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Building Sustainability through Digital Maturity, Environmental, Social, and Governance, and Strategic Innovation: Evidence from the Lebanese Retail Sector

Ribal Rizk , **Joelle Matta** , **Yahya Skaf** , and **Georges Badr** 

Notre Dame University – Louaize, Zouk Mosbeh, Lebanon

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This study examines how digital maturity contributes to sustainable competitive advantage through the mediating roles of strategic innovation and Environmental, Social, and Governance practices in the Lebanese retail sector. Drawing on the resource-based view and dynamic capabilities perspective, the research proposes that digital maturity enhances competitive outcomes not only directly but also indirectly by enabling innovation and strengthening sustainability-oriented practices. A quantitative, cross-sectional survey was conducted among senior managers and executives in Lebanese retail firms. Data were collected from 189 valid responses and analyzed using Partial Least Squares Structural Equation Modeling with SmartPLS 4.0. The results reveal that digital maturity has a strong positive effect on strategic innovation and significant direct effects on both Environmental, Social, and Governance performance and sustainable competitive advantage. Strategic innovation emerges as a central mechanism, significantly influencing Environmental, Social, and Governance practices and competitive advantage. Environmental, Social, and Governance performance also contributes positively to competitive outcomes. Mediation analysis confirms that digital maturity enhances sustainable competitive advantage through both strategic innovation and Environmental, Social, and Governance, with a significant sequential mediation effect across these constructs. The findings highlight that digital maturity generates value primarily through innovation-driven and sustainability-oriented pathways. This study contributes to the digital transformation and sustainability literature by providing empirical evidence from the Lebanese retail sector, demonstrating how firms can leverage digital capabilities to achieve long-term competitive advantage in challenging economic environments.

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CORRESPONDING AUTHOR

Ribal Rizk · rrizk@ndu.edu.lb · Notre Dame University, Lebanon

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Conflict of Interest

The authors declare that there is no conflict of interest regarding the publication of this paper.

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