

Digital Marketing Capability and Sustainable Marketing Performance: Evidence from Cosmetics Firms in Thailand

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Abstract

This study investigates the influences of digital marketing capability on multiple stages of marketing outcomes among cosmetics firms in Thailand. Grounded in Dynamic Capabilities Theory and Contingency Theory, the study examines the effectiveness of digital marketing capability in enhancing customer acceptance excellence and competitor completeness efficiency. It further examines how customer acceptance excellence and competitor completeness efficiency subsequently enhance continued marketing competitiveness, while continued marketing competitiveness significantly improves sustainable marketing performance. Data were collected from 151 cosmetics firms in Thailand and analyzed using OLS regression to examine the relationships among digital marketing capability, marketing outcomes, and continued marketing competitiveness. The results indicate that digital marketing capability has a significant effect on strengthening all multiple stages of marketing outcomes and directly improves sustainable marketing performance ($\beta = 0.324$, $p < .05$). Customer acceptance excellence ($\beta = 0.169$, $p < .05$) and competitor completeness efficiency ($\beta = 0.597$, $p < .001$) significantly enhance continued marketing competitiveness. Continued marketing competitiveness, in turn, significantly improves sustainable marketing performance ($\beta = 0.657$, $p < .001$). These findings demonstrate that digital marketing capability contributes to firm performance through a multi-stage causal mechanism involving continued marketing competitiveness. The study contributes to the literature by clarifying how digital marketing capability drives sustainable marketing performance across multiple stages of marketing outcomes and provides practical implications for firms seeking to achieve competitive and sustainable marketing success in dynamic market environments.

Keywords: 1) Digital Marketing Capability 2) Customer Acceptance Excellence 3) Competitor Completeness Efficiency 4) Continued Marketing Competitiveness 5) Sustainable Marketing Performance

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Introduction

The rapid pace of digital transformation has changed competitive landscapes across industries, forcing firms to adapt to increasingly volatile, technology-driven environments (Zahra and Mudambi, 2025, p. 289). These external pressures, from changing consumer expectations to increased digital competition, demand that organizations develop capabilities that will allow them to continually sense and seize market opportunities. Within the marketing domain, such capability-based responses are conceptualized as marketing capabilities, which enable firms to integrate market knowledge, respond to customer needs, and maintain competitive relevance (Tshuma, et al., 2023, pp. 1-10).

Among these capabilities, digital marketing capability (DMC) has become a strategic imperative. DMC refers to the capacity of a firm to utilize digital technologies, real-time analytics, and interactive platforms to increase customer engagement and create value, and to modify marketing activities with speed and precision (Apasrawirote, Yawised, and Munee-sawang, 2022, pp. 477-496). Through this dynamic and technological enabled orientation, firms can minimize information asymmetry, enhance customer relationships, and achieve higher levels of market responsiveness. Grounded in Dynamic Capability Theory, DMC is formulated as a higher order capability that allows for the reconfiguration of marketing resources and practices in turbulent environments (Teece, 2007, pp. 1322-1328).

Although digital marketing capability has received considerable attention in recent

years, empirical findings remain somewhat fragmented. Many prior studies tend to focus on direct relationships, particularly between digital marketing capability and firm performance or customer-related outcomes. While these studies provide useful insights, they offer limited explanation of how such capability is translated into performance through a sequence of marketing-related processes. In particular, relatively little attention has been given to how process-level outcomes, such as customer acceptance excellence and competitor completeness efficiency, evolve and contribute to continued marketing competitiveness, and ultimately to sustainable marketing performance. As a result, the underlying mechanisms that connect digital marketing capability with both short-term effectiveness and long-term sustainability are still not fully understood. In response to this issue, the present study proposes a capability-based model that links digital marketing capability with multiple marketing outcomes across different stages, and examines how these outcomes are associated with sustainable marketing performance through continued marketing competitiveness. By taking this perspective, the study aims to provide a more integrated explanation of how digital marketing capability contributes to sustained competitive advantage.

The cosmetics industry in Thailand offers a particularly suitable context for examining these relationships due to its high level of digital engagement, intense competition, and rapidly evolving consumer behavior. Consumers are highly responsive to digital content, social media interactions, and online reviews,

making digital marketing capability a crucial determinant of firm success. Moreover, the presence of both domestic and international brands intensifies competitive pressure, requiring firms to continuously adapt and leverage digital capabilities to maintain their market position. Using survey data collected from 151 cosmetics firms in Thailand, this study empirically tests the proposed relationships through regression analysis (Hair, et al., 2019, pp. 157–160).

The study develops and examines a capability-based model linking digital marketing capability to multiple marketing outcomes across different stages, and further to sustainable marketing performance through continued marketing competitiveness.

The findings provide both theoretical and managerial contributions. Theoretically, this study advances understanding of digital marketing capability by demonstrating its role within a multi-stage process that links capability development to sustainable marketing performance. Managerially, the study offers insights into how firms can strategically deploy digital marketing capability to enhance competitiveness and achieve long-term success in dynamic environments.

Objectives

1. To examine the influences of digital marketing capability on customer acceptance excellence, competitor completeness efficiency, and sustainable marketing performance.

2. To examine the influences of customer acceptance excellence and competitor completeness efficiency on continued marketing competitiveness.

3. To examine the influence of continued marketing competitiveness on sustainable marketing performance.

Literature Review

Drawing on the Dynamic Capability Theory, this study proposed that digital marketing capability helps firms to sense, seize, and reconfigure resources to improve both intermediate and long-term marketing outcomes (Teece, 2007, pp. 1322-1325). Digital marketing capability is expected to enhance customer acceptance excellence and competitor completeness efficiency by enhancing market sensing, customer engagement, and value alignment. These intermediate capabilities in turn lead to further marketing competitiveness, enabling adaptive responses in dynamic environments. Furthermore, digital marketing capability and marketing competitiveness to sustain marketing performance are both contributing factors to sustainable marketing performance reflecting the long-term strategic value of digitally enabled agility and customer-centric renewal.

Digital Marketing Capability (DMC)

The concept of digital marketing capability has increasingly been recognized as a strategic foundation that enables firms to compete effectively in rapidly evolving digital environments. Based on Dynamic Capability Theory, digital marketing capability reflects a firm's ability to integrate digital technologies, data-driven insights, and interactive platforms to generate valuable market intelligence, engage stakeholders in real time, and deliver marketing value without spatial or tempo-



ral constraints (Apasrawirote, Yawised, and Muneesawang, 2022, pp. 477–496). From a dynamic capability perspective, this capability operates through three key mechanisms, namely sensing, seizing, and reconfiguring (Teece, 2007, pp. 1322–1328). First, digital marketing capability enhances sensing capability by enabling firms to continuously monitor changes in customer preferences and market trends through digital data and analytics. Second, it supports seizing capability by allowing firms to respond rapidly through targeted digital campaigns and value propositions. Third, it strengthens reconfiguring capability by facilitating the continuous adjustment of marketing processes and resource allocation in response to environmental changes. Through these mechanisms, firms are able to align their marketing strategies with evolving market conditions and sustain adaptive performance in dynamic environments (Yin, et al., 2024, pp. 2750–2772). In this research, digital marketing capability is theorized as a higher-order strategic capability that enables firms to establish meaningful digital engagement, provide credible and relevant information, and develop long-term relationships with customers across digital platforms (Apasrawirote, Yawised, and Muneesawang, 2022, pp. 477–496). Its strategic value lies in its ability to reduce information asymmetry, enhance customer understanding, and strengthen the firm's competitive position in digital markets (Su, et al., 2023, p. 2).

Building on this theoretical foundation, digital marketing capability contributes to marketing outcomes through specific process-based mechanisms. By enhancing sensing

capability, firms are better able to understand customer needs and reduce uncertainty, which leads to higher levels of customer acceptance excellence (Santy and Anwar, 2021, pp. 31–36). At the same time, through seizing capability, firms can utilize digital insights to monitor competitors, benchmark performance, and refine value propositions, thereby strengthening competitor completeness efficiency (Smith, 2024, pp. 63–74). In addition, the reconfiguring aspect of digital marketing capability enables firms to continuously refine their marketing strategies and processes, which supports the development of continued marketing competitiveness over time (Yin, et al., 2024, pp. 2750–2772). This ongoing capability development allows firms to maintain alignment with market dynamics and sustain competitive positioning in the long run, ultimately contributing to sustained marketing effectiveness and long-term performance (Ranjan, 2023, pp. 2836–2856). Taken together, these arguments indicate that digital marketing capability plays a central role in shaping marketing outcomes across multiple stages, linking firm capabilities with both process-level outcomes and long-term performance. Firms with strong digital marketing capability are better able to enhance customer understanding, strengthen competitive positioning, and improve market responsiveness, which collectively contribute to improved marketing outcomes. Accordingly, digital marketing capability is expected to positively influence customer acceptance excellence, competitor completeness efficiency, and sustainable marketing performance. Therefore, the following hypothesis is proposed:

H1: Digital marketing capability has a positive influence on (a) customer acceptance excellence, (b) competitor completeness efficiency, and (c) sustainable marketing performance.

Customer Acceptance Excellence (CAE)

Customer acceptance excellence refers to the inclination and readiness of customers to collaborate, embrace, and continuously utilize a firm's product, service, or technology. It reflects not only initial adoption but also the depth and continuity of customer engagement, including loyalty of use and active interaction across digital or physical interfaces (Hassan, Nassar and Kamal, 2022, pp. 64–76). This concept extends beyond initial acceptance by emphasizing the quality and durability of customer involvement. The establishment of such acceptance depends on a firm's ability to deliver digital experiences that are clear, credible, and psychologically reassuring, enabling customers to make decisions with confidence (Velasco, et al., 2024, p. 2026). Firms that communicate transparently, respond promptly, and reduce perceived risk are more likely to foster trust, satisfaction, and relational commitment (Okeke, et al., 2024, pp. 3517–3540). Consequently, customer acceptance excellence represents a sustained and mutually reinforcing relationship between the firm and its customers, grounded in trust, clarity, and positive experience.

From a dynamic capability perspective, customer acceptance excellence contributes to competitive capability through continuous learning and adaptation. When customers actively engage, provide feedback, and maintain

ongoing relationships with the firm, they generate valuable market knowledge that enables firms to refine offerings and adjust marketing strategies in response to evolving customer expectations (Wang, Aggarwal and Wu, 2020, p. 1603). Such customer-driven insights support the reconfiguring capability of the firm, allowing continuous modification of marketing processes and resource allocation in dynamic environments (Taçoğlu, Ceylan and Kazançoğlu, 2019, pp. 648–673). This perspective shifts the focus from transactional outcomes to a process-oriented view, where customer acceptance is not merely an outcome but a strategic input that supports ongoing capability development. Moreover, higher levels of customer acceptance foster loyalty and advocacy, as satisfied customers are more likely to repurchase and recommend the brand, thereby strengthening the firm's market position (Matute, Palau-Saumell and Occhiocupo, 2019, pp. 360–376). These reinforcing mechanisms enable firms to strengthen relational stability, reduce customer acquisition costs, and sustain competitive positioning over time. As a result, customer acceptance excellence enhances a firm's ability to maintain continued marketing competitiveness in dynamic market conditions. Therefore, the following hypothesis is proposed:

H2: Customer acceptance excellence has a positive influence on continued marketing competitiveness.

Competitor Completeness Efficiency (CCE)

Customer acceptance excellence refers to the inclination and readiness of customers to collaborate, embrace, and con-



tinuously utilize a firm's product, service, or technology. It reflects not only initial adoption but also the depth and continuity of customer engagement, including loyalty of use and active interaction across digital or physical interfaces (Hassan, Nassar and Kamal, 2022, pp. 64–76). This concept extends beyond basic acceptance by emphasizing the quality and durability of customer relationships. The establishment of such acceptance depends on a firm's ability to deliver digital experiences that are clear, credible, and psychologically reassuring, enabling customers to make decisions with confidence (Velasco, et al., 2024, p. 2026). Firms that communicate transparently, respond promptly, and reduce perceived risk are more likely to foster trust, satisfaction, and relational commitment (Okeke, et al., 2024, pp. 3517–3540). Consequently, customer acceptance excellence represents a sustained and mutually reinforcing relationship between the firm and its customers, grounded in trust, clarity, and positive experience.

From a dynamic capability perspective, customer acceptance excellence contributes to competitive capability through continuous learning and adaptation. When customers actively engage, provide feedback, and maintain ongoing relationships with the firm, they generate valuable market knowledge that enables firms to refine offerings and adjust marketing strategies in response to evolving customer expectations (Wang, Aggarwal and Wu, 2020, p. 1603). This perspective shifts the focus from individual transactional outcomes to a broader, process-oriented view, where customer acceptance is understood as a source of strategic

input rather than merely an outcome of marketing activities. Such customer-driven insights support the reconfiguring capability of the firm, allowing continuous modification of marketing processes and resource allocation in dynamic environments. This adaptive mechanism is particularly important in contexts characterized by limited resources and high uncertainty, where firms must rely on ongoing responsiveness to sustain competitiveness (Taçoğlu, Ceylan and Kazançoğlu, 2019, pp. 648–673). Moreover, higher levels of customer acceptance foster loyalty and advocacy, as satisfied customers are more likely to repurchase and recommend the brand, thereby strengthening market positioning (Matute, Palau-Saumell and Occhiocupo, 2019, pp. 360–376). Collectively, these mechanisms indicate that customer acceptance excellence strengthens continued marketing competitiveness by enabling ongoing adaptation, reinforcing customer relationships, and sustaining competitive positioning over time. Therefore, the following hypothesis is proposed:

H3: Competitor completeness efficiency has a positive influence on continued marketing competitiveness.

Continued Marketing Competitiveness (CMC)

Continued marketing competitiveness refers to a firm's ability to acquire, sustain, and expand profitable market share by delivering superior value relative to its competitors. It encompasses the capability to outperform competitors through lower costs, faster product development, higher quality, greater reliability, and more effective delivery (Chikan,

et al., 2022, pp. 1–13). This concept reflects a multidimensional capability achieved through the integration of strategic, operational, and resource-based competencies, enabling firms to create value more efficiently than their rivals (Alonso-Ubieta, Mora-Esquivel, and Leiva, 2021, pp. 420–438). Continued marketing competitiveness also captures a firm's ability to transform resources into sustained economic gains through ongoing improvements in efficiency and effectiveness, consistent with the competitiveness cycle described in prior literature (Lijun, et al., 2024, pp. 1–28). In dynamic business environments, this capability becomes increasingly important, as firms must remain agile, adaptive, and responsive to maintain competitive advantage (Pang, Wang and Wu, 2022, pp. 1421–1443).

From a dynamic capability perspective, continued marketing competitiveness represents the outcome of effective capability reconfiguration, where firms continuously align their resources, processes, and value propositions with changing market conditions (Pang, Wang and Wu, 2022, pp. 1421–1443). This alignment enables firms to sustain superior performance by maintaining relevance and responsiveness in competitive environments (Lijun, et al., 2024, pp. 1–28). Rather than being a static indicator of market position, continued marketing competitiveness reflects an ongoing capability that allows firms to consistently deliver superior value relative to competitors (Alonso-Ubieta, Mora-Esquivel, and Leiva, 2021, pp. 420–438). This perspective emphasizes competitiveness as a dynamic and process-oriented construct, rather than a one-

time outcome. Such capability enables firms to translate strategic and operational strengths into tangible performance outcomes, including improved customer satisfaction, stronger market positioning, and enhanced value creation. Empirical evidence indicates that firms with higher levels of competitiveness tend to achieve better marketing performance through stronger price–value propositions, product quality, and customer loyalty (Gunawardana and Wedage, 2020, pp. 46–72; Moradi, et al., 2024, pp. 46–53). In addition, sustained competitiveness allows firms to maintain differentiation advantages, either by increasing sales volume at existing margins or by commanding premium prices, thereby improving overall performance (Tolossa, Singh and Gautam, 2025, pp. 26–44). Furthermore, the ability to sustain competitive advantage through continuous innovation, agility, and responsiveness strengthens long-term marketing outcomes and organizational resilience (Suherman, 2021, pp. 191–197; Pang, Wang and Wu, 2022, pp. 1421–1443). Taken together, these arguments suggest that continued marketing competitiveness functions as a critical driver of sustainable marketing performance by enabling firms to maintain superior value delivery, adapt to changing market conditions, and sustain competitive advantage over time. Therefore, the following hypothesis is proposed:

H4: Continued marketing competitiveness has a positive influence on sustainable marketing performance.

Sustainable Marketing Performance (SMP)

Sustainable marketing performance refers to a firm's ability to translate its market-



ing capabilities into long-term outcomes that sustain and strengthen competitive advantage over time. It reflects the transformation of short-term marketing success into a more enduring and resilient form of performance, supported by strong customer relationships, consistent value delivery, and a credible and lasting brand image (Cao and Tian, 2020, pp. 1289–1299). Prior research suggests that sustainable marketing performance emerges when firms effectively integrate digital and strategic marketing activities to enhance customer satisfaction, strengthen brand loyalty, and maintain performance over the long term. Rather than focusing solely on acquiring new customers, firms with sustainable performance tend to invest in developing existing customer relationships, trust, and emotional attachment, which encourage continued engagement and voluntary brand advocacy (Alani, et al., 2019, pp. 232–242). These long-term relationships create more predictable revenue streams, reinforce market positioning, and support strategic continuity in dynamic and competitive environments.

From a dynamic capability perspective, sustainable marketing performance represents the ultimate outcome of effective capability deployment and reconfiguration over time. Firms that continuously align their marketing capabilities with evolving customer needs and competitive conditions are better able to sustain performance beyond short-term gains. In this context, sustainable marketing performance is not merely an outcome of isolated marketing activities, but a cumulative result of ongoing capability develop-

ment and competitive positioning. Firms with strong continued marketing competitiveness, reflected in differentiation, responsiveness, and effective value delivery, are more likely to achieve higher levels of customer loyalty, perceived value, and long-term marketing success (Gunawardana and Wedage, 2020, pp. 46–72; Moradi, et al., 2024, pp. 46–53). When such competitive advantages are consistently renewed and strategically leveraged, they enable firms to move beyond short-term performance cycles and achieve sustained market relevance and organizational stability (Suherman, 2021, pp. 191–197; Pang, Wang and Wu, 2022, pp. 1421–1443). Accordingly, sustainable marketing performance reflects the long-term effectiveness of a firm's ability to integrate digital capability and competitive strength to continuously deliver superior value and maintain strategic advantage over time. Collectively, these arguments support the role of sustainable marketing performance as the final outcome in the capability-based framework, capturing the long-term impact of both digital marketing capability and continued marketing competitiveness, as illustrated in the conceptual framework presented in Figure 1.

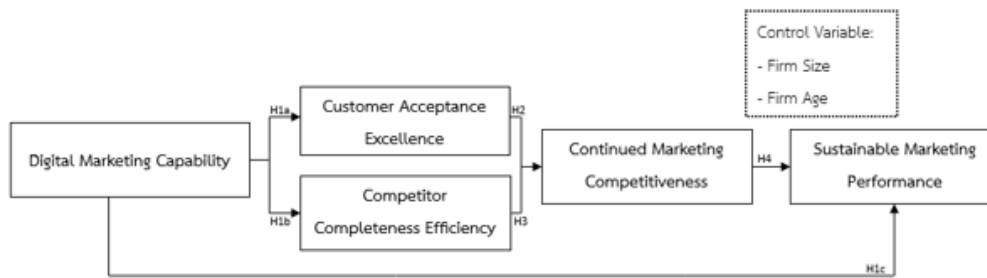


Figure 1 Research Structure of the Conceptual Framework

Methods

Sample Selection Procedure and Data Collection

The sample for this study consisted of cosmetics firms in Thailand, identified from the Department of Business Development (Department of Business Development, 2024). The unit of analysis was the firm. Data were collected from key informants directly responsible for marketing activities, including marketing directors, marketing executives, and marketing managers, as these individuals possess the most relevant knowledge of the firm's marketing strategies and performance. Respondents were purposively selected based on their involvement in marketing decision-making processes, ensuring that the information provided accurately reflects the firm's marketing activities. Each firm was represented by a single respondent to ensure consistency and reliability of the data collected.

A total of 713 cosmetics firms in Thailand were targeted using a postal survey. The questionnaire included the study's objectives, demographic information, measurement items for each construct, submission deadlines, and response tracking mechanisms. The surveys were distributed between November 2024 and January 2025. Due to relocation and invalid

addresses, the effective mailing list consisted of 698 firms. A total of 153 responses were received, of which 151 were deemed usable for analysis. The effective response rate was approximately 21.63% ($151 \times 100 / 698$). This response rate is considered acceptable for organizational survey research, particularly when appropriate follow-up procedures are implemented (Aaker, Kumar and Day, 2001, pp. 234–235). To assess potential non-response bias, a comparison between early and late respondents (first-wave and second-wave responses) was conducted following the procedure recommended by Armstrong and Overton (1977, pp. 396–402). The results indicated no statistically significant differences between the two groups at the 95% confidence level, suggesting that non-response bias is unlikely to affect the findings of this study.

Research Instrument

All measurement items were assessed using a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree), except for firm demographic variables. The measurement scales were adapted from prior studies and refined based on the conceptual definitions presented in the literature review to ensure content validity and contextual relevance. Digital marketing capability was measured



using five items reflecting the firm's ability to utilize digital technologies, data-driven insights, and interactive platforms to detect market changes, engage customers in real time, and adapt marketing activities effectively (Apasrawirote, Yawised, and Muneesawang, 2022, pp. 477–496). Customer acceptance excellence was measured using five items capturing the extent to which customers are willing to adopt, continue using, and actively engage with the firm's offerings, as reflected in perceived clarity, trust, reduced risk, and long-term relational commitment (Hassan, Nassar and Kamal, 2022, pp. 64–76). Competitor completeness efficiency was measured using five items assessing the firm's ability to benchmark against competitors, respond to competitive pressures, and deliver offerings that align more effectively with customer expectations (Smith, 2024, pp. 63–74). Continued marketing competitiveness was measured using five items evaluating the firm's ability to acquire, maintain, and expand profitable market share through superior value delivery, responsiveness, differentiation, and continuous improvement in efficiency and effectiveness (Chikan, et al., 2022, pp. 1–13). Sustainable marketing performance was measured using five items reflecting the firm's ability to translate marketing capabilities into long-term outcomes, including customer loyalty, consistent value delivery, brand strength, and sustained competitive advantage (Cao and Tian, 2020, pp. 1289–1299). Firm age (FA) was measured using a dummy variable based on the number of years the firm has been in operation, where 0 represents firms operating for 10 years or less and 1 represents firms operating

for more than 10 years, while firm size (FS) was measured as a dummy variable based on the number of employees, with 0 indicating firms with 150 employees or fewer and 1 indicating firms with more than 150 employees. Such categorization is consistent with prior empirical research that distinguishes firms based on organizational maturity and resource capacity (Phornlaphatrachakorn and Khajit, p. 314).

Data Analysis

To assess the validity and reliability of the measurement model, confirmatory factor analysis (CFA) was conducted to examine whether the observed variables adequately represent their respective latent constructs. The results indicate that all standardized factor loadings ranged from 0.648 to 0.908, exceeding the recommended threshold of 0.50, thereby supporting convergent validity (Hair, et al., 2019, pp. 708–710). In addition, composite reliability (CR) values ranged from 0.835 to 0.909, surpassing the acceptable level of 0.70, indicating strong construct reliability.

The average variance extracted (AVE) values ranged from 0.504 to 0.668, all exceeding the recommended threshold of 0.50, further confirming adequate convergent validity (Hair, et al., 2019, pp. 708–710). Reliability was also assessed using Cronbach's alpha, with values ranging from 0.812 to 0.902, indicating high internal consistency across all constructs (Nunnally and Bernstein, 1994). Collectively, these results demonstrate that the measurement model exhibits satisfactory levels of validity and reliability and is appropriate for testing the hypothesized relationships in this study.

In addition, the overall measurement model fit was assessed using confirmatory factor analysis (CFA). The results indicate that the model demonstrates a good fit with the data ($\chi^2/df = 1.842$, CFI = 0.948, TLI = 0.937, RMSEA

= 0.047, SRMR = 0.041), all of which meet the recommended threshold values (Hair, et al., 2019, pp. 593–595). These results further confirm the adequacy of the measurement model.

Table 1 Results of Measure Validation

Items	Factor Loadings	AVE	CR	Cronbach Alpha
Digital Marketing Capability (DMC)	0.648 – 0.908	0.628	0.893	0.902
DMC 01	0.712			
DMC 02	0.648			
DMC 03	0.908			
DMC 04	0.801			
DMC 05	0.865			
Customer Acceptance Excellence (CAE)	0.720 – 0.866	0.638	0.898	0.841
CAE 01	0.720			
CAE 02	0.756			
CAE 03	0.842			
CAE 04	0.866			
CAE 05	0.801			
Competitor Completeness Efficiency (CCE)	0.775 – 0.858	0.668	0.909	0.867
CCE 01	0.801			
CCE 02	0.755			
CCE 03	0.858			
CCE 04	0.823			
CCE 05	0.846			
Continued Marketing Competitiveness (CMC)	0.718 – 0.798	0.579	0.873	0.812
CMC 01	0.798			
CMC 02	0.718			
CMC 03	0.742			



Items	Factor Loadings	AVE	CR	Cronbach Alpha
CMC 04	0.784			
CMC 05	0.761			
Sustainable Marketing Performance (SMP)	0.649 – 0.764	0.504	0.835	0.816
SMP 01	0.711			
SMP 02	0.677			
SMP 03	0.764			
SMP 04	0.649			
SMP 05	0.742			

Statistical Technique

Ordinary Least Squares (OLS) regression was employed to test the proposed hypotheses and examine the relationships among the study variables. Although structural equation modeling (SEM) is commonly used in similar studies, OLS regression was selected due to the sample size and the study's focus on examining direct linear relationships among constructs (Hair, et al., 2019, pp. 157–160; Wooldridge, 2016, pp. 65–72). The model specifies that digital marketing capability predicts customer acceptance excellence, competitor completeness efficiency, and sustainable marketing performance, while customer acceptance excellence and competitor completeness efficiency further predict continued marketing competitiveness. In this study, composite mean scores were calculated for each construct and treated as continuous

variables, which is a widely accepted practice in behavioral research using Likert-scale data (Hair, et al., 2019, pp. 157–160; Field, 2018, pp. 269–270). The assumptions of linearity, homoscedasticity, and normality were examined and found to be reasonably satisfied, consistent with standard regression requirements (Wooldridge, 2016, pp. 65–72). Multicollinearity was assessed using variance inflation factor (VIF) values, which ranged from 1.322 to 1.606, well below the recommended threshold of 5, indicating that multicollinearity is not a concern (Hair, et al., 2019, pp. 203–204). To address potential common method bias, Harman's single-factor test was conducted. The results indicate that no single factor accounted for the majority of the variance, suggesting that common method bias is unlikely to affect the findings of this study (Podsakoff, et al., 2003, pp. 879–880).

Results

Table 2 Descriptive Statistics and Correlation Matrix

Variables	DMC	CAE	CCE	CMC	SMP	VIF
Mean	3.793	3.829	3.717	3.832	3.759	-

Variables	DMC	CAE	CCE	CMC	SMP	VIF
S.D.	0.519	0.572	0.578	0.555	0.618	-
DMC	0.793					1.793
CAE	0.488**	0.799				2.726
CCE	0.466**	0.489**	0.817			2.237
CMC	0.531**	0.432**	0.643**	0.761		2.546
SMP	0.594**	0.391**	0.684**	0.729**	0.710	2.138

*p<0.05, **p<0.01 level (2-tailed)

Table 2 presents the descriptive statistics and correlation matrix for all study variables. Multicollinearity may arise when the correlation between predictor variables exceeds 0.80, indicating a potentially problematic level of association (Hair, et al., 2019, pp. 203–204). The correlation coefficients in this study range from 0.391 to 0.729, which are below the recommended threshold, suggesting that multicollinearity is unlikely to be a serious concern. However, correlation alone provides only a preliminary indication of multicollinearity. Therefore, variance inflation factors (VIFs) were examined as a more robust diagnostic measure. The VIF values range from 1.793 to 2.726, well below the commonly accepted threshold of 5, indicating that multicollinearity is not a concern in this study (Hair, et al., 2019, pp. 203–204). The diagonal elements represent the square roots of the average variance extracted for each construct. These values are greater than the corresponding inter-construct correlations, thereby satisfying the Fornell–Larcker criterion and confirming discriminant validity among the constructs (Fornell and Larcker, 1981, pp. 382–388). Furthermore, standard regression diagnostic tests were conducted to ensure that the assumptions underlying OLS regression were satisfied. Residual analysis

indicated no significant departures from normality, and plots of standardized residuals versus predicted values revealed no systematic patterns, supporting the assumptions of linearity and homoscedasticity (Wooldridge, 2016, pp. 65–72). Collectively, these results confirm that the data are suitable for OLS estimation and that the regression results can be interpreted with confidence.

Table 3 presents the regression results assessing the influence of digital marketing capability on its key outcome variables, namely customer acceptance excellence, competitor completeness efficiency, and sustainable marketing performance. The results indicate that digital marketing capability has a significant positive effect on customer acceptance excellence ($\beta = 0.250$, $p < .05$) and competitor completeness efficiency ($\beta = 0.253$, $p < .05$), as well as a strong and highly significant positive effect on sustainable marketing performance ($\beta = 0.324$, $p < .001$). These findings suggest that firms with stronger digital marketing capability are better able to enhance customer understanding and engagement, improve competitive positioning, and ultimately achieve superior long-term marketing performance. Therefore, Hypotheses 1a, 1b, and 1c are supported.



Table 3 Results of the Regression Analysis for Influences of Digital Marketing Capability on Its Consequence

Independent Variables	Dependent Variables		
	CAE	CCE	SMP
Digital Marketing Capability (DMC)	0.250* (0.140)	0.253* (0.138)	0.324*** (0.120)
Firm age	-0.091 (0.088)	0.057 (0.101)	0.028 (0.072)
Firm size	-0.192 (0.088)	-0.118 (0.084)	0.013 (0.085)
Adjusted R ²	0.344	0.386	0.460

*p<.05, ***p<.001 Beta coefficients with standard errors in parenthesis

Moreover, Table 4 presents the regression results examining the effects of customer acceptance excellence and competitor completeness efficiency on continued marketing competitiveness, as well as the effect of continued marketing competitiveness on sustainable marketing performance. The results indicate that competitor completeness efficiency has a strong and highly significant positive effect on continued marketing competitiveness ($\beta = 0.597$, $p < .001$), while customer acceptance excellence also has a significant positive

effect on continued marketing competitiveness ($\beta = 0.169$, $p < .05$). Furthermore, continued marketing competitiveness has a strong and highly significant positive effect on sustainable marketing performance ($\beta = 0.657$, $p < .001$). These findings suggest that both competitive efficiency and customer acceptance play important roles in strengthening a firm's continued marketing competitiveness, which in turn contributes to improved long-term marketing performance. Therefore, Hypotheses 2, 3 and 4 are supported.

Table 4 Results of Influences of Customer Acceptance Excellence, Competitor Completeness Efficiency, and Continued Marketing Competitiveness on Sustainable Marketing Performance

Independent Variables	Dependent Variables	
	CMC	SMP
Customer Acceptance Excellence (CAE)	0.169* (0.078)	
Competitor Completeness Efficiency (CCE)	0.597*** (0.079)	
Continued Marketing Competitiveness (CMC)		0.657*** (0.050)

Independent Variables	Dependent Variables	
	CMC	SMP
Firm age	-0.001 (0.075)	0.095 (0.059)
Firm size	0.056 (0.088)	0.043 (0.069)
Adjusted R ²	0.394	0.532

*p<.05, ***p<.001 Beta coefficients with standard errors in parenthesis

Conclusion and Discussion

The empirical findings of this study provide strong support for the role of digital marketing capability in shaping marketing outcomes across multiple stages, from intermediate capabilities to long-term performance. Firstly, digital marketing capability significantly influences customer acceptance excellence ($\beta = 0.250$, $p < .05$), competitor completeness efficiency ($\beta = 0.253$, $p < .05$), and sustainable marketing performance ($\beta = 0.324$, $p < .001$). These findings are consistent with prior studies showing that digital capability enhances customer engagement and firm performance (Santy and Anwar, 2021, pp. 31-36; Ranjan, 2023, pp. 2836-2856). However, unlike previous research that often examines these relationships in isolation, this study demonstrates that digital marketing capability simultaneously strengthens both customer-related and competitive capabilities within a unified framework. Firms with stronger digital capabilities are better able to reduce customer uncertainty, deliver relevant information, and respond effectively to evolving market conditions, thereby enhancing customer acceptance and improving competitive positioning (Santy and Anwar, 2021, pp. 31-36; Smith, 2024, pp. 63-74).

This integrated effect highlights the broader strategic role of digital marketing capability in influencing multiple dimensions of marketing outcomes. In the context of cosmetics firms in Thailand, where digital platforms dominate customer interaction and preferences shift rapidly, firms with strong digital capabilities quickly adapt to emerging trends and customer feedback, further reinforcing customer acceptance and competitive positioning.

Secondly, customer acceptance excellence ($\beta = 0.169$, $p < .05$) and competitor completeness efficiency ($\beta = 0.597$, $p < .001$) both have significant positive effects on continued marketing competitiveness. While prior studies emphasize the importance of customer relationships in driving performance (Hassan, Nassar and Kamal, 2022, pp. 64-76), the present findings reveal that competitor completeness efficiency exerts a substantially stronger influence. This indicates that firms' ability to interpret competitive signals, benchmark effectively, and adjust strategies plays a more dominant role in sustaining competitiveness in dynamic environments. Although customer acceptance contributes to relationship stability, competitive responsiveness and strategic adaptation are more critical in maintaining



long-term competitive advantage (Pang, Wang and Wu, 2022, pp. 1421-1443; Taçoğlu, Ceylan and Kazançoğlu, 2019, pp. 648-673). In the highly competitive Thai cosmetics industry, where product differentiation is short-lived and trends evolve quickly, firms must continuously monitor competitors and digital signals, making competitive responsiveness a key determinant of sustained advantage.

Lastly, continued marketing competitiveness significantly influences sustainable marketing performance ($\beta = 0.657$, $p < .001$), highlighting its critical role in translating firm capabilities into long-term outcomes. This finding reinforces the dynamic capability perspective (Teece, 2007, pp. 1322-1328) by demonstrating that sustained competitive positioning is a key mechanism through which firms convert capabilities into long-term performance outcomes. Unlike prior research that focuses primarily on direct capability–performance relationships, this study provides evidence of a multi-stage relationship in which competitiveness plays a central role in sustaining performance over time. Firms that maintain strong competitiveness are more likely to achieve customer loyalty, perceived value, and long-term engagement, thereby reinforcing sustainable marketing success (Gunawardana and Wedage, 2020, pp. 46-72; Moradi, et al., 2024, pp. 46-53). In a digitally intensive and trend-driven cosmetics industry, firms that continuously adapt their strategies and engage customers through digital channels are more likely to sustain relevance, build loyalty, and achieve long-term marketing performance.

Contributions

Theoretical Contributions

This study makes several important theoretical contributions to the literature in digital marketing capability and marketing performance. Specifically, this study contributes to the literature by introducing a multi-stage capability–performance framework that integrates relational (customer acceptance excellence) and competitive (competitor completeness efficiency) mechanisms within the dynamic capability perspective. Firstly, the findings empirically demonstrate that digital marketing capability significantly influences customer acceptance excellence ($\beta = 0.250$), competitor completeness efficiency ($\beta = 0.253$), and sustainable marketing performance ($\beta = 0.324$), thereby confirming its role as a higher-order dynamic capability. These results support the dynamic capability perspective by showing how firms leverage digital resources to sense and respond to market changes. Importantly, this study provides integrated empirical evidence across multiple outcomes, rather than treating these relationships in isolation as in prior research.

Secondly, the study identifies competitor completeness efficiency ($\beta = 0.597$) and customer acceptance excellence ($\beta = 0.169$) as key drivers of continued marketing competitiveness, with competitor completeness efficiency exerting a substantially stronger effect. This result indicates that competitive responsiveness plays a more dominant role than customer-related factors in sustaining competitive advantage. By explicitly comparing effect sizes, the study provides stronger empir-

ical grounding for understanding how different mechanisms contribute unevenly to competitiveness.

Lastly, the findings show that continued marketing competitiveness ($\beta = 0.657$) has a strong effect on sustainable marketing performance, demonstrating how firm capabilities are translated into long-term outcomes. This evidence reinforces dynamic capability theory by illustrating a multi-stage capability–performance linkage, where competitiveness serves as a critical mechanism connecting digital capability to sustained performance.

Managerial contributions

The results of this study provide several practical implications for managers seeking to enhance digital marketing capability and long-term marketing performance. Firstly, given the significant effects of digital marketing capability on customer acceptance excellence ($\beta = 0.250$), competitor completeness efficiency ($\beta = 0.253$), and sustainable marketing performance ($\beta = 0.324$), managers should treat digital capability as a core strategic investment. In the context of cosmetics firms in Thailand, where digital platforms and real-time consumer engagement are central, managers should leverage social media, influencer marketing, and data analytics to respond quickly to changing consumer preferences and market trends.

Secondly, since competitor completeness efficiency has the strongest impact on continued marketing competitiveness ($\beta = 0.597$), managers should prioritize competitive intelligence capabilities. In the Thai cosmetics industry, where competition is intense and trends change rapidly, firms must continuously

monitor competitors, track digital trends, and adjust strategies in real time to maintain competitive advantage.

Lastly, the strong effect of continued marketing competitiveness on sustainable marketing performance ($\beta = 0.657$) suggests that managers should focus on sustaining long-term competitiveness through continuous adaptation. In a digitally driven cosmetics market, this involves maintaining product relevance, engaging customers through digital channels, and leveraging real-time feedback to build loyalty and ensure long-term performance.

Limitations and Future Recommendations

Despite providing meaningful empirical insights, the present study has a number of limitations that offer avenues for future research. Firstly, the study is based on a relatively small sample size of 151 firms, which limits the use of more advanced analytical techniques. Given the multi-stage relationships identified in this study, future research could employ structural equation modeling (SEM) to simultaneously test these pathways and provide stronger validation of the proposed model.

Secondly, digital marketing capability is conceptualized as a higher-order construct. However, the findings indicate that different mechanisms contribute unevenly to outcomes, as competitor completeness efficiency ($\beta = 0.597$) has a stronger effect than customer acceptance excellence ($\beta = 0.169$). This suggests that different aspects of digital marketing capability may influence competitive and relational outcomes differently. Therefore, future research could examine its underlying subdimensions to identify which components



are most strongly associated with these distinct mechanisms.

Thirdly, this study focuses on cosmetics firms in Thailand, a highly digital and trend-driven context. Given that competitive efficiency emerges as a dominant driver in this setting, future research could extend the model to other industries or countries to examine whether similar patterns hold across different competitive environments

Lastly, the study relies on perceptual measures of performance. Considering the strong relationship between continued marketing competitiveness and sustainable marketing performance ($\beta = 0.657$), future research could incorporate objective performance indicators or external digital metrics to further validate how digital capabilities translate into long-term outcomes.

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