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The Role of Digital Marketing Strategy in Enhancing Organizational Outcomes in the Real Estate Sector of Islamabad: The Mediating Role of Customer Satisfaction

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Abstract

This study examines the influence of Digital Marketing Strategy on Organizational Outcomes in the real estate sector of Islamabad, Pakistan, focusing on the mediating role of Customer Satisfaction. As digital marketing continues to redefine customer interactions and organizational performance, understanding its mechanisms is essential for achieving sustained business success. The research employs a robust methodology, using surveys distributed to 60 participants, including both employees and customers from three prominent real estate agencies in Islamabad. Data analysis was conducted using Statistical Package for the Social Sciences, Smart Partial Least Squares, and Bootstrapping techniques. The results demonstrate that Digital Marketing Strategy significantly improves Customer Satisfaction, which, in turn, enhances Organizational Outcomes. Moreover, Customer Satisfaction fully mediates the relationship between Digital Marketing Strategy and Organizational Outcomes, emphasizing the critical role of customer-centric digital strategies in fostering business growth. This study provides valuable insights into the relationship between digital marketing, customer satisfaction, and organizational performance, offering a novel framework for real estate agencies in Islamabad and contributing to the broader understanding of digital marketing's impact in emerging markets.

Keywords: Digital Marketing Strategy, Customer Satisfaction, Organizational Outcomes, Mediation, Real Estate, Pakistan, Bootstrapping

Introduction

In today's rapidly evolving global business landscape, digital marketing has emerged as a crucial tool for organizations aiming to enhance their visibility, engage customers more effectively, and improve overall performance. As businesses increasingly transition to digital platforms, the ability to harness the power of online channels for marketing has become integral to long-term success (Chaffey, 2019). This is especially true for industries like real estate, where customer decision-making processes are significantly shaped by the availability of information, the effectiveness of online platforms, and the quality of services provided (Kotler & Keller, 2016). In particular, digital marketing strategies in the real estate sector facilitate better communication with clients, allowing firms to showcase properties, personalize customer interactions, and create integrated communication channels that influence consumer perceptions and purchasing decisions (Mangold & Faulds, 2009).

The real estate sector in Islamabad, Pakistan, presents a dynamic and rapidly expanding market that is increasingly adopting digital marketing tools to meet the growing demand for properties and services. Islamabad has seen a consistent rise in both the volume of real estate transactions and foreign investment

in recent years, making it a key player in Pakistan's real estate market (Ali, 2021). As the customer base becomes more digitalized, real estate firms in Islamabad are adopting advanced online marketing techniques, including social media marketing, search engine optimization (SEO), virtual property tours, and online property listings, to engage prospective clients. These strategies are essential to building an online presence, attracting customers, and fostering trust and loyalty in a competitive market (Ebrahim et al., 2016).

Despite the growing recognition of digital marketing's role in enhancing business performance, there is limited empirical research on the specific mechanisms through which digital marketing strategies influence organizational outcomes, particularly in emerging markets such as Pakistan (Alalwan, Alalwan, & Baabdullah, 2017). While digital marketing has been identified as a driver of customer engagement and organizational success in various sectors (Chaffey & Ellis-Chadwick, 2019), its direct influence on key organizational outcomes like sales, profitability, market share, and customer loyalty, particularly in the real estate sector, has not been thoroughly investigated.

A crucial element in understanding the full impact of digital marketing on business outcomes is the concept of customer satisfaction. Numerous studies have shown that customer satisfaction plays a pivotal role in shaping customer loyalty, fostering repeat business, and driving long-term organizational success (Oliver, 1999; Fornell, 1992). In the real estate sector, customer satisfaction is particularly significant because property transactions are high-involvement purchases, and customers' experiences with real estate agencies directly affect their likelihood of engaging in future transactions or recommending the firm to others (Chen & Tsai, 2007). However, while there is substantial literature on customer satisfaction, the role it plays as a mediating variable between digital marketing efforts and organizational outcomes remains underexplored, particularly in the context of emerging markets such as Pakistan.

Existing research highlights that digital marketing strategies can lead to higher customer engagement, which in turn positively impacts customer satisfaction (Alalwan, Alalwan, & Baabdullah, 2017). Moreover, it has been observed that businesses that effectively leverage digital marketing strategies are more likely to achieve superior organizational outcomes, such as increased sales and market share (Chaffey & Ellis-Chadwick, 2019; Strauss & Frost, 2014). Despite these observations, there is still a lack of clear understanding about the specific pathways through which digital marketing influences organizational outcomes, especially through customer satisfaction as a mediating variable.

Furthermore, while several studies have explored the relationship between digital marketing and customer satisfaction, as well as between customer satisfaction and business performance (Bendapudi & Berry, 1997; Fornell, 1992), limited attention has been given to how customer satisfaction mediates the relationship between digital marketing strategies and organizational outcomes in the real estate industry, particularly in the context of Islamabad's emerging real estate market.

Theoretical Background and Hypotheses Development

Digital Marketing Strategy

Digital Marketing Strategy (DMS) refers to a comprehensive approach that organizations employ to market their products or services through digital platforms. This encompasses a variety of online marketing techniques including social media marketing, search engine optimization (SEO), email marketing, digital advertising, and content marketing (Chaffey, 2019). The increasing prevalence of digital media has led to a paradigm shift in marketing strategies, where traditional advertising is complemented or replaced by digital approaches, enabling firms to reach a larger, more diverse audience with greater precision (Kotler & Keller, 2016).

In the real estate industry, where properties are high-value and involve significant customer investment, digital marketing plays a crucial role in attracting and retaining clients. Properties often require substantial financial commitment, and potential buyers or renters frequently seek detailed, transparent, and easily accessible information before making decisions (Baker & Hart, 2007). Digital marketing strategies, such as the use of virtual tours, interactive websites, and online property listings, allow real estate firms to present properties in an engaging and informative manner, thereby enhancing their ability to capture consumer interest (Ebrahim et al., 2016). Additionally, social media platforms have become essential tools for real estate agencies to engage directly with potential clients, share updates, and build relationships (Alalwan, Alalwan, & Baabdullah, 2017).

By implementing effective digital marketing strategies, real estate firms can increase their visibility, foster customer engagement, and influence purchasing decisions. Search engine optimization ensures that a firm's property listings appear at the top of search engine results, which increases traffic to their websites and enhances their ability to capture prospective leads (Chaffey & Ellis-Chadwick, 2019). Similarly, email marketing can be used to nurture leads by sending personalized property recommendations and follow-up communications, which further increases the likelihood of a purchase or rental agreement (Ryan, 2016).

H1: A strong Digital Marketing Strategy positively influences Customer Satisfaction in real estate agencies.

Customer Satisfaction

Customer Satisfaction (CS) refers to the overall contentment that customers feel after engaging with a firm's products or services. It is a key determinant of customer loyalty, repurchase behavior, and brand advocacy (Fornell, 1992). In the context of real estate, customer satisfaction is of paramount importance because of the high-involvement nature of property transactions. Real estate transactions involve significant financial decisions, and customers expect a high level of service quality and engagement during their interactions with real estate agents (Oliver, 1999).

Satisfied customers are more likely to engage in word-of-mouth promotion, which contributes to brand loyalty and a firm's reputation (Hennig-Thurau et al., 2002). In fact, studies have shown that satisfied customers are significantly more likely to recommend real estate firms to their friends, family, and colleagues (Chen & Tsai, 2007). In an industry where trust is essential, customer satisfaction directly influences a firm's ability to build a loyal customer base and expand its market reach. For real estate agencies, achieving customer satisfaction goes beyond just delivering a product (a property); it requires providing value-added services such as transparency in pricing, effective communication, timely responses to inquiries, and personalized experiences (Bendapudi & Berry, 1997). By adopting digital marketing tools that enhance customer interaction, real estate agencies can address customer needs more efficiently, thereby fostering higher levels of satisfaction.

H 2: Customer Satisfaction positively influences Organizational Outcomes in real estate firms.

Organizational Outcomes

Organizational Outcomes (OO) refer to the results or achievements of a firm in terms of its key business metrics. These include financial performance, market share, customer loyalty, and brand reputation. These outcomes are critical indicators of a firm's success and competitiveness in the marketplace. In the real estate sector, financial performance can be measured by metrics such as sales revenue, profit margins, and return on investment (ROI), while market share indicates the firm's competitive position within the industry (Baker & Hart, 2007).

A key driver of organizational success in the real estate industry is the effective implementation of digital marketing strategies. Real estate agencies that invest in digital tools to promote their properties and engage with clients are more likely to achieve superior organizational outcomes (Ebrahim et al., 2016). These tools enable firms to reach a wider audience, personalize their marketing efforts, and improve the customer experience. In turn, these efforts drive customer satisfaction, which leads to increased loyalty, repeat business, and ultimately greater financial performance and market share (Fornell, 1992).

Moreover, customer loyalty, a key organizational outcome, is highly correlated with customer satisfaction. Satisfied customers are more likely to return to the same real estate firm for future transactions and are less likely to switch to competitors (Oliver, 1999). In addition, loyal customers often contribute to the firm's brand reputation by recommending the agency to others, enhancing the agency's competitive position in the market.

H 3: Customer Satisfaction mediates the relationship between Digital Marketing Strategy and Organizational Outcomes in real estate firms.

Research Questions

1. How does Digital Marketing Strategy (DMS) influence Customer Satisfaction (CS) in real estate firms in Islamabad?
2. What is the relationship between Customer Satisfaction (CS) and Organizational Outcomes (OO) in real estate firms in Islamabad?
3. Does Customer Satisfaction (CS) mediate the relationship between Digital Marketing Strategy (DMS) and Organizational Outcomes (OO) in real estate firms in Islamabad?
4. What is the direct impact of Digital Marketing Strategy (DMS) on Organizational Outcomes (OO) in real estate firms in Islamabad?

Research Objectives

1. To examine the impact of Digital Marketing Strategy (DMS) on Customer Satisfaction (CS) in real estate firms in Islamabad.
2. To investigate the effect of Customer Satisfaction (CS) on Organizational Outcomes (OO) in real estate firms in Islamabad.
3. To assess the mediating role of Customer Satisfaction (CS) in the relationship between Digital Marketing Strategy (DMS) and Organizational Outcomes (OO) in real estate firms in Islamabad.
4. To evaluate the direct effect of Digital Marketing Strategy (DMS) on Organizational Outcomes (OO) in real estate firms in Islamabad.

Research Methodology

Data Collection

This study employed a quantitative research design to investigate the impact of digital marketing strategies on organizational outcomes in the real estate sector of Islamabad, Pakistan, with customer satisfaction as a mediating variable. The primary data for the study were collected using a structured survey questionnaire, which was administered to both employees and customers of three leading real estate agencies in Islamabad. The target population for this study consisted of two main groups: Employees: Including sales representatives, marketing managers, customer service agents, and senior management within the selected real estate agencies. These employees have firsthand knowledge and experience regarding the implementation of digital marketing strategies in their daily operations. Customers: Individuals who have either purchased or rented properties through the participating agencies. These customers were chosen

because their perceptions of customer satisfaction and their decision-making behaviors are directly influenced by the digital marketing strategies employed by the real estate firms. A non-probability, convenience sampling technique was utilized to select participants from both groups. This technique was chosen due to its practicality and the ease with which data can be collected from real estate agencies operating in the metropolitan area of Islamabad. Although this sampling method limits the generalizability of the results, it is commonly used in exploratory research, particularly when access to specific target populations is constrained (Etikan, Musa, & Alkassim, 2016). The survey instrument contained 60 items, which were distributed across three key constructs:

Sampling Technique and Target Population

The sampling technique used for this study was convenience sampling, which is suitable for exploratory research when the target population is accessible and the goal is to gain initial insights into the topic of interest (Sekaran & Bougie, 2016). This approach was practical given the study's scope and objectives, as it allowed for the efficient collection of data from participants who are directly involved with real estate transactions or marketing activities. The employees of the selected real estate agencies, who represent the internal stakeholders responsible for implementing and overseeing digital marketing strategies. The customers of these agencies, who provide insights into their satisfaction with the services provided and the impact of digital marketing on their decision-making processes. Participants were selected from three real estate agencies in Islamabad, which are known for their substantial presence in the market and widespread use of digital marketing strategies. These agencies represent a cross-section of the real estate industry in Islamabad, offering a comprehensive view of the sector's approach to digital marketing and customer satisfaction.

Data Analysis

The data collected from the survey were analyzed using several statistical techniques to ensure robust findings and conclusions. Data were first analyzed using SPSS (Statistical Package for the Social Sciences) to compute descriptive statistics. This included calculating frequencies, percentages, means, and standard deviations to summarize the demographic characteristics of the respondents (e.g., age, gender, and position within the organization) and to describe the responses on each construct (Digital Marketing Strategy, Customer Satisfaction, and Organizational Outcomes). Cronbach's Alpha was used to assess the internal consistency of the measurement scales for each construct. A threshold of 0.70 or higher was considered acceptable for ensuring reliability (Nunnally & Bernstein, 1994). For testing the study's hypotheses and model relationships, SmartPLS was employed to conduct Structural Equation Modeling (SEM). SEM is a powerful multivariate statistical technique that is particularly suited for examining complex relationships among latent variables (Hair et al., 2017). In this study, SEM was used to evaluate the direct effects of Digital Marketing Strategy on Customer Satisfaction and Organizational Outcomes, as well as the indirect effect through Customer Satisfaction. To test the mediating role of Customer Satisfaction, Bootstrapping with 5,000 resamples was applied. Bootstrapping is a resampling method that does not rely on the assumption of normality and is considered one of the most robust techniques for testing indirect effects (Preacher & Hayes, 2008)

Results

Descriptive Statistics and Reliability

Descriptive statistics were first calculated to provide an overview of the sample data and to better understand the distribution of responses. The mean scores, standard deviations, and the reliability of each construct were assessed. Descriptive statistics are critical for summarizing large datasets and ensuring the overall validity of the responses (Field, 2018). Reliability testing was performed using Cronbach's Alpha to evaluate the internal consistency of the constructs used in the study. Cronbach's Alpha values above 0.70 are considered acceptable, and the values for Digital Marketing Strategy, Customer Satisfaction, and Organizational Outcomes met this threshold, confirming the reliability of the scales used for measurement (Nunnally & Bernstein, 1994).

Table 1: Descriptive Statistics and Reliability Analysis

Construct	Cronbach's Alpha	Mean	Standard Deviation	Number of Items
Digital Marketing Strategy	0.88	4.15	0.56	15
Customer Satisfaction	0.91	4.28	0.47	20
Organizational Outcomes	0.85	4.03	0.52	25

These results confirm the reliability of the measurement instruments used in this study, as all Cronbach's Alpha values are well above the acceptable threshold of 0.70, indicating that the constructs were measured consistently and effectively (Nunnally & Bernstein, 1994).

Structural Equation Modeling (SEM) Results

The hypotheses were tested using Structural Equation Modeling (SEM) through the Partial Least Squares (PLS) algorithm in SmartPLS. SEM is a powerful statistical technique that allows for the estimation of direct and indirect effects among latent variables, making it an ideal method for testing complex relationships (Hair et al., 2017).

Direct Effects and Path Coefficients:

The path coefficients represent the strength of the relationships between the constructs. Below are the key findings from the SEM analysis:

Digital Marketing Strategy → Customer Satisfaction (DMS → CS):

The path coefficient between digital marketing strategy and customer satisfaction was 0.45, with a t-value of 4.23 ($p < 0.05$), indicating a significant positive effect. This suggests that real estate firms that implement stronger digital marketing strategies (such as social media engagement, search engine optimization, and online advertising) tend to achieve higher levels of customer satisfaction. This supports Hypothesis 1, which posits a positive relationship between digital marketing and customer satisfaction.

Customer Satisfaction → Organizational Outcomes (CS → OO):

The path coefficient for the relationship between customer satisfaction and organizational outcomes was 0.60, with a t-value of 5.18 ($p < 0.05$), confirming a strong positive effect. This result demonstrates that higher levels of customer satisfaction lead to improved organizational outcomes, such as increased sales, market share, and customer loyalty. This supports Hypothesis 2, which posits that customer satisfaction positively influences organizational success.

Digital Marketing Strategy → Organizational Outcomes (DMS → OO):

The direct effect of digital marketing strategy on organizational outcomes was 0.12, with a t-value of 2.15 ($p < 0.05$), indicating a significant direct effect. This suggests that while digital marketing strategies do have a direct impact on organizational outcomes, their influence is more pronounced through customer satisfaction. This partially supports Hypothesis 4, indicating that the direct impact of digital marketing on organizational outcomes exists but is modest.

Table 2: SEM Path Coefficients and Results

Path	Path Coefficient	t-value	p-value	Hypothesis Tested
Digital Marketing Strategy → Customer Satisfaction	0.45	4.23	<0.05	H1: Positive effect
Customer Satisfaction → Organizational Outcomes	0.60	5.18	<0.05	H2: Positive effect
Digital Marketing Strategy → Organizational Outcomes	0.12	2.15	<0.05	H4: Direct positive effect

These findings provide strong evidence that digital marketing strategies significantly influence customer satisfaction, which in turn drives organizational outcomes in the real estate sector.

Mediation Analysis (Bootstrapping)

To assess whether customer satisfaction serves as a mediator in the relationship between digital marketing strategy and organizational outcomes, a bootstrapping procedure was employed. Bootstrapping is a non-parametric resampling technique that is ideal for testing indirect effects in mediation models (Preacher & Hayes, 2008). The bootstrapping results revealed that customer satisfaction fully mediated the relationship between digital marketing strategy and organizational outcomes. The indirect effect of digital marketing strategy on organizational outcomes through customer satisfaction was 0.27, with a p-value of 0.03 ($p < 0.05$), confirming the full mediation effect.

Table 3: Bootstrapping Results for Mediation Analysis

Indirect Effect	Path Coefficient	Confidence Interval (95%)	p-value
DMS → CS → OO (Indirect Effect)	0.27	[0.12, 0.45]	0.03

This result confirms that customer satisfaction plays a crucial role in linking digital marketing strategies with organizational outcomes, underlining its significance as a mediator in the relationship.

Conclusion

The results of this study provide substantial evidence to support the proposed conceptual model, which links digital marketing strategies to organizational outcomes through customer satisfaction. The findings can be summarized as follows:

Digital marketing strategies have a significant positive impact on customer satisfaction in real estate firms in Islamabad. This highlights the importance of using digital tools effectively to engage and satisfy customers in the real estate sector.

Customer satisfaction plays a critical role in improving organizational outcomes, confirming its importance as a key driver of sales growth, market share, and customer loyalty in the real estate industry.

Customer satisfaction fully mediates the relationship between digital marketing strategies and organizational outcomes. This indicates that the success of digital marketing efforts in real estate firms is largely contingent upon the satisfaction of their customers.

This study highlights several strategic actions for real estate managers and marketing teams to enhance customer satisfaction and improve organizational outcomes. Real estate firms should prioritize personalized digital marketing through social media and email campaigns to engage customers and foster long-term relationships. Regularly measuring customer satisfaction via tools like surveys and NPS can provide insights into marketing effectiveness and areas for improvement. Additionally, investing in robust digital infrastructure, ensuring websites and social media platforms are user-friendly and optimized, is essential for providing a seamless and trustworthy customer experience. These strategies can help real estate firms stay competitive and achieve better business performance in an increasingly digital market.

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