

Factors Influencing Sustainable Competitive Advantage During COVID-19 Pandemic: Role of Marketing and Innovative Capability

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**Abstrak.** Pandemi COVID-19 telah menyebabkan perubahan besar mengenai perspektif bisnis global tetapi juga mendorong perubahan mendasar dalam perilaku konsumen. Hal ini telah menyebabkan inisiatif bagi perusahaan untuk menggunakan strategi pemasaran mereka sendiri untuk mencapai keunggulan kompetitif yang berkelanjutan. Dalam penelitian ini, peneliti mengeksplorasi yaitu korelasi pemasaran spiritual dan pemasaran kewirausahaan pada keunggulan kompetitif yang berkelanjutan melalui mediasi kemampuan pemasaran dan kemampuan inovatif. Metode penelitian yang digunakan adalah kuantitatif, dengan pendekatan analisis data melalui SMARTPLS, yang merupakan perangkat lunak untuk melakukan pengujian SEM PLS, dengan melakukan uji pemodelan luar-dalam. Hasil penelitian membuktikan bahwa ada pengaruh yang berlanjut dan signifikan positif mengenai pemasaran spiritual dan kewirausahaan pada keunggulan kompetitif yang berkelanjutan. Selain itu, variabel kemampuan mediasi pemasaran memiliki pengaruh korelasi langsung yang signifikan dalam membentuk keunggulan kompetitif yang berkelanjutan, tetapi kemampuan pemasaran inovatif tidak menunjukkan pengaruh yang signifikan terhadap keunggulan kompetitif yang berkelanjutan. Peneliti juga membuktikan bahwa kemampuan pemasaran mampu memediasi pengaruh pemasaran spiritual dan kewirausahaan pada keunggulan kompetitif yang berkelanjutan, sementara itu tidak untuk pemasaran kewirausahaan.

**Kata kunci:** Keunggulan Kompetitif Berkelanjutan; Pemasaran Spiritual; Pemasaran Wirausaha; Kemampuan Pemasaran; Kemampuan Inovatif.

**Abstract.** COVID-19 pandemic has caused a great change regarding the perspective of global business but also driven fundamental changes in consumer behavior. This has caused initiatives for companies to employ their own marketing strategy to achieve sustainable competitive advantage. In this study, researchers explore namely the correlation of spiritual marketing and entrepreneurial marketing on sustainable competitive advantage through the mediation of marketing capabilities and innovative capabilities. The research method utilized is quantitative one, with a data analysis approach through SMARTPLS, which is software for conducting SEM PLS testing, by conducting outer-inner modeling tests. The results of the study prove that there is a proceeded and significantly-positive influence regarding the spiritual and entrepreneurial marketing on sustainable competitive advantage. In addition, the marketing mediation capability variable has a significant direct correlation influence in shaping the sustainable competitive advantage, but innovative marketing capability does not show a significant influence on sustainable competitive advantage. The researcher also proves that marketing capability is able to mediate the influence of spiritual marketing and entrepreneurship on sustainable competitive advantage, meanwhile not for entrepreneurial marketing.

**Keywords:** Sustainable Competitive Advantage; Spiritual Marketing; Entrepreneurial Marketing; Marketing Capability; Innovative Capability.

## Introduction

The COVID-19 pandemic has instigated a profound transformation in the global business environment, simultaneously reshaping consumer behavior. The onset of the pandemic has introduced new challenges for businesses, particularly in Batam City (Muchsinati *et al.*, 2020). According to data from the Batam City Cooperatives and Micro Enterprises Service, approximately 1,900 MSMEs experienced substantial declines in revenue due to the pandemic. Among these, around 1,305 MSMEs were forced to cease operations, while others had to reduce their workforce and face difficulties in sourcing raw materials (Syavitri & Salsabila, 2022). Hamta *et al.* (2022) further corroborate this, noting that MSMEs in Buliang Village, Batu Aji District, Batam City, have struggled with various operational challenges, including business capital, production stability, employee salaries, productivity, sales volumes, and inconsistent income. Amidst these hardships, businesses have increasingly acknowledged the pivotal role of marketing strategies in adapting to the changing market environment (Das *et al.*, 2022). This study examines how businesses adapted to evolving consumer expectations and pursued sustainable competitive advantages during the pandemic.

Effective marketing is an ongoing process, with businesses continually adjusting to new conditions (Kotler & Keller, 2021). While traditional marketing strategies were once dominant, many companies have now integrated or shifted to digital marketing (Jalees *et al.*, 2021), reflecting the changes in consumer behavior. The rise of digital platforms has made information more accessible, with consumers increasingly relying on online sources for their purchasing decisions (Polas & Raju, 2021). Furthermore, the shift in consumer behavior goes beyond the adoption of digital channels (Jatmiko *et al.*, 2021). There is a notable increase in demand for transparency, authenticity, social responsibility, and personalized experiences. Modern consumers actively seek brands that align with their values and respond promptly to their evolving needs (Jundulloh & Nasution, 2024).

This demands that businesses adopt agile, data-driven marketing strategies and integrate innovation into their core operations. The ability to innovate quickly whether in product development, customer service models, or digital infrastructure has proven to be crucial for companies striving to maintain relevance and competitiveness during a crisis (Polas & Raju, 2021). Innovation, however, extends beyond technological advancements. It includes the ability to adapt business models, devise creative solutions under constrained conditions, and explore new customer segments (Elgarhy & Abou-Shouk, 2023). For instance, many SMEs displayed innovative agility by retooling production lines to meet the demand for essential goods or by creating mobile applications to facilitate safer, more efficient transactions (Sukamedian, 2021). These innovation-driven adaptations have played a key role in enhancing consumer loyalty, improving operational efficiency, and ensuring business continuity amid uncertainty (Somwethee *et al.*, 2023). Kotler & Keller (2021) suggest that a sustainable competitive advantage is achieved when a firm delivers superior value to its customers in ways that competitors cannot easily replicate. In the context of the pandemic, the combination of effective marketing and continuous innovation has become a crucial determinant of such advantages (Suandi, 2022).

Marketing not only promotes products or services but also serves as a bridge between businesses and their customers' desires, expectations, and feedback. This feedback loop drives innovation and responsiveness (Teguh *et al.*, 2021). Moreover, Das *et al.* (2022) assert that marketing tools have become central to how organizations have reoriented themselves in response to the pandemic's impact. Technologies such as data analytics, customer relationship management (CRM) systems, artificial intelligence, and omnichannel integration enable companies to optimize their outreach and offerings. When aligned with an innovation-driven mindset, these tools help businesses anticipate market trends, customize customer experiences, and allocate resources effectively, thus fostering long-term sustainability (Bambang *et al.*, 2021). The COVID-19 pandemic has reinforced the significance of adaptive marketing and

innovation capabilities as interconnected factors influencing sustainable competitive advantage (Polas & Raju, 2021). The capacity of businesses to understand shifts in consumer behavior, embrace digital transformation, and foster innovation has become critical to shaping their trajectories beyond the crisis. Companies that successfully incorporate these elements into their strategies will be better equipped to thrive, not only during disruptions but also in the face of continuous market evolution (Cui & Song, 2022). Despite the growing body of literature examining the impact of the COVID-19 pandemic on business performance and marketing practices, significant gaps persist in understanding how marketing strategies and innovation capabilities work together to contribute to sustainable competitive advantage, particularly during extended crises (Bambang *et al.*, 2021; Jatmiko *et al.*, 2021). Most existing studies have either focused primarily on digital transformation or have generalized the role of innovation without exploring how it aligns with dynamic marketing practices during disruptive periods (Cui & Song, 2022; Elgarhy & Abou-Shouk, 2023; Somwethee *et al.*, 2023).

Additionally, empirical research examining the interaction between marketing adaptability and organizational innovation in driving sustainable outcomes especially in emerging markets or among SMEs is still limited. There is also a notable lack of integration between theoretical frameworks explaining shifts in consumer behavior and those addressing strategic decision-making. This study aims to bridge this gap by providing a detailed examination of how companies not only survived but sought to strengthen their market positions during the COVID-19 crisis through marketing excellence and innovation. The novelty of this research lies in its dual focus: it does not merely assess isolated marketing techniques or independent innovation strategies, but instead investigates how the synergistic relationship between these two factors has become a critical determinant of long-term success. By incorporating contemporary theoretical insights and contextualizing them within the uncertainties induced by the pandemic, this study contributes to a deeper understanding of

strategic resilience. Additionally, it offers practical insights into the strategies businesses employed to remain competitive, providing valuable guidance for firms navigating future crises.

Research Methodology

This study adopts a quantitative approach to investigate the relationship between spiritual marketing and entrepreneurial marketing in shaping sustainable competitive advantage, with a focus on the mediating roles of marketing capabilities and innovative capabilities. Quantitative research is characterized by the emphasis on numerical data, analyzed through various statistical models and methods, and supported by software tools that facilitate mathematical and automated testing. The study is designed as basic research, employing a causal-comparative design. It aims to examine and identify whether significant relationships exist between the independent variables (spiritual marketing and entrepreneurial marketing) and the dependent variable (sustainable competitive advantage), while also considering the influence of additional mediating variables.

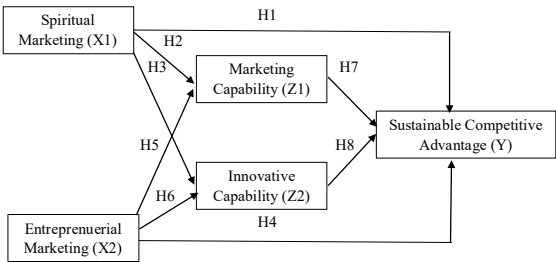


Figure 1. Research Framework

The population of this study were companies operating in various industries and had integrated into their marketing strategies during pandemic. Sample selection performed through such purposive sampling approach, where companies were selected based on inclusion criteria that included adoption as a strategic marketing tool and availability to participate in the study. Given that the population size is not yet known, the sample size was taken with a ratio of 1:10 where each 1 question item

represents 10 respondents. In this study, there were 23 question items so that the minimum number of respondents for this study sample was 230 respondents. However, to increase the generalizability of the research results, the researcher distributed questionnaires to 300 respondents.

Table 1. Variable Measurements

Variables	Measurements	Sources
<i>Spiritual Marketing</i> (X1)	<ol style="list-style-type: none"><li>1. My business implements spiritual values in every marketing strategy.</li><li>2. My business always upholds ethical principles in marketing activities.</li><li>3. My business always conveys product/service information honestly and in accordance with reality.</li><li>4. My business considers the welfare of customers and society in its marketing activities.</li></ol>	(Bambang <i>et al.</i> , 2021).
<i>Entrepreneurial Marketing</i> (X2)	<ol style="list-style-type: none"><li>1. My business continually seeks to discover additional customer needs that they do not yet know they have.</li><li>2. My business continually seeks new business opportunities.</li><li>3. My business's marketing efforts seek to direct customers, not just respond to them</li><li>4. My business works to find new businesses or markets for target customers.</li></ol>	(Suandi, 2022).
<i>Marketing Capability</i> (Z1)	<ol style="list-style-type: none"><li>1. My business uses pricing skills and systems to respond quickly to market changes</li><li>2. My business is able to develop new products/services</li><li>3. My business has strong relationships with distributors.</li><li>4. My business is able to develop and implement good advertising programs.</li><li>5. My business provides training to sales people to run effective marketing.</li><li>6. My business is able to run a good marketing planning program.</li><li>7. My business is able to allocate marketing resources effectively.</li></ol>	(Aljanabi, 2022).
<i>Innovative Capability</i> (Z2)	<ol style="list-style-type: none"><li>1. My business finally becomes the leader in introducing products.</li><li>2. My business continues to improve its business processes.</li><li>3. My business continues to find new solutions to business problems.</li><li>4. My business encourages employees to do something new.</li><li>5. My business always uses sophisticated marketing techniques compared to other competitors.</li></ol>	(Jundulloh & Nasution, 2024).
<i>Sustainable Competitive Advantage</i> (Y)	<ol style="list-style-type: none"><li>1. My business is able to gain sustainable competitive advantage.</li></ol>	(Alfawaire & Atan, 2021).

2. My business is more effective than competitors in providing innovative products to customers.
3. My business responds to customer complaints faster than competitors.

This research was tested by utilizing the SEM-PLS (*Structural Equation Modeling*) program which is also called the structural equation model, which is none other than a statistical technique intended for the process of testing statistical models in the form of causal correlations. The model is able to see, observe, and accommodate structural models as a whole. Meanwhile, PLS as a regression-based method can be used in the process of creating models accompanied by the assumption that the research data is free from distribution, which means that the research data does not refer to the magnitude of its distribution.

Results and Discussion

Results

The results of the questionnaire survey, which was distributed to 300 respondents over a period of two months, demonstrate the validity of each item. Therefore, all the data collected from the 300 respondents are deemed suitable

for analysis and contribute to the objectives of this study. Demographic data of the respondents, including gender, age, educational background, and employment position, are presented in Table 4.2. Of the 300 respondents, the majority (61.0%) were male, totaling 183 individuals, while the remaining 39.0% (117 respondents) were female. In terms of age, the largest group of respondents was in the 21-30 age range, comprising 34.0% of the sample, followed by 33.7% of respondents aged 20-25 years, 16.7% in the 31-40 age group, 14.0% in the 41-50 age range, and 1.6% who were older than 50 years. Regarding educational qualifications, the majority of respondents (44.7%) had completed high school or vocational school, followed by 40% holding a bachelor's degree (S1), 11.0% with a diploma (D3), and 4.3% with a master's degree (S2). Furthermore, the majority of respondents (59.3%) were business owners, while 40.7% held managerial positions.

Table 2. Respondent Descriptive Statistics

Criteria	Category	Frequency	Percentage
Gender	Male	183	61,0%
	Female	117	39,0%
	Total	300	100.0%
Age	20-25 years old	101	33,7%
	21-30 years old	102	34,0%
	31-40 years old	50	16,7%
	41-50 years old	42	14,0%
	>50 years old	5	1,6%
	Total	300	100.0%
Education Status	High School	134	44,7%
	Diploma (D3)	33	11,0%
	Bachelor (S1)	120	40,0%
	Master (S2)	13	4,3%
	Total	300	100.0%
Position	Owner	178	59,3%
	Manager	122	40,7%
	Total	300	100.0%

In measuring the convergent validity of the study, the researcher used the outer loading approach. This approach aims to bring out the contribution of certain factors to the indicators of related variables. Based on the evaluation

results listed in Table 3, the researcher concluded that all questions related to the research variables had an outer loading exceeds 0.6, indicating their validity.

Table 3. Outer Loading Results

Variable Items	Outer Loading	Conclusion
SM1	0.821	Valid
SM2	0.813	Valid
SM3	0.820	Valid
SM4	0.792	Valid
EM1	0.825	Valid
EM2	0.802	Valid
EM3	0.829	Valid
EM4	0.819	Valid
MC1	0.792	Valid
MC2	0.809	Valid
MC3	0.817	Valid
MC4	0.806	Valid
MC5	0.807	Valid
MC6	0.827	Valid
MC7	0.852	Valid
IC1	0.876	Valid
IC2	0.815	Valid
IC3	0.827	Valid
IC4	0.802	Valid
IC5	0.817	Valid
SCA1	0.790	Valid
SCA2	0.812	Valid
SCA3	0.823	Valid

The researcher also conducted an AVE test, the requirement of which is that a statement is declared valid if  $AVE > 0.5$  is obtained. Based on these provisions, it can be stated that all

variables produce an AVE value  $> 0.5$ , meaning that it is convergently valid.

Table 4. AVE Results

Variable	AVE	Conclusion
<i>Spiritual Marketing</i>	0.684	Valid
<i>Entrepreneurial Marketing</i>	0.682	Valid
<i>Marketing Capability</i>	0.596	Valid
<i>Innovative Capability</i>	0.604	Valid
<i>Sustainable Competitive Advantage</i>	0.614	Valid

This approach aims to test the relationship between each indicator and its construct. This approach is based on the requirement that the indicators accumulated in the variable must have a minimum value of 0.7 (Hair *et al.*, 2019).

Based on the findings listed in Table 5, it can be concluded that the indicators are valid because they have a value above 0.7.

Table 5. Cross Loadings Results

Variable	<i>Spiritual Marketing</i>	<i>Entrepreneurial Marketing</i>	<i>Marketing Capability</i>	<i>Innovative Capability</i>	<i>Sustainable Competitive Advantage</i>
SM1	0.877	0.738	0.810	0.781	0.821
SM2	0.892	0.790	0.867	0.826	0.814
SM3	0.824	0.694	0.791	0.710	0.742
SM4	0.850	0.701	0.785	0.703	0.903
EM1	0.829	0.713	0.852	0.737	0.817
EM2	0.785	0.742	0.859	0.744	0.832
EM3	0.782	0.766	0.854	0.763	0.901
EM4	0.741	0.879	0.752	0.770	0.847
MC1	0.791	0.910	0.776	0.805	0.746
MC2	0.763	0.910	0.732	0.835	0.731
MC3	0.845	0.739	0.878	0.738	0.798
MC4	0.764	0.699	0.855	0.741	0.814
MC5	0.778	0.719	0.867	0.743	0.884
MC6	0.847	0.729	0.841	0.794	0.848
MC7	0.871	0.757	0.890	0.819	0.847
IC1	0.798	0.775	0.851	0.790	0.833
IC2	0.796	0.776	0.854	0.793	0.835
IC3	0.794	0.777	0.857	0.796	0.836
IC4	0.792	0.779	0.860	0.800	0.837
IC5	0.791	0.780	0.863	0.803	0.839
SCA1	0.789	0.781	0.866	0.806	0.840
SCA2	0.787	0.782	0.869	0.809	0.842
SCA3	0.785	0.783	0.872	0.812	0.843

The Fornell-Lacker test was conducted to test that the construct has a relationship with its own variables that is more profitable than the relationship with other variables (Hair *et al*, 2019). Based on the data in Table 6, it can be

interpreted that all variables meet these criteria, because each variable shows a greater correlation with its own variables compared to the relationship with other variables.

Table 6. Fornell Larcker Criterion Results

Variable	<i>Spiritual Marketing</i>	<i>Entrepreneurial Marketing</i>	<i>Marketing Capability</i>	<i>Innovative Capability</i>	<i>Sustainable Competitive Advantage</i>
<i>Spiritual Marketing</i>	0.686				
<i>Entrepreneurial Marketing</i>	0.659	0.729			
<i>Marketing Capability</i>	0.675	0.682	0.765		
<i>Innovative Capability</i>	0.750	0.755	0.790	0.810	
<i>Sustainable Competitive Advantage</i>	0.696	0.699	0.702	0.730	0.759

Reliability test is used to find out how measuring instrument is consistent and proved for its reliability. In the concept of this study, an instrument can be said to be reliable if the

cronbach alpha value is > 0.6 and Composite Reliability is > 0.7.



Table 7. Reliability Test

Variable	Cronbach Alpha	Composite Reliability
<i>Spiritual Marketing</i>	0.732	0.837
<i>Entrepreneurial Marketing</i>	0.761	0.828
<i>Marketing Capability</i>	0.774	0.746
<i>Innovative Capability</i>	0.742	0.758
<i>Sustainable Competitive Advantage</i>	0.801	0.772

The application of the path coefficient test aims to identify the presence of direct influence on variables without mediation. The value of the correlation occurring between the variables can be seen from the acquisition of the t-

statistic and p-value. The relationship is declared significant when t value above 1.96, and p is below 0.05.

Table 8. Path Coefficients Results

Path	T Statistics	Values	Hipotesis	Conclusion
<i>Spiritual Marketing -&gt; Sustainable Competitive Advantage</i>	2.717	0.006	H1	Significant
<i>Entrepreneurial Marketing -&gt; Sustainable Competitive Advantage</i>	5.762	0.000	H4	Significant
<i>Marketing Capability -&gt; Sustainable Competitive Advantage</i>	4.583	0.000	H7	Significant
<i>Innovative Capability -&gt; Sustainable Competitive Advantage</i>	1.562	0.075	H8	Not Significant

## H1 Test Results

The results indicate that spiritual marketing has a significant and critical influence on sustainable competitive advantage. This is demonstrated by a T-value of 2.717 and a p-value of 0.006. These findings are consistent with previous research by Jalees *et al.* (2021), which concluded that spiritual marketing significantly impacts sustainable competitive advantage by offering deeper values to customers, fostering loyalty, and enhancing the company’s image. By integrating spiritual principles such as honesty, fairness, empathy, and goodwill, businesses can strengthen long-term relationships with both customers and stakeholders (Bambang *et al.*, 2021; Iswan & Kihara, 2022). Therefore, H1 is accepted.

## H4 Test Results

The results show that entrepreneurial marketing exerts a significant influence on shaping sustainable competitive advantage. This is confirmed by a T-value of 5.762 and a p-value of 0.000. These findings align with research by Elgarhy & Abou-Shouk (2023), which suggested that entrepreneurial marketing impacts sustainable competitive advantage by

encouraging companies to be proactive, innovative, and opportunity-driven in their marketing strategies. This approach enables businesses to quickly adapt to market changes, generate distinctive transformations, and develop flexible, risk-taking strategies (Jundulloh & Nasution, 2024; Zahara *et al.*, 2023). As a result, H4 is accepted.

## H7 Test Results

The results indicate that marketing capability has a significant influence on shaping sustainable competitive advantage. This is evidenced by a T-value of 4.583 and a p-value of 0.000. These findings support the research of Elgarhy & Abou-Shouk (2023) and Zahara *et al.* (2023), which highlight that strong marketing capabilities enable firms to develop product differentiation, build robust brands, and foster long-term customer relationships. Furthermore, superior marketing capabilities allow businesses to leverage data, design effective communication strategies, and respond more swiftly to changing market trends than their competitors (Aljanabi, 2022; Shehadeh *et al.*, 2023). Consequently, H7 is accepted.



H8 Test Results

The results suggest that innovative capability does not significantly influence sustainable competitive advantage. The T-value of 1.562 and p-value of 0.075 support this conclusion. These results contrast with the findings of Somwethee *et al.* (2023) and Zahara *et al.* (2023), which indicated that strong innovation capabilities enable companies to develop more efficient, relevant products, services, or business processes that align with changing

market demands. Innovation also allows businesses to better respond to industry disruptions and increasing competitive pressures (Elgarhy & Abou-Shouk, 2023). Therefore, H8 is rejected.

The indirect influence test was conducted to examine the presence of direct effects on variables through mediation roles.

Table 9. Indirect Effect Results

Path	T Statistics	P Values	Hipotesis	Conclusion
<i>Spiritual Marketing -&gt; Marketing Capability -&gt; Sustainable Competitive Advantage</i>	2.884	0.002	H2	Significant
<i>Spiritual Marketing -&gt; Innovative Capability -&gt; Sustainable Competitive Advantage</i>	5.562	0.000	H3	Significant
<i>Entrepreneurship Marketing -&gt; Marketing Capability -&gt; Sustainable Competitive Advantage</i>	4.389	0.000	H5	Significant
<i>Entrepreneurial Marketing -&gt; Innovative Capability -&gt; Sustainable Competitive Advantage</i>	1.420	0.093	H6	Not Significant

H2 Test Results

The results indicate that marketing capabilities significantly mediate the influence of spiritual marketing on sustainable competitive advantage. This is supported by a T-value of 2.884 and a p-value of 0.002. These findings align with previous research by Tjahjadi *et al.* (2022), which suggests that when a company implements a spiritual marketing strategy focusing on values such as care, honesty, and goodwill, it can enhance its marketing capabilities through more ethical, transparent, and customer satisfaction-oriented approaches. As marketing capabilities increase, companies become more adaptive to market changes and strengthen their sustainable competitive advantages (Suandi, 2022). Therefore, H2 is accepted.

H3 Test Results

The results demonstrate that innovative capability mediates the influence of spiritual marketing on sustainable competitive advantage. This is evidenced by a T-value of 5.562 and a p-value of 0.000. These results are consistent with previous studies by Bambang *et al.* (2021) and Tjahjadi *et al.* (2022), which argue that spiritual marketing contributes to

sustainable competitive advantage through the mediation of innovative capability. A strong innovative capability enables companies to adapt to changes in trends and technology, ensuring the maintenance of long-term competitive advantages (Elgarhy & Abou-Shouk, 2023). Thus, H3 is accepted.

H5 Test Results

The results indicate that marketing capabilities mediate the influence of entrepreneurial marketing on sustainable competitive advantage. This is supported by a T-value of 4.389 and a p-value of 0.000. These findings are in line with research by Jundulloh & Nasution (2024) and Zahara *et al.* (2023), which suggest that entrepreneurial marketing, which emphasizes innovation, proactivity, and risk-taking, allows companies to create new opportunities. With strong marketing capabilities, companies can optimize market data, build effective customer communication, and adapt marketing strategies to evolving market trends, thereby achieving a competitive advantage (Elgarhy & Abou-Shouk, 2023). Therefore, H5 is accepted.

H6 Test Results

The results show that innovative capability does not mediate the influence of entrepreneurial marketing on sustainable competitive advantage. This is indicated by a T-value of 1.420 and a p-value of 0.093. These findings are inconsistent with the work of Bambang *et al.* (2021), which suggests that strong innovation capabilities enable companies to transform creative marketing ideas into solutions that are not easily imitable by competitors. Furthermore, sustainable innovation helps companies adapt to changes

in the business environment, ensuring long-term competitiveness (Jundulloh & Nasution, 2024). Thus, H6 is rejected. The purpose of this test is to assess the model's capability in explaining the variation in the dependent variable. A low Adjusted R-square value indicates the model's limitations in explaining the relationship between the independent and dependent variables. Values closer to 1 demonstrate the model's capability in providing the necessary information for predicting the dependent variable.

Table 10. R-Square Results

Variable	R-Square	Adjusted R-Square
Marketing Capability	0.512	0.509
Innovative Capability	0.489	0.485
Sustainable Competitive Advantage	0.622	0.618

Based on the results above, it can be interpreted that the customized R-Square marketing ability value of 0.509 is obtained indicating that the variable is able to provide an explanation of marketing capability of 50.9%. Then the Adjusted R-Square Innovation Capability value of 0.485 is also obtained, indicating that the variable is able to provide an explanation of Innovation Capability of 48.5%. In addition, for the adjusted R-Square sustainable competitive advantage value of 0.618, it shows that 61.8% of the variable is influenced by the variables discussed in this study, and 38.2% of the variables that have not been discussed. The researcher also conducted a goodness of fit test as a form of comparison given between the specified model and the covariance matrix between indicators or observed values. In this context, a goodness of fit value can be stated as low if the value is greater than 0.10. Medium if the value is > 0.25, and high if > 0.36. In this study, the GoF index value was obtained at 0.587 which means it is already qualified.

Discussion

Based on the findings of this study, it was found that spiritual marketing and entrepreneurial marketing significantly influence sustainable competitive advantage, while innovative capability does not show a significant impact. These results suggest that marketing strategies that integrate spiritual and entrepreneurial values contribute to forming a sustainable competitive advantage. In line with the research by Bambang *et al.* (2021), spiritual marketing, which emphasizes ethical principles and social values, plays a crucial role in strengthening the relationship between companies and customers, ultimately enhancing loyalty and brand image.

Furthermore, entrepreneurial marketing, which focuses on proactivity and innovation, has been shown to enhance a company's ability to quickly adapt to market changes, thus supporting the achievement of sustainable competitive advantage (Cui & Song, 2022; Elgarhy & Abou-Shouk, 2023). Marketing capability serves as a significant mediator in the relationship between spiritual marketing and entrepreneurial marketing with sustainable competitive advantage. Strong marketing capabilities allow companies to leverage the strategies implemented, such as product differentiation and strong brand building, to create a more sustainable competitive advantage (Aljanabi,

$$GoF\ Index = \sqrt{Average\ AVE \times Average\ R^2}$$
$$Average\ AVE = \frac{0.684+0.682+0.596+0.604+0.614}{5}$$
$$Average\ AVE = 0.636$$
$$Average\ R^2 = \frac{0.512+0.489+0.622}{3} = 0.541$$
$$GoF\ Index = \sqrt{0.636 \times 0.541}$$
$$GoF\ Index = 0.587$$

2022). This finding supports the results of Jundulloh & Nasution (2024), which emphasize the importance of marketing capability in adapting strategies to meet market needs and evolving trends. However, contrary to prior studies that highlight the importance of innovative capability in creating competitive advantage (Somwethee *et al.*, 2023; Zahara *et al.*, 2023), the results of this study show that while innovation helps companies survive during crises, its impact on sustainable competitive advantage is not significant. This may be due to some companies being unprepared to implement innovation optimally during the pandemic, with more focus placed on operational continuity rather than new product or service development.

Additionally, this study reveals that innovative capability does not mediate the relationship between entrepreneurial marketing and sustainable competitive advantage. This indicates that although innovation is important, other factors, such as marketing capability, are more dominant in determining how entrepreneurial marketing can create sustainable competitive advantage. This highlights the importance of a strong integration between responsive marketing and adaptive innovation in achieving optimal results in uncertain situations like the COVID-19 pandemic (Alfawaire & Atan, 2021; Polas & Raju, 2021). Overall, this study demonstrates that companies aiming for sustainable competitive advantage must strengthen two key pillars: spiritual and entrepreneurial marketing. Spiritual marketing, which emphasizes ethical values, and entrepreneurial marketing focused on innovation, as well as strong marketing capabilities, will enable companies to quickly adapt to market changes and build long-term relationships with customers. As a result, companies can strengthen their market position even in times of crisis. However, for future research, it is recommended to expand the study to include other sectors or regions and incorporate external factors that may influence the application of marketing strategies and innovation in companies.

## Conclusion

Based on the findings, it can be concluded that spiritual marketing and entrepreneurial marketing play a crucial role in influencing sustainable competitive advantage. Furthermore, marketing capability has a significant impact on shaping competitive advantage, while innovative marketing capability does not show a critical effect in shaping sustainable competitive advantage. The study also highlights the importance of marketing capability in mediating the influence of spiritual marketing and entrepreneurial marketing on sustainable competitive advantage. However, innovative capability does not mediate the relationship between entrepreneurial marketing and sustainable competitive advantage in companies located in Batam City. In light of these findings, the researcher offers the following recommendations: First, companies in Batam City should focus on efforts to generate sustainable competitive advantages by implementing spiritual marketing and entrepreneurial marketing, supported by strong marketing capabilities, to enhance sales and resilience during crisis situations. Second, future research could explore other factors influencing sustainable competitive advantages by utilizing different independent and mediating variables and examining different research subjects beyond those explored in this study.

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