DIGITAL TRANSFORMATION AND MARKETING PERFORMANCE OF FAST-FOOD RESTAURANTS IN ENUGU STATE, NIGERIA: THE MEDIATING ROLE OF MARKETING CAPABILITIES

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Abstract

The study investigated the effect of digital transformation on marketing performance of Fast-Food Restaurants in Enugu state, Nigeria: The mediating role of marketing capabilities. The objective was to examine the relationship between digital transformation and marketing performance, considering how marketing capabilities mediate the relationship. A quantitative research was conducted using a cross sectional survey research design. The population comprises managers and personnel of 183 Fast-Food restaurants selected in Enugu state. An online questionnaire in Google Document was used for data collection. Discriminant and convergent validity tests were conducted, and reliability was tested using composite reliability. Purposive sampling was used in distribution of questionnaire to a sample of 398 respondents. Partial Least Square (SMART 4) Structural Equation Modeling technique was used for inferential statistical analysis at 5% level of significance. Descriptive statistical analysis was carried out using tables, frequencies, mean, and standard deviation aided by SPSS version 28.0. The findings revealed that digital transformation had no significant effect on marketing performance of Fast-Food restaurants in Enugu state, Nigeria. It also revealed that marketing capabilities mediate the relationship between digital transformation and marketing performance. It was concluded that digital transformation has no significant direct effect on marketing performance of Fast-Food restaurants in Enugu state; however it has an indirect effect through marketing capabilities as a mediating factor. The study recommended that Fast-Food restaurants should embrace digital transformation with adequate marketing capabilities for enhanced marketing performance in Enugu state. The findings of the study have many implications to the policy holders, stakeholders, marketers, consumers, Fast-Food restaurants, and future researchers.

Keywords: Digital transformation, marketing performance, marketing capabilities, Fast-Food restaurants, Enugu State.

Introduction

Rising competition in Enugu State's fast-food industry has pushed firms to adopt strategies that strengthen competitive advantage and marketing performance—the driver of all marketing

decisions and programs (Chen, 2011). Digital transformation is one such strategy, using AI, big data, cloud computing, social media, mobile platforms, and blockchain to reshape business models, processes, and customer experiences in response to market demands (Vial, 2019; Guo & Xu, 2021). Empirical evidence links digital transformation to marketing performance by altering market structures and firm operations, with performance measured through sales growth, market share, customer acquisition and retention, brand equity, and ROMI (Ononye *et al*., 2024; Ikechi & Chukwunta, 2021; Vorhies & Morgan, 2005). This occurs by enhancing market sensing, customer linking, and data-driven decision making (Sun *et al*., 2022).

However, technology alone does not guarantee superior performance. The effect is mediated by marketing capabilities organizational routines that integrate resources and skills to deliver customer value (IIARD, 2024). Capabilities such as digital relationship management, social media engagement, digital selling, and implementation translate digital infrastructure into value by strengthening sensing, linking, and execution (Idris *et al*., 2025).

Statement of the Problem

Despite heavy investment in digital technologies, many Nigerian firms fail to convert digital transformation into measurable gains in marketing performance. Adoption of social media, e-commerce, and digital channels is widespread, yet outcomes diverge: high adopters report up to 15% revenue growth, while low adopters achieve under 5% (Idris *et al*., 2025). Others see poor returns, low conversion, and limited use of analytics. In Nigerian banks, internet and mobile banking even showed negative, insignificant effects on efficiency ratios (IIARD, 2024). These mixed results indicate that digital transformation alone is insufficient. Evidence suggests that digital marketing capabilities mediate the relationship, often yielding stronger indirect than direct effects on performance (Li *et al*., 2023; Sun *et al*., 2022). However, most studies focus on developed economies and manufacturing firms, leaving a gap for Nigerian service firms. This study fills that gap by examining how digital transformation influences marketing performance in fast-food restaurants in Enugu State, Nigeria, with a focus on the mediating role of marketing capabilities.

Concept of Digital Transformation

Digital transformation (DT) is a fundamental change process that reconfigures an entity's properties, processes, and value propositions through the integration of information, computing,

communication, and connectivity technologies (Vial, 2019; Gong & Ribiere, 2021). In marketing, DT involves applying artificial intelligence, big data analytics, social media, mobile platforms, cloud computing, and automation to reshape customer engagement, value propositions, and marketing processes (Kannan & Li, 2017). More broadly, DT represents an organizational effort to enhance customer relationships, streamline operations, innovate business models, and reconfigure value chains using digital technologies (Vial, 2019; Nadkarni & Prügl, 2021).

Concept of Marketing Performance

Marketing performance captures how effectively and efficiently an organization's marketing activities achieve market-related goals—revenue, sales growth, market share, and profitability—through value creation, delivery, and outcome measurement (Vorhies & Morgan, 2005; Kumar, 2018). At its core, it reflects the ability to meet predetermined marketing objectives (Pudyastuti & Saputra, 2021). In the digital era, measurement has expanded beyond financial metrics to include click-through rates, conversion rates, customer lifetime value, social media engagement, and sentiment analysis (Lamberton & Stephen, 2016), a shift made more salient by intensifying competition and increasingly discerning consumers (Maharani *et al*., 2022). For Nigerian fast-food restaurants, improving marketing performance is critical to competitiveness and business success (Fitria, 2015). Evidence supports this: firms with higher digital adoption achieved 15% revenue growth, versus under 5% for low adopters (Idris *et al*., 2025)

Concept of Marketing Capabilities

Marketing capabilities are complex bundles of skills and accumulated knowledge, exercised through organizational processes that enable firms to coordinate activities and make use of their assets in the marketplace (Day, 1994). Digital marketing capabilities extend this concept to include: market-sensing capability which is the ability to learn about markets through digital channels; customer-linking capability which is the ability to create and manage customer relationships digitally; digital selling capability which is the ability to effect exchange through digital channels; as well as social media capability; and digital marketing implementation capability (Sun *et al*., 2022). These capabilities determine whether firms can convert digital technologies into superior marketing performance.

Dynamic Capabilities Theory

This study is anchored in dynamic capabilities theory, which explains how firms adapt to turbulent environments by integrating, building, and reconfiguring internal and external competencies (Teece *et al*., 1997). The theory comprises three processes: sensing opportunities and threats, seizing opportunities, and transforming the organization. In marketing, dynamic marketing capabilities enable firms to detect market shifts, capitalize on opportunities, and reconfigure marketing processes (Wang & Kim, 2017).While digital transformation provides the technological resources, it is dynamic marketing capabilities that translate these resources into performance gains by sensing market changes, seizing digital opportunities, and transforming marketing operations (Wang & Kim, 2017; Wilden & Gudergan, 2015). Empirical evidence supports this mediating role: Sun *et al*. (2022) found that digital marketing capabilities enhance firm performance through market-sensing and customer-linking capabilities, and Li *et al*. (2023) showed that digital marketing capability strengthens performance by reinforcing R&D capability, with partial mediation confirmed.

Digital Transformation and Marketing Performance

Digital transformation reshapes marketing performance by reconfiguring the entire marketing system—strategy, execution, and measurement—not simply by adding technology (Sun *et al*., 2022). It eliminates geographic and time constraints, enabling 24/7 customer engagement through cloud platforms, e-commerce, social media, and mobile apps (Li *et al*., 2023). However, gains are realized through digital marketing capabilities that strengthen market sensing, customer linking, and R&D, which in turn improve pricing, distribution, and CRM (Li *et al*., 2023; Sun *et al*., 2022). Empirical evidence supports this: Nigerian firms with higher digital adoption achieved 15% revenue growth versus 5% for low adopters, driven by expanded reach and digital payments (Idris *et al*., 2025). At the macro level, each $1 invested in digital technology in Nigeria generates over $8 in economic value, largely via digital marketing channels (Google & Public First, 2025). Analytics and AI further shift marketing from intuition to data-driven A/B testing, attribution, and predictive targeting (Sun *et al*., 2022). Based on the review above, it was hypothesized that:

H_1: *There is a significant positive effect of digital transformation on marketing performance of Fast-Food restaurants in Enugu state, Nigeria.*

Mediating Role of Marketing Capabilities on the nexus between Digital Transformation and Marketing Performance

Digital transformation equips firms with technological resources such as artificial intelligence, big data analytics, social media, and marketing automation, but these alone do not guarantee superior marketing performance (Krasnikov & Jayachandran, 2008). The effect of digital transformation operates largely through marketing capabilities, which serve as the transmission mechanism converting digital investments into market outcomes (Li *et al*., 2023; Sun *et al*., 2022). Firms must develop dynamic marketing capabilities to sense market changes, seize digital opportunities, and reconfigure marketing processes, (Wang & Kim, 2017). This is because without these capabilities digital transformation risks becoming "technology for its own sake" rather than a driver of marketing performance (Day, 2011). Evidence from Chinese listed manufacturing firms supports this mediation: Li *et al*. (2023) found that digital transformation enhances firm performance primarily by strengthening R&D capability. Sobel and bootstrap tests confirmed a statistically significant indirect effect, and the indirect effect exceeded the direct effect of digital transformation on performance. Hence, it was hypothesized that:

H_2: *There is a significant mediating effect of marketing capabilities on the relationship between digital transformation and marketing performance of Fast-Food restaurants in Enugu state, Nigeria.*

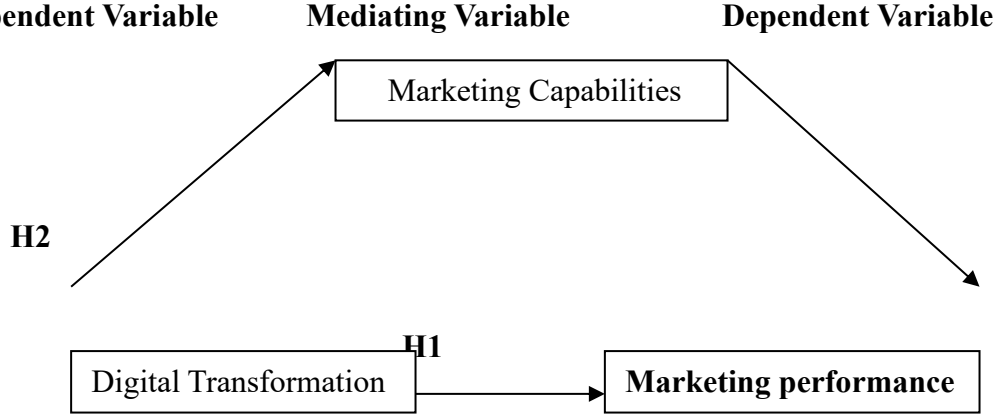

Fig. 1: Researchers Conceptual Framework of the Study.

Specifically, the positive relationship between digital transformation and marketing performance will be stronger in organizations with higher marketing capabilities. This framework

suggests that marketing capabilities plays a significant role in shaping the relationship between digital transformation and marketing performance

Idris, Ardo, and Ishola (2025) examined how digital transformation affects SME performance in Nigeria, focusing on cloud computing, AI, big data, and digital marketing. Using a mixed-methods design, they surveyed 200 SMEs in Lagos, Abuja, and Port Harcourt and analyzed the quantitative data with multiple regression. Firms with higher digital adoption achieved 15% revenue growth, compared to under 5% for low adopters, driven by expanded market reach, stronger customer engagement, and greater operational efficiency. However, inadequate infrastructure and digital skills limited these gains. The study concludes that digital transformation positively influences SME performance, but the magnitude depends on digital capability and infrastructure readiness. The authors recommend targeted public and private investment in digital infrastructure, training, and affordable cloud solutions for SMEs.

Ononye, Ighoroje, and Agbogun (2024) examined how digital transformation affects performance in commercial banks in Delta State and whether organizational learning mediates that relationship. Surveying 250 bank managers and staff and analyzing the data with PLS-SEM, they found that digital transformation had a positive, significant direct effect on performance. Organizational learning also significantly improved performance and partially mediated the relationship, with a stronger effect than digital transformation alone. The results suggest that digital transformation enhances bank performance primarily by strengthening organizational learning capabilities. The authors recommend that banks build learning and knowledge-sharing systems alongside technology adoption to maximize performance gains.

Li, Chen, and Wang (2023) analyzed panel data from 1,200 Chinese listed manufacturing firms (2015–2021) to examine how digital marketing capability affects firm performance and whether R&D capability mediates that relationship. Using regression, Sobel, and bootstrap tests, they found that digital marketing capability had a significant positive effect on performance. R&D capability partially mediated this effect, with mediation confirmed by Sobel test ($Z = 8.912$, $p < .01$) and bootstrap analysis showing a significant indirect effect that exceeded the direct effect. The results indicate that digital marketing capability improves performance primarily by strengthening

innovation and R&D, not through direct marketing actions alone. The authors recommend integrating digital marketing with R&D to drive innovation-based performance.

Sun, Liu, and Ding (2022) examined how digital marketing capabilities and blockchain technology influence customer-linking and market-sensing capabilities, consumer-brand engagement, and firm performance across China's omni-channel industries. Surveying 311 employees and using structural equation modeling, they found that digital marketing capabilities had significant direct and indirect effects on performance. Customer-linking and market-sensing capabilities mediated this relationship, and digital marketing capabilities also strengthened consumer-brand engagement. The results suggest that digital marketing capabilities drive performance primarily by enhancing market sensing and customer linking, which in turn foster engagement and better outcomes. The authors recommend investing in digital analytics, social media, and CRM systems to build these capabilities.

Vorhies and Morgan (2021) examined how specialized and architectural marketing capabilities affect business performance across U.S. industries. Surveying 230 senior marketing executives and using SEM and regression, they found that both specialized capabilities—pricing, product development, channel management—and architectural capabilities—marketing planning and implementation—significantly improved performance. Firms with stronger capabilities achieved superior sales growth, market share, and profitability. The study concludes that marketing capabilities are a key source of sustainable competitive advantage and recommends that firms systematically benchmark and develop them as strategic assets.

Methods

The study employed a quantitative design using a structured, 15-item Google survey administered to managers and staff of selected fast-food restaurants in Enugu State. A purposive sample of 277 respondents was drawn from a population of 398 to ensure respondents met the study criteria. The instrument had two sections: demographics and research variables, with each construct measured by five items adapted from prior studies using a 5-point Likert scale. Measurement validity and reliability were assessed per PLS-SEM standards. Convergent and discriminant validity were tested, and reliability was evaluated using Cronbach's alpha, composite reliability, rho_A, and AVE, with a 0.70 threshold for internal consistency (Hair *et al*., 2019; McMillan, 2010). Demographics

were analyzed descriptively, and hypotheses were tested using partial least squares structural equation modeling.

Results

Out of 398 copies of the questionnaire distributed, 277 copies (70%) were returned as duly filled, usable, and valid questionnaire while 121 copies (30%) were not valid due to various missing data; thus, sample size of 277 was used in the analysis.

Demographic Characteristics of Respondents

Table 1 below represents the demographic characteristics of the respondents.

Table .1: Respondents' Demographic Data

	Frequency	Percentage		Frequency	Percentage
Gender			**Marital Status**		
Male	154	55.6	Married	122	44.0
Female	123	44.4	Single	155	56.0
Age			**Education**		
< 25yrs	33	11.9	WAEC/GCE	26	9.4
25 – 34yrs	99	35.7	OND/NCE	88	31.8
35 – 44yrs	82	29.6	BSc/HND	100	36.1
45 – 54yrs	46	16.6	Postgraduate	54	19.5
≥ 55yrs	17	6.1	Professionals	9	3.20

Source: Field Survey, 2026

Out of the 277 respondents, 154 (55.6%) were male and 123 (44.4%) female, indicating balanced gender representation. By marital status, 155 (56.0%) were single and 122 (44.0%) married. Age distribution skewed younger: 99 respondents (35.7%) were aged 25–34, followed by 82 (29.6%) aged 35–44, 46 (16.6%) aged 45–54, 33 (11.9%) under 25, and 17 (6.1%) aged 55 and above. Educationally, most respondents held tertiary qualifications: 100 (36.1%) had B.Sc/HND, 88 (31.8%) OND/NCE, 54 (19.5%) postgraduate degrees, 26 (9.4%) WAEC/GCE, and 9 (3.2%) professional certifications.

Descriptive Statistics

Table 2 below presents the descriptive statistics for all study items showing the mean, median, and standard deviation values of the data and the excess kurtosis and skewness; measured on a 5-point Likert scale, ranging from 1 = strongly disagree to 5 = strongly agree. Means ranged up to 4.0 with medians between 3 and 4, while standard deviations above 1.0 indicate diverse respondent opinions. Skewness and kurtosis values were mixed, showing both clustered and flat distributions.

Given these non-normal distributions, partial least squares structural equation modeling was appropriate, as PLS-SEM does not assume normality (Urbach & Ahlemann, 2010). Further, with a sample exceeding 200, skewness has minimal substantive impact on the analysis (Tabachnick & Fidell, 2013).

Table 2 : Descriptive Statistics of Responses

ITEMS	NO	Mean	Median	MIN	MAX	Std. dev.	Kurtosis	Stewness
DT1	1	3.512	4	1	5	1.105	-0.517	-0.375
DT2	2	3.69	4	1	5	1.199	-0.656	-0.526
DT3	3	3.874	4	1	5	1.058	-0.594	-0.108
DT4	4	3.816	3	1	5	1.119	-0.246	-0.583
DT5	5	3.909	4	1	5	0.994	-0.709	-0.118
MC1	6	3.502	3	1	5	1.064	-0.521	-0.226
MC2	7	3.169	3	1	5	1.153	-0.165	-0.674
MC3	8	3.711	4	1	5	1.193	-0.677	-0.472
MC4	9	3.838	4	1	5	1.052	-0.597	-0.069
MC5	10	3.971	3	1	5	1.084	-0.395	-0.370
MP1	11	3.986	4	1	5	1.157	-1.058	0.292
MP2	12	3.610	4	1	5	1.077	-0.513	-0.270
MP3	13	3.314	3	1	5	1.073	-0.245	-0.399
MP4	14	3.725	4	1	5	1.166	-0.683	-0.412
MP5	15	3.501	4	1	5	1.048	-0.623	-0.003

Assessment of Measurement Model

The first stage of partial least squares structural equation modeling is evaluating the measurement model to confirm that indicators accurately capture their intended constructs. This requires establishing reliability and validity. Reliability refers to the consistency and stability of reflective indicators over time (Lowry & Gaskin, 2014), while validity assesses whether the instrument measures the specific concept it is designed to capture (Hair *et al*., 2010).

Reliability of Measurement Models

Reliability reflects the consistency and stability of a scale over time and its freedom from random error (Lowry & Gaskin, 2014; Pallant, 2011; Creswell, 2014). Although Cronbach's alpha is widely used, composite reliability is preferred in PLS-SEM because it does not assume tau-equivalence and weights indicators by their individual reliability, avoiding the underestimation common with Cronbach's alpha in PLS path models (Hair *et al*., 2011; Wong, 2016; Memon & Rahman, 2013). This study assessed reliability using Cronbach's alpha, composite reliability, rho_A,

and AVE. The conventional threshold is 0.7 for both Cronbach's alpha and composite reliability, though 0.6 is acceptable for newly developed scales (Hair *et al*., 2011, 2014; Lowry & Gaskin, 2014).

Table 3: Measurement Model's Reliability

Latent Variable	Cronbach Alpha	rhoC	AVE	rhoA
Digital Transformation	0.868	0.901	0.605	0.871
Marketing Capabilities	0.818	0.867	0.523	0.834
Marketing Performance	0.808	0.785	0.684	0.65

As shown in Table 3 above, the reliability of the measurement models measured by Cronbach's Alpha (α or alpha), composite reliability (pc or rhoC), Average Variance Extracted (AVE) and Rho_A (rhoA) shows that all the measurement models are reliable.

Convergent validity

Convergent validity assesses how well indicator variables explain the variance of their underlying construct and is evaluated through average variance extracted. AVE, the average of squared loadings, should be ≥ 0.5 to establish convergent validity (Hair *et al*., 2014; Wong, 2016). The model should also converge within 300 iterations (Wong, 2013).

Table 4: AVE values for test of convergent validity

Latent Variable	DT	MC	MP
Digital Transformation-DT	0.890		
Marketing Capabilities-MC	0.895	0.645	
Marketing Performance-MP	0.692	0.722	0.875

Table 4 above indicates that all the latent variables have a shared variance above50%, thus it can be said that the latent variable is well represented by its indicators.

Discriminant validity

Discriminant validity assesses whether a construct is empirically distinct from other constructs in the model (Memon & Rahman, 2014). Traditionally, it is evaluated using cross-loadings and the Fornell-Larcker criterion, but these approaches have been questioned for adequacy. This study therefore used the hetero-trait-mono-trait (HTMT) ratio of correlations to establish discriminant validity.

Table 4.11: Discriminant Validity Using HTMT Ratio Criterion

Latent Variable	DT	MC	MP
Digital Transformation-DT			
Marketing Capabilities-MC	0.652		
Marketing Performance-MP	0.845	0.629	

Hetero-trait-Mono-trait ratio (HTMT) is the ratio of the hetero-trait-hetero-method correlations to the mono-trait-hetero-method correlations. HTMT values close to or below 1 suggest good discriminate validity, indicating that the latent variables are more related to their own indicators than to other constructs.

Test of Hypotheses

In this study, there are two hypotheses formulated to guide this study. The hypotheses formulated for this study were tested using the partial least square structural equations modeling. The first hypothesis sought to ascertain if a direct relationship exists between the independent variable (Digital Transformation) and the dependent variable (Marketing Performance). The result of the test of hypothesis is presented below

Hypothesis One

Ho1: There is no significant effect of digital transformation on marketing performance of Fast-Food restaurants in Enugu state, Nigeria.

H1: There is a significant effect of digital transformation on marketing performance of Fast-Food restaurants in Enugu state, Nigeria.

Table 5: Table of Path Coefficients for Direct Effects

Relationship	*B*	Std. Error	z-value	P(>|z|)	Hypothesis
Digital Transformation→ Marketing performance	**-0.4567**	**0.123**	**3.714**	**0.203**	**1-Not Supported**

As contained in table 5 above, the first hypothesis was tested using the p-value of the path coefficients: The decision rule was to reject the null hypothesis if the p-value is greater than 0.05 (chosen alpha level). As indicated in table 4.12 above, the values are: β = -0.4567, Standard error = 0.123, Z statistics = 3.714 and p-value = 0.203 >0.05.

Decision: Since the p-value (0.203) is greater than the chosen level of significance (0.05), there is not enough statistical evidence to reject the null hypothesis, hence, the null hypothesis was accepted. Therefore, with (β =.46 and P=.20) there is no significant relationship between digital transformation and marketing performance of Fast-Food Restaurants in Enugu state.

Test of Hypothesis Two

The second hypothesis sought to understand whether a mediator variable (marketing capabilities) exert an indirect influence on the relationship between the independent variable and the dependent variable. The result of the test of hypothesis is presented below

Ho_2: There is no significant mediating effect of marketing capability on the relationship between digital transformation and marketing performance of Fast-Food restaurants in Enugu state, Nigeria.

Table 6: Table of Path Coefficients for Indirect Effects

Relationship	*B*	Bootsrap Mean	T Stat.	Lower CI	Upper CI	Hypothesis
Digital Transformation→ Marketing Capabilities→ Marketing Performance	**0.3450**	**0.0254**	**12.634**	**-0.0480**	**0.25873**	**2-Supported**

As contained in table 6 above, hypotheses two was tested using the lower and upper confidence interval of the path coefficients. The decision rule was to reject the null hypothesis if the confidence interval includes zero, otherwise the null hypothesis is accepted. From table 4.11 above there are the following values; $\beta = 0.3450$, Bootstrap Mean= 0.0254, T stat =12.634, lower confidence interval = -0.0480 and upper confidence interval = 0.25873. Since the confidence interval contains zero (from negative number to positive number), there is a statistical evidence to reject the null hypothesis. Therefore, it was concluded that there is a significant mediating effect of marketing capabilities on the relationship between digital transformation and marketing performance of Fast-Food Restaurants in Enugu state.

Discussion

The study aimed at examining the effect of digital transformation on marketing performance of Fast-Food restaurants in Enugu state, Nigeria: The Mediating role of Marketing Capabilities. Discussion of the findings from the data analysis is presented below

Hypothesis one was formulated to test whether there is a significant effect of digital transformation on marketing performance of Fast-Food restaurants in Enugu state, Nigeria. The path

coefficient table 5 above indicates the following values; $\boldsymbol{\beta}$ = 0.4567, Standard error = 0.123, Z statistics = 3.714 and p-value = 0.203 >0.05. Since the p-value (0.203) is greater than the level of significance (0.05), there is no adequate statistical evidence to reject the null hypothesis; so the null hypothesis is accepted and the alternate rejected. Therefore, it is concluded that there is no significant effect of digital transformation on marketing performance of Fast-Food restaurants in Enugu state, Nigeria. This result is supported by the studies of Li *et al*., 2023; and Sun *et al*., (2022) which established that Digital transformation does not improve marketing outcomes automatically; instead, its effect is transmitted through marketing capabilities. Digital transformation is seen to improve marketing performance by enhancing marketing capability and enabling more effective pricing, distribution, and customer relationship management (Li *et al*., 2023).

Hypothesis two was formulated to test whether there is a significant mediating effect of marketing capabilities on the relationship between digital transformation and marketing performance of Fast-Food restaurants in Enugu state, Nigeria. The path coefficient table 6 above indicates the following values; $\boldsymbol{\beta}$ = 0.3450, Bootstrap Mean= 0.0254, T stat =12.634, lower confidence interval = -0.0480 and upper confidence interval = 0.25873. Since the confidence interval contains zero (from negative number to positive number), there is enough statistical evidence to reject the null hypothesis; so the null hypothesis is rejected and the alternate accepted. Therefore, it was concluded that there is a significant mediating effect of marketing capabilities on the relationship between digital transformation and marketing performance of Fast-Food restaurants in Enugu state, Nigeria. This finding is consistent with empirical studies. In the study by Day (2011), it was established that marketing capabilities are required for digital transformation to effectively shape marketing performance. The study maintained that without these capabilities, Digital transformation results in "technology for its own sake" rather than performance gains. Likewise, Li *et al*. (2023) studied Chinese listed manufacturing firms and found that digital transformation enhances firm performance by strengthening R&D capability.

Conclusion

This study explored the effect of digital transformation on marketing performance of Fast-Food restaurants in Enugu State, Nigeria: The mediating role of marketing capabilities. The data collected for the study from managers/personnel of Fast-Food restaurants in Enugu state were

subjected to empirical analysis. After data analysis, it was observed that digital transformation has no significant direct effect on marketing performance of Fast-Food restaurants in Enugu State. However, the study revealed that digital transformation has a significant indirect effect on marketing performance of Fast-Food restaurants in Enugu state through marketing capabilities as the mediating factor.

The research argues that digital transformation is an essential instrument that a firm that has been strategically placed to take advantage of the opportunities presented by digitalization, and increasing online traffic should utilize to enhance their competitiveness. Therefore, the research concludes that, digital transformation has an indirect effect on marketing performance of small scale businesses in Enugu state. Also, marketing capabilities mediates the nexus between digital transformation and marketing performance.

This study has significant implications for business owners, digital marketing/technology space and entrepreneurial ecosystems. Also, the study has extended previous knowledge and pieces of evidence in the existing literature on business, entrepreneurship and marketing management. Finally, online marketing should be a key area of interest for emerging entrepreneurs, tech enthusiasts, startup ecosystems and established businesses. Digital skills upgrading should be adopted to update business owners' skills and digital marketing benefits awareness to facilitate business and economic growth.

Recommendations

This study explored the mediating effect of marketing capabilities on the nexus between digital transformation and marketing performance of Fast-Food restaurants in Enugu State. The study recommends the following:

Fast-Food restaurants should prioritize capability development over technology acquisition. They should allocate resources to building market-sensing, customer-linking, digital selling, and implementation capabilities through training, process redesign, and knowledge management systems. Technology adoption without marketing capability development results in the "marketing capabilities gap" and suboptimal returns.

The Fast-Food restaurants should align digital tools with marketing tasks. They should apply technology-task fit principles to ensure that customer relationship management systems, analytics

platforms, and digital channels match customer preferences and employee workflows Regular fit assessments should precede deployment.

Managers of these organizations should integrate marketing and innovation functions. Given that R&D capability as well as marketing capabilities mediates the digital transformation and marketing performance link, firms should foster cross-functional integration between marketing and product development to leverage digital insights for innovation.

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