Available *online* at : http://jurnal.poltekapp.ac.id/

Jurnal Manajemen Industri dan Logistik

| ISSN (Print) 2622-528X | ISSN (Online) 2598-5795 |

article category : Industrial Marketing

The Effect of Digital Marketing on Marketing Performance with Competitiveness as a Mediating Variable in Food Industry SMEs

Agus Nurofik[1]*, Ernani Hadiyati[2], Dwi Orbaningsih[3] , Rosidi[4]
[1,2,3,4]Doctoral Program in Management Science, Gajayana University Malang, Indonesia

ARTICLE INFORMATION

Article history:

Received: February 13, 2026
Revised: April 29, 2026
Accepted: June 19, 2026

Keywords:

Digital Marketing,
Competitiveness,
Marketing Performance,
SMEs,
MBV

ABSTRACT

This study aims to analyze the influence of digital marketing on marketing performance with competitiveness as a mediating variable in food industry SMEs. The research population amounted to 117 food industry SMEs, with a sample of 100 respondents determined through purposive sampling techniques. Data were collected using a five-point Likert scale questionnaire and analyzed using the Structural Equation Modeling–Partial Least Squares (SEM-PLS) method. The results of the study show that digital marketing has a negative and significant effect on marketing performance, but it has a positive and significant effect on competitiveness. Furthermore, competitiveness has a positive and significant effect on marketing performance, but is unable to mediate the influence of digital marketing on marketing performance. These findings indicate that digital marketing has not been managed strategically and market-oriented, so it has not been able to create value that has a direct impact on marketing performance.

Corresponding Author:

Agus Nurofik
Doctoral Program in Management Science, Gajayana University Malang, Indonesia
Email: agsnin@gmail.com

INTRODUCTION

The development of digital technology has brought fundamental changes in the pace of modern marketing. Digitalization encourages a shift in consumer behavior, starting from how to find information, compare products, to make purchasing decisions through various digital platforms. This condition requires business actors to be able to adapt marketing strategies in a more innovative and technology-based manner in order to be able to maintain their existence and improve their marketing performance. Companies that are unable to adapt to these changes risk losing competitiveness amid increasingly intense market competition. In Indonesia, small and medium enterprises (SMEs) have a strategic role in supporting the national economy. SMEs not only contribute greatly to the formation of gross domestic product, but also play an important role in job creation and equitable distribution of people's incomes. (Hastuti et al., 2020) [1] stated that SMEs function as the main driver of the regional economy as well as a means of improving community welfare. However, until now there are still many SMEs that face limitations in the marketing aspect, especially in the optimal use of digital technology.

Marketing performance can include all aspects related to marketing that are capable of generating added value for the company, including how marketing contributes to long-term profits. (Muis et al., 2024) [2] Explains that marketing performance is a condition of an organization in achieving its main marketing goals after carrying out all marketing activities. (Christanto et al., 2024) [3] emphasizing that marketing performance is a concept that is used by companies to assess the effectiveness of product marketing that has been carried out. (Munir et al., 2023) [2] stating that marketing performance is a commonly used concept to evaluate the extent to which the marketing strategy implemented by the company is able to achieve the expected results. (Mushi, 2024) [4] explains that marketing performance can be measured through several indicators, namely sales growth, market share and market development.

This understanding of marketing performance is related to the Market Base View (MBV) approach, which assumes that a company's strategy is heavily influenced by external factors, such as industry structure, competition, and market dynamics. In addition, MBV views that all the resources needed for the implementation of the strategy are available in the market and can be accessed freely, and that business decision-making is done logically to maximize profits [5].

One of the important factors that can affect marketing performance is digital marketing. Digital marketing is an important strategy for SMEs in reaching a wider, faster and more efficient consumer. (Sharabati et al., 2024) [6] Explains that digital marketing is the use of digital media such as search engines, social media networks, emails and websites to advertise goods, services and points of view and interaction with consumers. (Rodríguez et al., 2023) [7] states that digital marketing is a series of strategies and techniques of promotion and advertising carried out through the Internet and other electronic media. Meanwhile, (Munir et al., 2023) [2] Explaining digital marketing as the use of the internet and interactive technology to create and connect dialogue between

companies and consumers that have been identified. Digital marketing can be measured through several indicators, including search engine optimization, content marketing, social media marketing, email marketing, influencer marketing and paid advertising [4].

A number of empirical studies show that digital marketing has a positive effect on marketing performance. In addition to digital marketing, another factor that also affects marketing performance is competitiveness, which in this study plays a role as a mediating variable. (Obeidat et al., 2021) [8] states that competitiveness is a typical performance of an organization that is able to surpass competitors in the same industry. (Muis et al., 2024) [9] Explains that competitive advantage includes the ability of individuals in a company who are reliable to manage and utilize their unique resources to meet customer needs and desires while creating added value. (Yamin, 2020) [10] adding that competitiveness advantage is the capacity of a company to dynamically manage, combine, and adjust resources in order to be able to respond to changing customer needs in a sustainable manner. Competitiveness can be measured through several indicators, including product advantage, competitive advantage and market competition [11], [12].

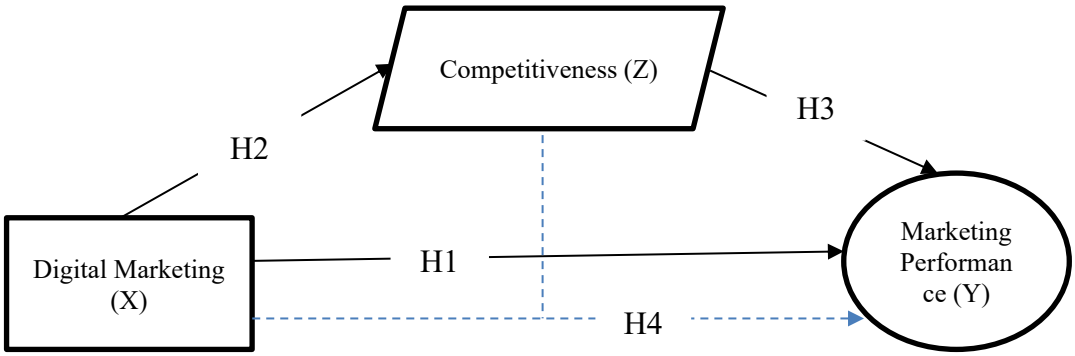
Previous studies have also strengthened the relationship between competitiveness and marketing performance [13]. However, empirical phenomena show that culinary SMEs based on local wisdom, including food industry SMEs in Padang Panjang City, still face various challenges in improving their marketing performance. Although food industry is a superior product with strong cultural value and high market appeal, most food industry SMEs still rely on conventional marketing methods, such as direct sales and word-of-mouth promotion. The use of digital marketing through social media, marketplaces, and other digital platforms has not been carried out optimally and integrated. This condition causes relatively limited market reach, low market penetration rates, and business competitiveness that has not been developed optimally compared to similar products from other regions that have previously adopted digital marketing [14].

Based on this description, this study is important to examine the influence of digital marketing on marketing performance with competitiveness as a mediating variable in food industry SMEs in Padang Panjang City. In particular, the purpose of this study is to analyze the influence of digital marketing on the marketing performance of food industry SMEs, examine the influence of digital marketing on competitiveness, analyze the influence of competitiveness on marketing performance, and test the role of competitiveness mediation in the relationship between digital marketing and marketing performance. This research is expected to make a theoretical contribution to the development of digital marketing studies and the competitiveness of SMEs, as well as practical contributions for SMEs and policy makers in formulating effective and sustainable marketing strategies, can be shown in figure 1.[15]

The hypotheses proposed in this study are as follows:
H1: Digital marketing has a positive effect on the marketing performance of food industry SMEs.
H2: Digital marketing has a positive effect on the competitiveness of food industry SMEs.

H3: Competitiveness has a positive effect on the marketing performance of food industry SMEs.
H4: Competitiveness mediates the influence of digital marketing on the marketing performance of food industry SMEs.

Figure 1. research model



RESEARCH METHODS

This study uses an explanatory quantitative approach to analyze the influence of digital marketing on marketing performance, with competitiveness serving as a mediating variable among food industry SMEs in Padang Panjang City. The quantitative approach was chosen because it enables empirical, objective, and measurable testing of causal relationships between variables through statistical analysis. Furthermore, the explanatory design is appropriate for examining the direct and indirect effects among the research variables and for testing the proposed hypotheses.

The research was conducted on food industry SMEs located in Padang Panjang City, West Sumatra Province, Indonesia, during 2024. The research population consisted of all 117 food industry SMEs that were actively operating at the time of the study. A total of 100 respondents were selected using a purposive sampling technique based on predetermined criteria, including business owners or managers who were directly involved in marketing activities and had experience using digital media or digital marketing platforms to promote their products. This sampling technique was employed to ensure that the respondents possessed sufficient knowledge and experience to provide reliable and relevant information regarding the implementation of digital marketing strategies and their impact on business competitiveness and marketing performance.

The sample size of 100 respondents was considered adequate for the application of Partial Least Squares Structural Equation Modeling (PLS-SEM), as this method is suitable for studies with relatively small to medium sample sizes and complex structural models involving multiple latent variables and mediation effects. Furthermore, the selected respondents represented SMEs with diverse business characteristics, including differences in business scale, years of operation, and types of food products, thereby providing a comprehensive representation of the food industry SME sector in the study area.

http://doi.org/10.30998/jmil.v10i1.1814

Prior to data collection, respondents were informed about the purpose of the study, and their participation was entirely voluntary. Confidentiality and anonymity of the respondents were ensured to maintain the integrity of the research process and encourage honest and unbiased responses.

Data were collected through a structured questionnaire using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The questionnaire items were adapted from previously validated studies and modified to suit the context of food industry SMEs. Before the main survey, a preliminary review of the questionnaire was conducted to ensure the clarity, relevance, and comprehensibility of the measurement items. The collected data were subsequently analyzed using SmartPLS software to evaluate both the measurement model (outer model) and the structural model (inner model), including the assessment of convergent validity, discriminant validity, construct reliability, coefficient of determination (R^2), path coefficients, and the mediating effect of competitiveness.

The research data consists of primary data and secondary data. Primary data was obtained through surveys using structured questionnaires with a five-point Likert scale, while secondary data was sourced from scientific publications and related agency reports. Data analysis was carried out using the SEM-PLS method with the help of WarpPLS software, which included measurement model testing, structural model, hypothesis testing, and mediation test in table 1.

Table 1. Variable operational definition

Variabel	Operational definition	Indicator	Scale
Digital marketing (X)	The use of digital media and technology by SMEs to promote products and reach consumers effectively.	1. Search engine optimization (SEO). 2. Content marketing 3. Social media marketing 4. Email marketing 5. Influencer marketing 6. Paid advertising (Mushi, 2024)	Likert 1-5
Competitiveness (Z)	The ability of SMEs to create advantages over competitors through added value and resource utilization.	1. Product Advantages 2. Competitive Advantage 3. Market Competition (Keelson et al, 2024)	Likert 1-5
Marketing Performance (Y)	The success rate of SMEs in achieving marketing goals effectively and sustainably.	1. Sales Growth 2. Market Share 3. Market Development (Mushi, 2024)	Liker 1-5

RESULTS AND DISCUSSION

Descriptive Analysis of Research Variables

Descriptive analysis aims to provide a quantitative overview of the summary of observations on each research variable. Descriptive analysis was carried out on each research variable. The results of respondents' responses can explain the research variables of each unit of analysis through the respondent answer scoring process.

Table 2. Descriptive Table of Research Variables

Yes	Variabel	Average Score	Criteria
1	Digital Marketing	4,1453	Good
2	Competitiveness	4,0683	Good
3	Marketing Performance	4,8583	Excellent

Source : Data processed with SPSS 20

Table 2 presents a descriptive analysis of the four research variables that have been surveyed. Each of these variables has a total score, ideal score, average score, and criteria. This total score is the sum of all scores given by respondents for a given variable. This maximum score is the highest score that can be obtained if all respondents give the highest score for a particular variable. This score gives an idea of how far the actual score is from perfection. The average score is the average of all respondents. The criterion is the qualification of the average score that shows the quality of a certain variable, in this case "Good and Very Good".

From Table 2, it can be seen that the variables of digital marketing (4.1453), competitiveness (4.0683), and marketing performance (4.8583) have an average score in the range of 3,430 – 4,230 and range of 4,230 – 5,000 so that they are in the category of good and very good. All research variables had an average score that was included in the category of "Good and Excellent". This shows that respondents generally give a positive assessment of these aspects in marketing performance.

Analysis Of Measurement Models

The measurement model is a model that connects latent variables with manifest variables. The measurement model is evaluated by testing the validity and realism of latent constructs. (Hair et al., 2017) [16] states that the measurement model test consists of convergent validity, discrete validity and reliability tests.

Validity Test

The construct validity test consists of a convergent validity test and a discriminant validity test. The convergent validity test was assessed from the loading factor of the indicators that measure the construct, as well as the AVE and Communality scores on the construct. The criteria or rule of thumb for convergent validity testing are loading scores above 0.70 and AVE above 0.50. The following table 3 shows a summary of the results of the convergent validity test.

Table 3. Construct Convergent Validity Test Results

Variable Name	Indicator	Loading	P value	AVE
Digital Marketing	X1.1	0.981	<0.001	0.954
	X1.2	0.947	<0.001	
	X1.3	0.975	<0.001	
	X1.4	0.975	<0.001	
	X1.5	0.975	<0.001	
	X1.6	0.975	<0.001	
	X1.7	0.975	<0.001	
	X1.8	0.907	<0.001	
	X1.9	0.907	<0.001	
	X1.10	0.907	<0.001	
	X1.11	0.927	<0.001	
	X1.12	0.978	<0.001	
	X1.13	0.978	<0.001	
	X1.14	0.909	<0.001	
	X1.15	0.982	<0.001	
Competitiveness	Y1.1	0.923	<0.001	0.976
	Y1.2	0.985	<0.001	
	Y1.3	0.985	<0.001	
	Y1.4	0.986	<0.001	
	Y1.5	0.986	<0.001	
	Y1.6	0.986	<0.001	
Marketing Performance	Y2.1	0.994	<0.001	0.962
	Y2.2	0.994	<0.001	
	Y2.3	0.994	<0.001	
	Y2.4	0.994	<0.001	
	Y2.5	0.931	<0.001	
	Y2.6	0.855	<0.001	

Source :Data processed with WARP PLS 8.0

From the results of outer loading in Table 3, it can be seen that overall the indicators of each latent variable produce a loading factor score above 0.70 and a p-value of <0.001. In addition, all four latent variables resulted in an AVE score above 0.50. Thus, it can be concluded that the three constructs consisting of Digital Marketing, Competitiveness and Marketing Performance have met the criteria of convergent validity. The discriminant validity test is assessed from the cross loading of the gauge with its construct.

Table 4. Results of the Construct Discriminant

	Digital Marketing (X)	Competitiveness (Y1)	Marketing Performance (Y2)
Digital Marketing (X)	0.954		
Competitiveness (Y1)	0.271	0.976	
Marketing Performance (Y2)	-0.393	0.091	0.962

Source : Data processed with WarpPLS 8, 2025

Validity Test

Based on the cross-loading results presented in Table 4, it can be observed that all indicators exhibit higher loading values on their respective latent constructs than on any other constructs in the model. This indicates that each indicator has a stronger correlation with the construct it is intended to measure than with other latent variables, thereby demonstrating adequate discriminant validity. In addition, no indicator shows a cross-loading value exceeding its primary loading, confirming that the indicators are appropriately assigned to their respective constructs. Therefore, it can be concluded that each indicator is capable of measuring its intended latent construct accurately and consistently, indicating that the measurement model satisfies the discriminant validity requirement and is suitable for further structural model analysis.

Reliability Test

Construct reliability testing is assessed from *Cronbach's alpha* and *Composite reliability*. A construct is said to be reliable if *Cronbach's alpha value* is above 0.60 and *the Composite reliability* is above 0.70. The following table 5 shows a summary of the results of the construct reliability test.

Table 5. Construct Reliability Test Results

Variables / Constructs	*Cronbach's alpha*	*Composite reliability*
Digital Marketing (X)	0.993	0.993
Competitiveness (Y1)	0.990	0.992
Marketing Performance (Y2)	0.983	0.987

Source :Data processed with Warp PLS 8.0

From the results of the construct reliability test in Table 5, the three constructs have a value of *Cronbach's alpha* above 0.60 and *Composite reliability* above 0.70. The results of the analysis showed that the three constructs met the reliability test rules. Thus, it can be concluded that the measurements used in this study are reliable.

Structural Model Test

R-Square Test (R2)

The results showed that the two values of the determinant coefficient (R-square) in Table 5.11 were 0.169 (without mediation interaction) and 0.283 (with mediation interaction). Hair (2017) gave a limit for the interpretation of the R-Square value of 0.25 - 0.49 has a weak contribution. R-Square 0.50-0.74 is said to have a moderate contribution and the R-Square value greater than or equal to 0.75 is said to have a strong contribution.

Based on the results of the structural model test using the WarpPLS application, the value of the determination coefficient (R-square) was obtained as large as in the model without the interaction of mediating variables and was 0.169. This shows that independent variables are able to explain the variation of dependent variables by 16.9% while the remaining 83.1% are influenced by other variables outside the research model. After the mediation variables were included, the R-Square value increased to 0.283. The increase in the value indicates that the

http://doi.org/10.30998/jmil.v10i1.1814

existence of the mediating variable is able to increase the model's ability to explain the variation of dependent variables to 28.3%. While the remaining 71.7% was influenced by other variables outside the research model in figure 2 and table 6.

Figure 2. Structural model evaluation output display

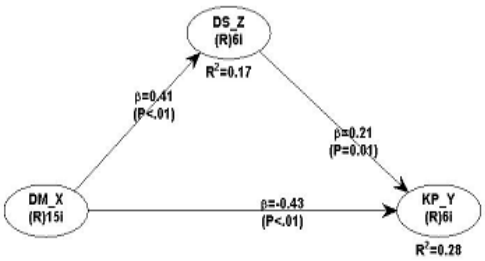


Table 6. Determinant Coefficient Results

Before Mediation	R-Square	R-Square adjusted
DS_Y1	0,169	0,160
After Mediation	R-Square	R-Square adjusted
KP_Y 2	0,283	0,268

Source: Data processed with Warp PLS 8.0

Prediction Relevance (Q2)

Predictive relevance (Q2) for structural models measures how well observational values are produced. According to Hair et al. (2017), if the value of Q2 is greater than zero for a particular endogenous latent variable, the WarpPLS path model has predictive relevance for the construct.

Table 7. Hasil Prediction Relevance (Q2)

Before mediation	**Q2**
DS_Y1	0,158
After mediation	**Q2**
KP_Y2	0,336

Source: WarpPLS Data Processing Results 8, 2025

Based on the *predictive relevance* (Q2) calculation in table 7 which shows a Q-quare value of 0.158 before mediation and 0.336 after the median greater than zero (Q2 > 0). So it can be concluded that the model has a relevant predictive value.

Fit Model Analysis

Based on the results of testing model fit and quality indices using WarpPLS, it can be concluded that the research model has met the feasibility criteria and good model quality. The Average Path Coefficient (APC), Average R-squared (ARS), and Average Adjusted R-squared (AARS) values showed significant results with a p< value of 0.05, indicating that the relationship between variables in the model as a whole was significant and had adequate explanatory capabilities. Furthermore, the results of multicollinearity testing through Average Block VIF (AVIF) and Average Full Collinearity VIF (AFVIF) showed values below the ideal limit (< 3.3), so it can be concluded that the model is free from multicollinearity problems. The Tenenhaus

Goodness of Fit (GoF) value of 0.458 is in the large category, which indicates that the model has a strong match between the measurement model and the structural model in table 8.

Table 8. Model Fit dan Quality Indicase

No.	Model fit and quality indicaes	Fit Criteria	Analysis Results	Ket.
1	Average path coefficient (APC)	P < 0.05	0.352 (p < 0.001)	Good
2	Average R-squared (ARS)	P < 0.05	0.226 (p < 0.005)	Good
3	Average adjusted R-squared (AARS)	P < 0.05	0.214 (p < 0.006)	Good
4	Average blick VIF (AVIF)	Acceptable if < = 5, ideally < 3,3	1,085	Ideal
5	Average full collinearity VIF (AFVIF)	Acceptable if < = 5, ideally < 3,3	1,241	Ideal
6	Tenenhaus GoF (GoF)	Small > = 0,1, medium > = 0,25, large > = 0,36	0,458	Ideal
7	Sympson's paradox ratio (SPR)	Acceptable if > = 0,7, ideally = 1	1,000	Ideal
8	R-squared contribution ratio (RSCR)	Acceptable if > = 0,9, ideally = 1	1,000	Ideal
9	Statistical suspression ratio (SSR)	Acceptable if > = 0,7	1,000	Ideal
10	Nonlinear brivariate causality direction ratio (NLBCDR)	Acceptable if > = 0,7	0,833	Ideal

Source: WarpPLS 8, 2025 data processing results

In addition, the values of Sympson's Paradox Ratio (SPR), R-squared Contribution Ratio (RSCR), and Statistical Suppression Ratio (SSR) each showed an ideal value of 1,000, indicating the absence of Simpson's paradoxical bias, consistent R-square contribution, and the absence of statistical suppression effects in the model. Thus, overall the research model is declared fit, stable, and suitable for further hypothesis testing, and is able to explain the relationship between digital marketing, competitiveness, and marketing performance empirically.

Hypothesis test

Hypothesis testing in WarpPLS analysis uses the t-test. The rules for hypothesis testing are carried out as follows, if a p-value of < 0.10 is obtained, it is said to be waekly significant. If the p-value < 0.05 then it is said to be significant and if the p-value is < 0.01 then it is said to be higly significant.

Table 9. Hypothesis Testing Results Before Mediation

No.	Relationships between variables (explanatory variables → , response variables)		Koef. Pathway	p-value	Remarks
1	DM_X	KP_Y2	-0,430	< 0.001	*Highly Significant*
2	DM_X	DM_Y1	0,411	<0.001	*Highly Significant*
3	DS_Y1	KP_Y2	0,214	0,013 > 0,01	*Significant*

Source: WarpPLS Data Processing Results 8, 2025

Based on Table 9 of the results of hypothesis testing before mediation, it can be seen that digital marketing (DM_X) has a negative and significant effect on marketing performance (KP_Y2) with a path coefficient value of −0.430 and a p-value of < 0.001 (< 0.05), so that the proposed hypothesis is accepted. These findings show that the implementation of digital marketing that is not optimal can actually reduce the marketing performance of food industry SMEs.

Furthermore, the test results showed that digital marketing (DM_X) had a positive and significant effect on competitiveness (DS_Y1) with a path coefficient value of 0.411 and a p-value of < 0.001 (< 0.05), so that the hypothesis was accepted. This indicates that the use of digital marketing is able to increase the competitiveness of SMEs through increased visibility, product differentiation, and market reach.

In addition, competitiveness (DS_Y1) was proven to have a positive and significant effect on marketing performance (KP_Y2) with a path coefficient value of 0.214 and a p-value of < 0.05, so the hypothesis was accepted. These findings show that the increase in the competitiveness of SMEs, both in terms of product quality, innovation, and responsiveness to customer needs, directly contributes to improving marketing performance.

Table 10. Mediation Hypothesis Testing Results

No.	**Relationships between variables (explanatory variables → , response variables)**			**Koef. Pathway**	**p-value**	**Remarks**
	2-Segment Mediation Variable Testing					
	Explanatory Variables	Mediation Variables	Variable Responds	Indirect influence coefficient	P-value	*Destiny*
1	DM_X	DS_Y1	KP_Y2	0,088	0,102	Not Mediation

Source: WarpPLS Data Processing Results 8, 2025

Mediation Test

Based on the results in table 10 of the mediation hypothesis test, it can be seen in Table 10, it is known that the indirect influence of Digital Marketing (DM_X) on marketing performance (KP_Y2), through

http://doi.org/10.30998/jmil.v10i1.1814

competitiveness (DS_Y1) has a coefficient value of 0.088. However, the test results showed that competitiveness (DS_Y1) did not play a significant role in mediating the influence of Digital Marketing (DM_X) on marketing performance (KP_Y2), with a p-value of > 0.001, meaning > 0.05. These findings indicate that digital marketing does not have an indirect effect on marketing performance through competitiveness, so the mediation hypothesis is rejected. In other words, although digital marketing is able to increase the competitiveness of SMEs, the increase is not strong enough to continue its significant influence on marketing performance.

DISCUSSION

The results of hypothesis testing before mediation showed that digital marketing had a negative and significant effect on the marketing performance of food industry SMEs in Padang Panjang City, with a path coefficient of −0.430 and a p-value of < 0.001. These findings indicate that the increase in digital marketing activities that have not been managed optimally and strategically has the potential to reduce marketing performance, even though the research hypothesis is still accepted. This condition shows that the implementation of digital marketing that is oriented towards the use of technology alone, without the support of market understanding, clear segmentation, and promotional content that is able to create product differentiation, has not been able to provide added value for SMEs.

The findings of this study are not in line with the research (Agustina et al., 2024; Muis et al., 2024; Nuseir & Aljumah, 2020; Singh et al., 2024) [17], [18], [5] who found the positive and significant influence of digital marketing on marketing performance. These differences in results indicate variations in the level of digital readiness, marketing capabilities, and effectiveness of the implementation of digital marketing strategies in different contexts and characteristics of SMEs.

Viewed from the perspective of the Market-Based View (MBV), marketing performance is determined by the ability of business actors to understand the market, respond to consumer preferences, and create relevant and superior value. In the context of food industry SMEs, digital marketing that is not based on market orientation, clear segmentation, and product differentiation has not been able to strengthen its competitive position, thus negatively impacting marketing performance. Thus, the results of this study confirm that digital marketing does not automatically improve marketing performance, but is highly dependent on the suitability of the strategy with market characteristics and the capabilities of business actors. In line with MBV theory, digital marketing will have a positive impact if it is used strategically to understand the market, create value, and build a sustainable competitive advantage

The Influence of Digital Marketing on Competitiveness in Food industry SMEs in Padang Panjang City

The results of the hypothesis test showed that digital marketing had a positive and significant effect on the competitiveness of food industry SMEs in Padang Panjang City, with a path coefficient value of 0.411 and a p-value of < 0.001. These findings indicate that the more optimal the use of digital marketing, the higher the competitiveness of food industry SMEs, so that the research hypothesis is accepted. Viewed from the perspective of the Market-Based View

(MBV) according to (Rodriguez et al., 2023)[7], competitiveness is determined by the ability of business actors to understand market dynamics and create relevant value for consumers. Digital marketing is a strategic means for food industry SMEs to identify consumer preferences, monitor market trends, and adjust marketing strategies more adaptively, in line with the market orientation emphasized in MBV.

This finding is in line with previous research that states that digital marketing has a positive and significant effect on the competitiveness of MSMEs (Muis et al., 2024; Munizu et al., 2024; Singh et al., 2024) [1], [15], [5]. Through digital marketing, MSMEs can increase market exposure, strengthen relationships with consumers, and compete more efficiently. In addition, digital marketing encourages non-price differentiation through the presentation of creative and informative content, which is an important factor in building a sustainable competitive advantage. The effective utilization of digital platforms also enables SMEs to better understand customer preferences through data-driven insights, improve customer engagement, expand market reach beyond local boundaries, and respond more quickly to changes in consumer behavior and market trends. These capabilities allow SMEs to create greater value for customers while enhancing their ability to differentiate themselves from competitors in an increasingly dynamic business environment.

Furthermore, the findings indicate that digital marketing not only serves as a promotional tool but also functions as a strategic resource that supports innovation, strengthens brand image, and improves business adaptability. SMEs that consistently implement digital marketing strategies are more capable of maintaining customer loyalty, attracting new market segments, and improving their competitive positioning in both traditional and digital markets. Consequently, digital marketing contributes significantly to the development of organizational capabilities that are difficult for competitors to imitate, thereby creating a long-term competitive advantage.

Thus, the results of this study confirm that digital marketing is a strategic factor in increasing the competitiveness of food industry SMEs. Its successful implementation depends not only on the adoption of digital technologies but also on the ability of business owners to integrate digital marketing into their overall business strategy, continuously evaluate marketing performance, and adapt to technological developments and evolving customer needs. Therefore, digital marketing should be implemented consistently, systematically, and in a market-oriented manner to maximize its contribution to sustainable competitive advantage and long-term business performance.

The Influence of Competitiveness on Marketing Performance in Food industry SMEs in Padang Panjang City

The results of the hypothesis test showed that competitiveness had a positive and significant effect on the marketing performance of food industry SMEs in Padang Panjang City, with a path coefficient value of 0.214 and a p-value of < 0.05. These findings indicate that increased competitiveness, whether through product quality, innovation, or responsiveness to customer needs, contributes directly to improving marketing performance. Thus, the hypothesis submitted is declared accepted. Empirically, competitiveness

allows food industry SMEs to offer superior value to competitors, thereby increasing sales, expanding market share, and strengthening customer loyalty.

Viewed from the perspective of the Market-Based View (MBV) according to (Munir et. al., 2023) [2] , marketing performance is determined by a company's ability to understand market dynamics and create relevant value for consumers. In the context of food industry SMEs, competitiveness built through product differentiation and a strong market orientation is able to strengthen competitive position and encourage improvement in marketing performance. Thus, strengthening competitiveness is a key strategy in improving the marketing performance of food industry SMEs in the midst of increasingly fierce competition.

The Influence of Digital Marketing on Marketing Performance in Food industry SMEs in Padang Panjang City in Competitiveness Mediation

The results of the mediation hypothesis test showed that digital marketing did not have an indirect effect on marketing performance through competitiveness, with an indirect path coefficient value of 0.088 and a p-value of > 0.05. These findings indicate that competitiveness is not able to significantly mediate the relationship between digital marketing and marketing performance, so the mediation hypothesis is rejected. Although digital marketing has been proven to increase the competitiveness of food industry SMEs, the increase is not strong enough to encourage sustainable improvement in marketing performance. The findings of this study are in line with the results of previous research which stated that competitiveness is not able to mediate the influence of digital marketing on business performance, as stated by (Riedqhie et al., 2023). Although the study focused on business performance in general, the similarity of these results reinforces the study's findings that the competitive advantage formed from digital marketing does not necessarily automatically improve marketing performance, especially in the context of SMEs.

Viewed from the perspective of the Market-Based View (MBV) according to (Munir et al., 2023) [2], competitive advantage will only have an impact on marketing performance if it is able to create relevant value and be recognized by the target market. In the context of food industry SMEs in Padang Panjang City, digital marketing that is not fully based on market understanding, consumer segmentation, and clear product differentiation causes the competitiveness that has been formed to be not optimal in improving marketing performance. Thus, in accordance with MBV's view, competitiveness has not yet functioned as an effective link between digital marketing strategies and marketing performance achievements.

Overall, the results of this study confirm that digital marketing does not automatically improve marketing performance through competitiveness, but requires market-oriented strategic management. In line with the MBV theory (Sharabati et al., 2024), digital marketing will have a significant indirect impact on marketing performance if it is able to produce competitive advantages that are truly valuable and relevant to consumers.

CONCLUSION

Digital marketing has a negative and significant effect on the marketing performance of food industry SMEs in Padang Panjang City. These findings show that the implementation of digital marketing that has not been planned and has not been strategically integrated actually has the potential to reduce marketing performance, so that digital marketing does not automatically increase sales, market share, and customer loyalty.Digital marketing has a positive and significant effect on the competitiveness of food industry SMEs. This indicates that the use of digital media is able to increase product visibility, strengthen differentiation, and expand the market reach of food industry SMEs. Competitiveness has a positive and significant effect on marketing performance. The higher the level of competitiveness of SMEs, which is reflected in product quality, innovation, and responsiveness to customer needs, the better the marketing performance achieved. Competitiveness is not able to mediate the influence of digital marketing on marketing performance. The findings of the study support the Market-Based View (MBV) perspective. Digital marketing will have a positive impact on marketing performance if it is able to create relevant market value through consumer understanding, proper segmentation, and clear product differentiation. SMEs are advised to manage digital marketing in a more strategic and integrated manner, starting from content planning, selecting platforms that are suitable for market segments, to performance evaluation based on digital data. SMEs need to utilize digital marketing not only for exposure, but also to build product differentiation values, such as food industry cultural stories, the quality of raw materials, and the uniqueness of the production process. Local governments and related agencies are advised to increase digital literacy mentoring and training, especially in market-based digital marketing strategies and analytics. Food industry SMEs need to integrate digital marketing strategies with offline marketing, so that the competitiveness formed can have a direct impact on improving marketing performance. Increasing the capacity of human resources in digital marketing management is the key to strengthening the competitiveness and sustainability of food industry SMEs. Further research is suggested to add other mediation or moderation variables, such as market orientation, digital capabilities, product innovation, or digital literacy, to strengthen the research model. Future research may use a longitudinal approach to observe the long-term impact of digital marketing on competitiveness and marketing performance. It is recommended to expand the research object to other SME sectors or different regions to increase the generalization of research results.

REFERENCES

[1] I. Muis, T. M. Adhi, and R. F. Kamalia, "The impact of digital marketing and innovation on marketing performance is influenced through the development of a competitive advantage," *Revista de Gestao Social e Ambiental,* vol. 18, no. 8, pp. 1-17, 2024.

[2] A. R. Munir, N. Kadir, and F. Umar, "The impact of digital marketing and brand articulating capability for enhancing marketing capability," *International Journal of Data and Network Science,* vol. 7, no. 1, pp. 65-72, 2023.

[3] F. Y. Dharta, L. K. C. Dewi, R. Rasyid, R. Ratnawita, and M. Arwani, "The Role of Competitive Advantage as a Mediation of Digital Marketing on Marketing Performance," *International Journal of Economics Development Research (IJEDR),* vol. 5, no. 1, pp. 64-75, 2024.

[4] H. M. Mushi, "Digital marketing strategies and SMEs performance in Tanzania: insights, impact, and implications," *Cogent Business & Management,* vol. 11, no. 1, p. 2415533, 2024.

[5] S. Singh, G. Singh, and S. Dhir, "Impact of digital marketing on the competitiveness of the restaurant industry," *Journal of Foodservice Business Research,* vol. 27, no. 2, pp. 109-137, 2024.

[6] A.-A. A. Sharabati, A. A. A. Ali, M. I. Allahham, A. A. Hussein, A. F. Alheet, and A. S. Mohammad, "The impact of digital marketing on the performance of SMEs: An analytical study in light of modern digital transformations," *Sustainability,* vol. 16, no. 19, p. 8667, 2024.

[7] L. F. M. Rodríguez, Z. A. Bazán, A. C. Dante, F. E. I. Cueva, W. C. Calla, and R. M. Chota, "Digital marketing strategies and their impact on competitive advantage: A focus on strategic management," *Migration Letters,* vol. 21, no. S1, pp. 624-637, 2023.

[8] U. Obeidat, B. Obeidat, A. Alrowwad, M. Alshurideh, R. Masadeh, and M. Abuhashesh, "The effect of intellectual capital on competitive advantage: The mediating role of innovation," *Management Science Letters,* vol. 11, no. 4, pp. 1331-1344, 2021.

[9] B. W. Prasetiyo and I. F. P. Pertiwi, "The influence of product innovation, marketing strategy, and entrepreneurship orientation on sharia hotel marketing performance in the Covid-19 pandemic period with competitive advantage as an intervening variable," *Journal of Business and Management Review,* vol. 2, no. 9, pp. 605-619, 2021.

[10] M. Yamin, "Examining the role of transformational leadership and entrepreneurial orientation on employee retention with moderating role of competitive advantage," *Management Science Letters,* vol. 10, no. 2, pp. 313-326, 2020.

[11] S. A. Keelson, J. Cúg, J. Amoah, Z. Petráková, J. O. Addo, and A. B. Jibril, "The influence of market competition on SMEs' performance in emerging economies: Does process innovation moderate the relationship?," *Economies,* vol. 12, no. 11, p. 282, 2024.

[12] D. Hertina, A. S. Nurjanah, I. Aripin, and M. B. H. Hidayat, "Implementation Of The Entrepreneurial Spirit, Innovation And Salary On Employee Working Motivation," *Jurnal Manajemen Industri dan Logistik,* vol. 7, no. 1, pp. 39-52, 2023.

[13] R. P. MAHMUDDIN, "Pengaruh Pemasaran Digital, Inovasi Pemasaran Dan Daya Saing Usaha Terhadap Kinerja Umkm Di Kabupaten Bireuen (Studi Pada Pelaku UMKM Wanita)," Universitas Malikussaleh, 2025.

[14] A. Darmawi and D. Darsono, "Pengaruh Variabel Peningkatan Produktivitas, Penguasaan Teknologi Baru dan Pelatihan Terhadap Pengendalian Mutu Terpadu Karyawan Pada Industri Tekstil dan Garmen di Surakarta," *Jurnal Manajemen Industri dan Logistik (JMIL),* vol. 2, no. 1, pp. 03-14 %@ 2598-5795, 2018.

[15] M. Munizu, S. Alam, M. Pono, and S. Riyadi, "Do digital marketing, integrated supply chain, and innovation capability affect competitiveness, and creative industry performance?," *International Journal of Data & Network Science,* vol. 8, no. 2, 2024.

[16] J. F. Hair, G. T. M. Hult, C. M. Ringle, M. Sarstedt, N. P. Danks, and S. Ray, *Partial least squares structural equation modeling (PLS-SEM) using R: A workbook*. Springer, 2021.

[17] L. Agustina, P. Hadi, J. Jubaedah, and I. K. Setiadi, "The Influence Digital Marketing and Market Orientation on Marketing Performance Moderated by Competitive Advantage," *Quantitative Economics and Management Studies,* vol. 5, no. 6, pp. 1210-1217, 2024.

[18] M. T. Nuseira and A. Aljumahb, "Digital marketing adoption influenced by relative advantage and competitive industry: a UAE tourism case study," *Marketing,* vol. 11, no. 2, pp. 23-37, 2020.

BIOGRAPHIES OF AUTHORS

Author 1

Agus Nurofik, S.Kom,. MM, born in Turen Malang, on April 10, 1979. The writer is Indonesian and Muslim. As for the author's educational history, namely graduating from SDN Sawahan 05 Turen, then continuing at SMTP Negeri 1 Turen, then continuing to SMK Turen majoring in Automotive and continuing S1 at STMIK Mitra Karya Bekasi Department of Informatics Engineering. To improve his quality and love for the world of education, the author returned to college in 2015 by taking a Master's Degree in Management at STIE "KBP" Padang – West Sumatra, then completed in 2017 and now the author is continuing his S3 studies in management science (PDiM) at Gajayana University Malang. The author is active as a lecturer, author of journals and books, researcher, speaker in the field of entrepreneurship (Entrepreneur), journal manager, IT Service Computer, digital trade (Digital Marketing) in institutions, public and private institutions. In addition, the author is also a business actor in the field of IT Service & Project under the Agnicom flag, the author is the owner. **Email Author :** agsnin@gmail.com

The Author Contribution is: Conceptualization, Methodology, Investigation Resources,DataCuration,Writing – Original Draft, Writing – Review & Editing, Visualization.

Author 2

Prof. Dr. Ernani Hadiyati, S.E., M.S earned a Bachelor's degree at Brawijaya University in 1985, a Master's degree at Gajah Mada University in 1992, a Doctoral degree at Airlangga University in 2006. Currently holding a functional position, namely Professor at Gajayana University in 2016. Rank and class of main Coaches /IV/e. The results of the research produce research outputs in the form of scientific publications in reputable international journals, Intellectual Property Rights, Books and proceedings. Active in participating in National and International seminars. Contact email address: ernani_hadiyati@unigamalang.ac.id.

The Author Contribution is: Conceptualization, Methodology, Software, Validation, Formal Analysis, Investigation Resources

Author 3

Prof. Dr. Dra. Dwi Orbaningsih, M.M., Ak., CA., CSRA is a lecturer at the Accounting Study Program, Faculty of Economics and Business, University of Gajayana Malang (FEB Uniga Malang). He teaches courses in Financial Accounting and Management Accounting, two areas that are his main expertise in the academic world. With a high dedication to the development of accounting science, he is active in teaching, research, journal and book authoring activities. His teaching experience helps him understand the needs of students in understanding accounting concepts that are applicable and relevant to the development of the business world.

The Author Contribution is: Conceptualization, Writing – Review & Editing, Visualization,Supervision,Project Administration, Funding Acquisition

Author 4

Dr. Rosidi, M.M. is a lecturer at Gajayana University Malang, East Java. He has an educational background in management and contributes to the development of management science through teaching, research, and community service activities. As an academic, Dr. Rosidi, M.M. is active in the field of management, especially related to financial management, strategic management, and organizational governance. In carrying out the Tri Dharma of Higher Education, he plays a role in guiding students, conducting scientific research, and publishing academic works in national and international journals. His dedication in the world of education is reflected in his commitment to improving the quality of learning and developing student competencies within Universitas Brawijaya.

The Author Contribution is: DataCuration, Supervision,Project Administration