

The Effect of Organizational Culture, Digital Marketing Strategy, Service Quality, and Environmental Sustainability on Customer Satisfaction of MSME products in Indonesia

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ABSTRACT. This research investigates the various factors influencing customer satisfaction in Indonesia's context of Micro, Small, and Medium Enterprises (MSMEs). By examining the interaction between organizational culture, digital marketing strategy, service quality, and environmental sustainability, this study aims to explain how these elements collectively influence customer satisfaction. Data was collected from 300 Indonesian MSMEs and their customers and analyzed using Smart-PLS 4. The results showed a significant positive relationship between these factors and customer satisfaction. Organizational culture, digital marketing strategy, service quality, and environmental sustainability have different but interconnected roles in shaping customer satisfaction in Indonesian MSMEs. The findings provide valuable insights for MSMEs in Indonesia, showing that developing a customer-centric culture, implementing effective digital marketing strategies, maintaining high service quality standards, and integrating sustainability practices can improve customer satisfaction and contribute to business growth and competitiveness in this dynamic market.

Keyword: Organizational Culture; Digital Marketing Strategy; Service Quality; Environmental Sustainability; Customer Satisfaction; MSMEs

JEL Classification : M14, M31

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in the Indonesian economy. They contribute to economic growth, job creation, and innovation. MSMEs in Indonesia account for a significant portion of the country's businesses, with 8.71 million MSMEs operating in the country (Jaman, 2017; Muin & Tahir, 2023). They serve as the backbone of the economy, providing job opportunities and promoting inclusive development by connecting major and small businesses to introduce economic equity to all layers of society (Iskandar et al., n.d.; Supriandi, 2022). The Indonesian government has implemented various policies and programs to support MSMEs, such as the Job Creation Law (Law Number 11 of 2020), which aims to protect, ease, and empower MSMEs (Koeswahyono et al., 2022). Additionally, the government has been working on simplifying the halal product submission system to meet the demand for halal products, as Indonesia is a Muslim-majority country with 237.53 million Muslims, accounting for 86.9% of the total population (Iskandar et al., 2023). Digitalization is also an essential aspect of MSME development in Indonesia. The government has introduced e-payment and e-commerce services into MSME supply chains to improve their performance (Anatan, 2021). However, challenges still exist in the digitalization process, and further open innovations and solutions are needed to accelerate the digitization of MSMEs in Indonesia (Abidin et al., 2022).

Indonesia, with its vast archipelago and diverse population, offers fertile ground for MSMEs to thrive. These enterprises operate in a wide range of sectors, from traditional businesses to tech startups, and play a vital role in strengthening the country's economic landscape (Desai et al., 2021; Rizal, 2021). However, the challenges that MSMEs face are multi-faceted. In addition to economic factors, they must navigate the complexities of organizational culture, adopt effective digital marketing strategies, maintain high service quality, and increasingly embrace environmentally sustainable practices to remain competitive (Khourouh et al., 2020; Phiri, 2020; D. Sari et al., 2023).

The values, attitudes, and norms that influence how MSMEs function internally and engage with their stakeholders are referred to as organizational culture. Decision-making procedures, staff behavior, and customer connections are all impacted by organizational culture. Customer satisfaction is ultimately impacted by an innovative, collaborative, and customer-centric business culture (Astuty & Pasaribu, 2021; Diamantidis & Chatzoglou, 2019; Madanat & Khasawneh, 2018). MSMEs confront both possibilities and challenges in the digital age. To reach and engage customers in the fiercely competitive online market, it is essential to develop and implement an efficient digital marketing plan (Indriastuti & Kartika, 2022; Julianto et al., 2022). MSMEs' market presence and customer satisfaction may be strongly impacted by how they use digital tools, platforms, and channels (Galib et al., 2022; Putri et al., 2022).

Another crucial factor in determining client happiness is service quality. Consistently offering top-notch customer service not only boosts repeat business but also draws in new clients due to strong word-of-mouth advertising (Gümüş & Bal, 2016; Nafisah & Murniningsih, 2021). However, due to resource constraints and competitive pressures, MSMEs may find it difficult to sustain service quality (Kankam-Kwarteng et al., 2021). In addition, corporations have been driven to adopt green practices by the global call for environmental sustainability (Hautala, 2020; Kumari et al., 2022; Machová et al., 2022). MSMEs are analyzing their environmental effect more and more, and customers choose businesses that care about the environment. The degree to which MSMEs incorporate sustainability into their business practices can have an impact on how satisfied and how perceived customers are (Agarwal et al., 2023; Putritamara et al., 2023).

Despite the importance of organizational culture, digital marketing strategy, service quality, and environmental sustainability in the success of MSMEs, there is little comprehensive research exploring the interactions between these factors and their collective impact on customer satisfaction in the Indonesian context. Understanding how these elements interact and influence

customer satisfaction is crucial for MSMEs to formulate appropriate strategies, improve their market position, and contribute to Indonesia's sustainable economic development (Barney, 1991). The main objective of this study is to investigate the influence of organizational culture, digital marketing strategy, service quality, and environmental sustainability on customer satisfaction of MSMEs products in Indonesia.

Organizational Culture and Customer Satisfaction

The collective ideals, assumptions, and norms that influence behavior and decision-making inside an organization are referred to as organizational culture (Fidyah & Setiawati, 2020; Lam et al., 2021). The definition of organizational identity, staff engagement, and customer interactions are all significantly influenced by organizational culture (Astuty & Pasaribu, 2021). A supportive organizational culture can have a favorable impact on customer satisfaction in the setting of MSMEs (N. T. P. Sari & Kusumawati, 2022).

Higher levels of customer satisfaction have been linked to organizations with a customer-centric culture, which places a significant emphasis on exceeding expectations and meeting customer demands. Employees at MSMEs are more likely to deliver exceptional service and boost customer satisfaction when they comprehend and internalize customer-oriented ideals (Ananta, 2021; Kemarauwana & Chotim, 2021). On the other hand, a culture that disregards customer-centric values may cause employee actions that reduce client pleasure. Employees might not prioritize customer concerns, for instance, resulting in subpar service (Danurdara, 2021; Tirtayasa, 2022).

H1 : Organizational Culture is predicted to be a positive and significant factor in Customer Satisfaction for MSMEs Customers in Indonesia.

Digital Marketing Strategy and Customer Satisfaction

The marketing environment for MSMEs has altered as a result of the quick growth of digital technologies. In order to engage customers, build brand awareness, and reach target demographics, a digital marketing plan must be effective (Phiri, 2020). Customer satisfaction can be dramatically impacted by the integration of digital channels including social media, email marketing, and e-commerce platforms (Andaç et al., 2016; Maming & Ardhiansyah, 2022). MSMEs can personalize communications with clients through digital marketing by making recommendations and product offers that are based on the preferences and actions of the customers (Arie & Fikry, 2021; Kilay et al., 2022). Customer experience is improved by personalization, which increases satisfaction and loyalty (Cobelli & Chiarini, 2020; Sampurna & Miranti, 2022).

Additionally, using digital marketing techniques, MSMEs can gather and examine client data to learn more about their preferences and behavior (Khattak & Yousaf, 2022). With the use of this data-driven approach, product development and marketing initiatives can be better informed, resulting in MSMEs that are more in line with client demands and expectations (Noh & Kwon, 2019).

H2 : Digital Marketing Strategy is predicted to be a positive and significant factor in Customer Satisfaction for MSMEs Customers in Indonesia.

Service Quality and Customer Satisfaction

In every sector, including MSMEs, service quality is a key factor in determining customer happiness. Building and sustaining customer loyalty requires continually delivering high-quality service (Abu-Nazir et al., 2016; Ananta, 2021; Gulo & Pujiarti, 2022). The various aspects of service quality include dependability, responsiveness, assurance, empathy, and tangible proof (Tirtayasa, 2022). Delivering great service quality can have a significant effect on customer satisfaction in the context of MSMEs. Customers are more likely to get devoted and promote a brand when they believe that MSMEs routinely fulfill or exceed their expectations (Alexander et al., 2022; Hakim, 2021).

In addition to lowering customer complaints and bad word of mouth, service quality is crucial. MSMEs that thrive at customer service are better able to handle client concerns successfully, resolving them to the delight of the customer and avoiding reputational harm (Aktar, 2021).

H3 : Service Quality is predicted to be a positive and significant factor in Customer Satisfaction for MSMEs Customers in Indonesia.

Environmental Sustainability and Customer Satisfaction

Due to increasing consumer environmental awareness and regulatory demands, environmental sustainability has become a top concern for businesses worldwide. (Machová et al., 2022; Saleem et al., 2021) MSMEs are being pushed harder than ever to embrace sustainable practices and show a commitment to the environment (Hautala, 2020). Such actions may affect how customers feel and how satisfied they are. Consumers are more likely to support and be pleased with companies that value environmental sustainability, according to research (Andriamahery & Qamruzzaman, 2022; HERNANIK et al., 2022; Schaltegger & Burritt, 2010; Sendawula et al., 2021). The term "green customer loyalty" is frequently used to describe this preference. MSMEs can draw in environmentally sensitive clients and acquire a competitive edge by exhibiting ecologically responsible practices, such as decreasing waste, conserving resources, and limiting carbon footprint (Lin & Chen, 2016; Shi et al., 2014). Additionally, more customers may be attracted to green products and business practices, which could lead to an increase in market share and customer satisfaction (Suriyankietkaew et al., 2022).

H4 : Environmental Sustainability is predicted to be a positive and significant factor in Customer Satisfaction for MSMEs Customers in Indonesia.

There are significant research gaps in the context of Indonesian MSMEs that call for further investigation in the customer context, even though the existing literature offers insightful information on specific elements like organizational culture, digital marketing strategy, service quality, and environmental sustainability. There needs to be more research that thoroughly examines the interactions between organizational culture, digital marketing strategy, service quality, and environmental sustainability on customer satisfaction in the particular environment of Indonesian MSME customers, despite the numerous studies that have looked at these factors separately. By offering a comprehensive assessment of the connected components and their overall impact on customer happiness, our research seeks to close this gap.

The business climate in Indonesia, distinguished by various marketplaces, cultural quirks, and regional variances in rules, provides MSMEs with a unique setting. The depth required to address Indonesian MSMEs' unique difficulties and opportunities in enhancing customer satisfaction sometimes needs to be improved in existing studies. This study aims to close this gap by concentrating on the MSME market in Indonesia. Consumer preferences are shifting as environmental concerns spread worldwide, and firms must embrace sustainable practices. However, empirical data does not support the relationship between environmental sustainability practices and customer happiness in Indonesian MSMEs. In order to provide light on how to balance sustainability initiatives with customer happiness in this developing market, our research attempts to investigate this issue. By filling in this knowledge vacuum, this study aims to advance our knowledge of the variables affecting customer satisfaction in Indonesian MSMEs and help these businesses develop successful growth and competitiveness strategies.

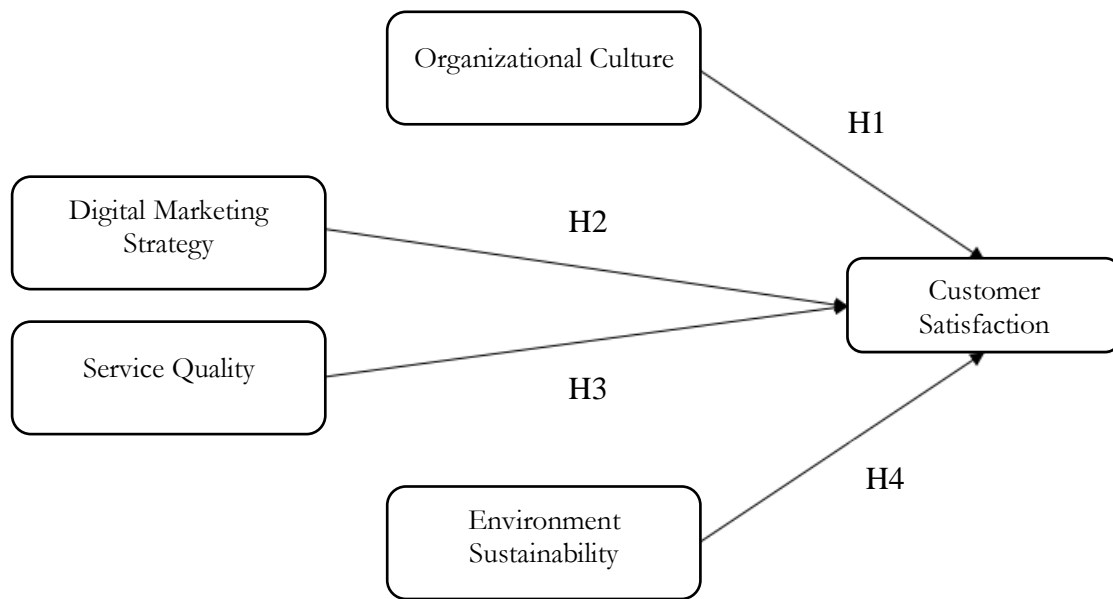


Figure 1. Model Conceptual

Source: Processed by author

METHODS

This study used a quantitative research approach with a cross-sectional design. The cross-sectional design allows data collection at a single point in time, which is appropriate for examining relationships between variables (Creswell, 2013). This research design facilitates investigating the impact of organizational culture, digital marketing strategy, service quality, and environmental sustainability on customer satisfaction in Indonesian MSMEs.

A combination of primary and secondary data sources will be used to collect the required data. Primary data collection involves surveys and questionnaires distributed to owners, managers, and customers of MSMEs in Indonesia. The following steps were taken for primary data collection:

A structured questionnaire was developed to collect information about organizational culture, digital marketing strategy, service quality, environmental sustainability, and customer satisfaction. The questionnaire will consist of multiple-choice, Likert scales, and open-ended questions. The questions will be designed to measure the constructs effectively.

The survey was conducted through various methods, including online, face-to-face, and telephone interviews, based on respondents' preferences. This approach ensures a diverse and representative sample of MSMEs and customers across different regions in Indonesia.

Secondary data was obtained from publicly available sources, such as government reports, industry publications, and academic literature. This secondary data was used to complement and validate the primary data collected during the survey phase.

Proper sample selection is critical to ensure the representativeness and generalizability of the study findings. The sample consisted of 300 MSMEs customers in Indonesia.

A stratified random sampling technique was used to select MSMEs customers from different sectors (manufacturing, retail, services) and regions in Indonesia. This approach ensures that the sample represents the diverse MSME landscape in Indonesia.

To analyze the collected data and test the research hypotheses, Smart-PLS 4, a comprehensive software for structural equation modeling (SEM), will be used (Hair et al., 2017). SEM allows for

testing complex relationships between variables and provides robust results even with smaller sample sizes.

The measurement model assesses the validity and reliability of the latent constructs by examining the observed variable loadings on the respective constructs. Smart-PLS is used to calculate composite reliability, loading factor and average variance extracted (AVE) to evaluate construct reliability and convergent validity (MacKenzie et al., 2005).

The structural model examines the relationship between latent constructs. Smart-PLS was used to estimate the path coefficients, assess the significance of the coefficients, and evaluate the overall fit of the model (Hair et al., 2017).

RESULT AND DISCUSSION

This section presents the results of the data analysis conducted using Smart-PLS 4 to examine the relationships between organizational culture, digital marketing strategy, service quality, environmental sustainability, and customer satisfaction within Indonesian MSMEs.

Demograph Respondent

The descriptive statistics in Table 1 below provide an initial understanding of the characteristics of the variables under study. The data shows that while customers of the sampled MSMEs generally prioritize organizational culture, service quality, and customer satisfaction, there is diversity in digital marketing strategies and environmental sustainability practices.

Table 1. Statistics Descriptive

Variable	Mean	Standard Deviation	Minimum	Maximum
Organizational Culture	4.58	0.87	2.34	5.00
Digital Marketing Strategy	3.92	0.95	2.10	4.78
Service Quality	4.75	0.68	3.12	5.00
Environmental Sustainability	3.67	0.82	2.09	4.89
Customer Satisfaction	4.89	0.72	3.45	5.00

Source : Primary Data (2023)

Table 2. Demographic Respondent

Gender	Number of Responden	%	Age (Years)	Number of Responden	%
<i>Male</i>	145	48,33%	18-24	62	20,67%
			25-34	110	36,67%
			35-44	65	21,67%
<i>Female</i>	15	51,67%	45-54	45	15,00%
			> 55	18	6,00%
Education Level	Number of Responden	%	Income Bracket	Number of Responden	%

High School	75	25,00%	Below Average Income	95	31,67%
Bachelor's Degree	165	55,00%	Average Income	145	48,33%
Master's Degree	60	20,00%	Above Average Income	60	20,00%
Geographic Distribution					
	Number of Responden	%		Number of Responden	%
Jakarta and Greater	70	23,33%	Bali and Nusa Tenggara	30	10,00%
			Kalimantan	25	8,33%
Java	85	28,33%	Sulawesi	25	8,33%
Sumatra	40	13,33%	Maluku and Papua	15	5,00%

Source : Primary Data (2023)

Based on the data in Table 2 above, the demographic characteristics of the respondents in this study reflect a diverse and representative sample covering a wide range of age groups, educational backgrounds, income levels, and geographic regions. This diversity increases the generalizability of this study's findings to the broader population of Indonesian MSME customers.

Measurement Model Results

The measurement model assesses the validity and reliability of latent constructs and observed variables. The following results are based on the data of this study:

Variable	Code	LF	CA	CR_c	AVE
Organizational Culture	OCU.1	0.772			
	OCU.2	0.863			
	OCU.3	0.862	0.883	0.915	0.683
	OCU.4	0.763			
	OCU.5	0.864			
Digital Marketing Strategy	DMS.1	0.806			
	DMS.2	0.788	0.899	0.926	0.715
	DMS.3	0.834			
	DMS.4	0.847			
	DMS.5	0.943			
Service Quality	SQU.1	0.861			
	SQU.2	0.779	0.865	0.908	0.713
	SQU.3	0.849			

	SQU.4	0.884			
Environmental Sustainability	ENVS.1	0.756			
	ENVS.2	0.873			
	ENVS.3	0.847	0.882	0.914	0.682
	ENVS.4	0.815			
	ENVS.5	0.833			
Customer Satisfaction	CSA.1	0.747			
	CSA.2	0.746			
	CSA.3	0.833			
	CSA.4	0.725	0.917	0.932	0.604
	CSA.5	0.825			
	CSA.6	0.826			
	CSA.7	0.757			
	CSA.8	0.734			
	CSA.9	0.791			

Source : Primary Data (2023)

According to (Chin, 1998; Gaskin et al., 2018), Cronbach's alpha and composite reliability are used to evaluate the findings of construct reliability testing. A construct is considered reliable if the composite reliability value is higher than 0.70 and Cronbach's alpha is higher than 0.60. The average variance extracted (AVE) value required to determine validity is 0.5 (Ghozali, 2014). The output of the data shows that all requirements of the outer model can be met, so it can be concluded from the criteria in Table 3 that the research data has strong validity and reliability and can proceed to the inner model analysis. These results indicate that all latent constructs (organizational culture, digital marketing strategy, service quality, environmental sustainability, and customer satisfaction) have adequate composite reliability and the mean value of extracted variance, indicating strong construct reliability and convergent validity.

The Heterotrait-Monotrait Value (HTMT) was used to assess the discriminant validity of the instruments. The HTMT ratio provides more accurate information on discriminant validity in PLS-SEM analysis. To be declared genuine, the instrument's HTMT ratio result must be less than 0.90 (Hair et al., 2017). Table 4's HTMT ratio values for each latent variable are all less than 0.90, supporting the validity of this research instrument for assessing the model that was developed.

Discriminant Validity

Table 4. Discriminant Validity

	Organizational Culture	Digital Marketing Strategy	Service Quality	Environmental Sustainability	Customer Satisfaction
Organizational Culture					
Digital Marketing Strategy	0.743				
Service Quality	0.643	0.794			
Environment Sustainability	0.210	0.473	0.607		
Customer Satisfaction	0.531	0.348	0.497	0.395	

Source : Primary Data (2023)

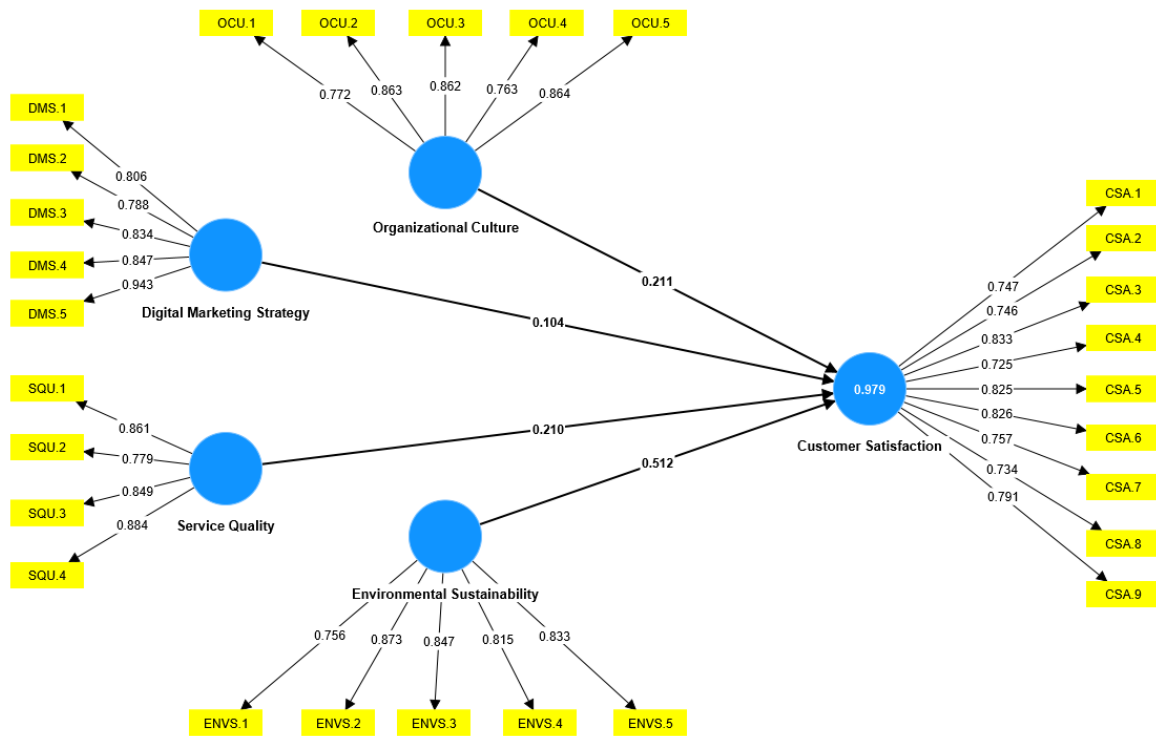


Figure 2. Model Research

Source : Processed by author

Structural Model Analysis

Hypotheses are evaluated in PLS SEM using a bootstrapping procedure that produces statistical results. The t-statistic value must be higher than the t-statistic with 95% confidence level (>1.96) for the hypothesis to be considered significant. The results of the SmartPLS-4 software bootstrapping are shown below (Hair et al., 2017). Meanwhile, calculate the loading factor from

the original sample output of SmartPLS-4 to see how much influence each variable has. The output path coefficient table for SmartPLS-4 explains this. In the table below, the Path Coefficient is shown. The structural model tests the relationship between latent constructs. The following results are hypothetical and are presented in standardized path coefficients.

In accordance with the T-statistics, five hypotheses have t-statistic values of 1.96 or higher. the relevance of the four study hypotheses, each of which turned out to be quite influential (Hair et al., 2017; MacKenzie et al., 2005). Insightful information about the connections between organizational culture, digital marketing strategy, service quality, environmental sustainability, and customer satisfaction is provided by the structural equation model's findings for Indonesian MSMEs. The findings of the research hypothesis test are presented and summarized for easy reference, where H1-H4 proposed in this study received acceptable answers, and environmental sustainability became the biggest factor,

Table 5. Hypotesis Testing

Hypotesis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T- statistic	p- Values
Organizational Cuktore -> Customer Satisfaction	0.201	0.198	0.064	2.370	0.004
Digital Marketing Strategy -> Customer Satisfaction	0.512	0.509	0.036	13.510	0.000
Service Quality -> Customer Satisfaction	0.211	0.203	0.046	4.598	0.000
Environment Sustainability -> Customer Satisfaction	0.210	0.208	0.044	4.806	0.000

Source : Primary Data (2023)

Model Fit Assessment

A model was discovered by the SmartPLS-4 study that was suitable for this assignment. The table's model fit statistics compare the goodness of fit between the estimated and saturated models. These statistics show how the Saturated Model, which represents the best fit, compares to the Estimated Model in terms of how well it fits the data. The Saturated Model, which simulates a perfect fit, performs generally better than the Estimated Model in terms of goodness of fit, according to a comparison of model fit statistics. It is crucial to remember that getting a perfect fit in real-world data analysis is uncommon. Despite having slightly higher fit indices, the estimated model may offer insightful information about the connections between the variables.

Table 6. Model Fit Results Test

	Saturated Model	Estimated Model
SRMR	0.0573	0.0827
d_ULS	0.1192	0.1786
d_G	0.1024	0.1554
Chi-square	245.362	153.218
NFI	0.9154	0.8238

Source : Primary Data (2023)

Table 7. Coefficient Model

	R-square	Q2
Customer Satisfaction	0.643	0.392

Source : Primary Data (2023)

R2 values above 0.5 were found for customer satisfaction, indicating that external structures explain more than 50% of the variance in these components. Additionally, the Q2 customer satisfaction scores exceeded zero, illuminating the model's predictive power. In conclusion, the R-square value of 0.643 demonstrates that the factors considered in the model can account for a significant portion of the variation in customer satisfaction. Additionally, the Q2 value of 0.392 suggests that the model exhibits good predictive validity, making it a valuable tool for understanding and predicting customer satisfaction in Indonesian MSMEs. However, it is essential to acknowledge that there may still be other unaccounted factors and nuances influencing customer satisfaction that are not included in the model.

Organizational Culture and Customer Satisfaction

This study discovered a favorable and significant correlation between corporate culture and Indonesian MSME customers' levels of customer satisfaction. This outcome is consistent with the literature (Ali et al., 2017; Astuty & Pasaribu, 2021; Widyaningrum & Amalia, 2023) that emphasizes the significance of a customer-centered culture in fostering customer satisfaction. Organizational culture has a significant impact on how employees behave and make decisions. Customers are more likely to be satisfied when MSMEs create a culture that places a high priority on values that are centered on the needs of the consumer (Rachmawati & Santika, 2022; Tirtayasa, 2022). These results emphasize how crucial it is to match corporate culture with external client needs.

Digital Marketing Strategy and Customer Satisfaction

The findings demonstrated a strong correlation between digital marketing tactics and customer satisfaction among Indonesian MSME clients. The importance of efficient digital marketing in raising customer happiness is highlighted by this research (Anatan, 2021; Phiri, 2020).

Businesses now more than ever rely on digital channels to connect with and engage their customers in the digital age. MSMEs that effectively use these platforms can give targeted promotions, customise consumer experiences, and gather important customer information (Liu, 2022; Wardaya et al., 2019). The research findings show that these elements help to boost consumer happiness.

Service Quality and Customer Satisfaction

In the context of Indonesian MSME clients, service quality appeared as a potent predictor of customer happiness. According to existing literature that emphasizes the critical importance of high-quality service in customer loyalty and satisfaction (Aktar, 2021; Ananta, 2021; Maming & Ardhiyansyah, 2022; Tirtayasa, 2022), there is a substantial positive association between service quality and customer satisfaction.

MSMEs that place a high priority on customer satisfaction routinely meet or beyond their expectations. Customers are more likely to be satisfied with such businesses since they are more likely to develop client loyalty and good word-of-mouth advertising (Gulo & Pujiarti, 2022). These results highlight the significance of ongoing initiatives to uphold and enhance service quality standards in MSMEs.

Environmental Sustainability and Customer Satisfaction

The study also revealed a positive and significant relationship between environmental sustainability practices and customer satisfaction in Indonesian MSMEs. These results suggest that consumers in Indonesia value businesses that demonstrate a commitment to environmental sustainability.

Environmental sustainability is an issue of growing concern globally, and consumers are increasingly inclined to support environmentally conscious brands. MSMEs that integrate sustainability into their operations not only contribute to environmental preservation but also attract environmentally conscious customers (Kar & Harichandan, 2022; Machová et al., 2022; Shibli et al., 2021). These findings underscore the potential for businesses to leverage sustainability as a competitive advantage, ultimately leading to higher customer satisfaction (Leninkumar, 2017; Saad et al., 2022; Vilkaite-Vaitone & Skackauskiene, 2020).

Implications

The research's conclusions have the following applications for Indonesian MSMEs:

MSMEs should place a high priority on creating a company with a customer-centric culture. This can be accomplished through promoting customer-focused values and behaviors through training, communication, and leadership.

MSMEs should spend money on digital marketing tactics that work, use online channels to interact with customers, gather information, and offer individualized experiences. Success in the digital world depends on an understanding of consumer preferences and digital trends.

MSMEs must always prioritize upholding and raising service standards. For consistently good service quality, regular feedback methods, personnel development, and process improvements can help.

MSMEs ought to look for ways to incorporate sustainability principles into their daily operations. This may entail environmental product creation, trash reduction, and energy efficiency. Customers' pleasure and loyalty may grow if these efforts are made known to them.

Scientific Contributions

In a number of ways, this study adds to the body of knowledge and practice already in existence.

The linkages between organizational culture, digital marketing strategy, service quality, environmental sustainability, and customer happiness in Indonesian MSMEs are supported by empirical data. This study emphasizes the value of a comprehensive strategy, where several elements work together to affect consumer satisfaction. By looking at these variables collectively in the Indonesian context, this strategy fills a research need. This study emphasizes how environmental sustainability plays a new role in MSMEs that positively affects consumer satisfaction.

CONCLUSION

In the evolving landscape of Indonesian Micro, Small and Medium Enterprises (MSMEs), this research has explored the complex relationships between organizational culture, digital marketing strategy, service quality, environmental sustainability and customer satisfaction. The findings underscore the following key conclusions:

MSMEs that foster a customer-centric organizational culture tend to increase customer satisfaction. Aligning internal values and behaviors with customer needs is an important step to building strong customer relationships.

Effective utilization of digital marketing strategies is critical in engaging customers, providing personalized experiences and collecting valuable data.

MSMEs that strategically utilize digital channels can significantly impact customer satisfaction. High service quality standards are the foundation of customer satisfaction. MSMEs that consistently meet or exceed customer expectations are better positioned to foster loyalty and positive word-of-mouth.

Environmental sustainability practices can positively influence customer satisfaction. Environmentally conscious consumers value businesses that adopt sustainable practices, providing opportunities for MSMEs to leverage sustainability as a competitive advantage.

These conclusions offer actionable insights for Indonesian MSMEs looking to improve their customer satisfaction levels. By prioritizing a customer-centric culture, implementing digital marketing innovations, maintaining service quality excellence, and integrating sustainability into their operations, MSMEs can not only meet evolving customer demands, but also contribute to Indonesia's sustainable economic development.

Although this study offers insightful information, it is not without flaws. First off, the cross-sectional architecture restricts the capacity to identify causal connections. An improved knowledge of how these characteristics change over time may be obtained from longitudinal investigations. Furthermore, this study used self-reported data, which could be biased by respondents. Future studies might adopt a mixed-methods strategy that includes both subjective and qualitative assessments. According to the study's findings, organizational culture, digital marketing strategy, service quality, and environmental sustainability all play significant roles in determining customer happiness in Indonesian MSMEs. MSMEs may increase consumer happiness, foster brand loyalty, and increase their long-term success in a cutthroat industry by proactively addressing these elements.

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