the EMI, two steps were taken. Five E-marketing and financial experts tested the index to ensure it appropriately measures E-marketing. Then, the EMI was empirically tested using historical data to examine its correlation with established performance metrics. The identified relationships were statistically significant, validating the reliability of the EMI as a metric for assessing E-marketing performance relationship.

The analysis includes two sets of control variables that may influence Islamic bank performance, as identified in prior research (Al-Rdaydeh et al., 2018; Athari and Bahreini, 2021). These variables encompass bank-level factors such as bank size (SIZE), asset management (AMG), capital adequacy (CAQ), deposit growth (DG), and financial risk (FR). Macroeconomic variables comprise GDP growth (GDP) and inflation (INF). Table 2 provides descriptions of all variables employed.

3.2. Data Analysis Technique

In order to assess the regression models, the panel data technique is used. Baltagi (2005) indicates that panel data offers more accurate estimates compared to just using time-series or cross-sectional data, and it helps account for differences between individuals and issues with multicollinearity. Thus, the current study utilizes panel data techniques, specifically pooled OLS, random effect model, and fixed effect model, like previous research on banks' profitability (Al-Rdaydeh et al., 2018; Athari and Bahreini, 2021). Within the scope of this investigation, the Hausman test was used to determine if the fixed effects or random effects panel estimates are more suitable. The models below show the mathematical reasons used to examine how E-marketing affects performance, along with the usual factors, for Islamic banks in Jordan in this study.

$$ROA_{it} = \beta_0 + \beta_1 EMI_{it} + \beta_2 SIZE_{it} + \beta_3 AMG_{it} + \beta_4 CAQ_{it} + \beta_5 DG_{it} + \beta_6 FR_{it} + \beta_7 GDP_{it} + \beta_8 INF_{it} + \varepsilon_{it} \quad (1)$$

$$MKS_{it} = \beta_0 + \beta_1 EMI_{it} + \beta_2 SIZE_{it} + \beta_3 AMG_{it} + \beta_4 CAQ_{it} + \beta_5 DG_{it} + \beta_6 FR_{it} + \beta_7 GDP_{it} + \beta_8 INF_{it} + \varepsilon_{it} \quad (2)$$

In the aforementioned equations, (*i*) denote an individual bank and (*t*) signifies the year. ε_{it} indicated the unobserved bank-specific effect, including the idiosyncratic error, respectively.

4. EMPIRICAL RESULTS AND DISCUSSION

This research examined the effect of E-marketing on the performance of Islamic banks in Jordan. To guarantee robust and precise observations, several tests were used, including a multicollinearity test, an autocorrelation test, and a heteroscedasticity test. These tests validate or invalidate the dependability of the regression models and the lack of econometric issues. The test findings as presented in the following tables indicated that no issues were identified in the data regarding stationarity, multicollinearity, autocorrelation, and heteroscedasticity. Table 3 presents the descriptive statistics for the variables in the current investigation,

Table 2: Definition of variables

Variables	Definition (notation)	Measurement
Dependent variable		
Islamic bank performance	Return on assets (ROA) Market share (MKS)	Net profit/total assets Total assets of the bank/ total assets of all Banks
Independent variable		
E-marketing	E-marketing index (EMI)	A weighted score of Islamic banks' E-marketing presence.
Control variables		
Bank-level	Bank size (SIZE)	Natural log of the bank's total assets
	Assets management (AMG)	Operating income/total assets
	Capital adequacy (CAQ)	Bank's equity-to-total-assets ratio
	Deposits growth (DG)	Annual growth of deposits
	Financial risk (FR)	Total liabilities/total assets
Country-level	GDP growth (GDP)	Annual GDP growth (%)
	Inflation (INF)	Annual inflation rate (%)

Table 3: Descriptive statistics

Variables	Mean	Standard deviation	Min	Max
ROA	0.010775	0.003208	0.004207	0.014947
MKS	0.056533	0.027775	0.018	0.096
EMI	59.43334	19.92848	25.32	87.19
SIZE	9.427419	0.242803	8.892179	9.786927
AMG	0.031182	0.004795	0.021284	0.037872
CAQ	0.094049	0.023971	0.059273	0.171421
FR	0.266947	0.076793	0.140831	0.397687
DG	0.089644	0.114287	-0.08022	0.397687
GDP	0.0208	0.011981	-0.011	0.037
INF	0.01636	0.018400	-0.009	0.045

Source: Author's own calculation

including both explanatory and dependent variables. There are two indicators that measure the dependent variable: ROA and MKS. The first statistics, ROA, showed a range of values from 1.49% to an average of 1.07%. According to the MKS, which ranged from 1.8% to 9.6% and averaged 5.6%, the industry is somewhat fragmented and certain Islamic banks in Jordan have smaller percentages of the market compared to others. Each metric's standard deviation was within a reasonable range. The present study's data also reveal that the independent variable EMI has a rather large standard deviation; this might be because Islamic banks' use of E-marketing tactics varies. There seems to be little diversity in the assets and scope of operations across Islamic banks in Jordan, as shown by the relatively low standard deviation for the size variable in the data. The results of the AMG variable corroborated these findings; it had a very low standard deviation, indicating that Islamic banks in Jordan had very little variance in their asset management. This points to commonalities across Jordan's Islamic banks in terms of business strategies, market concentration, capitalization levels, and strategic decisions. The standard deviation values for the other explanatory factors used as control variables in this research were within the normal range, suggesting that there were no significant differences among the study participants.

Table 4 displays the Pearson correlation matrix of the studied variables. Multicollinearity in regression models occurs when two or more variables have a substantial association. A correlation coefficient >0.8 is often deemed significant, adversely affecting the regression outcome (Gutiérrez-Ponce and Wibowo, 2023). Table 4 displays the Pearson correlation matrix, revealing that all coefficients are below 0.8, so confirming the lack of multicollinearity concerns. Nonetheless, reliance just on the correlation matrix does not provide a definitive depiction of multicollinearity issues. Thus, the variance inflation factor (VIF) test was used. This assessment evaluates the degree of deterioration in the precision of estimations. A Variance Inflation Factor (VIF) >10 may signify problems associated with multicollinearity (Belsley et al., 2005). The VIF test results in Table 3 demonstrate the lack of multicollinearity, with all VIF values being within the specified threshold. The results validated the appropriateness of the variables for regression analysis.

In addition to the correlation matrix and VIF test employed to assess multicollinearity in the regression models, this study incorporated additional diagnostic tests, including the Wooldridge test for autocorrelation in panel data and the Breusch-Pagan/Cook-Weisberg test for heteroscedasticity. The results presented in Table 5 indicate the absence of autocorrelation and heteroskedasticity in the regression models. The Hausman test was employed to assess the suitability of fixed effects versus random effects panel estimates, with results indicating a preference for

the random effects model. The Breusch and Pagan Lagrangian Multiplier test for random effects was conducted, and the results indicated a preference for the Pooled OLS model in this study. Table 5 presents the results of these tests alongside the Pooled OLS regression outcomes concerning the relationship between the dependent variable and the explanatory variables. The regression models were considered suitable based on significant F-statistics, with independent variables explaining 86.3% of the variance in ROA and 89.2% of the variance in MKS.

Table 5 delineates the findings of the examination of the relationship between return on assets (ROA) and market share (MKS), which serve as indicators of the bank's performance, alongside the independent variable E-marketing (EMI), as well as the outcomes of the control variables. In both the ROA and MKS models, the independent variable EMI, had a substantial positive correlation with ROA and MKS at a 1% significance level. This shows the importance of E-marketing in improving financial performance and market share. E-marketing activities, such as targeted advertising, content marketing, and mobile services, often result in improved operational efficiency and increased revenues (Alrawashedh and Shubita, 2024). By attracting and retaining profitable customers, banks generate higher income relative to their assets, thus boosting ROA. A strong digital presence helps banks to tap into new customer segments and geographical markets, thereby expanding their market share. Effective E-marketing facilitates brand visibility and customer engagement, leading to

Table 4: Correlation matrix and VIF test

Variables	ROA	MKS	EMI	SIZE	AMG	CAQ	FR	DG	GDP	INF
ROA	1									
MKS	0.5647***	1								
EMI	0.0725	0.2312	1							
SIZE	0.5296***	0.9060***	0.5745***	1						
AMG	0.8195***	0.4469**	-0.3218*	0.2122	1					
CAQ	-0.2603	-0.3032*	-0.4947***	-0.5904***	0.2481	1				
FR	0.8665***	0.4143**	-0.0187	0.4179**	0.6761***	-0.3445*	1			
DG	-0.6909***	-0.4836***	-0.2095	-0.4726***	-0.5244***	0.1071	-0.5033***	1		
GDP	0.0052	0.0170	0.0367	0.0499	-0.1117	-0.0441	-0.0146	-0.1218	1	
INF	0.1200	0.0616	0.2947	0.1460	0.0409	-0.0938	-0.0666	-0.4381**	0.2282	1
VIF test	--	--	2.62	3.67	4.49	3.28	4.13	1.48	1.18	1.83

Table 5: Estimation results

Variables	ROA		MKS	
	Coefficient	Standard error	Coefficient	Standard error
EMI	0.00341***	0.00109	0.00524***	0.00421
SIZE	-0.00167	0.00113	0.14599***	0.04088
AMG	0.55475***	0.07152	0.38558	0.27518
CAQ	-0.05023***	0.01161	0.24778***	0.04469
FR	0.00548	0.00397	-0.03464**	0.01528
DG	-0.00544***	0.01853	0.00084	0.00713
GDP	0.02085*	0.01218	-0.04072	0.46870
INF	-0.01513	0.09895	0.00375*	0.03807
Constant	0.01014	0.00971	-1.31405***	0.03735
Number of observations	30		30	
F-value	68.36***		356.8***	
Hausman test	9.98		2.87	
Heteroskedasticity test	1.26		0.10	
Autocorrelation test	0.766		3.794	
R-squared	0.863		0.892	

*, **, *** denote 10%, 5% and 1% significance levels, respectively

higher customer loyalty and preference over competitors, which ultimately results in increased market share (Gharios and Khalaf, 2024). These improvements boost client acquisition, retention, and operational efficiency, improving financial performance measures like ROA and MKS. Thus, banks that invest in excellent E-marketing strategies should anticipate higher asset utilization and income, making them essential to modern banking (Pricopoaia and Susanu, 2022).

The analysis for first control variable revealed that bank SIZE exhibits a negative insignificant correlation with the ROA, suggesting that an increase in bank size does not necessarily lead to a decline or increase in ROA. The negligible connection may suggest that variables other than bank size have more influence on the bank's ROA. Conversely, the bank size of the bank had a substantial positive link with the market share of Islamic banks in Jordan, with a significance level of 1%. This result could be attributed to the strategic implementation of E-marketing initiatives. By leveraging E-marketing tools, larger banks can capitalize on their resources, brand strength, and customer base to enhance customer engagement, promote products and services, gain a competitive advantage, and ultimately drive growth in market share (Gharios and Khalaf, 2024). For the second control variable, assets management (AMG), affirming a strong and positive relationship with the ROA, but insignificantly positive with market share. Improving asset management in banks through diversified investment strategies can enhance returns and mitigate risks, ultimately leading to increased profitability. The third control variable, capital adequacy (CAQ), demonstrated a significant negative correlation with the return on assets (ROA) and a positive significant correlation with MKS at significant levels of 1%. An increase of one unit in capital for Islamic banks in Jordan results in a 0.05 unit decrease in performance as measured by the ROA model and a 0.24 unit increase according to the MKS model. The analysis results for the financial risk variable (FR) were inconclusive. In the ROA model, the results indicate an insignificant positive relationship, whereas in the MKS model, the relationship is negatively significant at 5% level. The examination of the final variable in the bank-level variables, deposit growth (DG), indicated that this variable has a negative impact on the performance of Islamic banks at a 1% significance level for ROA model, but it had insignificant relationship with MKS. The findings demonstrate that a 1% rise in deposit growth correlates with a 0.5% decline in the return on assets (ROA). The findings underscore the significance of the relationship between deposits and profitability. Consequently, effective management of deposit growth, enhancement of deposit types, and alignment of funding sources with loans can lead to increased profits for banks.

The regression analysis for the country-level control variables revealed that the GDP variable had a slight positive impact on the ROA of Islamic banks at the 10% significance level, but it showed no correlation with MKS. This conclusion suggests that while economic circumstances may affect bank profitability, other internal and industry-specific variables significantly impact their financial success. This implies that the resilience, diversification plans, long-term stability, ethical concerns, and operational efficiency of Jordanian Islamic banks may influence the correlation

between GDP and ROA. The results indicate that inflation has a marginally beneficial effect on MKS and an insignificantly negative effect on ROA.

5. CONCLUSION

The influence of technological adoption on bank performance has received scholarly attention, highlighting its importance in competitive financial markets. E-marketing enables financial institutions to broaden their global reach with minimum infrastructure expenditure, grabbing new market possibilities and increasing income. Visibility on digital channels increases market share. However, there is no empirical study on E-marketing adoption and bank financial performance in developing nations such as Jordan. E-marketing tactics are vital to Islamic Jordanian banks' success, particularly given their recent market share growth. This panel data analysis examined the complex link between E-marketing strategies and Jordanian Islamic banks' operational performance from 2015 to 2024. The result demonstrates the significant beneficial impact of E-marketing on the performance metrics of Islamic banks in Jordan. Comprehensive statistical study demonstrated that Islamic banks in Jordan using effective E-marketing strategies saw heightened profitability, expanded market presence, and improved client engagement. This remark underscores the vital significance of digital transformation in enhancing operational efficiency, customer happiness, and overall profitability. Capital adequacy, asset management, bank size, deposit growth, and financial risk influence financial institution performance and E-marketing effectiveness. Digital investments were better for financial organizations with large capital reserves, assets, adept management, and simplified cost structures. This helped them turn digital efforts into revenue. This study placed these findings in Jordan's macroeconomic context. E-marketing effectiveness was affected by GDP growth and inflation rates, highlighting the relevance of economic stability and market conditions in maximizing digital performance indicators. E-marketing is projected to assist banks in high-inflation, high-GDP situations.

The conclusions of this research affect Jordanian bankers, regulators, and analysts. Regulators and politicians should strengthen the external environment to boost Islamic bank profits. Regulators must provide the framework that requires banks to utilize ethical, transparent, and compliant E-marketing methods to build a sustainable, customer-focused banking industry. Policymakers and bankers must balance innovation, competitiveness, consumer interests, data privacy, and financial stability. Because macroeconomic issues, especially GDP and inflation, affect Islamic bank profitability, they must be prioritized. In conclusion, bank managers and policymakers should diversify digital operations and investments and use E-marketing to boost bank profitability and reduce the significant impact of global uncertainty on financial performance. This research gives strong evidence that E-marketing affects Jordanian Islamic banks. Other countries with Islamic banks and Sharia-compliant goods need further empirical study to improve knowledge.

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