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DIGITAL CAPABILITY AND DIGITAL LITERACY IN SHAPING PURCHASE INTENTION: THE MEDIATING ROLE OF CULTURAL VALUE

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Abstract

This study aims to examine the effects of digital capability and digital literacy on purchase intention, with cultural value serving as a mediating variable, and to formulate marketing strategies for distinctive batik products in the context of the digital economy. The study employed a mixed-method approach combining quantitative and qualitative methods. Quantitative data were collected through a survey of 200 respondents and analyzed using SEM-PLS. The results indicate that digital capability positively affects cultural value (β=0.458, p=0.000), while digital literacy also positively affects cultural value (β=0.444, p=0.000). Furthermore, digital capability (β=0.322, p=0.000), digital literacy (β=0.410, p=0.000), and cultural value (β=0.287, p=0.000) positively affect purchase intention. Cultural value significantly mediates the relationship between digital capability and purchase intention (indirect effect=0.131, p=0.000) and between digital literacy and purchase intention (indirect effect=0.128, p=0.000).Qualitative data were obtained through interviews, observations, and focus group discussions involving business actors and relevant stakeholders. The findings were subsequently integrated to provide a comprehensive basis for strategic analysis. Quantitative analysis based on expert judgment by the Analytic Hierarchy Process to determine strategic priorities. The strategic analysis indicates that the internal and external conditions support a growth-oriented strategy. AHP identifies digital branding based on cultural identity (0.174) and batik storytelling (0.151) as the highest-priority strategies, followed by improving digital literacy (0.128). These findings imply that managers should prioritize culturally grounded digital branding and storytelling while strengthening digital literacy to enhance marketing effectiveness and purchase intention

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INTRODUCTION

Digital technology has fundamentally reshaped competitive business environments and consumer behavior (Borge & Borge, 2025). Consumers increasingly rely on social media, online marketplaces, and other digital platforms to obtain product information before making purchasing decisions (Agrawal, 2025). This shift creates valuable opportunities for micro, small, and medium enterprises (MSMEs) to expand their market reach at substantially lower costs than conventional marketing approaches. However, the availability of digital technologies does not automatically enhance MSME competitiveness. The ability of business owners to understand digital technologies, integrate them into business processes, and the ability to strategically leverage these resources to deliver customer value has emerged as a crucial factor in

achieving successful digital transformation (Ribeiro, 2022). These challenges are particularly pronounced for MSMEs producing culturally embedded products such as batik. Unlike ordinary consumer goods, batik offers not only functional and aesthetic value but also embodies cultural identity, historical narratives, symbolic meanings, and local heritage (Widagdo et al., 2021). Consequently, the digitalization of batik marketing extends beyond merely utilizing social media or online marketplaces. Effective marketing strategies must communicate both the distinctive characteristics of the product and the cultural significance embedded within it. This approach is essential because cultural value serves as a source of differentiation when local products compete with similar products in increasingly competitive digital marketplaces.

The urgency of this issue is evident in the evolving marketing practices of batik MSMEs across Indonesia. Rokhmania et al. (2023) emphasized the strategic importance of digital marketing for batik MSMEs in responding to changing marketing environments. Similarly, research on batik MSMEs in Pekalongan demonstrated that optimizing digital marketing enhances sales performance and broadens market reach Ula et al. (2025). In another context, the digital transformation of Zulpah Batik Tanjungbumi illustrated that digitalization supports business development, although limitations in human resource capacity remain a significant implementation barrier Laily et al. (2024). These findings indicate that digitalization represents both an opportunity and a challenge for batik-based MSMEs. Comparable issues have also been identified in other batik production centers. Luthfi & Sangaji (2025) highlighted the importance of digital transformation in improving the visibility and market reach of batik MSMEs. Digital marketing assistance provided to batik producers in Pagerukir Village further demonstrated that social media functions as an effective medium for promotion and consumer engagement (Saputri et al., 2023). Conversely, Amalia et al. (2024) reported that limited human resources and insufficient digital media management capabilities remain substantial obstacles to implementing digital marketing in Tedjo Batik MSMEs. Magdalena & Pamungkas (2023) likewise emphasized that digital marketing communication constitutes a crucial component of sustainable marketing development for batik enterprises.

Beyond the availability of digital channels, the effectiveness of digital marketing depends on whether business actors possess sufficient digital literacy to understand, evaluate, and apply digital information strategically (Al Khazraje, 2024). Digital literacy therefore represents an important human capability that can determine how digital resources are translated into meaningful customer value. Patria et al. (2023) found significant relationships among digital technology, digital literacy, digital marketing, and MSME performance. Likewise, Sudirjo et al. (2023) demonstrated that marketing capability and digital marketing contribute positively to marketing performance. Collectively, these studies suggest that emerging technologies generate meaningful business benefits only when entrepreneurs possess the capabilities required to utilize them strategically.

In this study, digital capability refers to the ability of MSMEs to leverage digital technologies in supporting business operations and marketing activities. This capability encompasses the effective use of digital channels, information management, customer interaction, content creation, and the integration of digital technologies into marketing processes. In contrast, digital literacy refers to an individual's ability to understand, use, evaluate, and appropriately apply digital technologies. Distinguishing these two concepts is essential because technology adoption alone does not necessarily reflect an

organization's capacity to optimize digital technologies for strategic business objectives. The relationship between digital factors and consumer behavior has also attracted increasing scholarly attention. Ridha & Budiyanto (2025) demonstrated that the Internet of Things (IoT), digital mindset, and demographic characteristics influence consumer preferences in online transactions. However, their study focused on online purchasing behavior in general rather than culturally distinctive local products. Consequently, empirical evidence explaining how technological factors shape consumers' purchase intentions toward culturally embedded products remains limited.

From a theoretical perspective, the Resource-Based View (RBV) provides a basis for understanding why digital capability and digital literacy may influence the creation of distinctive cultural value. RBV argues that valuable and difficult-to-substitute resources can support competitive advantage (Barney, 1991). In the context of culturally embedded products, digital capability and digital literacy can be viewed as organizational and human resources that enable MSMEs to communicate, preserve, and transform cultural attributes into customer-relevant value. Thus, their contribution may extend beyond direct marketing outcomes to the strengthening of cultural value as a strategic resource.

The relationship between cultural value and purchase intention can also be understood through the Theory of Planned Behavior (TPB). TPB proposes that behavioral intention is shaped by salient beliefs and evaluations that influence attitudes, subjective norms, and perceived behavioral control (Ajzen, 1991). In the context of culturally embedded products, consumers' recognition and evaluation of cultural meaning can form an important belief structure that contributes to their intention to purchase. Accordingly, integrating Cultural Value into the relationship between digital factors and Purchase Intention provides a theoretically grounded explanation of how digital capabilities can be translated into consumer behavioral intentions.

This context becomes particularly relevant in the case of Mojokerto batik. Mojokerto possesses a distinctive historical identity closely associated with the Majapahit civilization, providing substantial potential for product differentiation. Its motifs, symbolic elements, and cultural narratives represent unique product attributes that distinguish Mojokerto batik from batik produced in other regions. Nevertheless, this cultural potential must be communicated effectively to consumers. Within digital environments, consumers engage not only with physical products but also with visual content, stories, symbols, information, and cultural identities constructed through digital media (Baghi & Sadeghi, 2025). Current marketing practices among Mojokerto batik MSMEs indicate that this rich cultural potential has not yet been fully supported by effective digital marketing strategies. Specifically, this study identifies limited technological utilization, underdeveloped online marketing strategies, and insufficient understanding of consumer preferences as key constraints affecting the competitive development of Mojokerto batik.

Widiana & Ferrinadewi (2025), based on a study of 207 batik consumers in Surabaya, found that cultural value influences batik purchasing decisions through consumers' emotional responses. Their findings are particularly important because they demonstrate that cultural value does not necessarily affect purchasing decisions directly. Instead, it operates through an intervening psychological mechanism. This evidence provides a strong theoretical foundation for examining cultural value as a mediating variable linking technological factors to consumers' purchase intentions.

Despite the growing body of literature on MSME digital transformation and batik marketing, several important research gaps remain. First, previous studies have predominantly examined the relationships among digital technology, digital literacy, digital marketing, and business performance. Second, batik-related research has largely focused on digital marketing, marketing communication strategies, marketing assistance programs, or consumption value. Third, studies investigating cultural value have generally positioned it as a determinant of consumption value, emotional attachment, or purchasing decisions, while empirical research examining cultural value as a mediating mechanism between digital capability, digital literacy, and consumer purchase intention remains scarce. Fourth, research on batik MSMEs has generally employed either quantitative or qualitative methods independently. Integrating both approaches is necessary to achieve a more comprehensive understanding of the phenomenon.

However, the quantitative relationships alone cannot fully explain how digital capability and digital literacy are translated into cultural value within actual MSME marketing practices. The significant structural relationships identified through SEM-PLS establish the strength and direction of the relationships, but they do not sufficiently explain the organizational practices, digital constraints, and cultural considerations underlying those relationships. Therefore, the quantitative findings provide a logical basis for a subsequent qualitative investigation into how and why digital capabilities are used to communicate cultural value and how these practices relate to purchase intention. This logic supports the use of an explanatory sequential design, in which quantitative findings are first established and then connected to qualitative data collection to explain, contextualize, and expand the statistical results (Creswell & Plano Clark, 2018).

More specifically, the sequential design enables the quantitative findings to inform the focus of the subsequent interviews, observations, and focus group discussions. The qualitative phase therefore does not represent a separate descriptive analysis, but functions as an explanatory follow-up to identify the mechanisms and contextual conditions behind the observed statistical relationships. Such connecting of quantitative findings to subsequent qualitative inquiry strengthens the integration of both strands and allows the final interpretation to move from statistical association toward a more contextually grounded explanation (Draucker et al., 2020).

The primary contribution of this research lies in integrating technological and cultural perspectives to explain consumer purchase intention toward Mojokerto batik. Rather than merely examining the direct effects of digital capability and digital literacy on purchase intention, this study investigates whether cultural value functions as the underlying mechanism that explains these relationships. By drawing on RBV and TPB, this study conceptualizes digital capability and digital literacy as resources that enable the development and communication of cultural value, while cultural value provides a belief-based mechanism through which digital engagement can contribute to purchase intention. Furthermore, the geographical focus on Mojokerto offers a significant contextual contribution, given the limited empirical evidence concerning the interplay among digital capability, cultural value, and consumer purchase intention in this distinctive batik-producing region. Accordingly, this study aims to analyze the effects of digital capability and digital literacy on cultural value and consumer purchase intention, examine the mediating role of cultural value, and provide an in-depth understanding of the current utilization of digital technologies by batik MSMEs as a foundation for

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developing effective digital marketing strategies.

RESEARCH METHODS

This study employed a mixed methods approach using an explanatory sequential design. This design integrates quantitative and qualitative approaches in a sequential manner. The quantitative phase was conducted first to examine the relationships among the research variables using SEM-PLS. The qualitative phase was subsequently conducted to further explore and explain the quantitative findings based on the actual conditions of batik MSMEs in Mojokerto. Thus, the quantitative phase did not function as an independent stage but served as an empirical foundation for the subsequent qualitative investigation. The quantitative and qualitative findings were then integrated through SWOT and AHP analyses to formulate and prioritize the most relevant and applicable digital marketing strategies.

Based on figure 1, in the quantitative phase, this study tested seven hypotheses:

H1: Digital capability has a positive effect on cultural value (Liao & Kong, 2026).
H2: Digital literacy has a positive effect on cultural value (Zuliyanti & Doyin, 2021).
H3: Digital capability has a positive effect on consumer purchase intention (Nisha, 2026).
H4: Digital literacy has a positive effect on consumer purchase intention (Kocarslan & Stoycheva, 2025).
H5: Cultural value has a positive effect on consumer purchase intention (Tang & Wu, 2024).
H6: Cultural value mediates the effect of digital capability on consumer purchase intention (Suseno & Nguyen, 2023).
H7: Cultural value mediates the effect of digital literacy on consumer purchase intention (Kocarslan & Stoycheva, 2025).

These seven hypotheses constitute an integral part of the research model established in this study.

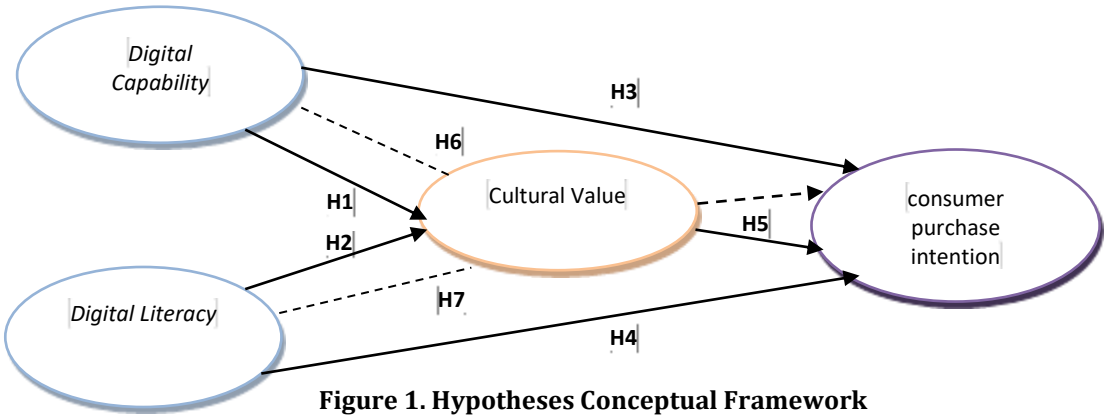


Figure 1. Hypotheses Conceptual Framework

The quantitative data were collected using a structured questionnaire covering four constructs: Digital Capability, Digital Literacy, Cultural Value, and Purchase Intention. Each construct was measured using five indicators, resulting in 20 indicators in total. Responses were measured using a five-point Likert scale. The questionnaire items were adapted from previous studies and adjusted to the context of Mojokerto batik.

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Table 1. Operational Definitions and Measurement of Constructs

Construct	Operational Definition	Number of Indicators
Digital Capability (DC)	The ability to utilize digital technologies to support business operations and marketing activities.	5
Digital Literacy (DL)	The ability to access, understand, evaluate, and use digital information and technologies.	5
Cultural Value (CV)	Consumers' perceptions of the cultural identity, meaning, and significance embodied in Mojokerto batik.	5
Purchase Intention (PI)	Consumers' willingness or intention to purchase Mojokerto batik products.	5

The population in the quantitative phase consisted of consumers who had knowledge of or experience interacting with batik products, particularly Mojokerto batik. The sample comprised 200 batik consumers. The sample size was determined based on the recommendation of Hair et al. (2021), who suggested that a sample of 100 to 200 respondents is adequate for obtaining reliable parameter estimates in PLS-SEM studies. The respondents were selected using purposive sampling. The questionnaire was distributed online through social media, batik enthusiast communities, and marketplace consumers. To ensure that the purposive sampling procedure captured respondents with relevant experience, specific inclusion criteria were applied. Respondents were required to be at least 17 years old, to have purchased, considered purchasing, or interacted with batik products, and to have obtained information about batik through digital media such as social media or online marketplaces. In addition, respondents were required to have sufficient knowledge of or experience with Mojokerto batik to provide informed evaluations of its digital marketing, cultural value, and purchase intention. Respondents who did not meet these criteria or did not complete the questionnaire were excluded from the analysis. The use of criterion-based purposive sampling was intended to ensure that respondents possessed characteristics directly relevant to the research objectives (Palinkas et al., 2015)

The PLS-SEM analysis was performed in two sequential stages. The initial stage focused on assessing the outer model to evaluate the validity and reliability of the measurement instruments. The second stage involved evaluating the inner model to examine the structural relationships among the research variables. The evaluation of the *outer model* included outer loading, convergent validity, discriminant validity, composite reliability, and Cronbach's alpha to assess the internal consistency of the constructs. An *outer loading* value of approximately 0.70 or higher was used as a reference for convergent validity. *Cronbach's alpha* and *composite reliability* values of at least 0.70 were used as indicators of construct reliability (Hair et al., 2021). The *inner model* was evaluated based on the path coefficients, coefficient of determination (R^2), and *effect size* (f^2). Hypothesis testing was performed using the bootstrapping procedure. The significance level was set at 5% ($\alpha = 0.05$). A relationship between variables was considered statistically significant when the *p*-value was below 0.05 and the direction of the coefficient was consistent with the proposed hypothesis. Mediation effects were examined using *indirect effect* analysis.

The qualitative phase was conducted after completion of the quantitative analysis. This phase aimed to provide contextual explanations for the PLS-SEM findings and to describe the actual conditions of digital marketing practices among Mojokerto batik MSMEs. The informants consisted of 6 to 10 Mojokerto batik MSME owners or operators**,** purposively selected based on their involvement in production, marketing, or digital technology utilization. Qualitative data were collected through three techniques:

in-depth interviews, observation, and *Focus Group Discussions* (FGDs). The analysis was conducted through several stages. First, the interview data were transcribed and reviewed repeatedly to identify information relevant to the digital capability, digital literacy, cultural values, and development of Mojokerto batik MSMEs. Second, the relevant statements were coded and grouped into recurring themes. Third, the identified themes were classified into internal and external factors based on their relevance to the SWOT framework. These findings served as inputs for the SWOT-AHP stage. SWOT analysis was employed to map the strategic position of Mojokerto batik MSMEs within the digital marketing environment. *Strengths* (S) and *Weaknesses* (W) represented the internal conditions of the MSMEs, whereas *Opportunities* (O) and *Threats* (T) represented external conditions. The internal and external factors were then used to formulate strategic alternatives through the combinations of SO, WO, ST, and WT strategies. Thus, SWOT analysis served to generate digital marketing strategy alternatives based on the empirical conditions of Mojokerto batik MSMEs.

Operationally, the SWOT analysis was limited to factors identified from the integration of SEM-PLS findings, interviews, observations, and FGDs. Internal factors were classified as Strengths when they represented existing resources, capabilities, or attributes that could support digital marketing, and as Weaknesses when they represented internal limitations that constrained marketing performance. External factors were classified as Opportunities when they represented favorable conditions that could be exploited by the MSMEs, and as Threats when they represented external conditions that could hinder competitiveness or digital marketing development. The SO, WO, ST, and WT strategies were selected because each represents a distinct combination of internal and external conditions. SO strategies were formulated to use existing strengths to exploit external opportunities. WO strategies were formulated to overcome internal weaknesses by taking advantage of available opportunities. ST strategies were formulated to use existing strengths to respond to or reduce external threats. WT strategies were formulated to minimize internal weaknesses and avoid or reduce exposure to external threats. Therefore, these four strategy groups provided the operational basis for converting the identified SWOT factors into strategic alternatives for subsequent AHP prioritization (Kurttila et al., 2000; Lenis Escobar et al., 2020).

The Analytical Hierarchy Process (AHP) was employed to determine the priority of the digital marketing strategies generated through the SWOT analysis (Leana et al., 2025). The AHP procedure involved several steps. First, the study established the primary objective, namely, to determine the priority digital marketing strategies for Mojokerto batik MSMEs. Second, the criteria and subcriteria were developed based on the SWOT analysis and research findings. Third, the strategic alternatives generated from the SWOT analysis were positioned at the alternative level of the hierarchy. Evaluations were conducted through pairwise comparisons to determine the relative importance of each criterion and strategic alternative. The AHP assessment involved six experts consisting of two university lecturers with expertise in marketing and MSME management, two Mojokerto batik MSME practitioners with more than five years of business experience, one social media influencer and one local government officer responsible for MSME development. All experts had direct knowledge of digital marketing and/or Mojokerto batik development. The expert selection considered academic background, professional position, relevant work experience, and familiarity with batik MSME development. These criteria were applied to ensure that the pairwise comparison judgments were provided by individuals with sufficient contextual and

professional knowledge of the strategic problem under evaluation. The use of expert judgment is consistent with the AHP approach, in which decision priorities are derived from structured pairwise comparisons of criteria and alternatives (Saaty, 2008).

The AHP hierarchy consisted of four criteria, namely marketing effectiveness, alignment with cultural value, market expansion, and implementation feasibility. The SWOT groups (SO, WO, ST, and WT) were incorporated as an intermediate level, while the fourteen strategic alternatives generated from the SWOT matrix constituted the alternative level. Thus, AHP did not generate new strategic alternatives independently; rather, it quantitatively prioritized the alternatives previously derived from the SWOT analysis. This sequential procedure ensured that the AHP assessment remained directly connected to the empirical internal and external factors identified in the preceding SWOT analysis (Kurttila et al., 2000).

The consistency of respondents' judgments was assessed using the Consistency Ratio (CR)**.** The judgments were considered consistent when the CR value was within the acceptable threshold of ≤ 0.10. The strategic alternatives were subsequently ranked according to their priority weights. The strategy with the highest weight was identified as the highest-priority strategy for implementation.

RESULTS AND DISCUSSION

The PLS-SEM analysis involved 200 respondents who met the criteria of having knowledge of or experience interacting with batik products. In terms of domicile, respondents from Mojokerto Regency constituted the largest group, followed by those from Mojokerto City. Respondents from other areas of East Java also contributed to the sample. This composition is relevant to the research context because Mojokerto batik is strongly associated with local cultural identity, while its marketing potential extends beyond the Mojokerto area through digital channels.

The measurement model was evaluated based on outer loading, convergent validity, discriminant validity, and construct reliability. As shown in Table 1, all indicators achieved outer loading values above 0,70. Cronbach's Alpha and Composite Reliability values were also above the recommended threshold of 0,70, while the Average Variance Extracted (AVE) values exceeded 0,50. These results indicate that the measurement instruments demonstrate adequate reliability and convergent validity (Hair et al., 2021). To improve the efficiency of the presentation, the indicator loadings and construct-level reliability and validity measures are combined into one measurement model summary table. This consolidation avoids redundancy because both previous tables assessed complementary aspects of the same measurement model.

Table 2. Measurement ModelSummary

Construct	Indicator	Outer Loading	Cronbach's Alpha	Composite Reliability	AVE
Digital Capability	DC1	0,840	0,884	0,915	0,683
	DC2	0,828			
	DC3	0,841			
	DC4	0,782			
	DC5	0,838			
Digital Literacy	DL1	0,842	0,902	0,927	0,719
	DL2	0,868			
	DL3	0,820			
	DL4	0,866			
	DL5	0,842			
Cultural Value	CV1	0,796	0,863	0,901	0,645
	CV2	0,806			
	CV3	0,822			

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	CV4	0,821			
	CV5	0,770			
Purchase Intention	PI1	0,849	0,884	0,915	0,683
	PI2	0,856			
	PI3	0,814			
	PI4	0,835			
	PI5	0,775			

Table 3. Heterotrait-Monotrait Ratio (HTMT)

Construct	Digital capability	Digital literacy	Purchase intention	Cultural value
Digital capability				
Digital literacy	0,126			
Purchase intention	0,574	0,652		
Cultural value	0,575	0,555	0,746	

Table 4. *Fornell-Larcker Criterion*

Construct	Digital capability	Digital literacy	Purchase intention	Cultural value
Digital capability	0,826			
Digital literacy	0,105	0,848		
Purchase intention	0,510	0,585	0,826	
Cultural value	0,505	0,493	0,651	0,803

Discriminant validity in this study was evaluated using HTMT Ratio and Fornell-Larcker Criterion**.** The HTMT values for all pairs of constructs are below the recommended threshold of 0,90, indicating that each construct is empirically distinct from the other constructs in the model. The square root of the AVE for each construct was greater than its correlations with the other constructs. Therefore**,** the HTMT Ratio and Fornell-Larcker criterion for discriminant validity was satisfied**.** The relatively high correlation between Cultural Value and Purchase Intention (0,651) therefore indicates a strong association, but it cannot by itself demonstrate that Cultural Value mediates the relationship between the digital variables and Purchase Intention. The mediation mechanism must be assessed through the structural path coefficients and specific indirect effects. Accordingly, the correlation matrix is interpreted as supporting descriptive evidence, whereas the PLS-SEM structural model provides the basis for testing the proposed relationships and mediation effects.

Table 5. *R-Square Value*

Construct Endogen	R^2	R^2 Adjusted
Cultural value	0,450	0,445
Purchase intention	0,591	0,585

The *inner model* was evaluated to determine the extent to which exogenous constructs explain the endogenous constructs and to assess the strength of the relationships among the variables. The R^2 value for Cultural Value was 0,450, indicating that Digital Capability and Digital Literacy jointly explained 45,0% of the variance in Cultural Value. The remaining 55,0% was attributable to other factors outside the research model. For Purchase Intention, the R^2 value was 0,591, indicating that Digital Capability, Digital Literacy, and Cultural Value collectively explained 59,1% of the variance in Purchase Intention. The remaining 40,9% of the variance was explained by factors not included in the model.

Table 6. *Effect Size* (f^2)

Effect	f^2	Interpretation
Digital capability → Cultural value	0,378	Big
Digital literacy → Cultural value	0,355	Big
Digital capability → Purchase intention	0,182	Medium
Digital literacy → Purchase intention	0,299	Medium
Cultural value → Purchase intention	0,111	Small

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Effect size was used to assess the contribution of each exogenous variable to the increase in the R^2 value of the endogenous constructs. The results showed that Digital Capability had an effect size of 0,378 on Cultural Value. Digital Literacy also demonstrated a relatively strong effect size on Cultural Value, with a value of 0,355. For Purchase Intention, Digital Literacy exhibited the largest effect size at 0,299, followed by Digital Capability at 0,182 and Cultural Value at 0,111. These findings indicate that Digital Literacy makes a relatively greater contribution to Purchase Intention than either Digital Capability or Cultural Value. Meanwhile, Digital Capability was the construct with the largest contribution to Cultural Value.

A significance level of 5% was applied as the criterion for hypothesis assessment. A hypothesis was considered supported when the p-value was below 0,05 and the direction of the coefficient was consistent with the hypothesized relationship.

Table 7. Structural Model and Hypothesis Testing

Hypothesis	Structural Path	Path Coefficient (β)	t-statistic	p-value	Decision
H1	Digital Capability → Cultural Value	0,458	9,137	0,000	Accepted
H2	Digital Literacy → Cultural Value	0,444	8,960	0,000	Accepted
H3	Digital Capability → Purchase Intention	0,322	5,944	0,000	Accepted
H4	Digital Literacy → Purchase Intention	0,410	7,523	0,000	Accepted
H5	Cultural Value → Purchase Intention	0,287	4,562	0,000	Accepted
H6	Digital Capability → Cultural Value → Purchase Intention	0,131	4,171	0,000	Accepted
H7	Digital Literacy → Cultural Value → Purchase Intention	0,128	4,154	0,000	Accepted

The hypothesis testing results showed that Digital Capability had a positive and significant effect on Cultural Value, with a coefficient of 0,458, supporting H1. This finding indicates that greater ability to utilize digital technologies enhances the capacity to integrate technology with cultural values and practices. This result is consistent with Widianto et al. (2026), who explained that digital capability encompasses not only technological aspects but also organizational and cultural dimensions. Accordingly, strengthening digital capability can support the development of a culture that is more adaptive to technological change.

Digital Literacy had a positive and significant effect on Cultural Value, with a coefficient of 0,444, supporting H2. This result indicates that the ability to understand, evaluate, and use digital information can facilitate the application of cultural values within digital environments. This finding is consistent with Karlis Kreslins et al. (2022), who identified a relationship between digital literacy and the development of digital culture. Digital literacy therefore extends beyond technical skills to include the ability to adapt to social and cultural changes resulting from digitalization.

Furthermore, Digital Capability had a positive and significant effect on Purchase Intention, with a coefficient of 0,322, supporting H3. Digital capability enables consumers to obtain product information, compare alternatives, and use digital platforms more effectively. This finding supports Kocarslan & Stoycheva (2025), who found that digital capabilities are positively associated with online purchase intention. Digital Literacy also had a positive and significant effect on Purchase Intention, with a coefficient of 0,410, supporting H4. Consumers with higher levels of digital literacy tend to be better equipped to evaluate product information and transaction risks. This result is consistent with Kocarslan & Stoycheva (2025), who found that digital literacy positively influences online purchase intention through social media use. Cultural Value had a positive and significant effect on Purchase Intention, with a coefficient of 0,287, supporting H5. This finding indicates that the cultural value embedded in a product can

enhance its appeal and consumers' intention to purchase it. This result is consistent with Zong et al. (2023), who demonstrated that cultural elements and cultural identity can shape emotional value, which subsequently strengthens purchase intention.

Taken together, the direct effects indicate that both Digital Capability and Digital Literacy contribute independently to Purchase Intention. The coefficients also show that Digital Literacy has a stronger direct effect on Purchase Intention (β = 0,410) than Digital Capability (β = 0,322). This difference suggests that the ability to understand, evaluate, and use digital information may be particularly important in translating digital exposure into consumers' purchase-related responses. Overall, the findings demonstrate that Digital Capability and Digital Literacy contribute not only to Purchase Intention but also to the strengthening of Cultural Value. These findings suggest that digital transformation in marketing contexts should address digital capabilities while simultaneously maintaining the cultural relevance of products to consumers.

The results showed that Cultural Value significantly mediated the effect of Digital Capability on Purchase Intention, with a specific indirect effect of 0,131 and p = 0,000 < 0,05. Therefore, H6 was supported. This finding indicates that Digital Capability enhances Purchase Intention not only through a direct pathway but also by strengthening Cultural Value. This result is consistent with Lu et al. (2026), who demonstrated that cultural value can function as a mechanism through which perceptions of cultural attributes are translated into purchase intention.

Furthermore, Cultural Value significantly mediated the effect of Digital Literacy on Purchase Intention, with a specific indirect effect of 0,128 and p = 0,000 < 0,05. Thus, H7 was supported. This finding indicates that Digital Literacy can increase Purchase Intention not only through consumers' ability to access and evaluate information but also through their understanding of the cultural values embedded in the product. This result is consistent with Kocarslan & Stoycheva (2025), who found that Digital Literacy influences Purchase Intention both directly and through a mediating mechanism. Because the direct effects of Digital Capability and Digital Literacy on Purchase Intention remained significant, while their indirect effects through Cultural Value were also significant and positive, both relationships indicate partial mediation, or complementary mediation.

More specifically, Digital Capability has a significant direct effect on Purchase Intention (β = 0,322, p < 0,001) and a significant positive indirect effect through Cultural Value (β = 0,131, p < 0,001). Similarly, Digital Literacy has a significant direct effect on Purchase Intention (β = 0,410, p < 0,001) and a significant positive indirect effect through Cultural Value (β = 0,128, p < 0,001). The simultaneous significance and positive direction of the direct and indirect effects provide statistical evidence of complementary partial mediation.

The term complementary partial mediation indicates that Cultural Value explains part, but not all, of the relationship between the digital variables and Purchase Intention. In other words, Digital Capability and Digital Literacy influence Purchase Intention through their respective direct pathways, while Cultural Value provides an additional pathway through which these digital factors contribute to Purchase Intention. Cultural Value therefore complements rather than replaces the direct contribution of the digital variables. This interpretation follows the mediation framework of Zhao et al. (2010), which emphasizes the joint interpretation of direct and indirect effects in determining the nature of mediation.

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This finding is consistent with Widiana & Ferrinadewi (2025), who found that cultural value influences batik purchasing decisions through consumers' emotional responses. Cultural value can strengthen consumers' emotional attachment to batik products and reinforce their perception of cultural meaning. The complementary mediation finding also has an important substantive implication. Digital transformation alone is insufficient to maximize Purchase Intention. Digital Capability and Digital Literacy become more effective when they are used to communicate cultural meaning and strengthen consumers' perceptions of the cultural value of Mojokerto batik. Therefore, the statistical evidence suggests that digital and cultural dimensions should be managed simultaneously rather than as separate marketing activities. Thus, Cultural Value serves as a partial mechanism connecting digital capability and digital literacy with consumer purchase intention. This finding reinforces the importance of integrating digital marketing strategies with cultural narratives in promoting Mojokerto batik.

The SEM-PLS findings provided the empirical basis for identifying strategic factors in the subsequent SWOT analysis. Digital Capability and Digital Literacy were positioned as internal factors reflecting the capabilities of MSMEs, while Cultural Value was positioned as a source of competitive advantage for Mojokerto batik products. The observations and interviews identified 20 strategic factors, comprising 10 internal factors and 10 external factors.

Table 8. SWOT Internal Factor

Kode	Internal Factor	Category
S1	Batik motifs embody Mojokerto's cultural and historical identity	*Strength*
S2	Cultural value enhances product appeal	*Strength*
S3	Products have strong potential for differentiation based on local wisdom	*Strength*
S4	MSME owners have begun utilizing social media	*Strength*
S5	Digital capability can support market expansion	*Strength*
W1	Digital capabilities among MSME owners remain uneven	*Weakness*
W2	Social media management is not yet consistent	*Weakness*
W3	Digital content rarely highlights cultural value	*Weakness*
W4	Photography, videography, and copywriting skills remain limited	*Weakness*
W5	Marketplace utilization remains suboptimal	*Weakness*

From an internal perspective, the greatest strength lies in the product characteristics. Mojokerto batik has strong differentiation potential because it embodies local cultural identity and historical heritage. This characteristic is particularly significant given that the PLS-SEM results demonstrated a positive effect of Cultural Value on Purchase Intention. Conversely, the primary weaknesses concern human resources and digital marketing management. The use of social media has not always been accompanied by a well-planned content strategy.

Table 9. SWOT External Factor

Kode	External Factor	Category
O1	Growing use of social media and online marketplaces	*Opportunity*
O2	Consumers are increasingly accustomed to searching for product information digitally	*Opportunity*
O3	Potential to expand the batik market beyond Mojokerto	*Opportunity*
O4	Opportunities to develop cultural storytelling through digital media	*Opportunity*
O5	Government support for MSME digitalization	*Opportunity*
T1	Competition from batik products from other regions	*Threat*
T2	Price competition in online marketplaces	*Threat*
T3	Changes in social media trends and algorithms	*Threat*
T4	Limited capital for digital marketing	*Threat*
T5	Risk of losing cultural context in commercial content	*Threat*

The greatest opportunity arises from the growth of the digital economy. Social media and online marketplaces provide Mojokerto batik MSMEs with opportunities to

reach consumers beyond the local market. However, digitalization also intensifies competition. Therefore, Mojokerto batik requires differentiation based not only on price but also on cultural identity.

In the IFAS and EFAS matrices, each internal factor is assigned a weight ranging from 0 to 1. The total weight across all factors must equal 1. Ratings are assigned on a scale from 1 to 4.

Table 10. *Internal Factor Analysis Summary* (IFAS)

Kode	Internal Factor	Weight	Rating	Score
S1	Cultural and historical identity	0,120	4	0,480
S2	Cultural value enhances product appeal	0,110	4	0,440
S3	Differentiation based on local wisdom	0,095	4	0,380
S4	Social media utilization	0,080	3	0,240
S5	Digital capability for market expansion	0,095	3	0,285
W1	Uneven digital capabilities	0,110	2	0,220
W2	Inconsistent social media management	0,095	2	0,190
W3	Suboptimal cultural content	0,105	1	0,105
W4	Limited digital content production skills	0,095	2	0,190
W5	Suboptimal marketplace utilization	0,095	2	0,190
Total		1,000		2,720

The total IFAS score of 2,720 exceeds the midpoint of 2,50, indicating that the internal condition of Mojokerto batik MSMEs is relatively stronger than their weaknesses. The highest-scoring factor was cultural and historical identity, with a score of 0,480. This position indicates that cultural identity represents a key strategic asset that can be leveraged in digital marketing. Meanwhile, the weaknesses with relatively high weights include limited digital capabilities and the suboptimal development of content that highlights cultural value.

Table 11. External Factor Analysis Summary (EFAS)

Kode	External Factor	Weight	Rating	Score
O1	Growing use of social media and online marketplaces	0,120	4	0,480
O2	Consumers are increasingly accustomed to searching for product	0,100	3	0,300
O3	Potential to expand the batik market beyond Mojokerto	0,110	4	0,440
O4	Opportunities to develop cultural storytelling through digital media	0,115	4	0,460
O5	Government support for MSME digitalization	0,085	3	0,255
T1	Competition from batik products from other regions	0,120	2	0,240
T2	Price competition in online marketplaces	0,095	2	0,190
T3	Changes in social media trends and algorithms	0,085	2	0,170
T4	Limited capital for digital marketing	0,085	2	0,170
T5	Risk of losing cultural context in commercial content	0,085	2	0,170
Total		1,000		2,875

The total EFAS score of 2,875 indicates that the available external opportunities are relatively greater than the pressures faced by the MSMEs. This score also suggests that MSMEs have considerable opportunities to develop digital economy-based marketing. The highest-scoring opportunity was the growth of social media and online marketplaces, with a score of 0,480, followed by digital cultural storytelling, with a score of 0,460.

The IFAS and EFAS results were used to determine the strategic position of the MSMEs. Because both the internal and external scores exceeded 2,50, the MSMEs were positioned in a relatively strong internal condition with favorable external opportunities. Conceptually, this position supports a growth strategy. The PLS-SEM results further demonstrated that Cultural Value has a significant effect on Purchase Intention. Therefore, growth should be pursued through digital differentiation grounded in cultural value.

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Table 12. Alternative Strategy SWOT

Strategy	Formulation
SO1	Develop digital branding for Mojokerto batik based on cultural and historical identity
SO2	Utilize social media and online marketplaces to expand the market beyond Mojokerto
SO3	Develop digital storytelling on the history and philosophy of batik motifs
SO4	Integrate cultural content with product promotion through social media
WO1	Enhance the digital literacy of MSME owners through digital marketing training
WO2	Improve skills in photography, videography, copywriting, and storytelling
WO3	Develop an integrated online marketplace management system
WO4	Establish collaboration among MSMEs, government institutions, universities, and communities
ST1	Leverage cultural identity as a source of differentiation in competing with batik products from other
ST2	Establish consistent brand positioning for Mojokerto batik across digital channels
ST3	Develop educational content to strengthen consumer engagement
WT1	Develop a digital content management calendar and standardized content guidelines
WT2	Develop digital human resource capabilities before expanding marketing channels
WT3	Establish cultural communication standards for all marketing content

Among the 14 strategic alternatives, SO strategies were the most dominant. This finding is consistent with the IFAS-EFAS position, which indicates relatively strong internal capabilities and favorable external opportunities.

After generating strategic alternatives through the SWOT analysis, the next stage involved determining their priorities using AHP. In this study, four groups of criteria were employed, as presented in Table 11. The analysis results showed that marketing effectiveness received the highest weight at 0,328. This finding indicates that the expert informants prioritized strategies capable of generating tangible impacts on marketing activities. Alignment with cultural values received a weight of 0,287. This relatively high weight reinforces the PLS-SEM findings, which demonstrate that Cultural Value plays an important role in shaping Purchase Intention.

Table 13. AHP Weight Criteria

Criteria	Weight	Priority
Marketing effectiveness	0,328	1
Alignment with cultural value	0,287	2
Market expansion	0,221	3
Implementation feasibility	0,164	4
Total	1,000	

Table 14. Strategic Priorities for Each SWOT Group

Group	Weight
SO	0,470
WO	0,309
ST	0,155
WT	0,066
Total	1,000

The SO strategy received the highest priority weight of 0,470. This finding reinforces the strategic position of Mojokerto batik MSMEs within the growth quadrant. The WO strategy ranked second, with a weight of 0,309. This strategy remains important because MSMEs continue to face limitations in digital capabilities.

Table 15. AHP Strategic Priority

Rank	Strategy	Weight	Priority
1	SO1: Digital branding based on cultural identity	0,162	Very High
2	SO3: Storytelling of batik history and philosophy	0,141	Very High
3	WO1: Enhancement of MSME digital literacy	0,119	High
4	SO2: Optimization of social media and online marketplaces	0,108	High
5	WO2: Development of digital content production capabilities	0,092	High
6	ST1: Differentiation based on cultural identity	0,077	High
7	WO4: Digital ecosystem collaboration	0,066	Moderate
8	SO4: Integration of cultural content and product promotion	0,059	Moderate

9	ST2: Digital brand positioning	0,042	Moderate
10	ST3: Educational content and consumer engagement	0,036	Moderate
11	WO3: Online marketplace integration	0,032	Moderate
12	WT1: Digital content calendar	0,026	Low
13	WT2: Phased development of human resources	0,023	Low
14	WT3: Cultural communication standards	0,017	Low
Total		1,000	

The AHP ranking also provides a direct managerial response to the operational problems identified in the SWOT analysis. Digital branding based on cultural identity ranked first with a weight of 0,162, followed by digital storytelling with a weight of 0,141. These results indicate that the cultural and historical identity of Mojokerto batik should become the central content of digital marketing rather than merely an additional promotional attribute. The second-ranked digital storytelling strategy directly addresses several operational weaknesses identified among the MSMEs. The SWOT analysis identified limited cultural content in digital marketing (W3), limited photography, videography, and copywriting capabilities (W4), and inconsistent social media management (W2). These weaknesses indicate that the problem is not simply the absence of digital platforms but the limited ability to produce relevant and consistent digital content. Digital storytelling provides an operational mechanism for addressing this problem by converting cultural assets into structured and repeatable content.

For example, MSMEs can develop content around the origin and meaning of Mojokerto batik motifs, the historical connection with Majapahit, the production process, the role of local artisans, and the cultural values embedded in each product. These themes can then be adapted into short videos, photographs, captions, marketplace descriptions, and educational social media posts. Such an approach allows one cultural narrative to be reused across multiple digital channels while reducing the difficulty of creating unrelated promotional content on a continuous basis.

The AHP ranking therefore has a direct operational implication. MSMEs do not need to begin digital transformation by adopting more sophisticated technologies. They can first organize existing cultural knowledge into a structured content system, improve basic content-production skills, and distribute the resulting stories through social media and marketplaces. This approach directly connects SO1 and SO3 with WO1 and WO2, because cultural branding and storytelling require improvements in digital literacy and digital content-production capabilities. This finding is consistent with Tsai (2020), who demonstrated that storytelling advertising can influence consumers' purchase intention through the construction of brand-related meanings. In the context of Mojokerto batik, storytelling can therefore function as a bridge between the cultural resources owned by MSMEs and the digital communication capabilities required to reach consumers.

Improving digital literacy ranked third, with a weight of 0,119. This finding is consistent with the PLS-SEM results, which showed that Digital Literacy affects both Cultural Value and Purchase Intention. Kocarslan & Stoycheva (2025) found that Digital Literacy positively affects online purchase intention, with social media use serving as one mechanism that strengthens this relationship. These findings highlight the importance of enhancing MSME owners' capabilities in managing product catalogs, content, customer interactions, promotional activities, and other digital marketing.

The optimization of social media and online marketplaces received a weight of 0,108 and ranked fourth. This strategy provides an implementation platform for digital branding and storytelling. Wibawa et al. (2022) demonstrated that social media utilization provides benefits for MSME marketing activities in Indonesia. This finding is

further supported by Santika & Suardana (2025), who found that e-marketplace utilization positively affects MSME marketing performance. Accordingly, social media can be strategically employed to build awareness and engagement, while online marketplaces can facilitate transactions.

Culture-based differentiation received a weight of 0,077. This strategy indicates that cultural value can serve as a source of differentiation in the highly competitive marketplace environment. Zong et al. (2023) demonstrated that cultural symbols and cultural identity can enhance consumers' emotional value and subsequently increase Purchase Intention. In the context of Mojokerto batik, differentiation can be developed through motifs, cultural philosophies, historical narratives, and Majapahit identity. Competition can therefore be based not only on price but also on the distinctive value and meaning embedded in the product.

The AHP priorities can be translated into a practical implementation sequence for Mojokerto batik MSMEs. First, digital branding based on cultural identity should establish a consistent brand position based on Mojokerto's cultural and historical identity. Second, digital storytelling should translate this identity into systematic content to address the weaknesses in cultural content and content-production capabilities. Third, digital literacy training should strengthen the ability of MSME owners and employees to create, manage, and evaluate digital content. Fourth, social media and marketplace optimization should expand the distribution of the resulting content and facilitate consumer access to the products. This sequence provides a direct link between the AHP priorities and the operational problems identified through the SWOT analysis.

Overall, the SWOT-AHP results indicate that strategies centered on cultural identity and cultural value should receive the highest priority in developing digital marketing for Mojokerto batik. This finding reinforces the PLS-SEM results, demonstrating that digital capabilities can generate stronger effects on Purchase Intention when they are strategically used to communicate and strengthen Cultural Value.

Table 16. Consistency Ratio

Comparison Matrix	λmax	CI	CR	Description
Criteria	4,081	0,027	0,030	Consistent
SWOT Groups	4,102	0,034	0,038	Consistent
Strategic Alternatives	14,892	0,068	0,047	Consistent

In AHP, the consistency of judgments is an important consideration. All CR values were below 0,10. Therefore, the pairwise comparison matrices satisfied the AHP consistency criterion. The CR value of 0,030 for the criteria indicates a very high level of consistency. Similarly, the CR values of 0,038 for the SWOT groups and 0,047 for the strategic alternatives remained within the acceptable threshold.

Table 17. Integration of Quantitative and Strategic Findings

SEM-PLS Results	Strategic Implication	Strategy SWOT-AHP
DC → CV significant	Technology should be used to strengthen cultural identity	SO1, SO3
DL → CV significant	Human resources need the ability to understand and manage digital information	WO1
DC → PI significant	Strengthening digital channels can increase purchase intention	SO2
DL → PI significant	Digital literacy is an important factor in marketing	WO1, WO2
CV → PI significant	Culture can serve as a source of differentiation	SO1, ST1

DC → CV → PI significant	Digital capability operates through the strengthening of cultural value	SO1, SO3
DL → CV → PI significant	Digital literacy enhances the utilization of cultural information	WO1, SO3

The SEM-PLS and SWOT-AHP findings provide complementary insights. This synthesis demonstrates that the priority strategies were not selected solely on the basis of intuition. Instead, they were derived from the empirical relationships identified through the SEM-PLS analysis and subsequently integrated with the internal and external conditions of the MSMEs.

CONCLUSION

Digital Capability and Digital Literacy are associated with Purchase Intention both directly and through Cultural Value. The significant direct and indirect effects indicate complementary partial mediation, showing that digital capabilities can strengthen consumer purchase intention partly by reinforcing the cultural value communicated through Mojokerto batik. Thus, digital transformation in culturally embedded MSMEs involves not only technology adoption but also the strengthening and communication of cultural value.

From a managerial perspective, the SWOT-AHP analysis identified five priority strategies: digital branding based on cultural identity, storytelling of batik history and philosophy, enhancement of digital literacy, optimization of social media and online marketplaces, and development of digital content creation capabilities. These priorities directly address the main operational challenges of Mojokerto batik MSMEs, particularly uneven digital capabilities, inconsistent social media management, and limited cultural and visual content.

This study is limited by the use of purposive and cross-sectional sampling, the context-specific focus on Mojokerto batik MSMEs, and the dependence of AHP priorities on expert judgments. Future research should test the model in other cultural MSME contexts, use longitudinal or comparative approaches, and consider additional factors such as brand authenticity, consumer engagement, and digital content quality.

Statetmen on the Use of Artificial Intelligence

Artificial intelligence tools were utilized in preparing this manuscript exclusively for grammar correction and editorial refinement to improve clarity and readability. The authors retain full responsibility for the manuscript's accuracy, originality, integrity, and scholarly content. All material generated or refined with AI assistance was carefully reviewed and verified by the authors prior to submission.

Conflicts of Interestt

The authors declare no conflict of interest.

Autors Contributions

Conceptualization, Sugeng Eko Yuli and Mokhammad Ridha; data collection, Mohamad Johan Efendi; data validation, Mokhammad Ridha; formal analysis, Sugeng Eko Yuli and Mohamad Johan Efendi; writingoriginal draft preparation, All Authors; writing—review and editing, Mokhammad Ridha; visualization, Mohamad Johan Efendi. All authors have read and approved the final version of the manuscript.

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