Dynamic Capabilities, Digital Transformation, and Sustainable Performance in Culinary SMEs: The Moderating Role of Customer Pressure in Samarinda

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Abstract – *This study investigates the role of dynamic capabilities —sensing, seizing, and reconfiguring in driving digital transformation and its impact on sustainable performance, while incorporating customer pressure as a moderating variable. Using a quantitative approach and the PLS-SEM method, data were collected from 312 respondents representing 13 culinary brands in Samarinda that have adopted the ESB application. The results indicate that dynamic capabilities significantly enhance digital transformation, which subsequently improves sustainable performance. Customer pressure is found to moderate the relationship between dynamic capabilities and digital transformation, exhibiting a unique moderation pattern: it weakens the influence of sensing and reconfiguring capabilities, yet strengthens the effect of seizing capabilities. This asymmetric moderating effect represents a novel contribution, as it reveals a shift in the direction of relationships not commonly reported in previous studies. Moreover, this research offers additional novelty by being the first to test an integrated model of dynamic capabilities, digital transformation, sustainable performance, and customer pressure specifically within ESB-enabled culinary businesses. Theoretically, the study enriches the existing literature by demonstrating how external, customer-driven pressures interact with organizational capabilities in the context of digital transformation. Practically, the findings provide strategic insights for culinary businesses seeking to optimize their digitalization efforts, manage customer expectations, and enhance long-term sustainability outcomes.*

Keywords: Dynamic Capabilities, Digital Transformation, Sustainable Performance, Customer Pressure

I. INTRODUCTION

Sustainable performance has become a major concern for businesses, particularly SMEs and those in the the culinary industry, as they face rapid market changes, rising customer expectations, and increasing pressure to operate efficiently. Although many firms have adopted digital tools, their sustainable performance often remains unstable, indicating that digital transformation alone may not guarantee long-term business continuity (Gun et al., 2024; Teng et al., 2022). This condition highlight the need to understand which organizational capabilities enable digital

transformation to effectively support sustainable performance. SMEs, particularly in the culinary sector, face rapid market changes, evolving customer expectations, and increasing operational pressures. These conditions create an urgent need for SMEs to adopt digital transformation strategies to remain competitive, improve efficiency, and ensure long-term sustainable performance. Customer Pressure acts as an important moderating factor influencing how dynamic capabilities—sensing, seizing, and reconfiguring affect digital transformation. External demands from customers can either strengthen or weaken the effectiveness of these capabilities, thereby shaping how firms respond to market opportunities and achieve sustainable performance.

Prior research suggests that dynamic capabilities—sensing, seizing, and reconfiguring can help firms adapt and achieve better sustainability outcomes. However, existing findings on how these capabilities influence digital transformation, and whether digital transformation directly improves sustainable performance, remain inconsistent (Kwiotkowska, 2024; Zonipi, 2024). These mixed results highlight a research gap.

To address this gap, this study examines how dynamic capabilities drive digital transformation and contribute to sustainable performance in culinary businesses in Samarinda, with customer pressure considered a key moderating factor.

The basic paradigm of dynamic capabilities reflects efforts to enhance the value and characteristics of an organization in order to compete with its rivals (Gayer, et al., 2022; Xu et al., 2024). Previous literature suggests that competitive advantage increases when a company can strongly develop certain dynamic capabilities (Munir et al., 2023). Therefore, changes and adjustments to competitive advantage represent an appropriate form of adaptation for some companies to sustain their business (Patrício et al., 2021), such as food companies in Kenya (Kitenga et al., 2020) and manufacturing companies.

Dynamic capabilities are not limited to large companies but also apply to the SME sector. Findings from previous research indicate that an SME in Yogyakarta possesses dynamic capabilities that support digital transformation, whereas some SMEs require additional factors to drive the success of the digital transformation they are implementing (Beno et al., 2022). Conversely, other studies provide empirical evidence that digital transformation is a determinant of having dynamic capabilities (Wang et al., 2024). Thus, digital transformation and dynamic capabilities together have a beneficial impact on companies (Guo et al., 2020).

Dynamic capabilities are not a single construct but consist of interrelated dimensions —sensing, seizing, and reconfiguration that enable firms to purposefully adapt to environmental change (Guo et al., 2020). Sensing capability enables organizations to systematically scan their external environment, identify emerging technologies, and recognize market shifts that require digital responses. Firms with strong sensing capability are better equipped to detect digital

opportunities early and determine when digital initiatives should be undertaken (Abdulwahab, Al, & Almarhdi, 2024). Seizing capability supports firms in evaluating, selecting, and committing to the most valuable digital initiatives. When opportunities are identified, seizing capability helps organizations mobilize resources and develop digital strategies that create value (Amaya et al., 2024). This indicates that seizing acts as a mechanism that channels identified opportunities into concrete digital transformation actions. Finally, digital technology enables companies to more easily reconfigure existing resources to sustain their business during crises and to be more flexible in creating new opportunities.

H1a: Sensing capability has a significant effect on Digital Transformation

H2a: Seizing capability has a significant effect on Digital Transformation

H3a: Reconfiguring capability has a significant effect on Digital Transformation

Dynamic capabilities are considered a form of innovation that companies undertake to adapt to changing environments. This adaptation process involves various challenges, one of which is pressure. The presence of pressure places companies under pressure that indirectly encourages the creation of innovation (Z. Huang et al., 2023). Customer pressure acts as a strategic external driver that compels organizations to transform information, adapt processes, and digitalize operations. Accordingly, higher customer pressure amplifies the effectiveness of sensing, seizing, and reconfiguring capabilities in driving digital transformation, thereby supporting the moderating hypotheses developed in this study (He et al., 2023). This highlights that, in the process of adaptation, companies must consider important factors that may act as barriers, including pressure.

H1b: Customer pressure strengthens the effect of Sensing capability on Digital Transformation

H2b: Customer pressure strengthens the effect of Seizing capability on Digital Transformation

H3b: Customer pressure strengthens the effecot of Reconfiguring capability on Digital Transformation

The combination of dynamic capabilities and digital transformation possessed by a company can result in sustainable performance (Xu & Hou, 2024). For example, a primary technology solution provider had to adapt and undergo digital transformation to maintain its business continuity during the COVID-19 pandemic. The company developed an application, named ESB, as a solution for businesses particularly in the culinary sector to manage their operations and enhance profitability by leveraging digital technology. ESB offers a variety of software products designed to support all aspects of F&B business operations, ranging from Point of Sale (POS), Enterprise Resource Planning (ERP) to ordering systems, customer loyalty programs, to supply chain management.

H4: *Digital Transformation has a significant impact on Sustainable Performance*

The integrated cloud-based F&B software solution allows business actors to monitor the entire business process using a single application. The implementation of this integrated platform enables culinary businesses to manage their performance more effectively, minimize operational costs, and help increase online orders. To date, such platforms have been adopted by more than 13 thousand brands and continue to grow, including several major market players. The presence of these integrated software platforms clearly illustrates the implementation of digital transformation and the dynamic capabilities organizations possess in achieving sustainable performance.

The selection of the application in Samarinda was based on the fact that the city is experiencing a significant increase in the use of digital service, particularly within the business and culinary sectors (Irianto et al., 2025)**.** The application has become one of the most widely adopted platforms for enhancing operational efficiency, making Samarinda a relevant context for evaluating the effectiveness and impact of its implementation. Moreover, the platform's extensive collaboration with numerous well established brands across Indonesia further demonstrates its reliability and proven performance. This broad network of successful partnerships underscores the importance of adopting software for MSMEs in samarinda, as it provides a trusted digital infrastructure capable of supporting business growth and operational excellence.

A number of studies consistently assert that Sensing Capabilities the ability to detect and evaluate new market and technological opportunities positively and significantly influence the success of Digital Transformation (DT) initiatives (Saeedikiya et al., 2024; Guo et al., 2020). Conversely, other findings report inconsistencies or a lack of support for this relationship (Kwiotkowska, 2024). This empirical gap highlights the need for context-specific validation. We argue that, in the highly dynamic and customer-centric culinary industry of Samarinda, continuous sensing of new consumer preferences and digital platform trends (e.g., food delivery apps and social media marketing) is paramount. This makes *Sensing Capability* a crucial prerequisite for initiating relevant DT efforts.

Inconsistencies are also observed in the effect of Seizing Capabilities—the capacity to mobilize resources and implement change to exploit sensed opportunities on DT. While some research reports a positive and significant impact (Amaya et al., 2024), others find the relationship to be non-significant (Kwiotkowska, 2024). This sharp difference creates a theoretical void regarding its universal applicability. Considering the fast-paced nature of the culinary sector, which requires rapid adaptation to changing consumer demands and immediate execution of digital strategies (e.g., quickly integrating a new POS system or scaling up online operations), we posit that the *ability to act swiftly* (Seizing) is vital for successful DT outcomes. Thus, the autors hypothesize a positive influence.

Prior studies report mixed findings regarding the direct effect of Digital Transformation (DT) on Sustainable Performance (SP). Although many studies support a positive and significant relationship (Gun et al., 2024; Teng et al., 2022), recent findings suggest that the impact is often indirect and requires a mediating factor (Zonipi, 2024). Specifically, Zonipi (2024), in the context of PT. Semen Padang, highlighted the necessity of *Digital Organizational Culture* as a mediating factor.

To address this theoretical gap concerning the mechanism through which DT influences SP, and to introduce a contextually relevant variable for the culinary industry, this study proposes Customer Pressure as a key mediating factor. In the modern market, customer expectations are increasingly focused on sustainability (e.g., ethical sourcing, reduced waste). Such pressure drives firms to adopt DT (e.g., using digital tools for resource optimization or transparent sourcing), which subsequently leads to improved SP. The author predict that DT will positively influence SP, and that *Customer Pressure* will strengthen this relationship.

Thus, a gap remains regarding the relationship between digital transformation and sustainable performance. The objective of this study is to analyze how Dynamic Capabilities influence Digital Transformation, which ultimately contributes to Sustainable Performance. This study focuses on several brands that use the ESB application developed by PT Esensi Solusi Buana, as discussed previously.

By identifying discrepancies between previous research findings and current conditions, the researcher aims to further examine the influence of Dynamic Capabilities dimensions on digital transformation among culinary businesses in Samarinda, with Customer Pressure serving as a moderating variable in the relationship between Dynamic Capabilities, Digital Transformation, and Sustainable Performance.

II. METHODS

This study employs a quantitative approach using an associative method. This approach is used to examine the relationship between independent variables dynamic capabilities, which include the processes of sensing opportunities, seizing them, and reconfiguring resources accordingly and the dependent variable of digital transformation, as well as its subsequent influence on sustainable performance.

Customer pressure variable is used as a moderating variable that influences the relationship between dynamic capabilities and digital transformation initiatives. This design was selected to statistically determine the pattern of causal relationships and interactions among the variables , including digital transformation and its subsequent impact on sustainable performance.

This study utilizes 18 indicators through a literature review of several previous studies that examined the dimensions of dynamic capabilities theory—namely sensing, seizing, and reconfiguring capabilities in relation to digital transformation and sustainable performance.

Numerous references were identified from previous studies. However, the researcher adjusted the indicators used in this study by considering the similarities and differences across previous studies.

Based on previous research sources, the researcher adopted a number of indicators that remain relevant to the current research, taking into account the urgency and prevailing conditions of these variables in their implementation to the research object. Therefore, it is important to determine the research indicators accurately.

Table 1. Research Constructs, Indicators, and Supporting References

This table outlines the constructs (variables) utilized in the research model namely Dynamic Capabilities (Sensing, Seizing, Reconfiguring), Digital Transformation, Sustainable Performance, and Customer Pressure—along with the specific measurement indicators adopted from relevant literature. These indicators form the basis for constructing the questionnaire instrument used in the data collection process, with each indicator is measured using a 5-point Likert scale (1 = strongly disagree to 5 = strongly agree).

Construct	Indicator	References
Sensing Capabilities	Market survey, experimentation, keeping up with science and technology	Teece, 2022
Seizing Capabilities	Changes in consumption practices, local competitiveness, loyalty of corporate commitment	Teece, 2022
Reconfiguring Capabilities	Making price changes, innovation, marketing method updates.	Teece, 2022
Digital Transformation	Digital technology use in daily operations, increased work efficiency from digital adoption, changes in customer service due to application.	Novianti & Bharata, 2022; Amaya et al., 2024
Sustainable Performance	Economic performance, environmental performance, social performance.	Tze San, Latif, & Di Vaio, 2022
Customer Pressure	Increased awareness of environmental issues, customer opinions on products, customer awareness in reusing products	Lestari et al., 2021

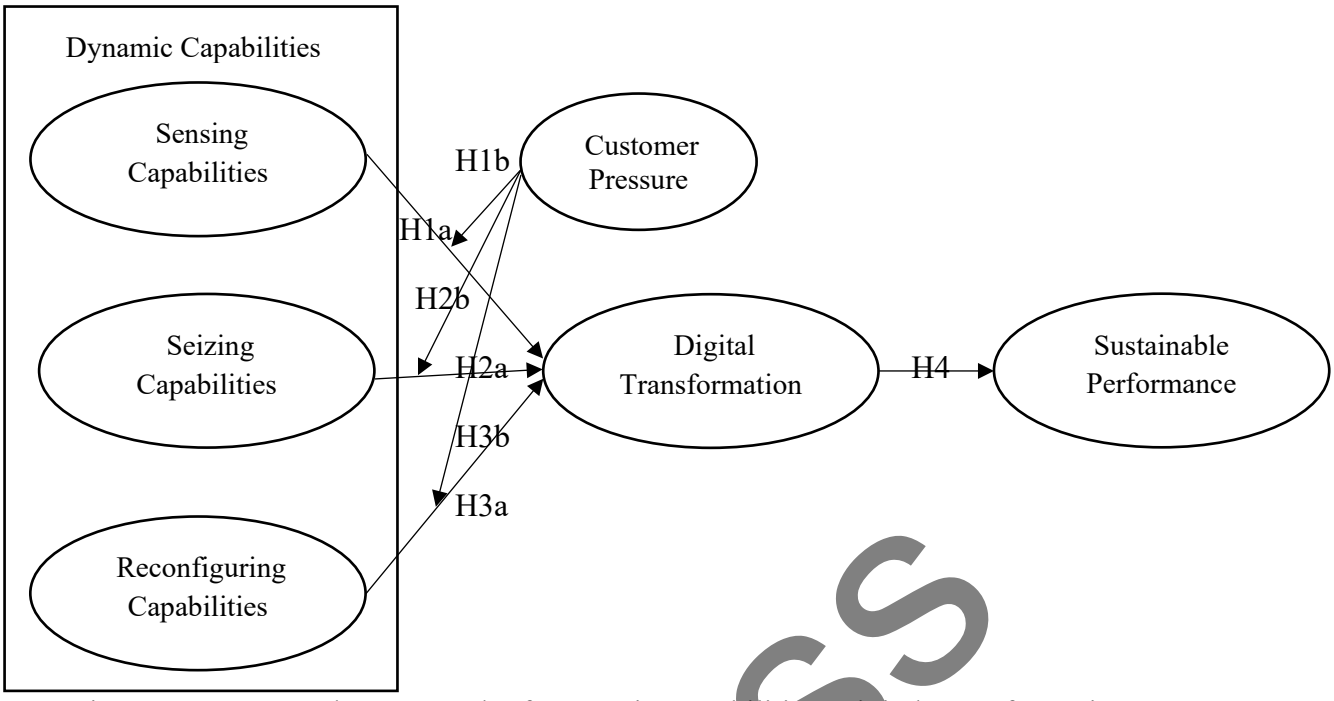

Figure 1. Conceptual Framework of Dynamic Capabilities, Digital Transformation, and Sustainable Performance

The population in this study consisted of culinary brands using the ESB application in Samarinda, with a sample size of 312 respondents. The sampling technique employed was probability sampling using stratified sampling. The population was selected based on specific characteristics, namely culinary brands using the ESB app in Samarinda, which were randomly selected, resulting in 13 brands: Mie Gacoan, Shihlin, Reddog, Ropopang, Kedai Njah Besar, Ecologico, Manna Gelato, Helena Corp, Long April, My Kopi O, and Ong Kopitea. An equal number of respondents was then selected for each brand, with 24 respondents per culinary brand. These brands were treated as individual strata using a stratified random sampling technique to ensure equal representation across all units.

A total of 24 respondents were selected from each brand to achieve a balanced sample distribution and to meet the minimum sample requirement for PLS-SEM analysis. According to Hair et al. (2021), the minimum sample size should be at least ten times the number of indicators of the most complex construct. Therefore, assigning an equal number of respondents per brand help prevent disproportionate representation and reduces sampling bias.

Data collection was conducted directly through interviews or discussions with respondents, followed by the distribution of a prepared questionnaire via Google Forms. Subsequently, data were analyzed using the Structural Equation Modeling Partial Least Square technique with SMART PLS 4 by conducting tests on the outer model, inner model, and research hypotheses.

A total of 18 indicators were used in this study, adapted from previous related studies and tailored to the needs of the research. In the initial testing stage using the

software, the algorithm was assessed in the Outer Model test, which included the Convergent Validity test. The measurement criteria specified that the outer loading value must exceed 0.70, and the AVE value must exceed 0.50. If the test results met these criteria, the model was considered valid. For Discriminant Validity test, the cross-loading value was required to be higher than those of other variables. In terms of Composite Reliability, it is considered reliable if the value exceeded 0.70. Following this, several tests were conducted in the inner model evaluation, namely R-Square, F-Square, and Q-Square (Predictive Relevance). Finally, in the hypothesis testing, the hypothesis were considered significant if the t-statistic value exceeded the specified criteria and the p-value was less than 0.05.

III. RESULT AND DISCUSSION

Based on the research conducted, the respondents in this study were classified according to the demographics characteristics presented in the table below. The majority of respondents were women, most of whom were aged 20-21 years old. In terms of educational background, most respondents were high school graduates or held equivalent qualifications. Most respondents had been using the ESB application for 4-11 months and were employed as managers.

Table 2. Respondent Demographic Characteristics

This table presents the demographic distribution of the 312 respondents sampled from 13 different culinary brands in Samarinda that have implemented the ESB application. The characteristics detailed include the respondents' age, gender, educational attainment, duration of ESB application usage (in months), and their current job title/position.

Characteristics	Frequency	%
Age:		
18-19	16	5,13%
20-21	104	33,33%
22-23	88	28,21%
24-25	64	20,51%
26-27	8	2,56%
28-29	16	5,13%
30-31	16	5,13%
Gender:		
Male	144	46,15%
Female	168	53,85%
Education:		
High School	144	46,15%
D3	48	15,38%
S1	120	38,46%
Using Time Apps (month):		
4-11	168	53,83%
12-19	48	15,38%
20-27	56	17,95%
28-35	16	5,13%
36-43	8	2,56%
44-48	16	5,13%
Job:		
PIC	8	2,56%
Cashier	64	20,51%
Head Office	24	7,69%
Manager	8	2,56%
SPV	104	33,33%
IT	8	2,56%
Waiter	32	10,26%
Barista	40	12,82%
All-round	24	7,69%

In assessing convergent validity, the measurement criteria require that the outer loading value exceed 0.70 and an AVE value exceed 0.50. Based on Table 3, all variables have outer loading values greater than 0.70 and an AVE values greater than

0.50. Thus, it can be concluded that this study has a valid convergent validity.

Table 3. Outer Loading

This table presents the Outer Loading values for each measurement indicator in the Structural Equation Modeling Partial Least Square (PLS-SEM) model. The values, are of which exceed the 0.70 threshold, confirm that each indicator validly represents its intended latent construct, thereby establishing Convergent Validity.

	X1	X2	X3	Y1	Y2	Z
X1.1	0.876					
X1.2	0.913					
X1.3	0.860					
X2.1		0.883				
X2.2		0.875				
X2.3		0.821				
X3.1			0.957			
X3.2			0.937			
X3.3			0.861			
Y1.1				0.904		
Y1.2				0.904		
Y1.3				0.784		
Y2.1					0.899	
Y2.2					0.895	
Y2.3					0.836	
Z1						0.701
Z2						0.799
Z3						0.866

(Source: Output of SmartPLS 4.0)

Table 4. Results of Construct Reliability and Validity Tests

This table presents the Composite Reliability and Average Variance Extracted (AVE) values for all constructs. The Composite Reliability values, all exceeding 0.70, confirm the reliability of the constructs, while the AVE values, all greater than 0.50, confirm the constructs' convergent validity.

Table 4 shows that the composite reliability value in this study exceed 0.70; therefore, it can be concluded that this study has good reliability.

	Cronbach's alpha	(rho_a)	(rho_c)	(AVE)
Sensing Capabilities	0.859	0.870	0.914	0.780
Seizing Capabilities	0.827	0.855	0.895	0.740
Reconfiguring Capabilities	0.908	0.943	0.942	0.845
Digital Transformation	0.833	0.859	0.900	0.750
Sustainable Performance	0.849	0.852	0.909	0.769
Customer Pressure	0.719	0.808	0.833	0.626

Table 5. R-Square

This table presents the R-Square (R^2) values for the endogenous variables Digital Transformation and Sustainable Performance. The R^2 value indicates the proportion of variance in each endogenous variable that is explained by its respective predictor variables (Dynamic Capabilities, Customer Pressure, and Digital Transformation) in the structural model.

	R-square
Digital Transformation	0.849
Sustainable Performance	0.361

(Source: Output of SmartPLS 4.0)

Furthermore, Table 5 shows that the R-Square value for the Digital Transformation variable is higher than

those for the Sustainable Performance variable.

Table 6. F-Square

This table presents the F-Square (F^2) values, which quantify the substantive impact or effect size of each predictor variable (including the moderating effect) on the endogenous variables Digital Transformation and Sustainable Performance. The magnitude of F^2 is used to assess the practical significance of the relationships within the model.

	Digital Transformation	Sustainable Performance
X1	0.417	
X2	0.686	
X3	0.369	
Y1		0.566
ZxX1	0.144	
ZxX2	0.068	
ZxX3	0.911	

(Source: Output of SmartPLS 4.0)

Table 6 presents the F-Square values for this study, which involve two different measurement conditions incorporating moderating effects. Based on the conditions (García-Cruz et al., 2024) it can be concluded that all variables in this study have a strong influence.

Table 7. Hypothesis Testing Results (Path Coefficient, T-Statistic, and P-Value)

This table presents the results of the hypothesis testing obtained from the PLS-SEM bootstrapping procedure. The results include the Path Coefficient (O), which indicates the direction and strength of the relationships; the T-Statistic, which assesses statistical significance; and the P-Values, which determine the acceptance or rejection of the research hypotheses at the specified significance level.

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
SC-> DT	0.345	0.345	0.035	9.855	0.000
SZ -> DT	0.500	0.499	0.052	9.572	0.000
RC -> DT	-0.336	-0.334	0.033	10.267	0.000
DT -> SP	0.601	0.603	0.033	18.283	0.000
CP x SC -> DT	-0.205	-0.204	0.029	7.103	0.000
CP x SZ -> DT	0.711	0.705	0.047	15.267	0.000
CP x RC-> DT	-0.202	-0.197	0.036	5.681	0.000

(Source: Output of SmartPLS 4.0)

In Table 7, based on the bootstrapping calculations, the results are consistent with the previous data, showing the path coefficients that explain the results of the hypothesis testing in this study.

The influence of Sensing Capabilities on Digital Transformation: the study demonstrates a significant and positive effect of Sensing Capabilities on Digital Transformation. The original sample (O) value of 0.345, with a t-statistic of 9.855 (> 1.96/2.018) and a p-value of 0.000 (< 0.05), supports the acceptance of this hypothesis. This indicates that a company's ability to sense changes and market identify market opportunities significantly contributes to its digital transformation efforts. This finding is consistent with previous research by (Purbiyati & Setyawati, 2023), which emphasizes the importance of Sensing Capabilities in maximizing the benefits of digital transformation. For culinary business operators in Samarinda, this means that conducting market surveys, understanding consumer preferences, and keeping pace with technological developments (e.g., implementing ESB applications) are crucial for adaptation and competition.

The influence of Seizing Capabilities has been proven to have a positive and significant effect on Digital Transformation. With an original sample (O) value of 0.500, a t-statistic of 9.572 (> 1.96/2.018), and a p-value of 0.000 (< 0.05), the second hypothesis is accepted. This finding indicates that a company's ability to effectively capitalize on opportunities and implement new ideas drives digital transformation. These findings are consistent with previous studies of (Amaya et al., 2024) and (Saeedikiya et al., 2024) as well as (Novianti & Bharata, 2022), who emphasize the importance of Seizing Capabilities in enhancing performance through digital adoption. Food business operators in Samarinda demonstrate the ability to manage strategic decisions, identify market opportunities, and build consumer commitment to digital transformation, particularly through the use of ESB applications.

The effect of Reconfiguring Capabilities on Digital Transformation: Interestingly, this study finds that reconfiguring capabilities have a negative and significant relationship with digital transformation. The path coefficient of -0.336 with a t-statistic of 10.267 (> 1.96/2.018) and a p-value of 0.000 (< 0.05) indicates that the higher levels of reconfiguring capabilities are associated with lower levels of digital transformation, and vice versa. This finding is distinctive, as it contradicts the research by Putritamara et al. (2023), who identified a positive relationship. This negative direction may indicate that continuous internal reconfiguration efforts without clear implementation can hinder progress in digital technology adoption. Recent studies highlight that for digital transformation to succeed, organizations must not only reconfigure technological systems but also foster a supportive organizational culture and employee readiness for change (Purnawan, 2025). Without such cultural and human-factor alignment, structural reconfiguration alone may disrupt

workflows or fail to generate the expected benefits of digital adoption (Awad & Rojas, 2024). However, companies in Samarinda that use ESB show that efficient reconfiguration (e.g., through an integrated ESB system) can ultimately facilitate operations and updates, even though a direct negative relationship was found statistically.

The analysis results show that Customer Pressure weakens the significant influence of Sensing Capabilities on Digital Transformation. Although Sensing Capabilities have a direct positive effect, the interaction t-statistic value of 7.103 (< 1.96/2.018) and p-value of 0.000 (< 0.05) indicate a negative moderating effect. This means that high customer pressure can reduce the effectiveness of Sensing Capabilities in driving digital transformation. This finding is relevant because customer pressure often focuses on instant solutions, which may divert organizational attention away from identifying long-term trends (Lestari et al., 2021). In practice, some culinary brands in Samarinda are even reconsidering the use of ESB due to segments of consumers who are not yet familiar with technology.

The influence of Customer Pressure reinforces the substantial impact of Seizing Capabilities on Digital Transformation. Although the interaction t-statistic value is 15.267 (> 1.96/2.018), the p-value of 0.000 (< 0.05) indicates a positive moderating effect. This means that high customer pressure motivates companies to be more effective in seizing opportunities and implementing new ideas in the context of digital transformation. This pressure encourages culinary businesses in Samarinda to adapt to digital technologies (such as online transactions and ordering systems through ESB) in order to meet the customers demands that are increasingly shifting toward digital systems.

The moderating effect of Customer Pressure on the relationship between Reconfiguring Capabilities and Digital Transformation indicates that Customer Pressure weakens the significant influence of Reconfiguring Capabilities on Digital Transformation. With a t-statistic of 5.681 (> 1.96/2.018) and a p-value of 0.000 (< 0.05), this moderating effect is negative. Given the direct negative influence of Reconfiguring Capabilities on Digital Transformation, this result implies that higher customer pressure reduces the negative barrier of Reconfiguring Capabilities on Digital Transformation. This suggests that customer pressure may force companies to reconfigure resources in a more directed and practical manner that better supports digital transformation, despite the overall negative direct relationship. The use of ESB application among culinary business in Samarinda, which reduces operational constraints, is evidence of how customer-driven reconfiguration can lead to improved digital efficiency.

The Impact of Digital Transformation on Sustainable Performance. The research results clearly show that Digital Transformation has a positive and significant impact on Sustainable Performance. The original sample (O) value of 0.382, t-statistic of

18.283 (far > 1.96/2.018), and p-value of 0.000 (< 0.05) support the acceptance of this hypothesis. This confirms that the adoption of digital transformation provides significant benefits for business sustainability, financially, environmentally, and socially. These findings are consistent with the study by Abdullah et al., (2024). Culinary brands in Samarinda that implement ESB demonstrate improved financial performance, increased operational efficiency, and support for environmentally friendly practices (e.g., reducing paper usage), all of which contribute to sustainable performance.

Overall, these findings align with Dynamic Capabilities Theory, which emphasizes the urgency of adapting to changes in the modern economy, particularly through digital technology. Sensing and Seizing capabilities are crucial for driving digital transformation, although Reconfiguring Capabilities require further interpretation in light of the negative findings. The role of Customer Pressure as a moderator also varies, weakening some relationships while strengthening others, thereby highlighting the complexity of market dynamics. Ultimately, Digital Transformation has proven to be a crucial driver of Sustainable Performance in the Samarinda culinary sector.

For culinary businesses in Samarinda, these findings highlight several practical strategies. Managers should strengthen Sensing Capabilities by continuously monitoring market trends and customer preferences to identify new opportunities for digital adoption. Enhancing Seizing Capabilities is essential for quickly implementing digital initiatives and converting identified opportunities into effective actions, particularly under high customer pressure. Regarding Reconfiguring Capabilities, companies should manage internal restructuring carefully by aligning technological changes with organizational culture and employee readiness to avoid hindering digital transformation. Leveraging integrated digital platforms such as ESB can improve operational efficiency, service quality, and responsiveness to customer demands, ultimately supporting long-term Sustainable Performance.

IV. CONCLUSION

This study found that there is a significant influence of Sensing Capabilities on Digital Transformation. This demonstrates that a company's ability to sense, understand, and interpret changes in the environment (e.g., market trends, new technologies, and customer needs) is crucial and positively contributes to its digital transformation efforts. The better a company is at "sensing" change, the more effective it is in implementing digital initiatives. There is also a significant influence of Seizing Capabilities on Digital Transformation. This indicates that a company's ability to capture and capitalize on identified opportunities (based on Sensing Capabilities) has a major impact on digital transformation. After sensing opportunities, the ability to design and implement appropriate digital initiatives is crucial to the success of transformation.

The Reconfiguring Capabilities variable has a significant effect on Digital Transformation; however, interestingly, the direction of the relationship is negative. These results indicate that although the ability to reconfigure and adapt organizational structures, processes, and resources strongly influences digital transformation, in the context of this study, the effect is negative. This may suggest that restructuring or adaptation efforts do not fully support, or may even hinder, effective digital transformation processes. Alternatively, other factors may contribute to the complexity of the reconfiguration process. Therefore, further research is needed to explore why the direction of this relationship becomes negative.

Customer Pressure weakens the significant influence and changes the direction of the relationship between Sensing Capabilities and the process of Digital Transformation. This means that when there is pressure from customers (e.g., demands for better digital services, sustainability), the positive influence of *Sensing Capabilities* on digital transformation weakens or may even change direction. This can occur when customer pressure becomes excessive, leading companies to make reactive rather than strategic digitalization decisions, thereby reducing the effectiveness of *Sensing Capabilities* in driving planned digital transformation. Conversely, Customer Pressure strengthens the strong impact of Seizing Capabilities on enabling Digital Transformation. This indicates that customer pressure encourages companies to be more effective in capturing and leveraging digital opportunities. When customers demand digitalization, companies are more motivated to implement relevant digital solutions, thereby strengthening the positive impact of *Seizing Capabilities*. Meanwhile, Customer Pressure reduces the strength of the significant impact of Reconfiguring Capabilities on Digital Transformation. This means that pressure from customers make companies less proactive and less effective in restructuring internal processes to support digital transformation. Intense customer demands can distract companies from maximizing internal changes required to fully adopt digital technology, thereby hindering optimal implementation. Overall, this finding demonstrates the dualistic role of *Customer Pressure* (strengthening and weakening), which represents a key novelty in the development of *Dynamic Capabilities* literature.

Digital Transformation has a significant impact on Sustainable Performance. This is a key finding showing that companies' digital transformation efforts contribute directly and positively to their sustainable performance. Digitalization enables companies to achieve operational efficiency, product and service innovation, and better market adaptation, which ultimately supports long-term business sustainability. The statistical analysis confirms that *Dynamic Capabilities* play a strong role in driving digital transformation. These findings validate the relationships among the key variables under investigation, including *Dynamic Capabilities*, *Digital*

Transformation, *Sustainable Performance*, and *Customer Pressure*, and demonstrate strong practical significance, not merely statistical significance.

For culinary brands in Samarinda, in this modern economic era, it is crucial to adapt and transform using digital technology in business operations to keep pace with rapid technological developments, where *sensing, seizing*, and *reconfiguring capabilities* are needed to identify and manage opportunities so that businesses can compete and survive. This includes continuously innovating business models and operational systems by leveraging digital technologies, such as ESB applications, to improve service and business management while still addressing customer needs and demands in order to continuously improve performance.

Meanwhile, for further research, it is recommended to include additional relevant variables to deepen the understanding of the relationship between *Digital Transformation* and *Sustainable Performance*, to test other moderating variables beyond *Customer Pressure*, and to develop and expand the geographical or industrial scope of the research object and sample size to obtain more data in terms of quality and quantity to enhance the generalization of findings.

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