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Digital Marketing Capabilities, Innovation Capabilities, and Omnichannel Integration Quality on Digital Marketing Performance via Customer Value Co-creation: A Systematic Literature Review

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Abstract

Digital transformation has fundamentally changed the marketing paradigm, moving organizations beyond simply delivering information toward technology-driven ecosystems that emphasize data, innovation, channel integration, and customer participation as important sources of value. This transformation requires organizations to develop digital capabilities that effectively connect technological resources with evolving customer needs. This study aims to synthesize existing literature on the relationships among Digital Marketing Capability, Innovation Capability, Omnichannel Integration Quality, Customer Value Co-Creation Behavior, and Digital Marketing Performance, while proposing a conceptual framework that explains how these constructs are interconnected. A Systematic Literature Review was conducted through several stages, including literature identification, selection, quality assessment, data extraction, and synthesis of findings from previous studies. Relevant literature was obtained from academic databases and search engines using combinations of keywords associated with Digital Marketing Capability, Innovation Capability, omnichannel integration, Customer Value Co-Creation, and marketing performance. The review primarily considered scholarly journal articles published from 2020 to 2026, complemented by seminal studies to establish construct definitions and theoretical foundations. The findings indicate that Digital Marketing Capability enables organizations to effectively combine technology, data, and marketing activities, while Innovation Capability supports the continuous development of services and processes. Meanwhile, Omnichannel Integration Quality contributes to a consistent and seamless customer experience. Together, these capabilities can encourage Customer Value Co-Creation Behavior, which functions as a key mechanism for improving Digital Marketing Performance. Grounded in Dynamic Capability Theory, the study proposes an integrative conceptual model and highlights future research opportunities, particularly in digital public services and utility platforms such as New PLN Mobile.

Keywords: Digital Marketing Capability; Innovation Capability; Omnichannel Integration Quality; Customer Value Co-Creation; Digital Marketing Performance

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INTRODUCTION

Digital transformation has reshaped how organizations create, deliver, and capture value. Digital technology has now become a strategic capability for gaining customer insights, fostering innovation, integrating service channels, and building stronger interactions. In this context, Digital Marketing Capability (DMC) is understood as the ability to integrate technology, data, analytics, media, and digital platforms.

Homburg and Wielgos (2022) demonstrate that digital transformation drives companies to develop new digital marketing capabilities. Based on cross-industry research, DMC contributes significantly to profitability beyond traditional marketing capabilities. Apasrawirote et al. (2022), through a review of 143 articles from 57 journals, confirm that the DMC concept still requires further development, particularly regarding its dimensions and organizational outcomes.

Another relevant capability is innovation capability—an organization's ability to generate and implement innovations across products, services, processes, technologies, and customer experiences. Hiong et al. (2020) found that "Techno-Resonance Innovation Capability" plays a crucial role in enhancing the marketing performance of MSMEs in West Kalimantan. These findings underscore the necessity of communicating innovations so that their value can be perceived by the market.

Digitalization drives customers to interact via apps, websites, social media, contact centers, and physical channels. Consequently, organizations require Omnichannel Integration Quality (OCIQ) to ensure consistency across information, transactions, processes, and customer experiences. Gao and Huang (2021) demonstrate that OCIQ positively influences customer engagement and receptiveness to relationship programs, which in turn fosters customer loyalty.

The shift in marketing paradigms positions the customer as an actor in value creation. The concept of Customer Value Co-Creation Behavior (CVCB) was developed by Yi and Gong (2013) through two dimensions: customer participation behavior and customer citizenship behavior. These behaviors encompass information seeking, information sharing, responsible behavior, personal interaction, feedback, advocacy, helping, and tolerance, all of which can be manifested through digital interactions.

An academic issue arises because DMC, Innovation Capability, OCIQ, and CVCB are frequently examined in isolation, even though organizational capabilities do not necessarily translate directly into Digital Marketing Performance. These capabilities can be converted through value co-creation with customers. Therefore, this study employs a Systematic Literature Review to construct a model: Organizational Digital Capabilities → Customer Value Co-Creation → Digital Marketing Performance within the context of New PLN Mobile.

Dynamic Capability Theory serves as the primary theoretical lens for this study. This theory explains an organization's ability to integrate, build, and reconfigure internal and external resources to adapt to a changing environment.

In the digital context, technological and customer behavior changes occur rapidly. Therefore, organizational excellence is determined not merely by the technological resources possessed, but by the organization's ability to transform those resources into relevant capabilities.

In this research model, DMC, Innovation Capability, and OCIQ are positioned as capabilities that enable organizations to engage in sensing, seizing, and transforming/reconfiguring. These three capabilities create conditions that allow customers to participate in the value co-creation process. The research's theoretical framework can be formulated as follows: Dynamic Capability → Digital Organizational Capabilities → Customer Value Co-Creation → Digital Marketing Performance.

RESEARCH METHODS

The study employs the Systematic Literature Review (SLR) method. SLR was selected because the research does not aim to collect primary data but rather to identify patterns, relationships, gaps, and theoretical developments in existing research. The review process comprises five stages: 1) literature identification, 2) screening, 3) eligibility evaluation, 4) quality assessment, and 5) thematic synthesis.

Table 1. Research Questions

Code	Research Question
RQ1	How has the concept of Digital Marketing Capability evolved?
RQ2	How does Digital Marketing Capability relate to Digital Marketing performance?
RQ3	How does Innovation Capability contribute to marketing performance and value creation?
RQ4	How does Omnichannel Integration Quality influence Customer Engagement and customer behavior?
RQ5	How is Customer Value Co-Creation Behavior conceptualized and measured?
RQ6	How does CVCB function as a mechanism linking organizational capabilities and performance?
RQ7	How does Dynamic Capability Theory explain the relationships between the constructs?
RQ8	What are the research gaps and the agenda for future research?

The search was conducted using a combination of keywords: Query 1, "Digital Marketing Capability" AND "Marketing performance"; Query 2, "Digital Marketing Capability" AND "Customer Value Co-Creation"; Query 3, "Innovation Capability" AND "Marketing performance"; Query 4, "Innovation Capability" AND "Customer Value Co-Creation"; Query 5, "Omnichannel Integration Quality" AND "Customer Engagement"; Query 6, "Omnichannel Integration Quality" AND "Marketing performance"; Query 7, "Customer Value Co-Creation Behavior" AND "Digital Marketing"; and Query 8, "Dynamic Capability" AND "Digital Marketing Capability." The primary publication timeframe was 2020–2026, although articles published prior to 2020 were included if they were seminal works defining specific constructs or theories.

Table 2. Selection Criteria

Criteria	Inclusion	Exclusion
Year	2020–2026	Outside the period, except for seminars
Language	English/Indonesian	Other languages
Publication	Peer-reviewed journal articles	Blogs, news articles, and irrelevant proceedings
Topic	DMC, Innovation Capability, OCIQ, CVCB, marketing performance	Unrelated topics
Context	Digital service, retail, platform, public service, utility	Irrelevant contexts
Access	Full text/abstract can be verified	Cannot be verified
Method	Empirical, conceptual, systematic review	Non-academic

Since the verifiable search process in this study utilized multiple open academic sources and targeted search results, the PRISMA figures are not presented as Scopus/WoS counts derived directly from database exports. Instead, the studies included in the final synthesis were

selected based on their direct relevance to the five research constructs and are verifiable via the respective journal or publisher websites.

Table 3. Main Literature Used in the Synthesis

No	Study	Year	Main Construct	Relevant Findings
1	Homburg & Wielgos	2022	Digital Marketing Capabilities (DMC) → *Performance*	DMC enhances profitability beyond traditional marketing capabilities.
2	Apasrawirote et al.	2022	Digital Marketing Capabilities (DMC)	The review shows that DMC has evolved but still requires conceptual integration.
3	Herhausen et al.	2020	*Digital Marketing Capabilities*	Identifies gaps in digital marketing capabilities.
4	Gao & Huang	2021	Omnichannel Customer Interaction Quality (OCIQ) → *Engagement* → *Loyalty*	OCIQ enhances customer engagement and loyalty.
5	Gao et al.	2021	*Channel Integration* → *Customer Experience*	Channel integration improves customer experience.
6	Hiong et al.	2020	*Innovation Capability* → *Marketing Performance*	*Innovation Capability* plays an important role in improving *marketing performance*.
7	Heng et al.	2020	*Service Innovation Capability* → *Marketing Performance*	*Service Innovation Capability* serves as a strategic bridge toward performance.
8	Tian et al.	2021	*Value Co-Creation, Innovation, Performance*	Value co-creation is associated with performance and *Innovation Capability*.
9	Song et al.	2022	Customer Value Co-Creation Behavior (CVCB)	Customer engagement and citizenship behavior shape value co-creation.
10	Yi & Gong	2013	Customer Value Co-Creation Behavior (CVCB)	Develops eight dimensions of CVCB.
11	Rosita	2024	Omnichannel Customer Interaction Quality (OCIQ) → *Engagement* → *Loyalty*	Supports the importance of OCIQ in *Customer Engagement*.
12	Chen et al.	2022	*Value Co-Creation* → *Channel Performance*	Value co-creation improves economic and relational performance.

Evidence for DMC comes from Homburg and Wielgos as well as the review by Apasrawirote et al. Evidence regarding OCIQ comes from Gao and Huang and Gao et al. Evidence regarding Innovation Capability comes from, among others, Hiong et al. and Heng et al. Meanwhile, the relationship between co-creation and performance is strengthened by research by Tian et al. and research on value co-creation on e-commerce platforms. Quality assessment is conducted based on four aspects:

1. clarity of research objectives;
2. clarity of the theoretical framework;
3. appropriateness of the methodology;
4. relevance of findings to the research questions.

Rating scale: 2 = excellent; 1 = adequate; 0 = inadequate

Table 4. Quality Appraisal of the Main Literature

Study	Objective	Theory	Method	Relevance	Total
Homburg & Wielgos (2022)	2	2	2	2	8
Apasrawirote et al. (2022)	2	2	2	2	8

Gao & Huang (2021)	2	2	2	2	8
Gao et al. (2021)	2	2	2	2	8
Hiong et al. (2020)	2	2	2	2	8
Heng et al. (2020)	2	2	2	2	8
Tian et al. (2021)	2	2	2	2	8
Song et al. (2022)	2	2	2	2	8
Chen et al. (2022)	2	2	2	2	8

These articles serve as the primary evidence, while the seminal work of Yi and Gong provides the foundation for the CVCB construct. Yi and Gong empirically developed the multidimensional CVCB construct, comprising participation behavior and citizenship behavior.

RESULT AND DISCUSSION

A. Evolution of Digital Marketing Capability

A synthesis of the literature indicates that the concept of Digital Marketing Capability (DMC) has shifted from the mere use of marketing technologies toward a strategic capability. Homburg and Wielgos found that DMC contributes to firm profitability even after accounting for traditional marketing capabilities. This finding carries significant theoretical implications: DMC is not merely an operational capability but can function as a strategic organizational capability. In the context of this study, DMC is understood through four specific capabilities: 1) technology utilization, 2) customer data utilization, 3) digital interaction capability, 4) digital marketing integration. Therefore: Proposition 1: The higher the Digital Marketing Capability, the greater the organization's ability to generate digital marketing performance.

B. Innovation Capability and Marketing Performance

Hiong et al. demonstrated that "techno-resonance" innovation capability plays a crucial role in enhancing marketing performance. However, the study also indicated that innovation alone is insufficient if the value of the innovation fails to be accepted by and resonate with the market. Heng et al. further showed that service innovation capability can serve as a strategic bridge between customer orientation and marketing performance. These findings offer a vital insight:

Innovation → Value → Performance, rather than merely: Innovation → Performance. In other words, innovation must generate value that is understood and utilized by customers. Proposition 2: Innovation capability enhances digital marketing performance when the innovation is capable of creating and communicating value to customers.

C. Omnichannel Integration Quality and Customer Engagement

Gao and Huang found that OCIQ positively influences customer engagement and receptiveness to relationship programs, subsequently contributing to customer loyalty. Gao et al. also demonstrated that channel integration can enhance the customer experience. Thus, OCIQ is not merely a matter of back-end technology.

OCIQ creates a progression of: Consistency → Convenience → Seamlessness → Engagement. In the context of the New PLN Mobile, this integration ensures that customers do not lose information when transitioning between the app, website, contact center, social media, and physical service points. Proposition 3: Omnichannel Integration Quality enhances customer value co-creation behavior by creating a seamless and consistent customer experience.

D. Customer Value Co-Creation Behavior as a Mechanism

CVCB is the most important element in the conceptual model. Yi and Gong demonstrated that CVCB comprises eight forms of behavior categorized into two main

dimensions: customer participation behavior and customer citizenship behavior. In a digital context, these forms of behavior can be interpreted as described in the following table:

Table 5. Forms of CVCB Behavior

Dimension	Implementation in the New PLN Mobile
Information Seeking	Seeking service-related information
Information Sharing	Providing information about service disruptions
Responsible Behavior	Following service procedures
Personal Interaction	Interacting through the application
Feedback	Providing ratings and suggestions
Advocacy	Recommending the application
Helping	Assisting other users
Tolerance	Understanding service-related difficulties

The model aligns closely with the blueprint outlined in the research proposal. Song et al. demonstrate that customer engagement behavior and citizenship behavior play a significant role in the co-creation process within social media-based brand communities. Thus: Proposition 4: Customer Value Co-Creation Behavior is a behavioral mechanism that transforms customer digital interactions into value creation for both the organization and the customer.

E. CVCB and Digital Marketing Performance

Value co-creation yields benefits that extend beyond the customer. Active customers: 1) provide information; 2) offer feedback; 3) make recommendations; 4) assist other customers; and 5) interact with the organization, thereby generating customer-generated marketing resources. Consequently, customers have the potential to act as users, evaluators, innovators, advocates, and information providers. Thus, Proposition 5 states: Customer Value Co-Creation Behavior has a positive effect on digital marketing performance.

F. Integrative Relationships Among the Five Constructs

The synthesis reveals that the relationships among the five constructs should not be viewed merely as a collection of independent, linear connections. Instead, they form a capability–engagement–performance mechanism:

Stage 1 is Capability, representing organizational development. It consists of: 1) Digital Marketing Capability, 2) Innovation Capability, and 3) Omnichannel Integration Quality. Stage 2 is Customer Activation, where in these capabilities create the conditions for: 1) engagement, 2) interaction, 3) feedback, 4) participation, 5) advocacy, and 6) helping. Stage 3 is Value Creation, characterized by Customer Value Co-Creation; and Stage 4 is Performance, resulting in: 1) engagement, 2) satisfaction, 3) retention, 4) acquisition, 5) conversion, and 6) digital marketing effectiveness.

G. Conceptual Model of SLR Results

The model yields seven key propositions.

Table 6. Seven Main Propositions

Code	Proposition
P1	DMC → CVCB
P2	*Innovation Capability* → CVCB
P3	OCIQ → CVCB
P4	DMC → *Digital Marketing Performance*
P5	*Innovation Capability* → *Digital Marketing Performance*
P6	OCIQ → *Digital Marketing Performance*
P7	CVCB → *Digital Marketing Performance*

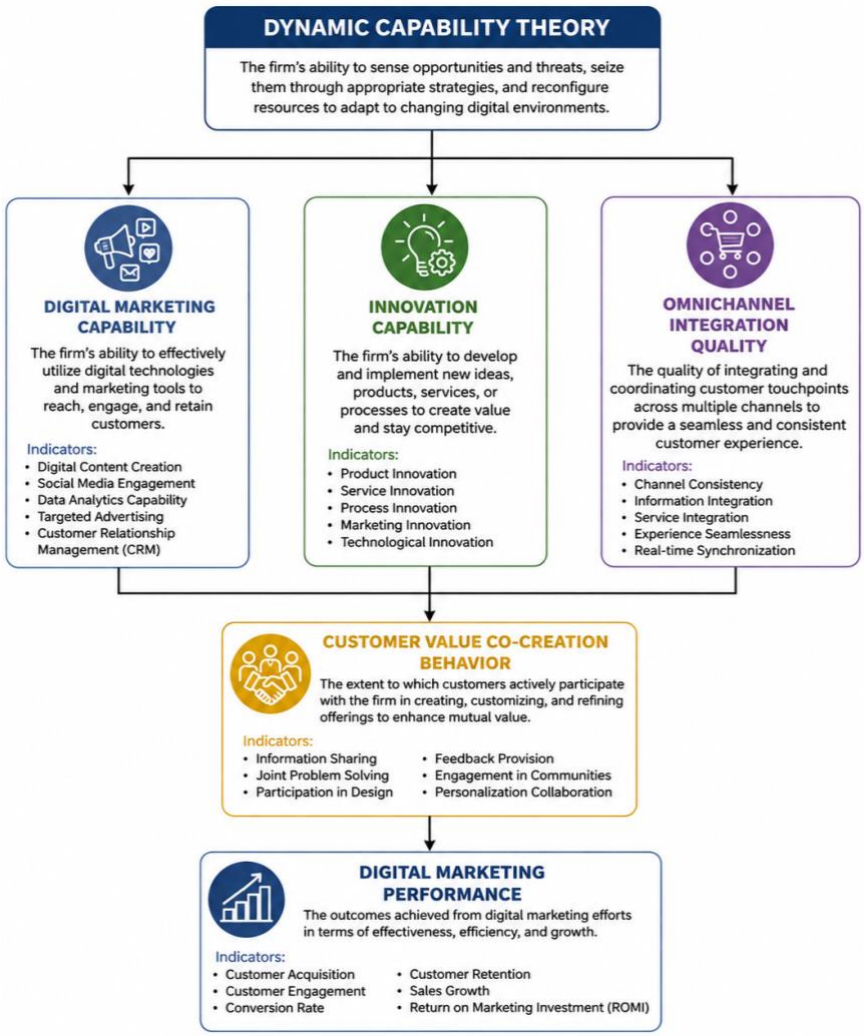

Figure 1. Integrated Digital Marketing Capability–Value Co-Creation Model

These propositions are subsequently developed into three mediation mechanisms:

Table 7. Three Mediation Mechanisms

Code	Mechanism
M1	DMC → CVCB → *Performance*
M2	*Innovation Capability* → CVCB → *Performance*
M3	OCIQ → CVCB → *Performance*

H. Research Gap

Based on a synthesis of the literature, four research gaps have been identified. Gap 1 — Conceptual fragmentation DMC, Innovation Capability, OCIQ, and CVCB have evolved within distinct streams of research. Gap 2 - Outcome fragmentation DMC is frequently linked to firm performance, whereas OCIQ is often associated with engagement and loyalty. Homburg and Wielgos support the DMC–performance relationship, while Gao and Huang support the OCIQ–engagement–loyalty relationship. Gap 3 - Missing mechanism, There is limited synthesis explicitly positioning CVCB as the mechanism that converts capabilities into performance. Gap 4 - Contextual gap, Most evidence regarding omnichannel approaches stems from the retail sector, whereas the application of integrative models to digital public services and utilities remains relatively limited. This is where New PLN Mobile offers an interesting research context.

I. Research Novelty

The novelty of this article extends beyond the mere combination of five variables. Its primary novelty lies in the reconceptualization of Customer Value Co-Creation Behavior as a transformational mechanism that converts organizational digital capabilities into digital marketing performance. Consequently, this study offers a) a capability perspective, b) a customer perspective, c) a value co-creation perspective, and d) a performance perspective, all integrated within a single model.

J. Theoretical Implications

First, this study extends Dynamic Capability Theory by incorporating customer behavior as a crucial element in the process of converting organizational capabilities into performance. Second, the study bridges the dynamic capabilities perspective with customer value co-creation. Third, the study shifts the understanding of performance from the sequence of "technology → performance" to "capability → customer activation → value co-creation → performance." Fourth, the study expands the scope of omnichannel research from the retail context to potential applications in digital public services.

K. Managerial Implications

1. Strengthening Digital Marketing Capability: PT PLN needs to strengthen:
   a. customer analytics;
   b. digital CRM;
   c. personalization;
   d. digital communication;
   e. real-time customer insight.
2. Strengthening Innovation Capability
   Innovation for the New PLN Mobile app should be based on the following cycle: customer feedback → innovation → testing → implementation → evaluation.
3. Strengthening Omnichannel Capabilities
   Integration must encompass: New PLN Mobile ↔ Website ↔ Social Media ↔ Contact Center ↔ Physical Service Points.
4. Customers as Co-Creators
   Customers should not be viewed merely as users; they should be positioned as: sources of information → sources of innovation → evaluators → promoters.
5. Measuring Digital Marketing Performance
   Performance assessment should not rely solely on transaction volume. A measurement model comprising Reach → Acquisition → Engagement → Satisfaction → Retention → Conversion → Overall Effectiveness better reflects the entire customer journey.

L. Future Research Agenda

Table 8. Future Research Agenda

No	Research Agenda	Rationale
1	Testing CVCB as a mediator	To examine the capability-to-performance mechanism
2	Examining digital trust	Trust is important in digital services
3	Examining perceived security	Relevant to transactions and customer data
4	Examining digital literacy	Customer capabilities may influence co-creation
5	Examining customer experience	Customer experience is an important omnichannel outcome
6	Comparing public vs. private services	To broaden generalizability
7	Conducting longitudinal research	To examine changes in capabilities over time

8	Conducting mixed-method research	To gain a deeper understanding of the underlying mechanisms
9	Conducting cross-country comparisons	To examine the influence of institutional contexts
10	Developing a *Digital Marketing Performance* Index	To provide a more comprehensive measure of performance

CONCLUSIONS

This systematic literature review demonstrates that digital transformation shifts marketing from a mere information-dissemination activity into a value-creation process involving the organization, technology, and customers. In this context, Digital Marketing Capability, Innovation Capability, and Omnichannel Integration Quality can be viewed as strategic capabilities that enable organizations to respond to changes in the digital environment. Digital Marketing Capability (DMC) enables organizations to integrate technology, data, customer insights, and marketing activities.

Innovation Capability allows organizations to innovate products, services, processes, and experiences. Meanwhile, Omnichannel Integration Quality (OCIQ) enables organizations to provide consistent and seamless experiences across various channels. However, these three capabilities should not be viewed as factors that automatically yield performance outcomes. A synthesis of the literature reveals that Customer Value Co-Creation Behavior plays a strategic role as a mechanism linking organizational capabilities to value creation and digital marketing performance.

Consequently, the model proposed in this study posits the following pathway: Digital Marketing Capability + Innovation Capability + Omnichannel Integration Quality → Customer Value Co-Creation Behavior → Digital Marketing Performance. This model makes a theoretical contribution by integrating Dynamic Capability Theory with the customer value co-creation perspective. In the context of New PLN Mobile, the implication is that the success of digital transformation cannot be measured solely by the existence of an application or the volume of digital transactions; rather, it depends on the organization's ability to integrate digital capabilities, innovation, service channels, and customer participation to achieve sustainable digital marketing performance.

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