

Research Paper

The New CX Marketing Advantages Model as a Predictor of Marketing Performance of MSMEs

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ABSTRACT

Rapid digital transformation and increasingly complex consumer behavior demand new approaches in marketing strategies. To address this issue, this study examines the effect of innovation and digital marketing on the marketing performance of MSMEs in Banten Province, Indonesia, and introduces the New CX Marketing Advantages model, which offers an innovative framework to improve marketing performance, particularly for MSMEs. This study employs a quantitative approach to small and medium enterprises operating in KBLI-10 or the food industry in Banten Province. Through multistage sampling using purposive and proportional random sampling methods, 347 MSME actors were identified as respondents in this study. Data were collected using survey methods and analysed using simple and multiple linear regression involving three stages: instrument testing (validity and reliability tests) and hypothesis testing through structural equation modelling (SEM) with data processing techniques utilising the Confirmatory Factor Analysis (CFA) measurement model. The results show that digital marketing and innovation have a positive and significant effect on marketing performance, both partially and simultaneously. Therefore, this study implies that the more MSMEs engage in innovation and enhance digital marketing efforts, the greater is the opportunity to improve their marketing performance.

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Introduction

Micro and small enterprises (MSMEs) significantly outnumber medium and large enterprises in Indonesia. However, according to BPS-Statistics Indonesia (2020), Banten Province still has a lower number of micro and small business units than other areas. MSMEs in Banten Province lag behind in utilising the Internet for marketing and innovation purposes (see Table 1). The use of the Internet among micro and small enterprises (MSEs) for various needs such as promotion or advertising, product sales, raw material procurement, loans, and information searches is still relatively low. Out of 107,677 small and medium enterprises in total, only 23,554 units (21.87%) have utilized the Internet. Conversely, the majority, 84,123 units (78.13%), had not adopted Internet use. This reflects the significant digital divide in the MSE sector. The low adoption of Internet technology may be due to several factors, including the lack of technological infrastructure, limited access to digital education, and lack of awareness of the potential benefits of using the Internet for business development (Chatzoglou et al., 2018; Chatzoglou & Chatzoudes, 2016; Das et al., 2020).

Table 1. Number of Micro and Small Enterprises (MSEs) in Banten Province Using the Internet

Regency/ City	Number of MSMEs	the Haven't used Internet	the Using the Internet	Purpose of Using the Internet				
				Promotion	Product sale	Purchase of Raw Materials	Fintech Lending	Information Search
Pandeglang	20,584	19,898	686	224	445	290		122
Lebak	29,356	27,527	1,829	1,186	1,755	352		128
Tangerang	15,866	8,697	7,169	4,470	5,327	5,232	448	4,142
Serang	11,397	9,725	1,672	316	1,577	359		80
Tangerang	9,537	3,744	5,793	3,195	4,439	2,360	211	2,470
Cilegon	6,408	5,686	722	356	406	489		208
Serang	4,833	4,043	790	362	774	351		294
South Tangerang	9,696	4,803	4,893	3,197	4,702	1,711		2,085
Total	107,677	84,123	23,554	13,306	19,425	11,144	659	9,529

The small and medium enterprises (SMEs) sector in Banten Province shows a very low level of innovation (see Table 2). Only 5,181 business units (about 4.81%) engaged in innovation, whether in product development, marketing and distribution, technology, production processes, or other types of innovation. Conversely, a significant majority, 102,496 business units, or 95.19%, have not engaged in innovative activities (see Table 2). Factors that may contribute to a low level of innovation include limited resources, lack of access to information and technology, minimal government support, and low awareness of the importance of innovation for business sustainability and growth (Hidayat, 2022; Khouroh et al., 2019). To address this issue, strategic measures are needed, such as increasing access to financing for innovation (Das et al., 2020), providing training and education related

to innovation (Candra et al., 2022; Yun, 2022), and building an ecosystem that supports collaboration between the government, private sector, and academia (Hidayat et al., 2024; Kopalle et al., 2020).

Table 2. Number of Micro and Small Enterprises (MSEs) in Banten Province Engaging in Innovation

No	Regency/City	Number of Businesses	of Innovating	Not Innovating
1	Pandeglang	20,584	100	20.484
2	Lebak	29,356	84	29.272
3	Tangerang	15,866	2,736	13.130
4	Serang	11,397	99	11.298
5	Tangerang	9,537	1,004	8.533
6	Cilegon	6,408	253	6.155
7	Serang	4,833	105	4.728
8	South Tangerang	9,696	800	8.896
Banten		107.677	5,181	102,496

Thus, SMEs in Banten can be encouraged to innovate more, ultimately enhancing their competitiveness and contribution to the regional and national economy. Innovation can scaffold regional economies (Kraus et al., 2021). Innovation and competitiveness help improve SME performance (Le & Ikran, 2022). Problems related to competitive advantage are caused by low capability in digital marketing and innovation (Chinakidzwa & Phiri, 2020; Setyaningsih, 2021; Wang, 2020). The low capability in digital marketing and innovation causes MSMEs to struggle in maintaining competitive advantage and expanding market reach (Gao et al., 2023; Mavilinda et al., 2021). The marketing of MSME products tends to reach only household consumers.

Ultimately, traditional and digital marketing show minimal differences in the industry (Nuseir et al., 2023). The development of information and communication technology has transformed the marketing paradigm by utilising digital technology to create superior customer experiences (Feblicia & Cuandra, 2022; Hoyer et al., 2020; Kapoor & Kapoor, 2021). Customer expectations are shifting due to the emergence of new businesses (Keiningham et al., 2020; Lee & Lee, 2020), many with significant digital components (Bonnet & Westerman, 2020), and new market entrants that disrupt established norms, such as WhatsApp, altering traditional communication paradigms (George & Baskar, 2024; Gupta et al., 2022). The New CX Marketing Advantages model emerges, offering an innovative framework to enhance marketing performance, particularly for MSMEs. Strong customer experience (CX) is essential for fostering business growth (Bennett & Molisani, 2020). The concept of CX Marketing emphasizes the importance of providing a holistic customer experience from the beginning to the end of interactions with the company (Lipkin, 2016). The CX Marketing model offers an integrated approach by leveraging digital technology and data analytics to enhance customer satisfaction and overall marketing performance (Hamid et al., 2021; Aisyah & Harto, 2024). The evolution of marketing from Marketing 1.0 to 5.0 reflects changes and adaptations of market players to technological developments and consumer behavior (Triansyah, 2024).

CX Marketing in the era of Marketing 4.0 highlights the importance of customer experience as the main focus. Customer experience plays a prominent role in marketing (Hoyer et al., 2020). Customer experience refers to the perceptions, both conscious and subconscious, that consumers or users have about their relationship with a brand, shaped by all interactions throughout the customer's lifecycle (Nuseir, 2023). Customer experience plays a critical role in the ability of companies to differentiate themselves from their competitors (Pei et al., 2020; Pekovic et al., 2020; Peppers & Rogers, 2016). Customers now expect exceptional customer experiences not only from large multinationals but also from small and medium-sized enterprises (Bagale et al., 2021; Stocker & Várkonyi, 2022). Hence, MSMEs are required to cultivate the necessary qualities and capabilities to deliver outstanding services (Nuseir, 2023).

However, the adoption of this model among MSMEs in Banten remains limited and requires empirical research for further validation. Currently, there is little empirical research on the effectiveness of this model, particularly within the context of MSMEs in Banten Province. Given the unique characteristics and conditions of MSMEs in this region (Istianingsih & Suraji, 2024), it is crucial to evaluate whether the New CX Marketing Advantages Model can significantly predict marketing performance. This research focuses on digital marketing as a predictor of the competitive advantage and marketing performance of MSMEs in Banten Province.

This study introduces a New CX Marketing Advantages Model by integrating Marketing 5.0, Levitt's Market Globalisation, Porter's Competitive Advantage, Social Marketing Theory, and Market Performance Methods. It focuses on MSMEs in a province with eight cities/regencies for broader generalisation, synthesises dimensions from previous studies, and develops new hypotheses to expand the existing model. We delve deeper into the management of digitalisation and product innovation as variables deemed capable of enhancing marketing performance through competitive advantage in MSMEs in Banten Province.

Hypothesis Development

The use of technology is key to increasing the competitiveness and contribution of MSMEs to the national economy (Cichosz et al., 2020; Farias-Gaytan et al., 2022; Firmansyah et al., 2022). Given the massive use of technology in the current marketing world, which must be utilised by the small and medium enterprise sectors in the country, especially in Banten Province, it is crucial to compete to support the national economy in the long term. Firmansyah et al. (2022) show that the relationship between innovation and MSME performance is positive but not significant. Latifah et al. (2021) and Sari et al. (2023) indicate that business strategy indirectly influences MSMEs' performance, with innovation playing a positive mediating role in this relationship. Digital marketing leverages mobile devices, social media platforms, the Internet, search engines, and various other channels to reach and engage with customers (Nuseir et al., 2023). Mehralian and Khazae (2022) proved the effect of digital marketing on the business performance of MSMEs. technology, and innovation play a major role in strengthening the influence of digital marketing capabilities on MSMEs performance (Purwanti et al., 2022). Research by Lestari et al. (2022) and Cichosz et al., 2020 both found that digital marketing had a positive and significant effect on competitive advantage and marketing performance, and competitive advantage had a positive and significant effect on marketing performance. However, both also found that digital

marketing had no significant effect on marketing performance through competitive advantage. This study involves variables related to the marketing performance of MSMEs, innovation, and digital marketing. Therefore, this study proposes the following hypotheses:

H1: Innovation has a positive and significant effect on MSME marketing performance..

H2: Digital marketing has a positive and significant effect on MSME marketing performance

H3: Innovation and digital marketing have positive and significant effects on MSMEs' marketing performance.

Method

Research Design

To achieve the objectives of the study, this employed a quantitative approach to test the effect of innovation and digital marketing on the marketing performance of MSMEs in Banten Province, Indonesia.

Population and Sample

The population in this study was 3,174 MSMEs in KBLI-10 or the food industry in Banten Province, Indonesia. The sampling technique used was multistage sampling, employing both purposive sampling and proportional random sampling methods, conducted effectively and efficiently. The sample size calculation is based on the requirement that the minimum sample size for analysis using the SEM (Structural Equation Modeling) method should be five times the number of indicators. With 66 indicators, the minimum sample size needed for analysis was calculated as $5 \times 66 = 330$.

Data Collection

The research used cross-sectional data collected on-site to gather opinions and perceptions of the sample respondents regarding the research object. This study collected information from two types of sources: primary data, gathered directly for the research, and secondary data, which supports and supplements the study. Primary data sources were collected through questionnaires filled out by respondents, using data collection tools such as interview guides and electronic distribution via Google Forms through digital platforms such as social media and email. Secondary data were sourced from various institutions, including books, journals, documents, and Internet literature related to the research topic.

Data Analysis

The data in this study were analyzed using multiple linear regression with SPSS 26 software, involving three stages: instrument testing (validity and reliability tests) and hypothesis testing through structural equation modelling (SEM) with data processing techniques utilizing the Confirmatory Factor Analysis (CFA) measurement model.

Results

Respondent Demographic Information

In this study, 347 respondents, the distribution by city/regency is as follows: 37 respondents are from Serang Regency, 95 from Lebak Regency, 66 from Pandeglang Regency, and 51 from Tangerang Regency. Additionally, 21 respondents are from Cilegon

City, 16 from Serang City, 30 from Tangerang City, and 31 from South Tangerang City, as summarized in [Table 3](#).

Table 3. Descriptive Characteristics of Respondents Based on Origin City/Regency

Profile	Frequency	Persentase (%)
Serang	37	10.66%
Lebak	95	27.38%
Pandeglang	66	19.02%
Tangerang	51	14.70%
Cilegon	21	6.05%
Serang	16	4.61%
Tangerang	30	8.65%
Tangerang Selatan	31	8.93%
Total	347	100%

Of the 347 respondents who used online media profiles for marketing their products, 310 (89.34%) used Facebook, while 37 (10.66%) did not. Regarding Instagram, 29 respondents (8.36%) use it for marketing, while 318 respondents (91.64%) do not (see [Table 4](#)). All 347 respondents (100 %) used the WhatsApp (WA) application for marketing their products. Meanwhile, 29 respondents (8.36%) used YouTube for marketing, while 318 respondents (91.64%) did not. Additionally, 71 respondents (20.46%) used TikTok for marketing, while 276 (79.54%) did not.

Table 4. Descriptive Characteristics of Respondents Based on the Applications Used

Social Media	Number of User	Percentage (%)
Facebook		
Use Facebook	310	89.34%
Not Using Facebook	37	10.66%
Total	347	100.00%
Instagram		
Use	29	8.36%
Not Using	318	91.64%
Total	347	100.00%
YouTube		
Use	29	8.36%
Not Using	318	91.64%
Total	347	100.00%
WhatsApp (WA)		
Use	347	100.00%
Not Using	0	0
Total	347	100.00%
TikTok		
Use	71	20.46%
Not Using	276	79.54%
Total	347	100.00%

Validity and Reliability

Digital marketing variable

The validity test conducted in this study evaluates the validity of indicators (DM1 to DM14) using correlation coefficients (r-count) compared to a critical value from the correlation table (r-table). Each indicator shows a significant correlation coefficient (r-count) with p-values (Sig.) of 0.000, indicating statistical significance at the 0.05 alpha level. This suggests that all indicators are valid measures, as their correlations exceed the critical values. Therefore, this study concludes that these indicators effectively capture and measure their respective constructs within the research framework.

Table 5. Validity Test of Digital Marketing Variable (DM)

Indicator	r-count	r-table	Sig.	α	Conclusion
DM1	0.661	0.3610	0.000	0.05	Valid
DM2	0.898	0.3610	0.000	0.05	Valid
DM3	0.860	0.3610	0.000	0.05	Valid
DM4	0.758	0.3610	0.000	0.05	Valid
DM5	0.900	0.3610	0.000	0.05	Valid
DM6	0.541	0.3610	0.002	0.05	Valid
DM7	0.869	0.3610	0.000	0.05	Valid
DM8	0.674	0.3610	0.000	0.05	Valid
DM9	0.880	0.3610	0.000	0.05	Valid
DM10	0.898	0.3610	0.000	0.05	Valid
DM11	0.710	0.3610	0.000	0.05	Valid
DM12	0.855	0.3610	0.000	0.05	Valid
DM13	0.855	0.3610	0.000	0.05	Valid
DM14	0.883	0.3610	0.000	0.05	Valid

The reliability test in this study, conducted using Cronbach's alpha method via SPSS, examined the consistency and stability of the measurement scales. A reliability coefficient (r) of 0.983 was obtained from testing statements that had been previously validated with 30 respondents. This coefficient exceeded the threshold of 0.70, indicating high reliability. Therefore, the digital marketing indicators used in this research are considered reliable for consistently and accurately measuring the intended constructs across repeated measurements.

Product Innovation

All indicators (IP1 to IP15) in the validity test showed correlation coefficients (r-count) that significantly exceeded the critical values (r-table), with p-values (Sig.) uniformly at 0.000, thus satisfying the predetermined alpha level of 0.05. This indicates strong statistical significance, affirming the validity of each indicator as an effective measure of their respective constructs within the study.

Table 6. Validity Test of Product Innovation Variable (IP)

Indicator	r-count	r-table	Sig.	α	Conclusion
IP1	0.869	0.3610	0.000	0.05	Valid
IP2	0.738	0.3610	0.000	0.05	Valid
IP3	0.511	0.3610	0.004	0.05	Valid
IP4	0.837	0.3610	0.000	0.05	Valid
IP5	0.820	0.3610	0.000	0.05	Valid
IP6	0.740	0.3610	0.000	0.05	Valid
IP7	0.869	0.3610	0.000	0.05	Valid
IP8	0.852	0.3610	0.000	0.05	Valid
IP9	0.797	0.3610	0.000	0.05	Valid
IP10	0.822	0.3610	0.000	0.05	Valid
IP11	0.752	0.3610	0.000	0.05	Valid
IP12	0.532	0.3610	0.002	0.05	Valid
IP13	0.687	0.3610	0.000	0.05	Valid
IP14	0.815	0.3610	0.000	0.05	Valid
IP15	0.888	0.3610	0.000	0.05	Valid

Based on the reliability test conducted on 30 respondents, the obtained reliability coefficient (r) of 0.926 exceeds the threshold of 0.70. This indicates that the items measuring product innovation indicators are reliable, demonstrating consistency and stability in their measurements across repeated assessments.

Marketing Performance

All indicators (KP1 to KP12) in the validity test exhibit correlation coefficients (r-count) that significantly exceed the critical values (r-table), with p-values (Sig.) uniformly at 0.000, satisfying the predetermined alpha level of 0.05. This robust statistical significance confirms the validity of each indicator, demonstrating their effectiveness in measuring their respective constructs within the study.

Table 7. Validity Test of Marketing Performance Variable (MP)

Indicator	r-count	r-table	Sig.	α	Conclusion
KP1	0.905	0.3610	0.000	0.05	Valid
KP2	0.979	0.3610	0.000	0.05	Valid
KP3	0.825	0.3610	0.000	0.05	Valid
KP4	0.508	0.3610	0.000	0.05	Valid
KP5	0.950	0.3610	0.004	0.05	Valid
KP6	0.979	0.3610	0.000	0.05	Valid
KP7	0.863	0.3610	0.000	0.05	Valid
KP8	0.979	0.3610	0.000	0.05	Valid
KP9	0.661	0.3610	0.000	0.05	Valid
KP10	0.865	0.3610	0.000	0.05	Valid
KP11	0.950	0.3610	0.000	0.05	Valid
KP12	0.950	0.3610	0.000	0.05	Valid

Based on the reliability test of the Marketing Performance variable, the obtained reliability coefficient (r) of 0.948 exceeds the threshold of 0.70. This indicates that the items measuring marketing performance indicators are reliable, demonstrating consistency and stability in their measurements across repeated assessments.

Confirmatory Factor Analysis (CFA) and Hypothesis Testing

The measurement model testing in this study uses second-order analysis, which is the measurement from variables to the intended indicators. This approach is also called confirmatory factor analysis (CFA) and is used to test the validity and reliability of the indicators used to measure each latent variable. The test results for each indicator are shown in Figure 1.

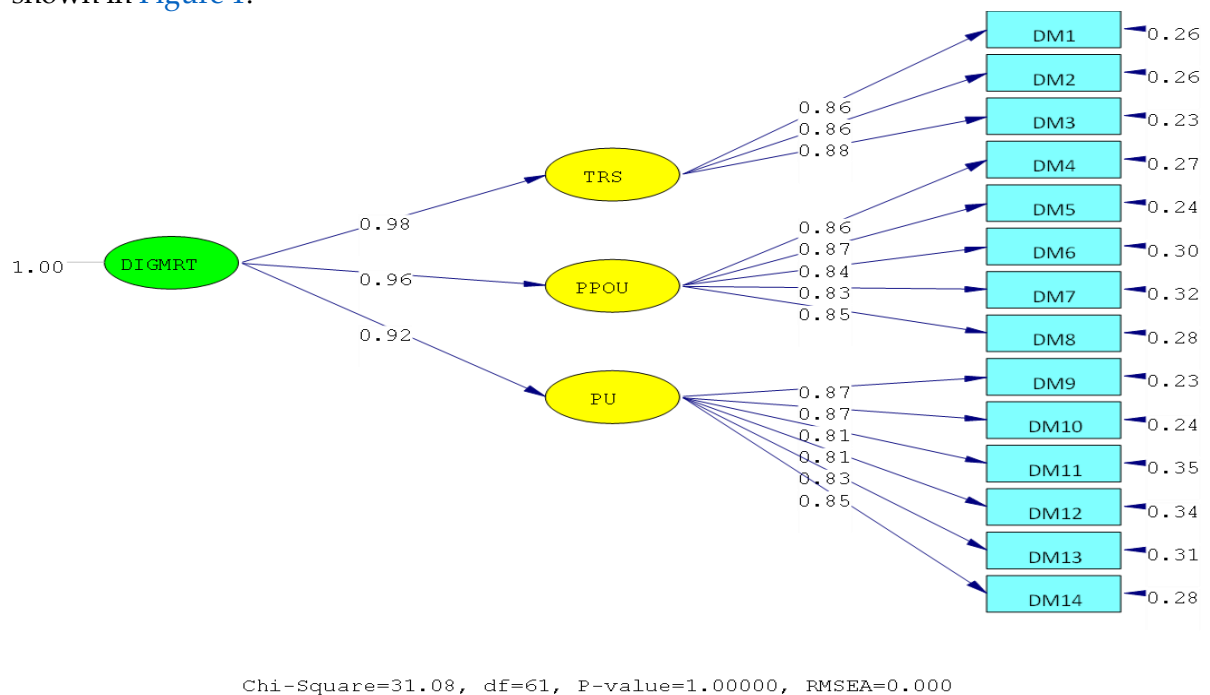


Figure 1. Measurement Results of the Digital Marketing Variable Model

Based on the second-order model measurement results of the digital marketing variable, it was found that all 14 indicators had a standardised loading factor (SLF) of ≥ 0.50 , indicating that all indicators were valid, and none were excluded from the research model. The loading factor results were then used to measure the Variance Extracted (VE) values to support composite validity, with all 14 indicators showing VE values of ≥ 0.50 , indicating composite validity. Meanwhile, the Composite Reliability (CR) results showed values of ≥ 0.70 , indicating that all indicators used have good reliability or consistency in measuring the digital marketing variable.

Furthermore, in the second-order analysis model measurement of the digital marketing variable, the three dimensions, namely trust, PEOU, and PU, were found to have SLF values ≥ 0.50 , and VE values ≥ 0.50 , indicating the validity of these dimensions. The CR results also showed values ≥ 0.70 , indicating good reliability and consistency in measuring each dimension.

Based on the second-order measurement results of the three dimensions of the digital

marketing variable, the trust dimension has the highest SLF value compared to the PEOU and PU dimensions at 0.98. This result indicates that trust is the most dominant factor influencing the digital marketing variable. Trust plays a crucial role in digital marketing, as it is a key factor in ensuring that consumers feel secure when conducting online transactions. Consumers who trust transaction security are more likely to make purchases through digital platforms.

Moreover, trust also helps build and maintain brand reputation. Consumers are more likely to choose brands that they trust, and brands that have built a good reputation have a greater chance of success in digital marketing. The detailed results of the CFA measurements are summarized in [Table 8](#).

Table 8. CFA Test Results of the Digital Marketing Variable

Variable	$\lambda \geq 0.50$	λ^2	Error	$CR \geq 0.70$	$VE \geq 0.50$	Conclusion
Second Order CFA						
Digital Marketing				0.968	0.909	Reliable
Trust	0.980	0.960	0.040			Valid
PEOU	0.960	0.922	0.078			Valid
PU	0.920	0.846	0.154			Valid
First Order CFA						
Trust				0.900	0.750	Reliable
DM1	0.860	0.740	0.260			Valid
DM2	0.860	0.740	0.260			Valid
DM3	0.880	0.774	0.230			Valid
PEOU				0.928	0.719	Reliable
DM4	0.860	0.740	0.270			Valid
DM5	0.870	0.757	0.240			Valid
DM6	0.840	0.706	0.300			Valid
DM7	0.830	0.689	0.320			Valid
DM8	0.850	0.723	0.280			Valid
PU				0.936	0.708	Reliable
DM9	0.870	0.757	0.230			Valid
DM10	0.870	0.757	0.240			Valid
DM11	0.810	0.656	0.350			Valid
DM12	0.810	0.656	0.340			Valid
DM13	0.830	0.689	0.310			Valid
DM14	0.850	0.723	0.280			Valid

The second variable tested was product innovation, using three dimensions consisting of 15 indicators. The results of the measurement of standardized loading factors (SLF) and errors are presented in [Figure 2](#).

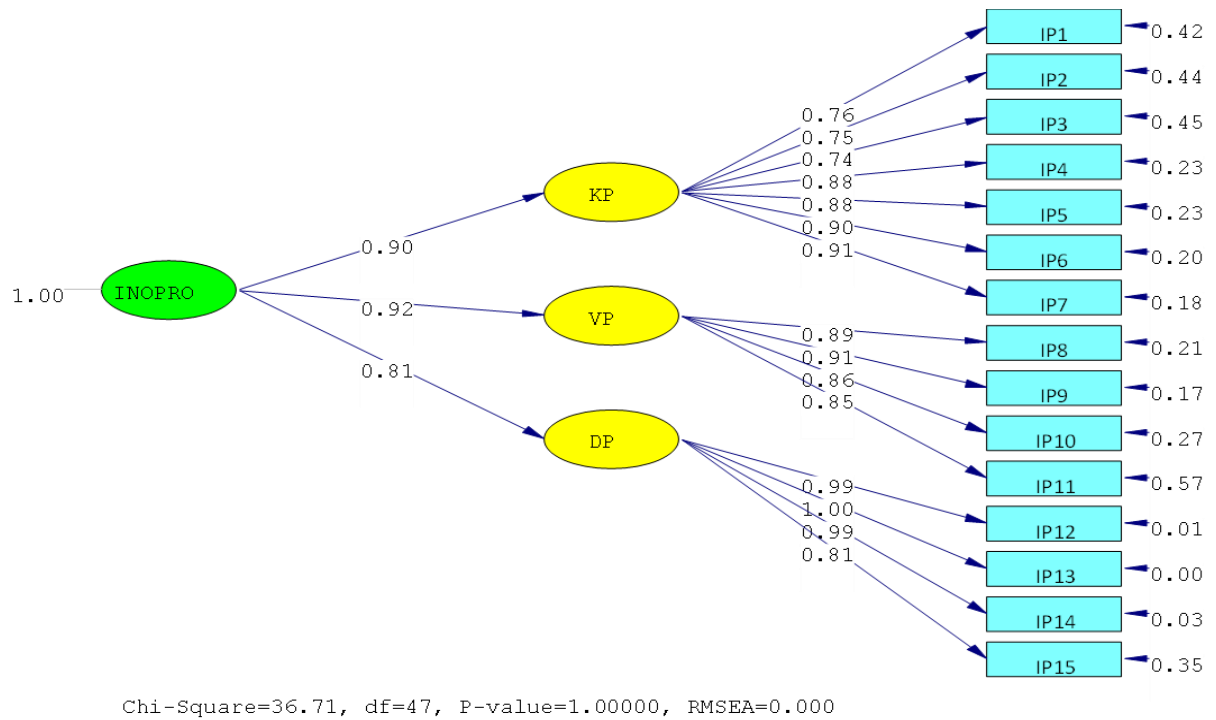


Figure 2. Results of the Product Innovation Variable Model Measurement

Based on the second-order model measurement results of product innovation, all 15 indicators have a standardized loading factor (SLF) of ≥ 0.50 , indicating that all indicators are valid and none are excluded from the research model. The loading factor results were then used to measure the Variance Extracted (VE) values to support composite validity, with all 15 indicators showing VE values of ≥ 0.50 , indicating composite validity. Meanwhile, the Composite Reliability (CR) results showed values of ≥ 0.70 , indicating that all indicators used have good reliability or consistency in measuring the product innovation variable.

Furthermore, in the second-order analysis model measurement of the product innovation variable, the three dimensions, namely product quality, product variety, and product design, were found to have SLF values of ≥ 0.50 and VE values of ≥ 0.50 , indicating the validity of these dimensions. The CR results also showed values of ≥ 0.70 , indicating good reliability and consistency in measuring each dimension.

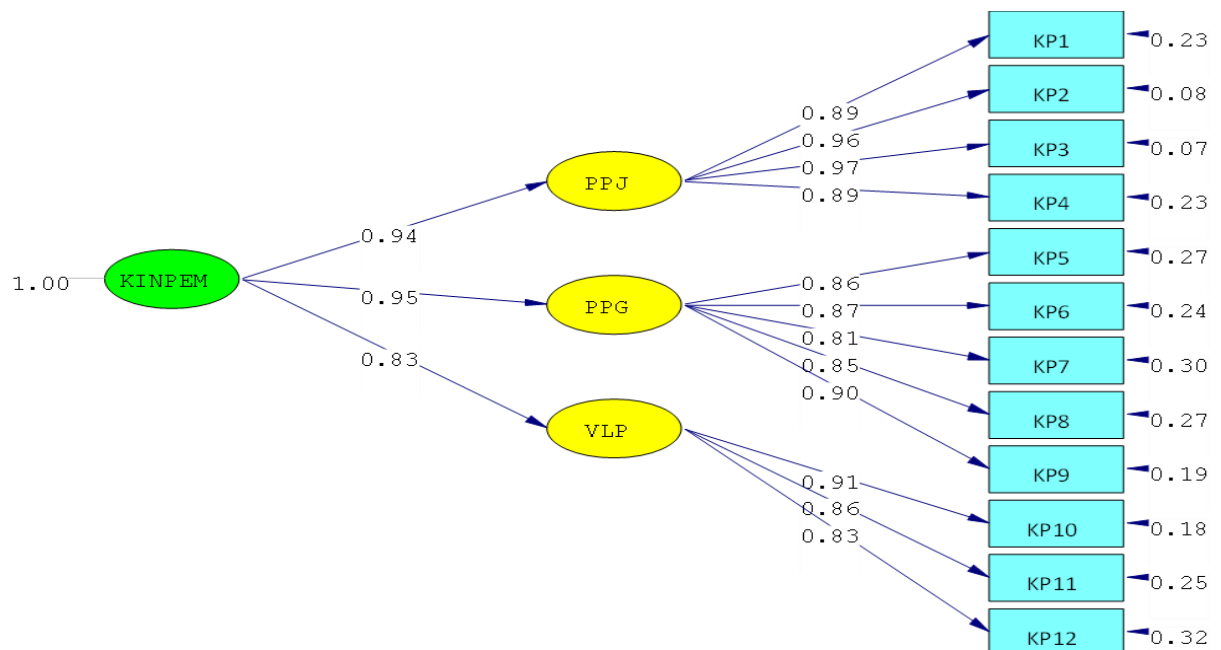
Based on the second-order measurement results of the three dimensions of the product innovation variable, the product variety dimension has the highest SLF value compared to product quality and product design dimensions, at 0.92. This result indicates that the product variety dimension brings significant benefits to consumers, companies, and the overall market. By offering product variations, a company can create opportunities for greater growth by reaching new markets or segments. The detailed results of the CFA measurements are summarized in [Table 9](#).

Table 9. CFA Test Results of the Product Innovation Variable

Variable	$\lambda \geq 0.50$	λ^2	Error	CR ≥ 0.70	VE ≥ 0.50	Conclusion
Second Order CFA						
Product Innovation				0.91	0.771	Reliable

Product quality	0.900	0.810	0.190		Valid	
Product Variants	0.920	0.846	0.154		Valid	
Product Design	0.810	0.656	0.344		Valid	
First Order CFA						
Product quality				0.940	0.694	Reliable
IP1	0.760	0.578	0.420			Valid
IP2	0.750	0.563	0.440			Valid
IP3	0.740	0.548	0.450			Valid
IP4	0.880	0.774	0.230			Valid
IP5	0.880	0.774	0.230			Valid
IP6	0.900	0.810	0.200			Valid
IP7	0.910	0.828	0.180			Valid
Product Variance				0.910	0.716	Reliable
IP8	0.890	0.792	0.210			Valid
IP9	0.910	0.828	0.170			Valid
IP10	0.860	0.740	0.270			Valid
IP11	0.850	0.723	0.570			Valid
Product Design				0.974	0.903	Reliable
IP12	0.990	0.980	0.010			Valid
IP13	1.000	1.000	0.000			Valid
IP14	0.990	0.980	0.030			Valid
IP15	0.810	0.656	0.350			Valid

The results of the testing of the fourth variable, marketing performance, using 12 indicators, yielded the following standardized loading factor (SLF) measurements.



Chi-Square=115.84, df=51, P-value=1.00000, RMSEA=0.000

Figure 3. Results of Marketing Performance Variable Model Measurement

Based on the measurement results of the marketing performance variable model, it was found that all 12 indicators have a standardized loading factor (SLF) of ≥ 0.70 , indicating validity. The loading factor results were then used to measure the Variance Extracted (VE) values to support composite validity, and a VE value of ≥ 0.50 was obtained, indicating composite validity of all 12 indicators. Meanwhile, Composite Reliability (CR) yielded a value of ≥ 0.70 , indicating that all indicators used have good reliability or consistency in measuring the marketing performance variable.

Based on the second-order measurement results of the three dimensions of the marketing performance variable, the customer growth dimension has the highest SLF compared to the sales growth and sales volume dimensions, with a value of 0.95. This indicates that the customer growth dimension is important for competitive advantage because increasing customers can help the company achieve better and increased sales. The detailed results are summarized in [Table 10](#).

Table 10. CFA Test Results for Marketing Performance Variables

Variable	$\lambda \geq 0.50$	λ^2	Error	CR ≥ 0.70	VE ≥ 0.50	Conclusion
Second Order CFA						
Marketing Performance				0.964	0.898	Reliable
Sales Growth	0.940	0.884	0.060			Valid
Customer Growth	0.950	0.903	0.050			Valid
Sales Volume	0.830	0.689	0.170			Valid
First Order CFA						
Sales Growth				0.958	0.850	Reliable
KP1	0.890	0.792	0.230			Valid
KP2	0.960	0.922	0.080			Valid
KP3	0.970	0.941	0.070			Valid
KP4	0.890	0.792	0.230			Valid
Customer Growth				0.914	0.727	Reliable
KP5	0.860	0.740	0.270			Valid
KP6	0.870	0.757	0.240			Valid
KP7	0.810	0.656	0.300			Valid
KP8	0.850	0.723	0.270			Valid
KP9	0.900	0.810	0.190			Valid
Sales Volume				0.900	0.751	Reliable
KP10	0.910	0.828	0.180			Valid
KP11	0.860	0.740	0.250			Valid
KP12	0.830	0.689	0.320			Valid

This study found that digital marketing and product innovation have a positive and significant effect on the marketing performance of SMEs in Banten Province. Both variables were measured using several dimensions and indicators that showed high validity and reliability, in line with the validity and reliability tests conducted using SEM methods.

Discussion

These findings focus on how innovation and digital marketing affect the marketing performance. The results indicate that digital marketing, especially through the trust dimension, significantly assists in the marketing of SME products. Product innovation, especially in the product variety dimension, also contributes significantly to improving marketing performance. Scientifically, these results indicate that effective digital marketing can build consumer trust, which enhances marketing performance.

Diverse product innovation offers a wider choice to consumers, enhances attractiveness and satisfaction, and ultimately drives increased sales and loyalty. Innovation has a significant positive effect on MSME performance (Theresa et al., 2022). Product innovation will all have an impact on increasing MSMEs' performance (Sari et al., 2023). These findings are consistent with previous studies indicating that digital marketing and product innovation are key factors in improving marketing performance. Previous studies (Hasniaty et al., 2019; Kotler et al., 2016; Lestari et al., 2022; Nadanyiova et al., 2021) also found that digital marketing strategies and product innovation significantly enhance marketing performance, especially in the context of SMEs with resource constraints. However, this study strengthens these findings with empirical data from Banten Province, adding a relevant specific context for SMEs in Indonesia.

Meanwhile, strong customer experience (CX) plays a vital role in driving business expansion (Bennett & Molisani, 2020). This trust may stem from the digital marketing's ability to reach a wider audience and provide consistent and reliable information. The result of this study is in line with previous studies (Gao et al., 2023; Mehralian & Khazae, 2022; Purwanti et al., 2022) on the positive and significant association between MSMEs, performance, e-commerce, and digital marketing. Business owners should implement digital marketing to enhance marketing performance by maintaining communication with customers through Internet-based media, making product content relevant to current trends, updating market information, and ensuring efficient customer experiences (Muis et al., 2021). Digital marketing is an advanced advertising method that delivers the information and materials that customers need through a variety of digital tools (Nuseir et al., 2023).

Although these findings are consistent with those of previous research, there are some interesting contextual differences. In some studies, such as those conducted in countries with higher levels of technology adoption, the influence of digital marketing may be more dominant than product innovation (Cichosz et al., 2020; Lee & Falahat, 2019; Marolt et al., 2022). However, in the context of Banten Province, product innovation also shows a very strong influence, perhaps due to a local market that values variety and innovation in food products. This indicates that while basic marketing principles apply generally, their implementation must be adapted to local conditions and market characteristics.

The implications of this study are highly relevant for marketing practitioners and policymakers in the SME sector. Companies must implement a robust digital marketing strategy to drive web traffic, attract potential customers, and facilitate prompt communication by addressing their needs (Nuseir et al., 2023). Additionally, recognizing diverse customer types is crucial for creating personalized experiences that enhance overall customer satisfaction (Hoyer et al., 2022; Jaiswal & Singh, 2020). For practitioners, the importance of adopting digital marketing strategies and continuing to innovate in products cannot be ignored. A digital marketing strategy provides guidance to a business, ensuring

that all marketing efforts are coordinated and aimed at achieving specific objectives (Nuseir et al., 2023; Theresa et al., 2022). These results emphasise the need for policymakers to support SMEs in adopting digital technology and promoting product innovation through training and technical assistance. Digital marketing strategies seamlessly integrate traditional media and response channels, resulting in a more unified marketing effort (Chaffey & Smith, 2022).

To enhance the competitiveness and productivity of MSEs, strategic measures are needed, such as providing digital training, subsidies for technological devices, and improving access to affordable and quality Internet services. These efforts are crucial to ensuring that MSEs can compete in the digital era and contribute more significantly to national economic growth.

Conclusion

The empirical research on the New CX Marketing Advantages Model and its implications for marketing performance, analysed using structural equation modelling (SEM) with the Lisrel 8.80 software program, yielded several conclusions. Digital marketing has a positive and significant influence on marketing performance in the SME sector in Banten Province. The influence of digital marketing is measured using three dimensions. The dimension that has the most dominant influence in shaping the digital marketing variable with the highest standardised loading factor contribution is the trust dimension, with the highest indicator being that digital marketing can help in marketing SME products. Product innovation has a positive and significant influence on marketing performance in the SME sector in Banten Province. The influence of product innovation is measured using three dimensions. The dimension that has the most dominant influence in shaping the product innovation variable with the highest standardised loading factor contribution is the product variety dimension, with the highest indicator being innovation in the pricing of SME products.

Overall, this study successfully demonstrates the importance of digital marketing and product innovation in improving the marketing performance. These findings underscore that effective marketing strategies should integrate digital technology with sustainable innovation. This study also opens up opportunities for further research on how other variables, such as service quality and customer experience, may affect marketing performance in the SME sector.

Authors' Declaration

The authors made substantial contributions to the conception and design of the study. The authors took responsibility for data analysis, interpretation and discussion of results. The authors read and approved the final manuscript.

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