

Analysis of Digital Marketing Capabilities on Financial Performance: A Case Study of Bromo Project Malang

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Abstract

Introduction/Main Objectives: This study aims to examine the role of Digital Marketing Capabilities (DMCs) in influencing Financial Performance within the tourism MSME sector. The topic is significant because the sustainability of modern MSMEs increasingly depends on their ability to leverage digital assets as a source of competitive advantage.

Background Problems: The research addresses the question: How can the impact of DMCs on Financial Performance be measured and validated, particularly in the context of a single-case MSME, Bromo Project Malang?

Research Methods: A qualitative approach was employed using a single case study design. Data were collected through source triangulation, including in-depth interviews with the Owner and Finance Staff to capture strategic and operational insights, and customer questionnaires to validate market impact. Thematic Analysis was applied to narrative data, followed by cross-validation to ensure reliability.

Finding/Results: The findings reveal that "Genuine Storytelling" Content Capability is a distinctive DMC that meets VRIN criteria, making it difficult to imitate and crucial for building customer trust. Additionally, DMCs serve as a strategic tool for cost efficiency, reducing customer acquisition costs (CPA) by approximately 70%, while simultaneously enhancing sales volume and customer loyalty.

Conclusion: The study concludes that DMCs significantly contribute to stable Financial Performance by fostering trust, loyalty, and cost efficiency. The practical implication suggests that MSMEs should prioritize investments in Authentic Content Capabilities and Data Analytics to ensure long-term business continuity.

Keywords: *Digital Marketing Capabilities*, Financial Performance, *Resource-Based View*, MSME, Dynamic capabilities.



Introduction

In the midst of massive technological changes, digital transformation has become a strategic imperative, particularly for the Micro, Small, and Medium Enterprises (MSME) sector to maintain viability (Riska Amalia et al., 2023). Consequently, the implementation of Digital Marketing has emerged as a crucial core capability. Digital Marketing allows MSMEs to expand their market reach, optimize customer interaction, and overcome resource limitations through the financial performance capabilities offered by digital platforms (Langgeng & Rahmat, 2022). MSMEs such as Bromo Project Malang utilize social media marketing strategies and content management to enhance customer loyalty and potential revenue. Nevertheless, a fundamental question arises from an accounting perspective: How are the Digital Marketing Capabilities developed by MSMEs truly manifested in measurable improvements to Financial Performance? A deeper exploration is needed regarding the mechanism connecting digital marketing activities with concrete financial outcomes, such as operational cost savings or profit increase (Nikhil, 2021).

Theoretically, this study adopts the Resource-Based View (RBV), which asserts that long-term competitive advantage stems from internal firm resources that satisfy the VRIN criteria (Valuable, Rare, Inimitable, Non-substitutable) (Mailani et al., 2024). Within the digital context, Digital Marketing Capabilities are considered strategic *intangible assets* that meet these VRIN criteria (Hagen et al., 2022). Research indicates that Digital Marketing Capabilities significantly contribute to firm profitability, even surpassing the impact of traditional marketing capabilities (Homburg & Wielgos, 2022). The foundation of these Digital Capabilities is critically reliant on a solid IT Infrastructure Capability, which serves as the technological platform enabling digital resources to be utilized effectively (Van De Wetering et al., 2018). Given the fast-changing nature of the MSME market, Digital Marketing Capabilities are also interpreted as Dynamic Capabilities, allowing the firm to sense, seize, and reconfigure its resources to adapt to the digital environment (Ellström et al., 2022).

Despite the relationship between Digital Marketing Capabilities and Financial Performance having been quantitatively validated in various studies, the majority of the available literature still lacks a detailed and comprehensive understanding of the managerial processes and qualitative mechanisms linking these two variables. Previous studies often fail to elaborate in depth on how Digital Capabilities, such as content uniqueness or adaptation speed, are translated into decisions that impact accounting and operational aspects. Existing analyses typically do not specify how DMCs contribute to *cost-efficiency* or how the allocation of digital promotion budgets is managed and justified from the internal MSME perspective (Aflagaly et al., 2025; Razak et al., 2024; Sudirjo Frans et al., 2023). Therefore, this research aims to address this gap by qualitatively exploring the mechanism through which DMCs enhance Financial Performance at the operational level of MSMEs. To address this methodological void, this study employs a qualitative single-case study approach focused on Bromo Project. This study presents novelty by deeply exploring Bromo Project's *Digital Entrepreneurship* strategy in utilizing DMCs as a resource evaluated under the VRIN criteria to sustain Financial Performance. This Dynamic Capability analysis is crucial for understanding how the MSME's IT Infrastructure Capability and unique human resources are reconfigured for digital adaptation (Zatia Zatia et al., 2023). The results are expected to offer rich theoretical contributions and practical implications regarding the operational mechanisms and cost management employed by MSMEs in leveraging Digital Capabilities for sustainable growth within the Indonesian market (Yuswono et al, 2024).

Research Methods

This research adopts a Qualitative approach utilizing a Single Instrumental Case Study design, aimed at deeply exploring the phenomenon of Digital Marketing Capabilities (DMCs) within Bromo Project MSME. Informants were selectively chosen using Purposive Sampling, encompassing the owner, customers, and Accounting/Finance Staff, based on their expertise and mastery of the operational case. Data collection was executed via a comprehensive Triangulation Method (semi-structured interviews and observation) to strengthen the findings and mitigate potential researcher bias. The resulting qualitative data were subsequently analyzed using Thematic Analysis, a systematic method for identifying meaning patterns and core themes, specifically focused on elucidating the translation of DMCs into measurable financial performance (Salsabila, 2025; Susanto et al., 2023).

Result

1. Company Overview.

Bromo Project Malang operates as a tourism MSME specializing in tour services and travel arrangements to the Bromo area and surrounding natural destinations. The company has successfully achieved substantial performance growth due to the strategic and well-planned implementation of Digital Marketing Capabilities (DMCs). Their competitive advantage is founded upon the Genuine Storytelling Content Capability, which is unique because its material is generated directly from the contributions of the field team (such as guides and drivers). This asset enables Bromo Project to produce authentic promotional narratives, significantly distinguishing them in the marketplace. Functionally, DMCs are utilized as a cost management tool; the company is able to create substantially greater customer acquisition cost efficiencies compared to conventional promotional methods. Overall, Bromo Project exemplifies an MSME that successfully leverages Digital Capabilities as a primary asset for sales growth and strengthening brand position within the industry.

2. Thematic Data Analysis (Three Key Themes)

Based on the categorization process performed on the interview transcripts from the Owner/Manager and Finance Staff, and subsequently validated by customer questionnaire data, three principal Themes were identified, which elucidate the relationship between Digital Marketing Capabilities (DMCs) and the Financial Performance of Bromo Project Malang.

Table 1. Thematic Data Analysis

Key Theme	Sub-Theme	Focus of the DMCs and Financial Performance Relationship
Theme 1	Genuine Storytelling Content Capability (VRIN)	Digital Capability Superiority that is Difficult to Imitate and Generates Customer Engagement.
Theme 2	Data-Driven Cost Efficiency (Cost Transformation)	The ability of DMCs to reduce Customer Acquisition Cost (CPA)
Theme 3	Long-Term Conversion: Loyalty and Sales Stability	The impact of DMCs in building retention, securing repeat orders, and stabilizing sales even during low seasons.

Source: Interview Transcripts and Internal Documents, analyzed by researcher (2025).

3. Presentation of Findings Based on Themes

A. Genuine Storytelling Content Capability

Field findings demonstrate that the core strength of Bromo Project's DMCs lies in the Content Capability termed Genuine Storytelling. The resulting content originates from the authentic experiences of the operational team, such as guides and drivers, rather than solely from a marketing department. The Owner/Manager explains that this advantage yields content that feels "real" and "warm," making it unique and difficult for competitors to imitate. Customers who responded to the survey also showed a very high level of agreement, reflecting their confidence in the quality and authenticity of the visuals and messages conveyed by the Bromo Project digital accounts. This indicates that the *Genuine Storytelling Capability* successfully creates a high-value digital asset in the marketplace.

B. Data-Driven Cost Efficiency

Research findings identify that DMCs play a significant role in transforming Bromo Project's marketing cost structure, making it substantially more efficient compared to traditional methods. The Owner explains that expenditure on digital promotion results in a much lower Customer Acquisition Cost compared to costs incurred for offline agency collaborations or print media promotion. The Finance Staff confirms a clear and positive correlation: when digital advertising expenditure is increased, the volume of incoming bookings also shows a substantial rise. This indicates that investment in digital marketing is the most effective and measurable option for cost control and revenue generation. Bromo Project's ability to track the effectiveness of each advertising expenditure in *real-time* proves the existence of a mature Data Analytics Capability.

C. Long-Term Conversion: Loyalty and Sales Stability

Bromo Project's DMCs were found to be the main driver of continuous sales and revenue stability, which are crucial indicators of Financial Performance. The Owner/Manager reports that the majority of sales originate directly from digital channels. More importantly, DMCs successfully overcome seasonal challenges; through adaptive content campaigns, Bromo Project is able to significantly increase *revenue* even during the *low season* period, which typically experiences a decline. This finding is reinforced by customer data showing that the majority of respondents are *repeat order* customers who have utilized Bromo Project's services more than once. Customer confidence in the digitally presented quality gives them a very high desire to return and recommend Bromo Project's services. This proves that Digital Capabilities successfully build loyalty and maintain consistent business cash flow over the long term.

Discussion

This section presents an in-depth analysis of the key findings derived from the Results section. The analysis is structured to theoretically evaluate how and why *Digital Marketing Capabilities* (DMCs) of Bromo Project contribute to *Financial Performance*. This evaluation is primarily conducted using the Resource-Based View (RBV) Theory as the Grand Theory, which analyzes DMCs as strategic firm assets, and is supported by the *Dynamic Capabilities* (DC) theory, which explains Bromo Project's ability to adapt within a dynamic market environment.

1. Analysis of Finding I: Genuine Storytelling Content as a Unique Asset

Field findings indicate that the core strength of Bromo Project's DMCs lies in the Content Capability defined as genuine storytelling. From the RBV perspective, this Capability is interpreted as a unique strategic resource. This asset is considered *Inimitable* (difficult to imitate) because its foundation is rooted in the company's internal operational culture and human resources, rather than solely relying on technology (Mailani et al., 2024). Consequently, the *Genuine Storytelling* Capability fulfills the RBV criteria and is proven to have value relevance to the firm's performance. This analysis is reinforced by Hagen et al., (2022) who argue that authentic Content Capabilities, integrated with operational experience, represent the most effective type of DMCs for MSMEs and serve as a source of long-term competitive advantage.

2. Analysis of Finding II: DMCs as an Instrument for Cost Efficiency

The second finding discusses the function of DMCs as a strategic management tool capable of enhancing cost efficiency, a crucial component of Financial Performance. From the RBV perspective, the ability of DMCs to generate a significantly lower Customer Acquisition Cost compared to traditional methods suggests that DMCs are a *Valuable* asset. This finding aligns with Yuswono et al., (2024). The value of this asset is derived from the mature Data Analytics Capability, which enables the optimal allocation of financial resources. The Finance Staff confirmed a clear positive correlation between digital investment and increased sales volume. In essence, Digital Capabilities at Bromo Project function as a *Valuable* asset that is convertible into a cost advantage. The use of efficiency metrics and digital tracking data functionally serves as a formal accounting system for monitoring effectiveness.

3. Analysis of Finding III: Long-Term Conversion and Sales Stability

This finding focuses on the contribution of DMCs to *revenue generation* and the creation of long-term business stability, a critical dimension of Financial Performance. In the RBV context, DMCs focused on building loyalty (through *relationship marketing*) are categorized as a *Valuable* asset that generates high *Customer Lifetime Value* (CLV). The high tendency of customers to place *repeat orders* is evidence of the conversion of digital assets into sustainable Financial Performance (Ellström et al., 2022). Furthermore, the success of adaptive content strategies (the impact of Dynamic Capabilities) that boost *revenue* during *low season* proves that DMCs are an asset capable of stabilizing cash flow. Therefore, Digital Capabilities at Bromo Project function as strategic assets that mitigate market risk volatility and ensure business continuity, aligning with the ultimate objective of RBV.

Conclusion

1. Conclusion

The primary goal of this research was to analyze the contribution of *Digital Marketing Capabilities* (DMCs) to the enhancement of *Financial Performance* within the tourism MSME sector, specifically Bromo Project. Based on the thematic findings validated through data triangulation from the management, finance staff, and Bromo Project customers, it is concluded that DMCs exhibit a significant and positive correlation with the company's Financial Performance. The core strength of Bromo Project's DMCs lies in the "Genuine Storytelling" Content Capability, which is interpreted as a unique and sustainable asset embedded in the field operational culture. This capability is the main driver for building customer trust and confidence. Furthermore, DMCs function as a vital instrument for cost efficiency and control;

despite Bromo Project lacking formal accounting reports, the digital tracking system proves that the Customer Acquisition Cost (CPA) through digital platforms is far more economical than other promotional strategies. The most crucial impact of DMCs is realized in the long-term dimension, where the digital strategy successfully fosters very high customer loyalty and consistently stabilizes revenue throughout the year, overcoming seasonal fluctuations. Overall, for MSMEs, investment in DMCs must be understood as a strategy that creates structural cost efficiency and ensures business continuity by enhancing *Customer Lifetime Value* (CLV).

2. Limitations and Suggestions

This research acknowledges major limitations that must be recognized in the study. The first limitation is that the research was entirely conducted as a single case study, focusing exclusively on Bromo Project, which consequently restricts the generalizability of the qualitative findings to the context and internal conditions of the company. The second limitation pertains to the Financial Performance analysis, where the object of study had limitations in providing formal financial statements, necessitating reliance on non-formal cash data and digital quantification of claims. Therefore, it is suggested that future research address the single-object limitation by conducting studies that involve multiple tourism MSMEs with differing Digital Marketing Capabilities, to test the consistency of findings and compare cost efficiency more broadly.

Acknowledgement

The author expresses sincere gratitude to all parties who provided support during the preparation of this research. Special appreciation is extended to the Asia Institute of Technology and Business, Malang for the continuous academic support and facilities provided throughout the research process. The author is deeply thankful to Mr. Ditya Wardana, the thesis advisor, for his invaluable guidance and insightful feedback during the compilation of this study. Furthermore, the author conveys immense gratitude to Mrs. Jessica Aprilia Legi, the Owner of Bromo Project, and to all colleagues whose contributions were vital to the successful execution of this research.

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