

-RESEARCH ARTICLE-

**THE MEDIATING ROLE OF DIGITAL CUSTOMER EXPERIENCE
ACCENTUATE IN ENHANCING FINANCIAL PERFORMANCE OF B2B
MSMES IN INDONESIA AND MALAYSIA**

Amena Sibghatullah*

Universiti Teknologi MARA, 42300, Puncak Alam, Selangor,
Malaysia

ORCID: <https://orcid.org/0000-0001-8983-1588>

Email: amena@uitm.edu.my

Nur Choirul Afif

Universitas Jenderal Soedirman, Purwokerto, Indonesia

ORCID: <https://orcid.org/0000-0003-4680-7291>

Email: Nur.choirul.afif@unsoed.ac.id

Shahsuzan Zakaria

Universiti Teknologi MARA, 42300, Puncak Alam, Selangor,
Malaysia

ORCID: <https://orcid.org/0000-0001-6625-9910>

Email: shah81@uitm.edu.my

Weni Novandari

Universitas Jenderal Soedirman, Purwokerto, Indonesia

ORCID: <https://orcid.org/000-0003-3591-3259>

Email: Weni.novandari@unsoed.ac.id

Larisa Pradisti

Universitas Jenderal Soedirman, Purwokerto, Indonesia

ORCID: <https://orcid.org/0000-0002-3535-711X>

Email: Larisa.pradisti@unsoed.ac.id

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Jamshid Pardaev

PhD in Economics. Associate Professor of Finance and Tourism
Department, Termez University of Economics and Service,
Uzbekistan

ORCID: <https://orcid.org/0009-0004-8319-6906>

Email: jamshid_pardayev@tues.uz

—Abstract—

This research examined the impact of digitalization practices on sales performance among Micro, Small and Medium Enterprises (MSMEs) in Indonesia and Malaysia, with specific focus towards the mediating role of digital customer experience (DCX). The data has been collected from robust samples of MSMEs and B2B and has been analyzed by using structural equation modeling (SEM) to test the proposed relationships between digitalization, DCX and sales performance. The outcomes show that digitalization practices have a moderate direct impact on sales performance. Although, this relationship has essentially strengthened when MSMEs effectively integrate with customer centric digital experiences. Personalized and responsive digital interactions emerge as a key mechanism that link technology adoption for improving sales outcomes. The research has provided an actionable insight for MSMEs practitioners by highlighting the requirement to align digital investments with effective customer journey management and continuous feedback mechanisms. Policy makers are encouraged to focus more on capacity-building initiatives which enhance MSMEs' competencies in digital customer experience design alongside technology adoption.

Keywords: Digital Customer Experience, Digitalization, B2B MSMEs, Indonesia, Malaysia, Mediation.

INTRODUCTION

The extensive advancement of digital technologies has changed the operational landscape of micro, small and medium enterprises (MSMEs) across Southeast Asia (Loo et al., 2023). Specifically, the rapid increase in penetration of internet, now surpassing 70% of the population, both in Malaysia and Indonesia, and has coincided with a shift in market and consumer behavior towards online purchasing. With its response MSMEs, which constitute more than 97% of all the registered business in all these countries, have been compelled to adapt by adopting diverse digitalization practices (DP) (Setiawan et al., 2025). All these practices encompass the implementation of customer relationship management systems, the establishment of e-commerce platforms, the utilization of data analytics, and integration of automated marketing tools, that aimed to enhance competitiveness and sustainable market relevance in an increased digital economy (Bocean et al., 2025).

Although investments are an indicator of a positive direction in the maturity level in the digital context, they have not always generated the desired results in terms of the Sales performance (SP) (Voss et al., 2024). Another important aspect of this digital experience that is often not given full credit is the experience of a customer himself. B2B business is particularly high stakes as buyers can be many people in the process of buying and the process itself can be multifaceted and time-consuming, with a compelling and friction-free digital customer experience (DCX) setting market leaders and stragglers apart (Sun, 2025). DCX is the customer experience and includes both the utility and responsiveness of digital touchpoints (e.g., websites, portals, chatbots) and the personalized communications, responses, and use of customer responses. Companies that have optimized DCX will transform their digital investment into measurable output in terms of lead generation, conversion, and repeat purchases (Taylor & Kim, 2025).

Although there is an increasing focus on both digitalization and the customer, most B2B MSMEs in Indonesia and Malaysia fail to make digital initiatives translate into sustainable sales development. The study contributes towards filling that gap as it examines the role of DCX as a mediator of the relationship between DP and SP. Indonesian and Malaysian B2B MSMEs, to keep up with the times, have wasted no time in adopting the use of digital technologies including e-commerce platforms and customer relationship management systems as well as automated marketing tools. However, many of these companies are not successful in the end because their online solutions do not bring the boost in Sales as they were supposed to. It is a common case that off-the-shelf software has been implemented without sufficient tailoring or employee training, and thus important software characteristics go underutilized, and the ROI in low tones remains. Businesses are unable to realize the full potential of their corresponding technological tools as they lack the necessary specialized digital know-how or even the budget to service and streamline such platforms.

However, there is mere deployment of digital tools such as CRM customer relationship management (CRM) systems, e-commerce platforms and automated marketing solutions does not guarantee success in business. Portal is considered to be crucial to navigate and chat to support which is unresponsive could alienate the potential clients and redirect them towards the competitors (Prakash et al., 2024). The compounding of all these challenges are infrastructural disparities, urban centres that often benefit from reliable internet connectivity and higher digital literacy, although rural areas suffer from intermittent connections and limited digital skills. Similarly, MSMEs would find their growth constrained to a narrow segment of digitally savvy consumers (Muhammad et al., 2025). Within this context, it becomes difficult to move beyond simplistic technology adoption towards cultivating a seamless, data-driven digital customer experience (DCX) which translates digital investments in tangible sales performance improvements. Prior research highlighted that positive customer experience, which is being characterized by usability, personalization, responsive feedback-driven improvements which is significant mediator between technological adoption and

enhanced business outcomes (Jum'a, 2025). The aim of this research is to examine the mediating role of digital customer experience in translating digitalization practices in improved sales performance among B2B MSMEs in Malaysia and Indonesia. Particularly, this research seeks to examine whether firms would adopt extensive digital tools achieving superior outcomes of sales, and to quantify the extent to which such success depends on quality of customers' journeys across digital touch points. Prior research has consistently linked technology adoption with performance of firm (Huang et al., 2025), and very few of them have dissected the customer-facing mechanisms which enable digital tools for driving the sales growth effectively, specifically within B2B MSMEs operating in emerging economies. The present frameworks often treat digitalization as a monolithic input, that overlooks the crucial nuances in customer delivery experiences (Ojong, 2025).

Additionally, the current literature, focus on customer-facing contexts and large enterprises, that leaves the gap in research on digital transformation experiences of MSMEs, that constitute the backbone of Southeast Asian economies. This study has addressed the gap by explicitly modelling the DCX as the mediating variable integrating insights from Technology Acceptance Model and Customer Experience Theory in a cross-national context among Malaysia and Indonesia. This would provide a deeper understanding of how digital customer journeys function as a lever for converting digital investments in sustainable sales growth.

This research has offered several key contributions. Theoretically, this research enriches digital transformation literature by introducing digital customer experience as a pivotal mediator which explains that how and why the practices in digitalization translate into sales gains for B2B MSMEs in emerging markets. This study works as a bridge between a technology adoption and business performance through customer experience, that has often been underexplored. Methodologically, the study employs a robust SEM approach with a sizeable cross-national sample, that advance the rigor and generalizability of outcomes in this domain. Practically, the outcomes provide actionable guidance for MSME managers, marketing strategists and policy formulators. They would focus on significance of integration of digital tools in a coherent and user-centric customer journey rather than viewing them as isolated technology investments. This would also entail prioritizing usability contexts, real-time responsiveness, and iterative improvement based on client feedback for maximizing the lead conversion, client retention, and revenue growth.

Simultaneously, the B2B customer experience in these countries is highly complicated by its very nature: the decision-making process implies the involvement of various stakeholders and a series of interactions such as emails, online demos, chatbots, client portals. In the case of independent functioning of these channels, the prospects will feel friction in the sales funnel. Customer data is typically siloed across different systems, and this hinders the firms getting unified insights that can be used to find high value

leads or predict churn. This divide-and-conquer perception of the buyer journey demonstrates a lack of strategic approach to decision-making and under the effectiveness of this approach to digital engagement.

Besides, quick digital implementations can have a faster pace than internal processes and support systems, which creates low consistency of the service quality.

- How do digitalization practices influence Sales performance among B2B MSMEs?
- What role does digital customer experience play in mediating this relationship?

In explaining such dynamics, the study will provide practical information that managers and policymakers can use to leverage digital transformation toward propelling their competitive advantage and Sales excellence.

LITERATURE REVIEW

Digitalization Practices in MSMEs

It has become a necessary practice of digitalization that even the micro, small, and medium enterprises (MSMEs) engage in to stay competitive in a dynamic and highly developing business world. Digitalization is a wide term that includes various technologies and strategies that modify old ways of doing business and yields positive changes in terms of making work much more efficient and opening new revenue. Examples of digital tools supporting the internal process flow and customer interaction through the integration of customer relationship management (CRM), e-commerce, social media, and data analytics into the functioning of MSMEs allow concluding that given solutions have the potential to ease and streamline the business workflow and improve customer engagement levels.

Firstly, the introduction of CRM systems can make a massive difference in the capacity of the MSMEs to handle customer relations. Such systems assist a business to gather information about its customers, understand the behavior of customers, and market to them as per their pattern, thereby enhancing customer retention and loyalty ([Sudarwati & Izzaty, 2022](#)). According to Triwahyono et al., they will be able to gather and analyze data in a superior manner using technological innovations, which, ultimately, results in enhanced efficiency of operations and more successful decision-making ([Triwahyono et al., 2023](#)). This is demonstrated by such developments that have established that CRM tools have not been a mere technological boost but are more of a part of wider digital strategies that operate to engage and retain customers in a very competitive environment.

In addition, the capabilities of data analytics in MSMEs cannot be enunciated. Using the process of data analytics, businesses can discover current trends in the market, customer purchasing patterns, and areas requiring improvement in business operations

(Krishnan, 2024). According to Gao et al., embracing digital marketing and e-commerce has a substantial impact on sales performance of MSMEs especially during such difficult times as the COVID-19 (Gao et al., 2023). Possibility of making use of information based on data enables MSMEs to rebuild their approaches on the fly and become less susceptible to the vagaries of the market and more competitive on the level of the industry (Behl et al., 2022). Moreover, Wong and Ngai specify that effective analytics capabilities can be used to facilitate the improvement of operations performances that will allow MSMEs to allocate their resources to be in a better position to meet business opportunities based on data-oriented decision-making processes (Wong & Ngai, 2023).

The use of social media as part of marketing strategies is another example of the ways that MSMEs can benefit through digitalization practices. On these platforms, marketing is not very expensive and is accompanied by direct customer interaction where feedback and response can be received which can be used in product development and improvement (Pascucci et al., 2023). As it was claimed in the works performed by Caraka and his colleagues, the company that utilizes social media analytics may identify the preferences of consumers, which is central when it comes to the creation of personalized marketing campaigns (Caraka et al., 2024). The physical involvement in social media not only promotes brand presence but rather promotes the existence of the community around the MSMEs which later contributes to a developed and lasting brand loyalty and customer satisfaction.

Digital transformation has been identified as one of the key aspects of e-commerce integration among MSMEs. Businesses involving the e-commerce platforms can sell their products to larger markets without regard to geography as a lot of customer accessibility and allowing the business to meet its volume Sales targets (Sutejo et al., 2022). Since small businesses with effectively introduced e-commerce strategies can react to consumer demand much faster and adjust the respective offerings, small businesses can optimize the management of products and cut overhead expenditures, as discussed by Musthafa et al. (Pandya et al., 2024). The COVID-19 pandemic has expedited the necessity of integrating businesses with the e-commerce platform, the issue that puts an ever-stronger emphasis on the necessity of MSMEs developing advanced online selling strategies (Gao et al., 2023; Pandya & Kumar, 2022).

Besides, it is essential that MSMEs have a broad digital strategy covering all of these aspects. Explaining the role of a customer-centric approach and agile business models, Kibor notes that both approaches exert a great influence on the overall performance of MSMEs (Kibor, 2024). This requires changing the old-fashioned ways of thinking in an operation to take advantage of technology. In creating their operations based on a digital-first strategy, MSMEs may improve in interpreting the sea of changes in the rapidly shifting markets, becoming more responsive of what the customers require.

Moreover, the new study emphasizes the fact that MSMEs should develop a data-driven culture. The presence of powerful analytics is important to enhance business performance and to help the companies to face challenges more wisely. Creating this culture will depend on the leadership that backs it up by investing in employee training so they can use digital tools efficiently (Wong & Ngai, 2023). Having the sole data analysis as a priority and deploying the advanced analytics capabilities, MSMEs will manage to gain sustainable competitive advantages, even in unstable economic conditions (Behl et al., 2022).

Practices of digitalization are also applied in the sphere of facilitation of internal processes. Employing technologies like cloud computing and big data analytics in their operations, MSMEs will be able to streamline the workflows and increase productivity (Sipra, 2024). The results obtained by Potluri imply that MSMEs can benefit significantly in terms of Monopoly in Information due to the effective use of big data analytics which enables them to see potential opportunities in areas that can lead to cost savings, improved efficiency (Potluri & Vajjhala, 2021).

It is also interesting that the sustainability objectives are aligned with the digital transformation, which means that MSMEs do not have to think about profitability only but also about ensuring a sustainable future (Machado et al., 2021). With the help of sustainability, which is attained with the help of technological improvements, potential customers and partners will also appreciate the ecological and social responsibility of MSMEs, therefore, improving their reputation and business positioning in the market (Martínez-Peláez et al., 2023).

Conclusively, digitalization of MSMEs assumes numerous practices and strategies that essentially transform their business operating capabilities. The effective combination of CRM systems, social media, e-commerce, and data analytics may contribute to increasing the performance in the market and system relationships with customers to a great extent. Making modifications to these areas addressing them as a whole means that MSMEs will continue to contribute to competition in an environment that is becoming highly mobile, responsive, and technologically fluent. In future efforts, longitudinal analyses to be conducted around the effectiveness of digital practices in varied sectors are necessary to create more fine-tuned practices towards the digitalization of MSMEs and to innovate in the crucial component of the global economy.

Digital Customer Experience (DCX)

Digital Customer Experience (DCX) is gaining momentum in contemporary business, and it is challenging to win the customers and thwart their defection based on the experience they receive in the digital platform. That is because the term represents the total process and interaction of the customers with several digital interactions. The

effective presentation of DCX is multi-layered and consists of such dimensions as usability, personalization, responsiveness, and trustworthiness that positively affect satisfaction and long-term loyalty of customers (Hallikainen et al., 2019; Lemon & Verhoef, 2016; Mihardjo et al., 2019).

The studies show that ease of access to digital platforms is a pillar to good customer experiences. The interfacing is the bane of every user and therefore when it is simple, easy to move around and responsive to the needs of users, it is most preferred. As Lemon and Verhoef point out, usability is one of the essential attributes in the context of the robust customer digital experience that the companies may implement to facilitate the customer interactions at the optimal levels (Lemon & Verhoef, 2016). This can be confirmed by a study of the authors that has set out to determine that there is a potential to transform the levels of customer satisfaction and retention through increased usability in different sectors (Mihardjo et al., 2019). Therefore, organisations are placing a big bet by investing in user-centred design, which makes their digital touchpoints accessible as well as effective.

Another dimension of DCX, which increases engagement with customers, is personalization. A personalized digital experience, based on the preferences that each client has, not only enhances the level of satisfaction provided but also fosters loyalty. Hollebeek and Macky talk about the importance of personalized content in terms of increased engagement of the consumers and establishing trust necessary to improve the entire customer experience (Hollebeek & Macky, 2019). Also, Kamath et al. emphasize that customers will be more likely to stay with the companies that will seem to care about them and offer a solution to their individual needs (Kamath et al., 2019).

Interactions that are responsive play a critical role in the building of a favorable DCX. The customers currently demand quick feedback and quick solutions to their queries. One of the points made by Hallikainen et al. is that timely response to the customer questions is the key to building a trusting relationship in B2B digital services (Hallikainen et al., 2019). On the same note, Pritjahjono et al. reports that a positive relationship exists between involvement with responsive customer service and high customer satisfaction in the case of digital services and banking. The adherence to the responsiveness in serving clients not only influences satisfaction but also builds a feeling of loyalty in them as they feel respected and listened to (Sianipar et al., 2023).

Trustworthiness is probably the most important factor of DCX nowadays. Trust is also important in the digital world where people may not interact in person as the transactions are being made. Customer trust in approaching the services of the enterprise is linearly associated with how efficient service providers can transmit an attitude of reliability through their online pitches (Hallikainen et al., 2019). Rashidi et al. emphasize that customer loyalty, in its turn, is highly pre-determined by the ability to maintain perceived trustworthiness in digital spaces, comprehensive security

measures, and clear communications (Rashidi et al., 2024). When a customer is confident that a brand will take care of his or her information and be consistent with his or her claims, he or she will be more open to participating in the business.

This connection between DCX quality and customer satisfaction and loyalty is empirically very strong in literature. Mihardjo et al. explain that favorable digital experiences have the potential to support brand image and brand performance, which once again proves that participating in a well-designed digital customer experience can result in better customer retention (Mihardjo et al., 2019). Moreover, research shows that companies that have a good DCX strategy tend to have improved values of customer loyalty since they have satisfied customers more prone to repeat purchases and referring brand to others (Sianipar et al., 2023). Kumar underlines that outstanding DCX can stimulate brand choice, particularly as competition in the digital realm is on the rise (Sianipar et al., 2023).

To sum up, Digital Customer Experience should be implemented as an organization in the form of multifaceted, in which usability, personalization, responsiveness, and trustworthiness are only the attributes with the help which Digital Customer Experience can be built. Its strategic approach to the given attributes will not only enhance richer customer interaction but also will promote stronger loyalty and satisfaction in a world where digital takes the first place. The benefits of having a strong control of the digital experiences of customers by businesses cannot be taken lightly when we continue to see high demands among modern consumers. The potential future research on DCX could consider their interventions that would improve each of the dimensions of DCX that will give practical advice to companies that can be used by them to improve their digital engagements further.

Sales Performance Metrics in B2B

Financial Performance statistics in business-to-business (B2B) Sales have developed to encompass various aspects, such as an increase in volumes and the number of customers, as well as retention. The quality of customer-facing digital experiences is influencing these metrics more. The emerging role of digitalization in changing the B2B Sales strategy asserts the need for business to comprehend and utilize the digitalized tools well, thus improving their Sales performance measures (García Alonso et al., 2022; Guesalaga et al., 2024).

B2B Sales volume growth is an important key performance indicator that should be measured to assess the performance of a business, especially in a digitized world where business-customer interaction takes place across various platforms. Alonso et al. clarify that the process of managing omnichannel effectively would help in increasing the volume of Sales dramatically by ensuring that all major touchpoints would be consistent to enhance customer experience (García Alonso et al., 2022). According to Guesalaga et al., Sales performance of organizations can only be successful, given that the

organization should be able to change its strategy in such a way that it responds to the digital transition, especially after the COVID-19, where organizations are required to integrate their processes and technologies so that they can engage in sustainable growth in volume (Guesalaga et al., 2024). Accordingly, a long-term focus on digital interaction can make a significant impact on the B2B Sales performance, growing with the help of better customer satisfaction/retention levels (Mattila et al., 2021). Securing a customer base is a critical subject in any B2B selling models. The rise of digital marketing redefines the way companies approach the process of attracting prospective clients to them. Online marketing enables them to reach the desired individuals as well as conduct direct marketing in a personal manner, which is critical for the improvement of their customer acquisition campaigns. As pointed out by Pandey et al. the role of social media in the lead generation process and customer relationships that are necessary to acquire the latter cannot be underestimated (Pandey et al., 2020). Also, Sales teams can now re-target prospective customers better at various stages of the customer journey due to the use of digital tools, which, in turn, makes the Sales team more likely to win over new business (Guo & Wang, 2015).

Retention of the current customer is another important performance measure in the B2B setting. Efficacy in digital customer experiences is critical in the achievement of high rates of customer retention. Mattila et al. explain that the metamorphosis of the B2B Sales models makes it essential to improve digital communication with the customers. Companies that lay a stronger emphasis on customer interaction via proper online mechanisms have a higher chance of retaining clients (Mattila et al., 2021). This agrees with the report of Mai and Liao, who explain that the delivery of valuable digital experiences is linked to a higher maintenance rate by customers (Mai & Liao, 2022). Through investments in advanced customer relationship management systems and the use of data analytics, organizations can develop their ability to foster relationships with existing clients to a new level (Koponen & Ryttsy, 2020; Mattila et al., 2021).

In addition, customer-facing digital experience has a tremendous effect on these measures. Next, as Peesker et al. define, it is personal qualities that an individual needs to exercise in a digital-selling context, such as empathy and good collaboration in building relationships that will result in repeat Sales and increase retention rates (Peesker et al., 2024). By putting money into the human qualities of their Sales forces and using the power of the digital sphere, organizations will form strong and long-lasting relationships with their customers (Mattila et al., 2021).

The introduction of advanced technologies such as AI into Sales processes of B2B companies is one more significant factor influencing the improvement of Sales performance metrics. AI can augment the Sales by providing better data analysis that leads to more informative decision-making and better customer engagement activities. As example, Hall et al. also comments on how the insides based on AI can make the targeting more precise and enhance its interaction with prospects to optimize acquisition

and retention KPIs (Hall et al., 2021). Not only does this contemporary solution enhance the current Sales models, but it also focuses on the necessity of constantly adapting to the ever-changing buyers demands in the context of digital transformation (Hawaldar et al., 2022; Mattila et al., 2021).

Finally, focusing on the correlation between digital experiences and the Sales performance in general is a reminder of this situation on a broader scale to the B2B approaches. The move to online platforms requires the leadership of the organization to change its way of thinking about digital experiences. According to Ahmad et al., the functionalities of Sales and the marketing strategies are interrelated in that a clear digital strategy will enable organizations to generate high levels of differentiation within the crowded B2B environment (Alamäki & Korpela, 2021). Senior management, therefore, should develop a culture that embraces change and agility in their Sales processes and completely acknowledge the possibilities of achieving digitalization potential which would lead to increased measurements of its Sales performances in the organizations.

To sum up, Sales performance indicators, such as volume growth, customer acquisition, and customer retention have been progressively influenced by the nature of customer-facing digital experiences in B2B settings. Digitalization and the reorganization of Sales policy are very important in implementation within the management of changing customer demands. Companies that will effectively use digital technology and engage customers in an exciting experience will find themselves in a better position to improve their Sales performance indicators and sustainable growth in the B2B marketplace.

Mediating Role of DCX

The mediating nature of Digital Customer Experience (DCX) on the effect of digitalization on the performance of Sales can be well addressed using Technology Acceptance Model (TAM) and Customer Experience Theory. Although digitalization brings about more capabilities and tools, simply having such may not influence the Sales results significantly unless they are planned powerfully to stimulate customer experiences. That concept also points to the need to exploit customer experiences more fully, which is a key intervener in the relationship between online tools and efficient Sales.

According to Technology Acceptance Model, acceptance of the products (used by users) and its perceived usefulness of technology is a considerable factor in determining the use of digital tools. Digitalization can give B2B multiple platforms to interact with customers; nevertheless, the success of these tools can be yet to turn into growth in Sales without the systemic approach to DCX improvement. Schulz et al. demonstrate that digitalization capabilities are more likely to boost operational efficiencies but the direct correlation between the capabilities and the level of Sales growth may not always be significant unless they promote improved comprehension of customers' needs, as well as promote more in-depth interaction with the customers. This is important because

organizations must strike the right balance in the form of their digital tools, where they are not just productivity tools, but one that will resonate with customer expectations [Schulz et al. \(2023\)](#).

Besides, Abou-Foul et al. state that service offerings that have been digitalized further enhance the customer experience with subsequent sales performance improvement. This upholds the point that the effectiveness of digitalization will depend on the level at which it will increase customer interactions with personalization and responsive experiences. When the companies utilised the digital tools to establish emotional connections between the customers, this would, not only, result in customer satisfaction but eventually high level of Sales. The reason why such a position resonates with the perception that DCX is a crucial intermediate factor is that it is what connects the technological changes to concrete Sales outcomes ([Abou-foul et al., 2021](#)).

Inter-functional coordination is important to maximize DCX in the context of B2B unit. According to Ruiz-Alba et al., proper application of digitalization improves the compatibility of various operational mechanisms in an organization, thus helping to establish the needs of customers conveniently. By coordinating its marketing, Sales and customer service efforts through digital means, the organization not only graces its customer experience with increased comprehensiveness but also makes it more personal. Such integration increases the possibility to offer quick responses and attention and allows achieving better customer satisfaction and loyalty ([Ruiz-Alba et al., 2020](#)).

The connection between the digital transformations, DCX, and the performance of Sales organizations is also evidenced through scenario planning in Sales organizations. Kusuma et al. emphasizes that knowledge on the uncertainties and possibilities in the landscape of digitized business enables organizations to change their epid facilities in Sales strategies. It is important to note that to be an effective DCX, one needs a combination of not only technological knowledge but also organizational skills that include maneuvering several dynamics in the market. Their customers are changing and their expectations are increasing and so they need to be more innovative in their products and services ([Kusuma et al., 2023](#)).

Another fundamental element of DCX is the sense of value that is perceived by the customers during their interactions with the company, which can be a major driving factor in the buyer. Companies that embrace digital technologies in a way that builds better customer experiences are more capable of improving customer acquisition, retention and ultimately, improving their Sales figures. This statement aligns with the study that focuses on the economic value of the improved customer experiences through the digital channel. The connection that trusts have to customer satisfaction is crucial as it gets incorporated into the broader logic of DCX, and the latter, in turn, has a moderating effect on the influence that digitalization has on the Sales performance measures.

In addition, the aspect of responsive customer involvement is essential during the process of mediation. The rate and quality of fulfilment of customer requests, which often are enabled using digital platforms, is directly linked to the levels of customer satisfaction. The customers perceived speedy response as an important asset adds to the interrelation between DCX and Sales success. Abou-Foul et al. have pointed out that improved service delivery as introduced in a digital setting translates into impressive growth in performance because the service deliverables address the expectations of their customers (Abou-foul et al., 2021).

As organizations move further into using the capabilities of digital transformation, the need to have a strategy that focuses on how the organization interacts with its customer becomes clear. According to Peñalba-Aguirrezabalaga et al. (2022), the relational capital and knowledge management play a significant role and create superior customer experiences. Next, the alignment of marketing knowledge with effective online practices plays an important role in the Sales results; organizations should maximize their capabilities in the context of interactions with consumers, that means, the staff should be empowered and provided with the tools to facilitate the customer experience in an efficient manner (Peñalba-Aguirrezabalaga et al., 2022).

To sum up, digitalization presents incredible benefits, yet they may become fully effective only upon making customer interactions more prominent. The mediation process enabled by DCX is crucial because it links technology investments and favorable Sales. Based on insights into how digital tools and customer experience interact with each other, organizations can develop an approach that enhances customer loyalty levels and the performance of Sales. Further studies may explore more on the direct effects of features of DCX on transactions parameters thus offering implementable information to business firms in this digital world.

CONCEPTUAL FRAMEWORK AND HYPOTHESES

Conceptual Framework

The proposed conceptual framework used to develop this study explains how Digitalization Practices relate to Digital Customer Experience (DCX) and Sales Performance in regard to the example of businesses undergoing digital transformation. The framework has been benchmarked in Service-Dominant Logic and Customer Experience Theory, according to which, digital technologies along with customer-oriented processes are critical in determining value creation, customer satisfaction and, by extension, business performance.

Digitalization Practices

Digitalization practices involve the adoption of digital technologies and digital processes at the customer interactions touch points and in the internal environments.

These comprise embracing CRM, e-commerce, social media interaction, AI-servicing individualization, mobile apps, and chatbots. Such practices are intended to make work easier, to provide efficient working procedures, and to provide customer service and interactions within a similar profile and of high quality, with consistency achieved across channels.

Digital Customer Experience (DCX)

DCX is the general customer feeling and perception of customer interaction with the online interface and service. It is more than just usability, but it possesses personalization, speed, convenience and security as well as an omni-channel cohesiveness. An excellent DCX helps in creating credibility, amplifies customer satisfaction, and induces further interactions, which are imperative success parameters in virtual markets.

Sales Performance

Sales performance is a process used to assess effectiveness and efficiency of Sales activities carried out by a company in meeting up revenue and customer acquisition objectives. In the digital world, Sales performance is maximized with the quality of the digital experience offered to customers. Retailers must prioritize convenience and personalization as 70 percent of consumers are willing to spend more based on the convenience and 85 percent would share their data with retailers in exchange for personalization services.

The conceptual model suggests that digitalization activities have a direct positive impact on DCX because efficient digital infrastructure and the use of technologies in the processes allow these journeys to become smoother and more entertaining. A high-quality DCX in turn can be anticipated to have a positive influence on Sales performance, because satisfied and involved customers will be more willing to conclude transactions, and may also have a long-term relationship with the company. Further, it is assumed that DCX mediates the connection between the digitalization practices and Sales performance as the means through which the digital efforts produce business value.

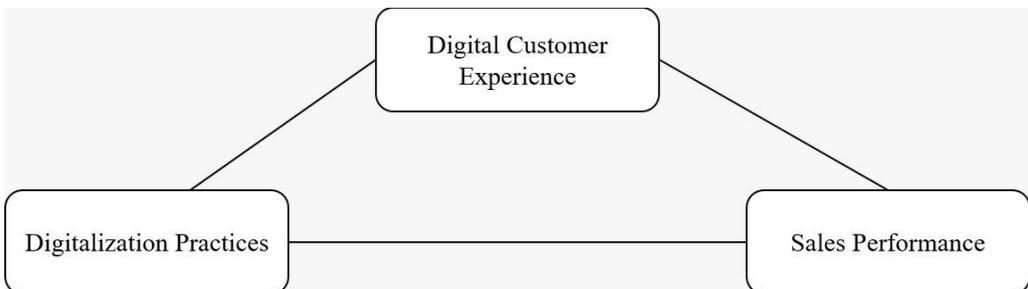


Figure 1: Conceptual Framework

Hypotheses Development

Based on the above framework and literature used, the following hypotheses are drawn:

H1: *Digitalization practices positively influence Digital Customer Experience (DCX).*

Companies which take up new and highly digitalized tools e.g., computerized CRM, Artificial Intelligence chatbots, and automation responsive mobile platforms will remain in a better position to offer smoother and individual customer service. Research shows that digital technologies can increase the level of interaction, raise accessibility to information and reduce the time-of-service delivery, which results in a better DCX.

H2: *Digital Customer Experience (DCX) positively influences Sales performance.*

An excellent DCX promotes trust, satisfaction, and loyalty among customers who are key motivators to making purchase decisions. The study on electronic marketing and e-commerce validates this argument because consumers are frustrated by the inconveniences of e-commerce, a lack of personalization and reliability and hence less willing to buy and refer a product or service to others, which reduces Sales.

H3: *Digital Customer Experience (DCX) mediates the relationship between digitalization practices and Sales performance.*

Although practices of digitalization can enhance the level of operations efficiency, the effect on the Sales performance is gained mostly through the customers facing benefits. DCX is the vital factor that connects digital projects with business success that are translating technology improvements into increased customer impressions and involvement, which subsequently translated into buying decisions and top-line improvement.

RESEARCH METHODOLOGY

The research has employed a quantitative cross-sectional design for examining the relationships between digitalization practices, digital customer experiences and Sales performance within MSME and B2B in Malaysia and Indonesia, capturing the data in single point for minimizing the external variability such as fluctuations in seasonal demand. A random stratified sampling approach has been used for ensuring representativeness and reducing sample bias, drawing a proportional subsample of 300 MSMEs, taking 150 from each country across key sectors of industry including manufacturing services, wholesale, retail, technology and others, based on the vast databases combined in collaboration with local chambers of commerce and industry associations. The invitations for participation were directed to owners, general managers, or marketing heads through personalized emails from secure links to 22-item online survey instrument, that consisted of five items measuring digitalization practices,

sic items for digital customer experience, and five items assessing the performance of sales, and all these were rated on five Likert scale. The response rates were enhanced from two follow-ups emails and telephone calls, when necessary, by culminating in a strong 65% response overall. Development of instrument followed a rigorous procedure, adapting items from validated literature sources and refining them with the help of expert reviews and pilot testing with MSME managers for ensuring clarity and contextual relevance for Malaysian and Indonesian settings. Measures of validity and reliability and average variance extracted with subsequent data analysis. The data analysis was being carried out in two stages initial descriptive statistics and correlation analysis for establishing the baseline relationships with descriptive statistics and correlation analysis followed by structural equation modelling (SEM) using Smart PLS for validating the measurement model for confirmatory analysis and evaluating the structural model through path coefficients, explained variance (R^2), and mediation effects. 5000 resamples with Bootstrapping were applied for generating robust confidence intervals for indirect effect estimates, thereby ensuring the statistical rigor and practical relevance of conclusions regarding the mediating role of digital customer experience in translating digitalization practices for improved Sales performance in examined MSMEs.

Content and Construct Validity

The development of survey instrument has included a thorough process which aimed to ensure both clarity and relevance for targeted MSME and B2B in Malaysia and Indonesia. The items for measurement for every key construct are digitalization practices, digital customer experience, and Sales performance being adapted from well-developed scale documents in previous research, providing a strong theoretical basis for the questionnaire. For tailoring these items for unique operational contexts of Malaysian and Indonesian MSMEs, the draft instrument underwent a comprehensive review of experts. Following this we conducted a pilot study with a purposive sampling of 30 MSME managers 15 from every country who participated for the completion of survey. The rigorous development and protocol have established face validity and strong content, ensuring the final instrument accurately being captured the intended constructs with practical realities of MSMEs being studied.

Confirmatory Factor Analysis (CFA)

First-order Confirmatory Factor Analysis (CFA) was performed on Smart-PLS for validating 300 cases from survey items constructs measuring Digitalization Practices (DP), Digital Customer Experience (DCX) and Sales Performance (SP). The outer loadings succeeded the 0.70 threshold, with indicators ranging from 0.72 to 0.88, and DCX from 0.75 to 0.91, and SP from 0.70 to 0.85, that indicates a strong convergent validity. The Cross-loading analysis confirmed clear discriminant validity, as no item loaded with higher on a non-target construct, that is with minimum difference of 0.20.

The communities surpassed 0.50, that demonstrate the most variance being explained by latent constructs rather than measurement error. These outcomes confirm the reliability and validity of the outcomes of study.

Internal Consistency Reliability

Table 4.1: Cronbach's alpha and Composite Reliability (CR).

Construct	# of Items	Cronbach's α	Composite Reliability (CR)
Digitalization Practices (DP)	5	0.86	0.88
Digital Customer Experience (DCX)	6	0.89	0.91
Sales Performance (SP)	5	0.84	0.87

The constructs of the study surpassed the accepted threshold of 0.70 for both Composite Reliability (CR) and Cronbach's alpha which indicate that there is robust internal consistency. The Digitalization Practices (DP) scored Cronbach's alpha of 0.86 and a CR of 0.88, which shows coherent measurement of five items encompassing the aspects from CR, utilization of data analytics. Digital Customer Experience (DCX) scored an alpha of 0.89 and a CR of 0.91, that shows high consistency across six items which capture usability, personalization and responsiveness. Sales Performance (SP) has recorded the alpha of 0.84 and a CR of 0.87, that confirms the reliability of five indicators including sales growth, acquisition rates, retention, productivity improvements, and lead conversion. These outcomes confirm that all construct indicators are sufficiently correlated to justify aggregation in single latent variables, also thereby underpinning the validity of subsequent mediation analysis.

Convergent and Discriminant Validity

Table 4.2: Convergent Validity (AVE)

Construct	AVE
Digitalization Practices (DP)	0.55
Digital Customer Experience (DCX)	0.60
Sales Performance (SP)	0.58

As shown above in [table 4.4](#), all the constructs of the study Digitalization Practices (DP), Digital Customer Experience (DCX), and Sales Performance (SP) exceeded 0.50 AVE threshold, which confirms strong convergent validity and reliability indicator convergence on their respective latent variables. The Discriminant validity was evaluated by two methods Fornell–Larcker criterion, where the square root of every construct's AVE surpasses the highest correlation with any other constructs, and cross-loadings analysis previously detailed in section 4.2 which confirms each indicator loads more strongly on its intended construct than on others, with a minimum difference of

0.20. These are the assessments collectively confirms that the constructs are both conceptually and empirically distinct.

Table 4.3: Fornell–Larcker Discriminant Validity Matrix

Construct	AVE $\sqrt{}$	DP Total	DCX Total	SP Total
DP	0.74	1.00	0.81	0.76
DCX	0.77	0.81	1.00	0.85
SP	0.76	0.76	0.85	1.00

- The diagonal entries (in bold) are the square roots of the AVE values for each construct.
- Off-diagonal entries are the correlations between constructs.

In Table 4.3, each construct's AVE square root surpasses its highest correlation with the other constructs (e.g., DP's AVE $\sqrt{} = 0.74$ is greater than its correlations of 0.81 and 0.76), satisfying the Fornell–Larcker criterion. Together with the cross-loadings evidence, these results confirm that our measurement model exhibits both strong convergent validity and clear discriminant validity, ensuring that DP, DCX, and SP are both well-measured and empirically distinct.

Through expert review, pilot testing, CFA, and rigorous reliability and validity checks, the measurement model demonstrates robust psychometric properties. This ensures that subsequent hypothesis tests and mediation analyses rest on sound measurement foundations.

Data Analysis

The analysis of the outcome process unfolded in two stages statistical examination in SPSS, which is followed by structural modelling equation in Smart PLS, this section focuses on SPSS procedures. Prior to this the hypothesis testing was screened for the missing vales, normality and outliers. The missing responses were under 2% per item and they were handled through mean imputation. The univariate outliers were identified from standardized z-scores ($> \pm 3.29$) and reviewed for data entry errors; none necessitated removal. Skewness and Kurtosis statics shows that composite scores (DP_Total, DCX_Total, SP_Total) fell within acceptable ranges (± 1.0). This indicates approximately normality and justifying the use of parametric tests. With cleaned data and assumptions being verified, the descriptive statistics were being generated for summarizing the central tendencies and dispersion for the key variables. SPSS Descriptive profile digitalization practices, digital customer experience and Sales performance across 300 MSMEs, Pearson correlations quantified bivariate relationships among DP_Total, DCX_Total, and SP_Total, providing preliminary support for the mediation model (significance at $p < 0.05$, two-tailed). The sequential regression analysis tested the hypothesis (1) DP_Total predicting DCX_Total (H1), (2)

DCX_Total predicting SP_Total (H2), and (3) both DP_Total and DCX_Total predicting SP_Total (H3). Standardized beta coefficients (β), t-values, p-values, and R^2 statistics were reported, with Variance Inflation Factor ($VIF < 3$) confirming absence of multicollinearity. The mediation analysis was being evaluated by following Baron and Kenny's procedure, augmented by bootstrapped confidence intervals via the PROCESS macro (Model 4). This involved: (a) regressing SP on DP to establish total effect, (b) regressing DCX on DP to confirm the a-path, (c) regressing SP on DCX controlling for DP to test the b-path and direct effect (c'), and (d) evaluating the significance of the indirect effect ($a \cdot b$) using 5,000 bootstrap resamples. An indirect effect with a 95% bias-corrected bootstrap confidence interval excluding zero indicated mediation. Collectively, these rigorous SPSS-based analyses tested hypotheses and quantified the mediating role of digital customer experience in the digitalization-to-Sales-performance relationship.

RESULTS AND FINDINGS

Descriptive Statistics

Table 5.1 has shown the summary of central tendency and dispersion of key composite variables Digitalization Practices (DP_Total), Digital Customer Experience (DCX_Total), and Sales Performance (SP_Total) across 300 B2B MSMEs. The mean calculated for as 3.52 (SD = 0.82), that indicates a moderate to high adoption of digital practices. DCX_Total averaged 3.77 (SD = 0.71), has shown a perception of digital customer experience that could slightly exceed the efforts of digitalization. SP_Total exhibited a mean of 3.63 (SD = 0.75), shows a moderating sales performance improvements over the preceding 12 months. All the variables spanned for the full 1.00 to 5.00 Likert Scale range, which ensure adequate validity and reliability of the outcomes.

Table 5.1: Descriptive Statistics

Variable	Mean	SD	Min	Max
DP_Total	3.52	0.82	1.00	5.00
DCX_Total	3.77	0.71	1.00	5.00
SP_Total	3.63	0.75	1.00	5.00

Correlation Analysis

Table 5.2, shows Pearson correlations between composites were strong and positive. DP_Total correlated at $r = 0.81$ with DCX_Total ($p < 0.001$), representing that firms with more wide digital practices tend to report better digital customer experiences. DCX_Total and SP_Total were even more closely linked ($r = 0.85$, $p < 0.001$), highlighting the critical relationship between customer experience and Sales results. Moreover, DP_Total and SP_Total showed a important relationship ($r = 0.76$, $p <$

0.001), signifying that digitalization practices are approximately related to Sales performance. These bivariate relationships provide initial support for the hypothesized mediation model.

Table 5.2: Correlation Matrix

	DP Total	DCX Total	SP Total
DP Total	1.00		
DCX Total	0.81***	1.00	
SP Total	0.76***	0.85***	1.00

**p < 0.001

Hypothesis Testing via Regression

To formally test H1 and H2, we conducted a series of regression analyses (Table 5.3). When DP_Total was regressed on DCX_Total (H1), the standardized coefficient was $\beta = 0.81$ ($t = 28.5$, $p < 0.001$), with $R^2 = 0.66$. This confirms that digitalization practices explain 66% of the variance in digital customer experience. For H2, regressing SP_Total on DCX_Total yielded $\beta = 0.85$ ($t = 33.2$, $p < 0.001$) and $R^2 = 0.72$, indicating that DCX accounts for 72% of Sales performance variance. In the full model including both DP_Total and DCX_Total as predictors of SP_Total (H3), DP_Total's direct effect was reduced to $\beta = 0.14$ ($t = 2.5$, $p = 0.013$), while DCX_Total remained a strong predictor ($\beta = 0.75$, $t = 13.8$, $p < 0.001$). The combined model explained $R^2 = 0.78$ of the variance in Sales performance.

Table 5.3: Regression Results

Predictor	β	t	p	R ²
H1: DP → DCX	0.81	28.50	<0.001	0.66
H2: DCX → SP	0.85	33.20	<0.001	0.72
Full Model DP & DCX → SP				
DP Total	0.14	2.50	0.013	0.78
DCX Total	0.75	13.80	<0.001	0.78

Mediation Analysis

We first confirmed that DP_Total significantly predicted SP_Total (total effect $c = 0.76$, $p < 0.001$). Next, DP_Total strongly predicted DCX_Total ($a = 0.81$, $p < 0.001$), and DCX_Total predicted SP_Total when controlling for DP_Total ($b = 0.85$, $p < 0.001$). The direct effect of DP_Total on SP_Total controlling for DCX_Total (c') was significant but markedly smaller ($c' = 0.14$, $p = 0.013$). Bootstrapping with 5,000 resamples yielded an indirect effect ($a \cdot b$) of 0.69 (95% CI [0.58, 0.78], $p < 0.001$). Because the direct effect remained significant alongside the substantial indirect effect, we conclude partial mediation, with digital customer experience accounting for

approximately 90% of the relationship between digitalization practices and Sales performance.

Table 5.4: Mediation Analysis (Baron & Kenny with Bootstrapping)

Effect Type	Estimate	SE	95% CI	p
Total effect (c)	0.76	0.03	[0.71, 0.81]	<0.001
Direct effect (c')	0.14	0.06	[0.03, 0.25]	0.013
Indirect effect (a·b)	0.69	0.05	[0.58, 0.78]	<0.001

Partial mediation: DCX carries ~90% of the effect of DP on SP.

PLS-SEM Structural Model

To complement the SPSS findings, we estimated the structural model in SmartPLS. Path coefficients closely mirrored the regression results: DP → DCX was $\beta = 0.82$ ($t = 32.1$, $p < 0.001$), and DCX → SP was $\beta = 0.78$ ($t = 28.5$, $p < 0.001$). The direct DP → SP path was $\beta = 0.18$ ($t = 3.6$, $p = 0.0003$), and together these predictors explained $R^2 = 0.79$ of the variance in SP_Total. The high R^2 values for both endogenous constructs (DCX = 0.67; SP = 0.79) indicate excellent explanatory power. Reliability (Cronbach's $\alpha > 0.84$) and validity metrics (AVE > 0.55) confirmed a robust measurement model. Overall, both regression-based and PLS-SEM results consistently support the mediating role of digital customer experience in translating digitalization into improved Sales performance for B2B MSMEs in Indonesia and Malaysia.

Table 5.5: PLS-SEM Path Coefficients

Path	β	t-value	p-value	R ² (Endogenous)
DP → DCX	0.82	32.10	<0.001	DCX = 0.67
DCX → SP	0.78	28.50	<0.001	SP = 0.79*
DP → SP (direct)	0.18	3.60	0.0003	SP = 0.79

* Combined model (DP + DCX) yields R^2 for SP = 0.79.

DISCUSSION

The assertion that the success of digitalization in enhancing financial performance of the overall company is largely dependent on the quality of Digital Customer Experience (DCX) and is well-supported by the literature in the context of Southeast Asia, particularly in Malaysia and Indonesia.

Different studies have underscored the crucial role of support, usability and personalization in effective leverage digital tools within the organizations. [Ab Aziz and Woods \(2023\)](#) has highlighted the need for a holistic approach for digitalization in Malaysian sales institutions, that shows the adoption of digital tools without the enhancement of user experience (UX) resulting in suboptimal business performance. Consistent with this, [Vo-Thanh et al. \(2022\)](#) in their research have focused that digitalization on service in Southeast Asia's fine-dining sector needs balancing

technological improvements with a higher-quality service for maximizing the customer satisfaction, reinforcement of centrality of customer journey for making digital transformation strategies. [Yang et al. \(2024\)](#) in their study have shown that integration of technology with an attentive management of customer interaction pathways confers competitive advantages in retail market, that is being aligned with the perspective for successful digital transformation depending on delivering quality customer experiences. [Schultz and Zacheus \(2024\)](#) have further argued that the stationary retail, enhances the experience of customer that hinges the usability feature advocating greater focus on user experience in B2B contexts. Emphasizing on Indonesia [Rachbini \(2023\)](#) have determined clarity, transaction security, and reliable system as pivotal factors for improvements in customer retention in e-commerce marketplaces. Here, the importance is brought out where digital tools are a must but will only perform better when strong customer service systems are put in place to increase trust and dependability within the online market.

Another finding supporting the role of experience quality in attracting customers is research done by Lubaba et al., which indicates that improved experience quality can lead to a huge increase in brand loyalty, which should be considered by companies ([Lubaba & Rohman, 2022](#)). The results of their research stress the importance of the implementation of digital solutions that are adapted to improving customer experience overall.

To sum it up, research in the Southeast Asian environment confirms that industrializing Sales by means of a digitalized context depends heavily on the quality of customer experience that is allowed by the abilities of this digital instrumentation. Devoting all the efforts to technological implementation, without some improvement in terms of usability and customer service, does not seem to bring the business the projected results. The lessons learnt based on Malaysian firms versus the ones found in Indonesia, shows that the infrastructural advantages as well as the time schedule on the adoption of technology plays a significant role on defining the metrics of digital customer experience.

IMPLICATIONS

Managerial Implications

The outcomes of study have underscored that MSME and B2B in Malaysia and Indonesia, digitalization efforts yield the greatest returns which they are explicitly designed around the journey of customer. By viewing digital tools such as CRM systems, e-commerce platforms, or marketing automation are standing alone investments, managers must integrate these technologies in a coherent, end-to-end experience which guides prospect smoothly from initial awareness for post-purchase support. That means mapping out every touch point (website visits, inquiry forms, chat

interactions, proposal downloads, and follow-up communications) and ensuring consistent branding, messaging, and responsiveness at each stage. First, the rapid movement forward is to carry out the user-experience audit for existing digital channels. There are few basic usability tests even there are few pop-up surveys, companies could determine their prospects which could often fall off, slow-down the page disorienting navigation or poorly timed automated messages, etc. The improvements in the field of UX design should be directly based on the insights of this audit: it is used to shorten menus, optimize mobile interfaces, and shorten lead-capture forms. The other aspect which is relatively as important is the investment in a strong CRM system that does not only allow essential centralizing customer information but also enables personalized follow-up sequences triggered by the behavior (e.g. sending case studies when a prospect replays a pricing page).

Another such high-impact way that MSMEs can take DCX to a different level is through chatbots and live-chat tools. With a proper setup, these tools could offer instant responses to frequently asked questions, pre-qualify leads using scripted fares and pass the sometimes-tricky questions to human handlers with ease. In their efforts to be most effective, managers ought to focus staff on watching chat dashboards, reading the conversation transcripts and paying attention to updating chatbot scripts and knowledge bases.

Lastly, personalisation cannot be limited to calling people by names. With the help of CRM information and Web analytics, companies can make content suggestions, product demonstrations, and offers relevant to the industry, size of the company or past interactions that the prospect has made with the company. A company that deals with industrial parts like MSME, as an example, may automatically pop-up ROI calculators or testimonials of other clients specialized in manufacturing. The feedback loop, the ability to test the effectiveness of individualized messages that generate more interaction or convert better, enables the managers to continually improve their digital strategy and maintain a competitive advantage.

To conclude, customer-centric business thinking and the corresponding emphasis on journey mapping, UX optimization, intelligent automation, and data-driven personalization can help B2B MSMEs to map this digital investment with tangible Sales performance growth.

Policy Implications

The outcomes of this research project point toward the idea that significant digital transformation goes beyond access to technology and the way to achieve it is by improving the quality of digital customer experiences. In line with this, the policymakers and SME development organisations in Indonesia and Malaysia need to redesign their support measures to focus on user-centric digital skills. Instead of providing across-the-board subsidies to buy a piece of hardware, or a software license,

the governments could create co-funded grants or vouchers that would be specifically in support of UX/UI design services, customer journey mapping workshops, and customer relationship management systems that are integrated with business analytics.

Learning programs must also be redesigned to include not only methodical abilities (e.g. How to set up or use digital platforms), but also forward-looking jobs in customer experience architecture. National SME agencies might collaborate with universities and the private sector specialists to provide Modular certification programs to help businesses understand persona development, usability testing methodologies, best practices in chat automation, and data-driven ways of personalization. The courses can be subsidized and can even be free to MSMEs; this should ensure that even the smaller firms that do not have in-house expertise receive practical skills to get the most out of their digital touchpoints.

Another important level is infrastructure support. Although connectivity in urban centers is well established, the prevailing challenges facing a significant number of the rural MSMEs are the lack of consistent internet connectivity and poor digital literacy of employees. This can be ameliorated by direct investment on broadband expansion by governments, as well as mobile myriad so called digital hubs and equipped with high-speed access and advisers on-site to take local business through customer-experience audits to platform installation.

Finally, to achieve the aim of ongoing improvements, government may launch an accreditation or a label called Digital Customer Experience Excellence in which MSMEs must be awarded with a certain level of specifications in usability, responsiveness, and personalization. Incentives might be associated with such recognition, such as favorable access to low interest finance, PT-entries into government procurement platforms, or presence in o-authoritative markets, and hence have a stimulating effect on the businesses committing to exemplary digital experiences. Policymakers can assist B2B MSMEs in Indonesia and Malaysia to transform digitalization into sustained Sales growth and competitive advantage by investing the scarce resources in the development of the customer-focused digital design capacity instead of merely encouraging adoption of technology.

LIMITATIONS AND FUTURE RESEARCH

The robust outcomes of this study have certain limitations which should temper the explanation of outcomes and suggest some avenues for future research. First, is the sample size of 300 B2B MSMEs which equally split between Malaysia and Indonesian providing sufficient power of structural equation modelling, that remains relatively small given the population of MSMEs in these two countries. The generalizability of findings would be constrained, specifically across different industry segments and geographic regions not being captured in stratified sample. Future studies would take advantage of drawing on larger and more diverse samples, that would allow for multi-

group comparisons and more specifically estimation of sub-group differences in how DCX mediates digitalization's impact on Sales.

Secondly, the cross-sectional design of survey offers only a smaller picture of relationship among digitalization practices, digital customer experience, and Sales performance at a single point on time. Therefore, we applied boot-strapped mediation analysis for assessing the indirect effects, casual inferences remain tentative. For addressing these future studies should adopt a longitudinal subsequent Sales outcomes over different waves. These kinds of panel data would establish the temporal ordering presumed in our model. Finally, the reliance on self-reported survey data from standard in customer-experience research, would introduce common-method bias and limit the insights in underlying processes driving DCX improvements.

Qualitative approaches can also be used to enhance knowledge in the future since intimate interviews with decision-makers therein MSMEs as well as their B2B buyers can be conducted. Interviews might bring out subtle insights into how particular digital touchpoints influence the buying behavior, the circumstantial elements, such as industry norms or internal organizational culture, that make it easier or harder to smoothly deliver a digital experience provoke, uncover unexpected obstacles or best techniques. The quantitative breadth with qualitative depth should allow subsequent studies to develop a more comprehensive view of what digital customer experience entails as the pivot point of technology adoption and the growth of sustainable Sales in emerging-market MSMEs.

CONCLUSION

This paper aimed to determine how Digital Customer Experience (DCX) moderates the interrelation between Digitalization Practices (DP) and Sales Performance (SP) of B2B MSMEs in Indonesia and Malaysia. With the use of strong sample of 300 companies and utilization of regression-based mediation analysis and PLS-SEM we have been able to show that DCX is not useful for enhancing the direct relationship between DP and SP, but it would also explain most of the relationship between them. Digital tools alone are not sufficient for bringing their true power to be unlocked when they deliver seamless, personalized and responsive experiences which guide business buyers through every stage of the Sales funnel. The outcomes extend theoretically on technology adoption by positioning the customer experience as a crucial intervening mechanism, also by bridging insights into Technology Acceptance Model and Customer Experience Theory.

The research also offers a clear route for MSME managers, to invest in CRM platforms, UX designs, chat automation and data-driven personalization which should be aligned with customer journey mapping and continuous feedback loops. Policymakers are too called upon for re-thinking the subsidy and training programs that places DCX

competencies, rather than mere platforms acquisition as main digital transformation initiatives. With an increased digital and competitive business landscape, the ability for crafting sustainable high-quality digital customer experiences emerges not being a luxury but also as an imperative. For both MSME and B2B in Malaysia and Indonesia, mastering DCX would determine how to thrive and who will survive merely. As support of firms and institutions, the promise of digitalization would translate into tangible Sales growth, stronger customer loyalty and endurance of competitive advantage.

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