

UNVEILING THE LINK: DOES DIGITAL MARKETING ADOPTION FUEL SUSTAINABLE GROWTH FOR SMEs IN INDONESIA?

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Abstract

The research indicates that the adoption of digital marketing among SMEs in Indonesia significantly contributes to their sustainable growth. The study identifies several key factors that influence this relationship, including attitude toward digital marketing, perceived behavioral control, subjective norm, intention to use digital marketing, and actual use of digital marketing. Specifically, the study highlights that positive attitudes towards digital marketing and subjective norms directly influence the intention to use digital marketing, which subsequently impacts the actual adoption of digital marketing tools. Moreover, the study underscores that the actual use of digital marketing has a direct positive effect on the sustainable growth of SMEs. These findings affirm the potential of digital marketing as a valuable resource for enhancing the sustainable growth of SMEs in Indonesia. By comprehending the factors that drive the adoption and utilization of digital marketing, businesses can develop effective strategies to promote sustainable growth.

Keywords: Digital Marketing, SMEs Sustainability, Planned Behaviour

1. INTRODUCTION

The rapid expansion of the Internet has facilitated the development of smartphones and other digital technologies, fundamentally reshaping modes of communication (Bruce et al., 2023). In light of the evolving nature of the contemporary business landscape, the Internet has emerged as a pivotal platform for marketing goods and services. Within this framework, digital technologies are progressively emerging as innovative instruments for conducting business operations, contributing to heightened competition in the marketplace (Ziółkowska, 2021). The transformation brought about by Digital Marketing (DM) significantly alters the communication approaches of enterprises and their customers (Parida et al., 2019). Digital marketing has now been integrated into the daily lives of people worldwide. As of January 2024, there were 5.35 billion internet users worldwide, which amounted to 66.2 per cent of the global population (Petrosyan, 2024). Digital marketing utilizes technology within marketing endeavours and business operations to promote goods, services, information, and ideas through various electronic platforms such as the Internet, mobile phones, display advertisements, and other digital media (Su et al., 2023).

Numerous businesses have acknowledged that digital marketing has become an essential and indispensable aspect of their overall marketing strategies and plans (Hien & Nhu, 2022). It has been asserted that digital technology promises to enhance a firm's

performance and enable entrepreneurial activities (Ajina, 2019). Furthermore, digital technologies are a potent channel for generating innovative ideas that propel firms toward sustainability (Chinje, 2015). This underscores the role of digital tools in facilitating creative solutions and strategies aimed at promoting environmental, social, and economic sustainability within businesses (Voramontri & Klieb, 2019). Research has demonstrated that adopting technologies has significantly influenced consumers' behaviour and decision-making processes from the customers' perspective (Hoang & Le Tan, 2023). This trend has prompted businesses to embrace digital technologies, emphasizing customer-centric strategies to drive business growth (Kraus et al., 2022). Recently, marketing activities have increasingly leveraged digital media to disseminate information, expand customer bases, and engage with existing and potential customers (Kurdi et al., 2022). Businesses leverage digital marketing platforms to sell products and services, a practice that significantly influences customers' purchasing decisions (Saura et al., 2023). As a result, customers gain access to a diverse array of goods and services through information shared on digital platforms, including social media, affiliate marketing, email campaigns, search engines, digital advertising, viral marketing, content marketing, and mobile marketing (Rangaswamy et al., 2020). It also underscores the significance of digital marketing as a powerful tool for reaching the target audience, fostering brand loyalty, and driving increased sales turnover (Almestarihi et al., 2024). Moreover, research has demonstrated that digital transformation within an organization results in cost reduction, increased efficiency, and enhanced organizational effectiveness (Zhai et al., 2022).

However, using digital technologies has a negative effect as it may enhance misunderstanding, conspiracy, cyber-bullying, and overall tension (Mahdi et al., 2023). In the context of effective digital marketing, small and medium-sized businesses (SMEs) are empowered to compete with larger enterprises, gather valuable market intelligence, reduce marketing expenses, enhance new product development, and ultimately attain competitive advantage and sustainable growth (Peter & Dalla Vecchia, 2021). Furthermore, digital marketing tools play a crucial role in helping SMEs enhance organizational productivity and promote collaboration within their teams (Wilson & Makau, 2015). Small and Medium Enterprises (SMEs) play a pivotal role in fostering economic growth, particularly in developing countries, through innovation, job creation, and promoting social inclusion (Endris & Kassegn, 2022). On a global scale, Small and Medium Enterprises (SMEs) contribute to over 80% of job growth in both developed and developing economies, as well as approximately 70% of Gross Domestic Product (GDP) (Fan et al., 2021).

Indonesia is currently observing a notable impact from SMEs on economic growth and the advancement of business activities (Budhi et al., 2020). It stated that the SME sector enormously contributes to the Indonesian economy, which has more than 64.2 million business units and contributes 61.9% to the Gross Domestic Product (GDP) (Coordinating Ministry for Economic Affairs of the Republic of Indonesia., 2022). A growing body of SMEs fosters a dynamic environment for innovation, creating novel business ventures (Tehseen et al., 2024). Prior research has indicated that in the face of escalating competition and heightened globalization, the capacity of SMEs to acquire and leverage knowledge is crucial for fostering business development (Vu & Nguyen, 2022; Xuan et al., 2020). Technological advancements have profoundly impacted businesses of all sizes, including Small and Medium Enterprises (SMEs) (Eze et al., 2020; Pollák & Markovič, 2021).

Nevertheless, several factors have been identified as reasons for the failure of SMEs to adopt new technologies to enhance performance and achieve sustainable growth (Qalati et al., 2022; Shaikh et al., 2021). Studies have shown that SMEs encounter obstacles like resource constraints, financial limitations, restricted marketing approaches, and inadequate capabilities, which hinder their adoption of digital technologies as a strategic tool for achieving sustainable growth (Indrawati et al., 2020; Tambunan, 2019). Furthermore, scholars have emphasized that the inability of SMEs in developing countries to compete with larger enterprises stems from their failure to adopt and integrate digital technologies into their business marketing strategies (Akpan et al., 2022; Anatan & Nur, 2023; Ansong & Boateng, 2019). Alqasa & Afaneh (2022) argued that SMEs face challenges related to limited market reach and a smaller customer base. As a result, these challenges have impacted economic development in developing economies, notably in Indonesia (Martins, 2023; Surya et al., 2021). Amjad (2022) noted a relatively low adoption rate of digital technologies among SMEs in developing countries. This issue poses a significant challenge for SMEs and warrants further investigation (Mehralian & Khazaei, 2022; Olazo, 2022).

The number of internet users has steadily increased in Indonesia. In 2022, approximately 224 million people accessed the Internet (Nurhayati-Wolff, 2023). As of July 2021, this increase indicates a positive trend in internet usage in the country. In November 2023, Indonesia had around 185.3 million internet users, an increase of 1.5 million from the previous year (Simon Kemp, 2023). Indicates a significant presence of social media users in Indonesia. This demonstrates that digital technologies represent a growing trend that SMEs in Indonesia can leverage to enhance their competitive advantage.

Small and Medium Enterprises (SMEs) in Indonesia often encounter limited resources, ineffective marketing strategies, and constrained market access, which hinder their ability to thrive in the competitive business environment (Indrawati et al., 2020). Academic scholars argue that adopting digital technologies is crucial for successful marketing campaigns and is considered one of the approaches SMEs use to respond promptly to business uncertainty in today's dynamic and competitive business environment (Pradhan et al., 2020). Moreover, SMEs using digital marketing are expected to lead to improved customer service, increased customer satisfaction, and overall business growth. Despite the recognized importance of digital marketing tools in contemporary business transformation, many SMEs in Indonesia exhibit hesitancy and lag behind large businesses in adopting digital technologies for their business activities (Andika et al., 2021). The current underutilization of digital marketing capabilities by small businesses in Indonesia reflects a scepticism towards these strategies despite the increasing demands of today's discerning consumers (Anatan & Nur, 2023; Andika et al., 2021; Indrawati et al., 2020).

Moreover, the substantial contribution of SMEs to the Indonesian economy underscores the challenge posed to their development by their struggle to adapt to the processes of globalization. Consequently, the adoption of digitalization by SMEs is crucial for their advancement and prosperity, given the substantial impact of their success on the nation's economy. In light of these considerations, it is imperative to investigate and comprehend the intentions of SMEs regarding adopting digital marketing, given the potential benefits it offers, particularly for marketing purposes. Furthermore, there is a shortage of empirical studies on the behavioural intentions towards digital marketing adoption among SMEs, particularly in developing economies like Indonesia, indicating an area that warrants further

exploration and research (Anatan & Nur, 2023; Andika et al., 2021). Due to this identified knowledge gap, the present research explores the relationship between digital marketing adoption and sustainable growth among SMEs in developing economies. Specifically, this study aims to examine how the adoption of digital marketing influences the sustainable growth of SMEs, utilizing the theory of planned behaviour as a conceptual framework for analysis. This investigation seeks to provide valuable insights into the role of digital marketing in fostering sustainable development within the SME sector of developing economies. Centring on the adoption of digital marketing by SMEs in Indonesia to achieve sustainable growth, this study is grounded on the hypothesis that behavioural tendencies influence SMEs' adoption of digital marketing and can significantly impact sustainable growth outcomes.

The study aims to analyze the extent to which attitude, perceived behavioural control, and subjective norms influence SMEs' behavioural intentions toward adopting digital marketing. Additionally, the study seeks to explore how the actual usage of digital marketing affects the sustainable growth of SMEs. By applying the theory of planned behaviour (TPB) to digital marketing research, this study comprehensively evaluates organizational behaviour concerning technology adoption, specifically focusing on digital marketing within the SME sector. This area has not been extensively explored previously. Specifically, this study is guided by the following main research questions :

RQ1 : How do attitudes toward digital marketing, perceived behavioural control and subjective norms collectively influence the behavioural intentions of SMEs regarding adopting digital marketing strategies?

RQ2 : What is the impact of actual usage of digital marketing on the sustainable growth of SMEs?

2. LITERATURE REVIEW

2.1. Theory Planned Behavior

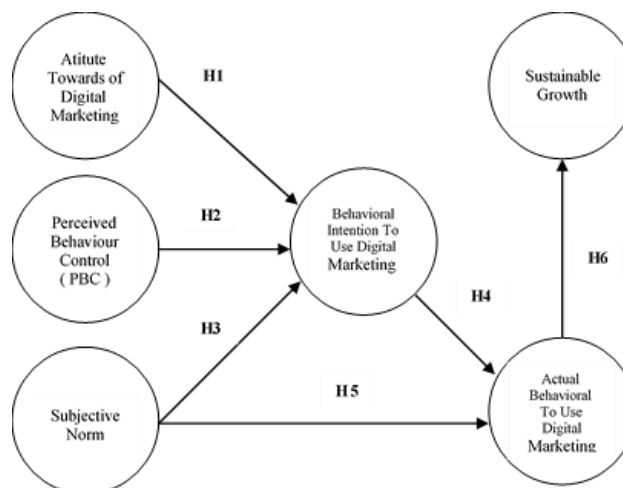
The current study acknowledges the importance of digital marketing for achieving sustainable growth among SMEs. It is founded on the theory of planned behaviour (TPB), which provides a framework for understanding how attitudes, perceived behavioural control, and subjective norms influence SMEs' behavioural intentions (Ajzen, 1985) toward adopting digital marketing strategies and subsequently impacting their sustainable growth outcomes. The theory of planned behaviour (TPB) was drawn from the original theory of reason and action (Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1977). TPB assumes that an individual's behaviour is determined by factors associated with motivation and perceptions (Bosnjak et al., 2020). The Theory of Planned Behavior (TPB) aims to understand and predict individuals' behavioural intentions when engaging in a specific behaviour (Ajzen, 2020). As per the theory, an individual's behaviour to accomplish a certain action is based on the intentions of the individual to execute that behaviour; the individual's intention is influenced by attitude, subjective norms, and perceived behavioural control (Ajzen, 1991). Therefore, according to the Theory of Planned Behavior (TPB), attitude, subjective norms, and perceived behavioural control collectively influence an individual's behavioural intention. Attitude represents the individual's positive or negative emotions associated with a specific behaviour. Subjective norms refer to the perceived social pressures or expectations regarding

whether to engage in or refrain from a particular action. Additionally, perceived behavioural control reflects an individual's belief in their ability to perform a specific action effectively. According to TPB, These factors shape an individual's intention to engage in a behaviour.

2.2. SMEs Sustainable Growth

The adoption of modern technologies has empowered SMEs to adapt to the rapidly changing business environment (Hohman et al., 2016). Scholars contend that incorporating modern technologies like digital marketing by SMEs has led to favorable outcomes (Adam et al., 2020; Ikramuddin et al., 2021). Digital technologies enable firms to be innovative in customizing goods and services, building a customer base, and achieving business growth (Alzubaidi et al., 2021). Leveraging digital technologies such as social media, content marketing, search engine marketing, and email marketing has assisted SMEs in enhancing business performance and maintaining competitiveness (Singh et al., 2019). A firm's sustainability is measured by its ability to react to market fluctuations based on the internal and external environment (Owoseni et al., 2022). Digital marketing strategies are positively linked to the long-term growth of SMEs (Lateef & Keikhosrokiani, 2023; Philbin et al., 2022). It has been proven that the adoption of digital marketing allows SMEs to generate ideas from their customers and create value, which in turn leads to sustainable growth (Mehralian & Khazaei, 2022). As a result, recent studies have shown that the adoption of digital marketing by SMEs has enhanced their marketing intelligence and customer relationship management.

The relationship between the independent and dependent variables can be illustrated in the following constellation diagram:



Source: Processed by the Author (2024)

Figure 1. Relationship Between Independent and Dependent Variables

H1 : A positive attitude towards digital marketing is expected to positively influence the behavioral intention to use digital marketing.

H2 : Perceived behavioral control is expected to have a positive influence on the behavioral intention to use digital marketing.

H3 : Subjective norms are expected to positively influence the behavioral intention to use digital marketing.

H4 : Behavioral intention is expected to positively influence the actual use of digital marketing by SMEs.

H5 : Subjective norms directly influence the actual use of digital marketing.

H6 : Actual digital marketing usage would positively influence sustainable SME growth.

3. RESEARCH METHODS

3.1. Research Design, Sample, and Data Collection

This research explores possible associations among recommended parameters using appropriate and pertinent data. Cross-sectional data was gathered for this study (Munawaroh et al., 2024; Qing et al., 2023) via a structured questionnaire. A quantitative survey questionnaire was utilized in this study to test the hypotheses outlined earlier. Employing a questionnaire survey is an effective research method for investigating potential relationships between specific variables and constructs as it captures participants' perceptions (Salkind, 2021). The constructs utilized in this study for measurement purposes were largely drawn from existing literature. While the literature acknowledges the adoption of digital marketing by SMEs, there remains a notable gap in our understanding regarding its specific impact and magnitude on the sustainable growth of SMEs within a country (Kraft et al., 2022; Zhang et al., 2023a). In light of this, we conducted an investigation into the hypotheses within the context of SME research, gathering information specifically from the Indonesian context.

The structured questionnaire comprised two main sections. Section A focused on gathering demographic information from the respondents, while Section B covered the study constructs. More precisely, the questionnaire consisted of thirty-one questions completed by the selected respondents, who were representatives and owners of SMEs. This structured survey was designed and distributed specifically to SME businesses in Indonesia. The researchers employed a combination of both online and offline methods for data collection. This integrated approach, utilizing both online and offline modes, has been increasingly adopted in recent studies. Before initiating the data collection processes, formal authorization was obtained from the selected organizations. The study engaged representatives and owners of SMEs to respond to the questionnaire, leveraging their comprehensive data to obtain substantive insights beneficial to both theoretical understanding and practical applications.

To select study respondents and participants, the researchers employed a randomized sampling technique, specifically using a simple random sampling method (Adichwal et al., 2022). The simple random sampling technique was chosen due to its inherent advantages, including its ability to avoid errors in classification, its lack of bias or prejudice in selection, and its straightforward evaluation of sampling error. Specifically, Indonesia is home to over 4 million SMEs spanning various economic sectors. These sectors encompass manufacturing, construction, microfinance, retailing and wholesaling, services, motor trade, communication, fashion, hospitality, and agribusiness (Indonesia Government, 2024). The researchers applied a simple random sampling technique to select participants from the aforementioned sectors of SMEs and had an equal and fair opportunity to be included in the study sample. The study sample comprised SMEs from sectors such as manufacturing,

restaurants, communication services, fashion, and others. These sectors were specifically chosen because they predominantly utilize digital marketing tools to drive business growth and promote sustainability within the Indonesian SME context. This selection aimed to investigate the impact and effectiveness of digital marketing strategies in these particular sectors.

Through the use of simple random sampling, a total of 458 SMEs were selected for the study. This sample included 158 SME owners, 185 SME managers, 87 IT managers, and 28 other departmental representatives who were chosen randomly. SME owners and managers were specifically selected because they are responsible for making decisions regarding technology adoption and implementation, and they possess knowledge of both internal and external business environments. It's important to clarify that the study utilized a cross-sectional research design for data collection. This design involves gathering and analyzing data at a single point in time, as opposed to a longitudinal research approach that involves data collection over an extended period.

Before commencing the main data collection, a pilot study involving 50 participants was conducted to assess the validity and reliability of the constructs, using anticipated Cronbach alpha values. The data collection phase spanned four months, from December 2023 to March 2024. Respondents were requested to allocate eight to ten minutes to answer the specified questions. Researchers emphasized that participants should not include any personal information such as names, places of business or work, etc., to ensure that the research adhered to high ethical standards (Alsyoud et al., 2022). After removing the incomplete, duplicate, and inconsistent responses from some of the completed questionnaires, the conceptual framework, and finally the study hypotheses, the methodology was finalized using a PLS-SEM, partial least squares, and structural equation modeling, specifically, the SmartPLS 3.3 version of the software. Partial least square-structural equation modeling was adopted to be the sole processor of the data and its analysis in this study due to its ability to create extremely complex models and the method's flexibility in terms of data requirements and measurement specifications.

3.2. Measurement of Construct

When establishing the validity of the concepts, the researchers drew upon insights from prior research. Consequently, the study constructs, such as SMEs' sustainable growth (Chatterjee et al., 2021). actual use of digital marketing (Dahiya & Gayatri, 2017; Lin, 2007). behavioural intention to use digital marketing (Kazaure et al., 2020; Lee, 2009; Nimfa et al., 2021; Venkatesh et al., 2003) perceived behavioural control (Cheng et al., 2006; L. Wu & Chen, 2005) subjective norm (Acheampong & Cugurullo, 2019; Venkatesh et al., 2003) attitude towards digital marketing (Ahene Djan, 2021; Grandón & Ramírez-Correa, 2018; Lee, 2009; Rahman et al., 2017) derived from existing literature. A five-point Likert scale was utilized to assess these constructs, with response options ranging from Completely Disagree (1) to Completely Agree (5). Respondents indicated their level of agreement or disagreement with the approach used to measure these constructs using this scale. The Likert scale was chosen for its efficiency and ease of completion compared to open-ended questions, allowing respondents to provide feedback more quickly and straightforwardly.

3.3. Multicollinearity Test

According to (N. Kock, 2015) common method bias in PLS-SEM is caused by the measurement methods used (i.e. Likert-type scales) and can be identified by looking at the multicollinearity test (Henseler et al., 2015). For the structural model's independent constructs, the multicollinearity test is used to determine whether there are strong relationships between them (inner model) (Podsakoff et al., 2003). This test identifies possible concerns if there is a significant correlation between an external variable's dimension and the endogenous variable. The multicollinearity test in PLS-SEM can be examined through the variance inflation factor (VIF), and the value must be less than 10, which is the level of concern for collinearity (Hair et al., 2019).

3.4. Data Analysis and Technique Tools

The data for this study was entered and organized using Excel 2010. SPSS software was used to provide a demographic overview for the participants. This assessment used PLS-SEM software to assess both the measurement and structural model (Qing et al., 2023). The data for this study were analyzed using PLS-SEM. PLS-SEM was chosen for a variety of reasons. PLS-SEM is particularly useful for extremely complicated prediction models with non-normal data, formative measured constructs, and small sample sizes (Hair et al., 2017; Munawaroh et al., 2024). This makes it preferable to co-variance-based SEM. Predictions are based on an analysis of numerous factors. As a result, the use of PLS-SEM with Smart-PLS is warranted in this study because of the predictive value it provides. In addition, Smart-PLS was chosen over AMOS because it can return results from both a sophisticated measurement and a structural model at once. Moreover, it can estimate path models using latent variables. PLS-SEM can include information from each level of an attribute to show the characters as a full image in the overall model (Hair et al., 2017).

4. RESULT AND DISCUSSION

4.1. Research Result

4.1.1. Demographic Profile

The demographic information of the respondents is shown in Table 1. It shows that a total of 458 respondents, 31,3% were female and 68,7% were male. A total of 45,85% were aged 26-35%, and 39,30% has a degree educational level. 35,37% of the respondents work for or own businesses characterized as micro-enterprises. The statistic indicates that the largest proportion (approximately 40.61%) of respondents in the survey are involved in the restaurant industry. The statistic of 69.86% indicates a strong prevalence of digital transformation strategies among the surveyed firms. This means that a substantial majority of the surveyed respondent have implemented or are actively pursuing digital transformation initiatives. 41,48% of respondents indicate a level of internet usage that is neither extremely high nor low. It suggests that respondents use the internet regularly but not excessively.

Table 1. Demographics Profile and Respondent (N=458)

Variables	Categories	Frequency (N)	%
Gender	Male	315	68,7%
	Female	143	31,3%
Age	Less than 25 years	65	14,19%
	26-35	210	45,85%
	36-45	150	32,75%
	Above 45 years	33	7,20%
Educational Level	High School	112	24,45%
	Diploma	102	22,27%
	Degree	180	39,30%
	Masters	64	13,97%
Number of Employees	Micro (1-10 employees)	162	35,37%
	Small (11-50 employees)	115	25,10%
	Medium (51-100)	102	22,27%
	Large (above 100)	79	17,25%
Work Experience	1-3 years	118	25,76%
	4-7 years	269	58,73%
	Above 7 years	71	15,50%
Business Sector	Restaurant	186	40,61%
	Fashion	119	25,98%
	Communication Services	65	14,19%
	Manufacturing	34	7,42%
	Other	54	11,80%
Business Position	Owners	175	38,20%
	Managers	158	34,49%
	IT Managers	80	17,46%
	Others	45	9,8%
Does your firm have digital transformation strategy (DTS)?	Yes	320	69,86%
	No	138	30,13%
How often do you use the internet?	Minimum	135	29,47%
	Basic	43	9,38%
	Moderate	190	41,48%
	Extensive	90	19,65%

4.1.2. Model Assessment

The current studies have employed Jöreskog's Rho (pc) and Cronbach's alpha coefficients to thoroughly examine the reliability and validity of the constructs utilized in the scholarly literature on PLS-SEM (F. Kock et al., 2021). F. Kock et al. (2021) indicated

that when the coefficient values are greater than 0.5 as indicated in Table 2 below, it implies that the construct coefficients are strong and therefore meet the minimum threshold. To measure the psychometric qualities of the constructs, SmartPLS version 3.3 was used. Again, the composite reliability of the constructs, as shown in Table 2 below, indicates that Jöreskog's Rho (ρ) and the composite reliability meet the minimal and maximal levels of 0.7 and 0.8, respectively. The composite reliability values for the coefficients' constructs were 0.914 and 0.987, and a baseline threshold of 0.5 was noted for the average variance extracted (AVE), or convergent validity, as shown in Table 2.

Table 2. Validity and Reliability Construct Results

Construct	Cronbach's Alpha	Joreskog's Rho	Composite Reliability	Average Variance Extracted (AVE)
Attitude Towards DM	0,924	0,906	0,946	0,765
Perceived Behavioral Control (PBC)	0,908	0,940	0,923	0,815
Subjective Norm	0,913	0,915	0,939	0,881
Intention to Use DM	0,917	0,928	0,945	0,886
Actual Use of DM	0,869	0,838	0,914	0,769
SMEs Sustainable Growth	0,962	0,946	0,987	0,863

Source: Field Data (December 2023 – February 2024, PLS 3.3)

According to Zhou et al. (2022) the study prioritized the careful analysis and appropriate assignment of factor loadings to respective dimensions or variables, aiming to satisfy the critical assumption of the analysis regarding construct evaluation. Therefore, Table 3 below satisfied this assumption with a threshold of 0.6, indicating the effectiveness of the indicators. Additionally, values such as 0.815 and 0.964, respectively, were recorded as the minimum and maximum loadings of the constructs used. The researchers' keen interest in multicollinearity led them to utilize the common method variance (CMV) approach during the validation of the variance inflation factor (VIF). This method was employed to identify and address issues related to multicollinearity in the study. Contrary to concerns about common method variance, multiple studies indicated that the variance inflation factor (VIF) for the various indicators utilized in the analysis remained below the maximum threshold of ten, suggesting that common method variance was not a significant issue in these studies (Attor et al., 2022; Kumar, 2012).

Table 3. Construct Items, Loading factor, and Variance Inflation Factor (VIF)

Construct	Indicator	Loading	VIF
Attitude	ATTD1	0.949	4.065
	ATTD2	0.877	4.319
	ATTD3	0.843	3.785
	ATTD4	0.912	3.635
Perceived Behavioral Control (PBC)	PBC1	0.864	2.653
	PBC2	0.817	4.742
	PBC3	0.863	3.655
	PBC4	0.890	3.981
Subjective Norm	SUNO1	0.964	4.315

Construct	Indicator	Loading	VIF
	SUNO2	0.932	4.705
	SUNO3	0.915	3.995
	SUNO4	0.962	3.762
Intention to Use DM	INTU1	0.953	4.878
	INTU2	0.899	4.365
	INTU3	0.918	4.064
	INTU4	0.865	4.412
Actual to Use DM	ATU1	0.923	4.315
	ATU2	0.841	4.808
	ATU3	0.949	4.025
	ATU4	0.877	4.111
SME Sustainable Growth	SSG1	0.912	3.782
	SSG2	0.864	4.543
	SSG3	0.832	3.810
	SSG4	0.815	3.128

Source: (Data Process 2024 SMART PLS 3.3 Software)

Assessing the discriminant validity of study variables is essential in academic research. To achieve this goal, researchers are encouraged to employ the 1981 Fornell-Larcker criteria to ascertain the discriminant validity of latent variables (Fornell & Larcker, 1981). It is deduced from the table below that all the values on the diagonal, respectfully meet the threshold requirement of above 0.5 as the baseline for its measurement, which also shows the average variance extracted. The essential and rigorous assumptions of the research constructs were developed after the AVE was required to have higher values in comparison to the other constructs, as seen in the discriminant validity table below, under the Fornell–Larcker criteria.

Table 4. Discriminant Validity Fornell–Larcker Criterion

Construct	Attitude	Perceived Behavioral Control	Subjective Norm	Intention to Use DM	Actual To Use DM	SME Sustainable Growth
Attitude	0.876					
Perceived Behavioral Control	0.556	0.916				
Subjective Norm	0.618	0.828	0.865			
Intention to Use DM	0.718	0.709	0.728	0.848		
Actual To Use DM	0.665	0.843	0.672	0.543	0.835	
SME Sustainable Growth	0.782	0.723	0.798	0.650	0.682	0.905

Source: (Data Process 2024 SMART PLS 3.3 Software)

4.1.3. Structural Modelling-Path Analysis

As shown in Table 6, the R^2 values for intention to use digital marketing, actual use of digital marketing, and sustainable SME growth are 57%, 78% and 82% respectively.

Table 5. An estimate of the Hypothesized Structural Path Model Significance

Construct	Beta	Sample Mean (M)	Standard Deviation	T-Statistics	p-Values	Test Outcome
Attitude → Intention to Use DM	0.408	0.415	0.078	5.621	0.000	Supported
Perceived Behavioral Control → Intention to Use DM	0.060	0.082	0.049	1.283	0.189	Not Supported
Subjective Norm → Intention to Use DM	0.308	0.314	0.083	4.528	0.000	Supported
Intention to Use DM → Actual Use of DM	0.585	0.549	0.050	13.876	0.000	Supported
Subjective Norm → Actual Use of DM	0.439	0.446	0.065	11.433	0.000	Supported
Actual Use of DM → SME's Sustainable Growth	0.855	0.892	0.025	54.042	0.000	Supported

Source: (Data Process 2024 SMART PLS 3.3 Software)

Table 6. Coefficient of Determined (R^2)

	R-Square	R-Square Adjusted
Intention to Use DM	0.578	0.543
Actual Use DM	0.789	0.767
SMEs Sustainable Growth	0.824	0.811

Source: (Data Process 2024 SMART PLS 3.3 Software)

4.2. Discussion

4.2.1. Attitude Towards Digital Marketing Toward the Behavioral Intention to Use Digital Marketing

The study hypothesized that attitudes toward digital marketing would positively influence the intention to use digital marketing. This finding is consistent with (Abbas & Mehmood, 2021; Adu-Gyamfi et al., 2022), identified a positive association between individuals' attitudes towards digital marketing and their intentions to adopt and utilize digital marketing strategies. Considering the H1 of this current study, a p-value of 0.000 was obtained, which makes the proposed hypothesis support the reference works (Abbas & Mehmood, 2021; Adu-Gyamfi et al., 2022). Abbas & Mehmood (2021) highlights the significance of attitude in shaping individuals' predispositions towards technology, influencing both their decision to adopt new technologies and their subsequent usage patterns. An individual's attitude towards a phenomenon, characterized by their beliefs about it, can causally influence their actions (Adu-Gyamfi et al., 2022). In line with Dajani et al. (2022) research, this study suggests a positive relationship between the attitudinal tendencies of potential users and their intention to utilize marketing tools. In other words, individuals

with favorable attitudes toward technology are more likely to adopt and use technology-supported marketing tools.

4.2.2. Perceived Behavioral Control Toward the Intention to Use Digital Marketing.

This hypothesis is not supported by the results of the current study, where a p-value of 0.189 was obtained as against the reference works (Hung et al., 2018; Tan & Teo, 2000). Although a previous study reveals a significant influence of perceived behavioral control on individuals' intention to utilize technology (Hung et al., 2018; Tan & Teo, 2000), this current study result suggests otherwise. Prior research suggests that perceived behavioral control acts as a mediating factor in the association between intentions to adopt technology (Alhakimi & Esmail, 2020; Chua et al., 2020; Orzan et al., 2012). It is recognized that the increasing importance of maintaining an online presence for emerging businesses is closely tied to the behavioral patterns of users. Essentially, individuals' motivation and proficiency in carrying out an action are determined by their behavioral intention (Nguyen et al., 2019), contrary to what the study result suggests.

4.2.3. Subjective Norm Toward the Intention to Use Digital Marketing.

According to Hohman et al. (2016), actions can be interpreted given that an individual's motivations are driven by certain behavioral controls. Social factors may drive the decision to adopt the ideal or philosophy of an underlying activity. Hence, the study posited that subjective norms would positively affect SMEs' intentions to use digital marketing. This hypothesis was supported by the findings of (Hsu & Lin, 2008). Social norms influence a significant individual's decision to utilize a particular technology (Riantini et al., 2021). This indicates that the impact of subjective norms on behavioral intentions is substantial, suggesting a positive relationship between subjective norms and intentions to utilize digital marketing strategies (Al-Emran et al., 2022; Ha & Khoa, 2021).

4.2.4. Behavioral Intentions to Use Digital Marketing Toward the Actual Use of SMEs' Digital Marketing.

Moreover, the research hypothesized a positive relationship between behavioral intentions to utilize digital marketing and the actual implementation of digital marketing strategies by small and medium-sized enterprises (SMEs). The hypothesis received support with a statistically significant p-value of 0.000, affirming the substantial impact of intentions to employ digital marketing on the practical adoption of digital marketing practices within SMEs. This finding aligns with previous research (Al-Emran et al., 2022; Al-Khaldy et al., 2022), confirmed the positive influence of intentions to utilize digital marketing on the actual use of digital marketing practices within SMEs. Furthermore, it was also evident from the findings (Efthymiou et al., 2022), indicate a strong and positive relationship between the intention to use technology and its actual implementation. Both studies corroborate that the intention to use directly influences the actual adoption of technology, thus validating these results.

4.2.5. Subjective Norm Toward the Actual Use of SMEs' Digital Marketing.

The hypothesis that subjective norms positively influence the actual use of digital marketing is supported by the study results, evidenced by a significant p-value of 0.000.

Additionally, it is recognized that the intention to use technology inherently pertains to behavioral aspects (J.-H. Wu & Wang, 2005). Intentions are primarily demonstrated through behavior, reflecting an individual's inclination to adopt a technology. In the context of digital marketing, the intention to take action is driven by specific purposes, which in turn are influenced by certain antecedents or predictors (Luarn & Lin, 2005; Miraz et al., 2022). Therefore, it seems that the choice to embrace digital marketing is based on the expectation that it will enable the digital transformation of businesses. Consequently, the intention to adopt digital marketing technology is motivated by individuals' aspirations. This assertion further suggests that an individual's subjective norms influence both their intentions and the actual usage of technology. For example, Sussman & Gifford (2019) research argues that the adoption of digital marketing and the intention to use information technologies are directly influenced by an individual's subjective norms. This implies that, though subjective norms (Riantini et al., 2021), demonstrate that subjective norms not only influence behavioral intention to use digital marketing but also directly impact the actual usage of digital marketing. This highlights the significant role of subjective norms in both intention formation and subsequent behavioral outcomes in digital marketing adoption have a direct effect on behavioral intentions.

4.2.6. Actual Digital Marketing Usage Towards Sustainable SME Growth.

The evidence from the present study shows that the use of digital marketing has a positive impact on the sustainable growth of SMEs, as indicated by a significant p-value of 0.000, supporting Hypothesis 6. This finding is also consistent with the outcomes of previous studies (Singh et al., 2019). Nasiri et al. (2022) investigated the role of digital orientation in sustainable innovation among small businesses argue that the innovative capacity of SMEs is enhanced by their pursuit of increased market share and competitiveness. The evidence presented in the current study also supports (Pavlou, 2003), SMEs' sustainable growth is significantly influenced by digital marketing technologies such as social media. Moreover, research by confirms that the adoption and utilization of digital technologies, particularly digital marketing tools, promote idea generation, thereby enhancing the performance and growth of SMEs (Zhang et al., 2023). Considering that SMEs' growth is a precursor to competitive sustainability, it is reasonable to infer that the actual utilization of digital marketing positively impacts their growth. The study found that digital marketing platforms serve as effective mediums that assist SMEs in achieving business growth through improved customer communication, streamlined back-end operations, expansion of customer base, and increased sales turnover.

Therefore, it is crucial for SMEs in Indonesia to view digital marketing tools as strategic partners and integrate them to enhance performance, ultimately achieving competitive advantage and reducing marketing costs. Additionally, SMEs in Indonesia can improve customer relationships, enhance information accessibility, and compete effectively in the market by leveraging digital marketing strategies. The study's outcomes highlight that digital technologies have become indispensable for achieving sustainable growth. In summary, the impact of adopting digital marketing on SMEs' sustainable growth is substantial when SMEs prioritize the use of digital marketing tools for business activities and operations, aiming to achieve sustainable development goals. When SME managers and owners demonstrate clear intentions towards adopting and utilizing digital marketing, there is a higher likelihood of

SMEs effectively leveraging digital marketing, resulting in significant performance improvements.

5. CONCLUSION

This study examined the impact of digital marketing on the sustainable growth of SMEs in Indonesia. Employing the theory of planned behavior as its framework, the study formulated six hypotheses to address its main objective. A questionnaire was administered to 458 owners of small and medium-sized enterprises (SMEs) in Indonesia, and data analysis was conducted using SmartPLS version 3.3. Out of the six hypotheses, five were supported by the data. The study found that perceived behavioral control does not have a significant direct effect on the intention to use digital marketing. However, attitudes and subjective norms were identified as factors influencing individuals' intention to use digital marketing. Furthermore, the study examined the relationship between intention to use digital marketing and the actual use of digital marketing, with the subjective norm moderating this relationship. Most importantly, the study's findings concluded that the usage of digital marketing has a direct and positive impact on the sustainable growth of SMEs. This highlights the significance of digital marketing adoption for enhancing the growth and competitiveness of SMEs in Indonesia.

The significant impact observed can be attributed to the effective utilization of digital marketing technologies, which result in increased customer bases, improved relationships, and enhanced performance. This study contributes to understanding the diverse factors influencing the behavioral inclinations of firm managers in adopting digital platforms to enhance sustainable growth. Furthermore, the study proposes marketing strategies aimed at educating and benefiting SME owners and managers regarding behavioral factors that promote digital adoption, facilitating effective decision-making in adoption processes. Additionally, the study highlights the importance of digital marketing in responding to a dynamic business environment. It is concluded that essential components of digital marketing are expected to accelerate the pace of SME business growth, thereby supporting the country's economy. The study emphasizes the incorporation of digital technologies into SME marketing strategies to facilitate effective promotion of goods and services, continuous customer communication, innovation, and addressing global challenges related to SMEs' sustainable growth.

Therefore, SMEs in Indonesia should embrace digital marketing tools such as e-marketing, social media marketing, search engine marketing, and content marketing to raise awareness and remain competitive in the dynamic market landscape. The findings of this study offer valuable insights and guidelines for potential adopters of digital platforms to integrate into their sustainability strategies. Furthermore, the results of this study can serve as a useful resource and foundational study for researchers interested in studying SME sustainability within the Indonesian context. It could assist scholars in developing a comprehensive framework for adopting digital marketing strategies tailored to SMEs.

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