

ABSTRACT

THE IMPACT OF DIGITAL MARKETING ON MARKET PENETRATION AND BUSINESS PERFORMANCE OF FASHION MSMEs IN INDONESIA

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This study addressed the persistent challenge faced by many fashion Micro, Small, and Medium Enterprises (MSMEs) in Indonesia, who remain uncertain about how to effectively implement digital marketing strategies to enhance their business performance. In response to this issue, the research aimed to investigate how digital marketing strategies contribute to improving MSME business performance by leveraging e-market sensing and examining its connection to market penetration power. A quantitative research method was employed, with data collected through questionnaires distributed to 129 fashion MSME practitioners across Indonesia. The data were analyzed using Structural Equation Modeling with the Partial Least Squares (SEM-PLS) approach to assess the proposed conceptual framework. The findings confirmed the acceptance of all hypotheses within the framework. The results indicated that digital marketing capabilities significantly enhanced e-market sensing capability, which in turn positively influenced both market penetration power and overall business performance among fashion MSMEs in Indonesia.

Keywords: Digital Marketing, E-Market Sensing Capability, Market Penetration Power, Business Performance, Fashion MSMEs

