

# DIGITAL ENTREPRENEURSHIP: THE ROLE OF DIGITAL MARKETING, HUMAN CAPITAL AND ENTREPRENEURSHIP ORIENTATION ON THE SUCCESS OF SMALL AND MEDIUM CULINARY BUSINESS

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## Article history:

Received  
2 December 2024

Revised  
17 January 2025

Accepted  
18 February 2025

Available online  
31 May 2025

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## Abstract:

**Background:** In the digital transformation era, digital technology is one of the main strategies for business actors to succeed, especially in facing increasingly tight competition. By utilizing digital technology, entrepreneurs can reach a broader market, increase efficiency in operations, and optimize interactions with customers through various digital platforms.

**Purpose:** This research investigates the influence of digital marketing, the role of human capital, and entrepreneurial orientation on the success of small and medium culinary businesses in Makassar City.

**Design/methodology/approach:** This research uses a quantitative approach focusing on Culinary SMEs in Makassar City. The sample in this research was determined using a purposive sampling method with a sample size of 160 respondents. The collected data were then analyzed using the SEM-PLS method with the help of SmartPLS 4 software.

**Findings/Result:** This research shows that digital marketing significantly influences business success, both directly and indirectly, through entrepreneurial orientation. At the same time, human capital is not directly significant to business success but has a significant influence when mediated by entrepreneurial orientation.

**Conclusion:** The growth of entrepreneurship using digital technology is increasing rapidly, showing the importance of technology in supporting business success. The use of digital marketing and the role of human resources through entrepreneurial orientation are essential factors that can increase the success of culinary SME businesses in the digital era.

**Originality/value (State of the art):** his research jointly analyzes the relationship between digital marketing and human capital in supporting business success through entrepreneurial orientation

**Keywords:** digital entrepreneurship, digital marketing, human capital, entrepreneurial orientation, business success

## How to Cite:

Asmawiyah A., Mukhtar A., & Rahmat R. (2025). Digital Entrepreneurship: The Role of Digital Marketing, Human Capital and Entrepreneurship Orientation On The Success of Small and Medium Culinary Business. Indonesian Journal of Business and Entrepreneurship (IJBE), 11(2), 331. <https://doi.org/10.17358/ijbe.11.2.331>

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## INTRODUCTION

Digitalization is a tool for transforming activities and services in entrepreneurship based on digital technology and a strategy for company success (Elia et al. 2020; Jafari-Sadeghi et al. 2021). In this era of digitalization, various changes have occurred in business aspects, including all kinds of things related to entrepreneurship, which can be seen from the way of interacting, which can be made more accessible by shortening the distance between customers or business partners and can even make it easier to detail data that can be used to summarize data needs. Markets are automatically based on data in digital systems (Hsieh & Wu, 2019). The increasingly rapid technological advances also support the creation of innovations, can strengthen customer relationships, and increase business competitiveness amidst increasingly intense market competition (Nalbant & Aydin, 2023; Noori Hussain et al. 2023). Efforts to increase business success are limited to using technology in marketing and distribution activities and require innovative human resources and a deep understanding of digital market dynamics (Bansal et al. 2023; Khurana et al. 2022).

The phenomenon of the digital era has presented new opportunities and challenges for entrepreneurs throughout the world. Over the last few years, Indonesia's digital economy has experienced rapid development. In almost all corners of the country, the use of digital technology has increased, especially in the business world. The use of digital technology continues to grow to cover almost all corners of the country (Chandra et al. 2022; Haleem et al. 2022). Increasingly advanced technological developments have brought Indonesia into the top four Asian countries with the most internet users after China, India, and Japan. The APJII survey (2023) revealed that in 2023, Indonesia's internet penetration rate will reach 78.19 percent. In other words, as many as 78 out of 100 Indonesians will have used the Internet by 2023. When compared with data in 2018, this figure has increased by 13.39% in the last five years. This shows that Information and Communication Technology (ICT) has experienced rapid development in the previous five years, especially during the pandemic, and the digital economy industry has the potential for positive growth in the future.

As one of Indonesia's big cities, Makassar has experienced growth in the micro, small, and medium

enterprise (MSME) sectors, especially the culinary sector. With the increasing role of technology in everyday life, culinary entrepreneurs need to utilize digital technology to achieve business success. Based on a statement from the Ministry of Cooperatives and MSMEs, it is stated that of the 65 million existing MSMEs, only 17.25 million or around 26.5% of MSMEs are connected to the digital ecosystem (Pratiwi & Dyastari Saskara, 2022). This low figure shows that most culinary SMEs still face challenges optimally adopting digital technology.

The lack of culinary SMEs in maximizing the use of technology has resulted in a low level of business success. Another challenge is the limited human capital that is competent in utilizing technology in social media-based marketing strategies, e-commerce, and analytical technology to understand customer behavior and the low entrepreneurial orientation in increasingly competitive market dynamics. This problem has caused many SMEs to stagnate or even fail long-term. Human capital is also a challenge where limited skills, business knowledge, and human resource management are still ineffective, causing difficulties facing increasingly tight competition.

Various literature has discussed the low level of MSME actors in implementing digital transformation due to internal and external factors (Xin Zhang et al. 2022). Referring to research results (Absah et al. 2023) that the low use of digital marketing is due to the lack of knowledge and limited information that can be accessed by SMEs, limited understanding and knowledge about digital marketing (Khan & Siddiqui, 2020; Peter & Dalla Vecchia, 2021). In line with (Skare et al. 2023), there is a shortage of skilled workers in operating technology and a lack of experienced managers in technology and research (Sadiku-Dushi et al. 2019) and SMEs are still dependent on traditional marketing. There are still difficulties in creating relevant and consistent content (Kraus et al. 2019) and a lack of knowledge of digital transformation, limited capital, and limited facilities and infrastructure.

To increase the success of culinary SMEs, business actors need to adopt several innovative strategies. Among them are the use of digital technology in marketing and operational processes, skilled human capital, and the ability to innovate in creating new products or services. According to (Schilling, 2017), the ability to innovate provides opportunities for companies

to respond to changes in consumer preferences and market dynamics and to introduce more effective and efficient solutions. Research (Omar et al. 2020; Ritz et al. 2019) states that digital marketing determines business success. Research (Camilleri, 2019) found that SMEs who use digital technology can contribute to and improve business performance. Human capital and entrepreneurial orientation must be addressed when achieving business success. The role of human capital in creating competitive advantage, which in turn contributes significantly to business success (Liu et al. 2020). With its knowledge, skills, and capabilities, human capital can be the primary driver in facing challenges in the digital era (Sima et al. 2020). Likewise, entrepreneurial orientation must be addressed because it has been proven to influence business success in the digital era (Xu Zhang et al. 2022). Research (Ali et al. 2020) reveals that entrepreneurial orientation significantly influences SME performance.

Even though many studies show that digital marketing can increase business success, there are also inconsistencies in research results that show that the impact of digital marketing is not always positive or significant. Several studies, including (Chaffey & Chadwick, 2016) found that although digital marketing has great potential, its success is not always significant, primarily if a mature and relevant strategy to the target does not support it. According to (Kannan & Li, 2017) digital marketing not accompanied by an effective strategy often does not significantly impact business success, especially in small and medium businesses. (Parveen et al. 2015) Although many small and medium businesses use social media as part of their digital marketing strategy, its impact on business success is not always significant due to limitations in ineffective implementation and lack of technical expertise.

Research (Costa et al. 2023) explains that human capital is essential in improving innovation. However, business success depends more on participative leadership than human capital. This shows that human capital is not significant enough to drive the success of business innovation without the right leadership style. The study (Hamadamin & Atan, 2019) shows that although human capital has a role in developing competitive advantage, its impact is only as a partial mediator. This means that human capital does not always directly influence business success unless strategic human resource management practices

support it. Likewise, entrepreneurial orientation does not always significantly impact business performance, especially when it does not have adequate capabilities (Abu-Rumman et al. 2021), Entrepreneurial orientation without dynamic capabilities is not enough to face the uncertainty of the business environment (Zighan et al. 2022), thereby reducing its impact on business success. (Ibarra-Cisneros & Hernandez-Perlines, 2020) Entrepreneurial orientation has a positive effect on absorptive capacity, which in turn has a positive impact on business performance. However, the direct influence between entrepreneurial orientation and business performance is not always significant without a strong absorptive capacity.

Until now, research on business success in digital entrepreneurship has begun to be widely researched. However, previous research focuses on digital marketing or human capital separately. At the same time, studies regarding the synergy of these two variables in supporting business success through entrepreneurial orientation are still limited. Likewise, research using human capital variables with indicators of professional skills and cognitive abilities has not been studied in depth. Based on the phenomenon and the gaps in previous research results, the author is interested in reviewing the factors influencing business success. Therefore, this research aims to determine and analyze the impact of the use of digital marketing and the role of human capital on business success through entrepreneurial orientation. Therefore, this research investigates the influence of digital marketing, the role of human capital, and entrepreneurial orientation on the success of small and medium culinary businesses in Makassar City.

## METHODS

The research method used is quantitative. The research population comprises culinary SME actors in Makassar City, South Sulawesi. The sampling technique used is purposive sampling, which is selected based on specific criteria by the research objectives. The sample criteria include culinary SME actors who have utilized digital platforms for product sales and promotions and have had a business for at least 2 years. Based on (Hair et al. 2014), determining the sample size can be done by multiplying the number of indicators by 5 or 10, so the total sample is 160 culinary business actors. The

data collection method is carried out by distributing questionnaires. All indicators are evaluated on a 5-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). The collected data were then analyzed using the SEM-PLS method with the help of SmartPLS 4 software.

The SEM-PLS method was adopted as a comprehensive evaluation tool to study the relationship between variables in path analysis. SEM-PLS functions to confirm the theory, build relationships, and test propositions (Ghozali, 2008). The analysis steps include convergent and discriminant validity testing to ensure the suitability of the model constructs. Furthermore, reliability is tested using composite reliability and Cronbach's alpha to assess the internal consistency of the data. Finally, the hypothesis is tested by examining the R-square value and path coefficient, which provide insight into the model's explanatory power and predictive relevance. This analysis helps determine the extent to which digital marketing, human capital, and entrepreneurial orientation influence the success of culinary SMEs in Makassar City. SEM-PLS is considered suitable for this study because of its ability to describe multilevel causal relationships, confirm latent variable indicators, and offer statistical efficiency by analyzing multiple latent variables simultaneously.

Digital marketing is considered one of the essential systems for understanding how to achieve goals, manage work, and make decisions that can help strategy in a company (Tariq, 2021). Digital marketing is marketing a product using digital media or the Internet (Keke, 2022). Business actors can increase sales and competitiveness through social media, SEO, and digital advertising strategies. Digital marketing aims to attract the interest of consumers and potential consumers quickly (Ritz et al. 2019). Digital marketing complements traditional marketing and represents continuous communication through digital applications such as the Internet and smartphones (Eze et al. 2020). The study results align with the research (Camilleri, 2019) that SMEs that use digital technology can contribute to and improve business performance. Research (Nuseir & Refae, 2022) shows three indicators in digital marketing: social media marketing, online advertising, and video marketing. Through digital platforms, business actors can be more proactive in identifying market trends, dare to take risks in product innovation and be more confident in expanding their business reach. Research

(Ali et al. 2020; Kraus et al. 2019) shows that the active use of digital marketing can strengthen an innovative and courageous entrepreneurial attitude, which drives business growth.

H1: There is an influence of digital marketing on business success

H2: There is an influence of digital marketing on entrepreneurial orientation

Digital marketing contributes to business success by strengthening entrepreneurial orientation as an intermediary factor. Through digital marketing strategies, business actors can quickly identify market opportunities, develop product innovations, and increase real-time customer interactions. Research (Hervé et al. 2020) states that implementing an effective digital marketing strategy not only expands market reach and improves business competitiveness but also triggers the development of entrepreneurial orientation in business actors. Likewise, entrepreneurial orientation plays a vital role in business success. Entrepreneurial orientation explains how businesses can create value that leads to growth (Altinay et al. 2016). Entrepreneurial orientation refers to an entrepreneurial strategy that enables companies to overcome challenges arising from a dynamic, innovative, proactive, and risk-taking environment. Findings (Xu Zhang et al. 2022) show that companies with high levels of innovation, proactivity, and risk-taking can introduce new products and services and expand into new markets. This study uses four indicators (Boso et al. 2013; Khan & Siddiqui, 2020): innovation, aggression, proactive, and daring to take risks.

H3: There is an influence of digital marketing on business success through entrepreneurial orientation

H4: There is an influence of entrepreneurial orientation on business success

Human capital is often described as a component of an organization's intellectual capital, which represents the knowledge possessed by the organization (Elsharnouby & Elbanna, 2021). Human capital is the most crucial determinant of individual productivity and company competitiveness (Banmairuoy et al. 2022). Research (Felicio et al. 2014) shows four indicators of human capital: knowledge, experience, professional skills, and cognitive abilities. Business success is identified with the company's development, where a business condition that is run achieves the planned

targets and is by the objectives. The main factors that support business success include strategic innovation, appropriate marketing, and competent human resources (Xin Zhang et al. 2022). This success can be seen from various aspects, such as increased profits, revenue growth, customer satisfaction, competitive advantage in the market, and the ability to adapt to changes in the business environment (Nguyen et al. 2021; Quansah & Hartz, 2021). Research (Muangmee et al. 2021; Pratono et al. 2019) shows that competent human resources are important in creating an environment supporting entrepreneurial orientation and sustainable business innovation. Likewise, a study (Isichei et al. 2020) found that superior human capital can increase entrepreneurial orientation and indirectly support the achievement of business success among SMEs. This study refers to (Cho & Lee, 2018; Soto-Acosta et al. 2018) using four indicators of business success, including increasing the workforce, sales, capital, and profits. From the description, this study proposes the following hypothesis:

- H5: There is an influence of human capital on business success  
H6: There is an influence of human capital on entrepreneurial orientation  
H7: There is an influence of human capital on business success through entrepreneurial orientation

The research hypothesis is based on empirical phenomena and theories showing that culinary SMEs' success in the digital era is greatly influenced by three main factors: digital marketing, human capital, and entrepreneurial orientation. Therefore, this hypothesis is proposed to test the direct and indirect relationships between the three variables. Based on the relationship between the variables, the research model can be seen in Figure 1. The framework shows that digital marketing and human capital directly influence the success of culinary SMEs. In addition, both variables indirectly

influence business success by mediating entrepreneurial orientation. This means that entrepreneurial orientation acts as an intermediary variable that strengthens the influence of digital marketing and human capital in driving business success.

## RESULTS

### Structural Model Evaluation (Outer Model)

Measurement outer model in Structural Equation Modeling (SEM) is a part of the model that describes the relationship between latent variables and the indicators that measure them. The purpose of the outer model is to ensure that the indicators are valid and reliable in representing latent variables. To test convergent validity value, outer loading, or loading factor. An indicator is declared satisfactory convergent validity in the good category when the value outer loading  $> 0.7$ . Here are the values of the outer loading of each indicator in the research variable. Based on Table 1, each indication has an outer loading value  $> 0.7$ , or a value between  $0.5 - 0.6$ , which is considered sufficient. The outer loading results show that no indicator has a value  $< 0.5$ . Thus, each indicator in this study has convergent validity.

### Discriminant Validity

Discriminant validity can also be known through the results of the average variant extracted (AVE) value; if the AVE value of the construct is  $> 0.5$ , then the variable can be said to have good discriminant validity. Based on Table 2, it is known that valid variables are variables with a value  $> 0.5$ . With a competitiveness value of 0.798, digital marketing of 0.734, and innovation speed of 0.660. This shows that each research variable can be considered valid regarding discriminant validity.

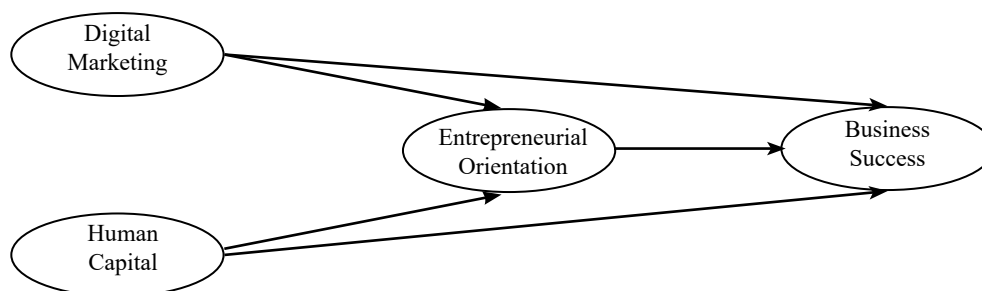


Figure 1. Research framework

## Reliability Test - Cronbach Alpha

A research instrument is said to be reliable if it has a Cronbach alpha value of more than 0.70. Although 0.6 is still acceptable. Meanwhile, a questionnaire is declared unreliable or inconsistent if the Cronbach alpha value is less than 0.60. Based on Table 3, it can be seen that Cronbach's alpha value for all variables is  $> 0.7$ , so it can be stated that the research instrument is suitable for use because it has a high level of accuracy and consistency. This can also be seen from the composite reliability value of all variables  $> 0.8$ , which shows that the research model is reliable. So, it can be concluded that all research variables are reliable.

## Structural Model Evaluation (Inner Model)

The inner model in structural equation modeling (SEM) is the part that describes the causal or correlational relationship between latent variables. This model focuses on the structure of relationships between latent variables, where exogenous (free) variables influence endogenous (dependent) variables. The inner model aims to test the proposed hypothesis, whether one latent variable significantly influences other latent variables. Through the inner model, you can understand the pattern of influence, the strength of the relationship, and the direction of the relationship between latent variables, which is the basis for testing theories or conceptual models in research.

Table 1. Outer loading

| Indicator | Digital Marketing | Human Capital | Entrepreneurial Orientation | Business Success |
|-----------|-------------------|---------------|-----------------------------|------------------|
| DM1       | 0.919             |               |                             |                  |
| DM2       | 0.881             |               |                             |                  |
| DM3       | 0.873             |               |                             |                  |
| HC1       |                   | 0.757         |                             |                  |
| HC2       |                   | 0.730         |                             |                  |
| HC3       |                   | 0.769         |                             |                  |
| HC4       |                   | 0.745         |                             |                  |
| EO1       |                   |               | 0.967                       |                  |
| EO2       |                   |               | 0.976                       |                  |
| EO3       |                   |               | 0.964                       |                  |
| EO4       |                   |               | 0.782                       |                  |
| BS1       |                   |               |                             | 0.856            |
| BS2       |                   |               |                             | 0.890            |
| BS3       |                   |               |                             | 0.897            |
| BS4       |                   |               |                             | 0.828            |

Table 2. Average variance extracted (AVE)

| Variable                    | Average variance extracted (AVE) |
|-----------------------------|----------------------------------|
| Digital Marketing           | 0.794                            |
| Human Capital               | 0.563                            |
| Entrepreneurial Orientation | 0.857                            |
| Business Success            | 0.754                            |

Table 3. Construct reliability values

| Variable                    | Cronbach's alpha | Composite reliability | Confirmation |
|-----------------------------|------------------|-----------------------|--------------|
| Digital Marketing           | 0.871            | 0.878                 | Reliable     |
| Human Capital               | 0.800            | 0.884                 | Reliable     |
| Entrepreneurial Orientation | 0.942            | 0.959                 | Reliable     |
| Business Success            | 0.892            | 0.920                 | Reliable     |

## R-Square

The range of values for the coefficient of determination (R<sup>2</sup>) is between 0 and 1. R square values below 0.33 to 0.19 are considered weak, followed by 0.33 to 0.67 as having a moderate or average value, while 0.67 and above is a substantial value. The following are the coefficient of determination (R<sup>2</sup>) values in this research in Table 4.

## Hypothesis Test

Hypothesis testing is used for decision-making based on data analysis to test the truth of a statement statistically. The research results in Table 5 show that digital marketing significantly influences business success. The original sample for digital marketing on business success was 0.666 with a t-statistic of 5.450 and a p-value of 0.000, which shows that an effective digital marketing strategy can provide positive results in increasing business success. Digital marketing also significantly affects entrepreneurial orientation, with an original sample of 0.780, a t-statistic value of 4.630, and a p-value of 0.000. This shows that digital marketing drives business success and strengthens entrepreneurial orientation. However, digital marketing on business success through entrepreneurial orientation shows a negative original sample of -0.367 with a t-statistic of 3.735 and a p-value of 0.000. This shows that

although digital marketing significantly influences business success through entrepreneurial orientation, the influence is negative. This indicates that in some instances, entrepreneurial orientation, which is influenced by strategies in using digital marketing, is still less than optimal for business success.

Furthermore, entrepreneurial orientation is proven to have a significant relationship with business success, with an original sample of 0.470, a t-statistic of 3.371, and a p-value of 0.001. This means that when business actors carry out an entrepreneurial orientation, they achieve better business success. However, on the other hand, human capital is not significant for business success, with an original sample of -0.321 and a p-value of 0.067. In contrast, human capital significantly affects entrepreneurial orientation with a coefficient of 1.289, a t-statistic of 10.017, and a p-value of 0.000. This shows that even though human capital can run a business if it is not facilitated by innovation, it will have less impact on business success. Human capital on business success through entrepreneurial orientation has an original sample of 0.606 with a t-statistic of 3.836 and a p-value of 0.000, which shows that human capital significantly influences business success through the mediation of entrepreneurial orientation. Competent human capital is important in driving business success through increasing entrepreneurial orientation.

Table 4. R-square value

| Variable                    | R-square | R-square adjusted | Confirmation |
|-----------------------------|----------|-------------------|--------------|
| Business Success            | 0.345    | 0.333             |              |
| Entrepreneurial Orientation | 0.784    | 0.782             |              |

Table 5. Path coefficient value

| Variable   | Original sample | T-statistics | P-values | Confirmation  |
|--|-----------------|--------------|----------|---------------|
| Digital Marketing → Business Success                               | 0.666           | 5.450        | 0.000    | Significant   |
| Digital Marketing → Entrepreneurial Orientation                    | 0.780           | 4.630        | 0.000    | Significant   |
| Digital Marketing → Entrepreneurial Orientation → Business Success | -0.367          | 3.735        | 0.000    | Significant   |
| Entrepreneurial Orientation → Business Success                     | 0.470           | 3.371        | 0.001    | Significant   |
| Human Capital → Business Success                                   | -0.321          | 1.835        | 0.067    | Insignificant |
| Human Capital → Entrepreneurial Orientation                        | 1.289           | 10.017       | 0.000    | Significant   |
| Human Capital → Entrepreneurial Orientation → Business Success     | 0.606           | 3.836        | 0.000    | Significant   |

## **The Influence of Digital Marketing on Business Success**

Based on research results show that digital marketing has a positive and significant effect on business success. This is because business actors consistently share relevant and interesting product content through social media platforms, online advertisements are displayed according to customer interests and needs, and promotional videos are delivered clearly and easily understood. That means that the better the implementation of digital marketing strategies in the company, the greater the chances of success. This indicates that with the effective use of social media, targeted online advertising, and engaging content, business ventures can reach a broader market and increase customer interaction. The research results align with studies (Camilleri, 2019)previous research has failed to adequately identify distinct CEO EO manifestations with organisational contexts configurations that influence MMTs innovation. Thus, based on differences in organisational contexts and MMTs' cognition, this study thoroughly investigates how the vertical manifestation of CEO EO impacts the innovativeness of MMTs. We used fuzzy-set qualitative comparative analysis (fsQCA that show that SMEs that use digital technology can contribute to and improve business performance. Likewise, research (Omar et al. 2020; Ritz et al. 2019)previous research has failed to adequately identify distinct CEO EO manifestations with organisational contexts configurations that influence MMTs innovation. Thus, based on differences in organisational contexts and MMTs' cognition, this study thoroughly investigates how the vertical manifestation of CEO EO impacts the innovativeness of MMTs. We used fuzzy-set qualitative comparative analysis (fsQCA shows a connection between business success and using digital marketing in business.

## **The Influence of Digital Marketing on Entrepreneurial Orientation**

The research results show that digital marketing significantly influences entrepreneurial orientation. This shows that business actors can utilize social media marketing to increase customer interaction and identify market trends more quickly and effectively. Likewise, business actors can reach a broader target market in online advertising at a relatively more efficient cost than conventional marketing. This indicates that the

use of digital technology in marketing, both in the form of promotions and sales, makes business actors more innovative in creating products and able to provide services that are easy to reach according to market needs. This finding (Xu Zhang et al. 2022)previous research has failed to adequately identify distinct CEO EO manifestations with organisational contexts configurations that influence MMTs innovation. Thus, based on differences in organisational contexts and MMTs' cognition, this study thoroughly investigates how the vertical manifestation of CEO EO impacts the innovativeness of MMTs. We used fuzzy-set qualitative comparative analysis (fsQCA supports that integrating digital technology in business influences marketing and strengthens important elements of entrepreneurial orientation. Research by (Ali et al. 2020; Kraus et al. 2019)challenges and success factors of digital entrepreneurship. The purpose of this paper is to gather the state-of-the-art literature on digital entrepreneurship and to provide an up-to-date compilation of key topics and methods discussed in the relevant literature. Furthermore, based on findings of the systematic literature review, a research map pointing at further research opportunities for scholars working in the field will be proposed. Design/methodology/approach: Utilising a systematic search and review of literature across the domain whilst following the established methodology of Tranfield et al. (2003 shows that active use of digital marketing can strengthen innovative and courageous entrepreneurial attitudes, encouraging business growth.

## **The Influence of Digital Marketing on Business Success through Entrepreneurial Orientation**

This research shows that digital marketing significantly increases business success by mediating entrepreneurial orientation. This is due to the ability of business actors to utilize digital technology in product promotion through social media marketing, online advertising, and creating engaging content. In line with the findings (Hervé et al. 2020), implementing an effective digital marketing strategy not only expands market reach and increases business competitiveness but also triggers the development of entrepreneurial orientation in business actors. Another study by (Chaffey, D., & Ellis-Chadwick, 2016) states that companies that successfully utilize digital marketing tend to have more substantial competitive advantages, especially if they implement an entrepreneurial orientation.



## **The Influence of Entrepreneurial Orientation on Business Success**

Entrepreneurial orientation significantly increases business success through innovative, aggressive, and risk-taking business strategies. This shows that business actors can innovate in creating products or services relevant to market needs, dare to take risks in the face of business uncertainty, are aggressive in responding to market opportunities with competitive strategies, and are proactive in anticipating trends and changes in the business environment. Based on research (Xu Zhang et al. 2022) previous research has failed to adequately identify distinct CEO EO manifestations with organisational contexts configurations that influence MMTs innovation. Thus, based on differences in organisational contexts and MMTs' cognition, this study thoroughly investigates how the vertical manifestation of CEO EO impacts the innovativeness of MMTs. We used fuzzy-set qualitative comparative analysis (fsQCA shows that companies that have a high level of innovation, proactiveness, and risk-taking can introduce new products and services and expand into new markets. The findings of (Ali et al. 2020) market orientation (MO who researched SMEs in Saudi Arabia, are that adopting an entrepreneurial orientation is very important for the competitiveness of SMEs so that they can improve business performance.

## **The Influence of Human Capital on Business Success**

The research results show that human capital has a positive but insignificant influence on business success. This is due to business actors' lack of knowledge and experience in adopting new technology or digitalization, in addition to business actors who have cognitive abilities but find it challenging to adapt to market changes and accept suggestions from others, thus slowing down business development. This finding aligns with research (Schiemann et al. 2018) that investment in human capital is important but does not always directly impact business success if the right organizational environment and business strategy do not support it. In line with research (Costa et al. 2023) increasing innovation and business success is not only based on human capital but also depends on the participative leadership style possessed by a leader. This shows that human capital is not significant enough to drive the success of business innovation without the right leadership style.

## **The Influence of Human Capital on Entrepreneurial Orientation**

Human resources have been proven to positively and significantly affect entrepreneurial orientation. There is influence because business actors have broader knowledge about the market, experience in running a business, and the ability to face uncertainty and dare to take risks in developing a business. These results align with previous studies showing that competent human resources are important in creating an environment supporting entrepreneurial orientation and sustainable business innovation (Muangmee et al. 2021; Pratono et al. 2019) policymakers and managers have started recognizing the importance of green innovation towards sustainable business performances. The role of the automotive parts industry is crucial in minimizing environmental degradation and promoting sustainable development. Yet few studies have focused on the connection between green entrepreneurial orientation and green innovation that may affect small and medium enterprise (SME).

## **The influence of Human Capital on business success through Entrepreneurial Orientation**

Research shows that human capital is important in encouraging business success by mediating entrepreneurial orientation. Quality human resources with superior knowledge, skills, and experience can create added value for the company, especially in increasing the ability to be innovative and oriented. The results of this research emphasize that optimizing human capital integrated with entrepreneurial orientation has a positive and significant impact on increasing business performance (Y. Liu et al. 2024). Likewise, a study (Isichei et al. 2020) focusing on Nigeria. It addresses the need to ensure that small and medium-sized enterprises (SMEs found that superior human capital can increase entrepreneurial orientation and indirectly support the achievement of business success among SMEs.

## **Managerial Implication**

This study shows that the success of culinary SMEs in the digital era is highly dependent on integrating digital marketing strategies, strengthening human capital, and increasing entrepreneurial orientation. Culinary SME owners must improve digital literacy and entrepreneurial skills to optimize more innovative

and adaptive marketing strategies to market changes. Strengthening human capital is also a crucial factor, as increasing the capacity of human resources to manage digital technology and develop data-based business strategies can improve the competitiveness of culinary SMEs. In addition, investment in employee training and appropriate digital technology can support operational efficiency and create wider business opportunities.

From a policy perspective, the government and stakeholders need to provide comprehensive support, such as the development of digital infrastructure, access to technology, and training programs based on the needs of culinary SMEs. Policies that encourage digitalization of businesses that innovate in digital marketing strategies and business transformation. Meanwhile, digital marketing practitioners must design a data-based strategy to help culinary SMEs target the market more precisely and increase customer interaction. With a systematic and technology-based approach, culinary SME actors can optimally utilize the potential of digitalization to increase competitiveness, expand market share, and achieve sustainable business growth.

## CONCLUSIONS AND RECOMMENDATIONS

### Conclusion

This research reveals that digital marketing and entrepreneurial orientation positively and significantly impact business success. These findings indicate that implementing an effective digital marketing strategy, supported by an entrepreneurial orientation, is a factor in achieving success in culinary SME businesses. Likewise, digital marketing directly contributes to business success and strengthens achievements by supporting entrepreneurial orientation. On the other hand, human capital does not have a significant direct influence on business success. However, human capital plays a vital role in supporting the development of entrepreneurial orientation, which in turn contributes indirectly to business success. Apart from that, using effective digital marketing, combined with the ability to innovate and dare to take risks, considerably drives business success. Even though human capital does not show a significant direct relationship to business success, its role in supporting entrepreneurial orientation confirms that good human resource management is essential for creating added value

indirectly in achieving business goals.

### Recommendations

In this research, several limitations can be used to improve future studies. First, it is recommended that future research use a more extensive and diverse sample to increase representativeness and generalizability by expanding coverage to other SME sectors such as fashion, technology, digital services, and tourism. Second, future research should use samples from various regions or other cities to compare factors such as digital marketing and human capital with different characteristics. Third, the skills indicator in the human capital variable has the lowest value, so it is necessary to review strategies for developing human resources to focus on improving skills and capabilities that are relevant to the demands of the digital era to become an essential step in encouraging productivity and the ability to adapt to market changes. Likewise, the government needs to design policies supporting the strengthening of digital infrastructure and providing training programs oriented towards increasing the competitiveness of culinary SMEs.

**FUNDING STATEMENT:** This research received no specific grant from public, commercial, or not-for-profit funding agencies.

**CONFLICTS OF INTEREST:** The author declares no conflict of interest

**DECLARATION OF GENERATIVE AI STATEMENT:** During the preparation of this work the authors used ChatGPT in order to check grammar and polish text. After using this tool/service, the authors reviewed and edited the content as needed and take(s) full responsibility for the content of the publication.

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