THE INFLUENCE OF DIGITAL MARKETING CAPABILITY AND BEHAVIORAL CUSTOMER RELATIONSHIP MANAGEMENT ON INCREASING SALES OF MSMEs: EMPIRICAL STUDY IN SURAKARTA CITY

Muhammad Syhabuddin*

Management Study Program, Sekolah Tinggi Ilmu Ekonomi Surakarta

muhammadsyihabuddin74@gmail.com

Astuti Wulandari

Management Study Program, Sekolah Tinggi Ilmu Ekonomi Surakarta

wlndrastt13@gmail.com

Abstract

This study aims to analyze the influence of Digital Marketing Capability and Behavioral Customer Relationship Management (BCRM) on the sales performance of Micro, Small, and Medium Enterprises (MSMEs) in Surakarta, Indonesia. The research is motivated by the increasing need for MSMEs to adapt to digital transformation and to understand customer behavior in order to remain competitive. A quantitative approach was employed using survey data from 150 MSME owners, and the data were analyzed using multiple linear regression. The results show that both Digital Marketing Capability and Behavioral CRM have a positive and significant effect on sales improvement. Behavioral CRM has a stronger influence compared to Digital Marketing Capability, indicating that marketing strategies based on customer behavioral insights yield better performance outcomes. These findings are consistent with the Resource-Based View and Relationship Marketing Theory, and support previous studies emphasizing the importance of technology integration and customer relationship strategies. The managerial implication is that MSMEs should enhance their digital marketing capabilities and develop CRM systems that effectively utilize customer behavioral data. The study is limited to a specific geographic area and uses cross-sectional data; thus, future research is encouraged to adopt longitudinal designs and expand the study scope.
Keywords: Behavioral CRM, Digital Marketing Capability, MSMEs, Sales Performance, Surakarta

INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) are the backbone of the Indonesian economy. Based on data from the Indonesian Ministry of Cooperatives and SMEs in 2023, the number of MSMEs in Indonesia has reached around 65 million business units, or around 99% of the total national business actors. Its contribution to Gross Domestic Product (GDP) is also very significant, namely around 60.5%, and is able to absorb more than 97% of the workforce in Indonesia.

MSMEs in Indonesia are dominated by micro businesses, with more than 63 million units. The most common types of business run include the retail trade, food and beverage, creative industry and service sectors. As technology develops, digitalization of MSMEs has become the government's focus. By the end of 2023, around 22 million MSMEs have been connected to the digital ecosystem, either through e-commerce, social media or digital payment platforms. The government targets as many as 30 million MSMEs to go digital by 2024.

The city of Surakarta or Solo is known as one of the creative cities and a center for MSME growth in Central Java. Based on data from the Surakarta City Cooperatives and SMEs Service in 2023, it was recorded that there were around 63,000 active MSMEs in this area. MSMEs in Solo are spread across various sectors, with dominance in the culinary, fashion and craft sectors (including batik), as well as services and trade.

Laweyan and Banjarsari districts have become centers of concentration of MSMEs, especially those operating in the batik sector and other creative industries. The Surakarta City Government is also active in encouraging the digitalization of MSMEs through marketplace onboarding programs, digital marketing training, and technology facilitation at Solo Techno Park and Rumah MSME Digital. By 2023, more than 12,000 MSMEs in Surakarta have joined the digital ecosystem and utilized online platforms for marketing and sales. The city of Surakarta shows a strategic role in supporting people-based economic growth in Indonesia, especially through strengthening the capacity and competitiveness of MSMEs in the digital era.

In the current era of digital transformation, the business landscape is experiencing very rapid and dynamic changes. The development of information technology has driven changes in consumer behavior who increasingly rely on digital platforms in the process of searching, purchasing and interacting with products or services. In this situation, digital marketing is no longer an option, but rather a strategic necessity for business actors, including Micro, Small and Medium Enterprises (MSMEs). The ability to implement digital marketing strategies effectively allows MSMEs to reach a wider market, increase brand visibility, and compete with large-scale companies.

The development of digital technology has had a significant impact on various aspects of life, including the business world. In the midst of increasingly fierce market competition, Micro, Small and Medium Enterprises (MSMEs) are required to be able to adapt to changes and utilize technology optimally. Digital marketing capability is a crucial aspect that can increase the competitiveness of MSMEs in reaching consumers more widely, effectively and efficiently. On the other hand, managing relationships with customers through a behavioral customer relationship management (CRM) approach also plays an important role in creating loyalty and increasing customer value.

In this context, understanding how digital marketing capabilities and the application of behavioral CRM contribute to increasing sales is very relevant, especially for MSMEs in the city of Surakarta, which is one of the centers of informal sector-based economic growth in Indonesia. This study aims to empirically examine the influence of these two factors on the sales performance of MSMEs, as well as provide strategic recommendations that can be implemented by business actors in optimizing digital potential and customer relationship management.

Various previous studies have discussed the importance of digital marketing and CRM separately, but there is still little research that combines the two simultaneously, especially in the context of MSMEs in developing areas such as Surakarta. More specifically, the behavioral CRM approach has not been widely used as the main focus in studies related to strategies for increasing MSME sales. Behavioral CRM has the advantage of utilizing real-time customer behavior data, which allows MSMEs to develop

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strategies based on consumer preferences more accurately. Therefore, this research presents novelty by empirically testing the integration between digital marketing capabilities and behavioral CRM in the context of increasing MSME sales.

Based on this background, this research aims to analyze the influence of digital marketing capability and behavioral customer relationship management on increasing MSME sales: Empirical study in the city of Surakarta.

LITERATURE REVIEW AND HYPOTHESIS

1. Theory Digital Marketing Capability

Digital Marketing Capability refers to the ability of an organization or business, including MSMEs, to design, manage and implement digital technology-based marketing strategies effectively to achieve business goals. This capability covers various aspects, such as mastery of digital tools (e.g. social media, SEO, email marketing, And website), utilization of analytical data for decision making, as well as the ability to create digital content that is relevant and interesting for the target market.

According to Trainor et al. (2014), digital marketing capability is a combination of technological resources and knowledge that enables companies to develop more effective customer relationships through digital channels. This is not just about having access to technology, but also includes competence in managing digital interactions strategically. In general, digital marketing capability includes three main dimensions: Digital Technology and Infrastructure, Human Resources and Skills, and Data Analysis and Use.

The following is an explanation of the ability assessment indicators Digital Marketing Capability:

a. Ability to Use Digital Media

Assess how effective an organization or individual is in utilizing various digital media for marketing purposes. Indicator:

1) Active and strategic use of social media (Instagram, Facebook, TikTok, LinkedIn, etc)

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2) Utilization of digital advertising such as Google Ads, Meta Ads, or platform DSP

3) Ability to manage digital platforms (website, marketplace, application)

4) Consistency in utilizing digital channels that suit the target audience

b. Content Management

Assess capabilities in designing, producing, distributing, and evaluating digital content. Indicator:

1) Quality and relevance of content to the target market

2) A planned and structured editorial schedule

3) Adaptability of content for various formats (text, images, videos, infographics)

4) Use of techniques THIS in writing web and blog content

c. Online Interaction

Assess the extent to which two-way communication between brand and audience is maintained and developed. Indicator:

1) Responsiveness to customer comments, direct messages, or questions

2) Engagement level (like, share, comment, retweet) on social media

3) Online community activities or customer forums

4) Utilization chatbot or features live chat to support digital services

d. Use of Digital Data

Assess the ability to collect, analyze and use digital data for marketing decision making. Indicator:

1) Use of analytical tools (Google Analytics, Meta Business Suite, etc)

2) Monitoring campaign proforma (CTR, conversion rate, bounce rate)

3) Personalize content and campaigns based on customer data

4) Based decision making insight from data (data-driven marketing)

2. Theory Behavioral CRM

Behavioral Theory (or Behavioral Theory) is an approach in the social sciences that emphasizes observable behavior as the basis for understanding humans, rather than focusing on internal thoughts or feelings. This theory is widely used in psychology, education, management, and leadership. Main Concepts of Behavioral Theory:

a. Behavior Can Be Learned.

Humans learn through interaction with the environment, and desired behavior can be formed through reinforcement (reinforcement) and punishment (punishment).

b. Stimulus–Respons (S–R)

Every behavior is considered a response to a stimulus. If a particular stimulus produces a desired response, it is reinforced.

c. Reinforcement (Reinforcement)

Positive (rewards) and negative reinforcement (removing unpleasant things) increase the likelihood of a behavior being repeated.

d. Punishment (Punishment)

Punishment is used to reduce or eliminate undesirable behavior.

e. Observation and Imitation (Modeling)

People learn by observing the behavior of others, especially authority figures or respected figures. This concept is very deep Social Learning Theory (Bandura).

Indicators in the context of digital marketing and customer relationship management:

a. Customer Interaction Frequency

Shows how often the brand interacts with customers via digital media. The goal is to increase engagement (engagement) and maintain loyalty. This indicator reflects:

1) Communication consistency (email, social media, live chat, etc)

2) The number of customer conversations or responses in a certain period

3) Frequency of interactive content updates (polling, quizzes, Q&A sessions)

4) Customer participation in online communities or forums

b. Promotional Adjustments

Assess the ability to tailor promotional content to customer preferences and behavior. The goal is to increase campaign effectiveness and conversions. These indicators include:

1) Segmentation audience based on behavioral data

2) Personalize promotional messages based on purchase history or interests

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3) Adapt promotional content to suit the time of day, season or trends

4) Utilize data from A/B testing to improve campaigns

c. Post-Purchase Follow-up

Shows brand activity after a customer makes a purchase. Goal: Increase loyalty, satisfaction and likelihood of repeat purchases. These indicators include:

1) Sending a thank you or confirmation email

2) Request a review or testimonial

3) Offering additional or complementary products (cross-selling / upselling)

4) Follow-up to ensure satisfaction and solutions if there are complaints

d. Management Feedback

Assess ability to manage and respond to customer feedback effectively. The goal is to improve service quality, reputation and customer trust. These indicators include:

1) Response time to feedback (positive or negative)

2) Real action based on customer input

3) Transparency in responding to complaints in public spaces (example: review Google, social media comments)

4) Internal feedback and follow-up reporting system

Study of Behavioral CRM from Ngai et al. (2009) in their research, namely Application of data mining techniques in customer relationship management: A literature review and classification states that CRM use is behavior-based in a digital context, including utilization machine learning and data mining to predict online customer behavior. Another study from Kumar et al. (2006) show that effective use of behavioral data in CRM can increase loyalty, retention, and lifetime value customer.

3. MSME sales

Measuring the sales performance of MSMEs (Micro, Small and Medium Enterprises) is a process of evaluating how effective and efficient sales activities are in achieving business goals. This measurement is important so that MSMEs can assess growth, identify weaknesses, and develop better sales strategies. The following are some general indicators to measure MSME sales performance:

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a. Total Sales (Sales Volume/Revenue) : Measuring the amount or value of sales during a certain period. This is a basic indicator to see overall sales performance.

b. Sales Growth (Sales Growth) : Measuring the increase or decrease in sales over time. For example, comparing sales this month with the previous month or the previous year.

c. Number of Transactions : Measuring how many transactions occurred. This is useful for seeing how often customers make purchases.

d. Average Transaction Value (Average Transaction Value) : Total sales divided by the number of transactions. This helps evaluate how much the average customer purchases.

e. Customer Retention Rate : Assess how many customers return to buy. Loyal customers tend to increase sales stability.

f. Sales Conversion : The percentage of prospects or visitors who turn into buyers. Very useful for MSMEs that use digital marketing strategies.

g. Gross Profit from Sales : Calculate the difference between sales revenue and direct costs (for example production costs or purchasing goods). It measures the profitability of sales activities.

h. Ratio of Marketing Costs to Sales : Measures how much marketing expenditure is compared to revenue from sales. An efficient ratio means the marketing strategy is quite effective.

i. Market share : Although difficult to measure precisely by MSMEs, changes in local or niche market share can reflect performance growth.

This performance measurement can be carried out periodically (weekly, monthly, quarterly) and adjusted to the type of business and resource capacity of MSMEs.

4. Theory Resource-Based View

Theory Resource-Based View (RBV) is a theory in strategic management which states that a company's competitive advantage comes from the internal resources it has and how the company manages these resources effectively. In the context of theory Resource-Based View (RBV), indicators are used to identify and measure the internal

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resources and capabilities of an organization that can be a source of competitive advantage. Following are the main indicators based on the VRIO framework (Valuable, Rare, Inimitable, Organized).

Previous studies regarding the RBV theory are from Ismail, M. D., & Alam, S. S. (2019) which uses RBV to explain how innovation as an internal resource influences the performance of MSMEs. Another study from Pratono, A.H. (2018) who took a study in Indonesia that connected the RBV theory with risk taking and MSME performance.

5. Relationship Marketing Theory

Theory Relationship Marketing is a theory in marketing that focuses on building, maintaining, and strengthening long-term relationships between companies and customers, rather than just pursuing one-time transactions. Main Concepts of Relationship Marketing:

a. Long Term Orientation : Focus on creating ongoing, mutually beneficial relationships, not just a quick sale.

b. Loyalty Customers **:** The goal is to increase loyalty by meeting expectations, providing value, and building trust.

c. Consistent Interaction Continuous two-way communication, both online and offline, to maintain relationships and understand customer needs.

d. Personalization and Added Value **:** Customize products, services and communications based on customers' individual needs and preferences.

e. Customer Satisfaction and Trust **:** Two key factors in building long-term relationships. Trust is formed from consistent positive experiences.

f. Customer Retention : It is cheaper to retain old customers than to find new ones. Relationship marketing prioritizes retention strategies.

Implementation of RMT based on (Morgan, Robert & Hunt, Shelby, 1994) for example in loyalty programs (loyalty card), follow-up customers personally, use of CRM (Customer Relationship Management), customer community.

6. Framework of thinking

In the current digital era, MSMEs are required to adapt to technological developments and increasingly dynamic consumer behavior. One important strategy that can encourage sales growth is strengthening digital marketing capabilities. This capability includes MSME skills in utilizing digital channels such as social media, websites, online advertising and data analytics to reach wider customers and increase the effectiveness of marketing communications.

On the other hand, the application of Behavioral Customer Relationship Management (BCRM) is very relevant for maintaining and deepening relationships with customers. Through BCRM, MSMEs can collect and analyze customer behavior data such as purchasing habits, product preferences and responses to promotions. This information allows MSMEs to provide more personalized service and more effective customer retention strategies.

Based on perspective Resource-Based View (RBV), both digital capabilities and behavior-based customer relationship management are internal resources that can create competitive advantages if managed appropriately. Meanwhile, Relationship Marketing theory supports the importance of building long-term relationships with customers as a way to increase loyalty and encourage repeat sales.

Thus, in the context of MSMEs in the City of Surakarta, this research views that Digital Marketing Capability and Behavioral CRM individually and simultaneously have great potential in improving sales performance. It is hoped that MSMEs that are able to develop these two aspects strategically will experience significant sales growth. The following is a diagram of the thinking framework above:
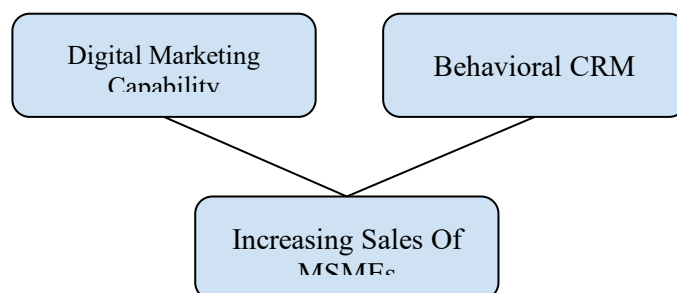
Digital Marketing Capability

Behavioral CRM

Increasing Sales Of MSMEs

Figure 1. Relationship between variables
Source: Author

Hypothesis

Based on the thinking framework of the research title "The Influence of Digital Marketing Capability and Behavioral Customer Relationship Management on Increasing MSME Sales: Empirical Study in Surakarta City", the following is a hypothesis formulation that can be proposed:

a. $H0_1$: Digital Marketing Capability and Behavioral Customer Relationship Management do not have a significant effect on increasing MSME sales in Surakarta City.

b. $H0_2$: Digital Marketing Capability and Behavioral Customer Relationship Management simultaneously do not have a significant effect on increasing MSME sales in the city of Surakarta.

c. H_1: Digital Marketing Capability has a positive and significant effect on increasing MSME sales in the city of Surakarta.

d. H_2: Behavioral Customer Relationship Management has a positive and significant effect on increasing MSME sales in Surakarta City.

e. H_3: Digital Marketing Capability and Behavioral Customer Relationship Management simultaneously have a positive and significant effect on increasing MSME sales in the City of Surakarta.

METHODOLOGY

This type of research is explanatory quantitative, which aims to test the causal relationship between variables *Digital Marketing Capability* (DMC), *Behavioral Customer Relationship Management* (BCRM) and Increased MSME Sales. The analysis was carried out statistically using multiple linear regression techniques. The population used is active MSMEs in the city of Surakarta, especially those who have used it *platform* digital (social media, e-*commerce*, or a simple CRM application). Samples taken using *purposive sampling* with criteria:

1. Have been running digital marketing for at least 1 year

2. Have customer data (at least contact based/transaction history)

3. Have carried out CRM activities (eg *follow-up*, personalization of promotions)

Table 1. Variable

Variable Type	Variable Name	Key Indicators
Independent (X1)	*Digital Marketing Capability* (DMC)	Ability to use digital media, content management, online interaction, use of digital data
Independent (X2)	*Behavioral CRM* (BCRM)	Frequency of customer interactions, customization of promotions, post-purchase follow-up, feedback management
They depend (And)	Increased Sales	Increase in turnover, increase in the number of customers, increase in repeat transactions (repeat orders)

*Instruments will be measured using a scale **Like 1-5**.

Data analysis techniques are a systematic process of processing, testing and interpreting data that has been collected so that it can be used to answer problem formulation and test research hypotheses.

1. **Validity and Reliability Test**

   The Corrected Item Total Correlation test aims to measure the extent to which the questions in the questionnaire actually measure the variable in question. An item is declared valid if the Corrected Item Total Correlation value is > 0.3 (r table depends on the number of respondents and significance level). Cronbach's Alpha is used to measure the consistency or stability of a research instrument.

2. **Classical Assumption Test**

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Gujarati, D. N. (2003) and Wooldridge, J. M. (2012) state that the classification assumption test is used before carrying out regression analysis, to ensure the data meets statistical requirements. Generally include:

a. Normality Test: Assesses whether the data is normally distributed (e.g. Kolmogorov-Smirnov, Shapiro-Wilk).

b. Multicollinearity Test: Tests whether the independent variables are highly correlated with each other. Indicators: VIF < 10 and Tolerance > 0.1 → free from multicollinearity.

c. Heteroscedasticity Test: Tests whether there is unequal variance in the residuals (error). If the residual values are spread randomly, then the data is heteroscedasticity free.

d. Autocorrelation Test (if time series data): Tests the relationship between one error and another. Usually the Durbin-Watson Test is used.

3. **Multiple Linear Regression Analysis** Model:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$$

Information:

Y = Increased Sales

X_1 = *Digital Marketing Capability* (DMC)

X_2 = *Behavioral CRM* (BCRM)

ε = error

RESULTS AND DISCUSSION

Classic Assumption Test Results

1. Normality Test

Table 2. Normality Test

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One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		150
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	10.27005503
Most Extreme Differences	Absolute	.035
	Positive	.035
	Negative	-.030
Test Statistic		.035
Asymp. Sig. (2-tailed)		.200[c,d]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

Source: Output SPSS 25

Because the significance result (0.200) > α (0.05), then Failed to Reject H_0 so it can be concluded that the sample comes from a normally distributed population.

2. Homoscedasticity Test

Table 3. Homoscedasticity Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.378	2.175		3.851	.000
	Digital Marketing Capability (DMC)	-.005	.027	-.016	-.190	.850
	Behavioral CRM (BCRM)	.004	.034	.009	.103	.918

a. Dependent Variable: Abs_RES

Source: Output SPSS 25

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The significance of variable DMC and BRCM > α (0.05), then Fails to Reject H_0 so it can be concluded that the error variance is homoscedastic.

3. Autocorrelation Test

Table 4. Autocorrelation Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.818[a]	.669	.664	10.339683	1.824

a. Predictors: (Constant), Behavioral CRM (BCRM), Digital Marketing Capability (DMC)

b. Dependent Variable: Increase in Sales

Source: Output SPSS 25

That dL 1.634 and dU 1.715. Because the value of Durbin Watson (DW) is 1.824 more than dU (4-1.715 = 2.284), so Autocorrelation does not occur.

4. Multicollinearity Test

Table 4. Multicollinearity Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-12.112	3.710		-3.265	.001
	Digital Marketing Capability (DMC)	.532	.046	.552	11.631	.000
	Behavioral CRM (BCRM)	.764	.059	.617	12.989	.000

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Digital Marketing Capability (DMC)	.999	1.001
	Behavioral CRM (BCRM)	.999	1.001

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a. Dependent Variable: Increase in Sales

Source: Output SPSS 25

Because the VIF calculation result is <10 and the Tolerance calculation result is >0.10, all variables meet the non-multicollinearity assumption.

Regression Test Results

1. Partial Test

Table 5. Partial Test

Coefficients^a

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-12.112	3.710		-3.265	.001
	Digital Marketing Capability (DMC)	.532	.046	.552	11.631	.000
	Behavioral CRM (BCRM)	.764	.059	.617	12.989	.000

a. Dependent Variable: Increase in Sales

Digital Marketing Capability towards increasing sales, because the significance < α (0.05), then Reject H_0. It can be partially concluded that Digital Marketing Capability has a significant effect on Increased Sales. Behavioral CRM towards increasing sales, because the significance < α (0.05), then Reject H_0. It can be partially concluded that Behavioral CRM has a significant effect on Increased Sales.

2. Regression Equations

$$Y = -12.112 + 0.532X_1 + 0.764X_2$$

Interpret $Beta_0$ = -12.112
If Digital Marketing Capability (X1) and Behavioral CRM (X2) is constant, then the Sales Increase (Y) is -12.112.

Interpret $Beta_1$ = 0.532

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If Behavioral CRM (X2) has a constant value, so for each increase Digital Marketing Capability (X_1) by 1 unit will increase Sales Increase (Y) by 0.532.

Interpret $Beta_2 = 0.764$
If Digital Marketing Capability (X1) is constant, then for each increase Behavioral CRM (X_2) by 1 unit will increase Sales Increase (Y) by 0.764.

Discussion

The results of the multiple linear regression test show that it is good Digital Marketing Capability (DMC) or Behavioral Customer Relationship Management (BCRM) has a significant effect on increasing MSME sales in the city of Surakarta. Partially, DMC has a p value <0.05 with a regression coefficient of 0.53155. This indicates that every one unit increase in digital marketing capabilities will increase sales by 0.53155 units, assuming other variables remain constant. These findings are consistent with theory Resource-Based View (Barney, 1991), which states that internal capabilities such as digital marketing can become a strategic resource for MSMEs. In the context of digitalization, the ability to utilize platform digital, social media and technology-based marketing strategies provide competitive advantages in reaching wider consumers and responding to the market more quickly.

Meanwhile, BCRM also shows a significant effect with a p value <0.05 and a coefficient of 0.76417. This means that every one unit increase in behavior-based customer relationship management capabilities will increase sales by 0.76417 units. These findings strengthen the concept Relationship Marketing (Berry, 1983) and approaches Behavioral CRM (Buttle, 2009), which emphasizes the importance of utilizing customer behavior data to build valuable long-term relationships. Understanding customer preferences, purchasing patterns and habits allows MSMEs to provide more personalized and relevant services, which ultimately increases loyalty and repeat purchases.

Overall, the results of this research support various previous studies which state that digital marketing capabilities and behavior-based customer relationship management are important factors in improving the sales performance of MSMEs (Chaffey & Ellis-Chadwick, 2019; Setiawan et al., 2020). Thus, MSMEs that want to increase their

competitiveness need to invest in increasing digital capabilities and strategic use of customer data. This research confirms that integration between technology and understanding consumer behavior is key in today's MSME marketing strategy.

CONCLUSION

Based on the results of multiple linear regression analysis, this research concludes that Digital Marketing Capability and Behavioral Customer Relationship Management have a significant effect on increasing MSME sales in the City of Surakarta. This finding answers the problem formulation that these two independent variables partially or simultaneously have a real contribution in driving the sales performance of MSMEs. In particular, Behavioral CRM shows a greater impact, indicating the importance of understanding customer behavior in building long-term relationships and driving consumer loyalty. The managerial implications of this research show that MSME players need to develop more structured digital-based marketing strategies, such as optimizing social media, using analytical data, and managing digital content that is relevant to the target market. In addition, it is important for MSMEs to start adopting a behavior-based CRM approach, for example by segmenting customers based on transaction history or preferences, in order to increase the relevance of communications and the effectiveness of promotions.

However, this research has several limitations, including the use of cross-sectional data which does not capture the dynamics of changes in customer behavior over time, as well as a geographical focus that is limited to the Surakarta area, so generalizing the results to other regions needs to be done with caution. Additionally, this study did not explore moderator or mediating variables that might strengthen the relationships between variables. For future research, it is recommended to use a longitudinal design to observe changes in the influence of variables more comprehensively. Researchers can also expand the scope of the study area and add other variables, such as intensity of technology use, customer satisfaction, or product innovation, as supporting factors for increasing sales.

With a broader and deeper approach, future research is expected to provide richer theoretical and practical contributions to the development of MSMEs in the digital era.

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