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NAVIGATING THE DIGITAL LANDSCAPE: A SYSTEMATIC REVIEW OF DIGITAL MARKETING CAPABILITIES INTERRELATIONSHIPS

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ABSTRACT
Digital Marketing Capabilities (DMC) have emerged as a crucial driver of firm competitiveness in the digital economy. As organizations increasingly rely on digital strategies to reach customers and sustain market advantage, understanding the contribution of DMC to performance becomes essential.
Although the role of digital marketing in business success is widely recognized, research on how DMC influence firm performance remains fragmented. Previous studies have examined aspects of digital marketing tools and strategies but have not systematically integrated empirical evidence to explain DMC's broader strategic role. This review fills the gap by synthesizing findings across multiple contexts, guided by the Resource-Based View (RBV) and dynamic capabilities perspective. This qualitative study employed the Systematic Literature Review (SLR) method. Using the Scopus database, 37 records were identified. After applying inclusion and exclusion criteria, 16 studies were retained, and 3 additional studies were included from other sources, yielding 19 empirical studies. The selection focused exclusively on peer-reviewed journal articles addressing DMC and firm performance. Data were extracted, analyzed, and categorized thematically to answer the research question. The analysis revealed four main themes: (1) DMC as sources of sustainable competitive advantage, (2) direct impacts of DMC on marketing performance, (3) mediating and moderating effects of organizational factors such as marketing capabilities, entrepreneurial orientation, firm size, and leadership, and (4) the central role of innovation, including analytics and artificial intelligence. The study concludes that DMC significantly enhance organizational performance but require alignment with complementary capabilities to maximize impact. Theoretically, it advances RBV in digital contexts, and practically, it provides managers with guidance on embedding DMC into holistic strategies. The main takeaway is that DMC, when integrated with broader organizational strengths, enable firms to achieve sustainable performance in dynamic markets.

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1. **Introduction**

In the rapidly evolving landscape of global business, digital transformation has become a defining force shaping organizational strategies and performance outcomes. Central to this transformation is the development of digital marketing capabilities (DMC), which enable firms to integrate technology into marketing processes and leverage digital platforms for sustained competitive advantage. In contemporary markets characterized by accelerated technological change and shifting consumer expectations, DMC are no longer optional but essential for firms seeking to remain competitive.

The COVID-19 pandemic further underscored this urgency, acting as a catalyst for digital adoption and fundamentally reshaping both consumer behavior and business practices. Empirical studies highlight that consumer purchasing priorities during and after the pandemic shifted toward immediacy and necessity, reducing the long-term effectiveness of traditional digital promotions (Amelda et al., 2021; Masrianto et al., 2021). In this context, organizations were compelled to redesign their marketing strategies, emphasizing agility, innovation, and data-driven engagement. This structural change illustrates the critical role of DMC in navigating market disruption and creating value in a predominantly digital environment.

Recent literature provides compelling evidence that firms with well-developed DMC are better positioned to anticipate market shifts, sense consumer needs, and respond with adaptive strategies. For instance, SMEs in the fashion industry demonstrate that leveraging digital platforms enhances agility and creates value through ambidextrous marketing practices that balance exploration and exploitation (Mulyana et al., 2024). Similarly, integrating DMC with organizational resources such as customer relationship management (CRM) systems significantly enhances marketing performance and innovation capacity (Homburg & Wielgos, 2022). Despite these advances, a critical gap persists: while some firms effectively utilize DMC to achieve superior outcomes, others struggle to transform digital resources into performance gains (Amelda et al., 2021; Homburg & Wielgos, 2022).

This inconsistency underscores the need for a systematic synthesis of empirical findings. Specifically, questions remain regarding how DMC interact with firm-specific resources and capabilities to drive performance across diverse contexts. The Resource-Based View (RBV) provides a strong theoretical lens for this inquiry, positioning DMC as strategic resources that can yield competitive advantage when they meet the criteria of being valuable, rare, inimitable, and non-substitutable. However, as recent work suggests, RBV alone may be insufficient in explaining digital competitiveness in dynamic environments (Chinakidzwa & Phiri, 2020; Zahara et al., 2023). Thus, examining DMC through a systematic review offers an opportunity to integrate fragmented findings, identify emerging themes, and clarify mechanisms that link digital capabilities with organizational performance.

Accordingly, this study aims to conduct a Systematic Literature Review (SLR) to analyze, evaluate, and synthesize empirical evidence on Digital Marketing Capabilities and their relationship with firm and marketing performance. The review follows the protocol developed by Tranfield et al. (2003), focusing on Scopus-indexed journal articles to ensure academic rigor and quality. In line with the study objectives and the thematic structure of the discussion, this paper addresses the following Research Questions (RQs):

- RQ1: What are the main dimensions of Digital Marketing Capabilities (DMC) identified in the empirical literature?
- RQ2: How do DMC influence organizational marketing and business performance according to empirical findings?
- RQ3: What contextual factors moderate the relationship between DMC and organizational performance?
- RQ4: How has the Resource-Based View (RBV) been applied—or critiqued—in explaining the strategic role of DMC within the reviewed literature?

By addressing these questions, this study contributes to the ongoing discourse on digital transformation by integrating fragmented empirical findings into a coherent understanding of DMC. Theoretically, it advances the RBV framework by clarifying how DMC operate as dynamic and adaptive resources. Practically, it provides managerial implications for developing digital strategies that enhance marketing effectiveness and organizational competitiveness.

2. **Literature Review**

Resource-Based View in Digital Marketing Capabilities

The Resource-Based View (RBV) provides a foundational framework for analyzing how firms achieve and sustain competitive advantage through unique resources and capabilities. Barney's seminal work (1991) conceptualized that performance differentials across firms can be attributed to resources that are valuable, rare, inimitable, and non-substitutable (VRIN). These resources encompass both tangible assets, such as financial capital and technology, and intangible assets, including human expertise and brand equity (Hat et al., 2024). Within this theoretical framework, digital marketing capabilities (DMC) emerge as strategic resources capable of generating competitive advantage when effectively mobilized.

DMC refer to organizational skills and processes that integrate digital technologies into marketing activities to enhance customer engagement, enable data-driven decision-making, and optimize cross-channel interactions (Apasrawirote et al., 2022; Zahara et al., 2023). Firms that develop strong DMC demonstrate superior agility in sensing market changes and responding to evolving consumer preferences, thus positioning themselves more competitively (S. U. Jung & Shegai, 2023). Empirical research underscores that the integration of DMC with other organizational resources, such as CRM systems, enhances performance outcomes by improving customer knowledge, personalization, and relationship management (Homburg & Wielgos, 2022).

One strength of RBV is its internal orientation, which emphasizes building and leveraging firm-specific resources. This perspective highlights why organizations that invest in digital skills, analytics infrastructure, and platform integration often outperform competitors that lack such competencies (Chinakidzwa & Phiri, 2020). However, the RBV also faces limitations in dynamic contexts. Rapid technological advancements and changing consumer behaviours demand continuous adaptation, an area where RBV's static focus may fall short (Zahara et al., 2023). Scholars argue that while possessing unique digital resources is necessary, firms must also cultivate the dynamic ability to reconfigure and redeploy these resources in response to environmental turbulence (Hat et al., 2024). Consequently, understanding DMC through RBV highlights both their potential and limitations. While DMC can serve as VRIN resources, their effectiveness depends on how organizations adapt them to shifting market realities. Thus, integrating RBV with perspectives emphasizing dynamic responsiveness provides a more comprehensive framework for understanding the strategic role of digital marketing in firm performance.

Digital Marketing Capabilities (DMC)

Digital Marketing Capabilities represent a central construct in the contemporary marketing literature, reflecting a firm's ability to deploy digital technologies to achieve targeted, measurable, and integrated marketing outcomes. Defined as the organizational capacity to utilize digital platforms and tools to engage stakeholders and create new forms of value (Homburg & Wielgos, 2022), DMC differ fundamentally from traditional marketing capabilities that rely on offline channels and linear planning cycles.

A key distinction lies in adaptability and responsiveness. While traditional marketing is often characterized by long-term planning and limited flexibility, DMC enable organizations to adjust strategies in real time based on consumer insights and analytics (Y. Liu, 2022). This agility is particularly critical in dynamic markets where consumer preferences shift rapidly. Moreover, DMC support the personalization of customer interactions, enhancing engagement and loyalty through tailored content and experiences (Zahara et al., 2023).

The transformative role of DMC is evident in empirical findings. Firms with strong digital capabilities consistently outperform competitors by delivering superior customer engagement, driving innovation, and integrating multiple digital channels into cohesive strategies (Homburg & Wielgos, 2022; Zahara et al., 2023). SMEs in emerging markets illustrate the strategic potential of DMC, as they leverage digital platforms to sense customer preferences and pursue ambidextrous value creation strategies (Mulyana et al., 2024). These findings highlight how DMC not only enhance marketing effectiveness but also contribute to broader business outcomes, including innovation and long-term sustainability.

In sum, DMC constitute a vital component of modern marketing strategies, providing organizations with both the tools and the agility to compete in a digital-first economy. Their development represents not only a pathway to improved marketing performance but also a source of enduring competitive advantage when integrated with firm-specific resources and deployed strategically in response to environmental change.

3. Research Methods

This study employed a qualitative research design using the Systematic Literature Review (SLR) approach. Unlike quantitative methods, which typically adopt a deductive paradigm to test theories or hypotheses, qualitative methods often operate inductively by generating insights from existing evidence (Sekaran & Bougie, 2016). A study can be classified as qualitative when it primarily relies on non-numerical or descriptive tools rather than advanced statistical or mathematical models (Strijker et al., 2020). In this context, the present study is qualitative in nature because it synthesizes published research and conducts descriptive analyses to explore the conceptual and empirical dimensions of digital marketing capabilities (DMC).

SLR represents a rigorous and systematic process of identifying, reviewing, and evaluating literature relevant to a defined topic. It is considered an investigative science aimed at improving the quality, transparency, and replicability of reviews (Armitage & Keeble-Allen, 2008). This method is particularly effective in identifying areas of both research saturation and knowledge gaps (Petticrew & Roberts, 2006), making it valuable for advancing theoretical development, guiding methodological innovation, and informing future research agendas. By systematically aggregating evidence that meets predetermined inclusion criteria, SLR enables the formulation of well-founded conclusions to address specific research questions or hypotheses (Snyder et al., 2019). Given its structured approach, SLR is especially relevant when research findings across contexts are fragmented or inconsistent, as it facilitates the synthesis of knowledge into a coherent body of evidence (Petticrew & Roberts, 2006).

To reduce potential bias, SLR follows a structured protocol that defines the scope, objectives, and methodological procedures for the review (Armitage & Keeble-Allen, 2008). This study adhered to the protocol proposed by (Tranfield et al., 2003), which is widely adopted in management research and ensures methodological rigor in the review process. The Scopus database was selected as the primary source of articles due to its broad disciplinary coverage and its inclusion of high-quality peer-reviewed publications. The review process began by defining the study objectives, which served as the foundation for the subsequent stages of the protocol.

Article Identification

Keyword and Term Identification

The first stage of the SLR involved the identification of keywords and terms to ensure the retrieval of relevant literature. Several keywords were selected to capture research on Digital

Marketing Capabilities (DMC) and firm performance. The terms "Digital Marketing Capabilities" and "Performance" were prioritized due to their frequent usage and recognition in prior empirical research. The purpose of using these general yet widely accepted keywords was to encompass a broad scope of studies, thereby generating a substantial dataset for further screening. This keyword selection process provided a foundation for subsequent steps of article identification, extraction, analysis, and synthesis.

Boolean Search

Boolean operators were employed to refine and streamline the search process. Operators such as "**AND**" and "**OR**", along with filters for material type and language, were applied to narrow results to those most relevant to the research questions. Specifically, the Boolean operator "**AND**" was used to combine concepts related to DMC and performance. The search was restricted to research and review articles, thereby excluding unrelated or non-scholarly material. No restrictions were placed on research area or publication year to ensure inclusivity and breadth in the initial article pool.

Quality Assessment: Inclusion and Exclusion Criteria

To ensure methodological rigor, a quality assessment of the identified studies was conducted. The inclusion and exclusion criteria were defined as follows:

1. Only published empirical studies directly related to the research questions were included.
2. Studies explicitly addressing Digital Marketing Capabilities and their determinants were prioritized.
3. Duplicates, non-English publications, non-research-based outputs, inaccessible full texts, and irrelevant articles were excluded.

Proceedings, books, reports, and discussion notes were not considered.

4. Results

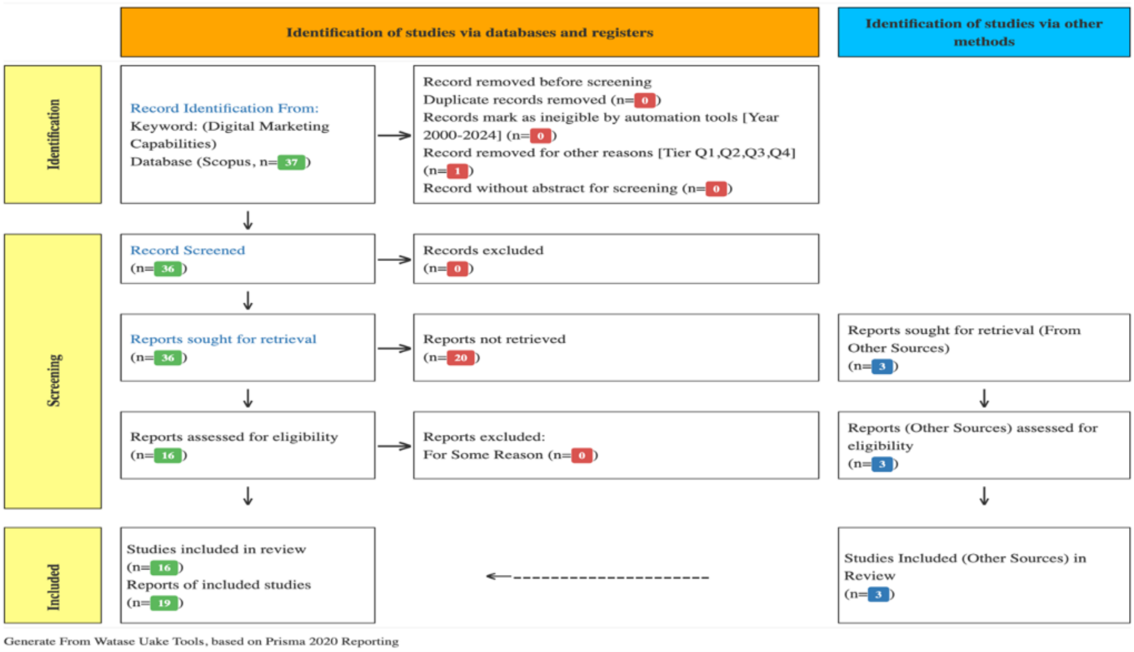

Figure 1. PRISMA Flow Diagram

The initial query of the Scopus database yielded 37 records. Following the application of quality assessment criteria, several articles were excluded. Additionally, one article not classified within Scopus journal tiers (Q1–Q4) was removed, leaving 36 studies for full consideration. To ensure alignment with the research theme, the remaining articles underwent a two-stage screening process; abstract review and full-text analysis. The article selection process was documented using a PRISMA flow diagram (Figure 1), which visually depicts the identification, screening, and inclusion stages.

Data Extraction and Synthesis

In the final stage, data were systematically extracted from the selected articles. Tools such as content analysis, Microsoft Excel, and manual extraction techniques were employed to organize and categorize relevant information. The extracted data included publication outlets, years of publication, thematic focus, determinants of DMC, and reported outcomes. Descriptive analysis was conducted to identify publication trends, while thematic categorization provided deeper insights into the determinants and impacts of DMC.

The articles were then subjected to interpretive analysis, allowing the synthesis of findings across diverse contexts. This dual approach; descriptive mapping and interpretive categorization, ensured both breadth and depth in addressing the research questions. The results of this process are presented in the following section, which outlines the findings and discussion derived from the reviewed studies.

5. Discussion

5.1 Publication Trends and Outlets

Publishers and Citations

The analysis of publishing outlets demonstrates that research on digital marketing capabilities (DMC) is disseminated across a wide range of journals and publishers, reflecting its interdisciplinary nature. Among these, Growing Science recorded the highest number of citations (153), followed by Elsevier Inc. (136) and Emerald Group Holdings Ltd. (106). Other notable contributors include MDPI (100 citations), Jossey-Bass Inc. (47), and Springer (42), which together account for a significant portion of the scholarly impact in this domain. While these publishers dominate in terms of visibility and influence, contributions from regional institutions such as the Faculty of Engineering, Universitas Indonesia (28 citations), VGTU (25), and Bina Nusantara University (18) highlight the growing research base in emerging markets. The distribution suggests that the knowledge base on DMC is shaped by both global and regional scholarly communities, reinforcing its broad academic and practical relevance.

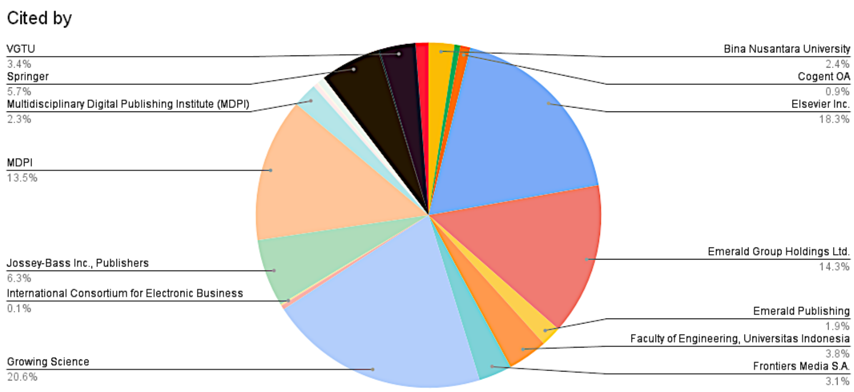

Figure 1. Publisher

Publication by Year

An analysis of publication trends reveals an exponential increase in DMC research after 2018, with a notable surge between 2021 and 2023. This period marked a peak in scholarly attention, largely driven by the acceleration of digital transformation during and after the COVID-19 pandemic. Early publications were sparse, indicating that DMC is a relatively new but rapidly growing area of inquiry. Preliminary data for 2024 shows sustained momentum, signaling that DMC will continue to be a prominent area of academic focus in the near future.

Year	Documents
2024	11
2023	8
2022	12
2021	3
2020	6
2019	1
2018	1
2017	0
2016	0

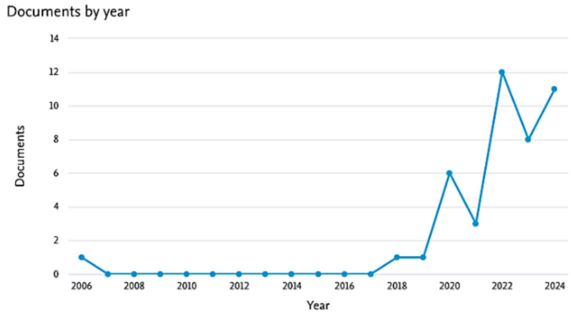

Figure 2. Publication by Year

Publication by Country

Geographically, Indonesia leads in DMC research output, contributing 11 documents. The United Kingdom (7) and France (4) also represent established centers of inquiry, while India, South Korea, and Thailand (4 each) illustrate emerging contributions from Asia. Smaller but meaningful outputs are noted from Malaysia, China, Denmark, and Jordan. This distribution reflects the global relevance of DMC, with regional variations shaped by local market dynamics, technological adoption rates, and academic priorities. The results suggest that future research may increasingly draw from diverse contexts, offering opportunities for cross-country comparisons and theory-building.

Country/Territory	Documents
Indonesia	11
United Kingdom	7
France	4
India	4
South Korea	4
Thailand	4
Malaysia	3
China	2
Denmark	2

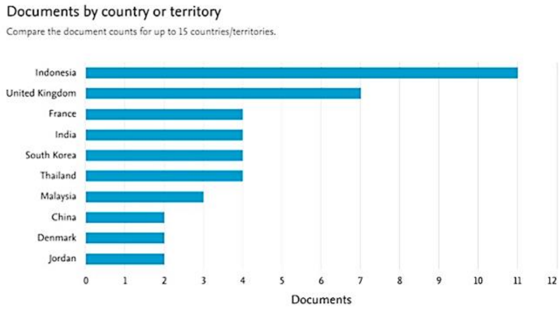

Figure 3. Publication by Country

5.2 Thematic Findings from the SLR

The synthesis of 19 reviewed articles highlights four major themes that characterize the relationship between digital marketing capabilities and organizational outcomes: competitive advantage, marketing performance, mediating and moderating factors, and innovation.

Theme 1: DMC as a Source of Competitive Advantage

The Resource-Based View (RBV) provides a useful lens to conceptualize DMC as valuable, rare, inimitable, and non-substitutable resources that enhance firm competitiveness (Apasrawirote et al., 2022; Chinakidzwa & Phiri, 2020; Zahara et al., 2023). At the same time, the Dynamic Capabilities Framework emphasizes the ability of firms to integrate and reconfigure these resources in rapidly changing environments (Hat et al., 2024). Together, these frameworks explain why firms with strong DMC outperform competitors, particularly in dynamic contexts such as e-commerce and digital services. Empirical research supports this perspective: firms that invest in DMC demonstrate superior agility, adaptability, and customer responsiveness, resulting in stronger market positions (Jung & Shegai, 2023).

The synthesis of reviewed studies reveals that Digital Marketing Capabilities (DMC) comprise interrelated technological, organizational, and strategic dimensions that collectively enhance firm competitiveness. These capabilities enable firms to integrate digital tools into value-creating processes, improving responsiveness and customer engagement. The findings affirm the Resource-Based View (RBV) premise that distinctive digital capabilities can generate sustained competitive advantage (Apasrawirote et al., 2022; S. Jung & Shegai, 2023; Zahara et al., 2023).

This interpretation aligns with prior studies showing that the synergy between digital technologies and managerial competencies strengthens firms' adaptability and innovation capacity. DMC extend beyond traditional marketing capabilities when integrated with CRM systems, analytics, and innovation routines (Homburg & Wielgos, 2022; Mulyana et al., 2024). Empirical findings further indicate that DMC foster value ambidexterity and market responsiveness, reinforcing their role as a foundation of strategic advantage (Chinakidzwa & Phiri, 2020).

Most studies adopt cross-sectional designs, limiting insights into the dynamic evolution of DMC. Research remains concentrated in specific sectors or regional contexts, reducing generalizability. Furthermore, prior works tend to emphasize technological adoption, while organizational culture, digital leadership, and internal learning processes are less explored (Amelda et al., 2021; Y. Liu, 2022).

Future studies should employ longitudinal and cross-industry approaches to capture the adaptive nature of DMC. Expanding research into cultural and leadership dimensions can clarify how digital capabilities are institutionalized into strategic routines. Integrating RBV with dynamic capability perspectives may also enrich theoretical understanding of how DMC evolve and sustain competitive advantage (Homburg & Wielgos, 2022; Mulyana et al., 2024).

Theme 2: DMC and Marketing Performance

The synthesis of empirical evidence indicates a strong positive relationship between DMC and organizational performance. Firms that effectively utilize digital marketing resources tend to achieve higher marketing outcomes through improved customer interaction, market sensing, and value creation capabilities. DMC enhance performance not only by increasing efficiency but also by enabling firms to innovate and adapt in dynamic market environments. These findings confirm the RBV argument that digital capabilities serve as strategic assets that translate into superior performance outcomes (Apasrawirote et al., 2022; Chinakidzwa & Phiri, 2020; Zahara et al., 2023) (Apasrawirote et al., 2022; S. Jung & Shegai, 2023; Zahara et al., 2023).

Prior studies within the reviewed literature consistently demonstrate that firms with advanced DMC experience greater marketing performance through strengthened customer engagement and brand positioning. For instance, Mulyana et al., (2024) highlight that DMC facilitate digital value creation, while Hat et al., (2024) emphasize their role in sustaining competitive advantage in technologically dynamic contexts. Moreover, Homburg & Wielgos, (2022) argue that the integration of analytics and CRM capabilities enhances strategic decision-making and customer retention, ultimately contributing to business performance.

Despite the consistent evidence of DMC's positive effects, several limitations persist. Many studies use perceptual measures of performance rather than objective financial indicators, limiting empirical precision. Additionally, the causal mechanisms linking DMC to performance are often inferred rather than directly tested, leaving ambiguity about the mediating role of marketing and innovation capabilities (Amelda et al., 2021; Liu & Liu, 2024). The concentration of research within specific industries or regions also constrains broader applicability.

Future research should employ multi-method and longitudinal designs to test the causal pathways between DMC and firm performance more rigorously. Investigating the mediating role of marketing ambidexterity, innovation, and digital orientation would deepen understanding of how DMC produce superior outcomes. Moreover, comparative analyses across industries and firm sizes could clarify contextual contingencies that influence the strength of the DMC–performance link (Hat et al., 2024; Mulyana et al., 2024).

Theme 3: Mediators and Moderators

The reviewed studies demonstrate that the relationship between Digital Marketing Capabilities (DMC) and organizational performance is significantly shaped by contextual factors such as entrepreneurial orientation, firm size, leadership capability, and market dynamics. Firms with proactive and innovative orientations tend to leverage DMC more effectively to enhance marketing outcomes. Similarly, digital leadership capability plays a crucial role in transforming technological adoption into strategic performance. The synthesis suggests that these contextual variables either strengthen or weaken the DMC–performance linkage, depending on how well firms align their internal culture and resources with external market dynamism (Apasrawirote et al., 2022; S. Jung & Shegai, 2023; Zahara et al., 2023).

This interpretation aligns with findings emphasizing that entrepreneurial orientation enhances digital agility and the ability to exploit market opportunities (Hat et al., 2024; Mulyana et al., 2024). Similarly, Homburg & Wielgos, (2022) note that leadership commitment and analytical infrastructure amplify the benefits of DMC by fostering strategic decision-making and innovation. The reviewed evidence suggests that larger firms with more mature digital systems tend to gain higher performance benefits, while smaller firms may experience constraints due to limited resources (Chinakidzwa & Phiri, 2020).

Despite the recognition of contextual moderators, few studies quantitatively test their interaction effects, resulting in limited empirical understanding of how firm-specific or environmental factors alter the DMC–performance relationship. Many studies also rely on single-context data, which may obscure the influence of national culture or industry dynamism. Furthermore, the conceptualization of leadership and entrepreneurial orientation varies across studies, making comparison difficult (Amelda et al., 2021; Liu, 2022).

Future research should explicitly model moderating effects by integrating contextual variables such as environmental turbulence, digital maturity, and organizational culture. Cross-industry and cross-country studies could reveal how institutional and technological contexts shape the strength of DMC's performance outcomes. Additionally, qualitative research exploring leadership behavior and innovation climate could clarify the mechanisms through which contextual factors condition the effectiveness of DMC (Hat et al., 2024; Mulyana et al., 2024).

Theme 4: The Role of Innovation

The reviewed literature predominantly employs the Resource-Based View (RBV) as the theoretical foundation to explain how Digital Marketing Capabilities (DMC) create strategic value. RBV posits that firms achieve superior performance when they develop resources that are valuable, rare, inimitable, and non-substitutable. Empirical studies show that DMC fit this framework by transforming digital technologies into firm-specific capabilities that support innovation, responsiveness, and differentiation. However, the synthesis also indicates that while RBV effectively explains the internal value of DMC, it provides limited insights into how these capabilities evolve under rapid technological change and environmental uncertainty (Apasrawirote et al., 2022; S. Jung & Shegai, 2023; Zahara et al., 2023)

Several reviewed studies extend the RBV perspective by integrating it with dynamic capabilities theory, emphasizing that continuous adaptation and renewal are necessary for sustaining digital advantage. For example, (Homburg & Wielgos, 2022) highlight how analytical infrastructure enables firms to reconfigure resources in response to market shifts. Similarly, Mulyana et al., (2024) demonstrate that firms leveraging DMC to achieve value ambidexterity align closely with the dynamic extension of RBV. The literature thus converges on the view that DMC function as both a resource and a capability that must be continuously developed to maintain competitiveness (Chinakidzwa & Phiri, 2020; Hat et al., 2024).

Although RBV remains a dominant lens, many studies apply it descriptively without empirically testing how DMC meet its core attributes (valuable, rare, inimitable, non-substitutable). The framework's static orientation also restricts its explanatory power in highly dynamic digital contexts. Moreover, only a few studies explicitly examine how external environmental factors interact with internal digital capabilities, limiting the integrative understanding between RBV and dynamic capability perspectives (Amelda et al., 2021; Liu, 2022).

Future research should empirically test the mechanisms through which DMC embody RBV characteristics and how these evolve over time. Incorporating the dynamic capabilities framework could enhance the theoretical robustness of RBV by addressing the temporal and contextual dimensions of digital transformation. Further studies might also explore how RBV can be reconciled with ecosystem and institutional perspectives to explain how external partnerships and technological ecosystems influence the value creation potential of DMC (Hat et al., 2024; Mulyana et al., 2024).

6. **Conclusion**

This study systematically reviewed 19 empirical articles to synthesize current knowledge on Digital Marketing Capabilities (DMC) and their impact on firm and marketing performance. The findings consistently affirm that DMC constitute strategic resources that enhance organizational outcomes by enabling superior customer engagement, data-driven decision-making, innovation, and cross-channel integration. Anchored in the Resource-Based View (RBV) and complemented by the dynamic capabilities perspective, the evidence demonstrates that firms with strong DMC are better positioned to sustain competitive advantage in rapidly changing digital markets.

Four key conclusions emerge. First, DMC act as strategic assets, providing firms with the ability to align resources with customer needs and technological opportunities. Second, DMC directly enhance marketing performance, improving brand visibility, customer loyalty, and market share. Third, the relationship between DMC and performance is shaped by mediating and moderating factors, including marketing capabilities, entrepreneurial orientation, and firm size. Finally, innovation serves as a critical mechanism, with digital tools, analytics, and artificial intelligence strengthening firms' adaptability and long-term competitiveness.

Strategic Implications

The findings carry several implications for managers and practitioners. Firms should adopt a holistic approach by embedding DMC into broader marketing strategies while simultaneously investing in complementary marketing competencies. Successful firms will not only leverage digital technologies but also cultivate organizational culture, leadership, and entrepreneurial orientation to maximize the effectiveness of their DMC. Importantly, continuous investment in analytics, talent development, and digital leadership is essential to ensure that DMC translate into measurable performance gains.

Challenges and Future Research Directions

Despite robust evidence of the positive impact of DMC, challenges remain in assessing their effectiveness. Establishing causal linkages between DMC and firm performance is complex, underscoring the need for longitudinal research designs and multi-method approaches to capture the dynamic nature of digital marketing. Future studies should also explore: (1). Cross-country comparative research to understand contextual variations in DMC effectiveness; (2). The integration of emerging technologies (e.g., AI, machine learning, big data) into DMC and their implications for innovation; (3). Failures and limitations in digital marketing implementation, to provide a balanced understanding and guide firms in avoiding common pitfalls.

In conclusion, Digital Marketing Capabilities play a pivotal role in driving both marketing and firm performance. They function not only as valuable organizational resources but also as dynamic enablers of innovation and adaptation. By strategically leveraging DMC in alignment with broader organizational capabilities, firms can achieve sustainable competitive advantage and long-term business success. For academics, this review consolidates fragmented insights and provides a foundation for advancing theory in digital marketing. For practitioners, it offers actionable guidance on how to develop and deploy DMC to thrive in an increasingly digital and competitive environment.

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