

## OWNER PRACTICES AND CUSTOMER PERCEPTIONS IN SUSTAINABILITY AND SOCIAL MEDIA MARKETING FOR CAFÉ SMES

Dhira Ervina Safitri, Nursaid<sup>1</sup>, Budi Santoso

Master of Management Postgraduate Program, Faculty of Economics and Business, Universitas Muhammadiyah Jember  
Gumuk Kerang, Jember Regency, East Java 68124, Indonesia

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### ABSTRACT

**Background:** Small and medium enterprises (SMEs), especially in the café industry, face challenges in meeting customer expectations for sustainability and digital engagement. The gap between owner practices and customer perceptions often leads to suboptimal business performance.

**Purpose:** This study investigates the influence of sustainability marketing and social media marketing on the business performance of café SMEs in Jember, Indonesia, by integrating owner strategies and customer perceptions.

**Design/methodology/approach:** Using an Exploratory Sequential Mixed Methods design, the study conducted qualitative interviews with 10 café owners in mid-May 2025 to explore sustainability and digital marketing practices, followed by a quantitative survey of 215 café customers conducted from May to June 2025 to validate and measure the constructs. Data was analyzed using Structural Equation Modeling (SEM) with SmartPLS v.4.0, including validity and reliability tests.

**Findings/Result:** The study found that sustainability marketing and social media marketing significantly influence café SMEs' business performance. Social media marketing showed a stronger direct effect ( $\beta = 0.638, p < 0.001$ ) compared to sustainability marketing ( $\beta = 0.140, p = 0.027$ ). Moreover, social media marketing mediates the relationship between sustainability marketing and performance ( $\beta = 0.410, p < 0.001$ ), emphasizing its strategic role in transforming sustainability initiatives into measurable business value. Qualitative findings confirmed that café owners use Instagram and TikTok to promote local sourcing, eco-friendly campaigns, and customer engagement, turning sustainability narratives into digital competitiveness and long-term growth.

**Conclusion:** This study demonstrates that integrating sustainability marketing with social media strategies significantly enhances the performance and competitiveness of café SMEs. Social media serves as a vital bridge that transforms sustainability initiatives into customer engagement, brand loyalty, and measurable business growth.

**Originality/value (State of the art):** This research highlights the growing significance of digital entrepreneurship in the Café sector, offering insights into how various digital strategies influence consumer purchasing behavior, which is crucial for adapting to the evolving market landscape.

**Keywords:** business performance, exploratory sequential, smes performance, social media marketing, sustainability marketing

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<sup>1</sup> Corresponding author:

Email: [nursaid@unmuhjember.ac.id](mailto:nursaid@unmuhjember.ac.id)

## INTRODUCTION

Small, and Medium Enterprises (SMEs) are essential pillars of numerous global economies, playing a vital role in fostering economic development and generating employment opportunities (Eggers, 2020; Rosyidiana & Narsa, 2024). SMEs have served as the backbone of the national economy in Indonesia (Tambunan, 2022). The rise of the middle class, rapid lifestyle changes, and the inclination towards dining out have resulted in the swift growth of the café industry, one of the subsectors of the SMEs (Maksum et al. 2020). Meeting the needs of consumers and developing sustainable and socially responsible business practices are just some of the challenges facing café owners today (Sarango-Lalangui et al. 2023).

The effectiveness of the marketing techniques employed rests on the ability of the business to grasp and act on customer perceptions. Perceptions as defined in marketing represent the evaluation made by consumers about the value, trustworthiness, and importance of the utterances and actions of a business and its trademarks (Zeitoun et al. 2020). With regards to SME café businesses, the perceptions of sustainability, brand loyalty, and the quality of products and services designated by clients, as well as social media communications are the critical factors determining purchasing decisions (Çera & Ndou, 2024; Ibrahim et al. 2021). There is a gap between what consumers expect and what business owners believe consumers expect due to outdated business practices; entrepreneurs tend to rely on intuition or past experiences. This gap results in a disparity between what the market expects and what the owners of the cafés provide.

The impact of café-based SMEs on sustainability, especially in areas like Jember, is greatly influenced by strategic factors like skills, competencies, creativity, financing, innovation, and government support on education, training, and infrastructure (Ullah et al. 2023; Veronica et al. 2020). As a strategic relationship marketing approach, sustainability marketing seeks to foster long-term partnerships with customers rooted in sustainability values. Sustainability is a primary driver for SMEs to respond to competing market demands such as public expectations, government policies, and open innovation (Sarango-Lalangui et al. 2023). Specifically, environmental sustainability drives innovation performance in quality, growth, efficiency, process improvement, organizational and employee

practices, and the ability to gain new products or services (Awwad et al. 2025; Shahzad et al. 2020).

Meanwhile, social media marketing offers businesses a means of interaction that is immediate as well as active. Through social media, marketing aimed at consumers and the digital marketing efforts of SMEs become far-reaching and highly interactive (Dwivedi et al. 2021). Small business owners can no longer rely solely on traditional communication channels to acquire, retain, and grow their customer base; instead, they must leverage emerging communication platforms and social networking tools to meet business goals (Lim & Rasul, 2022). Social media, as both a technological and informational tool, facilitates two-way communication between customers and organizations, distinguishing it from other forms of ICT applications (Perez-Vega et al. 2022).

According to Sheikh et al. (2024), social media-based digital marketing can reinforce business sustainability when supported by top management, who are fully responsible for making key decisions regarding the future of their enterprises. Sustainability marketing and social media marketing are essential for shaping customer perceptions and differentiating café SMEs in competitive markets (Aljarah, 2021; Fatorachian et al. 2025). Their integration enhances customer engagement, strengthens brand image, and improves business performance through increased loyalty, sales, and efficiency. Given this context, there remains a gap in the literature that integrates customer perceptions with café owners' practices and strategies in examining the comprehensive relationship between sustainability marketing and social media marketing on café performance particularly within the context of SMEs. Addressing this gap, the current study aims to explore how sustainability marketing and social media marketing influence café performance by combining customer perspectives with owner practices. Utilizing an Exploratory Sequential Mixed Methods approach, this study seeks to offer both theoretical and practical contributions toward developing sustainable marketing strategies relevant for Indonesian SME actors.

This study aims to explore the influence of sustainability marketing and social media marketing on the performance of café SMEs in Indonesia, particularly in the Jember area. The specific objectives of this research are to: 1) Examine how café owners' social media marketing strategies affect the business

performance of SME cafés in Jember; 2) Determine the extent to which the implementation of sustainability marketing contributes to customer loyalty and business performance; 3) Investigate how sustainability marketing influences the development of social media content strategies among café SMEs; and 4) Analyze the mediating role of social media in linking sustainability marketing to SME café business performance.

The research objectives above are important to investigate because café SMEs in Indonesia increasingly rely on digital engagement and sustainable business practices to remain competitive in a rapidly evolving market. Despite this growing dependence, empirical evidence linking sustainability marketing, social media strategies, and business performance remains limited, especially in the context of local café industries such as those in Jember. Understanding these relationships is essential for identifying how sustainability-oriented practices can be effectively communicated to customers through social media content. This integration is also necessary to reveal whether digital platforms can amplify the impact of sustainability initiatives on customer loyalty and overall performance. The findings of this study are expected to provide both theoretical insights and practical guidance for SME café owners, policymakers, and practitioners seeking to strengthen sustainable entrepreneurship and enhance market competitiveness through data-driven, sustainability-focused digital strategies.

## METHODS

This study adopts an Exploratory Sequential Mixed Methods approach (Creswell, 2011), which begins with a qualitative phase followed by a quantitative phase. This study utilized both primary and secondary data sources. The primary data was obtained through semi-structured interviews with café owners and questionnaire surveys distributed to café customers in Jember Regency. The interviews provided qualitative insights into café owners' perspectives and practices related to sustainability marketing, entrepreneurial orientation, and social media marketing. Meanwhile, the survey data represented customers' perceptions and evaluations of café performance. The primary dataset consisted of two components: 1) Qualitative data gathered from ten café owners, and 2) Quantitative data collected from 215 café customers. The secondary data were derived from academic literature and online publications relevant to

sustainability marketing, social media marketing, and SME performance. The integration of both primary and secondary sources ensured data triangulation and enhanced the credibility and reliability of the research findings.

Data collection was conducted using an Exploratory Sequential Mixed Methods design, which allowed the researcher to first explore in depth the meanings (Kempster, 2006), strategies, and marketing practices from the perspective of café owners (qualitative phase), and then to examine them more broadly through customer perceptions (quantitative phase). In the qualitative phase, semi-structured face-to-face interviews were conducted with ten café owners in mid-May 2025 at their respective cafés across Jember Regency. Each interview was recorded using a mobile phone with participants' consent. In the quantitative phase, data were collected from May to June 2025 through an online customer survey distributed via Google Forms, allowing for wider reach and efficient data collection across café customers in the region.

In this phase, ten café owners from Jember Regency were purposively selected according to the following criteria: 1) operating a café business for at least two years, 2) actively engaging in social media marketing, and 3) demonstrating commitment to sustainability principles such as local sourcing, waste reduction, or community programs. Semi-structured interviews (Kempster, 2006) were conducted face-to-face, lasting between 20 to 45 minutes. All participants voluntarily signed consent forms, and their identities were anonymized. Before the interviews, the researcher conducted field visits and observed each café's social media presence to understand their digital branding and sustainability messages. The interviews were recorded and transcribed verbatim for thematic analysis. To guide the interviews and surveys, the research employed a set of construct-based questions targeting sustainability marketing, social media marketing, and business performance. Table 1 presents the constructs and the corresponding research questions, which informed both qualitative and quantitative data collection.

Table 1 outlines the main constructs Sustainability Marketing, Social Media Marketing, and Business Performance and their corresponding research questions. These guided the study's data collection, ensuring both qualitative interviews and quantitative surveys addressed how café owners integrate sustainability and

social media strategies and their impact on customer engagement and business growth.

Quantitative Phase, following the qualitative analysis, a structured questionnaire was developed based on the emerging themes and constructs. The survey was distributed to 215 café customers in Jember Regency using convenience sampling, targeting individuals who had visited and interacted with the cafés under study. The questionnaire, which was administered online via Google Form, measured three main constructs: (1) perceptions of sustainability marketing practices, (2) customer engagement through social media, and (3) customer satisfaction and perceived café performance.

Data analysis in this study followed the Exploratory Sequential Mixed Methods approach, which involved two interconnected stages: qualitative and quantitative analysis (Creswell, 2014). In the qualitative phase, data from semi-structured interviews with ten café owners were analyzed through thematic analysis. The interviews were transcribed verbatim, coded manually, and categorized into key themes reflecting sustainability practices, social media strategies, and perceived business outcomes. These themes were used to develop survey indicators for the quantitative phase. In the quantitative phase, the data obtained from 215 café customers were analyzed using Structural Equation Modeling–Partial Least Squares (SEM–PLS) with SmartPLS version 4.0 (Hair et al. 2022). This method was chosen due to its suitability for small to medium sample sizes and its ability to analyze complex relationships between latent constructs. Model evaluation followed a two-step procedure: 1) Measurement Model Assessment, which tested indicator reliability, convergent validity, and internal consistency reliability through outer loading, Average Variance Extracted (AVE), Cronbach’s Alpha, and Composite

Reliability (CR); 2) Structural Model Assessment, which examined path coefficients, t-statistics, p-values, and the coefficient of determination ( $R^2$ ) to assess the significance and explanatory power of the relationships among variables. All criteria for validity and reliability met the recommended thresholds, ensuring that the measurement model was robust for structural testing. The results of the structural model analysis, including hypothesis testing outcomes and the visual representation of the model.

Building upon the theoretical framework and empirical insights from previous research, this study develops four hypotheses that explain the relationships among sustainability marketing, social media marketing, and business performance in café SMEs in Jember, Indonesia.

H1: Sustainability Marketing positively influences Business Performance.

Sustainability marketing such as environmentally responsible sourcing, waste reduction, and transparent eco-friendly practices has been widely shown to enhance corporate reputation, customer trust, and cost efficiency. These outcomes, in turn, strengthen overall business performance. Prior studies indicate that firms engaging in sustainability-oriented practices experience improved customer loyalty and long-term profitability due to perceived ethical value and operational advantages (Shahzad et al. 2020; Ullah et al. 2023). In the café SME sector, where customers increasingly value sustainability (e.g., local ingredients, reduced plastic use), such initiatives contribute to higher repeat visits and word-of-mouth. Therefore, sustainability marketing is expected to directly improve business performance. (Crittenden et al. 2011).

Table 1. Constructs and research questions for café owners

Construct	Question
Sustainability Marketing	Do you incorporate sustainability values in your business promotion? How do you communicate with your customers regarding issues of sustainability (e.g., reducing waste, local purchasing)?
Social Media Marketing	Does social media assist in bringing new customers to your café? How do you implement social media strategies to market your café?
Business Performance	Do your customers provide feedback on your sustainability and social marketing information? Has your cafe witnessed growth linked with the power of sustainability and social media advertising?

H2: Sustainability Marketing positively influences Social Media Marketing.

Sustainability initiatives provide authentic, engaging, and value-driven narratives an essential characteristic of effective social media content. Research suggests that sustainability-oriented messages help differentiate brands, strengthen consumer emotional resonance, and increase digital engagement (Sarango-Lalangui et al. 2023; Çera & Ndou, 2024). For café SMEs, visually showcasing local sourcing, eco-friendly actions, or community-based initiatives on platforms like Instagram and TikTok helps generate meaningful interactions and attract environmentally conscious consumers. Because sustainability tends to perform well in digital spaces, sustainability marketing becomes a strategic driver of social media marketing activities.

H3: Social media Marketing positively influences Business Performance.

Social media marketing enables firms to communicate brand identity, promote products, and engage customers through real-time and visually appealing content. These interactions strengthen customer relationships and enhance brand awareness in highly competitive markets. Previous studies have found that SMEs leveraging social media platforms experience improved sales performance and broader market reach (Dwivedi et al. 2021; Fatorachian et al. 2025). In the café industry, social media plays a critical role in influencing consumer preferences through aesthetic presentation and interactive digital campaigns. Therefore, social media marketing is expected to positively contribute to business performance. Therefore, we hypothesize that effective social media marketing strategies will significantly improve business performance, particularly in the competitive café sector.

H4: Social Media Marketing mediates the relationship between Sustainability Marketing and Business Performance.

Sustainability marketing often requires effective communication mechanisms to translate ethical practices into positive business outcomes. Social media marketing acts as a key channel that amplifies sustainability messages and increases customer exposure to environmentally responsible actions. Empirical evidence suggests that social media enhances

customer engagement with sustainability content and strengthens brand loyalty (Sheikh et al. 2024; Aljarah, 2021). By improving visibility and emotional connection, social media helps convert sustainability initiatives into meaningful customer responses. Therefore, social media marketing is expected to mediate the relationship between sustainability marketing and business performance.

Figure 1, the research framework illustrates the relationships between key constructs: Sustainability Marketing (SM), Social Media Marketing (SMM), and Business Performance (BP). Sustainability Marketing directly influences both Social Media Marketing and Business Performance, while Social Media Marketing partially mediates the relationship between Sustainability Marketing and Business Performance. The framework suggests that sustainability-driven marketing strategies enhance social media engagement, which in turn strengthens business performance by improving customer perception, loyalty, and growth. This model highlights the critical role of social media as a strategic tool in amplifying sustainability initiatives and transforming them into tangible business outcomes.

## RESULTS

### Respondent Profile

Table 2 shows that most café owner participants in Jember were male, aged 25–38, with 3–8 years of business experience. Their educational backgrounds varied, mostly high school and bachelor's degrees, with one master's degree holder.

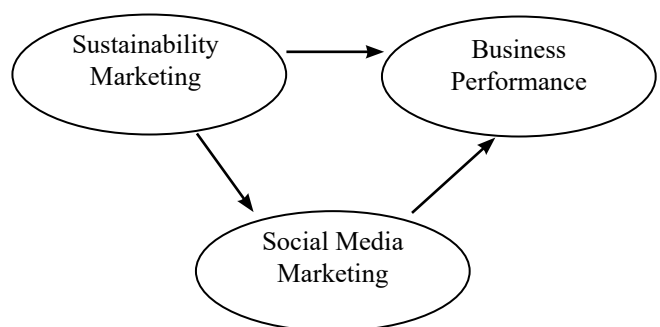


Figure 1. Conceptual framework of the relationship between sustainability marketing, social media marketing, and business performance

Table 3 provides an overview of the café customer respondents' demographic characteristics, including gender, age group, and frequency of café visits. The majority of respondents were female (54%) and aged between 18–25 years (53.5%), indicating that young adults make up the largest customer segment. Most customers visited cafés occasionally (52.6%), while a smaller portion were frequent or first-time visitors, reflecting varied engagement levels among café patrons in Jember.

### Structural Model Results

As shown in Table 4, all indicators have outer loading values above 0.7, confirming indicator reliability. The AVE, Cronbach's Alpha, and Composite Reliability values for all constructs also exceed the minimum thresholds, indicating good convergent validity and internal consistency. Overall, the measurement model meets the required reliability and validity criteria for further structural analysis. Table 5 presents the hypothesis testing results, showing significant direct and mediated relationships among the constructs.

Table 2. Respondent profile of Café Owner Participants

Name (Initial)	Gender	Age (Years)	Service as a Café Owner	Degree
Rd	Male	29	4 years	High school graduate
Yh	Male	30	7 years	High school graduate
Af	Male	31	7 years	Master's degree
Nd	Male	26	8 years	High school graduate
Cc	Male	26	3 years	High school graduate
Bg	Male	32	6 years	Bachelor's degree
Er	Male	26	3 years	Bachelor's degree
Rn	Female	38	5 years	Bachelor's degree
Os	Male	30	5 years	Bachelor's degree
Al	Male	25	7 years	High school graduate

Table 3. Respondent profile of Café Customers Participants

Characteristics	Criteria	Frequency	Percentages
Gender	Male	99	46%
	Female	116	54%
	Total	215	100%
Age	< 18 years	5	2.30%
	18-25 years	115	53.50%
	26-35 years	65	30.20%
	36-45 years	27	12.60%
	> 45 years	3	1.40%
	Total	215	100%
How frequently do you visit this café	First time	60	27.90%
	Occasionally (1–2 times a month)	113	52.60%
	Often (1–2 times a week)	34	15.80%
	Very often (more than 2 times a week)	8	3.70%
	Total	215	100%

Table 5 shows that Sustainability Marketing (SM) significantly affects Business Performance (BP) both directly and indirectly through Social Media Marketing (SMM). The direct effect of SM on BP is modest ( $\beta = 0.140, p < 0.05$ ), but the indirect effect via SMM is much stronger ( $\beta = 0.410, p < 0.05$ ), indicating that social media acts as a critical mediator that translates sustainability initiatives into tangible business outcomes. The path from SMM to BP is also highly significant ( $\beta = 0.638, p < 0.001$ ), demonstrating the power of digital engagement in enhancing performance. Triangulating these results with qualitative insights confirms that effective social media storytelling of sustainable practices strengthens customer engagement, loyalty, and brand differentiation in café SMEs.

Figure 2 presents the research model integrating Sustainability Marketing (SM), Social Media Marketing (SMM), and Business Performance (BP). The model shows that SM directly influences BP ( $\beta = 0.140$ ) and indirectly through SMM ( $\beta = 0.642 \times 0.638$ ), indicating a stronger mediating effect. The  $R^2$  values reveal that SM explains 41.2% of the variance in SMM, while both variables jointly explain 54.2% of BP. Overall, the model suggests that sustainability-driven strategies enhance business performance through effective social media engagement.

Table 4. Convergent validity and reliability test results for business performance, social media marketing, and sustainability marketing constructs

Construct	Indicators	Convergent Validity Test	Average Variance Extracted (AVE)	Cronbach's Alpha	Composite Reliability
Business performance	BP1	0.928	0.845	0.938	0.956
	BP2	0.943			
	BP3	0.944			
	BP4	0.857			
Sosial Media Marketing	SM1	0.836	0.791	0.912	0.938
	SM2	0.873			
	SM3	0.906			
	SM4	0.852			
Sustainability Marketing	SMM1	0.876	0.752	0.890	0.924
	SMM2	0.908			
	SMM3	0.932			
	SMM4	0.839			

Table 5. Hypothesis testing results of direct and mediated effects using sem-pls on sustainability marketing, social media marketing, and business performance

Relationship Path	Original Sample (O)	t-Statistics	p-Values	Interpretation
Social Media Marketing → Business Performance	0.638	10.735	0.000	Significant
Sustainability Marketing → Business Performance	0.140	2.217	0.027	Significant
Sustainability Marketing → Social Media Marketing	0.642	14.973	0.000	Significant
Sustainability Marketing → Social Media Marketing → Business Performance	0.410	8.283	0.000	Significant (Mediated)

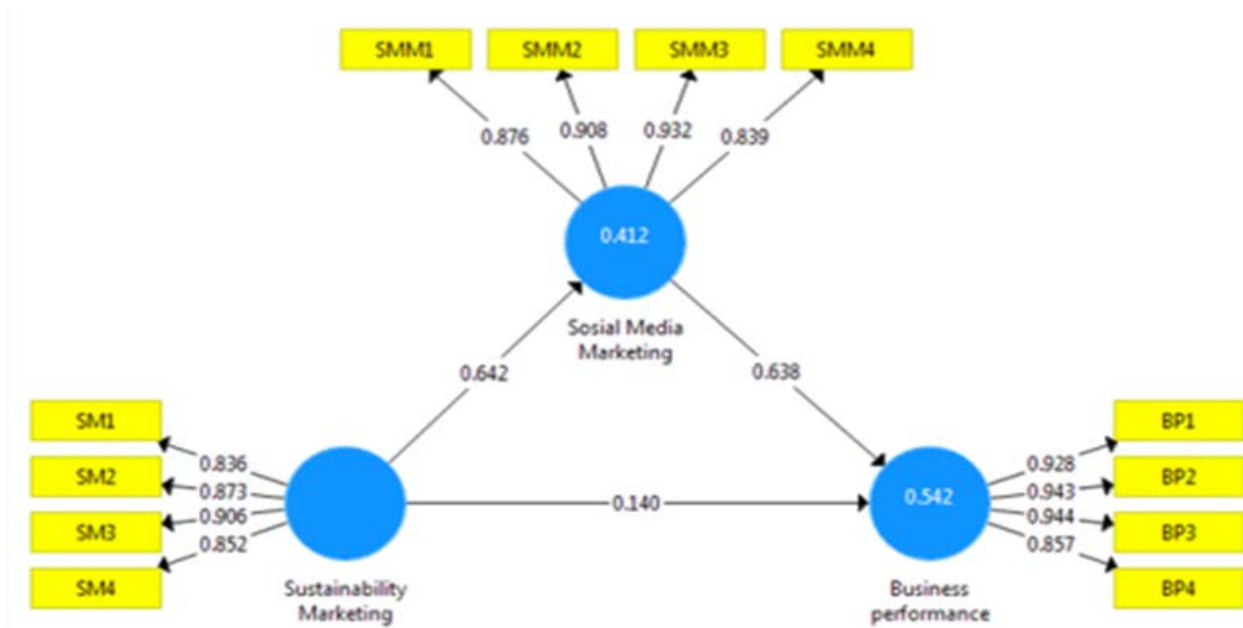


Figure 2. Structural model of sustainability marketing, social media marketing, and business performance

### The Strategic Role of Social Media Marketing in Enhancing Business Performance

Social media plays a strategic role in expanding market reach, building customer engagement, and enhancing the business performance of SMEs. As indicated in survey findings, social media marketing (SMM) significantly influences business performance (BP) with a path coefficient of 0.638 ( $t = 10.735, p < 0.001$ ). Entrepreneurs actively use Instagram and TikTok to market new products, announce promotional events, and manage the company’s image. These approaches are and have proven beneficial in growing the customer base and in maintaining loyalty among the existing clientele through personalized and creative, trend-responsive approaches. Qualitative findings from the interviews support the following statements:

Participant 3:

Social media serves as the most effective tool for marketing products since most of our customers use Instagram. We advertise our coffee to emphasize the distinctive characteristic of our café. Moreover, customers are captivated, and our café remains lively due to the discounts that we promote through our social media pages. (Nd, Face-to-Face Interview, April 19, 2025)

Participant 2:

Discounts are promoted through social media during holidays like Labor Day. These platforms are effective for new customers, particularly students and freelancers. The uploaded promotions enhance customer visits. (Af, Face-to-Face Interview, April 17, 2025)

Participant 7:

Our Instagram and TikTok pages are vital for the announcement of new products as well as the revised designs of the café’s interiors. We get noticed whenever we introduce something new, and our customer numbers increase as they become curious to see the changes. Thus, regular posting and visual representation of the materials improves our café’s performance. (Rn, Face-to-Face Interview, May 1, 2025)

Participant 8:

Via TikTok and Instagram, we can get nearer to our customers by showing them the process of making the drinks. Customer contact through comments and direct messages helps determine customer preferences, which can increase customer loyalty and daily revenue. (Bg, Face-to-Face Interview, May 1, 2025)

In general, the interviews corroborate the social media marketing impact quantitative analysis, stressing the importance of social media on the business as it allows for marketing, promotion, interaction, building relationships, and brand development and sustainability over time. In relation to the café SMEs dealing with aggressive market competition, social media marketing allows entrepreneurs to keep track with the trends, meet the demands of the market on the spot, and facilitate deeper, more personalized emotional engagement (Beyari & Hashem, 2025). Therefore, social media is not a mere marketing auxiliary, rather it is a vital part of business planning which influences business sustainability and growth directly.

### **Sustainability Marketing as a Catalyst for Business Performance in SMEs**

Sustainability marketing has a direct impact on the business performance of SMEs, and especially for the cafés located in Jember Regency. However, social media marketing has a stronger effect. The results from the path analysis revealed that Sustainability Marketing (SM) directly influences Business Performance (BP) with a 0.140 ( $t = 2.217$ ;  $p = 0.027$ ) coefficient. Using local ingredients, minimizing the use of plastic, and endorsing social or environmental causes enhance customer loyalty and business reputation. According to the findings from the interviews, the implementation of sustainability values appears to be gradual and systematic, fostering customer and reputation development simultaneously:

#### **Participant 1:**

Locally, we source the coffee beans from Jember farmers, which is economically beneficial and helps to promote the area. Customers enjoy the local coffee and tend to return to support our sustainability concept. (Yh, Face-to-Face Interview, April 19, 2025)

#### **Participant 4:**

Jember customers love the environment and the discounts we give to customers who come with their own tumblers is quite effective to gain their support. This reduces the use of plastic and encourages eco-friendly behavior. (Cc, Face-to-Face Interview, April 19, 2025).

Not all business owners have the ability to optimally implement sustainability marketing. Factors such as financial constraints, lack of knowledge, as well as operational risks greatly limit some marketers. There is a significant effect from internal preparedness and external support (education and policy incentives) on the outcome:

#### **Participant 2:**

Because there is a lack of money and knowledge, sustainability is limited. Nevertheless, there is an effort to educate customers and offer separated trash bins. (Af, Face-to-Face Interview, April 19, 2025)

#### **Participant 9:**

Implementing glassware for dine-in services was a step toward sustainability, but a month in, we started losing glasses and costs rose, so we had to pause the initiative. Nonetheless, we are still in the search for more efficient and environmentally friendly alternatives. (Rd, Face-to-Face Interview, May 1, 2025)

These findings demonstrate that the use of sustainability marketing serves as a strategic motivator. While its effects may not provide immediate and high financial profit, it greatly enhances customer loyalty, brand equity, and long-term worth. In small and medium enterprises, and more so in the case of Jember, sustainability is not merely an ethical issue, but is a competitive position narrative that responds to the heightened demand from the society as well as the environmentally conscious market (Crittenden et al. 2011). There is a need to strengthen the responsive holistic system approach to the ability of SMEs to implement the sustainability principle.

### **Sustainability Marketing as a Driver for Digital Marketing Strategies**

Research shows that sustainability values are not only applied operationally but also serve as a primary narrative source for digital marketing strategies. Sustainability marketing drives SMEs to create more authentic, educational, and emotionally resonant content, thereby increasing social media engagement. Quantitative findings support this, showing a significant effect of Sustainability Marketing (SM) on Social Media Marketing (SMM) with a path coefficient of 0.642 ( $t = 14.973$ ;  $p < 0.001$ ). Qualitative interviews

reveal that SMEs utilize themes such as local sourcing, plastic waste education, and social collaboration in digital campaigns. These narratives differentiate brands and boost customer engagement, particularly among environmentally aware consumers:

Participant 3:

We frequently share videos highlighting and featuring the local coffee farmers who supply to our café. These videos garner a greater response from customers because it supports small businesses and local farming. This narrative adds vibrance to our Instagram and often gets reshared by coffee lovers and connoisseurs. (Nd, Face-to-Face Interview, April 19, 2025)

Participant 10:

We had a post where we recycled our plastic packaging. It was both caring and educational. That type of content increased engagement substantially. Austin, one of the interviewees, even interned for the company following the post. (Os, Face-to-Face Interview, May 1, 2025)

Participant 9:

Sustainability isn't only about internal practice, but how it's communicated to customers. That's why we share every sustainable step, like local ingredients. It serves both purposes – marketing and education. (Rd, Face-to-Face Interview, May 1, 2025)

Participant 5:

We post about waste reduction because it brings value, and sustainability does too. These days, it's easier to build a narrative around our café, especially with the environmental issues and the social awareness in Jember. In the past, it was hard to showcase value beyond the café. (Al, Face-to-Face Interview, April 19, 2025)

The results reveal that the need for sustainability marketing does not only support but also shapes digital marketing. It assists in reaching eco-friendly customer segments as these customers brandish greater loyalty to companies that practice good social commitments. This marketing approach resonates in areas such as Jember, where consumers are more concerned about the origins of the products, the production process, and their environmental footprint. Therefore, this form of marketing makes sustainability a powerful and sellable

asset for digital communication (Kuntsman & Rattle, 2019).

### **The Mediating Role of Social Media in Linking Sustainability to Business Success**

Social media plays a crucial role in connecting sustainability marketing strategies with business success. Quantitative findings show the indirect effect of Sustainability Marketing (SM) on Business Performance (BP) through Social Media Marketing (SMM) has a path coefficient of 0.410 ( $t = 8.283$ ;  $p < 0.001$ ), higher than the direct effect ( $SM \rightarrow BP = 0.140$ ). This suggests that social media is a strategic bridge that transforms sustainability practices into perceived value and business growth. The data obtained from interviews validate this as small and medium-sized enterprises (SMEs) use social media as a tool for marketing as well as for sharing sustainability communication. Digital marketing related to sustainability can shape customer behavior, resulting in customer retention, referrals, and increased involvement:

Participant 4:

People only became aware of our tumbler discount program after we posted about it on social media. Instagram proved to be a game changer in marketing. If sustainability does not clog the digital arteries, then the effects can be phenomenal. (Cc, Face-to-Face Interview, April 19, 2025)

Participant 9:

Educating the public about our no-plastic campaign on TikTok proved to be the best marketing strategy. We received a lot of new customers to our café and the best part is, the initiative went a little viral. I think it is fair to say that these days, marketing supplements the best ideas. (Rd, Face-to-Face Interview, May 1, 2025)

Participant 1:

Though we sourced produce from local farmers, we only began to feel the effects after we began to showcase those partnerships on Instagram. It is impressive the extent social media can work and put our café and services uniquely to the eyes of the public. (Yh, Face-to-Face Interview, April 19, 2025)

Survey and interview findings reveal that social media serves a purpose beyond marketing; it articulates a brand's sustainability narrative and translates it into measurable value for the business. It enhances not only engagement but also overall revenue, the customer base, and the reputation of the brand. Thus, social media connects the practice of sustainability with measurable business impacts. When integrated into business operations, sustainability enhances brand equity, resulting in performance improvement for SMEs.

### Managerial Implications

Café SMEs should integrate sustainability values such as local sourcing, waste reduction, and eco-friendly packaging into their core strategies while utilizing social media platforms like Instagram and TikTok to communicate sustainability narratives effectively. Theoretically, this study advances understanding of sustainable marketing and digital consumer behavior by showing how social media mediates sustainability initiatives, linking them to improved business performance and contributing to the broader theory of sustainable entrepreneurship.

## CONCLUSIONS AND RECOMMENDATIONS

### Conclusions

This study concludes that the integration of sustainability marketing and social media marketing significantly enhances the performance of café SMEs. The results indicate that while sustainability marketing has a modest direct effect, its impact increases substantially when communicated through social media channels. Social media acts as a strategic bridge that transforms sustainability practices into customer engagement, loyalty, and brand differentiation. These findings are consistent with previous studies by Ibrahim et al. (2021) and Fatorachian et al. (2025), which demonstrated that social media engagement strengthens brand loyalty and business outcomes among SMEs. Likewise, the role of sustainability marketing as a long-term performance driver aligns with Crittenden et al. (2011) and Sarango-Lalangui et al. (2023), emphasizing sustainability as both an ethical commitment and a competitive advantage. Therefore, combining sustainability principles with creative social media strategies is essential for achieving long-term

growth, improving business reputation, and reinforcing customer relationships within the café SME sector.

### Recommendations

Café SMEs should integrate sustainability as a core business philosophy and promote it through social media storytelling on platforms such as Instagram and TikTok to enhance customer engagement and brand identity. Training in digital literacy and sustainability communication is essential, while government and academic support through incentives and capacity-building programs can further strengthen sustainable business practices. Future studies should include other sectors or regions and adopt longitudinal designs to assess long-term impacts.

This study has several limitations, focused only on café SMEs in Jember, limiting generalizability. Qualitative data came from face-to-face interviews with a small number of participants, possibly missing diverse perspectives. The quantitative survey relied on self-reported data via Google Forms, which may introduce response bias. Future research could expand the geographic scope, include multiple industries, use larger and more diverse samples, and adopt longitudinal or experimental designs to better assess causal relationships over time.

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