JAFM: Journal of Accounting and Finance Management
E-ISSN: 2721-3013
P-ISSN: 2721-3005
https://dinastires.org/JAFM dinasti.info@gmail.com +62 811 7404 455
DOI: https://doi.org/10.38035/jafm.v7i5.3965
https://creativecommons.org/licenses/by/4.0/
Received: October 11th 2026 | **Revised:** October 15th 2026 | **Accepted:** November 9th 2026

Development of a Consumer Behavior-Based Digital Marketing Model to Improve Tourism SME Performance in Kupang City

Muhammad Alwan Habibi Mushlih[1], I Nyoman Arya Wiguna[2], Lia Nur Fadhilah[3], Lia Hardo Aprilio[4], Donal Anry Jaya Sinurat[5]
[1]Universitas Nusa Cendana, Kupang, Indonesia, muhammad.mushlih@staf.undana.ac.id
[2]Universitas Nusa Cendana, Kupang, Indonesia, i.nyoman.wiguna@staf.undana.ac.id
[3]Universitas Nusa Cendana, Kupang, Indonesia, lia.fadhilah@staf.undana.ac.id
[4]Universitas Nusa Cendana, Kupang, Indonesia, hardo.aprilio@staf.undana.ac.id
[5]Universitas Nusa Cendana, Kupang, Indonesia, donal.sinurat@staf.undana.ac.id

Corresponding Author: muhammad.mushlih@staf.undana.ac.id[1]

Abstract: Digital marketing has become increasingly important for tourism small and medium-sized enterprises, yet its contribution to business performance may depend on how consumers respond to digital marketing activities. This study aims to examine the effects of digital marketing on consumer behavior and tourism small and medium-sized enterprise performance, as well as the mediating role of consumer behavior in Kupang City. A quantitative explanatory survey was conducted using structured questionnaires and analyzed using partial least squares structural equation modeling. The study involved 33 tourism small and medium-sized enterprise actors and 180 consumers selected through purposive sampling. The results show that digital marketing has a positive and significant effect on consumer behavior and small and medium-sized enterprise performance. Consumer behavior also has a positive and significant effect on small and medium-sized enterprise performance. Furthermore, consumer behavior significantly mediates the relationship between digital marketing and small and medium-sized enterprise performance, indicating complementary mediation. These findings suggest that digital marketing contributes to tourism small and medium-sized enterprise performance both directly and through consumer responses. The contribution of this study lies in integrating digital marketing, consumer behavior, and small and medium-sized enterprise performance within a single empirical model in the tourism context.

Keywords: Digital Marketing, Consumer Behavior, SME Performance, Tourism SMEs, Kupang City

Indonesian Abstract: *Pemasaran digital semakin penting bagi usaha kecil dan menengah pariwisata, tetapi kontribusinya terhadap kinerja usaha dapat bergantung pada bagaimana konsumen merespons aktivitas pemasaran digital. Penelitian ini bertujuan untuk menganalisis pengaruh pemasaran digital terhadap perilaku konsumen dan kinerja usaha kecil dan menengah pariwisata serta menguji peran mediasi perilaku konsumen di Kota Kupang. Penelitian ini menggunakan pendekatan kuantitatif dengan desain survei eksplanatori. Data dikumpulkan melalui kuesioner terstruktur dari 33 pelaku usaha kecil dan menengah pariwisata dan 180 konsumen yang dipilih menggunakan teknik purposive sampling, kemudian*

dianalisis menggunakan pemodelan persamaan struktural berbasis kuadrat terkecil parsial. Hasil penelitian menunjukkan bahwa pemasaran digital berpengaruh positif dan signifikan terhadap perilaku konsumen dan kinerja usaha kecil dan menengah. Perilaku konsumen juga berpengaruh positif dan signifikan terhadap kinerja usaha kecil dan menengah. Selain itu, perilaku konsumen terbukti memediasi hubungan antara pemasaran digital dan kinerja usaha kecil dan menengah, yang menunjukkan adanya mediasi komplementer. Temuan ini menunjukkan bahwa pemasaran digital berkontribusi terhadap kinerja usaha kecil dan menengah pariwisata baik secara langsung maupun melalui respons konsumen. Kontribusi penelitian ini terletak pada pengintegrasian pemasaran digital, perilaku konsumen, dan kinerja usaha kecil dan menengah dalam satu model empiris pada konteks pariwisata.

Kata Kunci: *Pemasaran Digital, Perilaku Konsumen, Kinerja UKM, UKM Pariwisata, Kota Kupang*

INTRODUCTION

The rapid development of digital technology has changed the way small and medium-sized enterprises (SMEs) communicate with customers, promote their products, and compete in increasingly dynamic markets. Digital marketing is no longer limited to the use of online promotional channels but has become an important strategic capability that enables businesses to reach markets, interact with customers, and respond to changing consumer needs. In the context of SMEs, digital marketing can support the creation and delivery of value by improving market access, customer engagement, and the effectiveness of marketing activities. Recent empirical evidence shows that digital marketing strategies are associated with organizational performance, particularly when they are supported by organizational capabilities such as innovativeness, proactiveness, and managerial capabilities (Wu et al., 2024). Similarly, research on Indonesian SMEs has demonstrated that digital marketing has a positive and significant relationship with marketing performance, indicating that digital marketing can become an important component of SME marketing strategy (Sultoni et al., 2022). Recent research further emphasizes that digital transformation and digital marketing adoption are increasingly important for SMEs seeking to strengthen their competitiveness and marketing activities (Scuotto et al., 2021; Ziółkowska, 2021; Sharma & Sharma, 2024).

The importance of digital marketing becomes more pronounced in the tourism sector because tourism products and services are largely experiential and intangible. Before making a purchase or visiting a destination, consumers commonly depend on information obtained through digital platforms to evaluate destinations, accommodation, food, attractions, travel services, and other tourism-related products. Social media, online reviews, visual content, and other forms of digital information provide consumers with opportunities to compare alternatives and develop expectations before experiencing the product or service. Consequently, the quality, accessibility, and usefulness of online information can influence how consumers perceive a destination and subsequently shape their behavioral intentions. Similarly, social media communication and platform characteristics have been shown to influence tourists' visit intentions and decision-making processes (Ho et al., 2022; Wachyuni et al., 2022). Armutcu et al. (2023), for example, found that perceptions of the quality and accessibility of online tourism destination content significantly affect tourists' behavioral intentions. The increasing role of digital technologies in SMEs also means that digital transformation has become closely connected with how small businesses develop and implement marketing activities (Scuotto et al., 2021; Ziółkowska, 2021). Their findings also demonstrate the importance of digital marketing interactions and tourist satisfaction in shaping intentions to visit and engage in electronic word-of-mouth.

For tourism-oriented SMEs, these developments create substantial opportunities as well as strategic challenges. Digital platforms allow small businesses to promote their products

beyond their immediate geographical markets and communicate directly with potential customers. In tourism, social media marketing can also support SMEs in building relationships with customers and strengthening their market position through continuous digital interaction (Syahchari et al., 2023). However, simply having a social media account or using digital platforms does not necessarily ensure improved business performance. The effectiveness of digital marketing depends on how businesses use digital channels to communicate relevant information, create customer engagement, understand consumer responses, and support business objectives. Empirical evidence from MSMEs also indicates that digital marketing adoption can contribute to financial performance, although its effects may differ depending on the particular business context and the way digital technologies are integrated into business activities (Gao et al., 2023). Evidence from Indonesian SMEs also indicates that social media utilization can contribute to marketing and firm performance, although the effectiveness of digital activities depends on how businesses implement and manage these channels (Wibawa et al., 2022; Noviaristanti et al., 2023). Evidence from tourism SMEs also shows that social media use can positively contribute to marketing performance, particularly when supported by appropriate marketing capabilities (Massawe et al., 2024). Therefore, the issue is not merely whether tourism SMEs use digital marketing, but also how digital marketing activities are implemented and whether they correspond to the needs and behavior of consumers.

This issue is particularly relevant for tourism SMEs in Kupang City, where tourism-related businesses operate in a market that includes culinary products, souvenirs, local products, accommodation, travel services, and other tourism-related activities. Digital platforms provide opportunities for these businesses to communicate their products and reach potential customers more efficiently. Nevertheless, the existence of digital marketing activities does not automatically indicate that businesses have developed a consumer-oriented digital marketing strategy. Businesses may actively post promotional content, but the content may not provide sufficient information, encourage interaction, respond to consumer expectations, or support consumers throughout their decision-making process. This creates an important managerial question concerning whether digital marketing practices implemented by tourism SMEs are actually connected with consumer behavior and, ultimately, with business performance.

Consumer behavior therefore represents an important component in understanding the relationship between digital marketing and SME performance. Digital marketing provides consumers with information and interaction opportunities, while consumers respond to that information through their perceptions, evaluations, engagement, purchase decisions, and subsequent behavioral responses. In social media environments, consumer engagement represents an important dimension of how consumers interact with brands beyond the immediate purchase process (Hollebeek et al., 2014). In tourism, this relationship is particularly important because consumers often evaluate tourism products before directly experiencing them. Online information, reviews, social media content, and interactions with businesses can influence consumer expectations and behavioral intentions (Armutcu et al., 2023). From the perspective of tourism SMEs, understanding these responses can provide valuable information for improving the content, communication, and interaction strategies used through digital platforms.

Previous studies have provided important evidence regarding the relationship between digital marketing and business performance. Wu et al. (2024) demonstrated that digital marketing strategy can influence organizational performance in SMEs, emphasizing the importance of organizational capabilities in supporting digital marketing strategies. Sultoni et al. (2022) similarly found a positive and significant effect of digital marketing on the marketing performance of Indonesian SMEs. Gao et al. (2023) further showed that digital marketing adoption is associated with the financial performance of MSMEs. Recent evidence also indicates that social media marketing can contribute to MSME performance (Tatik & Setiawan, 2025). These studies establish a strong basis for understanding digital marketing as an

important determinant of SME performance. Studies focusing specifically on tourism SMEs have also reported positive relationships between digital marketing or social media marketing and organizational performance (Sharma & Sharma, 2023; Khaki & Khan, 2024). However, much of the existing empirical literature tends to examine digital marketing from the perspective of the business and its organizational capabilities or performance.

At the same time, tourism research has increasingly emphasized the importance of consumers' responses to digital information and digital marketing interactions. Armutcu et al. (2023) demonstrate that online tourism content and digital marketing interactions are relevant to tourist behavioral intentions. Research on tourism consumers further shows that social media content, user-generated information, and online interactions can shape travel-related decisions and consumer responses (Ho et al., 2022; Wachyuni et al., 2022; Silaban et al., 2023). Nevertheless, there remains a need to connect the business perspective of digital marketing with the consumer perspective in a single empirical framework. In particular, understanding digital marketing only through business performance may overlook the behavioral mechanism through which digital marketing activities influence consumers. Conversely, examining consumer behavior without relating it to the performance of tourism SMEs provides limited insight into how businesses can transform consumer responses into improved outcomes.

This represents an important research gap. Existing studies have established relationships between digital marketing and SME performance, while tourism studies have demonstrated the relevance of digital information and digital marketing interactions to tourist behavior. However, fewer studies integrate digital marketing, consumer behavior, and SME performance into a unified empirical model, particularly in the context of tourism-oriented SMEs in a regional city in Indonesia. Furthermore, there remains a practical gap in translating empirical findings on digital marketing and consumer responses into actionable strategies that tourism SMEs can apply in their daily marketing activities. Digital marketing should not only be measured as the presence or intensity of digital activities, but also considered in relation to how consumers respond to those activities and how such responses contribute to business performance.

Addressing this gap, the present study develops an empirical model that positions digital marketing as an antecedent of both consumer behavior and SME performance, while consumer behavior is examined as a potential mechanism linking digital marketing with SME performance. The study combines the perspective of tourism SME actors and consumers. The SME perspective is used to examine digital marketing practices and business performance, whereas the consumer perspective is used to capture consumer responses to digital marketing activities. This two-sided approach is expected to provide a more comprehensive understanding of how digital marketing can create value for tourism SMEs through consumer responses.

The contribution of this study lies in integrating digital marketing, consumer behavior, and SME performance within a single empirical model in the tourism SME context. Rather than treating digital marketing solely as a promotional activity, the study examines how digital marketing relates to consumer responses and how these responses are associated with SME performance. This approach provides an empirical basis for developing more consumer-oriented digital marketing strategies for tourism SMEs.

Based on this background, the study aims to examine the relationship between digital marketing, consumer behavior, and the performance of tourism SMEs in Kupang City. Specifically, the study seeks to examine whether digital marketing influences consumer behavior and SME performance, whether consumer behavior influences SME performance, and whether consumer behavior mediates the relationship between digital marketing and SME performance. By integrating these relationships, the study is expected to contribute to the literature on digital marketing and SME performance by providing a consumer-oriented perspective within the tourism SME context. Practically, the findings are expected to provide an empirical basis for developing more relevant and actionable digital marketing strategies for tourism SMEs in Kupang City.

Based on the research gap identified above, this study addresses the following research questions: 1) Does digital marketing significantly influence consumer behavior among tourism SMEs in Kupang City?; 2) Does digital marketing significantly influence the performance of tourism SMEs in Kupang City?; 3) Does consumer behavior significantly influence the performance of tourism SMEs in Kupang City?; 4) Does consumer behavior mediate the relationship between digital marketing and the performance of tourism SMEs in Kupang City?.

METHODS

This study employed a quantitative explanatory survey design to examine the relationships among digital marketing, consumer behavior, and the performance of tourism SMEs in Kupang City. The analysis used Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS to assess the measurement and structural models, including reliability, validity, path coefficients, and hypothesis testing (Hair & Alamer, 2022; Hair et al., 2021). The study was conducted in Kupang City, East Nusa Tenggara, Indonesia, particularly in Kelapa Lima, Oebobo, and Kota Lama. The participants consisted of tourism SME actors and consumers who had interacted with or purchased products or services from tourism SMEs. Purposive sampling was used, with the criteria that SME respondents actively used digital media in their business activities and consumer respondents had interacted with or purchased from the relevant SMEs. The final dataset consisted of 33 SME respondents and 180 consumer respondents.

Data were collected using structured questionnaires with a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The SME questionnaire measured digital marketing and SME performance, while the consumer questionnaire measured consumer behavior. The measurement items were adapted from relevant previous studies and adjusted to the tourism SME context. Data were screened for completeness before analysis. The analysis consisted of measurement model and structural model assessment. The measurement model was evaluated through indicator reliability, convergent validity, and construct reliability. The structural model was assessed using path coefficients, and hypothesis testing. Direct effects were examined for the relationships among digital marketing, consumer behavior, and SME performance, while the indirect effect was assessed to test the mediating role of consumer behavior.

Based on the phenomena, research gaps, and novelty outlined above, this study develops a conceptual model in the form of the following conceptual framework.

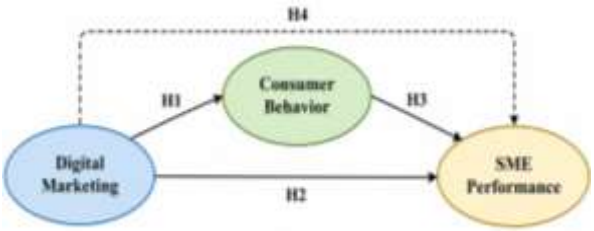


Figure 1. Conceptual Framework

Information:
⟶ : Direct Influence (H1, H2, H3)
- - -▸ : The Influence of Mediation (H4)

RESULTS AND DISCUSSION

Respondent Characteristics

A total of 213 valid responses were obtained from two respondent groups: 33 tourism SME actors and 180 consumers. The SME respondents represented several tourism-related business categories, including culinary businesses, souvenir and gift shops, travel services, and homestays. The consumer respondents were individuals who had purchased or interacted with tourism SME products or services in Kupang City.

Table 1. Characteristics of Tourism SME Respondents

Characteristic	Category	n	%
Type of business	Homestay	8	24.2
	Travel	7	21.2
	Culinary	6	18.2
	Souvenir	6	18.2
	Gift/Local products	6	18.2
Business age	< 1 year	5	15.2
	1–3 years	6	18.2
	4–6 years	8	24.2
	> 6 years	14	42.4
Number of employees	1–5 people	20	60.6
	6–10 people	3	9.1
	> 10 people	10	30.3

Source: Authors' survey data, processed in 2026

The profile indicates that the majority of SME respondents had operated their businesses for more than six years (42.4%), while 24.2% had operated for four to six years. In terms of business size, most respondents employed between one and five workers (60.6%), confirming that the sample was dominated by relatively small-scale tourism businesses. The use of digital platforms was also widespread among the participating SMEs. TikTok was used by 78.8% of the respondents, followed by Instagram (75.8%), Facebook (54.5%), WhatsApp Business (48.5%), and websites (15.2%). This distribution indicates that social media platforms constituted an important component of the digital marketing activities of the sampled tourism SMEs.

Table 2. Characteristics of Consumer Respondents

Characteristic	Category	n	%
Age	< 20 years	18	10.0
	20–30 years	109	60.6
	31–40 years	38	21.1
	> 40 years	15	8.3
Gender	Female	100	55.6
	Male	80	44.4
Education	Senior high school	71	39.4
	Diploma	10	5.6
	Bachelor's degree	90	50.0
	Postgraduate	9	5.0
Purchase frequency	1 time	55	30.6
	2–3 times	70	38.9
	> 3 times	55	30.6

Source: Authors' survey data, processed in 2026

The consumer sample was predominantly composed of respondents aged 20–30 years (60.6%). Female respondents represented 55.6% of the sample, while male respondents accounted for 44.4%. Regarding education, half of the respondents held a bachelor's degree, while 39.4% had completed senior high school. In terms of purchasing frequency, 38.9% had purchased tourism SME products or services two to three times, while approximately 30.6% had purchased once and another 30.6% had purchased more than three times. These characteristics indicate that the consumer sample consisted largely of digitally active young adults who had direct experience with tourism SME products or services. This profile is relevant to the study because digital information and social media are increasingly important sources of information in consumers' tourism-related decision-making. This is also consistent with previous findings emphasizing the role of digital marketing and online information in shaping tourist behavior (Armutcu et al., 2023).

Descriptive Statistics and Reliability

Descriptive statistics were calculated to examine the general response patterns for the three main constructs: Digital Marketing (DM), Consumer Behavior (CB), and SME Performance (SP). The analysis used the mean score and standard deviation based on the five-point Likert scale.

Table 3. Descriptive Statistics of Main Constructs

Construct	N	Mean	SD	Minimum	Maximum
Digital Marketing	33	4.59	0.44	3.50	5.00
Consumer Behavior	180	4.49	0.49	3.10	5.00
SME Performance	33	4.68	0.54	3.00	5.00

Source: Authors' survey data, processed in 2026

The descriptive results show relatively high mean scores across all three constructs. Digital Marketing obtained a mean score of 4.59, indicating that the participating SMEs generally reported frequent and active use of digital marketing practices. Consumer Behavior recorded a mean of 4.49, suggesting that consumers generally demonstrated positive digital information-searching, purchasing, satisfaction, repurchase, and recommendation tendencies. SME Performance had the highest mean score of 4.68, indicating a generally positive perception of business performance among the sampled SMEs.

At the indicator level, the strongest Digital Marketing response concerned the use of digital media for marketing activities, while the lowest mean was observed for the frequency of updating digital content. For Consumer Behavior, the highest scores were associated with repurchase intention and willingness to recommend the products or services. Meanwhile, the SME Performance indicators generally showed consistently high scores, particularly in customer loyalty and sales-related performance. The relatively high descriptive scores provide an initial indication that the sampled tourism SMEs were already actively engaged in digital marketing and that consumers generally responded positively to digital information and promotional activities.

Measurement Model / Outer Model

The measurement model was assessed before evaluating the structural relationships. The assessment included indicator reliability, internal consistency reliability, and convergent validity. In PLS-SEM, indicator loadings around or above 0.70 are generally considered satisfactory, while composite reliability values above 0.70 and AVE values above 0.50 indicate adequate construct reliability and convergent validity (Hair & Alamer, 2022; Hair et al., 2021). The refined measurement model retained five indicators for Digital Marketing, three indicators for Consumer Behavior, and five indicators for SME Performance. All retained indicators demonstrated standardized loadings above 0.80.

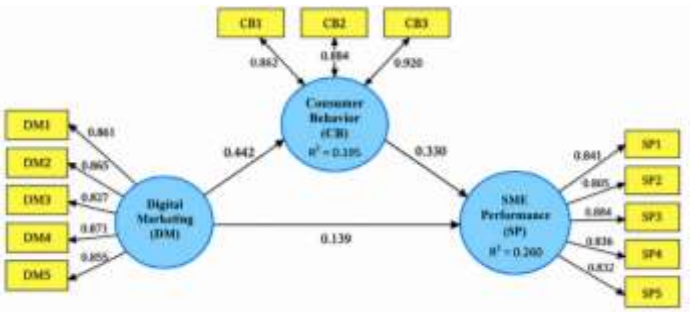


Figure 2. Measurement Model with Standardized Loadings

The model shows that the standardized indicator loadings ranged from 0.805 to 0.920. The highest loading was observed for CB3 (0.920), while the lowest was SP2 (0.805). All

loadings exceeded the recommended threshold, indicating that the retained indicators provided satisfactory representation of their respective latent constructs.

Table 4. Indicator Loadings

Construct	Indicator	Loading
Digital Marketing (DM)	DM1	0.861
	DM2	0.865
	DM3	0.827
	DM4	0.871
	DM5	0.855
Consumer Behavior (CB)	CB1	0.862
	CB2	0.884
	CB3	0.920
SME Performance (SP)	SP1	0.841
	SP2	0.805
	SP3	0.884
	SP4	0.836
	SP5	0.832

Source: Authors' PLS-SEM analysis

All outer loadings were above 0.80, providing strong evidence of indicator reliability. The findings suggest that the retained indicators consistently represent the underlying dimensions of Digital Marketing, Consumer Behavior, and SME Performance. The result is also consistent with established PLS-SEM procedures, where indicator reliability is assessed through standardized outer loadings before proceeding to the structural model.

Construct Reliability and Convergent Validity

Internal consistency reliability was assessed using Cronbach's alpha and composite reliability (CR), while convergent validity was assessed using the average variance extracted (AVE).

Table 5. Construct Reliability and Convergent Validity

Construct	Cronbach's Alpha	Composite Reliability	AVE
Digital Marketing (DM)	0.881	0.911	0.674
Consumer Behavior (CB)	0.855	0.915	0.783
SME Performance (SP)	0.891	0.917	0.690

Source: Authors' PLS-SEM analysis

As shown in Table 5, Cronbach's alpha values ranged from 0.855 to 0.891, exceeding the commonly accepted minimum of 0.70. Composite reliability values ranged from 0.911 to 0.917, also indicating satisfactory internal consistency. The AVE values ranged from 0.674 to 0.783, exceeding the minimum criterion of 0.50. These results indicate that the constructs achieved adequate internal consistency and convergent validity. In particular, the AVE values demonstrate that each construct explains more than half of the variance of its retained indicators. The measurement model therefore provides an adequate basis for subsequent structural model assessment. Similar criteria are commonly applied in recent PLS-SEM studies using outer loadings, composite reliability, and AVE to establish measurement quality.

Structural Model Test Results (Inner Model)

After the measurement model was established, the structural model was assessed to examine the hypothesized relationships among the constructs. The structural model consisted of three direct relationships: Digital Marketing → Consumer Behavior, Digital Marketing → SME Performance, Consumer Behavior → SME Performance. The model also included an indirect relationship in which Consumer Behavior was proposed to mediate the relationship between Digital Marketing and SME Performance.

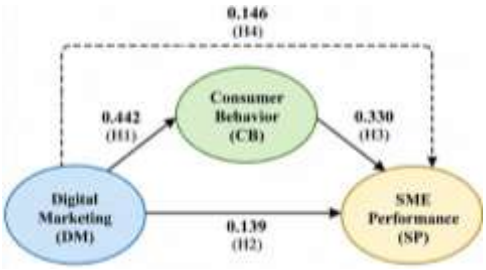


Figure 3. Structural Model and Path Coefficients

The current PLS-SEM output shows positive path coefficients for all three direct relationships. Digital Marketing had a path coefficient of 0.442 toward Consumer Behavior. Digital Marketing also had a positive direct path toward SME Performance with a coefficient of 0.139, while Consumer Behavior had a positive path coefficient of 0.330 toward SME Performance.

Table 6. Structural Path Coefficients

Hypothesized Relationship	Path Coefficient (β)	Direction
Digital Marketing → Consumer Behavior	0.442	Positive
Digital Marketing → SME Performance	0.139	Positive
Consumer Behavior → SME Performance	0.330	Positive

Source: Authors' PLS-SEM analysis

The strongest direct relationship in the structural model was between Digital Marketing and Consumer Behavior (β = 0.442). This indicates that stronger digital marketing practices were associated with stronger consumer behavioral responses. Consumer Behavior also demonstrated a positive relationship with SME Performance (β = 0.330). The direct effect of Digital Marketing on SME Performance was positive but comparatively smaller (β = 0.139). The positive direction of these relationships is consistent with previous research showing that digital marketing can contribute to SME performance and that digital information and social media interactions can influence consumer or tourist behavior (Wu et al., 2024; Sultoni et al., 2022; Armutcu et al., 2023).

Hypothesis Testing

Table 7. Hypothesis Testing

Hypothesis	Relationship	β	t-value	p-value	Decision
H1	Digital Marketing → Consumer Behavior	0.442	3.781	< 0.001	**Supported**
H2	Digital Marketing → SME Performance	0.139	2.087	0.037	**Supported**
H3	Consumer Behavior → SME Performance	0.330	2.914	0.004	**Supported**

Source: Authors' analysis using PLS-SEM

The hypothesis testing results indicate that all three proposed direct relationships are positive and statistically significant. Digital marketing has a positive effect on consumer behavior (β = 0.442, t = 3.781, p < 0.001), supporting H1. The direct effect of digital marketing on SME performance is also positive and significant (β = 0.139, t = 2.087, p = 0.037), supporting H2. Furthermore, consumer behavior has a positive and significant effect on SME performance (β = 0.330, t = 2.914, p = 0.004), supporting H3. Among the three relationships, the strongest path coefficient is observed between digital marketing and consumer behavior. This finding suggests that digital marketing activities are particularly relevant in shaping consumer responses in the tourism SME context. The positive relationship between consumer

behavior and SME performance further indicates that favorable consumer responses are associated with better business outcomes.

Table 8. Mediation Analysis

Hypothesis	Mediation Relationship	β	t-value	p-value	Decision
H4	Digital Marketing → Consumer Behavior → SME Performance	0.146	2.436	0.015	**Supported**

Source: Authors' analysis using PLS-SEM

The mediation analysis indicates that consumer behavior significantly mediates the relationship between digital marketing and SME performance (β = 0.146, t = 2.436, p = 0.015). The indirect effect is positive, indicating that stronger digital marketing is associated with more favorable consumer behavior, which subsequently contributes to SME performance. Since the direct effect of digital marketing on SME performance remains positive (β = 0.139), the findings suggest a complementary mediation pattern, in which digital marketing influences SME performance both directly and indirectly through consumer behavior.

Discussion

The findings provide empirical evidence that digital marketing and consumer behavior play important roles in shaping the performance of tourism SMEs in Kupang City. Overall, all four hypotheses were supported, indicating that digital marketing influences consumer behavior and SME performance both directly and indirectly through consumer behavior. These findings suggest that digital marketing should not be viewed only as a promotional tool, but also as a mechanism that shapes consumer responses and contributes to business performance.

1. Digital Marketing and Consumer Behavior

The first hypothesis shows that digital marketing has a positive and significant effect on consumer behavior (β = 0.442, p < 0.001). This finding indicates that more effective use of digital marketing is associated with stronger consumer responses toward tourism SME products and services. In the context of Kupang City, the relatively high use of social media platforms such as TikTok and Instagram suggests that digital channels have become important points of interaction between tourism businesses and consumers.

This result is consistent with Armutcu et al. (2023), who emphasize the important role of digital marketing and social media in shaping tourist behavior. It is also consistent with evidence that social media communication and digital information can influence tourists' visit intentions and consumption decisions (Ho et al., 2022; Wachyuni et al., 2022; Silaban et al., 2023). Digital platforms allow tourism businesses to communicate information, present products visually, interact with potential customers, and build trust before consumers make purchasing or visiting decisions. Therefore, digital marketing can influence not only consumers' access to information but also their perceptions and behavioral intentions.

The finding also supports the view that digital marketing capability represents more than the simple presence of a business on social media. The effectiveness of digital marketing depends on how businesses use digital platforms to create relevant content, maintain interaction, and respond to consumer needs. For tourism SMEs in Kupang City, this is particularly important because tourism-related products are strongly influenced by information, visual presentation, consumer trust, and digital interaction.

2. Digital Marketing and SME Performance

The second hypothesis indicates that digital marketing has a positive and significant effect on SME performance (β = 0.139, p = 0.037). Although the coefficient is smaller than the effect of digital marketing on consumer behavior, the result confirms that digital marketing contributes directly to the performance of tourism SMEs. This finding is in line with Wu et al. (2024), who demonstrate that digital marketing strategy is associated with SME performance.

Similarly, Sultoni et al. (2022) show that digital marketing and related digital capabilities contribute to marketing performance among Indonesian SMEs. Evidence from Indonesian SMEs also shows that social media utilization can contribute positively to marketing and firm performance (Wibawa et al., 2022; Noviaristanti et al., 2023). Research specifically examining tourism SMEs similarly indicates that digital marketing adoption and social media marketing can contribute to organizational performance (Sharma & Sharma, 2023; Khaki & Khan, 2024; Massawe et al., 2024). Digital platforms can provide SMEs with broader market access, more efficient communication with customers, and opportunities to promote products beyond traditional local networks.

However, the relatively modest direct coefficient suggests that digital marketing alone may not be sufficient to produce substantial improvements in SME performance. The business benefits of digital activities may depend on how effectively consumers respond to those activities. This interpretation becomes particularly relevant when considering the significant relationship between consumer behavior and SME performance and the mediation result identified in this study.

3. Consumer Behavior and SME Performance

The third hypothesis demonstrates that consumer behavior has a positive and significant effect on SME performance ($\beta = 0.330$, $p = 0.004$). This finding indicates that stronger consumer responses are associated with better performance among tourism SMEs in Kupang City. This relationship is particularly relevant in tourism and hospitality contexts, where customer engagement and loyalty can contribute to the formation of favorable business outcomes (Rather et al., 2022). Consumer behavior is particularly important in tourism because purchasing decisions, trust, repeat purchases, and interactions with tourism products can directly influence business outcomes. When consumers respond positively to digital information and promotional activities, these responses can translate into actual transactions and continued engagement with SMEs. The finding therefore reinforces the importance of understanding consumers rather than focusing exclusively on the technological aspects of digital marketing.

The result is also consistent with Armutcu et al. (2023), who highlight the importance of understanding tourist behavior in the digital marketing context. In tourism and hospitality settings, consumer engagement and responses to digital information can contribute to subsequent behavioral outcomes and business-related value (Hollebeek et al., 2014; Rather et al., 2022). For tourism SMEs, digital marketing becomes more meaningful when it successfully generates consumer responses that contribute to business activities. Thus, consumer behavior represents an important link between digital engagement and SME performance.

4. The Mediating Role of Consumer Behavior

The fourth hypothesis confirms that consumer behavior significantly mediates the relationship between digital marketing and SME performance (indirect effect $\beta = 0.146$, $p = 0.015$). The significant direct effect of digital marketing on SME performance together with the significant indirect effect indicates complementary mediation. This finding provides an important extension to previous research because it suggests that the contribution of digital marketing to SME performance occurs through two pathways. First, digital marketing can influence performance directly by expanding promotional reach and supporting business communication. Second, it can influence performance indirectly by shaping consumer responses that subsequently contribute to business outcomes.

The mediation finding is particularly relevant for tourism SMEs in Kupang City. Rather than evaluating digital marketing only in terms of whether businesses use social media or other digital platforms, SME owners should consider whether their digital activities generate meaningful consumer responses. Content, interaction, and digital communication are valuable

when they encourage trust, purchase decisions, loyalty, and other consumer responses that can ultimately support business performance.

The main novelty of this study lies in demonstrating that digital marketing contributes to tourism SME performance not only through a direct pathway but also through consumer responses. By integrating digital marketing, consumer behavior, and SME performance within a single empirical model, this study provides a consumer-oriented perspective for understanding digital marketing effectiveness among tourism SMEs in Kupang City.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

Based on the findings, digital marketing has a positive and significant effect on consumer behavior and the performance of tourism SMEs in Kupang City. Although the direct effect of digital marketing on SME performance is relatively modest, the findings confirm that digital marketing contributes to business performance. Consumer behavior also has a positive and significant effect on SME performance, indicating that positive consumer responses are important for tourism SMEs. Furthermore, consumer behavior significantly mediates the relationship between digital marketing and SME performance, indicating complementary mediation. Overall, the findings demonstrate that digital marketing and consumer behavior are interconnected factors in improving tourism SME performance in Kupang City. Therefore, digital marketing strategies should not focus only on increasing online visibility but also on generating positive consumer responses that can contribute to better business performance.

Limitations

1. This study was conducted in Kupang City and focused on tourism SMEs and their consumers. Therefore, the findings may not be directly generalizable to tourism SMEs in other regions with different market and digital environments.
2. The study used a cross-sectional survey design, which captures respondents' perceptions at a particular point in time. Future studies could use longitudinal data to examine changes in digital marketing practices, consumer behavior, and SME performance over a longer period.
3. The study focused on digital marketing, consumer behavior, and SME performance. Other factors that may influence SME performance, such as innovation capability, entrepreneurial orientation, financial capability, and competitive conditions, were not included in the model.

Recommendation

Based on the findings, tourism SMEs in Kupang City are recommended to strengthen their digital marketing activities by producing relevant and engaging content, maintaining active interaction with consumers, and selecting digital platforms according to their target market. Greater attention should also be given to consumer responses, particularly trust, purchase decisions, and continued engagement, because consumer behavior was found to play a mediating role in the relationship between digital marketing and SME performance. For future research, researchers are encouraged to expand the study to other tourism destinations and include additional variables that may explain SME performance. Longitudinal research and larger samples may also provide a broader understanding of how digital marketing and consumer behavior contribute to the development of tourism SMEs.

Author Contribution

The first author took primary responsibility for the research conceptualization, methodology, data collection, data analysis, and drafting of the manuscript. The second author contributed to the formulation of the conceptual framework and interpretation of the results.

The third author contributed to data collection, data validation, and the review of the manuscript. The fourth author contributed to the literature review, interpretation of findings, and critical revision of the manuscript. The fifth author contributed to the research design, critical review, and revision of the manuscript. All authors have read and approved the final version of the manuscript submitted for publication.

AI Disclosure Statement

The authors acknowledge the use of AI-assisted tools in supporting language refinement and manuscript preparation by the authors.

Acknowledgment

The author would like to acknowledge Universitas Nusa Cendana for supporting and funding this research. Appreciation is also extended to the tourism SME actors and consumers in Kupang City who participated in the study and provided the data required for this research.

REFERENCES

Armutcu, B., Tan, A., Amponsah, M., Parida, S., & Ramkissoon, H. (2023). Tourist behaviour: The role of digital marketing and social media. *Acta Psychologica, 240*, 104025. https://doi.org/10.1016/j.actpsy.2023.104025

Gao, J., Siddik, A. B., Khawar Abbas, S., Hamayun, M., Masukujjaman, M., & Alam, S. S. (2023). Impact of e-commerce and digital marketing adoption on the financial and sustainability performance of MSMEs during the COVID-19 pandemic: An empirical study. *Sustainability, 15*(2), 1594. https://doi.org/10.3390/su15021594

Hair, J. F., & Alamer, A. (2022). Partial least squares structural equation modeling in second language and education research: Guidelines using an applied example. *Research Methods in Applied Linguistics, 1*(3), 100027. https://doi.org/10.1016/j.rmal.2022.100027

Hair, J. F., Hult, G. T. M., Ringle, C. M., Sarstedt, M., Danks, N. P., & Ray, S. (2021). *A primer on partial least squares structural equation modeling (PLS-SEM)* (3rd ed.). Thousand Oaks, CA: Sage Publications.

Ho, C.-I., Liu, Y., & Chen, M.-C. (2022). Antecedents and consequences of tourists' social media engagement. *International Journal of Contemporary Hospitality Management, 34*(11), 4206–4226. https://doi.org/10.1108/IJCHM-12-2021-1469

Hollebeek, L. D., Glynn, M. S., & Brodie, R. J. (2014). Consumer brand engagement in social media: Conceptualization, scale development and validation. *Journal of Interactive Marketing, 28*(2), 149–165. https://doi.org/10.1016/j.intmar.2013.12.002

Khaki, A. A., & Khan, T. A. (2024). Social media marketing and its influence on the performance of micro, small, and medium-sized tourism enterprises: Mediation of innovation capabilities. *Journal of Global Marketing, 37*(1), 1–23. https://doi.org/10.1080/08911762.2023.2250998

Massawe, D. P., Mbura, O., & Thomas, T. E. (2024). Social media use, marketing capabilities and marketing performance of small and medium tourism enterprises in Tanzania. *Tanzania Journal of Development Studies, 21*(2), 106–129.

Noviaristanti, S., Yunita, S. C., & Triono, S. P. H. (2023). Social media usage impacts on SME's firm performance: Evidence from West Java, Indonesia. *Indonesian Journal of Business and Entrepreneurship, 9*(2), 285–294. https://doi.org/10.17358/ijbe.9.2.285

Rather, R. A., Hollebeek, L. D., & Rasoolimanesh, S. M. (2022). First-time versus repeat tourism customer engagement, experience, and value cocreation: An empirical investigation. *Journal of Travel Research, 61*(3), 549–564. https://doi.org/10.1177/0047287521997572

Scuotto, V., Nicotra, M., Del Giudice, M., Krueger, N., & Gregori, G. L. (2021). A microfoundational perspective on SMEs' growth in the digital transformation era.

Journal of Business Research, 129, 382–392. https://doi.org/10.1016/j.jbusres.2021.01.045

Sharma, A., & Sharma, S. (2023). Digital marketing adoption by small travel agencies: A comprehensive PLS-SEM model using reflective and higher-order formative constructs. *European Journal of Innovation Management, 28*(2), 560–590. https://doi.org/10.1108/EJIM-09-2022-0532

Sharma, A., & Sharma, S. (2024). Adoption of digital marketing in tourism SMEs: A review and research agenda. *Management Research Review, 47*(7), 1077–1095. https://doi.org/10.1108/MRR-08-2021-0597

Silaban, P. H., Chen, W.-K., Sormin, S., Panjaitan, Y. N. B. P., & Silalahi, A. D. K. (2023). How does electronic word of mouth on Instagram affect travel behaviour in Indonesia: A perspective of the information adoption model. *Cogent Social Sciences, 9*(1), 2163525. https://doi.org/10.1080/23311886.2022.2163525

Sultoni, M. H., Sudarmiatin, Hermawan, A., & Sopiah. (2022). Digital marketing, digital orientation, marketing capability, and information technology capability on marketing performance of Indonesian SMEs. *International Journal of Data and Network Science, 6*(4), 1381–1388. https://doi.org/10.5267/j.ijdns.2022.5.013

Syahchari, D. H., Herlina, M. G., & Omar, A. (2023). The role of social capital, social media marketing, and entrepreneurial orientation in the success of small and medium enterprises in the tourism industry. *Binus Business Review, 14*(3), 331–341. https://doi.org/10.21512/bbr.v14i3.10352

Tatik, T., & Setiawan, D. (2025). Does social media marketing important for MSMEs performance in Indonesia? *Asia Pacific Journal of Marketing and Logistics, 37*(1), 99–114. https://doi.org/10.1108/APJML-01-2024-0090

Wachyuni, S. S., Priyambodo, T. K., Widiyastuti, D., & Sudarmadji. (2022). Digital behaviour in gastronomy tourism: The consumption pattern of millennial tourists. *Asian Journal of Advanced Research and Reports, 16*(4), 27–40. https://doi.org/10.9734/ajarr/2022/v16i430466

Wibawa, B. M., Baihaqi, I., Nareswari, N., Mardhotillah, R. R., & Pramesti, F. (2022). Utilization of social media and its impact on marketing performance: A case study of SMEs in Indonesia. *International Journal of Business and Society, 23*(1), 19–34. https://doi.org/10.33736/ijbs.4596.2022

Wu, C.-W., Botella-Carrubi, D., & Blanco-González-Tejero, C. (2024). The empirical study of digital marketing strategy and performance in SMEs. *Technological Forecasting and Social Change, 200*, 123142. https://doi.org/10.1016/j.techfore.2023.123142

Ziółkowska, M. J. (2021). Digital transformation and marketing activities in small and medium-sized enterprises. *Sustainability, 13*(5), 2512. https://doi.org/10.3390/su13052512