

The Influence of Digital Marketing, Entrepreneurial Orientation, Business Innovation, and Competitive Advantage on Business Sustainability with Customer Satisfaction as a Mediating Variable

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Keywords:

Digital Marketing,
Entrepreneurial Orientation,
Business Innovation, Competitive
Advantage, Customer
Satisfaction, Business
Sustainability

Abstract:

This study aims to analyze the influence of digital marketing, entrepreneurial orientation, business innovation, and competitive advantage on business sustainability with customer satisfaction as a mediating variable in MSMEs in East Lombok. This study uses a quantitative approach with an explanatory design. The research sample consisted of 150 respondents consisting of MSME owners or managers who have used digital marketing in their business activities. The sampling technique used purposive sampling, while data collection was carried out through distributing questionnaires using a Likert scale. Data analysis was carried out using SPSS through validity and reliability tests, multiple linear regression, and Sobel mediation tests. The results of the study indicate that digital marketing, entrepreneurial orientation, business innovation, and customer satisfaction have a positive and significant effect on business sustainability, while competitive advantage does not have a significant direct effect on business sustainability. In addition, customer satisfaction is able to mediate the influence of digital marketing, business innovation, and competitive advantage on business sustainability, but is unable to mediate the influence of entrepreneurial orientation on business sustainability. This research confirms that the sustainability of MSME businesses is greatly influenced by the ability of business actors to utilize digital technology, create innovation, and increase customer satisfaction in a sustainable manner.

INTRODUCTION

Business sustainability is crucial for a company's survival amidst increasingly fierce global competition. According to data from the Indonesian Central Statistics Agency (BPS) in 2022, approximately 60% of micro, small, and medium enterprises (MSMEs) in Indonesia failed within the first five years of operation, primarily due to an inability to adapt to changes in the business environment (BPS, 2022). The digital era, marked by advances in technology and communication, has transformed the business landscape, with consumers increasingly relying on digital platforms for informed purchasing decisions. This requires companies to integrate digital strategies into their operations to achieve long-term goals.

Digital marketing, as a key pillar of modern business strategy, plays a crucial role in reaching consumers through online channels such as social media, search engines, and e-commerce. Research by Chaffey and Ellis-Chadwick (2019) shows that investing in digital marketing can increase customer loyalty by up to 30% and expand market share through content personalization. However, not all companies are able to effectively leverage this potential, especially MSMEs, which are often limited by resources and technical knowledge. On the other hand, an entrepreneurial organization (entrepreneurial orientation), which encompasses innovation, proactivity, and risk

tolerance, is the foundation for companies to innovate and compete (Lumpkin & Dess, 1996). Business innovation itself, defined as the application of new ideas in products, processes, or business models, has been shown to contribute to economic growth, with data from the World Bank (2021) showing that countries with high levels of innovation have an average GDP growth of 2-3% higher per year.

Competitive advantage, as proposed by Porter (1985), can be achieved through differentiation or low cost, often reinforced by innovation and entrepreneurial orientation. However, in the digital context, this advantage must be supported by the ability to attract and retain customers. Customer decisions as a mediating variable play a central role, as consumer behavior influenced by digital experiences can determine business interest. Quantitative research by Kotler et al. (2019) revealed that 70% of consumer purchasing decisions are influenced by online reviews and digital interactions, emphasizing the importance of customer mediation decisions in the relationship between business strategy and desire.

Although the literature has discussed the influence of variables such as digital marketing, entrepreneurship, business innovation, and competitive advantage on business intentions, there remains a research gap regarding the mediating role of customer decisions. Many previous studies, such as those by Zahra and Covin (1995), focus on the direct impact of entrepreneurial orientation on business performance without considering the mediation of consumer behavior. In Indonesia, research from the Ministry of Cooperatives and SMEs (2020) shows that only 25% of MSMEs have effectively adopted digital marketing, leading to a high failure rate due to an inability to reach the digital market. This situation was exacerbated by the COVID-19 pandemic, with data from McKinsey & Company (2020) reporting a decline in small business revenue of up to 50% due to the unanticipated shift to online.

Business innovation, while crucial, often fails to be implemented due to the lack of strong entrepreneurial organizations. Quantitative research by Schumpeter (1934, revised edition) and its development by the OECD (2022) show that innovation contributes to productivity, but in the context of Indonesian MSMEs, only 15% regularly innovate products (BPS, 2022). The competitive advantage gained from this innovation is not always sustainable without the support of effective digital marketing. Furthermore, customer decisions as a mediator have not been sufficiently explored in quantitative models that integrate all these variables. A study by Anderson et al. (1994) in the *Journal of Marketing* emphasized that customer decisions are influenced by perceived value, which can be mediated by digital marketing strategies. However, research in Indonesia is still limited to specific sectors such as e-commerce.

The main gap lies in the lack of empirical models that test the causal relationship between digital marketing, entrepreneurial entrepreneurship, business innovation, and competitive advantage on business intentions with customer decisions as mediators. Previous research, such as that conducted by Barney (1991) on resource-based competitive advantage, has not comprehensively integrated digital aspects and consumer behavior. In the post-pandemic era, Indonesian consumers are increasingly digitally savvy, with 80% of the population active on social media (We Are Social, 2023). Research is needed to measure how customer decisions mediate the influence of independent variables on business termination. Without this understanding, companies risk failing to achieve their ultimate goals, impacting the national economy with potential job losses of up to millions (ILO, 2021).

Literature Review

1. Digital Marketing

Digital marketing is a marketing strategy that utilizes digital technology and the internet to reach, attract, and retain customers. According to Dave Chaffey and Fiona Ellis-Chadwick (2019), digital marketing encompasses the use of websites, social media, email marketing, search engine marketing, and e-commerce platforms to create two-way communication between companies and consumers. In the context of MSMEs, digital marketing is an important tool for expanding market reach at a relatively lower cost than conventional marketing.

The development of information technology has changed consumer behavior in the information search process and purchasing decision-making process. Modern consumers tend to search for online reviews, compare prices through marketplaces, and interact directly with brands through social media before making a purchase. This shows that the effectiveness of digital marketing is measured not only by the frequency of promotions, but also by the quality of interactions and customer experiences. According to Philip Kotler et al. (2019), digital marketing enables content personalization and more accurate market segmentation through data analytics. With the right strategy, businesses can increase brand awareness, customer loyalty, and sales conversions. However, the success of digital marketing depends heavily on the business owner's ability to understand digital platform algorithms and target market behavior.

From a competitive advantage perspective, digital marketing serves as a differentiation tool. MSMEs that actively and consistently manage social media tend to have a stronger brand image than their competitors. This supports Michael Porter's (1985) view that a differentiation strategy can create unique value in the eyes of customers. However, the adoption rate of digital marketing in Indonesia remains uneven. Data from the Central Statistics Agency (BPS) (2022) shows that many MSMEs have not yet optimally utilized digital platforms. Therefore, it is important to examine how digital marketing not only directly impacts business performance but also through customer decisions as a mediating mechanism for business sustainability.

2. Entrepreneurial Orientation

Entrepreneurial orientation is a concept that describes an organization's tendency to be innovative, proactive, and risk-taking. This concept was first popularized by Jeffrey G. Covin and Dennis P. Slevin (1989), who stated that companies with a high level of entrepreneurial orientation tend to perform better in dynamic environments.

The innovative dimension reflects a company's ability to create new ideas and products. The proactive dimension indicates a company's readiness to respond to market opportunities before competitors do, while the risk-taking dimension reflects the courage to make strategic decisions despite uncertainty.

Furthermore, G.T. Lumpkin and Gregory G. Dess (1996) expanded this concept by adding aspects of autonomy and competitive aggressiveness. They emphasized that entrepreneurial orientation plays a crucial role in building long-term competitive advantage. In the context of MSMEs, entrepreneurial orientation is crucial because small businesses often face limited resources. An innovative and proactive attitude helps entrepreneurs identify new opportunities and adapt to changes in the digital business environment.

Research by Zahra and Covin (1995) shows that entrepreneurial orientation has a positive relationship with company performance. However, there is limited research examining its role through customer decisions as a mediating variable for business sustainability, creating a relevant research gap for further study.

3. Business Innovation

Business innovation is defined as the application of new ideas to products, processes, or business models to create added value. The concept of innovation is rooted in the thinking of Joseph Schumpeter (1934), who stated that innovation is the driving force of economic growth through "creative destruction."

According to Robert F. Hurley and G. Tomas M. Hult (1998), innovation is closely related to market orientation and organizational learning. Companies with an innovative culture tend to be more adaptive to change and able to maintain competitiveness.

Business innovation can take the form of product innovation (new product development), process innovation (operational efficiency), or business model innovation (new ways of creating and capturing value). In the digital age, innovation is often integrated with technology, such as the use of online platforms or digital payment systems.

The OECD (2022) states that MSMEs that consistently innovate have higher productivity than those that do not. However, in Indonesia, the level of innovation among MSMEs remains relatively

low, impacting business resilience. Therefore, it is important to examine how business innovation not only directly improves performance but also influences customer decisions, ultimately impacting business sustainability.

4. Competitive Advantage

Competitive advantage is a company's ability to create greater value than its competitors. This concept was introduced by Michael Porter (1985) through cost leadership and differentiation strategies.

Furthermore, the Resource-Based View (RBV) theory proposed by Jay Barney (1991) states that competitive advantage stems from resources that are valuable, rare, difficult to imitate, and irreplaceable (VRIN). In a digital context, competitive advantage can be built through online reputation, digital service quality, and superior customer experience. Innovation- and service-based differentiation are key to customer retention.

Sustainable competitive advantage will strengthen a business's market position and increase customer loyalty. However, without positive customer purchasing decisions, this advantage will not significantly impact business sustainability. Therefore, this study integrates competitive advantage with customer decision variables to understand the mechanisms by which it influences business sustainability.

5. Customer Satisfaction

Customer satisfaction is the level of pleasure or disappointment that arises after customers compare the performance of a product or service received with their expectations. According to Valarie A. Zeithaml et al. (2018), customer satisfaction is influenced by perceptions of service quality, price, service experience, and the brand image formed in the consumer's mind. If the performance of a product or service is able to meet or even exceed customer expectations, then the customer will feel satisfied. Conversely, if the perceived performance is below expectations, the customer will experience dissatisfaction.

In the digital era, customer satisfaction is influenced not only by the quality of a product or service directly, but also by the customer's experience while interacting with digital platforms. According to Philip Kotler et al. (2019), advances in information technology have made it easier for consumers to obtain information through online reviews, product ratings, and interactions on social media before and after making a purchase. This suggests that customer satisfaction is not only shaped by the consumption process, but also by the digital experiences customers experience when interacting with a brand.

Furthermore, research conducted by Eugene W. Anderson et al. (1994) confirmed that customer satisfaction has a strong relationship with a company's profitability and market share. Satisfied customers are more likely to make repeat purchases, recommend products to others, and demonstrate loyalty to the products or services they use. Therefore, customer satisfaction impacts not only short-term transactions but also the sustainability of long-term relationships between companies and customers.

In this study, customer satisfaction is positioned as a mediating variable explaining how a company's internal strategy translates into business success. Strategies such as digital marketing, business innovation, and competitive advantage will have a greater impact if they can increase customer satisfaction levels. Thus, customer satisfaction is a crucial variable linking a company's business strategy to long-term business sustainability.

6. Business Sustainability

Business sustainability refers to a company's ability to survive and thrive in the long term. According to G.T. Lumpkin and Gregory G. Dess (1996), sustainability is related to growth, profitability, and adaptability to environmental changes. From an economic perspective, business sustainability is influenced by financial stability, operational efficiency, and customer loyalty. Statistics Indonesia (BPS) data (2022) shows that many MSMEs fail to survive due to their inability to adapt to technological change.

The RBV theory (Barney, 1991) states that sustainability is influenced by a company's ability to manage strategic resources. In the digital era, these resources include technological competence and digital marketing capabilities.

Business sustainability is determined not only by internal factors but also by market response. Therefore, customer decisions are a crucial factor in ensuring business continuity. By integrating all variables, this study seeks to build an empirical model explaining how digital strategy and entrepreneurship influence business sustainability through customer decisions as a mediating variable.

H1: Digital marketing has an impact on customer satisfaction.

Digital marketing is a marketing strategy that utilizes digital technologies such as social media, websites, marketplaces, and other online platforms to reach a wider audience. According to Dave Chaffey and Fiona Ellis-Chadwick (2019), digital marketing enables companies to build interactive communications with customers and provide product information quickly and easily.

In the digital age, consumers often search for product information online before making a purchase. Therefore, quality digital content, easy access to information, and effective interaction through social media can enhance the customer experience with a product or service. According to Philip Kotler et al. (2019), an effective digital marketing strategy can increase customers' perceived value for the product being offered.

When customers receive clear information, responsive service, and a positive digital experience, customer satisfaction levels increase. Therefore, digital marketing plays a crucial role in shaping customer satisfaction.

H2: Entrepreneurial orientation influences customer satisfaction.

Entrepreneurial orientation describes an organization's innovative, proactive, and risk-taking attitude in conducting business activities. According to Jeffrey G. Covin and Dennis P. Slevin (1989), companies with a strong entrepreneurial orientation tend to be better able to face changes in the business environment and create new market opportunities.

Furthermore, GT Lumpkin and Gregory G. Dess (1996) stated that entrepreneurial orientation enables companies to be more proactive in understanding customer needs and creating better value than competitors.

In the context of small and medium-sized enterprises, entrepreneurs with a strong entrepreneurial orientation are typically more creative in developing products, improving service quality, and responding quickly to market needs. This can enhance positive customer experiences and ultimately increase customer satisfaction.

H3: Business innovation has an impact on customer satisfaction.

Business innovation is the application of new ideas to products, processes, and business models to create added value for customers. The concept of innovation was first introduced by Joseph Schumpeter (1934), who stated that innovation is a key factor in driving economic growth and business development.

According to Robert F. Hurley and G. Tomas M. Hult (1998), companies that have high innovation capabilities will be able to adapt more easily to changing market needs and be able to create products that are more in line with customer preferences.

Product and service innovation can increase perceived customer value. When customers experience the benefits and uniqueness of a product, their satisfaction levels will increase.

H4: Competitive advantage influences customer satisfaction.

Competitive advantage is a company's ability to create greater value than its competitors. According to Michael Porter (1985), competitive advantage can be achieved through product differentiation strategies and cost efficiency.

In addition, the Resource-Based View theory put forward by Jay Barney (1991) explains that competitive advantage can be formed from resources that are valuable, rare, difficult to imitate, and irreplaceable.

Companies with a competitive advantage are typically able to provide better product quality, superior service, and a more satisfying customer experience than their competitors. This will increase customer satisfaction with the products or services offered.

H5: Customer satisfaction influences business continuity.

Customer satisfaction is a crucial factor in determining the sustainability of a business. According to Valerie A. Zeithaml et al. (2018), satisfied customers are more likely to make repeat purchases and recommend a product to others.

Research by Eugene W. Anderson et al. (1994) shows that customer satisfaction has a strong relationship with company profitability and market share. Satisfied customers demonstrate high levels of loyalty, which can help a company maintain its long-term business continuity. Therefore, the higher the level of customer satisfaction, the greater the business's chances of survival and growth.

H6: Customer satisfaction mediates the influence of digital marketing, entrepreneurial orientation, business innovation, and competitive advantage on business sustainability.

In this research model, customer satisfaction acts as a mediating variable explaining how a company's business strategy can influence its sustainability. Strategies such as digital marketing, entrepreneurial orientation, business innovation, and competitive advantage do not directly guarantee business success without a positive response from customers.

According to Philip Kotler and Kevin Lane Keller (2016), customer satisfaction is a key indicator of a company's success in meeting consumer needs and expectations. When a business strategy can improve customer satisfaction, customers will be more loyal, thus supporting business sustainability.

H7: Customer satisfaction has an indirect influence in strengthening business sustainability through its relationship with business strategy variables.

This hypothesis explains that customer satisfaction not only has a direct impact on business sustainability but also strengthens the relationship between a company's business strategy and its success. Satisfied customers will increase loyalty, expand word-of-mouth promotion, and increase repeat purchases.

This shows that customer satisfaction is a strategic factor that strengthens the relationship between marketing strategy and long-term business success.

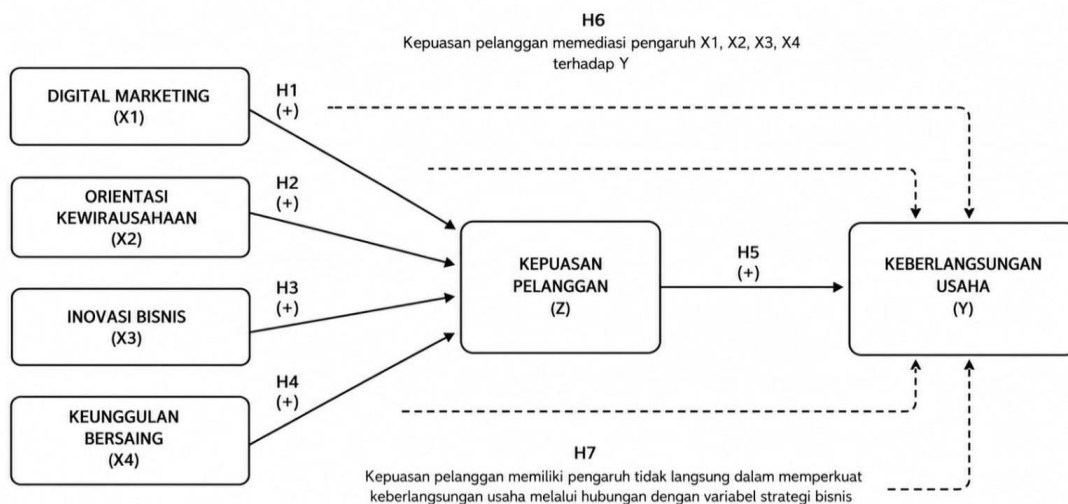


Figure 1. Thinking framework

METHODS

This study uses a quantitative approach with an explanatory research design to test the causal relationship between independent variables (digital marketing, entrepreneurial orientation, business innovation, and competitive advantage), mediating variables (customer satisfaction), and dependent variables (business sustainability). The study population is the owners or managers of MSMEs in East Lombok operating in the culinary, retail, service, or manufacturing sectors, with a minimum of 2 years of experience in using digital marketing. The sampling technique used is purposive sampling to ensure that respondents meet the research criteria. The sample in this study amounted to 150 respondents. According to (Sugiyono, 2013), an appropriate sample size for use in research is 30 to 500 respondents, so the sample size has met the research requirements.

Data were collected through an online questionnaire distributed using Google Forms with a Likert scale of 1–5. The research instrument was adapted from standardized scales: digital marketing (Chaffey & Ellis-Chadwick, 2019), entrepreneurial orientation (Covin & Slevin, 1989), business innovation (Hurley & Hult, 1998), competitive advantage (Porter, 1985), customer satisfaction (Zeithaml et al., 2018), and business sustainability (Lumpkin & Dess, 1996), which covered financial, operational, and growth aspects. Prior to the main study, a pilot test was conducted with 30 respondents to ensure the clarity of the instrument.

Data analysis was conducted using the SPSS application, namely descriptive analysis used to describe the characteristics of respondents and the distribution of answers. Instrument quality testing included a validity test using Pearson Product Moment correlation (calculated $r >$ table r) and a reliability test using Cronbach's Alpha ($\alpha > 0.70$).

Next, classical assumption tests were conducted, including normality tests (Kolmogorov-Smirnov) and multicollinearity tests ($VIF < 10$ and $Tolerance > 0.10$). This was done to ensure that the regression model met the classical assumptions.

Hypothesis testing was conducted using multiple linear regression analysis to determine the effect of the independent variables on the mediating and dependent variables. Mediation testing was conducted through path analysis using the Baron and Kenny (1986) approach, reinforced by the Sobel test to test the significance of indirect effects. Hypothesis testing criteria were determined based on the significance value ($p < 0.05$) and the coefficient of determination (R^2) to determine the extent of the independent variable's contribution to the dependent variable.

RESULTS AND DISCUSSION

Descriptive Analysis

Table 1
 Descriptive Analysis of Respondents

Category	Items	Frequency	Percentage
Gender	Man	38	25%
	Woman	112	75%
Age	<25	31	21%
	25-35	65	43%
	35-45	46	31%
	45-55	8	5%
	>55	0	%

Based on the results of respondent data in this study, it is known that the majority of respondents are in the age range of 25-35 years at 43%, respondents aged 35-45 years at 31%, respondents aged <25 years at 21% and respondents aged 45-55 years at 5% while respondents

aged >55 years at 0%. Judging from the characteristics of the gender of female respondents more dominant at 75% while male respondents at 25%.

Table 2
Descriptive Statistical Test Results
Descriptive Statistics

	N	Mean	Standard Deviation
Digital Marketing (X1)	150	28.3200	5.97121
Entrepreneurial Orientation (X2)	150	27.5333	6.20096
Business Innovation (X3)	150	27.3933	6.11511
Competitive Advantage (X4)	150	27.2533	5.96656
Business Continuity (Y)	150	27.6467	5.98896
Customer Satisfaction (Z)	150	27.7733	5.54802
Total N (listwise)			

Source: Data processed by researchers, 2026

Based on the results of descriptive statistical tests, the number of respondents used in this study was 150. Descriptive statistics were used to provide an overview of the average value (mean) and standard deviation of each research variable consisting of Digital Marketing, Entrepreneurial Orientation, Business Innovation, Competitive Advantage, Business Sustainability, and Customer Satisfaction.

The average value (mean) of digital marketing (X1) is 28.3200 with a standard deviation of 5.97121. This shows that respondents assess the implementation of digital marketing in the business they run is in the fairly good category. The average value (mean) of entrepreneurial orientation (X2) is 27.5333 with a standard deviation of 6.20096. These results indicate that the respondents' entrepreneurial orientation is quite high. The average value (mean) of business innovation (X3) is 27.3933 with a standard deviation of 6.11511. This shows that business actors have carried out business innovation quite well in running their businesses. The average value (mean) of competitive advantage (X4) is 27.2533 with a standard deviation of 5.96656. These values indicate that respondents have quite good competitive abilities. The mean value of Business Sustainability (Y) is 27.6467 with a standard deviation of 5.98896. This indicates that the level of sustainability of the respondents' businesses is classified as good. Furthermore, the mean value of Customer Satisfaction (Z) is 27.7733 with a standard deviation of 5.54802. These results indicate that the level of customer satisfaction with the respondents' businesses is in the good category.

Overall, all research variables had a mean value greater than their standard deviation. This indicates that the research data is well distributed and respondents' responses tend to be consistent, making it suitable for further analysis.

Validity Test and Reliability Test

Based on the results of the validity test, it shows that all indicators used in this study have a total score that has a significance level of $0.000 < 0.05$, so it can be stated that all statement indicators in this study are valid or meet validity standards.

Table 3
Reliability Test Results

Variables	Cronbach's Alpha	Information
Digital Marketing (X1)	0,951	Reliable
Entrepreneurial Orientation (X2)	0.971	Reliable
Business Innovation (X3)	0.968	Reliable
Competitive Advantage (X4)	0.954	Reliable
Business Continuity (Y)	0.959	Reliable
Customer Satisfaction (Z)	0.968	Reliable

Source: Data processed by researchers, 2026

Based on the results of the reliability test, it shows that the Cronbach Alpha value of each variable has a result greater than 0.70, which can be interpreted as the variables used in this study being reliable.

Normality Test

Table 4
Normality Test Results
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual	
N		31	
Normal Parameters ^{a,b}	Mean	.0000000	
	Standard Deviation	1.38480559	
Most Extreme Differences	Absolute	.135	
	Positive	.123	
	Negative	-.135	
Test Statistics		.135	
Asymp. Sig. (2-tailed)		.159c	
Monte Carlo Sig. (2-tailed)	Sig.	.582d	
	99% Confidence Interval	Lower Bound	.569
	Upper Bound	.595	

Source: Data processed by researchers, 2026

Based on the results of the normality test using Kolmogorov-Smirnov, it shows that the value Monte Carlo Sig. (2-tailed) sig. of $0.582 > 0.05$ so it can be stated that the data in this study is normally distributed.

Multicollinearity Test

Table 5
Multicollinearity Test Results

Model		Collinearity Statistics	
		Tolerance	VIF
1	Digital Marketing	.935	1,070
	Entrepreneurial orientation	.201	4,977
	Business Innovation	.149	6,715
	Competitive Advantage	.169	5,913
	Customer satisfaction	.143	7,014

Source: Data processed by researchers, 2026

Based on the results of the multicollinearity test, it shows that the tolerance value of the Digital Marketing variable is 0.935. Entrepreneurial orientation is 0.201, Business Innovation is 0.149, Competitive Advantage is 0.169, and Customer Satisfaction is 0.143, all of which are > 0.10 . Meanwhile, the VIF value of each Digital marketing variable is 1.070, Entrepreneurial orientation is 4.977, Business Innovation is 6.715, Competitive Advantage is 5.913, and Customer Satisfaction is 7.014, all of which are < 10 , so it can be concluded that there are no symptoms of multicollinearity in the regression model.

Multiple Linear Regression Test

Multiple linear regression is used to test the hypothesis by analyzing the influence of digital marketing, entrepreneurial orientation, business innovation, competitive advantage, and customer satisfaction on business sustainability.

Table 6
Multiple Linear Regression Test Results
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.673	.539		-1,250	.213
	Digital Marketing	-.204	.043	-.204	-4,744	.000
	Entrepreneurial Orientation	.214	.040	.222	5,340	.000
	Business Innovation	.345	.041	.352	8,330	.000
	Competitive Advantage	.085	.052	.085	1,625	.106
	Customer satisfaction	.592	.065	.549	9,163	.000

a. Dependent Variable: Business Continuity

Source: Data processed by researchers, 2026

Based on the results of the table above, the regression equation is $Y = -0.673 + (-0.204) X_1 + (0.214) X_2 + (0.345) X_3 + (0.085) X_4 + (0.592) Y + e$

The constant is -0.673; this means that if Digital Marketing X_1 and its value is 0 then the business continuity (Y') value is -0.673

The regression coefficient of the X_1 digital marketing variable is -0.204; this means that if the other independent variables remain constant and digital marketing increases by 1%, business continuity (Y) will decrease by -0.204. The regression coefficient of the X_2 variable is -0.204. entrepreneurial orientation is 0.214; meaning that if other independent variables remain the same and entrepreneurial orientation increases by 1%, business continuity (Y) will decrease by 0.214. The regression coefficient of variable X_3 business innovation is 0.345; meaning that if other independent variables remain the same and business innovation increases by 1%, business continuity (Y) will decrease by 0.345. The regression coefficient of variable X_4 competitive advantage is 0.085; meaning that if other independent variables remain the same and competitive advantage increases by 1%, business continuity (Y) will decrease by 0.085. The regression coefficient of variable Z customer satisfaction is 0.592; meaning that if other independent variables remain the same and customer satisfaction increases by 1%, business continuity (Y) will decrease by 0.592.

T-test

Based on the results of the t-test, it shows that the significance value of the digital marketing variable (X_1) is $0.00 < 0.05$, thus indicating that digital marketing has a positive and significant influence on business continuity (Y). This result states that H_1 is accepted. The results of the significance value of entrepreneurial orientation (X_2) are $0.000 < 0.05$, thus indicating that entrepreneurial orientation has a positive and significant influence on business continuity (Y). This result states that H_2 is accepted. The results of the significance value of the business innovation variable (X_3) are $0.000 < 0.05$, thus indicating that business innovation has a positive and significant influence on business continuity (Y). This result states that H_3 is accepted. The results of the significance value of the competitive advantage variable (X_4) are $0.160 > 0.05$, thus indicating that competitive advantage does not have a significant influence on business continuity (Y). This result states that H_4 is rejected. The significance value of the customer satisfaction variable (Z) is $0.000 < 0.05$, indicating that customer satisfaction has a positive and significant influence on business sustainability (Y). This result indicates that H_5 is accepted.

F test

Table 7
F Test Results
ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
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1	Regression	5109.241	5	1021,848	626,068	.000b
	Residual	235,032	144	1,632		
	Total	5344.273	149			

Source: Data processed by researchers, 2026

Based on the results of the F test, the significance value in the F test is 0.000 which is <0.05 , so that the variables digital marketing (X1), entrepreneurial orientation (X2), business innovation (X3), competitive advantage (X4) and customer satisfaction (Z) have an influence on business sustainability (Y) which can be interpreted that the model in this study is declared feasible.

Correlation Test and Determination Test

Table 8

Results of Correlation Test and Determination Test

Model Summary

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.978a	.956	.954	1.27756

Source: Data processed by researchers, 2026

Based on the results of the correlation coefficient test, it shows that the correlation coefficient value of 0.978 is close to the value of 1, so it can be interpreted that the relationship between the variables in this study is classified as strong.

Based on the results of the determination coefficient test, the R Square value is 95.6%, which means that the variables of digital marketing (X1), entrepreneurial orientation (X2), business innovation (X3), competitive advantage (X4), and customer satisfaction (Z) have an influence on business sustainability (Y) of 95.5%. While the remaining 4.4% is influenced by other variables not examined in this study.

Mediation Test

Table 9

Results of Path Analysis and Sobel Test Mediation Test

Indirect Influence	Path Coefficient	Z Value (Sobel)	Sig. (p-value)
Digital marketing (X1) → customer satisfaction (Z) → business sustainability (Y)	$0.422 \times 0.592 = 0.250$	6,676	0,000
Entrepreneurial orientation → customer satisfaction (Z) → business sustainability (Y)	$-0.060 \times 0.592 = 0.036$	-1,167	0.243
Business innovation → customer satisfaction (Z) → business sustainability (Y)	$0.124 \times 0.592 = 0.073$	2,307	0.021
Competitive advantage → customer satisfaction (Z) → business sustainability (Y)	$0.458 \times 0.592 = 0.271$	6,085	0,000

Source: Data processed by researchers, 2026

Based on the results of the Sobel test, it shows that the Sig value is $0.000 < 0.05$, which means that customer satisfaction (Z) is able to mediate the influence of digital marketing (X1) on business continuity (Y). The Sig value is $0.243 > 0.05$, which means that customer satisfaction (Z) is not able to mediate the influence of entrepreneurial orientation (X2) on business continuity (Y). The Sig value is $0.021 < 0.05$, which means that customer satisfaction (Z) is able to mediate the influence of business innovation (X3) on business continuity (Y). The Sig value is $0.000 < 0.05$, which means that customer satisfaction (Z) is able to mediate the influence of competitive advantage (X4) on business continuity (Y).

Discussion

The Influence of Digital Marketing on Business Sustainability

The results of the study indicate that digital marketing has a significant influence on business sustainability with a significance value of $0.000 < 0.05$. This finding indicates that the better the implementation of digital marketing carried out by MSMEs, the higher the level of business sustainability they have. Digital marketing is one of the important strategies in maintaining business existence in the digital era because it allows business actors to reach consumers more widely, quickly, and efficiently. The use of social media, marketplaces, websites, and other digital platforms can increase business visibility so that products or services are more easily recognized by the public.

The results of this study align with the theory proposed by Chaffey and Ellis-Chadwick (2019), which states that digital marketing enables companies to build closer relationships with customers through two-way online communication. Through digital marketing, businesses can provide product information quickly, conduct more engaging promotions, and increase interaction with customers. In the context of MSMEs, implementing digital marketing offers significant opportunities to expand market share without requiring excessive marketing costs compared to conventional marketing.

Furthermore, the results of this study support previous research by Kotler et al. (2019), which stated that digital marketing influences customer loyalty and business success. The study explained that modern customers tend to search for information online before making purchasing decisions. Therefore, businesses that actively utilize digital platforms will find it easier to attract consumers and retain them long-term.

However, the regression results found that the digital marketing regression coefficient was negative at -0.204 . This indicates that while digital marketing has a significant impact, its suboptimal implementation or inappropriate digital strategies can have a less than optimal impact on business sustainability. Some MSMEs may lack the ability to manage social media professionally, lack an understanding of digital platform algorithms, or lack the ability to create engaging marketing content. As a result, digital marketing has not yet fully delivered its optimal positive impact on business growth.

In the context of MSMEs in East Lombok, digital marketing implementation is becoming increasingly important as consumer behavior shifts toward digital-based purchasing patterns. Consumers are not only looking for quality products but also considering ease of access to information, online reviews, and digital interactions before making a purchase. Therefore, businesses need to improve their digital marketing skills through training, creative content development, and optimized social media usage to ensure better business sustainability.

The Influence of Entrepreneurial Orientation on Business Sustainability

The results of the study indicate that entrepreneurial orientation has a positive and significant influence on business sustainability, with a significance value of $0.000 < 0.05$. This indicates that the higher the entrepreneurial orientation of a business actor, the higher the business's ability to survive and grow in the long term. Entrepreneurial orientation reflects the ability of business actors to be innovative, proactive, and willing to take risks in running a business.

This finding aligns with Covin and Slevin's (1989) theory, which states that companies with a high level of entrepreneurial orientation tend to have better business performance than companies that are passive in responding to changes in the business environment. Proactive entrepreneurs are quicker to seize market opportunities, innovate products, and adapt to changing consumer needs. In an increasingly competitive business environment, the ability to adapt is a crucial factor in maintaining business continuity.

The results of this study also support the research of Zahra and Covin (1995), which stated that entrepreneurial orientation positively influences business growth and success. The study explains that companies that are willing to take risks and possess innovative capabilities are better able to create a competitive advantage over their competitors. In the context of MSMEs, entrepreneurial orientation can be realized through the courage to try new strategies, utilize digital technology, and create products that meet market needs.

Furthermore, Lumpkin and Dess (1996) explain that entrepreneurial orientation consists of the dimensions of innovation, proactivity, risk-taking, competitive aggressiveness, and autonomy. These dimensions are highly relevant in facing the dynamics of modern business, especially in the current digital era. Entrepreneurs with a strong entrepreneurial orientation will more easily develop creative ideas and make strategic decisions to sustain their businesses.

In this study, the majority of respondents were MSMEs actively utilizing digital-based business opportunities. This indicates that entrepreneurial orientation is a key factor in supporting business sustainability. The greater a business's ability to identify opportunities and adapt to market changes, the greater the business's chances of long-term survival.

The Influence of Business Innovation on Business Sustainability

The research results show that business innovation has a positive and significant impact on business sustainability, with a significance value of $0.000 < 0.05$. This finding indicates that business innovation is a crucial factor in improving a business's ability to survive and thrive amidst increasingly competitive business conditions. Business innovation can take the form of new product development, improved service quality, the use of digital technology, or changes to more effective business models.

This finding aligns with Schumpeter's (1934) theory, which states that innovation is a key factor in economic growth and business success. According to Schumpeter, companies capable of innovating will have a greater chance of winning market competition because they are able to provide added value to consumers. In the context of MSMEs, business innovation is a crucial strategy for attracting customers and maintaining customer loyalty.

The results of this study also support research by Hurley and Hult (1998), which states that companies with high levels of innovation tend to be more adaptive to changes in the business environment and market needs. Innovation enables companies to differentiate their products, thereby providing a better customer experience. Customers who are satisfied with innovative products are more likely to make repeat purchases and recommend the products to others.

Furthermore, the OECD (2022) explains that MSMEs that consistently innovate have higher levels of productivity and competitiveness than those that do not. In the digital era, innovation is not limited to products but also encompasses marketing innovation, service systems, and the use of information technology in business operations.

In this study, business innovation was the variable with the greatest influence on business sustainability compared to other independent variables. This demonstrates that the ability of business actors to create innovation plays a crucial role in maintaining business continuity. Therefore, MSMEs need to continuously develop creativity and innovate to meet changing consumer needs.

The Influence of Competitive Advantage on Business Sustainability

The results of the study indicate that competitive advantage does not significantly influence business sustainability, with a significance value of $0.106 > 0.05$. This result indicates that the competitive advantage possessed by business actors has not been able to directly impact business sustainability. This condition may occur because the competitive advantage possessed by MSMEs is not yet strong enough to create a significant difference compared to competitors.

According to Porter (1985), competitive advantage can be achieved through differentiation strategies or low costs. However, in practice, many MSMEs still face limited resources, technology, and capital, making it difficult to create truly superior differentiation in the market. As a result, their competitive advantage has not been able to directly impact business sustainability.

Furthermore, Barney (1991), through his Resource-Based View theory, explains that sustainable competitive advantage must be supported by valuable, rare, difficult-to-imitate, and irreplaceable resources. In the context of MSMEs in East Lombok, most businesses may still use relatively similar resources to their competitors, so competitive advantage has not yet become a primary factor in maintaining business continuity.

Although it doesn't have a direct impact, competitive advantage still plays a significant role in creating positive customer perceptions. Better-quality products, faster service, and competitive pricing can still increase customer satisfaction. Therefore, competitive advantage in this study plays a more indirect role through customer satisfaction than a direct influence on business sustainability.

The results of this study differ from those of Porter (1985) and Barney (1991), which stated that competitive advantage is a key factor in a company's success. This difference in results may be due to the characteristics of the respondents, who were predominantly small-scale MSMEs, thus limiting their ability to create competitive advantage. Furthermore, increasingly competitive market conditions have led customers to place greater importance on experience and satisfaction over product excellence.

The Influence of Customer Satisfaction on Business Sustainability

The results of the study indicate that customer satisfaction has a positive and significant influence on business sustainability, with a significance value of $0.000 < 0.05$. This result indicates that the higher the level of customer satisfaction, the greater the opportunity for a business to survive and grow in the long term. Customer satisfaction is a crucial factor because satisfied customers tend to make repeat purchases, provide recommendations to others, and exhibit high loyalty to a business.

This finding aligns with Zeithaml et al.'s (2018) theory, which states that customer satisfaction is achieved when product or service performance meets or even exceeds customer expectations. In the context of MSMEs, customer satisfaction can be achieved through good product quality, friendly service, reasonable prices, and a pleasant shopping experience.

The results of this study also support the research of Anderson et al. (1994), which explains that customer satisfaction is closely related to a company's profitability and market share. Satisfied customers not only provide benefits through repeat purchases but also help promote the business through word of mouth. This is particularly important for MSMEs because customer-generated promotions are often more effective than paid promotions.

In the digital era, customer satisfaction is also influenced by the customer experience when interacting with online platforms. Customers who receive fast, responsive, and easy service during digital transactions will experience higher levels of satisfaction. Therefore, businesses need to prioritize the quality of digital services to retain customers long-term.

The results of this study indicate that customer satisfaction is the variable with the strongest influence on business sustainability. Therefore, MSMEs need to prioritize customer satisfaction in their business strategy to ensure continued growth and resilience in the face of competition.

The Influence of Customer Satisfaction Mediation on Digital Marketing Relationships on Business Sustainability

The Sobel test results show that customer satisfaction mediates the influence of digital marketing on business sustainability, with a significance value of $0.000 < 0.05$. This indicates that digital marketing implemented by businesses will have a greater impact on business sustainability if it can increase customer satisfaction.

Digital marketing serves not only as a promotional tool but also as a communication tool that builds relationships with customers. When customers find it easy to obtain product information, receive prompt service, and have a positive digital experience, customer satisfaction levels increase. This satisfaction then drives customer loyalty, which impacts business sustainability.

The results of this study support the theory of Kotler and Keller (2016), which states that an effective marketing strategy must be able to create customer satisfaction to have a long-term impact on business success. This research also aligns with research by Chaffey and Ellis-Chadwick (2019), which explains that digital marketing can improve company-customer relationships through more intensive digital interactions.

Thus, the success of digital marketing is measured not only by the number of promotions implemented, but also by the strategy's ability to create a positive customer experience. Therefore,

businesses need to pay attention to the quality of digital content, the responsiveness of online services, and customer interactions so that digital marketing can improve business sustainability through customer satisfaction.

The Mediation Effect of Customer Satisfaction on the Relationship between Entrepreneurial Orientation and Business Sustainability

The Sobel test results show that customer satisfaction is unable to mediate the influence of entrepreneurial orientation on business sustainability, with a significance value of $0.243 > 0.05$. This indicates that entrepreneurial orientation has a more direct influence on business sustainability than customer satisfaction.

This situation can occur because entrepreneurial orientation is more closely related to the internal characteristics of business actors, such as risk-taking, creativity, and the ability to identify market opportunities. These factors directly influence a business's ability to survive and grow without first having to go through customer perceptions.

The results of this study indicate that entrepreneurs with a strong entrepreneurial orientation tend to adapt more quickly to market changes and are able to create effective business strategies. Therefore, business sustainability is more influenced by managerial capabilities and internal strategies than customer satisfaction. Nevertheless, entrepreneurial orientation still plays a significant role in creating better product and service quality. However, in this study, this influence was not strong enough to significantly increase customer satisfaction as a mediating variable.

The Influence of Customer Satisfaction Mediation on the Relationship between Business Innovation and Business Sustainability

The Sobel test results show that customer satisfaction mediates the influence of business innovation on business sustainability, with a significance value of $0.021 < 0.05$. This indicates that business innovations undertaken by business actors will be more effective in improving business sustainability if they are able to create customer satisfaction. Business innovation enables companies to create products and services that better suit consumer needs. When customers experience the benefits and uniqueness of these innovations, their level of customer satisfaction will increase. This satisfaction then drives customer loyalty, which impacts business sustainability.

The results of this study align with Hurley and Hult's (1998) theory, which states that innovation is closely related to a company's ability to meet market needs. This research also supports Schumpeter's (1934) view that innovation is a crucial factor in generating business growth. Therefore, MSMEs need to continuously innovate products, services, and marketing strategies to increase customer satisfaction and maintain long-term business sustainability.

The Mediation Effect of Customer Satisfaction on the Relationship between Competitive Advantage and Business Sustainability

The Sobel test results show that customer satisfaction mediates the effect of competitive advantage on business sustainability, with a significance value of $0.000 < 0.05$. This indicates that competitive advantage will have a greater impact on business sustainability if it can increase customer satisfaction. Competitive advantages such as better product quality, superior service, and competitive prices can increase positive customer perceptions of a business. When customers are satisfied with the value provided by a company, they will be more loyal and tend to make repeat purchases.

The results of this study support Porter's (1985) theory, which states that differentiation and service quality are important factors in creating competitive advantage. This research also aligns with Barney (1991), who explained that competitive advantage will have a sustainable impact if it is able to create value for customers. Therefore, MSMEs need to strengthen their competitive advantage not only through product quality but also through improving the customer experience to increase customer satisfaction and business sustainability.

Implications of Research Results

The results of this study have important implications for the development of the sustainability of MSMEs, particularly in business sectors that have begun to utilize digital technology in their

business activities. This study shows that digital marketing has a significant influence on business sustainability. These findings indicate that the use of digital media is no longer merely an additional strategy, but has become a primary requirement for business actors in maintaining business existence amidst changing consumer behavior that is increasingly dependent on technology. The use of social media, marketplaces, websites, and various other digital platforms enables MSMEs to expand market reach, increase interaction with customers, and create efficiency in marketing activities. In the context of increasingly competitive business competition, business actors who are able to manage digital marketing effectively will have a greater opportunity to maintain their business sustainability compared to businesses that still rely on conventional marketing.

However, the research also shows that the digital marketing regression coefficient is negative. This condition implies that suboptimal digital marketing implementation can have a less effective impact on business sustainability. This may occur because some MSMEs still have limited understanding of digital marketing strategies, social media management, the use of digital platform algorithms, or the ability to create engaging content that meets market needs. Therefore, the success of digital marketing is determined not only by the intensity of digital media use, but also by the quality of the strategies implemented. The implications of these findings suggest that business actors need to improve digital literacy and managerial skills so that digital marketing can truly make a positive contribution to business sustainability.

This study also shows that entrepreneurial orientation has a positive and significant influence on business sustainability. This finding implies that the success of a business is greatly influenced by the entrepreneur's ability to be innovative, proactive, and willing to take risks in the face of changes in the business environment. Entrepreneurs with a strong entrepreneurial orientation will more easily identify market opportunities, create new strategies, and adapt to technological developments and consumer needs. In the context of MSMEs, entrepreneurial orientation is a crucial factor because most small businesses face limitations in capital, human resources, and access to technology. Therefore, a strong entrepreneurial attitude can be a key asset for entrepreneurs to maintain and grow their businesses.

Another implication of this study's findings is that entrepreneurial orientation has a more direct impact on business sustainability than customer satisfaction. This suggests that business success is determined not only by customer perceptions but also by the entrepreneur's internal ability to strategically manage the business. Entrepreneurs who have the courage to make decisions and the ability to identify business opportunities tend to adapt more quickly to market changes, thereby enabling them to maintain long-term business sustainability. Therefore, entrepreneurial orientation should be viewed as a strategic factor that can strengthen the resilience of MSMEs in the face of uncertain business environments.

Further research results indicate that business innovation has the greatest influence on business sustainability compared to other independent variables. This finding implies that innovation is a key factor in driving long-term business growth and sustainability. Business innovation is not limited to the creation of new products but also encompasses innovation in services, marketing, operational processes, and the use of digital technology. Businesses that are able to continuously innovate will more easily meet changing consumer needs and create added value compared to competitors.

A key implication of these findings is that MSMEs need to incorporate innovation into their organizational culture. Dynamic changes in consumer behavior require businesses to continually update their products and services. Furthermore, innovation can increase customer satisfaction, as customers tend to gravitate toward products that are unique, creative, and tailored to their needs. Therefore, innovation is a key factor in maintaining customer loyalty and strengthening business sustainability.

This study also found that competitive advantage does not have a significant direct impact on business sustainability. This finding implies that the competitive advantage possessed by some MSMEs is still not strong enough to create a significant difference compared to competitors. Many

businesses still offer relatively similar products and services, so customers do not perceive any truly differentiated added value. This condition indicates that competitive advantage cannot be built solely through low prices or product quality, but must also be supported by customer experience, service innovation, and emotional connections with consumers.

Although it doesn't have a direct impact, research results show that competitive advantage can have an indirect effect on business sustainability through customer satisfaction. This implies that competitive advantage will be more effective if it can increase positive customer perceptions of the products or services provided. In other words, customers are the primary factor determining whether a company's competitive advantage can impact business sustainability. Therefore, businesses need to develop differentiation strategies that are more oriented toward the customer experience so that competitive advantage can foster long-term customer loyalty.

The results of this study also indicate that customer satisfaction has the strongest influence on business sustainability. This finding implies that customers are a key asset in maintaining a business's existence. Satisfied customers are more likely to make repeat purchases, recommend products to others, and exhibit high levels of loyalty to a business. In the digital era, customer satisfaction is determined not only by product quality but also by service quality, response time, ease of transactions, and the customer experience while interacting with digital platforms.

An important implication of this research is that MSMEs need to prioritize customer satisfaction as a key focus of their business strategy. Businesses must understand customer needs and expectations to deliver appropriate products and services. Furthermore, digital customer relationship management needs to be improved to ensure customers feel valued and develop an emotional connection to the business. Therefore, business sustainability depends not only on the ability to generate profits but also on the ability to maintain customer satisfaction and loyalty.

This research also implies that customer satisfaction can mediate the influence of digital marketing, business innovation, and competitive advantage on business sustainability. This suggests that a company's business strategy will have a greater impact if it primarily improves customer satisfaction. Effective digital marketing, business innovation tailored to market needs, and competitive advantage that provides added value will increase customer satisfaction and ultimately strengthen business sustainability.

Overall, the results of this study confirm that the sustainability of MSMEs is influenced not only by internal factors such as innovation and entrepreneurial orientation, but also by external factors such as customer satisfaction. Therefore, businesses need to integrate digital strategies, business innovation, and customer relationship management simultaneously to create stronger and more sustainable business continuity.

Implications of Theory

This research provides theoretical contributions to the development of management science, particularly in the areas of digital marketing, entrepreneurship, business innovation, competitive advantage, customer satisfaction, and business sustainability. The findings of this study reinforce various theories previously developed by experts regarding the relationship between business strategy and business success in the context of MSMEs in the digital era.

From the perspective of the digital marketing theory proposed by Chaffey and Ellis-Chadwick, the results of this study reinforce the view that digital marketing is a strategic instrument capable of improving company-customer relationships through technology-based communication. This study shows that digital marketing has a significant influence on business sustainability, thus emphasizing that the use of digital technology in marketing can be a crucial factor in maintaining business competitiveness. However, the negative coefficient on the digital marketing variable also provides theoretical development that the effectiveness of digital marketing is determined not only by the use of technology, but also by the quality of digital strategy implementation carried out by business actors.

This research also contributes to the entrepreneurial orientation theory developed by Covin and Slevin and Lumpkin and Dess. The research findings indicate that entrepreneurial orientation

has a positive influence on business sustainability, thus reinforcing the view that innovativeness, proactivity, and risk-taking are important factors in increasing a business's ability to survive in a dynamic business environment. This research shows that entrepreneurial orientation is not only relevant for large companies but is also crucial in the context of MSMEs with limited resources.

Furthermore, this study broadens theoretical understanding of the relationship between entrepreneurial orientation and customer satisfaction. The results indicate that customer satisfaction is unable to mediate the effect of entrepreneurial orientation on business sustainability. This finding provides theoretical implications that entrepreneurial orientation operates more through internal organizational mechanisms than through customer perceptions. Therefore, this study provides a new perspective that the influence of entrepreneurial orientation on business sustainability can occur directly through the adaptability and strategic decision-making abilities of business actors.

Within the context of Schumpeter's innovation theory, this study reinforces the view that innovation is the driving force behind business growth and sustainability. The results show that business innovation has the greatest impact on business sustainability. This finding emphasizes that a company's ability to create new and differentiated products, services, and business processes will provide added value that can increase business competitiveness. This study also supports Hurley and Hult's theory, which states that companies with high levels of innovation tend to be more adaptable to changes in the business environment.

Another theoretical contribution concerns the relationship between business innovation and customer satisfaction. This study demonstrates that customer satisfaction mediates the influence of business innovation on business sustainability. This reinforces modern marketing theory, which states that innovation will have a greater impact on business success if it creates positive customer experiences. Thus, this study demonstrates that innovation impacts not only a company's internal efficiency but also customer perceptions and satisfaction.

This research also contributes to Porter's theory of competitive advantage and Barney's Resource-Based View. The research findings indicate that competitive advantage does not have a significant direct influence on business sustainability. These results provide a new theoretical perspective: in the context of MSMEs, competitive advantage does not necessarily directly determine business success if it is not supported by customer satisfaction. Thus, this research expands the theory of competitive advantage by demonstrating that customers play a critical role in determining the effectiveness of a company's competitive advantage.

Furthermore, this study reinforces the customer satisfaction theory proposed by Zeithaml and Anderson, which states that customer satisfaction is closely related to customer loyalty and business continuity. The results show that customer satisfaction is the variable with the strongest influence on business continuity. These findings provide empirical evidence that satisfied customers significantly contribute to long-term business stability and growth.

This research also contributes to the development of mediation-based research models. By positioning customer satisfaction as a mediating variable, this study demonstrates that the success of a business strategy is measured not only by its direct impact on business sustainability but also by its ability to create customer satisfaction. This enriches the literature on consumer behavior and business strategy, particularly in the context of digital-based MSMEs.

Overall, the theoretical implications of this research indicate that business sustainability is the result of a complex interaction between internal company factors and external factors such as customer responses. Therefore, this research can serve as a reference for developing theories of strategic management, digital marketing, and entrepreneurship in future research.

Practical Implications

This research has important practical implications for MSMEs, the government, educational institutions, and other parties involved in small and medium enterprise development. The results show that business sustainability is significantly influenced by the ability of business actors to manage customer-oriented business strategies and adapt to developments in digital technology.

For MSMEs, the results of this study imply that digital marketing should be a primary strategy for business development. Businesses need to improve their skills in managing social media, marketplaces, and other digital platforms to reach a wider range of consumers. Furthermore, they need to improve their ability to create creative content, understand digital consumer behavior, and optimally utilize online marketing features. Appropriate use of digital marketing will help businesses improve customer engagement and strengthen business sustainability.

Another practical implication is the importance of enhancing entrepreneurial orientation for MSMEs. Entrepreneurs need to have the courage to make business decisions, try new strategies, and create innovations that meet market needs. In the face of increasingly fierce competition, proactive and innovative businesses will survive more easily than those that passively respond to changes in the business environment. Therefore, MSMEs need to continuously improve their managerial skills, creativity, and ability to identify market opportunities.

For entrepreneurs, business innovation must also be a top priority to maintain business continuity. Businesses must be able to update products, improve service quality, and utilize digital technology in their operational processes. Innovation is not only crucial for attracting new customers but also for maintaining the loyalty of existing ones. Therefore, MSMEs need to build a culture of innovation within their organizations to enable their businesses to adapt to changing consumer needs.

This research also provides practical implications: competitive advantage needs to be developed through a more customer-centric approach. Businesses cannot simply offer low prices or high-quality products; they must also be able to create a positive customer experience. Friendly service, quick responses to customer complaints, ease of digital transactions, and quality communication with customers are crucial factors in increasing customer satisfaction.

For local governments and related agencies, the results of this study imply that MSME development needs to focus on increasing digital capacity and business innovation. The government can provide digital marketing training, business mentoring, and technological assistance to MSMEs to enable them to compete in the digital era. Furthermore, the government needs to expand access to capital and digital infrastructure to enable businesses to develop business innovation more optimally.

Another practical implication for the government is the importance of creating a business ecosystem that supports the growth of digital-based MSMEs. The government can strengthen collaboration with marketplaces, financial institutions, and educational institutions to help MSMEs improve their competitiveness. Policy support that favors the development of digital MSMEs will help improve business sustainability and stimulate regional economic growth.

For educational institutions, this research demonstrates the importance of developing more applicable entrepreneurship and digital marketing curricula. Universities and other educational institutions need to equip students with digital skills, innovation capabilities, and entrepreneurial competencies to enable them to create businesses that adapt to technological change. Furthermore, educational institutions can act as business incubation centers for MSMEs through training, mentoring, and applied research.

This research also has implications for business consultants and MSME support institutions. Business mentoring should focus not only on financial aspects, but also on developing digital marketing strategies, product innovation, and customer relationship management. Integrated mentoring will help MSMEs increase their competitiveness and maintain their business sustainability.

Overall, the practical implications of this research indicate that the sustainability of MSMEs requires synergy between internal business capabilities, the use of digital technology, business innovation, and customer satisfaction. With support from various parties, MSMEs are expected to develop sustainably and make a greater contribution to regional and national economic growth.

CONCLUSION

Based on the research findings, it can be concluded that digital marketing has a positive and significant impact on the sustainability of MSMEs in East Lombok. Utilizing digital media such as social media, marketplaces, and other online platforms can help businesses expand their market reach and improve customer interactions. However, suboptimal digital marketing implementation can still reduce the effectiveness of digital marketing strategies on business sustainability.

Entrepreneurial orientation has also been shown to have a positive and significant impact on business sustainability. Entrepreneurs who are innovative, proactive, and willing to take risks tend to be better able to survive and thrive in the face of changes in the business environment. Furthermore, business innovation is the variable with the greatest influence on business sustainability. This demonstrates that entrepreneurs' ability to create innovative products, services, and business strategies is crucial for enhancing business competitiveness.

Meanwhile, competitive advantage does not have a significant direct impact on business sustainability. This indicates that the competitive advantage possessed by MSMEs is not strong enough to directly impact business sustainability without the support of customer satisfaction. Customer satisfaction itself has been shown to have a positive and significant impact on business sustainability. Satisfied customers tend to be highly loyal, make repeat purchases, and provide positive recommendations to other customers.

The research results also show that customer satisfaction mediates the influence of digital marketing, business innovation, and competitive advantage on business sustainability. However, customer satisfaction does not mediate the influence of entrepreneurial orientation on business sustainability. Therefore, the sustainability of MSMEs is not only influenced by internal company factors but also by the company's ability to create sustainable customer satisfaction.

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