



Please cite this article as: Fransisca, D., Adriani, Z., Dahmiri, D., & Nasrullah, M. (2025). A Digital Based Marketing Strategy For Business Sustainability Through Marketing Performance as A Mediating Variable in Business By Typical Merangin Regency. The Asian Journal of Professional & Business Studies, 6(1), 16–31. <https://doi.org/10.61688/ajpbs.v6i1.404>

DIGITAL MARKETING STRATEGY AND BUSINESS SUSTAINABILITY: THE MEDIATING ROLE OF MARKETING PERFORMANCE IN MSMEs OF MERANGIN REGENCY

Dinda Fransisca^{1*}, Zulfina Adriani², Dahmiri³
^{1,2,3}Economics and Business, University of Jambi
Corresponding author: dindafransiska828@gmail.com

Received 30 April 2025, Revised 20 May 2025, Accepted 31 May 2025, Published 30 June 2025

ABSTRACT

This study investigates the impact of digital-based marketing strategy for business sustainability through marketing performance as a mediating variable, among Micro, Small, and Medium Enterprises (MSMEs) in Merangin Regency. The research employs a quantitative descriptive analysis method by using SMART PLS. A total of 65 respondents from the souvenir businesses of Merangin Regency participated in the study. The results indicate that digital marketing has a significant effect on marketing performance in these souvenir businesses. Additionally, digital marketing significantly impacts business sustainability in the souvenir businesses of Merangin Regency. Marketing performance also has a significant influence on business sustainability in these businesses. Moreover, marketing performance effectively mediates the relationship between digital marketing and business sustainability in the souvenir businesses of Merangin Regency. These results highlight the strategic importance of digital transformation in strengthening MSME competitiveness and long-term viability. The study provides practical implications for policymakers and business actors in promoting digital adoption and improving performance-driven sustainability.

Keywords: Digital Marketing, Business Sustainability, Marketing Performance

1. INTRODUCTION

The rapid advancement of digital technology has fundamentally transformed the marketing paradigm, bringing marketing concepts from traditional realms into a dynamic and widely connected digital environment without geographical limitations. In an era where technology has become the backbone of daily activities, marketing approaches that leverage digital technological advancements have become key to the growth and sustainability of Micro, Small, and Medium Enterprises (MSMEs). Digital marketing is a concept that encompasses various interactive and integrated marketing strategies, which has opened the door for closer interactions among producers, market intermediaries, and consumers.

The importance of MSMEs' presence in the digital realm lies in the need to enhance product exposure among consumers who are increasingly connected online. MSMEs that are active in the online world, engaged across various social media

Copyright: © 2025 The Author(s)

Published by Universiti Poly-Tech Malaysia.

This article is published under the Creative Commons Attribute (CC BY 4.0) license. <http://creativecommons.org/licenses/by/4.0/legalcode>

platforms, and capable of developing their e-commerce presence tend to reap positive benefits in various business aspects, ranging from increased revenue and job creation to the ability to innovate and remain competitive in the market. However, there are still several MSMEs that lag in adopting information technology, particularly in harnessing the potential of digital media, and they have yet to fully understand the roles and benefits of utilising digital media to expand their reach and influence (Wardhana, 2018). For example, Shopee, *Bukalapak*, *Lazada*, *Tokopedia*, and others are popular digital marketing platforms that can provide significant support for MSME players. By becoming part of these platforms, MSMEs can enhance their business visibility across various digital services such as Maps and search results, allowing their businesses to be accessed by more potential customers, especially those operating in specific areas (Ridwan et al, 2019).

Additionally, social media plays a crucial role in digital marketing, with Instagram and Facebook being among the main platforms. Instagram offers a Business Account feature that enables business operators to create structured business profiles and optimise their activities through the platform. With this feature, companies of all sizes can introduce their business profiles, analyse follower data and interactions, and develop effective promotional strategies to achieve their business objectives (Rachmawati, 2018). Digital marketing strategies have become a crucial aspect for MSMEs in facing the dynamics of modern business. The development of technology and the increasing use of the internet have changed consumer behaviour patterns, prompting MSMEs to adapt to online-based marketing. Digital marketing enables businesses to reach a wider market through effective strategies and targeted media. By creating a dialogue space between producers, distributors, and consumers, business relationships can become more intimate, thereby enhancing interaction and information exchange. Moreover, building strong relationships between companies and brands is essential for business sustainability. Therefore, Digital marketing needs to be optimised so that MSMEs can continue to compete and grow.

The optimal use of digital marketing will improve marketing performance. Marketing performance is a measure of success obtained from the comprehensive process of marketing activities within a company. This measure serves as one of the indicators reflecting the development and progress of a company. Marketing performance is also the output of all efforts and marketing strategies that have been implemented by entrepreneurs (Albi, 2020). Measuring marketing performance is necessary because business objectives include not only creating customers but also generating profits. Furthermore, this measurement can be viewed from several aspects, such as profit levels, sales volume, market share, and customer satisfaction (Kartika, 2021). Several studies related to digital marketing and its positive and significant impact on company performance indicate a significant effect on the sustainability of MSMEs (Ardakani et al., 2024). Ketut Gunawan (2024) found in his research the influence of business actors on the performance of MSMEs and the impact of digital marketing on MSME performance, as well as the influence of access to capital, so that these three independent variables have a positive and significant effect on MSME performance.

The capabilities of digital marketing have a positive and significant effect on entrepreneurial orientation, while digital marketing assets do not influence entrepreneurial orientation. The indirect effect of digital marketing capabilities through entrepreneurial orientation as an intervening variable positively and significantly influences the marketing performance of MSMEs, whereas Digital marketing assets through entrepreneurial orientation as an intervening variable do not affect marketing performance (Adnan Hasan, 2023). Research by Effendi et al. (2022) shows that Digital marketing has a positive and significant effect on marketing performance and product innovation, mediated by digital marketing; both Digital marketing and digital finance have a positive and significant impact on the sustainability of MSMEs (Achmad Kautsar, 2022).

Sustainability originates from the word "sustain," which means to continue, and "ability," which means capability. In other terms, sustainability refers to the resilience of a system and process. Sustainability in the business context is the ability of a business system to maintain its production levels in the long term in accordance with environmental balance. Sutrisno et al. (2024) in their research concluded that Digital marketing influences marketing performance, and Digital marketing strategies impact the finances of MSMEs. However, a significant influence was found between Digital marketing strategies and MSME sustainability when MSME finances were mediated by e-commerce, with performance sustainability showing positive and significant results (Jianli Gao et al., 2023). In the context of marketing, entrepreneurship provides a competitive advantage for businesses by offering new solutions and identifying untapped market gaps. Entrepreneurs are able to take risks and change the way businesses operate through innovative and unique marketing strategies. One way to achieve market share in this digital era is by implementing digital marketing.

This supports the findings of Firdaus (2023), which state that Digital marketing positively influences business sustainability, marketing performance positively affects business sustainability, e-commerce positively impacts marketing performance, and Digital marketing positively influences marketing performance. Marketing performance mediates the influence of

marketing performance on business sustainability, and marketing performance mediates the effect of Digital marketing on business sustainability. This is consistent with the research of Lamidi (2021), which explains that Digital marketing affects the sustainability of MSMEs and that marketing performance influences the sustainability of MSMEs; entrepreneurs will be able to enhance their business sustainability effectively.

In this context, the shift in marketing paradigms from conventional to digital has become inevitable. The implementation of Digital marketing is no longer just an option but a necessity for MSMEs that want to remain relevant and competitive in an ever-changing business environment. The primary objective of this research is to understand, analyze, and explore how the application of Digital marketing strategies has influenced the performance and competitiveness of MSMEs in an increasingly digitally connected market. Various digital techniques and platforms have become the main instruments for reaching markets, building brands, and increasing sales for MSMEs. The use of social media, search engine optimization (SEO), digital advertising, and content strategies is just a few of the tools available to enhance visibility and customer engagement. However, the challenges faced by MSMEs in implementing Digital marketing strategies cannot be overlooked. Resource limitations, a lack of technological understanding, and the need to adapt to rapid changes are some of the obstacles that need to be addressed to maximize the benefits of digital marketing.

In this study, the subjects to be examined are MSME actors who have businesses in the field of local souvenirs from Merangin Regency. The reason for selecting this subject is that the researcher wants to determine the impact of Digital marketing strategies on marketing performance and the sustainability of these businesses. As we know, we have now entered the digital era, where all activities can be conducted through media.

2. LITERATURE REVIEW

2.1 Theory of Reasoned Action

The Theory of Reasoned Action was first described by Ajzen in 1975. The Theory of Reasoned Action (TRA) describes behavior that changes based on the outcome of behavioral intentions, and behavioral intentions are influenced by social norms and individual attitudes (Eagle et al., 2013). According to Lee & Kloter (2011), the best prediction of a person's behavior is based on a person's interests. The interest of behavior is based on two main factors, namely the individual's belief in the results of the behavior carried out and the individual's perception of the view of the individual's closest people to the behavior carried out.

2.2 Marketing Strategy

According to Assauri (2017) in the company's marketing strategy plan, there is a strategic foundation in company marketing known as product-market strategy, namely the products that will be marketed by the company and the markets that the company serves.

2.3 Marketing Performance

Performance is a system that relates to processes and results achieved. Marketing performance is a measure of the success of the overall marketing process activities of a company or organization. Marketing performance is a concept that measures a company's marketing performance. Every company is interested in examining its performance to reflect its company's success in competing in the market (Pattipeilohy, 2018). Marketing performance is a marketing activity The Company notes that marketing performance can be measured using several indicators, namely (Haque & Fawzi, 2022): 1). Sales turnover is the result of the sale of the company's products in a certain period of time. 2). Increase in sales, which is an increase in the number of sales from year to year or from time to time. 3). Sales return, which is the amount of product sales that are returned. 4). Marketing area coverage, which is the coverage of customer areas that can be served by the company.

2.4 Business Sustainability

Business sustainability is a condition where a company has sufficient funds to run and develop its business. Business sustainability is always related to bankruptcy (Manullang, 2016). In general, every company always pays more attention to a condition that has the potential to harm the company, such as bankruptcy. In the indicators of business sustainability (Manullang, 2016): 1) Capital 2) Raw Materials 3) Deployment 4) Technology 5) Labor.

2.5 Digital Marketing

Digital marketing is a modern and promising form of marketing to improve the company's business performance. The advantage of this strategy is that it allows advertisers to communicate directly with potential customers without any obstacles caused by time and geographic location limitations (Nurcahyo, 2018). According to Muljono (2018), the measurement of indicators on Digital marketing variables will define 3 indicators from the following: 1) Internet use 2) Digital content 3) Social media use.

3. METHODOLOGY

Data analysis was conducted using the Partial Least Squares (PLS) method. PLS is a multivariate statistical technique that compares multiple dependent variables with multiple independent variables. PLS is one of the variance-based SEM statistical methods designed to address multiple regression when specific problems arise in the data, such as small sample sizes, missing data, and multicollinearity (Ghozali, 2016). The selection of the PLS method is based on the consideration that this study includes three latent variables formed with formative indicators and creates moderating effects. The formative model assumes that the construct or latent variable influences the indicators, where the direction of causality flows from the construct to the indicators or manifest variables (Ghozali, 2016). Furthermore, Ghozali states that the formative model assumes that the indicators influence the construct, where the direction of causality flows from the indicators to the construct (Ghozali, 2016). The PLS approach shifts the analysis from estimating model parameters to measuring relevant predictions. Thus, the focus of the analysis shifts from merely estimating and interpreting significant parameters to the validity and accuracy of predictions.

3.1 Partial Least Square (PLS) Method Measurement

Parameter estimation in PLS includes three aspects, namely (Ghozali, 2016): 1) Weight estimates used to create latent variable scores. 2) Path estimates that connect latent variables and the loading estimates between latent variables and their indicators. 3) Means and location parameters (regression constant values, intercepts) for indicators and latent variables. To obtain these three estimates, PLS uses a three-stage iterative process, with each iteration producing estimates. The first stage generates weight estimates, the second stage produces estimates for the inner and outer models, and the third stage generates means and location estimates (constants). In the first two stages, the iteration process is carried out using a deviation approach from the mean values (averages). In the third stage, estimates can be based on the original data matrix and/or the results of weight estimates and path coefficients from the second stage, aiming to calculate and locate the parameters (Ghozali, 2016).

3.2 Analytical Techniques

In this study, the analysis technique used is Partial Least Square (PLS). This PLS is a Structural Equation Modeling (SEM) equation model with an approach based on variance. According to (Ghozali, 2016) PLS is an alternative approach that changes from a covariance-based SEM approach to a variance-based approach. PLS is a powerful method of analysis that does not rely on many assumptions. This approach to Partial Least Square does not assume specific data. It can be nominal, category, sequential number, interval, and ratio. This data analysis uses Smart PLS software which uses a bootstrapping or random duplication method. This PLS technique is divided into two stages, namely: 1). Measurement model test, to test the validity and reliability of the design of each indicator. 2). Structural model test, to find out if there is an influence between variables between constructs.

4. FINDINGS AND DISCUSSION

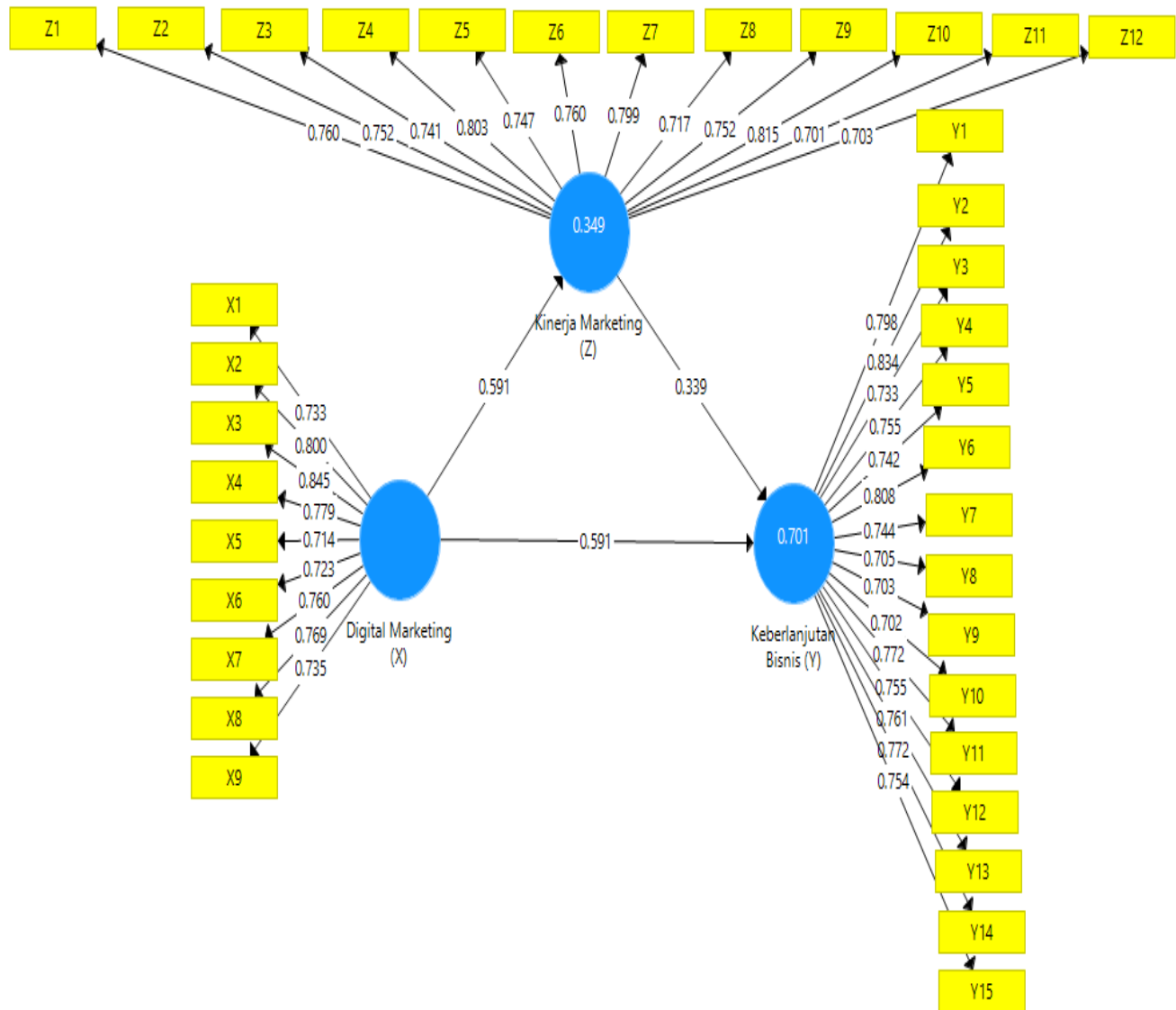
4.1 Measurement Model Results

The design of the PLS measurement model is important because it is related to indicators that are reflective or formative. The reflective model mathematically places indicators as sub-variables that are influenced by latent variables, so that these indicators are said to be influenced by the same factors, namely the latent variables. The model used in this study is a reflective model. This study uses SmartPLS version 3 software to perform inputs and calculations for each indicator. In the study, all latent variables had indicators that were reflective.

Convergent validity aims to determine the validity of each relationship between an indicator and its latent construct or variable. There are two types of validity in PLS SEM, namely convergent validity and discriminant validity. Convergent

validity means that a set of indicators represents a single latent variable and that underlying the latent variable. Outer loading testing is carried out to prove that an indicator in a construct has the largest loading factor in the construct it forms than the loading factor with other constructs. The results of the initial model calculation of the research can be seen in the following figure:

Figure 1
Results of the Initial Research Model Calculation



Information:

X = Digital marketing

Z = Marketing Performance

Y = Business Sustainability

Source: Smart PLS 3 Processed Data (2025)

The figure above shows that the results of the calculation of the initial research model obtained an outer loading value variable above 0.70 for all loading factors to pass the outer loading test. For more details, please see the following table:

Table 1
Outer Loading

	Digital marketing (X)	Business Sustainability(Y)	Marketing Performance(Z)
X.1	0.733		
X.2	0.800		
X.3	0.845		
X.4	0.779		
X.5	0.714		
X.6	0.723		
X.7	0.760		
X.8	0.769		
X.9	0.735		
Y.1		0.798	
Y.2		0.834	
Y.3		0.733	
Y.4		0.755	
Y.5		0.742	
Y.6		0.808	
Y.7		0.744	
Y.8		0.705	
Y.9		0.703	
Y.10		0.702	
Y.11		0.772	
Y.12		0.755	
Y.13		0.761	
Y.14		0.772	
Y.15		0.754	
Z.1			0.760
Z.2			0.752
Z.3			0.741
Z.4			0.803
Z.5			0.747
Z.6			0.760
Z.7			0.799
Z.8			0.717
Z.9			0.752
Z.10			0.815
Z.11			0.701
Z.12			0.703

Source: Smart PLS 3 Processed Data (2025)

Based on figure 1 and table 1 showing all loading factors that are above 0.70, the results of the model calculation from the three variables, namely digital marketing, business sustainability, and Marketing Performance, are considered to be reliable because all indicators for the loading factor have been above > 0.70 according to the set criteria (Ghozali, 2016). So that it shows that all indicators of each variable have an outer loading value above 0.70, so it can be said that the variable is in a realistic condition and meets the requirements.

Next, we move on to another measure to determine the convergent validity at the construct level, which is the average variance extracted (AVE). The provision in the outer measurement model that AVE is considered to have met the validity of the convergence if the AVE value is greater than the average of the extract variant with a value of 0.50. AVE value results are as follows:

Table 2
Average Variance Extracted Value

Variable	AVE Value	Information
Digital marketing (X)	0.582	Valid
Business Sustainability(Y)	0.573	Valid
Marketing Performance(Z)	0.570	Valid

Source: Smart PLS 3 Processed Data (2025)

Table 2 shows that all variables, namely Digital marketing at $0.582 > 0.50$, Business Sustainability at $0.573 > 0.50$, and Marketing Performance at $0.570 > 0.50$, indicate that the AVE values of each construct or indicator in the research variables can be considered valid. Based on this, it can be concluded that the constructs have passed the validity test at the convergent stage.

The next step is to conduct a discriminant validity test. In PLS testing, the discriminant validity test uses cross-loadings. Cross-loadings is an initial approach used to assess the discriminant validity of indicators, followed by Cronbach's Alpha. The discriminant validity test uses cross-loading values to ensure that each concept of the latent variables is distinct from the others. An indicator is considered to meet discriminant validity if the cross-loading value is greater than 0.70. The results of the discriminant validity test are as follows:

Table 3
Cross Loading

	Digital marketing (X)	Business Sustainability(Y)	Marketing Performance(Z)
X.1	0.733	0.513	0.393
X.2	0.800	0.572	0.420
X.3	0.845	0.604	0.541
X.4	0.779	0.622	0.514
X.5	0.714	0.635	0.385
X.6	0.723	0.665	0.514
X.7	0.760	0.643	0.490
X.8	0.769	0.607	0.388
X.9	0.735	0.539	0.366
Y.1	0.645	0.798	0.631
Y.2	0.687	0.834	0.635
Y.3	0.577	0.733	0.426
Y.4	0.584	0.755	0.624
Y.5	0.512	0.742	0.465
Y.6	0.627	0.808	0.441
Y.7	0.666	0.744	0.359
Y.8	0.496	0.705	0.413
Y.9	0.495	0.703	0.532
Y.10	0.533	0.702	0.571
Y.11	0.649	0.772	0.519
Y.12	0.625	0.755	0.423
Y.13	0.549	0.761	0.542
Y.14	0.664	0.772	0.568
Y.15	0.617	0.754	0.594
Z.1	0.362	0.454	0.760
Z.2	0.449	0.472	0.752
Z.3	0.493	0.523	0.741
Z.4	0.566	0.634	0.803
Z.5	0.531	0.619	0.747

	Digital marketing (X)	Business Sustainability(Y)	Marketing Performance(Z)
Z.6	0.424	0.536	0.760
Z.7	0.396	0.442	0.799
Z.8	0.351	0.391	0.717
Z.9	0.457	0.505	0.752
Z.10	0.472	0.530	0.815
Z.11	0.357	0.517	0.701
Z.12	0.403	0.518	0.703

Source: Smart PLS 3 Processed Data (2025)

Based on Table 3, all indicators in the variables, namely digital marketing, business sustainability, and Marketing Performance, have a cross-loading value greater than 0.70. Based on the results obtained, it can be stated that the indicators used in this study have good discriminant validity in compiling the variables because all indicators have a cross-loading value greater than 0.70. Based on the results obtained, it can be stated that the indicators used in this study have good discriminant validity in compiling their respective variables.

The composite reliability test is carried out to find out the value that shows the extent to which a measuring instrument can be trusted to be used. (Ghozali, 2016) All variables are declared reliable if the loading factor value is above 0.70. The value of composite reliability and Cronbach's Alpha for each variable can be seen in table 4 as follows:

Table 4
Composite Reliability dan Cronbach's Alpha

Variable	Composite Reliability	Information	Cronbach Alpa	Information
Digital marketing (X)	0.926	Reliable	0.910	Reliable
Business Sustainability(Y)	0.953	Reliable	0.947	Reliable
Marketing Performance(Z)	0.941	Reliable	0.931	Reliable

Source: Smart PLS 3 Processed Data (2025)

Based on table 4 of the results of the composite reliability test and Cronbach Alpa, it shows that the value of all variables, namely digital marketing, is (0.926; 0.910), Business Sustainability by (0.953; 0.947), and Marketing Performance (0.941; 0.931) can be said to be reliable because it has a composite reliability value greater than 0.70. This means that all variables can be said to be realistic, reliable, and research data can be used to produce the best research.

4.2 Structural Model Results

The value of R2 is used to see how much influence the variability of dependent variables can be explained by independent variables:

Table 5
R-Square Value

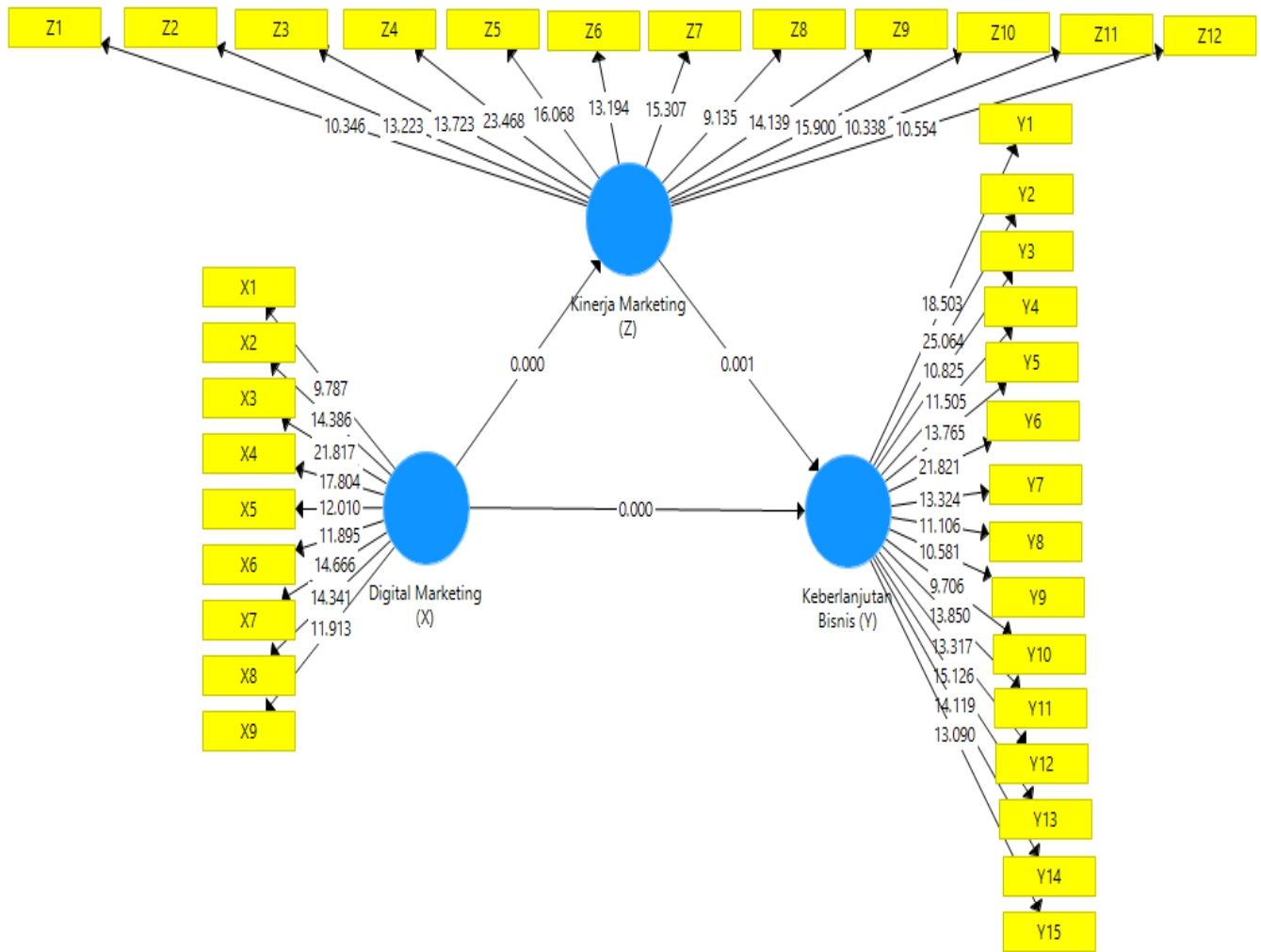
Variable	R-Square	Adjusted R-Square
Business Sustainability(Y)	0.701	0.691
Marketing Performance(Z)	0.349	0.339

Source: Smart PLS 3 Processed Data (2025)

Table 5 shows the results for the R-squared value of Business Sustainability, which is 0.701 or 70.10 percent, and Marketing Performance, which is 0.349 or 34.90 percent. This shows that Digital marketing towards Business Sustainability is a strong category. Then, digital marketing to Marketing Performance is a fairly strong category.

The next step is to estimate the path coefficient, which is the estimated value for the path relationship in the structural model obtained by the bootstrapping method. This test aims to minimize problems with the research data. If the P-values are smaller than the predetermined significance ($P < 0.05$), the relationship between the variables can be considered significant. The test results using the bootstrap method from the PLS SEM analysis are as follows:

Figure 2
Bootstrapping



Information:

X = Digital marketing

Z = Marketing Performance

Y = Business Sustainability

Source: Smart PLS 3 Processed Data (2025)

To find out the structural model in this study, you can see the following table:

Table 6
Path Coefficients

Variable	T Statistics	P Values
Digital marketing (X) -> Business Sustainability(Y)	5.208	0.000
Digital marketing (X) -> Marketing Performance(Z)	8.054	0.000
Marketing Performance(Z) -> Business Sustainability(Y)	3.198	0.001

Source: Smart PLS 3 Processed Data (2025)

Based on table 6, it can be stated as follows: 1) Digital marketing variable is significant to the Business Sustainability variable with a p-value of $0.000 < 0.05$. 2). Variable Digital marketing is significant to the variable Marketing Performance with a p-value of $0.000 < 0.05$. 3). Variable Marketing Performance is significant to the variable Business Sustainability with a p-value of $0.001 < 0.05$.

4.3 Hypothesis Testing

In the analysis of PLS SEM, the value of the structural model in this study can be seen from the value of direct effects or the term is also called the path coefficient. Furthermore, the measurement of path coefficients between constructs is carried out to see the significance and strength of the relationship and also to test the hypothesis. The value of path coefficients ranges from -1 to +1. The value of the path coefficients gets closer to the value of +1, the stronger the relationship between the two constructs. Relationships that get closer to -1 indicate that the relationship is negative. To find out the structural model in this study, you can see the following table.

Table 7
Path Coefficients

	Path Coefficient	P Values
Digital marketing (X) -> Business Sustainability(Y)	0.591	0.000
Digital marketing (X) -> Marketing Performance(Z)	0.591	0.000
Marketing Performance(Z) -> Business Sustainability(Y)	0.339	0.001
Digital marketing (X1) -> Marketing Performance(Z) -> Business Sustainability(Y)	0.200	0.007

Source: Smart PLS 3 Processed Data (2025)

Based on the results of the path coefficient analysis in Table 7 above, the following conclusions can be drawn: 1) The direct effect of digital marketing has a significant impact on Business Sustainability, as indicated by a p-value of $0.000 < 0.05$ and a coefficient value of 0.591, meaning that if digital marketing increases by one percent, Business Sustainability can increase by 59.10%. This effect is positive. 2) The direct effect of digital marketing also has a significant impact on Marketing Performance, with a p-value of $0.000 < 0.05$ and a coefficient value of 0.591, indicating that if digital marketing increases by one percent, Marketing Performance can increase by 59.10%. This effect is positive. 3) The direct effect of Marketing Performance significantly affects Business Sustainability, as shown by a p-value of $0.001 < 0.05$ and a coefficient value of 0.339, which means that if Marketing Performance increases by one percent, Business Sustainability can increase by 33.90%. This effect is positive. 4) The indirect effect of Digital marketing significantly impacts Business Sustainability through Marketing Performance as a mediating variable, with a p-value of $0.007 < 0.05$ and a coefficient value of 0.200, indicating that if digital marketing increases by one percent, Business Sustainability can increase indirectly through Marketing Performance by 20.00%. This effect is positive.

The significance of the estimated parameters provides very useful information about the relationship between the study variables. The basis used in testing the hypothesis is the value found in the output result for inner weight. Table 8 provides the estimated output for structural model testing.

Table 8
Direct Effects

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Digital marketing (X) -> Business Sustainability(Y)	0.591	0.588	0.113	5.208	0.000
Digital marketing (X) -> Marketing Performance(Z)	0.591	0.605	0.073	8.054	0.000
Marketing Performance(Z) -> Business Sustainability(Y)	0.339	0.343	0.106	3.198	0.001
Digital marketing (X1) -> Marketing Performance(Z) -> Business Sustainability(Y)	0.200	0.209	0.074	2.699	0.007

Source: Smart PLS 3 Processed Data (2025)

Based on table 8 in PLS testing statistically each hypothesized relationship is carried out using simulations. In this case, the Bootstrapping method is carried out on the sample. Testing with bootstrapping is also intended to minimize the problem of abnormalities of research data. The results of the test with bootstrapping from the PLS analysis are as follows:

The results of the hypothesis testing show that the relationship between the Digital marketing variable and Business Sustainability has a path coefficient of 0.591. The t-statistic value is $5.208 > 1.96$, and the p-value is 0.000, which is less than 0.05, therefore, hypothesis H1 is accepted. This indicates that the Digital marketing variable has a positive and significant effect on business sustainability. In other words, if Digital marketing increases, it will significantly affect Business Sustainability. The results of the hypothesis testing show that the relationship between the digital marketing variable and Marketing Performance has a path coefficient of 0.591. The t-statistic value is $8.054 > 1.96$, and the p-value is 0.000, which is less than 0.05; thus, hypothesis H2 is accepted. This indicates that the digital marketing variable has a positive and significant impact on marketing performance. This means that if digital marketing improves, Marketing Performance will increase.

The results of the hypothesis testing show that the relationship between the Marketing Performance variable and Business Sustainability has a path coefficient of 0.339. The t-statistic value is $3.198 < 1.96$, and the p-value is 0.001, which is less than 0.05, therefore hypothesis H3 is accepted. This indicates that the Marketing Performance variable has a positive and significant effect on business sustainability. This means that if Marketing Performance improves, Business Sustainability will increase. The results of the hypothesis testing show that the relationship between the digital marketing variable and Business Sustainability, with Marketing Performance as a mediating variable, has a path coefficient of 0.200. The t-statistic value is $2.699 < 1.96$, and the p-value is 0.007, which is less than 0.05; therefore, hypothesis H4 is accepted. This suggests that digital marketing has a positive and significant impact on Business Sustainability, with Marketing Performance Serving as a mediating variable. In other words, Marketing Performance can indirectly influence the effect of digital marketing on business sustainability.

4.4 Discussion

The findings confirm that digital marketing plays a crucial role in enhancing both marketing performance and business sustainability. MSMEs that effectively utilize digital platforms are better positioned to reach wider markets and improve operational efficiency. Furthermore, marketing performance acts as a key mechanism through which digital strategies translate into sustainable business outcomes. These results align with prior studies emphasizing the importance of digital transformation in improving MSME competitiveness. The mediating role of marketing performance highlights that digital adoption alone is insufficient; it must be accompanied by effective marketing execution to achieve sustainable results.

The findings suggest that policymakers and stakeholders should encourage MSMEs to adopt digital marketing by providing training, infrastructure, and financial support. Business actors should focus on improving marketing performance through

strategic use of digital tools. Additionally, sustainable business development requires a balanced approach that integrates technological adoption with market-oriented strategies.

5. CONCLUSION

Digital marketing has a significant effect on Marketing Performance in businesses in the typical Merangin Regency. Digital marketing has a substantial impact on the sustainability of typical businesses in Merangin Regency. Marketing Performance has a significant impact on business sustainability in typical Merangin Regency businesses. Marketing Performance can mediate the influence of digital marketing on Business Sustainability in firms in the typical Merangin Regency. This study contributes to the literature by offering an integrated analysis of digital marketing, marketing performance, and business sustainability within the MSME context. It provides empirical evidence using PLS-SEM and highlights the mediating role of marketing performance, which has been relatively underexplored in prior studies. The study also offers context-specific insights relevant to regional economic development. This study is limited by its small sample size and focus on a single region. Future research should expand the sample scope, include additional variables such as innovation and financial capability, and apply comparative or longitudinal approaches to enhance generalizability.

6. ACKNOWLEDGEMENT

The authors would like to express their sincere gratitude to University of Jambi for providing the resources and support necessary to complete this study. We would also like to thank all participants who contributed their time and insights to this research. Special appreciation is extended to colleagues and peers who offered valuable feedback during the development of this manuscript.

REFERENCES

- Achmad, K. (2022). Digital marketing and digital finance as factors for the development of MSMEs in Surabaya. *Journal of Economics*, 10(1), 308–313.
- Adnan, H. (2023). The effect of digital marketing capacity on entrepreneurial orientation and MSME marketing performance. *SEIKO: Journal of Management & Business*, 6(2), 237–248.
- Albi, K. (2020). The influence of digital marketing and store atmosphere on buying interest in coffee shops S. *Journal of Business Strategy Management and Application*, 3(1), 21–30.
- Andrews, K. R. (2020). *Marketing management and service marketing*. Bandung: Alfabeta.
- Aryani, M. (2021). Digital marketing analysis at Kila Hotels in West Lombok Regency on consumer satisfaction. *Journal of Visionary*, 4(1), 15–24.
- Assauri, S. (2017). *Marketing management*. Jakarta: PT Raja Grafindo Persada.
- Bala, M., & Verma, D. (2018). A critical review of digital marketing. *International Journal of Management*, 8(10), 321–339.
- Chaffey, D., & Ellis-Chadwick, F. (2019). *Digital marketing: Strategy, implementation and practice*. Pearson.
- Darsono, A. (2015). *Practical guidelines for understanding financial statements*. Yogyakarta: No Publisher.
- Djakasaputra, A., Wijaya, A., Utama, A., Yohana, R., Romadhoni, A., & Fahlevi, M. (2021). Empirical study of Indonesian SMEs sales performance in the digital era: The role of service quality and digital marketing. *International Journal of Data and Network Science*, 5(3), 303–310.
- Eagle, L., Dahl, S., Hill, S., & Tapp, A. (2013). *Social marketing*. Pearson Prentice Hall.
- Effendi, M. R., Abubakar, R., & Bachri, N. (2022). Digital marketing and MSME performance: Can product innovation become a mediating variable? *Indonesian Journal of Management*, 7(2), 108–115.
- Erwin, E. (2023). *Digital marketing: The application of digital marketing in the Society 5.0 era*. Jakarta: PT Sonpedia Publishing Indonesia.
- Erwin, S., Suade, Y. K. M., & Poernomo, W. (2021). Analyzing digital marketing, green marketing, networking, and product innovation on sustainable business performance. *International Journal of Economic, Business and Accounting Research (IJEBAAR)*, 5(3), 814–821.
- Firdaus, P. W., & Mukharomah, W. (2023). The influence of digital marketing and e-commerce on performance marketing and business sustainability in the typical souvenir business of Solo City. *Journal of Business Economics Informatics*, 5(2), 371–379.
- Ghozali, I., & Latan, H. (2015). *Partial least square: Concept, technique and application of SmartPLS 3.0 M3*. Semarang: Publishing Board of Diponegoro University.
- Gunawan, K. (2024). Analysis of the influence of business experience, digital marketing, and access to capital on the performance of SMEs: Study on SMEs in Buleleng Regency, Bali. *Journal of Management*, 11(1), 129–151.
-

- Gunistiyo, & Handan, A. (2019). *Distributor management: Building MSME marketing performance*. Semarang: Indonesian Research Society (IRS).
- Haque-Fawzi, M. G., Iskandar, A. S., Erlangga, H., Nurjaya, & Sunarsi, D. (2022). *Marketing strategy: Concept, theory and implementation*. Banten: Pascal Books.
- Harmayani, et al. (2020). *E-commerce: An introduction to digital business*. Medan: Yayasan Kita Tulis.
- Homburg, C., & Wielgos, D. M. (2022). The value relevance of digital marketing capabilities to firm performance. *Journal of the Academy of Marketing Science*, 50(4), 666–688.
- Kartika, S., Bhayangkari, W., & Khalik, I. (2021). The influence of product quality and innovation on the competitive advantage of culinary MSMEs during the COVID-19 pandemic. *Journal of Business Management*, 5(1), 434–438.
- Kotler, P., & Keller, K. L. (2018). *Marketing management*. England: Pearson.
- Kumar, V., & Gupta, S. (2016). The role of digital marketing in the contemporary business environment. *International Journal of Business and Management*, 11(6), 1–10.
- Lamidi, M., & Rahadhini, M. D. (2021). The effect of digital marketing and financial inclusion on business sustainability through marketing performance of culinary MSMEs in Surakarta. *Journal of Economics, Finance and Management Studies*, 4(6), 716–723.
- Laudon, K. C., & Traver, C. G. (2021). *E-commerce: Business, technology, society* (16th ed.). Pearson.
- Lee, N. R., & Kotler, P. (2011). *Social marketing: Influencing behaviors for good*. Sage Publications.
- Lusianty, V., & Rojuaniah. (2023). E-commerce adoption and digital marketing adoption for sustainability through competitive advantage in DKI Jakarta food and beverage MSMEs. *Innovative: Journal of Social Science Research*, 3(4), 9054–9069.
- Manullang, M. (2016). *Management basics for company leaders*. Jakarta: Gajah Mada Press.
- Marb. (2021). The effect of receivables turnover and inventory turnover on profitability. *Scientific Journal of Management*, 22(2), 245–265.
- Mechman, A., Omar, S. S., Hamawandy, N. M., Abdullah, A. S., & Qader, A. N. (2021). The effect of digital marketing and e-commerce on SMEs' performance in Baghdad. *Journal of Positive School Psychology*, 1(3), 4197–4212.
- Mehralian, M. M., & Khazae, P. (2022). Effect of digital marketing on the business performance of MSMEs during the COVID-19 pandemic: The mediating role of customer relationship management. *SSRN Electronic Journal*.
- Merangin Regency Government. (2024a). Spectacular, people's entertainment, and digital literacy. Retrieved October 15, 2024, from <https://appede.meranginkab.go.id>
- Merangin Regency Government. (2024b). H. Mukti visits Merangin stand at STQH XXVII exhibition. Retrieved October 15, 2024, from <https://meranginkab.go.id>
- Muljono, R. K. (2018). *Digital marketing concept*. Jakarta: PT Gramedia Pustaka Utama.
-

- Muttaqin, R., & Prize, F. (2022). Determinants of SMEs' business performance: The role of digital marketing and online consumer behavior. *Journal of Management and Business*, 14(2), 143–165.
- Nurcahyo, A. (2018). The role of digital marketing and competitive pricing on Indihome's subscription decision. *Editorial Boards*, 1(1), 20–29.
- Pattipeilohy, (2018). Product innovation and competitive advantage: Its effect on marketing performance (Study on the yellow rice business in Batu Meja Village, Ambon City). *Maneksi's Journal*, 7(1), 20–38.
- Prabowo, W. A. (2018). The influence of digital marketing on organizational performance with intellectual capital and perceived quality as intervening variables in the three-star hotel industry in East Java. *Journal of Marketing Management*, 12(2), 101–112.
- Rachmawati, F. (2018). The application of digital marketing as an integrated marketing communication strategy for small and medium enterprises (SMEs) products of Surabaya economic heroes. *Journal of Civil Society Empowerment (JPMM)*, 1(1), 1–17.
- Rangkuti, F. (2018). *Techniques for dissecting business cases: SWOT analysis*. Jakarta: PT Gramedia Pustaka Utama.
- Ridwan, I. M., et al. (2019). The implementation of digital marketing as an increase in marketing in Warung Angkringan “WAGE” Bandung SMEs. *Jurnal Abdimas BSI*, 2(1), 137–142.
- Romindo, et al. (2019). *E-commerce: Implementation, strategy & innovation*. West Java: CV Media Science Indonesia.
- Saifuddin, M. (2021). Digital marketing: Strategies that MSMEs must do during the COVID-19 pandemic. *Journal of Applied Business*, 5(1), 115–124.
- Sari, R. (2021). The effect of PayLater use on impulse buying behavior of e-commerce users in Indonesia. *Journal of Business and Investment Research*, 7(1), 44–57.
- Shakpuytri, K. Y., & Rahayu, N. P. W. (2024). Entrepreneurial e-commerce marketing to improve the performance of MSMEs in Bandar Lampung City. *Journal of Management, Accounting, General Finance and International Economic Issues (MARGINAL)*, 3(2), 536–555.
- Sims, L. (2018). *Building your online store with WordPress and WooCommerce*. USA: Prentice Hall.
- Sopannah, A., et al. (2020). *Potpourri of economics and business: Contemporary issues of economics and business*. Surabaya: Scopindo Media Pustaka.
- Sugiyono. (2022). *Quantitative, qualitative and R&D research methods*. Bandung: Alfabeta.
- Sutrisno, E. I., Fierda, L. S. P., Iman, M. F., Arifin, M. J., & Rahmawati, I. D. (2024). The role of digital marketing and e-commerce on performance marketing in the Sidoarjo typical souvenir business. *Management Studies and Entrepreneurship Journal*, 5(1), 2563–2573.
- Tandjung, J. W. (2019). *Marketing management: An approach to customer values*. Surabaya: Bayumedia.
- Tjiptono, F., & Chandra, G. (2016). *Strategic marketing* (2nd ed.). Yogyakarta: Andi Offset.
- Vilkaite-Vaitone, N., & Skackauskiene, I. (2020). Factors influencing the implementation of green marketing orientation. *SHS Web of Conferences*, 126, 126–136.
-

- Wardhana, T. H., Rahmawati, L. D., & Ahmad, I. W. (2018). Demographic profile and analysis of osteoarthritis patients in Surabaya. *Biomolecular and Health Science Journal*, 1(1), 34–43.
- Yacub, R., & Mustajab, W. (2020). Analysis of the influence of digital marketing on brand awareness in e-commerce. *Managerial Journal*, 19(2), 198–209.
- Yan, Y. K., & Yazdanifard, R. (2019). The concept of green marketing and green product development in the consumer purchase approach. *Global Journal of Trade and Management Perspectives*, 3(2), 23–33.
- Yasri, Y. (2020). Digital marketing and SMEs' performance in West Sumatra. *Economic Journal*, 9(1), 95–106.
- Zalukhu, R. S., Hutauruk, P. S., Collyn, D., Jayanti, S. E., Sinaga, M., & Damanik, S. W. H. (2024). The influence of e-commerce and human resource quality on the financial performance of MSMEs. *CHARMING: Journal of Economic Research and Publications*, 2(1), 310–322.