The Effect of Dynamic Capabilities on Customer Engagement Mediating by Sustainable Digital Transformation of Print Media Industry in Indonesia

Johny Natu Prihanto[1]
{johny.natu@umn.ac.id[1]}

Faculty of Business, Universitas Multimedia Nusantara,Scientia Garden, Gading Serpong Boulevard, Tangerang, Banten, Indonesia[1]

Abstract. This study aims to analyze the emerging influence of dynamic capabilities, digital market capabilities, digital leadership capabilities, and digital technology capabilities on sustainable digital transformation and audience engagement strategies. There are 95 print media industries that were collected as data. Then, this unit of analysis from 95 print media industries applies descriptive and explanatory methods. Where, it is obtained that sustainable digital transformation functions as a driver of the performance of the audience engagement strategy.

This research shows significant results for its contribution to strategic management theory, especially those related to clarity on the role of sustainable digital transformation in responding to digital disruption. Practical implications related to the results of this research are shown in managerial practices that provide advice regarding the factors that are the focus of sustainable digital transformation development, especially in the context of reinventing their core business in an effort to accelerate digitization.

Keywords: dynamic capability, engaging audience strategy, sustainable digital transformation

1 Introduction

Fundamentally, the dominance of the print media industry is getting eroded and this affects their business model [1]. This is also influenced by the behavior shown by online readers, where they focus more on digitization, [2]. For example, the rapid use of digital technology and the internet serves as a catalyst, which in recent years has transformed the print media industry such as newspaper publishing [3]. Furthermore, disruptive innovations have the potential to disrupt and fundamentally change the way businesses operate [4]. The innovations referred to here are innovations that use evolving technology so that it can change their current performance metrics, and eventually replace established competitors. In addition, different performance metrics from competing firms are offered to meet the target of disruptive innovation [5].

Three trends facing the Indonesian print media industry, this is in accordance with the statement from Nielsen (2018). First, the loss of readers and a drastic drop in revenue. Based on the results of

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a survey of print media conducted by Nielsen Company, between the fourth quarter of 2018 and the third quarter of 2019 in 11 cities with a total of 17,000 respondents, it is known that the market penetration of print media is 8% or around 4.5 million people. Furthermore, under certain conditions, actually reading habits only shift from print platform to digital platform. Consumers from print media tend to be aged 20-49 years (74%), employees (32%), besides that the majority of readers come from the upper class (54%). Then related to advertising spending, it was found that in the January-September 2017 period, this was Rp. 21 trillion, when compared to the January-September 2013 period, this experienced a decrease of 13%, which is around Rp. 25 trillion. Second, it was found that the leaders did not have a structured strategy, which would be implemented in order to generate income from the online side, as the Indonesian Press Council (2019) argues. Third, based on data presented by the Association of Indonesian Press Companies (Serikat Perusahaan Pers/SPS, 2020), from January to September of 2013 there were 268 print media, consisting of newspapers, tabloids, and magazines, but the decline occurred in the January-September period of 2019, which is only 220.

The research question of this research is: can the print media industry in Indonesia be able to reconfigure digital market capabilities, digital leadership capabilities, and digital technology capabilities in the context of sustainable digital transformation to build an attractive audience strategy? The aim of this study is to exemine how dynamic capability, digital market capability, digital leadership capability and digital technology capability, affect digital transformation and engaging audience strategy of print media industry to cope with digital disruption.

2 Literature Review and Hypothesis Development

The process of learning new domains can be facilitated by high-level organizational capabilities, these are seen as dynamic capabilities. new asset combinations will be created as well as meeting market needs through the building of new capabilities [6] [7]. In addition, the definition of dynamic capability is also defined by Helfat (2007) [7], which states that "the capacity of an organization to intentionally create, expand, or modify its resource base". Another opinion is also expressed by Ellonen [8], where it is stated that changes in technological capabilities in running a business as well as a changing environment, this can lead to changes both in operational capabilities and in dynamic capabilities. Furthermore, the assumption related to dynamic capabilities is expressed by Ellonen [8], the assumption of interactive mechanisms, especially those related to reconfiguration of resources and assets, is useful for developing operational capabilities, especially related to digital markets.

In running the company on a daily basis, the first level of ability that must be possessed is operational ability [9] [10]. This capability involves several activities, such as manufacturing certain products, executing activities based on a set of routines and coordinating all tasks related to required activities [8]. In addition, product innovation is directed from digital market capabilities and technology.

Service to the community requires an interactive mechanism that occurs between dynamic capabilities and development in operational capabilities, it is digital market capabilities. It is because the main antecedent comes from potential customers who are competitive and have superior performance in the company. Consisting of 4 components related to the digital market capability component [11], they include: (1) understanding customer needs and also the necessary actions in

collecting and processing customer knowledge; (2) efforts to satisfy customer needs are the needs of the company, where this can be done through offering appropriate product features; (3) Customer relationship is the focus, where the ability to identify and serve customers is carried out, it is also in building customer loyalty; and proper channels are very necessary when communicating with customers.

Hypothesis 1: The demonstrated effect of digital market capabilities on the ability to reconfigure

Based on the opinion of Bennis [12], it is stated that fundamental changes in the life of a leader can occur because of a digital business strategy, even this has become a very important issue and this can occur from various types of institutions. Another factor that is also very influential is access to information, which when this access is abundant, transparency occurs in all things. It will affect the perspective of a leader, this is because in this digital era that is full of information, understanding the stakeholder groups that must be considered is greatly helped by the presence of sufficient information.

In addition, Bennis [12] also mentions that adaptive capacity is one of the important things for effective leaders. Characters that appear in adaptive capacity refer to: resilience, which is getting back up from adversity or difficulties, openness to new things, trying to try new things even though you have to sacrifice, getting new things even though you have to try hard, and finally being able to learn from failure. and errors that have occurred. When adopting innovation should not be blind, but belief in the power of digital technology in changing the way to lead and manage must be believed.

Hypothesis 2: demonstrated effect of digital leadership ability on ability to reconfigure.

Digital technology capabilities include both tangible and intangible resources. It also includes related processes and knowledge. These include manufacturing techniques and knowledge, efficient manufacturing processes, production facilities, new product development, quality control procedures, both managerial and organizational skills, and predictable technological changes [10]. Further cost reduction will occur when efficiency improvements in R&D and manufacturing processes are carried out, so consistency in supply and resulting competitiveness will occur as well [13]. There are 3 main components related to digital technology, namely: (1) the ability to design and produce online products with certain features; (2) production systems and know-how, related to the ability to carry out daily processes in the maintenance of online product functions; (3), managerial skills related to the ability to define daily work processes and product development.

Hypothesis 3: The effect of ability to reconfigure on the capabilities of digital technology.

The world of marketing has undergone fundamental changes through the internet and the development of digital technology. Therefore, the role of the customer as the recipient of marketing communications is no longer passive. So that traditional communication approaches can be changed by the internet and technology, as a result interaction with customers can be encouraged more quickly, openly, and continuously. So, this is the importance of customer engagement in this digital era, and research related to this is increasing with many companies using social media platforms to connect with customers, such as involving them in content so that one customer is connected to another, for example sharing information via twitter, In addition, the company's interactions with customers are more encouraged, for example responding to customer complaints and comments more quickly.

Customer orientation (OC) is one of the approaches in the discussion of the marketing domain. The development of the use of information technology facilities provides positive performance, which offers support for the OC approach in various purposes. In this activity the collection, storage, processing, analysis and dissemination of data becomes a very important process. This is because top management can be assisted by data that is converted into knowledge, when making decisions, which will affect strategies and policies in marketing. Furthermore, the client-oriented approach has an important role in the identification of customer preferences. This can be in the form of information related to goods or services that are available or offered. In addition, customer profile analysis is an important process in this context where data is provided by the company. According to Dilogini (2019) [14] customer behavior is defined as "a multidimensional concept that includes all decisions on actions taken both by individuals and groups that are directly related to the collection and use of goods and services to fulfill current and future desires, including decisive decisions. create an action process".

Hypothesis 4: The demonstrated influence of the Digital Market's ability to sustainable digital transformation

According to Solis [15], there are three main elements of digital transformation identified by digital marketing analysts from the Research and Advisory Firm Altimeter Group, namely: (1) understanding the digital customer experience; (2) changes to the company's vision and leadership; (3) development of the digital transformation team. In addition, the emphasis is also placed on the role of mobile phone, where it acts as a back channel. Cell phones are also a lifestyle for them, because through a small screen is a way of interacting with the world.

This radical increase in performance through the use of this technology is called digital transformation [16]. The use of digital developments, this ranges from analytics, mobility, social media and smart tools to extending the use of traditional technologies, which serve to transform customer relationships, internal processes and executive value propositions of all industries. But the rapid development of the industry can also cause damage to various industries, so these changes must continue to be considered.

Experts encourage companies to start their digital transformation journey, this is done through digital technology [16]. This is because customers, employees and competitors continue to put pressure on them, so acceleration must be made on their digital transformation. Digital transformation is considered successful if it focuses not only on the application of new technologies, but also on how new technologies can be exploited. So that digital transformation initiatives can come from customer experience, operational processes, and business capital. In addition, the interaction function must also be known by the company, this is because it can help in uncovering the obstacles that occur in a company. Where technology is said to be successful when it can push up not only from the bottom up. So, the focus is on encouraging change. And this can be identified when employees try to push their transformative vision, especially those related to engagement, management and KPI (Key Performance Indicators).

Another opinion also states that it is organizational sharpening efforts that make digital transformation successful. This is done by utilizing strategic assets owned in new ways. Even though a company is already in an innovative digital technology environment, they still have a long way to go towards digital transformation. One of them is the role of leadership, which has a very important role, because be it traditional or new technology, the key to digital transformation is sharpening the

vision and driving changes in the way the company operates. And this is a challenge that all components must overcome.

Hypothesis 5: The effect of digital leadership on sustainable digital transformation

According to O'Hea [17], various business functions have undergone changes as a result of digital technology. These functions include the marketing function as well as other functions that include business structures, systems, processes, and especially human capabilities that are used to take advantage of business opportunities in the digital era. However, organizations sometimes experience difficulties in analyzing the opportunities and challenges triggered by the development of the internet and digitalization, resulting in a reduction in the value and benefits of investments made in the digital sector. So helping organizations understand, measure, and develop digital capabilities is fundamental to dealing with these difficulties.

For companies that have not yet gone digital, new support is needed to find competitiveness and new tools to utilize digital technology for their business [17]. Thus, an increase in business value will emerge as a result of the development of digital capabilities and the purpose of assessing digital capabilities in their contribution to organizational needs. Then digital capabilities will be inherently owned when an organization has an internet connection. There are various ways that organizations can use to achieve these capabilities, such as understanding the opportunities that exist and learning to measure, and developing their digital capabilities, which will help them be in a better position when they have to compete in the digital economy era.

The positive impact is shown in almost all departments in the organization of digital technology capabilities, but maximum results are only obtained when the transformation is carried out. This is where the role of digital capabilities in organizations in assisting the digital transformation process emerges, where they will rethink what best value is provided to customers and also create operating models that can generate advantages regarding the latest possibilities as competitive differentiation. Increasing organizational capabilities of digital technology will provide added value that results in more effective business processes, opportunities to develop organizational careers, training opportunities and needs, creation of new jobs, and cost reductions, as well as increasing levels of professionalism, productivity, competitiveness and especially profit.

Hypothesis 6: The demonstrated effect of digital technology capabilities on sustainable digital transfers.

Vivek's [18] emphasis on customer engagement states that, there is a relationship between the intensity of individual participation on what the organization and/or organization's activities offer. So, this shows that there is a relationship between the phenomenon of customer engagement behavior and understanding the value of co-creation, where there are 3 dimensions, namely cognitive, emotional, and behavioral [19]. Then after being identified, the level of customer involvement can be determined. Furthermore, regarding the brand, currently it does not meet customer expectations, it will be called a "negative brand attitude", which results in a decrease in buyer behavior.

Furthermore, regarding the analysis carried out on branded applications, it is shown that there are two categories of applications, namely informational and experiential. Information application content, this provides a utilitarian or functional experience, while also making it easier for customers to achieve their goals. Then, if the content of this experience contains an experience-based incentive offer, then the content can provide intrinsic joy and entertainment. Bellman [20] states that one's

motive for engaging in a mobile application is “relaxing and relieving stress”. So, seeing this emphasis, the contribution of hedonic nature has a high involvement, for example the emergence of the spirit of customer excitement. So there is a correlation between utilitarian motives and experience-based motives with functional and hedonic motivations as identified by Kim [21]. In addition, the efficiency aspect also shows functional motivation, which will make it easier to use, save time and hedonic motivation that looks fun.

Based on the opinion of Zhang [22], reciprocal interactions in the social environment will cause customer socialization, this occurs when a platform is for customers with the same interests, so they will give recommendations, as well as comments on various services. When the interaction is taking place, customers will build an online identity, besides that they will also try to form a network to achieve social benefits, for example social support, friendship and intimacy. This is because the main value comes from the support of various parties during the interaction process, so that customers feel that they receive attention and value from other parties. What is meant by sociability refers to participation, which is related to conditions in which customers provide constructive feedback and useful suggestions.

Hypothesis 7: The demonstrated effect of continuous digital transformation on the audience

3 Research Methods

Descriptive and explanatory survey methods are used in this study [23], where the unit of analysis for the print media industry in Indonesia is a member of the Indonesian Press Council (Indonesian Press Council). There are 220 print media industries in Indonesia that are used as the population, then this will be verified by the Indonesian Press Council first, both administratively and factually. Then, general leaders, or editor-in-chief or business leaders who will be the respondents of this research. The reason for selecting senior leaders is because they have the ability to evaluate innovation initiatives in improving company performance. Furthermore, regarding data collection, this was done by sending questionnaires to 220 print industry leaders, but only 95 questionnaires met the analysis requirements. Furthermore, with PLS SEM the data will be analyzed, the most powerful method in applying all data scales is Partial Least Square (PLS), because this can be recommended for a minimum of 30 samples [23]. In addition, in confirming the theory and explaining the relationship between latent variables, PLS SEM can also be used.

Furthermore, when all variables and indicators have been determined, the next thing to do is outliers, missing values, and validity and reliability tests with Smart-PLS. Each of these tests has its own function, for example to see if there are data deviations, then outlier testing is used, then when you want to see if data is missing or incomplete, missing value analysis will be used. And from all these tests, all indicators show that all indicators and dimensions fulfill the requirements.

If to see the extent to which an indicator can measure a construct validity test will be used, while knowing the consistency of the variables in the latent measurement, this is used a reliability test. So, good validity will be obtained when the latent construct: (1) loading factor load (λ) is 0.5, (2) T-Statistic > 1.96, and the Smart-PLS results will provide validity for each indicator. in each variable. The evaluation results show that each indicator and dimension used in this study is valid because it meets the required requirements.

4 Findings and Result

Measurement Model (Outer Model)

Convergent Validity

Reflective indicators can be used to see the loading value of each construct indicator. Convergent validity can be practically assessed when the loading value is more than 0.7. Then, must be more than 0.5 is the value that must be owned by Average Variance Extraction (AVE) (Chin 1998, in Ghozali 2015; p.74). And the results of this study indicate that the loading factor value is more than 0.7, as has been presented below:

Table 1. Cross Loading

	Capability to Reconfigure	**Digital Leadership Capabilities**	**Digital Market Capabilities**	**Digital Technology Capabilities**	**Engaging Audience**	**Sustainable Digital Transformation**
RA1	**0,778**	0.778	0.567	0.595	0.587	0.501
RA2	**0.799**	0.572	0.502	0.493	0.344	0.291
RA3	**0.736**	0.527	0.483	0.538	0.195	0.273
CRs 1	**0.808**	0.657	0.545	0.669	0.564	0.634
CRs 2	**0.883**	0.753	0.685	0.729	0.486	0.494
CI1	0.483	0.666	**0.876**	0.774	0.417	0.699
CI2	0.551	0.680	**0.888**	0.781	0.337	0.660
CN1	0.656	0.696	**0.806**	0.747	0.498	0.574
CN2	0.617	0.659	**0.794**	0.717	0.304	0.531
CR1	0.618	0.698	**0.849**	0.712	0.432	0.508
CR2	0.578	0.789	**0.847**	0.847	0.351	0.692
CR3	0.592	0.737	**0.823**	0.680	0.335	0.574
CC1	0.620	0.730	**0.843**	0.768	0.554	0.717
CC2	0.564	0.779	**0.882**	0.779	0.429	0.668
STV 1	0.757	**0.797**	0.671	0.668	0.538	0.520
STV 2	0.726	**0.804**	0.574	0.666	0.658	0.552
SG1	0.690	**0.835**	0.845	0.826	0.535	0.745
SG2	0.732	**0.802**	0.712	0.720	0.497	0.483
SG3	0.717	**0.918**	0.745	0.730	0.594	0.608
DEE 1	0.651	**0.857**	0.738	0.733	0.465	0.619
DEE 2	0.677	**0.929**	0.839	0.867	0.637	0.737

STL 1	0.693	**0.838**	0.716	0.767	0.477	0.701
STL 2	0.691	**0.853**	0.658	0.684	0.531	0.570
CE1	0.466	0.740	0.758	**0.831**	0.547	0.730
CE2	0.644	0.829	0.835	**0.869**	0.455	0.721
CE3	0.680	0.764	0.854	**0.933**	0.500	0.689
OP1	0.713	0.739	0.784	**0.901**	0.555	0.748
OP2	0.723	0.710	0.710	**0.838**	0.617	0.792
OP3	0.595	0.699	0.776	**0.851**	0.562	0.768
BM1	0.657	0.816	0.773	**0.849**	0.496	0.629
BM2	0.689	0.675	0.672	**0.740**	0.991	0.521
FC1	0.545	0.636	0.648	0.749	0.519	**0.881**
FC2	0.377	0.493	0.583	0.655	0.389	**0.771**
RS1	0.346	0.422	0.500	0.599	0.440	**0.713**
RS2	0.342	0.418	0.487	0.533	0.519	**0.771**
MM 1	0.438	0.564	0.546	0.572	0.423	**0.664**
MM 2	0.514	0.679	0.537	0.627	0.555	**0.808**
MM 3	0.442	0.708	0.739	0.699	0.436	**0.793**
Cpr 1	0.272	0.476	0.258	0.388	**0.733**	0.382
Cpr 2	0.609	0.650	0.494	0.558	**0.813**	0.516
Cpr 3	0.436	0.523	0.304	0.374	**0.746**	0.393
Crf1	0.543	0.452	0.337	0.482	**0.707**	0.460
Crf2	0.377	0.387	0.316	0.364	**0.698**	0.296
Cinf 1	0.545	0.532	0.373	0.542	**0.742**	0.407
Cinf 2	0.204	0.302	0.302	0.358	**0.655**	0.420
Cinf 3	0.271	0.468	0.439	0.526	**0.711**	0.527
CKn 1	0.300	0.427	0.332	0.404	**0.720**	0.470
CKn 2	0.587	0.576	0.414	0.464	**0.783**	0.467
CKn 3	0.253	0.303	0.243	0.337	**0.658**	0.413

The item is valid if the loading factor value is above 0.50 and the loading factor is higher than other variables.

Discriminant Validity

Testing discriminant validity with reflexive indicators, this is used to see the cross loading factor that exists in each variable, and this must be > 0.7. Furthermore, another method that can also be used is to compare the square root of the AVE in each construct with the correlation value between the constructs in the model. Furthermore, these results will show discriminant validity results when the AVE square value of each construct is greater than the correlation between constructs in the model (Fornell and Larcker 1981, in Ghozali 2015; p. 74).

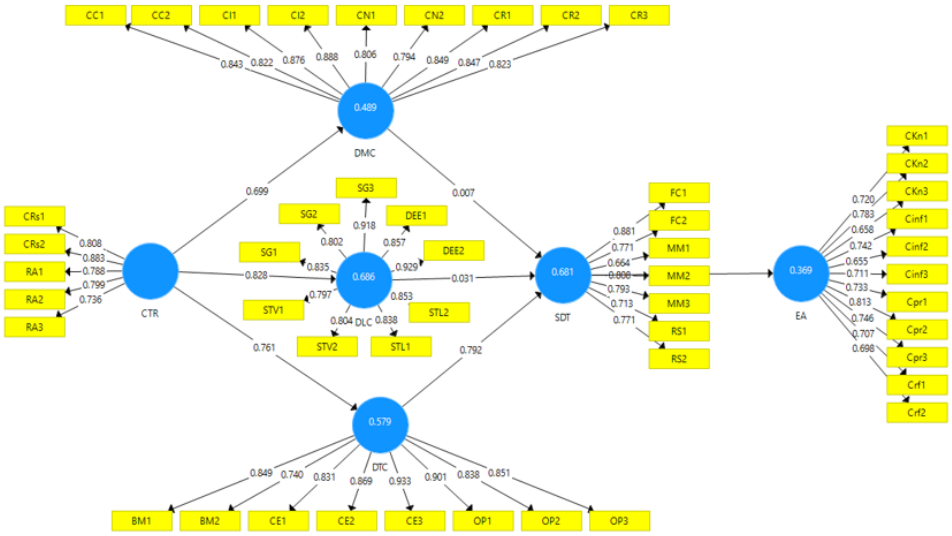

Fig. 1. The cross loading factors

Table 2. Average Variance Extracted (AVE)

	Samples	Mean	Deviation Standard	T Statistic	P Values
Capability to Reconfigure	0.647	0.720	0.049	14.758	0.000
Digital Leadership Capability	0.704	0.705	0.042	16.754	0.000
Digital Technology Capability	0.728	0.726	0.044	16.443	0.000
Engaging Audience	0.526	0.526	0.047	11.168	0.000

Sustainable Digital Transformation	0.600	0.600	0.042	16.345	0.000

The AVE value for all variables is > 0.5, namely CTR 0.647; DMC 0.704; DLC 0.722; DTC 0.728; SDT 0.600; EA 0.526

Reliability

There are 2 ways that can be used to measure construct reliability with reflective indicators, namely by using Cronbach's Alpha and Composite Reliability. So when the composite reliability and Cronbach's alpha values are above 0.7, the construct is called reliable [23], and the results are as follows:

Table 3. Cronbach's Alpha and Composite Reliability

	Sample	Average	Deviation standard	T Statistic	P Values
Capability to Reconfigure	0.901	0.896	0.031	28.902	0.000
Digital Leadership Capability	0.959	0.958	0.010	93.859	0.000
Digital Market Capability	0.955	0.955	0.009	107.179	0.000
Digital Technology Capability	0.955	0.954	0.010	95.560	0.000
Engaging Audience	0.924	0.922	0.014	64.596	0.000
Sustainable Digital Transformation	0.912	0.912	0.015	62.544	0.000

The CA value for all variables are > 0.7, namely CTR 0.901; DMC 0.955; DLC 0.959; DTC 0.955; SDT 0.912; EA 0.924

Structural Model (Inner Model)

Table 4. Path Coefficient

	Sample	Average	Deviation Standard	T Statistic	P Values
Capability to Reconfigure -> Digital Leadership Capability	0.828	0.824	0.044	18.758	0.000
Capability to Reconfigure -> Digital Market Capability	0.699	0.692	0.075	9.275	0.000
Capability to Reconfigure -> Digital Technology Capability	0.761	0.755	0.062	12.346	0.000
Digital Leadership Capability -> Sustainable Digital Transformation	0.031	0.034	0.138	0.222	0.824
Digital Market Capability -> Sustainable Digital Transformation	0.007	-0.006	0.144	0.045	0.964

Digital Technology Capability -> Sustainable Digital Transformation	0.792	0.798	0.160	4.940	0.000
Sustainable Digital Transformation -> Engaging Audience	0.607	0.609	0.077	7.847	0.000

The results showed that:

1. The significant effect is shown by Capability to Reconfigure on Digital Market Capability, with 9.275 being the T-Statistic value and 0.000 being the P-Values, so from these results it is known that the significance value is less than 0.05. Furthermore, related to the coefficient of the effect of Capability to Reconfigure on Digital Market Capability, which is 0.699, this means that it has a positive influence.
2. A significant effect is shown by Capability to Reconfigure on Digital Leadership Capability, where 18.758 is the T-Statistic value and the P-Values is 0.000, this means that the significance value is smaller than 0.05. Furthermore, 0.828 is the coefficient of influence of Capability to Reconfigure on Digital Leadership Capability, so it can be interpreted that a positive influence is shown by this.
3. Capability to Reconfigure has a significant effect on Digital Technology Capability with a T-Statistic value of 12.346 and a P-Values of 0.000 so that the significance value is less than 0.05. The coefficient of the effect of Capability to Reconfigure on Digital Technology Capabilities is 0.761, which means that there is a positive influence.
4. Does not show the effect of Digital Market Capability on Sustainable Digital Transformation, where the T-Statistic value is 0.045 and the P-Values is 0.964, so the significance value is more than 0.05
5. Does not show a significant effect shown by Digital Leadership Capability on Sustainable Digital Transformation, this is because the T-Statistic values 0.222 and 0.824 are P-Values, so that means the significance value is greater than 0.05.
6. The significant effect is shown by Digital Technology Capability on Sustainable Digital Transformation, where the T-Statistic values of 4.940 and 0.000 are P-Values, so the significance value is less than 0.05. In addition to the coefficient of influence of Digital Technology Capability on Sustainable Digital Transformation is 0.792, this means that the influence is positive.
7. A significant effect is shown by Sustainable Digital Transformation on the Engaging Audience, where 7.847 is the T-Statistic value, and the P-Values is 0.000, so the significance value is less than 0.05. The coefficient of the effect of Sustainable Digital Transformation on the Engaging Audience is 0.607, which means that there is a positive effect.

Table 5. R square

	Sample	**Average**	**Deviation Standard**	**T Statistic**	**P Values**
Digital Leadership Capability	0.686	0.681	0.071	9.612	0.000
Digital Market Capability	0.489	0.485	0.101	4.852	0.000

Digital Technology Capability	0.579	0.574	0.090	6.418	0.000
Engaging Audience	0.369	0.377	0.092	4.000	0.000
Sustainable Digital Transformation	0.681	0.684	0.065	10.445	0.000

The effect is shown by the Reconfigure capability variable on the digital market capability, which is 0.489 or 48.9%. Furthermore, the effect of the reconfiguration capability variable on digital leadership ability is also shown, where the value is 0.686 or 68.6%. In addition, the effect is also shown on the ability of digital technology, which is 0.579 or 57.9%.

The effect of the variable reconfiguration capability, digital market capability, digital leadership capability, and digital technology capability on sustainable digital transformation is 0.681 or 68.1%.

The effect is also shown by the variables of reconfiguration capability, digital market capability, digital leadership capability, digital technology capability, and sustainable digital transformation on audience strategy, which is 0.369 or 36.9%.

Simultaneous Test

The influence shown by the Capability to Reconfigure, Digital Market Capability, Digital Leadership Capability, and Digital Technology Capability variables on Sustainable Digital Transformation is 0.681 or 68.1%. And it can be calculated using the /f statistic with the following formula.

$$R^2 = 0{,}681 \text{ (Y1)}$$

$$\text{F value} = \frac{\frac{R^2}{(k-1)}}{1-R^2/(n-k)}$$

$$\text{F value} = \frac{\frac{0.681}{(4-1)}}{1-0{,}681/(95-4)}$$

$$\text{F value} = 0{,}227 / 0{,}004$$

$$\text{F value} = 64{,}755$$

At (df1 = 4-1; df2 = 95-4) alpha 0.05, the F table value obtained is 2.705. This means that the value of f > f table, so in conclusion the simultaneous effect is shown by Sustainable Digital Transformation on the variables of Capability to Reconfigure, Digital Market Capability, Digital Leadership Capability, and Digital Technology Capability.

The effect shown by the Capability to Reconfigure, Digital Market Capability, Digital Leadership Capability, Digital Technology Capability, and Sustainable Digital Transformation variables on the audience engagement strategy is 0.369 or 36.9%.

This calculation can be done using the statistical /f calculation as formulated below.

$$R^2 = 0{,}369 \text{ (Y2)}$$

$$\text{F value} = \frac{\frac{R^2}{(k-1)}}{1-R^2/(n-k)}$$

$$\text{F value} = \frac{\frac{0.369}{(5-1)}}{1-0,369/(95-5}$$

F value = 0,092 / 0,007

F value = 13,158

2.473 is the table F value at (df1 = 5-1; df2 = 95-5) alpha 0.05. So the conclusion is the value of f > f table, it means that simultaneous influence is shown by the audience engagement strategy on the variables of Capability to Reconfigure, Digital Market Capability, Digital Leadership Capability, Digital Technology Capability, and Sustainable Digital Transformation.

Validating the Overall Structural Model with Goodness of Fit Index

Validation of the combined performance from the measurement model (outer model) and structural model (inner model) is the goal of the Goodness of Fit Index (GoF) Test, and based on these calculations, the following results are obtained:

$$\text{GoF} = \sqrt{AVE\ x\ R^2}$$

$$\text{GoF} = \sqrt{0,655x\ 0,561}$$

$$\text{GoF} = \sqrt{0,367}$$

GoF = 0,606

Keterangan :

AVE = (0,647+0,722+0,704+0,728+0,526+0,600)/6 = 0,655

R square = (0,686+0,489+0,579+0,369+0,681/ 5 = 0,561

This study shows the results if 0.606 is Goodness of Fit Index (GoF) value. So, the conclusion is that the overall performance of the combined measurement model (outer model) and structural model (inner model) is good, it is because Goodness of Fit Index (GoF) value is more than 0.23.

Predictive Relevance (Q^2) test

The purpose of conducting predictive relevance (Q2) test is to validate the model. The results of the calculation of Q2 are as follows:

$Q2 = 1 – (1 – R1^2) (1 – R_i^2)$

Q2 = 1 – (1 – 0,686) (1 – 0,489) (1 – 0,579) (1 – 0,369) (1 – 0,681)

Q2 = 1 – (0,314) (0,511) (0,421) (0,631) (0,319)

Q2 = 1 – 0,014

Q2 = 0,986

A value of 0.986 indicates a relevance predictive value (Q2), then the endogenous latent variable in this study has a relevance predictive value (Q2) greater than 0 (zero) so that the exogenous latent

variable is suitable as an explanatory variable capable of predicting endogenous variables. In other words, this model has good predictive relevance.

5 Discussion

The results of this study state that a strong influence is shown by the continuous digital transformation variable on audience engagement, it is because the T-statistics value obtained is 7.847 > T-table. While there is no effect shown by leadership capability on sustainable digital transformation, where the T-statistic score is 0.222 (below the T-table). Based on the opinion of experts, it is time for companies to start their digital transformation journey, this can be through digital technology [16]. This is because, there is already a lot of pressure coming from customers, employees and even competitors to immediately start or accelerate their digital transformation. When an opportunity from a new technology can be exploited, the digital transformation is said to be successful. Factors that influence it include past experiences, several digital transformation initiatives centered on customer experience, operational processes, and business models.

A clear vision of what the company wants to achieve is the basis for designing the customer experience. This is because the audience has an expectation that a product must match the specific needs of the customer, including the products, services and information presented [18]. Customers usually want the exact same thing they saw and used on what platform they were using at the time. So that when the touch points owned by the company are increasing, the interactions that occur are also increasingly complex with different channels and also the details of the needs to be understood.

The combination of people, processes and technology will be involved in digital operations, which is a unique way of overthrowing competitors. Real time data is needed when digital transformation is being carried out. It is because of very fast motion shown by the competitive landscape. So, when we can't follow it, there will be many barriers to entry that are protected and will collapse later. Given the global nature of competition, companies must rethink customer experience and internal operations, which will help in the discovery of new business models.

Radical changes in what to sell, how to sell, or how to make money need to be involved when finding new business models [24]. Another thing to be prepared for when finding a new model is mapping of industry competitors and reconfiguring the value chain that offers a competitive advantage over competitors. The steps include how to offer superior value to customers, rethinking how to benefit from these offers, then about using digital technology to help customers experience these offerings smarter, cheaper and faster. Another thing that is no less important is the task of business leaders in designing, testing, and implementing new business models. All of the things done above are efforts related to strategic activities. Furthermore, vision, leadership, and governance are urgently needed in the implementation of the new business model.

6 Conclusion

Improvement, expansion and redefinition of traditional products/services through digital content can be assisted by continuous digital transformation, which serves to strengthen the value proposition offered to customers. This digital revolution has had an impact on industries in

Indonesia, one of which is the print media industry, where the power of mobility, social media, and changing customer expectations affect it. Therefore, efforts to enter the industry in consumer service need to be carried out by the print media industry, this can be done by creating digital content or digitizing products/services. This can be started by offering superior value to customers, while also having to think about what offers can generate profits. Another thing that is no less important is related to what benefits customers will get through this digital technology, and the extent to which customers feel this offering is smarter, cheaper and faster.

So from the following study, it can be concluded that if they want to become a dominant player in the future, the print media industry must be able to make improvements in the production of digital products. It can be done by responding to digital disruption through changing variables, adapting and expanding audience engagement strategies, besides that it can also be done by carrying out continuous digital transformation, digital market capabilities, capabilities for digital leadership and the capability to reconfigure existing resources/assets. sustainable development. So that the allocation of resources must be done, this is due to the development of capabilities in entering new markets and networks in digital products in an industry. The next thing that must also be studied is related to the process of creating digital products, it includes the suitability of existing values in encouraging the reconfiguration of their capabilities, audits related to digital capabilities that have been carried out on the print media industry, and identification of weaknesses that occur during digital product development. When these steps are taken, retrieving the right information from customers will greatly help the print media industry to increase business on this service.\

This research is the first type of research, where the discussion in this study includes research implications related to dynamic capability theory by identifying, operating, and measuring the main variables.

Suggestions for further research, exploration of other news media sectors needs to be done, for example on radio or television. Furthermore, related to the results of this study, the author basically focuses on print media, but based on the findings, the authors find that many relevant issues are used in community radio and local television news providers. One of them is related to the service function that can provide a plurality of news supply to the public. Therefore, this research is very important because it serves to compare and contrast their position in the print media, besides that it is also very interesting to conduct a more detailed comparative study in an effort to reveal the main differences and trends.

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