

## **Navigating Environmental Turbulence: Market Orientation, Social Media Optimization, and Marketing Performance with Digital Mediation**

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**Abstract:** This study examines the effects of market orientation, social media optimization, and environmental turbulence on marketing performance through the mediating role of digital marketing in the garment industry of East Java, Indonesia. The research aims to explain how internal strategic capabilities and external environmental dynamics contribute to marketing performance in an increasingly digital business environment. A quantitative approach was employed using survey data collected from managers and owners of garment companies affiliated with the Indonesian Garment Companies Association in East Java. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The findings reveal that market orientation, social media optimization, and environmental turbulence have positive and significant effects on digital marketing. Market orientation, environmental turbulence, and digital marketing significantly improve marketing performance, whereas social media optimization does not directly influence marketing performance. Digital marketing plays a significant mediating role in the relationships between market orientation, social media optimization, environmental turbulence, and marketing performance. Environmental turbulence emerges as the strongest contextual driver stimulating firms to strengthen adaptive digital marketing practices. The findings indicate that superior marketing performance is achieved not because environmental turbulence is beneficial in itself, but because firms respond to environmental pressures through enhanced digital marketing capabilities.

**Keywords:** Market Orientation, Social Media Optimization, Environmental Turbulence, Digital Marketing, Marketing Performance

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## **INTRODUCTION**

The business environment has undergone profound changes over the last decade, driven by rapid technological advancement, digital transformation, changing consumer behavior, and increasing market uncertainty. Organizations across industries are increasingly required to adapt their business models and marketing strategies to remain competitive in an environment

characterized by continuous disruption and heightened customer expectations (Verhoef et al., 2021) (Dwivedi et al., 2021); (Kraus et al., 2021). These changes have become particularly evident in manufacturing industries, including the garment sector, where firms are facing growing pressure to respond quickly to market dynamics while maintaining operational efficiency and customer value creation (Matarazzo et al., 2021; Saeed et al., 2023).

The garment industry represents one of the most important contributors to Indonesia's manufacturing sector and regional economic development. Nevertheless, garment companies increasingly encounter challenges arising from shifting consumer preferences, digitalized purchasing behavior, intensified competition, technological disruption, and regulatory changes. Traditional marketing approaches are often insufficient to address these challenges, encouraging firms to adopt more responsive and technology-oriented marketing strategies (Ashfaq et al., 2025; Liang et al., 2025). In this context, understanding the determinants of marketing performance has become increasingly important for both academics and practitioners.

Marketing performance reflects the effectiveness of organizational marketing activities in achieving desired outcomes, including sales growth, market expansion, customer retention, brand reputation, and competitive advantage (Morgan et al., 2019). Previous studies consistently identify marketing performance as a critical indicator of organizational success because it captures the firm's ability to convert strategic initiatives into measurable business outcomes (Katsikeas et al., 2016; Odoom et al., 2017). Despite extensive research, the mechanisms through which internal strategic capabilities and external environmental factors influence marketing performance remain a continuing area of scholarly debate (Buck et al., 2025; Homburg et al., 2020).

One of the most widely discussed determinants of organizational performance is market orientation. Rooted in the Market-Based View (MBV), market orientation emphasizes the continuous generation, dissemination, and utilization of market intelligence to create superior customer value (Kohli & Jaworski, 1990) (Narver & Slater, 1990). Firms with stronger market orientation are generally more capable of understanding customer needs, identifying market opportunities, and responding effectively to competitive pressures (Acosta et al., 2018; D'Souza et al., 2022). Recent studies have reported that market orientation positively contributes to innovation capability, customer responsiveness, organizational agility, and business performance (Borodako et al., 2022; Sastra et al., 2025; Wang et al., 2022; Zhang et al., 2025). However, the emergence of digital technologies suggests that the influence of market orientation may increasingly depend on an organization's ability to transform market knowledge into digital marketing activities.

In parallel, social media has become a dominant communication platform that fundamentally reshapes interactions between firms and customers. Social media platforms provide opportunities for organizations to build customer engagement, strengthen brand visibility, facilitate two-way communication, and generate valuable market insights (Ancillai et al., 2019; Kaplan & Haenlein, 2010). Recent evidence indicates that effective social media utilization can improve customer relationships, brand awareness, and organizational competitiveness (Tajvidi et al., 2020; Williams et al., 2020). Nevertheless, findings regarding the direct impact of social media optimization on marketing performance remain inconsistent. Some studies report significant positive effects (Ashfaq et al., 2025; Sulaiman et al., 2015), whereas others suggest that social media activities produce meaningful outcomes only when integrated into broader digital marketing strategies and organizational capabilities (Ancillai et al., 2019; Trainor et al., 2014; Williams et al., 2020).

Although Social Media Optimization and Digital Marketing are related concepts, they represent different levels of organizational activity. Social Media Optimization focuses on tactical efforts to enhance visibility, engagement, and interaction within social media platforms. In contrast, Digital Marketing represents a broader organizational capability that integrates multiple digital channels, customer analytics, online advertising, content management, and customer relationship management to achieve strategic marketing objectives. Therefore, Social Media Optimization is conceptualized as a specific digital activity that supports the development and effectiveness of broader Digital Marketing capability rather than as a dimension of Digital Marketing itself.

Another important contextual factor influencing organizational outcomes is environmental turbulence. Environmental turbulence refers to the extent of unpredictability arising from changes in customer preferences, technological developments, competitive intensity, and regulatory conditions (Jaworski & Kohli, 1993; Teece, 2018). Within the strategic management literature, environmental turbulence is generally viewed not as a firm capability but as an external condition that increases uncertainty and challenges organizational decision-making. Highly turbulent environments often reduce the effectiveness of routine strategies and require firms to continuously adapt their resources, processes, and market approaches (Wilden & Gudergan, 2015).

Although environmental turbulence is frequently associated with organizational adaptation and strategic renewal, it should not be conceptualized as an organizational capability or a direct source of competitive advantage. Environmental turbulence represents an external contextual condition that increases uncertainty and creates pressure for firms to adjust their strategies and operational processes. Therefore, any positive empirical relationship between environmental turbulence and organizational outcomes should be interpreted as reflecting firms' adaptive responses to environmental change rather than the beneficial effects of turbulence itself. In this regard, Dynamic Capability Theory suggests that turbulent environments increase the value of sensing, learning, and reconfiguration capabilities that enable firms to respond effectively to changing market conditions.

From the perspective of Dynamic Capability Theory, environmental turbulence creates pressure that motivates firms to develop sensing, seizing, and reconfiguring capabilities in order to remain competitive (Teece, 2018). Under such conditions, firms become more attentive to market signals, more responsive to customer needs, and more willing to adopt digital technologies that support strategic adaptation (Warner & Wäger, 2019; Vial, 2021). Consequently, environmental turbulence should not be interpreted as automatically generating superior performance. Instead, firms that perceive higher levels of turbulence may achieve better outcomes when they successfully transform environmental pressures into adaptive responses and digital capabilities. This reasoning suggests that environmental turbulence can stimulate the development of digital marketing capability, which subsequently enables firms to maintain or improve marketing performance in dynamic markets.

The growing importance of digital marketing has attracted considerable scholarly attention during the last decade. Digital marketing enables firms to communicate with customers in real time, personalize marketing messages, monitor customer responses, and optimize resource allocation more efficiently than conventional marketing approaches (Bala & Verma, 2018; Kannan & Li, 2017). Studies conducted across different industries have demonstrated that digital marketing contributes significantly to customer acquisition, customer engagement, innovation, and organizational performance (Matarazzo et al., 2021) (Liang et al., 2025); (Muis et

al., 2024). Beyond its direct effect, digital marketing may also function as a strategic capability that translates organizational resources and environmental adaptation into superior marketing outcomes. This argument aligns with the Resource-Based View (RBV), which suggests that valuable, rare, and difficult-to-imitate organizational capabilities can generate sustainable competitive advantage (Barney et al., 2021).

Although previous studies have investigated relationships among market orientation, social media utilization, environmental turbulence, digital marketing, and performance, several important research gaps remain. First, most existing studies examine these variables independently rather than integrating internal strategic factors and external environmental factors within a unified framework (Sastra et al., 2025; Tajvidi et al., 2020). Second, empirical findings regarding the direct contribution of social media optimization to marketing performance remain inconclusive, indicating the need for additional investigation (Ancillai et al., 2019; Williams et al., 2020). Third, existing research predominantly focuses on service industries, SMEs, and technology-intensive sectors, while evidence from labor-intensive manufacturing industries such as garment manufacturing remains limited (Liang et al., 2025; Matarazzo et al., 2021). Fourth, few studies have examined digital marketing as a mediating mechanism that simultaneously links market orientation, social media optimization, and environmental turbulence to marketing performance.

This study integrates the Market-Based View (MBV), Resource-Based View (RBV), and Dynamic Capability Theory (DCT) to explain marketing performance in a digital business environment. MBV explains Market Orientation as a market-sensing orientation that enables firms to understand customer needs and market opportunities. RBV positions Digital Marketing as a strategic capability that transforms organizational resources into marketing outcomes. DCT explains Environmental Turbulence as a contextual condition that increases the need for adaptation and capability development. Meanwhile, Social Media Optimization is viewed as a tactical digital activity that supports customer engagement and contributes to Digital Marketing capability. Through this integration, marketing performance is understood as the outcome of market sensing, capability deployment, and organizational adaptation to environmental change through adaptive actions and capability reconfiguration.

The integration of these perspectives offers a more coherent explanation of marketing performance in digitally disrupted markets. Rather than treating environmental turbulence as a direct source of competitive advantage, this study conceptualizes turbulence as an external condition that increases the need for organizational responsiveness. Firms operating in turbulent environments are expected to strengthen their digital marketing capabilities as part of their adaptation process. Consequently, superior marketing performance emerges not because environmental turbulence itself is beneficial, but because firms develop effective digital responses to cope with environmental change. This theoretical logic positions digital marketing as a critical capability through which market orientation and environmental responsiveness are translated into performance outcomes.

The theoretical contribution of this study lies in extending the integration of MBV, RBV, and Dynamic Capability Theory within the digital marketing context. Previous studies have largely examined market orientation, social media utilization, environmental turbulence, and digital marketing separately. This study proposes that marketing performance is jointly shaped by market-driven strategic behavior, digital capability development, and organizational responsiveness to environmental change. More specifically, the study contributes by clarifying that environmental turbulence functions as a contextual driver of adaptation rather than as an

organizational capability itself. By demonstrating the mediating role of digital marketing, the study explains how firms convert environmental pressures and market intelligence into superior marketing outcomes.

Empirically, the study provides evidence from the garment manufacturing industry in East Java, a sector that remains underrepresented in digital marketing and strategic management research despite experiencing substantial technological and market disruption. The findings therefore enrich current understanding of how firms in traditional manufacturing industries navigate environmental turbulence through digital capability development.

Accordingly, this study aims to analyze the influence of market orientation, social media optimization, and environmental turbulence on digital marketing and marketing performance, as well as to examine the mediating role of digital marketing in the garment industry of East Java. Based on the theoretical arguments and empirical evidence discussed above, ten hypotheses are proposed to explain the direct and indirect relationships among the study variables.

## **METHOD**

### **Research Design**

This study employed a quantitative research approach using a cross-sectional survey design. The choice of this approach was based on the objective of examining the relationships among market orientation, social media optimization, environmental turbulence, digital marketing, and marketing performance within the garment industry. Given that the study seeks to test a series of direct and indirect relationships among latent variables, a quantitative design was considered the most appropriate way to obtain empirical evidence and evaluate the proposed hypotheses.

The study was conducted among garment manufacturing firms operating in East Java, one of Indonesia's major production centers for textile and garment products. In recent years, firms in this sector have experienced increasing pressure to adapt to digital technologies while simultaneously responding to rapid market changes and intensifying competition. These conditions make the industry a relevant setting for examining how firms navigate environmental turbulence and improve marketing performance through digital marketing capabilities.

### **Population and Sample**

The population consisted of garment companies affiliated with the Indonesian Garment Companies Association (Asosiasi Perusahaan Garmen Indonesia/APGI) in East Java. The unit of analysis was the firm, while respondents were individuals occupying managerial or owner-level positions who were directly involved in marketing activities, strategic decision-making, or business development processes.

According to APGI East Java records, approximately 430 registered garment firms were actively operating during the data collection period. This list served as the sampling frame for the study. A total of 300 questionnaires were distributed to eligible firms between January and March 2026. After screening the returned questionnaires, 228 responses were received, resulting in a response rate of 76.0%. Thirteen questionnaires were excluded because of incomplete responses and excessive missing values. Consequently, 215 usable questionnaires were retained for analysis.

To avoid multiple responses from the same organization, only one respondent was selected from each firm. Respondents were required to occupy owner, director, manager, marketing manager, or senior supervisory positions. These individuals were considered key informants because they possessed sufficient knowledge regarding organizational marketing strategies, digital marketing practices, competitive conditions, and business performance

A purposive sampling technique was employed because not all firms possessed sufficient experience in digital marketing activities. To ensure the relevance and quality of responses, several criteria were established. First, respondents had to hold managerial positions, business ownership roles, or supervisory responsibilities. Second, the company had to have operated for at least three years. Third, the company had to utilize digital marketing channels, including social media platforms, websites, online marketplaces, or other digital communication tools.

Data collection resulted in 215 usable questionnaires. This sample size exceeded the minimum requirement for Partial Least Squares Structural Equation Modeling (PLS-SEM), which recommends a sample size capable of supporting the complexity of the proposed structural model. The final sample was therefore considered adequate for subsequent statistical analysis.

### **Respondent and Firm Characteristics**

The sample consisted of firms with diverse organizational characteristics. Approximately 41% of the firms had operated for more than ten years, while 34% had been established between five and ten years. Small and medium-sized firms represented the majority of respondents, reflecting the structure of the garment industry in East Java. Most firms focused on apparel manufacturing, fashion products, uniforms, and textile-based consumer goods. Around one-third of the firms reported participation in export activities, while the remainder primarily served domestic markets. The majority of respondents indicated that their organizations had actively utilized digital marketing tools for more than three years, suggesting sufficient experience to evaluate digital marketing capability and performance outcomes.

### **Data Collection Procedures**

Primary data were collected through a structured questionnaire distributed between January and March 2026. The questionnaire was administered both online and offline to accommodate differences in respondents' accessibility and preferences. Online distribution was conducted using Google Forms, while printed questionnaires were distributed during association meetings, business gatherings, and direct company visits.

Before the full survey was conducted, a pilot test involving 30 respondents was carried out to evaluate item clarity, wording, and measurement consistency. Feedback from participants was used to refine several statements and improve questionnaire readability.

The questionnaire consisted of two sections. The first section collected demographic and organizational information, including respondent position, company age, number of employees, and years of business operation. The second section measured the study variables using multi-item scales adapted from established literature. All indicators were assessed using a five-point Likert scale ranging from 1 ("strongly disagree") to 5 ("strongly agree").

Market orientation was measured through customer orientation, competitor orientation, and inter-functional coordination. Social media optimization was assessed through indicators related to content management, customer interaction, platform utilization, and online engagement. Environmental turbulence reflected perceived changes in customer preferences, market conditions, competition, and technological developments. Digital marketing captured the firm's capability to utilize digital channels for promotion, communication, and customer relationship management. Marketing performance was measured through sales growth, market share growth, customer acquisition, and overall marketing effectiveness.

### **Measurement of Variables**

The measurement instruments were adapted from previously validated scales and adjusted to the context of the garment industry. Market orientation indicators were primarily derived from Narver & Slater (1990) and Kohli & Jaworski (1990). Social media optimization

measurements were adapted from Trainor et al. (2014), Tajvidi et al. (2020), and Ancillai et al. (2019). Environmental turbulence indicators were based on Jaworski & Kohli (1993) and Teece (2018). Digital marketing measurements were adapted from Kannan & Li (2017), Matarazzo et al. (2021), and Saura et al. (2023). Marketing performance indicators were adopted from Morgan et al. (2019) and Katsikeas et al. (2016).

To ensure content validity, all questionnaire items were reviewed by three academic experts in marketing and strategic management, as well as two practitioners from the garment industry.

Conceptually, Social Media Optimization and Digital Marketing were treated as distinct constructs. Social Media Optimization captures platform-specific activities such as content management, audience engagement, and social media utilization. Digital Marketing reflects a higher-level organizational capability involving the integration of digital technologies, digital channels, customer data, and marketing processes. While Social Media Optimization contributes to Digital Marketing capability, the two constructs differ in scope, strategic orientation, and managerial function.

### **Common Method Bias Assessment**

Because the study relied on cross-sectional survey data collected from a single respondent per firm, several procedural and statistical remedies were implemented to reduce the risk of common method bias. Procedurally, respondents were assured of anonymity and confidentiality, reducing evaluation apprehension and social desirability bias. Questionnaire items were carefully organized to separate predictor and criterion constructs, and clear instructions were provided to minimize response ambiguity.

Statistically, Harman's single-factor test was conducted to examine whether a single latent factor accounted for the majority of variance in the data. The results indicated that the largest factor explained less than 50% of the total variance, suggesting that common method bias was unlikely to threaten the validity of the findings. In addition, full collinearity assessment showed that all VIF values remained below the recommended threshold of 3.3, providing further evidence that common method variance was not a serious concern.

### **Data Analysis**

The collected data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4 software. PLS-SEM was selected because the research model involves multiple latent constructs, mediating relationships, and predictive objectives. In addition, PLS-SEM is considered suitable for studies involving complex models and does not impose strict assumptions regarding data normality.

The analysis was conducted in two stages. The first stage involved evaluating the measurement model to assess reliability and validity. Indicator reliability was examined through outer loadings, while internal consistency reliability was assessed using Cronbach's Alpha and Composite Reliability (CR). Convergent validity was evaluated using Average Variance Extracted (AVE), whereas discriminant validity was assessed through the Heterotrait-Monotrait Ratio (HTMT) criterion.

The second stage focused on evaluating the structural model. Path coefficients, coefficient of determination ( $R^2$ ), effect size ( $f^2$ ), predictive relevance ( $Q^2$ ), and mediation effects were examined. Hypothesis testing was performed using the bootstrapping procedure with 5,000 subsamples. Relationships were considered statistically significant when the t-statistic exceeded 1.96 and the p-value was below 0.05.

## Ethical Considerations

Several measures were taken to ensure that the research was conducted responsibly and ethically. Participation in the survey was entirely voluntary, and respondents were informed about the purpose of the study before completing the questionnaire. All participants provided informed consent and were assured that their responses would be used solely for academic purposes.

To protect confidentiality, no personal identifiers or company-sensitive information were disclosed during data processing or reporting. Survey responses were analyzed in aggregate form, and access to the dataset was restricted to the research team. Throughout the research process, attention was given to maintaining respondent anonymity, data security, and compliance with accepted academic research standards.

## Conceptual Framework

Based on the theoretical arguments and empirical findings discussed previously, a conceptual framework was developed to explain the relationships among market orientation, social media optimization, environmental turbulence, digital marketing, and marketing performance. The conceptual framework reflects a hierarchical integration of MBV, RBV, and Dynamic Capability Theory. Market Orientation represents a market-sensing orientation that enables firms to generate and utilize market intelligence. Social Media Optimization represents tactical digital engagement activities that support customer interaction and online visibility. Environmental Turbulence constitutes an external contextual condition that increases the need for organizational adaptation. Digital Marketing is conceptualized as a strategic capability through which firms transform market intelligence, digital engagement activities, and adaptive responses into superior marketing outcomes. Consequently, Marketing Performance is viewed as the outcome of both market responsiveness and capability deployment within dynamic business environments..

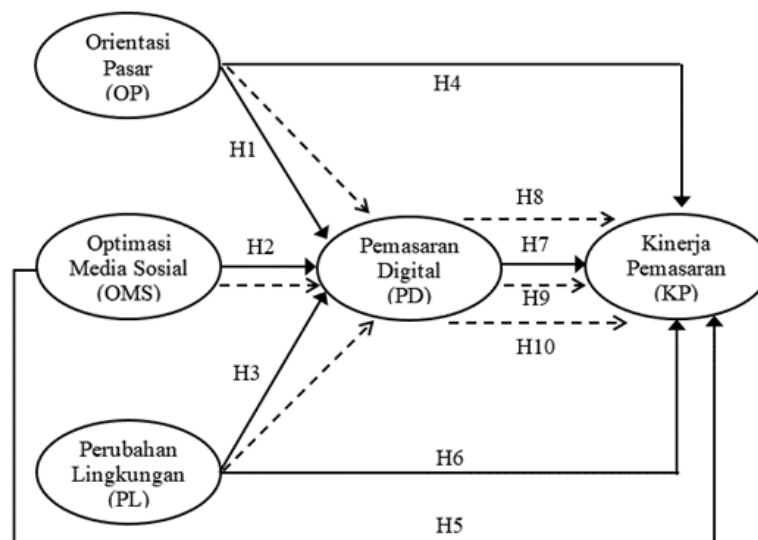


Figure 1. Conceptual Framework

## RESULTS AND DISCUSSION

### Results

#### Measurement Model Assessment

Before testing the proposed hypotheses, the measurement model was evaluated to ensure adequate reliability and validity of the reflective constructs. The assessment included indicator reliability, internal consistency reliability, convergent validity, and discriminant validity.

### Indicator Reliability

Table 1 presents the outer loading values of all indicators. The results show that all measurement items exceeded the minimum threshold of 0.60, with loading values ranging from 0.665 to 0.926. The highest loading was observed for Intelligence Generation under Market Orientation (0.926), while the lowest loading was found for Digital Strategy under Digital Marketing (0.665). Since all indicators met the recommended criteria and remained theoretically consistent with their respective constructs, no indicators were removed from the final measurement model. These findings confirm satisfactory indicator reliability and support the theoretical defensibility of the measurement model.

**Table 1.** Indicator Reliability (Outer Loadings)

| Construct                       | Indicator                          | Outer Loading | Result |
|---------------------------------|------------------------------------|---------------|--------|
| Market Orientation (MO)         | Intelligence Generation (MO.1)     | 0.926         | Valid  |
|                                 | Intelligence Dissemination (MO.2)  | 0.916         | Valid  |
|                                 | Responsiveness (MO.3)              | 0.808         | Valid  |
| Social Media Optimization (SMO) | Content Strategy (SMO.1)           | 0.853         | Valid  |
|                                 | Audience Engagement (SMO.2)        | 0.670         | Valid  |
|                                 | Frequency of Use (SMO.3)           | 0.864         | Valid  |
|                                 | Consistency of Use (SMO.4)         | 0.825         | Valid  |
|                                 | Technical Optimization (SMO.5)     | 0.830         | Valid  |
| Environmental Turbulence (ET)   | Technological Change (ET.1)        | 0.745         | Valid  |
|                                 | Social Change (ET.2)               | 0.851         | Valid  |
|                                 | Consumer Change (ET.3)             | 0.832         | Valid  |
|                                 | Regulatory Change (ET.4)           | 0.793         | Valid  |
| Digital Marketing (DM)          | Digital Channel Utilization (DM.1) | 0.827         | Valid  |
|                                 | Digital Strategy (DM.2)            | 0.665         | Valid  |
|                                 | Digital Content (DM.3)             | 0.743         | Valid  |
|                                 | Digital Effectiveness (DM.4)       | 0.734         | Valid  |
|                                 | Digital Interaction (DM.5)         | 0.798         | Valid  |
| Marketing Performance (MP)      | Sales Performance (MP.1)           | 0.841         | Valid  |
|                                 | Market Growth (MP.2)               | 0.791         | Valid  |
|                                 | Brand Loyalty (MP.3)               | 0.799         | Valid  |
|                                 | Brand Reputation (MP.4)            | 0.731         | Valid  |
|                                 | Competitive Efficiency (MP.5)      | 0.780         | Valid  |
|                                 | Competitive Advantage (MP.6)       | 0.837         | Valid  |

Source: SEM-PLS Output, Processed Data (2026)

### Internal Consistency Reliability and Convergent Validity

Table 2 presents the results of reliability and convergent validity assessment. Internal consistency reliability was evaluated using Cronbach's alpha, rho\_A, and composite reliability (CR). All constructs exceeded the recommended threshold of 0.70. Cronbach's alpha values ranged from 0.811 to 0.885, rho\_A values ranged from 0.826 to 0.923, and composite reliability values ranged from 0.869 to 0.915. Convergent validity was assessed using Average Variance Extracted (AVE), with all constructs exceeding the recommended threshold of 0.50. AVE values ranged from 0.571 to 0.783, indicating that the constructs explained more than half of the variance of their indicators. These results confirm satisfactory reliability and convergent validity.

**Table 2.** Reliability and Convergent Validity Assessment

| Construct                 | Cronbach's Alpha | rho_A | Composite Reliability | AVE   |
|---------------------------|------------------|-------|-----------------------|-------|
| Market Orientation        | 0.862            | 0.891 | 0.915                 | 0.783 |
| Social Media Optimization | 0.872            | 0.923 | 0.905                 | 0.658 |

|                          |       |       |       |       |
|--------------------------|-------|-------|-------|-------|
| Environmental Turbulence | 0.824 | 0.857 | 0.881 | 0.650 |
| Digital Marketing        | 0.811 | 0.826 | 0.869 | 0.571 |
| Marketing Performance    | 0.885 | 0.888 | 0.913 | 0.636 |

Source: SEM-PLS Output, Processed Data (2026)

### Discriminant Validity

Discriminant validity was assessed using both the Fornell–Larcker criterion and the Heterotrait–Monotrait Ratio (HTMT). The results indicate that the square root of AVE for each construct exceeded the corresponding inter-construct correlations, satisfying the Fornell–Larcker criterion. Furthermore, all HTMT values remained below the conservative threshold of 0.90, confirming that the constructs measured distinct conceptual domains. Therefore, discriminant validity was established.

**Table 3.** Fornell–Larcker Criterion

| Construct                       | MP    | SMO    | MO    | DM    | ET    |
|---------------------------------|-------|--------|-------|-------|-------|
| Marketing Performance (MP)      | 0.797 |        |       |       |       |
| Social Media Optimization (SMO) | 0.220 | 0.811  |       |       |       |
| Market Orientation (MO)         | 0.523 | -0.114 | 0.885 |       |       |
| Digital Marketing (DM)          | 0.781 | 0.347  | 0.457 | 0.755 |       |
| Environmental Turbulence (ET)   | 0.570 | 0.063  | 0.063 | 0.478 | 0.806 |

Source: SEM-PLS Output, Processed Data (2026)

**Table 4.** HTMT Ratio

| Construct                       | MP    | SMO   | MO    | DM    | ET |
|---------------------------------|-------|-------|-------|-------|----|
| Marketing Performance (MP)      | —     |       |       |       |    |
| Social Media Optimization (SMO) | 0.262 | —     |       |       |    |
| Market Orientation (MO)         | 0.589 | 0.210 | —     |       |    |
| Digital Marketing (DM)          | 0.815 | 0.382 | 0.524 | —     |    |
| Environmental Turbulence (ET)   | 0.645 | 0.221 | 0.131 | 0.536 | —  |

Source: SEM-PLS Output, Processed Data (2026)

### Common Method Bias Assessment

Because data were collected from a single respondent representing each firm, common method bias was evaluated through collinearity diagnostics. The variance inflation factor (VIF) values ranged from 1.009 to 2.217, remaining substantially below the recommended threshold of 3.3. These findings indicate that common method variance was unlikely to pose a serious threat to the validity of the results.

**Table 5.** Collinearity Assessment

| Relationship | VIF   |
|--------------|-------|
| OMS → KP     | 1.328 |
| OMS → PD     | 1.018 |
| OP → KP      | 1.514 |
| OP → PD      | 1.018 |
| PD → KP      | 2.217 |
| PL → KP      | 1.410 |
| PL → PD      | 1.009 |

Source: SEM-PLS Output, Processed Data (2026)

### Structural Model Assessment

After establishing the adequacy of the measurement model, the structural model was evaluated through collinearity assessment, explanatory power ( $R^2$ ), effect size ( $f^2$ ), predictive relevance, and hypothesis testing.

### Coefficient of Determination ( $R^2$ )

The explanatory power of the model was assessed through the coefficient of determination ( $R^2$ ). As presented in Table 6, Market Orientation, Social Media Optimization, and Environmental Turbulence jointly explained 54.9% of the variance in Digital Marketing ( $R^2 = 0.549$ ). Meanwhile, Market Orientation, Social Media Optimization, Environmental Turbulence, and Digital Marketing jointly explained 72.0% of the variance in Marketing Performance ( $R^2 = 0.720$ ). These values indicate moderate-to-substantial explanatory power.

**Table 6.** Coefficient of Determination

| Endogenous Variable   | $R^2$ | Adjusted $R^2$ |
|-----------------------|-------|----------------|
| Digital Marketing     | 0.549 | 0.537          |
| Marketing Performance | 0.720 | 0.710          |

Source: SEM-PLS Output, Processed Data (2026)

### Effect Size Assessment ( $f^2$ )

To evaluate the contribution of each exogenous construct, effect size ( $f^2$ ) analysis was conducted. The results reveal that Market Orientation exhibited the largest effect on Digital Marketing ( $f^2 = 0.486$ ), followed by Environmental Turbulence ( $f^2 = 0.397$ ) and Social Media Optimization ( $f^2 = 0.305$ ). Regarding Marketing Performance, Digital Marketing demonstrated the strongest effect ( $f^2 = 0.348$ ), followed by Environmental Turbulence ( $f^2 = 0.267$ ) and Market Orientation ( $f^2 = 0.210$ ). The direct effect of Social Media Optimization on Marketing Performance was negligible ( $f^2 = 0.014$ ).

**Table 7.** Effect Size Assessment

| Path     | $f^2$ | Interpretation |
|----------|-------|----------------|
| OP → PD  | 0.486 | Large          |
| OMS → PD | 0.305 | Medium         |
| PL → PD  | 0.397 | Medium-Large   |
| OP → KP  | 0.210 | Medium         |
| OMS → KP | 0.014 | Small          |
| PD → KP  | 0.348 | Medium-Large   |
| PL → KP  | 0.267 | Medium         |

Source: SEM-PLS Output, Processed Data (2026)

### Model Evaluation

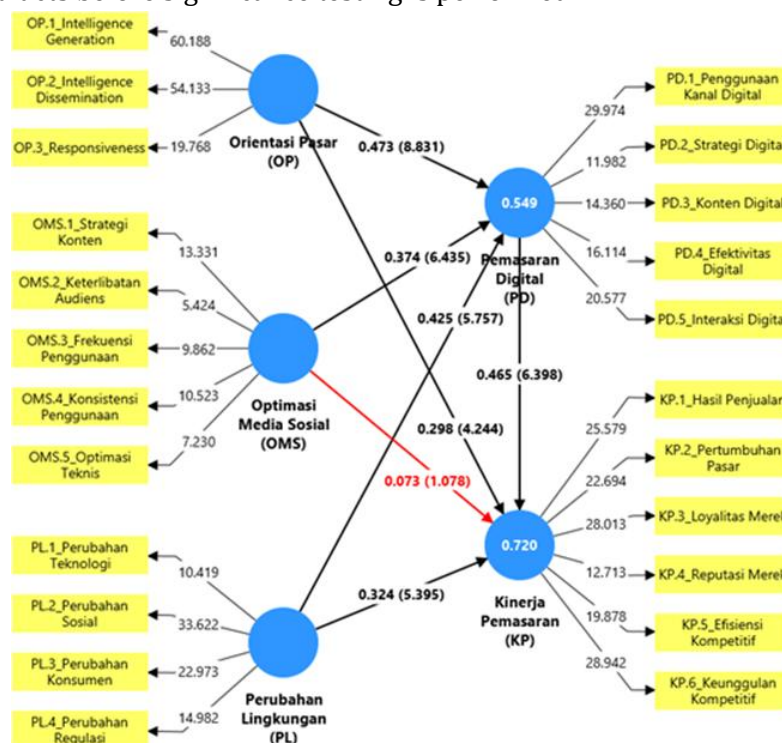
Following current PLS-SEM recommendations, model evaluation focused primarily on reliability, validity, explanatory power, and predictive capability rather than global goodness-of-fit indices. The model fit assessment indicates an SRMR value of 0.109, which is slightly above the commonly recommended threshold. This result suggests the possibility of residual model misspecification, measurement overlap, or unmodeled relationships among constructs. Therefore, the SRMR value should be interpreted cautiously rather than disregarded. However, because the study primarily employs PLS-SEM for prediction and theory development, model evaluation was complemented by reliability, validity, predictive relevance ( $Q^2$ ), and explanatory power ( $R^2$ ) assessments. Taken together, these results indicate that the proposed model retains acceptable predictive capability despite the elevated SRMR value.

The elevated SRMR value may be attributable to the conceptual proximity between Social Media Optimization and Digital Marketing, as both constructs relate to digital marketing activities at different levels of analysis. In addition, the complex mediation structure included in the model may contribute to residual discrepancies between the observed and model-implied correlation matrices. These possibilities suggest that future studies should further examine alternative model specifications and higher-order construct structures.

## Structural Model Assessment

After confirming that the measurement model met the required validity and reliability criteria, the structural model was evaluated to examine the explanatory power, predictive relevance, and effect size of the proposed relationships among the constructs. The assessment included the coefficient of determination ( $R^2$ ), effect size ( $f^2$ ), predictive relevance ( $Q^2$ ), and the overall structural relationships represented in the PLS-SEM model.

Figure 2 presents the structural model generated using the PLS algorithm procedure. The model illustrates the relationships among Market Orientation, Social Media Optimization, Environmental Turbulence, Digital Marketing, and Marketing Performance. The path coefficients shown in the model provide an overview of the direction and magnitude of the relationships among the constructs before significance testing is performed



**Figure 2.** PLS-SEM Structural Model Results

The explanatory power of the model was assessed through the coefficient of determination ( $R^2$ ). As shown in Table 6, Digital Marketing achieved an  $R^2$  value of 0.549, indicating that Market Orientation, Social Media Optimization, and Environmental Turbulence jointly explained 54.9% of the variance in Digital Marketing. Meanwhile, Marketing Performance recorded an  $R^2$  value of 0.720, suggesting that the combined influence of Market Orientation, Social Media Optimization, Environmental Turbulence, and Digital Marketing explained 72.0% of the variance in Marketing Performance. According to commonly accepted guidelines, these values indicate moderate explanatory power for Digital Marketing and substantial explanatory power for Marketing Performance.

Prior to hypothesis testing, the structural model was assessed for collinearity, explanatory power, predictive relevance, and model fit.

The collinearity test showed that all Variance Inflation Factor (VIF) values were below the critical threshold of 5. The highest VIF value was 2.217, indicating that multicollinearity was not a concern in the model.

The explanatory power of the model was examined through the coefficient of determination ( $R^2$ ). As presented in Table 8, the model explained 54.9% of the variance in Digital Marketing and 72.0% of the variance in Marketing Performance. These values indicate moderate explanatory power for Digital Marketing and substantial explanatory power for Marketing Performance.

**Table 8.** Explanatory Power

| Endogenous Variable        | $R^2$ |
|----------------------------|-------|
| Digital Marketing (PD)     | 0.549 |
| Marketing Performance (KP) | 0.720 |

Source: SEM-PLS Output, Processed Data (2026)

The effect size analysis further revealed that Market Orientation exerted the strongest effect on Digital Marketing ( $f^2 = 0.486$ ), while Digital Marketing showed the largest contribution to Marketing Performance ( $f^2 = 0.348$ ).

The predictive relevance assessment using PLSpredict indicated positive  $Q^2$  values for all endogenous indicators. Moreover, the RMSE and MAE values generated by the PLS-SEM model were consistently lower than those of the benchmark linear model, suggesting satisfactory predictive capability.

Model fit evaluation also supported the adequacy of the proposed model. Model evaluation primarily focused on explanatory and predictive assessment rather than overall goodness-of-fit measures, consistent with contemporary PLS-SEM guidelines. Predictive relevance was assessed through  $Q^2$  and PLSpredict procedures. The positive  $Q^2$  values obtained for all endogenous constructs indicated that the model possessed adequate predictive relevance. The PLSpredict results further demonstrated that the majority of indicators produced lower prediction errors than the benchmark linear model, supporting the predictive capability of the proposed framework.

### Hypothesis Testing

The hypotheses were tested using the bootstrapping procedure in SmartPLS 4. Table 9 summarizes the direct effects among the constructs

**Table 9.** Direct Effects and Hypothesis Testing

| Hypothesis | Path     | Coefficient | t-value | p-value      | Result        |
|------------|----------|-------------|---------|--------------|---------------|
| H1         | OP → PD  | 0.473       | 8.831   | $p < 0.001$  | Supported     |
| H2         | OMS → PD | 0.374       | 6.435   | $P < 0.0001$ | Supported     |
| H3         | PL → PD  | 0.425       | 5.757   | $P < 0.001$  | Supported     |
| H4         | OP → KP  | 0.298       | 4.244   | $P < 0.001$  | Supported     |
| H5         | OMS → KP | 0.073       | 1.078   | $P = 0.281$  | Not Supported |
| H6         | PL → KP  | 0.324       | 5.395   | $P < 0.0001$ | Supported     |
| H7         | PD → KP  | 0.465       | 6.398   | $P < 0.001$  | Supported     |

Source: SEM-PLS Output, Processed Data (2026)

As shown in Table 5, six of the seven direct hypotheses were supported. Market Orientation, Social Media Optimization, and Environmental Turbulence significantly influenced Digital Marketing. Likewise, Market Orientation, Environmental Turbulence, and Digital Marketing had significant positive effects on Marketing Performance. However, Social Media Optimization did not have a statistically significant direct effect on Marketing Performance

### Mediation Analysis

The mediating role of Digital Marketing was examined through indirect effect analysis. The results are presented in Table 10.

**Table 10.** Indirect Effects

| Hypothesis | Indirect Relationship | Coefficient | t-value | p-value | Result    |
|------------|-----------------------|-------------|---------|---------|-----------|
| H8         | OP → PD → KP          | 0.220       | 5.344   | 0.000   | Supported |

|     |               |       |       |       |           |
|-----|---------------|-------|-------|-------|-----------|
| H9  | OMS → PD → KP | 0.174 | 4.631 | 0.000 | Supported |
| H10 | PL → PD → KP  | 0.198 | 3.616 | 0.000 | Supported |

Source: SEM-PLS Output, Processed Data (2026)

The mediation analysis was assessed using bootstrapping procedures and confidence interval estimation. The indirect effects of Market Orientation, Social Media Optimization, and Environmental Turbulence on Marketing Performance through Digital Marketing were all significant because the bootstrap confidence intervals did not include zero. However, the mediation patterns differed across constructs. Market Orientation and Environmental Turbulence retained significant direct effects on Marketing Performance alongside significant indirect effects through Digital Marketing, indicating complementary partial mediation. In contrast, Social Media Optimization exhibited a non-significant direct effect but a significant indirect effect through Digital Marketing, indicating indirect-only mediation. These findings suggest that Digital Marketing serves both as a complementary transmission mechanism and as a full explanatory pathway depending on the nature of the antecedent construct.

### Total Effects

To identify the overall contribution of each predictor to Marketing Performance, total effect analysis was performed. The results are reported in Table 11

**Table 11.** Total Effects on Marketing Performance

| Variable                        | Total Effect | t-value | p-value |
|---------------------------------|--------------|---------|---------|
| Market Orientation (OP)         | 0.518        | 8.831   | 0.000   |
| Social Media Optimization (OMS) | 0.247        | 3.931   | 0.000   |
| Environmental Turbulence (PL)   | 0.522        | 7.203   | 0.000   |
| Digital Marketing (PD)          | 0.465        | 6.398   | 0.000   |

Source: SEM-PLS Output, Processed Data (2026)

Environmental Turbulence exhibited the largest total statistical effect within the model. However, this result should not be interpreted as evidence that environmental turbulence directly enhances marketing performance. Rather, the finding suggests that firms operating under greater environmental pressure tend to develop stronger adaptive responses and digital marketing capabilities, which subsequently contribute to improved performance outcomes.

### Importance–Performance Map Analysis (IPMA)

To provide additional managerial insight, an Importance–Performance Map Analysis (IPMA) was conducted. The analysis revealed that Environmental Turbulence had the highest importance score (0.522) with a performance value of 51.47, followed by Market Orientation with an importance value of 0.518 and performance value of 48.38. Digital Marketing showed an importance value of 0.465 and performance value of 52.06, whereas Social Media Optimization recorded the lowest importance value of 0.247 with a performance score of 52.65.

### Discussion

The findings indicate that marketing performance in the garment industry is shaped by the interaction between internal strategic capabilities and external environmental conditions. While market orientation and digital marketing capabilities contribute directly to performance improvement, Environmental turbulence exhibits the strongest contextual influence within the proposed model. However, this finding should not be interpreted as indicating that environmental instability is inherently beneficial. Instead, environmental turbulence functions as a contextual trigger that increases the need for organizational adaptation, strategic responsiveness, and digital capability development. Firms that respond effectively to environmental pressures are more likely to achieve superior marketing outcomes than firms that rely on routine strategies.

One of the most notable findings concerns the role of market orientation. The results demonstrate that market orientation significantly influences both digital marketing and marketing performance. Firms that actively monitor customer needs, observe competitor actions, and coordinate information across organizational functions appear to be better positioned to implement digital marketing initiatives and achieve stronger marketing outcomes. This finding is consistent with the Market-Based View, which argues that superior market intelligence enables firms to create greater customer value and sustain competitive advantage. The results support earlier studies that identified market orientation as a key driver of organizational adaptability, innovation, and business performance. In the context of the East Java garment industry, market-oriented firms seem more capable of translating market information into digital strategies that strengthen customer engagement and market responsiveness. These findings also suggest that market orientation remains highly relevant despite rapid technological change, as digital technologies appear to enhance rather than replace the value of market knowledge.

The non-significant direct relationship between social media optimization and marketing performance suggests that social media activity alone may be insufficient to generate measurable business outcomes in the garment industry. While social media platforms can increase brand visibility, customer interaction, and engagement, these activities do not automatically translate into sales growth, customer acquisition, or market expansion. In many garment firms, social media functions primarily as an awareness-building mechanism rather than a direct revenue-generating tool.

The significant indirect effect through digital marketing provides a more nuanced explanation. Social media optimization appears to contribute to marketing performance only when integrated into broader digital marketing processes involving customer analytics, marketplace management, targeted advertising, customer relationship management, and data-driven decision making. This finding supports the argument that tactical social media activities create value only when embedded within a comprehensive digital marketing system capable of converting online engagement into measurable business performance.

The garment industry in East Java operates in an environment characterized by rapid changes in fashion trends, intense price competition, fluctuating raw material costs, import competition, labor-intensive production challenges, and evolving consumer preferences. These conditions create substantial environmental turbulence that continuously pressures firms to adapt their marketing and operational strategies.

The findings should not be interpreted as evidence that environmental turbulence itself improves marketing performance. Rather, the results suggest that firms perceiving higher levels of turbulence become more responsive to environmental signals and are more likely to strengthen adaptive marketing practices and digital capabilities. Consistent with Dynamic Capability Theory, environmental turbulence acts as a catalyst that encourages firms to develop sensing, learning, and reconfiguration capabilities. Therefore, the observed positive relationship reflects organizational responsiveness to environmental change rather than the beneficial effect of turbulence itself.

The non-significant direct effect and significant indirect effect further support the conceptual distinction between Social Media Optimization and Digital Marketing. If both constructs represented the same phenomenon, a strong direct relationship would be expected. Instead, the findings suggest that social media activities primarily function as tactical inputs whose value is realized when they are integrated into broader digital marketing capabilities. This

pattern reinforces the argument that Social Media Optimization is an antecedent of Digital Marketing rather than a component of the same construct.

Another important finding concerns the central role of digital marketing. The results confirm that digital marketing has a significant positive effect on marketing performance and serves as an effective mediating mechanism linking market orientation, social media optimization, and environmental turbulence to performance outcomes. This suggests that digital marketing functions as more than a communication tool; it represents a strategic capability that enables firms to transform organizational knowledge and environmental adaptation into measurable business results. The significant mediation effects observed across all indirect relationships highlight the importance of digital marketing as a bridge between strategic inputs and performance outcomes. Firms that possess strong digital marketing capabilities appear better able to convert market information, social media activities, and environmental adaptation efforts into customer value and competitive advantage. This finding contributes to the growing body of literature emphasizing digital capability as a critical organizational resource in the digital economy.

From a theoretical perspective, this study contributes by clarifying the distinct yet complementary roles of MBV, RBV, and Dynamic Capability Theory in explaining marketing performance. The findings support the argument that Market Orientation functions as a market-sensing mechanism consistent with MBV, enabling firms to identify and respond to customer and competitive information. Social Media Optimization operates primarily as a tactical digital activity that facilitates customer interaction but does not directly generate performance advantages. Digital Marketing, consistent with RBV, emerges as a broader organizational capability that transforms market knowledge and digital engagement into performance outcomes. Meanwhile, Dynamic Capability Theory explains how Environmental Turbulence creates adaptive pressures that increase the strategic importance of digital capability development. This hierarchical explanation provides a more coherent theoretical account than treating the three theories as independent predictors of performance.

Although the model demonstrates satisfactory explanatory and predictive performance, the SRMR value indicates that opportunities remain for improving model specification. Future research may explore alternative structural configurations, including higher-order representations of digital marketing constructs or additional relational paths that better capture the complexity of digital marketing processes in turbulent business environments.

The practical implications are equally important. For managers in the garment industry, the findings suggest that investments in digital marketing should be accompanied by efforts to strengthen market orientation and environmental responsiveness. Firms should continuously monitor customer preferences, competitor activities, and technological developments while simultaneously developing digital capabilities that allow rapid adaptation. Social media investments alone may not produce substantial performance gains unless they are strategically integrated with broader digital marketing initiatives. Therefore, managerial attention should focus not only on increasing online visibility but also on improving the effectiveness of digital customer engagement, data utilization, and market responsiveness.

Several limitations should be acknowledged. First, the study employed a cross-sectional design, which limits the ability to capture changes in organizational behavior and performance over time. Second, the research focused exclusively on garment firms in East Java, which may restrict the generalizability of the findings to other industries or geographic regions. Third, the data relied on self-reported perceptions from managerial respondents, which may introduce

subjective bias despite the use of validated measurement instruments. Finally, the model explains a substantial proportion of performance variation, yet other potentially relevant factors, such as innovation capability, entrepreneurial orientation, customer relationship management, or organizational agility, were not included in the analysis.

Another limitation concerns the potential for endogeneity and reverse causality. Although the proposed relationships are grounded in established theory, the cross-sectional design does not allow temporal ordering among variables to be verified. Future studies should employ longitudinal designs, lagged-effect models, panel data approaches, or instrumental-variable techniques to provide stronger evidence regarding causal relationships among market orientation, digital marketing capability, environmental turbulence, and marketing performance.

Future studies may address these limitations by employing longitudinal designs, expanding the sample to different industries and regions, and incorporating additional strategic variables. Further research could also explore the moderating effects of firm size, organizational culture, technological readiness, or competitive intensity on the relationships identified in this study. Such investigations would contribute to a deeper understanding of how organizations navigate environmental turbulence and achieve sustainable marketing performance in increasingly digital business environments.

## CONCLUSIONS

This study was conducted to examine how market orientation, social media optimization, and environmental turbulence influence marketing performance in the garment industry, while also exploring the mediating role of digital marketing. The findings reveal statistically significant associations among market orientation, social media optimization, environmental turbulence, digital marketing, and marketing performance that are consistent with the proposed conceptual framework. The results suggest that firms with stronger market orientation, more effective social media optimization practices, and greater responsiveness to environmental change tend to exhibit stronger digital marketing capabilities. In turn, digital marketing capability is positively associated with higher levels of marketing performance. Furthermore, market orientation, environmental turbulence, and digital marketing were found to have direct positive effects on marketing performance. In contrast, social media optimization did not directly improve marketing performance, suggesting that the benefits of social media are realized primarily when they are translated into broader digital marketing activities. The mediation analysis further confirms that digital marketing plays an important role in connecting strategic capabilities and environmental responsiveness with marketing outcomes.

One of the important findings concerns the role of environmental turbulence as a contextual driver of organizational adaptation. Although environmental turbulence demonstrated a significant statistical relationship with marketing performance, the findings should also be interpreted with caution regarding causal inference. Because the study employs a cross-sectional design, the observed relationships represent statistical associations rather than definitive causal effects. It is possible that firms with superior marketing performance possess greater resources and organizational capabilities that enable stronger digital marketing implementation and social media optimization. Likewise, firms that are more market-oriented may perceive environmental turbulence more intensely because they actively monitor market changes. Therefore, the possibility of simultaneity and omitted-variable bias cannot be fully excluded.

From a theoretical standpoint, this study contributes to the growing discussion on digital marketing capability by integrating market orientation, social media optimization, and

environmental turbulence within a single framework. The findings provide empirical evidence that digital marketing functions not only as a communication channel but also as a strategic mechanism through which firms convert internal capabilities and environmental adaptation into performance advantages. This perspective offers a more comprehensive understanding of how marketing performance is created in increasingly dynamic and technology-driven markets.

The findings also offer practical insights for managers in the garment industry. Investments in digital marketing should not be limited to increasing online visibility or social media activity. Greater attention needs to be directed toward understanding market needs, monitoring environmental changes, and developing organizational capabilities that allow firms to respond effectively to evolving market conditions. Social media initiatives are likely to generate stronger results when they are integrated into a broader digital marketing strategy that supports customer engagement, market intelligence, and long-term relationship building.

Despite these contributions, several limitations should be acknowledged. The study was conducted within the garment industry in East Java and employed a cross-sectional design, which may limit the generalizability of the findings across industries and regions. In addition, the analysis focused on a specific set of variables, while other factors that may influence marketing performance were not included in the model.

Future research may expand this work by examining different industrial sectors, applying longitudinal approaches, or incorporating additional variables such as innovation capability, organizational agility, customer relationship management, entrepreneurial orientation, or artificial intelligence adoption. Exploring these factors may provide a richer understanding of how firms build resilience and sustain marketing performance in increasingly uncertain and digitally connected business environments. Future studies may also conduct subgroup analyses based on firm characteristics such as export orientation, organizational size, or digital maturity level. Such analyses would help determine whether the observed relationships remain stable across different business environments and strategic conditions.

Given the cross-sectional nature of the study, the findings should be interpreted as statistical associations rather than definitive evidence of causality. Although the results support the theoretical relationships proposed in the framework, future longitudinal and multi-source studies are needed to establish temporal ordering and causal mechanisms more rigorously.

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