



The Effect of Knowledge Levels of MSME Actors on Digitalization in Marketing, Capabilities and Market Orientation Performance to Increasing Profit

Primadona., Emrizal

pdmamaraff@gmail.com

emrizal8671@gmail.com

Politeknik Negeri Padang, Indonesia

Abstract

Purpose—The rapid development of social economy, technology and information has changed aspects of business behavior and the economy of a country, especially in the era of globalization, free trade has led to the freedom and freedom of traffic of goods, services and information between countries. The state of increasingly advanced technology today must be balanced with the level of knowledge. This study aims to examine the effect of the knowledge level of MSME actors on the use of digitalization in the marketing sector by using socialization and interaction indicators.

Design/methodology/approach—The object of research is SMEs in the city of Sidoarjo. The data collection method used a questionnaire by spreading 100 questionnaires. The data was processed using the Partial Least Square (PLS).

Findings—The results showed that socialization and interaction affected the level of knowledge of MSME actors in the field of marketing digitalization, while the level of knowledge possessed by MSME actors affected the use of digitalization in the marketing sector.

Originality/value—This research adds insight into efforts to increase profits for MSME growth in Indonesia.

Keywords Knowledge Level, Marketing Digitization, MSME, PLS

Paper type Research paper

1. Introduction

The dependence of the current generation on technology causes changes in lifestyle, behavior, and shifts in general norms. Technology is now like a reliable assistant; Technology provides added value to products and added value that can do many things in all human activities including economic activities.

The benefits of information technology in the business world are to assist processes and operations, make decisions, and form strategies to gain a competitive advantage. The state of increasingly advanced technology today must be balanced with the level of knowledge. According to (Kaleka & Morgan, 2019), technology itself cannot be separated from what is called communication and the development of knowledge. The digital economy is changing the global economy, enabling small industries to become micro multinational industries with their elasticity and dynamics (Darodjat et al., 2021). Lack of knowledge about information and communication technology as well as good ways to use and utilize social media, impatient to get results, and lack of understanding to create interesting “posts” (Nugraheni et al., 2020).

Indonesia has great potential in the digital economy. In 2019, Indonesia's e-commerce transactions reached USD 12 billion. This means that Indonesia has experienced a significant increase from 2018 which was in the position of USD 8 billion. In 2016 it is predicted to reach USD 24.6 billion (Presidential Communication Team, 2020). In Indonesia itself, MSMEs have high resilience that is able to support the country's economy, even during a global crisis. The empowerment of MSMEs must be carried out comprehensively and optimally and continuously so as to increase the position of the role, increase the potential for income advancement, create job opportunities and eradicate poverty.

2. Literature review and hypothesis development

2.1 MSME

Micro, Small and Medium Enterprises (MSMEs) is one form of business that has characteristics related to the business capital used.

According to Law no. 20 of 2008 regarding micro, small and medium enterprises, there are several definitions that can classify an entity into the type of micro, small or medium enterprises by looking at two aspects, namely net worth (assets) and sales results (turnover). Micro-enterprises are productive businesses owned by individuals and/or individual business entities that meet the criteria for Micro-enterprises as regulated in this Law. Small business is a productive economic business that stands alone, which is carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled or become a part either directly or indirectly of medium-sized businesses or large businesses that meet the criteria for small businesses as regulated in this Law.

Medium-sized business is a productive economic business that stands alone carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or become a part either directly or indirectly with Small Businesses or Large Businesses with total net assets or proceeds annual sales as regulated in this law. According to (Kaleka & Morgan, 2019) MSMEs are often constrained in terms of capital, limited production and management technical capabilities, relatively difficult marketing, and human resource problems. Marketing seeks to identify the needs and wants of its target market and how to satisfy them through an exchange process while taking into account all parties and goals related to the interests of the company..

2.2 Marketing

According to (Yaskun, 2021), the definition of marketing is a social and managerial process by which individuals and groups obtain their needs by creating product offerings that are of value to each other.

Rahman et al., (2021) define: "The concept of marketing as a philosophy of marketing management which believes that the achievement of organizational goals depends on determining the needs and wants of the target market and providing the desired satisfactions more effectively and efficiently than competitors' efforts".

The COVID-19 pandemic has had a very bad impact and decreased income in the Micro, Small and Medium Enterprises (MSME) sector. An effort is needed that can increase the marketing of MSME products that are in accordance with consumer conditions. There are still many MSME actors who market their products in stores and in the market which are not in accordance with the conditions in the field. Continuous training and assistance is needed in introducing a marketing system that is in accordance with the conditions of the times. One of them is marketing using online media. This research using digital marketing to promote the product of MSME.

2.3 Digital marketing

Digital marketing is also defined as marketing activities that use internet-based media (Untari et al., 2019).

Internet social media is the most widely used source of information in companies. Because the internet can reach all areas, it is potential and fast to convey a variety of information universally, with quality, and almost costs nothing (Darodjat et al., 2021).

Technological development in the internet era pushes change to many daily aspects, one of them is the change to consumer behavior of Indonesian people which prefer to more instant and practical things, which in turn escalates online shopping model. Srinivisan et al. (2016) study

showed that technological use in MSME has many advantages. First, business owners can get live feedback, Second, social media gives real-time market trends and opportunities. Third, business owners can monitor their product, whether it is already suitable for consumer preference or not, and they can also explore consumer's most desired products. Mokhtar et al. (2017) and study showed that technological use in MSME can also improve market size, reduce marketing costs, improve sales, and forge greater relationships with consumer. Technological use in MSME enables business owner to acquire detailed information about consumer behavior, consumer preference, consumer needs, and consumer spending pattern. Those information are crucial for determining prices, promotion, and product development (Bhayanidan Vachhani, 2014).

Digital media use in the marketing of food products is proved to be more effective to boost MSME profit than conventional marketing one (Lisawati, 2016; Khairani et al. 2018). Setiawan et al. (2018) and Sirejeki, (2016) study showed that digital marketing can boost food MSME profit by 10%-32%.

2.4 Knowledge

Knowledge is the result of human effort to know. The work of knowing is the result of knowing, realizing, understanding, and being smart (Mulyadi et al., 2021).

The MSME criteria (Micro, Small and Medium Enterprises) trade cake where the goods in the business are not fixed, or can change at any time, the place of running the business can move at any time, the business has not implemented administration, even personal and business finance still unified, human resources (HR) it do not have a qualified entrepreneurial spirit, usually the level of education of HR is still low and MSME in the cake trade industry do not yet have banking access, but some have access to non-bank financial institutions.

Glazer (2013) considers marketing knowledge as a strategic asset of the company. This means that marketing knowledge is one of the valuable assets for the business and provides a competitive advantage for the business, the result provides superior business performance. To measure the competence of marketing knowledge consists of three indicators, including: (1) Marketing knowledge acquisition (knowledge acquisition) is a process of how that knowledge is obtained; (2) Distribution of marketing knowledge Knowledge dissemination or distribution of information illustrates the knowledge from various sources shared and distributed so as to provide impetus for new understanding or understanding; and (3) Storage of marketing knowledge (organizational memory) means the way how the knowledge is stored for future use.

2.5 Socialization

As for what defines socialization, it is a general concept that can be interpreted as a process in which we learn with others, about how to think, feel, and act. According to Ihromi (1999) in (Mulyadi et al., 2021), socialization is a social process through which we recognize ways of thinking, feeling and behaving, so that we can participate effectively in society.

Child safety regulations on social networks that allow providers to ensure that children are old enough to access websites, awareness of safety messages supported by protection of personal information (Ólafsson & Staksrud, 2013) in (Hendriarto, 2021).

The socialization process has indications in the use of technology in the marketing sector, where with the socialization; business owners have an understanding related to the importance of implementing digitalization in the marketing sector as an effort to increase company goals.

3. Methodology

3.1 Data source

The source of data in this study is primary data. Data was obtained by distributing questionnaires to respondents. Data obtained directly from respondents, including data on the description of the

identity of the respondent, a list of questions regarding user opinions regarding the items studied in this study. List of questionnaires see attachment.

3.2 Research samples

Data collection is a very important step in the research method because the data obtained is expected to be used by researchers in achieving research objectives. In this study, data were obtained from the field using a questionnaire. Questionnaire is a technique of collecting data through written questions and answered in writing (Rokhman, 2019).

Before the researcher distributes the questionnaire, the researcher first conducts a pilot test (pilot test) which aims to test whether the questions contained in the questionnaire are suitable for use before being distributed to correspondents related to the research. The pilot test conducted by the researcher was distributed to MSME actors who were located not far from the researcher's residence and 30 questionnaires were distributed to conduct a pilot test.

3.3 Measurement scale

The scale used in measuring the variables is the *Likert* scale. The *Likert* scale is a systematic way to give an assessment of the index of the questions given then the respondents are asked to provide answers: Strongly agree, Agree, Disagree and strongly disagree. This answer is given as a score of 1 to 5 (Rahmadi & Dewandaru, 2021).

3.4 Validity test

Validity is a measure that shows the level of validity or validity of an instrument. Valid instruments have high validity, and vice versa, invalid instruments have low validity. An instrument is said to be valid if the instrument is able to measure what the researcher wants and discloses data from the variables studied appropriately (Maya & Yohana, 2018). Construct validity test can be done through convergent validity test and discriminant validity test. Convergent validity is validity arises when the scores obtained from two different instruments that measure the same construct have a high correlation. Discriminant validity is validity arises when two different instruments that measure two constructs that are predicted to be uncorrelated produce scores that are not correlated.

3.5 Reliability test

Reliability is an index that shows the extent to which a measuring instrument can be trusted and relied on (Hidayatullohet al., 2020). Meanwhile, according to (Nurlatifah et al., 2021) instrument reliability is the level of stability of the instrument when used when and by anyone so that it will tend to produce the same or almost the same data as before. The method used is *Alpha Cronbach*. The *alpha* formula is used to find the reliability of question items whose scores are not 1 and 0 for example, questionnaires or descriptions (Zuhroh & Rakhmawati, 2020).

3.6 Data analysis method

In this study, the partial Least Square (PLS) is used, which refers to a powerful method because it is usually applied to any data scale that does not require a lot of assumptions and the sample required does not have to be large (Erwin et al., 2021). The steps in the partial Least Square (PLS) analysis are as follows:

- a. *Structural Model Design (inner model)*. Designing a structural model (inner model) of the relationship between latent variables based on theory (Nurlatifah et al., 2021).
- b. *Measurement Model Design (outer model)*. Designing a measurement model (outer model) of the relationship between latent variables and manifest variables. The latent variables in this study were 2 variables which included X1 and X2.
- c. *Construction of Path Diagrams Based on Two Models*. The third stage constructs a path diagram from the results of designing the inner model and outer model.

- d. *Convert Path Diagrams Into Equations.* After the path diagram is complete, the next step is to convert the path diagram into a structural equation (the relationship between the latent variables studied) and the measuring model (the relationship between indicator variables and latent (Erwin et al., 2021)).
- e. *Inner Model.* The inner model is the specification of the relationship between latent variables (model structure) also called inner relations, describing the relationship between latent variables based on substantive research theory (Nurlatifah et al., 2021). According to (Hussein, 2019), without losing its properties, it is generally assumed that the latent variable and indicator or manifest variable are scaled to zero means and the unit variance is equal to one, so that the location parameter can be omitted from the model.
- f. *Outer Model.* Outer Model is a specification of the relationship between latent variables and their indicators (outer relation or measurement model) (Nurlatifah et al., 2021). According to Jaya and Sumertajaya (Astuti & Augustine, 2022) the following is the equation of the measurement model from the path diagram that has been made.
- g. *Parameter Estimation.* The next step is to estimate the parameters of the exogenous variable (X) and endogenous variable (Y). The purpose of estimating latent by iteration. The function of path estimation is to know the coefficient of each indicator on the latent variables. Stahlbock et al. (Amelda et al., 2021). The estimation of the linkage path between the latent variable and the indicator that has the highest correlation based on the loading value is less than 0.5, then the significance of the formative indicator is not significant, it is necessary to re-test or delete the indicator. If the outer loading value is more than 0.5, then the indicator is maintained by Hair et al., in (Erwin et al., 2021).
- h. *Evaluation of Goodness of Fit.* Goodness of Fit evaluation is carried out on the structural model and measurement model. (Madyaratry et al., 2020) explain the goodness of fit as follows: (1) The best guide in assessing model fit is a strong substantive theory. If the model only shows or represents a substantive theory that is not strong and even though the model has a very good fit, it is rather difficult for us to judge the model; (2) The Chi-Square statistical test should not be the only basis for determining the fit of the data with the model; and (3) None of the Goodness of Fit measures can exclusively be used as the basis for evaluating the overall fit of the model.

3.7 Hypothesis testing

Hypothesis testing was conducted to partially test the effect of the exogenous variable (X) on the endogenous variable (Y). Hypothesis testing is done by looking at the t-value in each path and the t-table value from the bootstrapping results. The value of the inner weight coefficient is said to be significant if the value of $t_{count} > t_{table}$ (Capasso et al., 2019). The hypothesis in this study is as follows:

a. *Variable Socialization to Variable Level of Knowledge of Digitalization in the Field of Marketing in Sidoarjo City*

H₀: $\gamma_1 = 0$; There is no significant effect between the socialization variable and the level of digitalization knowledge in the marketing field in Sidoarjo City.

H₁: $\gamma_1 \neq 0$; There is a significant influence between the socialization variable and the level of digitalization knowledge in the marketing field in Sidoarjo City.

b. *Interaction Variables on Variables of Knowledge Level of Digitalization in Marketing in Sidoarjo City*

H0: $\gamma^2 = 0$; There is no significant effect between the interaction variables on the level of digitalization knowledge in the marketing field in Sidoarjo City.

H1: $\gamma^2 = 0$; There is a significant influence between the interaction variables on the variable level of knowledge of digitalization in the marketing field in Sidoarjo City.

c. *The Variable Level of Knowledge of MSME Actors on the Variable Utilization of Digitalization in Marketing by MSME Actors in Sidoarjo City*

H0: $\gamma^1 = 0$; There is no significant effect between the variables of the level of digitalization knowledge in the marketing field in Sidoarjo City on the use of digitization by MSME actors in the marketing sector.

H1: γ^{10} ; There is a significant influence between the variable level of knowledge of MSME actors in digitalization in the marketing field in Sidoarjo City on the use of digitization by MSME actors in marketing.

4. Results

After testing the convergent validity, discriminant validity, and rehabilitation test, the hypothesis is then tested. Based on the data processing carried out by the researcher, the results of data processing are obtained in the form of a valid Table I below.

[INSERT TABLE I]

In hypothesis testing, the path coefficient value indicated by the T statistic value ($T \text{ statistic} > 1.96$) then the alternative hypothesis can be declared supported, but if the value of the T statistic ($T \text{ statistic} < 1.96$) then the alternative hypothesis is declared not supported. Based on the result of data processing using the PLS program by means of bootstrapping in the Table I above, it can be seen the value of the T statistic (T-statistic) in each construct and determines whether the alternative hypothesis is supported or not.

[INSERT TABLE II]

Based on the result of the hypothesis test above, it can be seen that the socialization and interaction constructs affect the level of knowledge of MSME actors in digitalization in the marketing field of Sidoarjo city. Likewise, the construct of the level of knowledge of MSME actors in digitalization in the marketing sector of the city of Sidoarjo on the use of digitalization in the marketing field in the city of Sidoarjo. To further strengthen this research, the researcher refers by looking for related journals with the same research model, to support the statements that have been stated previously.

4.1 The Effect of Socialization on the Knowledge Level of MSME Actors about Digitalization in the Marketing Sector of Sidoarjo City

Hypothesis 1 states that the interaction construct affects the level of knowledge of MSME actors. Based on table 1, it can be seen that the T statistic (T-statistic) of the interaction construct on the knowledge level of MSME actors is 2.481 or > 1.96 . Based on these results, it can be stated that the interaction affects the level of knowledge of MSME actors, so that hypothesis 1 is supported. These results are consistent with research (Yanuarti & Murwatiningsih, 2019) and (Erlanitasari et al., 2020).

Perceived socialization can be defined as socialization makes two fundamental contributions to our lives. First, providing a basis or foundation for individual to create effective participation

in society, and secondly enabling the sustainability of a society, because without socialization there will be only one generation so that the sustainability of society will be greatly disrupted. The results of the analysis in this study indicate that socialization has an effect on the level of knowledge of MSME actors who want to use digitalization in the marketing field. These results are consistent with research conducted by (Liu, 2022) and (Kasayanond et al., 2019).

The perception of socialization has a big influence on attitudes, because it is a method that is considered the most capable of explaining the benefits of a related matter. Research conducted (Susilowati & Kaharti, 2020) Of the 13 participants, only 2 people have used social media actively to market their products. The main social media platform they use is Facebook because it is the platform they are most familiar with. As many as 2 other participants have used social media for marketing their products but they are not involved. In addition to considering using digital marketing to be quite difficult, they also feel that there are not many actual transactions that occur compared to selling directly.

(Tanzile et al., 2021) also stated that the adoption of digital technology was proven to improve the performance of SMEs, especially in increasing access to new domestic customers and increasing sales.

4.2 The Effect of Interaction on the Knowledge Level of MSME Actors about Digitalization in the Marketing Sector of Sidoarjo City

Hypothesis 2 states that the socialization construct affects the level of knowledge of MSME actors. Based on table 1, it can be seen that the statistical T value (T statistic) of the interaction construct on the knowledge level of MSME actors is 4.571 or 1.96. Based on these results, it can be stated that socialization has an effect on the level of knowledge of MSME actors, so hypothesis 2 is supported. These results are consistent with studies (Tanzile et al., 2021) and (Joensuu-Salo et al., 2018).

The definition of interaction can be defined to reveal that social interaction is a reciprocal relationship between two or more individuals, where the nature of these individuals influences each other (Hariandja, 2021). With social interaction, it can add insight to an MSME actor in developing their business and digitalization of marketing expands the scope of interaction between actors and consumers. Meanwhile, according to (Martinez-Caro et al., 2020), social interaction is an exchange between individuals in which each individual shows his behavior that influences each other. From what has been explained by Shaw, it can be concluded that the digitalization process can expand exchange that can show the character of each individual. These two things support the research above, with an interaction that can increase the level of knowledge of MSME actors and social media is only an intermediary between MSME actors and consumers.

4.3 The Effect of Knowledge Level of MSME Actor on Digitalization in the Marketing Sector of Sidoarjo City on the Utilization of Digitalization in the Marketing Sector by MSME Actors in Sidoarjo City

Hypothesis 3 states that the knowledge level construct of MSME actors affects the use of digitalization in the marketing sector. Based on table 1, it can be seen that the statistical T value (T statistic) of the knowledge level construct of MSME actors on the use of digitalization in the marketing sector is 11.609 or 1.96. Based on these results, it can be stated that the level of knowledge of MSME actors affects the use of digitalization in the marketing sector, so hypothesis 3 is supported. The results of this study are consistent with research (Ishak, 2008) and (Susilowati & Kaharti, 2020).

Based on the results of research (Dethine et al., 2020) The lack of knowledge of MSME actors regarding digital marketing affects the level of utilization of digitalization in the marketing

field, this is directly proportional to the results of research conducted by researchers that the level of knowledge is the basis for optimization or utilization by showing the results of validity and reliability regarding utilization related to marketing digitization. And the research results are supported by the research conducted (Lee & Falahat, 2019).

5. Conclusion

Based on the results of hypothesis testing in this study, it can be concluded that the variable level of knowledge has a positive effect on the use of digitalization in the marketing field. This level of knowledge can be obtained from many sources. In this research, socialization and interaction indicators are used. From the results of the study showed that socialization and interaction had a positive influence on the variable level of knowledge.

Overall, it can be concluded that MSME actors need special training through socialization and interaction activities to increase their level of knowledge so that they can optimize the use of digitalization in the marketing sector.

References

- Amelda, B., Alamsjah, F., & Elidjen. (2021). Does the Digital Marketing Capability of Indonesian Banks Align with Digital Leadership and Technology Capabilities on Company Performance? *CommIT Journal*, 15(1), 9–17. <https://doi.org/10.21512/commit.v15i1.6663>
- Astuti, W. A., & Augustine, Y. (2022). The Effect of Digital Technology and Agility On Company Performance with Management Accounting System as Mediation. *International Journal of Research and Applied Technology*, 2(1), 11–29. <https://doi.org/10.34010/injuratech.v2i1.6552>
- Capasso, M., Hansen, T., Heiberg, J., Klitkou, A., & Steen, M. (2019). Greengrowth—A Synthesis of Scientific Findings. *Technological Forecasting and Social Change*, 146(June), 390–402. <https://doi.org/10.1016/j.techfore.2019.06.013>
- Darodjat, T. A., Laely, N., Djunaedi, Vitasromo, P., Rosita, D., & Rahmat, A. (2021). The Analysis of Marketing Strategies To Market Orientation To Increase Marketing Performance of Leather Crafter Sme in Tanggulangin. *International Journal of Innovations in Engineering Research and Technology*, 8(1), 14–21.
- Dethine, B., Enjolras, M., & Monticolo, D. (2020). Digitalization and SMEs' Export Management: Impact on Resources and Capabilities. *Technology Innovation Management Review*, 10(4), 18–34. <https://doi.org/10.22215/TIMREVIEW/1344>
- Erlanitasari, Y., Rahmanto, A., & Wijaya, M. (2020). Digital Economic Literacy Micro, Small and Medium Enterprises (SMES) Go Online. *Informasi*, 49(2), 145–156. <https://doi.org/10.21831/informasi.v49i2.27827>
- Erwin, E., Suade, Y. K. M., & Poernomo, W. (2021). Analyzing Digital Marketing, Green Marketing, Networking and Product Innovation on Sustainability Business Performance, Silk Cluster. *International Journal of Economic, Business and Accounting Research*, 5(3), 814–821. <http://www.jurnal.stie-aas.ac.id/index.php/IJEBAR/article/view/3048>
- Hariandja, E. S. (2021). Customer Perspective on Dynamic Marketing Capability in International Hotels of Indonesia During Covid-19: Confirmatory Factor Analysis. *Innovative Marketing*, 17(3), 74–87. [https://doi.org/10.21511/im.17\(3\).2021.06](https://doi.org/10.21511/im.17(3).2021.06)
- Hendriarto, P. (2021). Understanding of The Role of Digitalization to Business Model and Innovation: Economics and Business Review Studies. *Linguistics and Culture Review*, 5(S1), 160–173. <https://doi.org/10.21744/lingcure.v5ns1.1347>

- Hidayattuloh, M.H., Bambang, A.N., & Amirudin, A. (2020). The Green Economy Development Strategy of Cempaka Tourism Village toward Sustainable Tourism Development. *The Indonesian Journal of Planning and Development*, 5(1), 30–37. <https://doi.org/10.14710/ijpd.5.1.30-37>
- Hussein, A.S. (2019). Entrepreneurial Market Orientation and Marketing Performance: An Evidence From Malang Soybean Cracker Industry. *Jurnal Sosial Humaniora*, 0(01), 10. <https://doi.org/10.12962/j24433527.v0i01.5764>
- Ishak, A. (2008). The Use of Market Orientation As an Effective Approach in Winning and Sustaining Market. *Sinergi*, 10(2), 107–119. <https://doi.org/10.20885/sinergi.vol10.iss2.art3>
- Joensuu-Salo, S., Sorama, K., Viljamaa, A., & Varamäki, E. (2018). Firm Performance Among Internationalized Smes: The Interplay of Market Orientation, Marketing Capability and Digitalization. *Administrative Sciences*, 8(3), 1–13. <https://doi.org/10.3390/admsci8030031>
- Kaleka, A., & Morgan, N.A. (2019). How Marketing Capabilities and Current Performance Drive Strategic Intentions in International Markets. *Industrial Marketing Management*, 78, 108–121. <https://doi.org/10.1016/j.indmarman.2017.02.001>
- Kasayanond, A., Umam, R., & Jesrumsittiparset, K. (2019). Environmental Sustainability and Its Growth in Malaysia by Elaborating the Green Economy and Environmental Efficiency Provided. *International Journal of Energy Economics and Policy*, 9(5), 1–10. <https://doi.org/10.1515/mt-1999-417-807>
- Lee, Y. Y., & Falahat, M. (2019). The Impact of Digitalization and Resources on Gaining Competitive Advantage in International Markets: The Mediating Role of Marketing, Innovation and Learning Capabilities. *Technology Innovation Management Review*, 9(11), 26–38. <https://doi.org/10.22215/TIMREVIEW/1281>
- Liu, Y. (2022). Effect of Digital Marketing Capabilities and Blockchain Technology on Organizational Performance and Psychology. *Frontiers in Psychology*, 12(February), 1–9. <https://doi.org/10.3389/fpsyg.2021.805393>
- Madyaratry, L.H., Hadjomidjojo, H., & Anggraeni, E. (2020). The Mapping of Sustainability Index in Small and Medium Enterprises. *Jurnal Teknik Industri*, 21(1), 58. <https://doi.org/10.22219/jtiumm.vol21.no1.58-69>
- Martínez-Caro, E., Cegarra-Navarro, J.G., & Alfonso-Ruiz, F.J. (2020). Digital Technologies and Firm Performance: The Role of Digital Organisational Culture. *Technological Forecasting and Social Change*, 154(May). <https://doi.org/10.1016/j.techfore.2020.119962>
- Maya, S., & Yohanna, L. (2018). Identification of Problems and Solution of The Micro Small Middle Enterprise with Nvivo-Software. *SosioE-Kons*, 10(2), 121. <https://doi.org/10.30998/sosioekons.v10i2.2606>
- Mulyadi, Bustami, K., Malik, I., & Lakhari, I. (2021). The Impact Of Product Innovation And Market Orientation On The Competitive Advantage of Souvenirs In Padang. *Jurnal Ekobistek*, 22(2), 21–28. <https://doi.org/10.35134/ekobistek.v9i1.67>
- Nugraheni, A.P., Pramudyastuti, O.L., & Sunaningsih, S.N. (2020). Strategy of SMEs in The Covid-19 Pandemic Period. *Jurnal Akuntansi Dan Perpajakan Jayakarta*, 2(1), 45–52. <https://doi.org/10.53825/japjayakarta.v2i1.45>
- Nurlatifah, H., Saefuddin, A., Marimin, M., & Suwarsinah, H. (2021). Systematic Literature Review of Competitive Advantage and Marketing Capability of Small Medium Enterprises (SMEs). *Journal of Economics, Business, & Accountancy Ventura*, 24(2), 299.

<https://doi.org/10.14414/jebav.v24i2.2797>

- Rahmadi, A.N., & Dewandaru, B. (2021). Effect of Market Orientation and Innovation Toward Competitive Advantage in Business Street Food. *Business and Finance Journal*, 6(2), 135–139.
- Rahman, S., Budiyanto, B., & Suwitho, S. (2021). The Negative Effect of Market Orientation on SMEs' Marketing Performance in The Creative Economy Sector, and How Innovation Mediating it. *International Journal of Economics Development Research (IJEDR)*, 2(2), 77–91. <https://doi.org/10.37385/ijedr.v2i2.272>
- Rokhman, M.T.N. (2019). Market Orientation to Improve Marketing Performance Through the Competitive Advantages of Batik SMEs. *Jurnal Aplikasi Manajemen*, 17(3), 489–495. <https://doi.org/10.21776/b.jam.2019.017.03.13>
- Susilowati, I., & Kaharti, E. (2020). Analysis of Market Orientation and Innovation on SMEs Business Performance. *Fokus Bisnis: Media Pengkajian Manajemen Dan Akuntansi*, 19(1), 1–10. <https://doi.org/10.32639/fokusbisnis.v19i1.383>
- Tanzil, S.N., Sunarya, E., & Jhoansyah, D. (2021). Role of Entrepreneurial Orientation and Market Orientation To Msmes Performance. *Jurnal Manajemen Dan Bisnis*, 5(2), 141–147. <https://doi.org/10.36555/almana.v5i2.1433>
- Untari, D., Fajariana, D.E., & Ridwan, M. (2019). Preparing the Asean Economic Community (Mea) With the Development Strategy of Small and Medium Enterprises (UMKM) To Get Business Credit in Kelurahan Cibaduyut Bandung. *International Journal of Economics, Business and Accounting Research (IJEBAR)*, 3(03), 215–224. <https://doi.org/10.29040/ijebar.v3i03.587>
- Yanuarti, D.W., & Murwatiningsih. (2019). Mediating Role of Competitive Strategy and Marketing Capability on the Relationship Between Entrepreneurial Orientation and Market Performance. *Management Analysis Journal*, 8(2). <http://maj.unnes.ac.id>
- Yaskun, M. (2021). The Role of Entrepreneurship Orientation and Market Orientation on Product Innovation and Business Performance at SMEs Restaurants in Lamongan. *Enrichment: Journal of Management*, 11(2), 65145. www.enrichment.iocspublisher.org
- Zuhroh, N.A., & Rakhmawati, N.A. (2020). Clickbait detection: A literature review of the methods used. *Register: Jurnal Ilmiah Teknologi Sistem Informasi*, 6(1), 1–10. <https://doi.org/10.26594/register.v6i1.1561>

Table I Total effects

Relationship Sample(O)	Original Mean (M)	Sample (STDEV)	Standard Deviation (O/STDEV)	T Statistics	P Values
I ->TP	0,299	0,305	0,120	2,481	0,013
S->TP	0,576	0,574	0,126	4,571	0,000
TP->P	0,795	0,790	0,068	11,609	0,000

Notes: S: Socialization;P: Utilization; I:Interaction; TP: KnowledgeLevel

Table II Result of algorithm

Alpha	Cronbach's Reliability	Rho_A Square	Composite	(AVE)	R	Communality	Redundancy
I	0,881	0,886	0,913	0,677		0,677	
P	0,875	0,878	0,906	0,617	0,633	0,617	0,314
S	0,903	0,905	0,925	0,674		0,674	
T					0,701		
P	0,845	0,851	0,896	0,682		0,682	0,430

Notes: S: Socialization;P: Utilization; I:Interaction; TP: KnowledgeLevel