

Original Article

Building a Competitive Strategy Model in Improving Business Performance of Processed Food Businesses in Badung District

I Gusti Ayu Ketut Giantari¹, I Made Wardana², Tjokorda Gde Raka Sukawati³, Ni Made Dwi Ratna Cahyanti⁴, Ni Luh Wayan Melia Dwi Utami⁵

^{1,2,3,4,5}Faculty of Economics and Business, Udayana University, Bali – Indonesia.

¹Corresponding Author : ayugiantari@unud.ac.id

Received: 03 August 2023

Revised: 20 September 2023

Accepted: 03 October 2023

Published: 24 October 2023

Abstract - The problem faced by food-processed SMEs in Badung Regency in the last three years is the decline in business performance, especially after the Covid 19 Pandemic and the emergence of new competitors. This research aims to build a competitive strategy model (partnership strategy) to improve the business performance of food-processed SMEs in Badung Regency. This research uses a quantitative approach with 31 respondents of processed food SMEs in Badung Regency taken using the census method. The research instrument was tested for validity and reliability, and the data analysis technique used descriptive statistical analysis and inferential statistics (SEM-PLS). The results showed that the intensity of competition has a negative and significant effect on business performance, meaning that the higher the intensity of competition, the lower the business performance. Digital marketing has a positive and significant effect on business performance, meaning that high use of digital marketing causes high business performance. Competitive strategy can partially mediate between the intensity of competition and digital marketing on the business performance of food-processed SMEs in Badung Regency.

Keywords - Phrases competitive intensity, Digital marketing, Competitive strategy, Business performance.

1. Introduction

The existence of SMEs (Small and Medium Industries) plays a very important role in supporting the economy in Indonesia because SMEs can contribute to job creation, new job opportunities, the emergence of new innovations, stimulate competition and increase economic growth. SMEs are businesses that have high flexibility and resilience to global economic shocks. SMEs were the economy's saviour during the 1998 economic crisis; when many large companies went out of business, SMEs survived. This is also the case for SMEs in Badung Regency that have the potential to develop processed agricultural businesses into processed food.

The performance of processed food SMEs in Badung Regency has decreased in the last three years due to the COVID-19 pandemic and new competitors offering similar products. These new entrants conduct more aggressive promotions (personal selling) and also dare to provide lower prices.

The lack of promotion carried out by SMEs is also the cause of the lack of development of processed food SMEs. For this reason, SMES need to understand the use of

Information Technology (IT) in doing business, especially in finding new markets for their products. Promotion is currently important by adopting the use of digital marketing.

Business performance is the company's ability to obtain its goals in the form of profit, sales volume or customer satisfaction and loyalty. Improved business performance can be achieved through the application of digital marketing (Tuten, 2020: 19); Cao et al. (2018); Odoom et al. (2017); Ainin et al., 2015; Lam et al., 2016; and Giantari et al. (2022).

The use of digital marketing on business performance also shows inconsistent results. Ahmad et al. (2018) and Garredo-Moreno et al. (2018) state that digital marketing has a positive but insignificant effect on business performance.

The decline in SME business performance is also due to the very high intensity of competition, according to the results of this study conducted by Gurjeet et al. (2019). According to Chen et al. (2015) and Giantari et al. (2022), competition negatively and significantly affects business performance.



There is a research gap between digital marketing on business performance and competition intensity on business performance, so it is necessary to add a mediating variable, namely competitive strategy. The competitive strategy offered as a solution is a partnership (Yasa, 2010). Partnership strategy is carried out by cooperating with suppliers, competitors, customers and the government.

The intensity of competition in the industry itself determines the company's competitive position. Five external industry forces determine industry competition. These forces include competitive rivalry, threat of substitutes, bargaining power of suppliers, bargaining power of buyers, and threat of new entrants (Porter, 1980, p. 5). Business performance is a commonly used factor to measure the impact of a company's strategy. Corporate strategy is always directed to produce performance in the form of both marketing performance and financial performance.

Previous research studies on the effect of competitive intensity on business performance were conducted by Gurjeet et al. (2019). According to Chen et al. (2015) and Giantari et al. (2022), the high competition intensity causes a decrease in business performance.

Digital marketing is an activity of marketing or promoting a product using digital media or the internet. Digital marketing aims to attract potential consumers quickly (Park et al., 2018; Wendy et al., 2019). The results of this study contradict the results of previous research conducted by Nguyen et al. (2021), which states that adopting digital technology, including digital marketing, has a positive and significant effect on financial performance. Sousa-Zomer et al. (2020) state that adopting digital marketing cannot improve business performance. Redjeki and Affandi (2021) state that adopting digital marketing plays an important role in improving non-financial performance. Similar results have also been obtained by Singh et al. (2021), stating that digital

marketing adoption variables positively and significantly affect business performance, such as customer satisfaction and loyalty.

In an industrial environment with high competitive intensity, the industry can develop strategies, including making product and process differentiation, to ensure sustainable competitiveness (Zehir et al., 2015). Differentiation strategies in a fiercely competitive industrial environment can be explained by the Resource Based View Theory (Barney, 1991) and Porter's generic strategy (Porter, 1980). Previous research states that industry competition has a positive effect on differentiation strategies (Yasa et al., 2014; Banker et al., 2014; Yuliansyah et al., 2016) because the industry will be encouraged to make innovations to create new and valuable products or services for customers to avoid competitive pressure and maintain sustainable competitiveness (Zehir et al., 2015).

Digital marketing is a company's marketing strategy using various digital platforms (Wardhana (2015), Sulaksono (2020), Febryanto and Arisani (2018), Heidrick and Struggles (2009), Sanjaya and Tarigan (2009)). Various ways can be done for web-based media such as blogs, websites, e-mails, adwords or social networks to promote their products (Sanjaya and Tarigan, 2009). Porter (1985) argues that a business unit is called competitive if it can show superior performance compared to its competitors. Neil Morris (2009) explain company competitiveness as the ability of a business unit to provide more value to its products than its competitors. This value benefits customers. Febryanto and Arisani (2018) explain that digital marketing makes it easier for businesses to provide information and interact directly with consumers, expand the market, increase awareness and increase sales. From this description, this study aims to test and explain the role of competitive strategy (partnership strategy) in improving the business performance of food-processed SMEs in Badung Regency.

The research conceptual framework is presented in Figure 1 below.

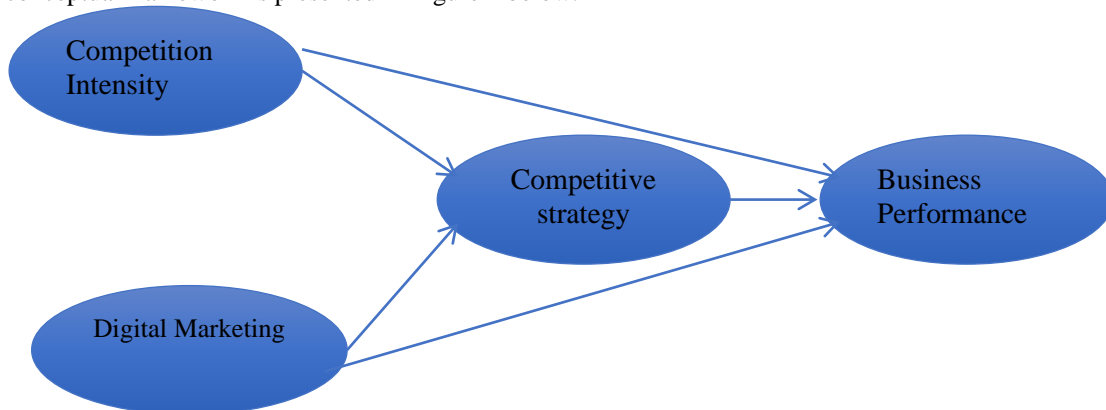


Fig. 1 Research conceptual framework

1.1. Hypothesis

- Hypothesis 1: Intensity of competition has a negative and significant effect on business performance
- Hypothesis 2: Digital marketing has a positive and significant effect on business performance
- Hypothesis 3: Intensity of competition has a positive and significant effect on competitive strategy
- Hypothesis 4: Digital marketing has a positive and significant effect on competitive strategy
- Hypothesis 5: Competitive strategy has a positive and significant effect on business performance
- Hypothesis 6: Competitive strategy can mediate the effect of competitive intensity on business performance significantly.
- Hypothesis 7: Competitive strategy can mediate the effect of digital marketing on business performance significantly

2. Materials and Methods

This research was conducted with a quantitative approach (positivism) to answer the problem formulation. This research was conducted in Badung Regency on food-processed SMEs. The research population was the entrepreneurs of processed food product SMEs in Badung Regency, totalling 31 people and all of them were taken as research samples (saturated samples). Structural Equation Modeling (SEM) - PLS is the data analysis technique. The data measurement scale uses a Likert scale with five answer options from strongly agree to disagree strongly. The research variables and their measurement indicators are shown in Table 1.

Table 1. Measurement of research variables

Exogenous Variables	Indicator	References
Intensity of Competition (X1)	(X1.1) Competition among similar SMEs	Porter (1985) dan Chen et al. (2015). Giantari et al. (2022)
	(X1.2) Bargaining power of buyers	
	(X1.3) Bargaining power of suppliers	
	(X1.4) Potential new entrants	
	(X1.5) The existence of substitute products	
Digital marketing (X2)	(X2.1) Use of digital marketing to communicate with customers	Park et al. (2018) dan Wendy et al. (2019), Giantari et al. (2022)
	(X2.2) Use of digital marketing to share information with customers	
	(X2.3) Use of digital marketing to build relationships with customers	
	(X2.4) Use of digital marketing to manage the community	
	(X2.5) Use of digital marketing to stay close to customers	
Competitive strategy (partnership strategy) (Y1)	(Y1.1) Partnerships with suppliers	Lee et al. (2007)
	(Y1.2) Partnerships with customers	
	(Y1.3) Partnerships with competitors	
	(Y1.4) Partnerships with Government	
Business Performance (Y2)	(Y2.1) Sales volume increase	Giantari et al. (2022)
	(Y2.2) Sales growth	
	(Y2.3) Increased Profit	
	(Y2.4) Customer satisfaction	

The instrument test results have shown valid and reliable with the r-count value of items greater than 0.344 declared valid. The reliability test shows that it is reliable because the Cronbach Alpha value > 0.6.

3. Results and Discussion

To test the hypothesis and produce a feasible model (fit), this study uses Partial Least Square (PLS) 3.0. The PLS approach is most appropriate if the structural model to be analysed meets the recursive model, and the latent variable has formative, reflexive and mixed indicators.

In PLS, there are terms inner model and outer model. The inner model is a structural model of the relationship

between latent variables, while the outer model is a measurement model (reflexive or formative).

3.1. Convergent Validity

The convergent validity value is the factor loading value on the latent variable with its indicators. This study uses a loading of 0.50 to 0.60, which is considered sufficient because it is the initial stage of developing a measurement scale, and the number of indicators per construct is not large, ranging from three to five indicators. All values in the convergent validity test are greater than 0.60. Thus, the data in the study are valid, meaning that the reflective indicators with the latent variable scores have a good correlation.

3.2. Discriminant Validity using AVE

Another method is by comparing the average variance extracted (AVE) value of each construct with the correlation between other constructs in the model; it can be concluded

that the construct has a good discriminant validity value or vice versa. In this regard, it is recommended that the measurement value should be greater than 0.50.

Table 2. AVE convergent validity test results

	Average Variance Extracted (AVE)
Intensity of Competition (X1)	0,714
Digital marketing (X2)	0,707
Competitive Strategy (partnership strategy) (Y1)	0,653
Business Performance (Y2)	0,643

Based on Table 2, it can be seen that all convergent validity AVE values are greater than 0.5. Thus, the data in the study are valid, meaning that the latent variable can explain more than half of the variance of its indicators on average.

Cronbach's Alpha can be used. In addition to Cronbach's Alpha, the composite reliability value is also used, interpreted the same as the Cronbach's Alpha value. The accepted limit value for the level of composite reliability is 0.7, although it is not an absolute standard. Table 3 shows that all Cronbach's alpha values on each variable are greater than 0.7, and all composite reliability values on each variable are greater than 0.7. Thus, it can be stated that the data in the study is reliable.

3.2.1. Composite Reliability

Block indicators measure the internal consistency of construct-forming indicators, indicating the degree to which they indicate common latent (unobserved). For reliability,

Table 3. Hasil Uji Reliability Cronbach's Alpha dan Composite Hasil Uji Reliability Cronbach's alpha dan composite reliability

	Cronbach's Alpha	Composite Reliability
Intensity of Competition (X1)	0,869	0,915
Digital marketing (X2)	0,896	0,896
Competitive Strategy (partnership strategy) (Y1)	0,824	0,824
Business Performance (Y2)	0,813	0,813

Inner Model Result

a) R – Square

The R-square value is used to calculate later the Q-square value, a goodness of fit model test. In addition, the R-square also determines how much (%) the influence of

exogenous variables on endogenous variables; the range of R-square values is 0-1. If the R-square value is close to 0, the weaker the effect of exogenous variables on endogenous variables; on the contrary, if it is close to 1, the stronger the effect of exogenous variables on endogenous variables.

Table 4. R-square test results

	R Square	R Square Adjusted
Competitive Strategy (partnership strategy) (Y1)	0,401	0,359
Business Performance (Y2)	0,876	0,862

Based on Table 4, the R-square value for the competitive strategy variable on business performance is 0.401, which means that the competitive strategy variable can explain the business performance variable by 40.1 percent, and other factors outside the model explain the remaining 59.9. The R-square value for the variable intensity of competition, digital

marketing and competitive strategy on business performance is 0.876 percent which shows that it has a large influence, meaning that the variable intensity of competition, digital marketing and competitive strategy can explain the business performance variable by 87.6 percent and other factors outside the model explain the remaining 12.4 percent.

Table 5. Direct effect test results

	Path Coef.	t statistics	P Values	Description
Intensity of Competition (X1) -> Business Performance (Y2)	-0,434	3,698	0,000	Significant
Digital Marketing (X2) -> Business Performance (Y2)	0,405	3,641	0,000	Significant
Intensity of Competition (X1) -> Competitive Strategy (Y1)	0,434	1,537	0,000	Significant
Digital Marketing (X2) -> Competitive Strategy (Y1)	0,825	4,118	0,000	Significant
Competitive Strategy (Y1) -> Business Performance (Y2)	0,337	3,051	0,002	Significant

Table 6. Recapitulation of mediation variable test results

Variable Relationship	Effect				Description
	(A)	(B)	(C)	(D)	
Intensity of Competition (X1) -> Competitive Strategy (Y1) -> Business Performance (Y2)	0,146 (Sig.)	-0,434 (Sig.)	0,434 (Sig.)	0,337 (Sig.)	Partial Mediation
Digital Marketing (X2) -> Competitive Strategy (Y1) -> Business Performance (Y2)	0,278 (Sig.)	0,405 (Sig.)	0,825 (Sig.)	0,337 (Sig.)	Partial Mediation

The examination of mediating variables in this study examined the mediating role of the Competitive Strategy variable on the indirect effect of competitive intensity and

Digital Marketing on Business Performance. The examination of indirect effects in this study can be seen in the explanation of the analysis results in Table 6.

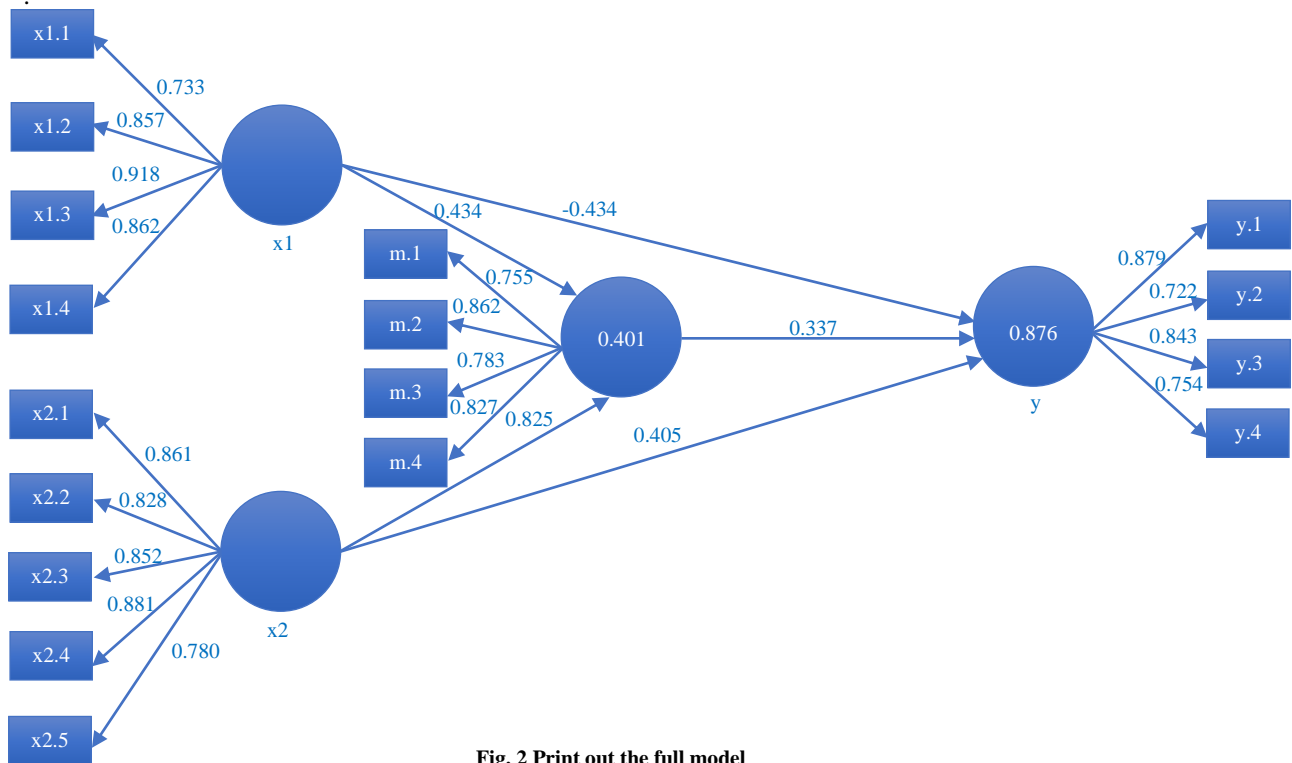


Fig. 2 Print out the full model

The Effect of Competition Intensity on Business Performance

The statistical analysis results show that the intensity of competition has a negative and significant effect on business performance, meaning that the higher the intensity of competition, the lower the business performance of food-processed SMEs in Badung Regency. This shows that the values contained in the intensity of competition measured using indicators of competition among similar SMEs, bargaining power of buyers, bargaining power of suppliers, potential new entrants and the existence of high substitute products will lead to low business performance as measured by indicators of increased sales volume, sales growth, increased profits and customer satisfaction. The results of this study are research conducted by Gurjeet et al. (2019), Chen et al. (2015), and Giantari et al. (2022), which state that competition has a negative and significant effect on business performance. Research by Giantari et al. (2022) conducted on MSMEs in the culinary sector in Bali shows that the higher the intensity of competition, the lower the business performance, both financial performance and non-financial performance.

The Effect of Digital Marketing on Business Performance

The statistical analysis results show that digital marketing has a significant positive effect on business performance, meaning that the higher the application of digital marketing, the higher the business performance of food-processed SMEs in Badung Regency. This shows the values contained in digital marketing indicators, namely the use of various social media, digital marketing to share information, digital marketing to build relationships, digital marketing to manage communities, digital marketing always being close to high customers will lead to high business performance as measured by indicators of increased sales volume, sales growth, increased profits and customer satisfaction. The results of this study are research conducted by (Tuten, 2020: 19), Cao et al. (2018), Odoom et al. (2017), Ainin et al., 2015 Lam et al., 2016 and Giantari et al. (2022) which states that digital marketing has a significant positive effect on business performance. The results of research by Giantari et al. (2022) show that digital marketing can improve the performance of MSMEs in the culinary sector in Bali, both financial and non-financial. Non-financial performance is measured using indicators of satisfaction, loyalty and brand equity. While financial performance is measured using increased sales, business transactions, and profitability.

Effect of Competition Intensity on Competitive Strategy

The statistical analysis results show that the intensity of competition has a positive and significant effect on business strategy, meaning that the higher the intensity of competition, the higher the competitive strategy of food-processed SMEs in Badung Regency. This shows that the values contained in the intensity of competition measured using indicators: competition among similar SMEs, bargaining power of buyers, bargaining power of suppliers,

potential new entrants and the existence of high substitute products will lead to high business strategies measured by indicators of partnerships with suppliers, partnerships with customers, partnerships with competitors and partnerships with the government. This study's results are from the research study conducted by Lee et al. (2007). Goll et al. (2007) stated that the intensity of competition can increase the company's competitive strategy.

The Effect of Digital Marketing on Competitive Strategy

The statistical analysis results show that digital marketing has a significant positive effect on competitive strategy, meaning that the higher the application of digital marketing, the more competitive the strategy of food-processed SMEs in Badung Regency. This shows the values contained in digital marketing indicators, namely the use of various social media, digital marketing to share information, digital marketing to build relationships, digital marketing to manage communities, digital marketing always being close to high customers will lead to high competitive strategies as measured by indicators of partnerships with suppliers, partnerships with customers, partnerships with competitors and partnerships with the government. The results of this study are by research conducted by Febryanto and Arisani (2018), which states that using digital marketing will increase the competitiveness of companies, ultimately increasing sales.

The Effect of Competitive Strategy on Business Performance

The statistical analysis results show that competitive strategy has a significant positive effect on business performance, meaning that the higher the competitive strategy, the higher the business performance of food-processed SMEs in Badung Regency. This shows that the high values contained in competitive strategy indicators, as measured by partnerships with suppliers, partnerships with customers, partnerships with competitors and partnerships with the government, can cause high business performance as measured by indicators of increased sales volume, sales growth, increased profits and customer satisfaction. The results of this study are by research (Mia and Winata, 2014; Ghasemi et al., 2015). It happens because, in a high-intensity industrial competition environment, industry owners use their internal resources and capabilities to carry out activities to lower costs, reduce managerial and operational risks, provide incentives to optimise efficiency and encourage innovation.

The Role of Competitive Strategy in Mediating the Effect of Competition Intensity on Business Performance

The results showed that competitive strategy can partially mediate the effect of competitive intensity on the business performance of food-processed SMEs in Badung Regency. This means that the higher the intensity of competition, the higher the competitive strategy that impacts business performance.

The high intensity of competition leads to low business performance. The results of this study support previous studies by Gurjeet et al. (2019), Chen et al. (2015), and Giantari et al. (2022), which state that competition has a negative and significant effect on business performance. The intensity of competition significantly affects competitive strategy in accordance with the research study conducted by Lee et al. (2007). Goll et al. (2007) state that the intensity of competition can improve the company's competitive strategy. Competitive strategy significantly affects business performance, according to the research of Mia and Winata (2014) and Ghasemi et al. (2015).

The Role of Competitive Strategy in Mediating the Effect of Digital Marketing on Business Performance

The results showed that competitive strategy can partially mediate the effect of digital marketing on the business performance of food-processed SMEs in Badung Regency. This means that the higher the utilisation of digital marketing, the higher the competitive strategy that impacts business performance. Competitive strategy also has a significant effect on business performance, so competitive strategy can partially mediate the effect of digital marketing on business performance. The results of this study are research conducted by (Tuten, 2020: 19), Cao et al. (2018), Odoom et al. (2017), Ainin et al. 2015; Lam et al., 2016; and Giantari et al. (2022) which states that digital marketing has a significant positive effect on business performance.

Digital marketing affects competitive strategy, according to research by Febryanto and Arisani (2018). Competitive strategy significantly affects business performance, according to research by Mia and Winata 2014; Ghasemi et al., 2015 which states that company competitiveness can improve business performance.

References

- [1] Syed Zambery Ahmad, Abdul Rahim Abu Bakar, and Norita Ahmad, "Social Media Adoption and its Impact on Firm Performance: The Case of the UAE," *International Journal of Entrepreneurial Behavior and Research*, vol. 25, no. 1, pp. 84-111, 2019. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [2] Sulaiman Ainin et al., "Factors Influencing the Use of Social Media by SMEs and its Performance Outcomes," *Industrial Management and Data Systems*, vol. 115, no. 3, pp. 570-588, 2015. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [3] Neil Morris, *Understanding Digital Marketing: Marketing Strategies for Engaging the Digital Generation*, Journal of Direct Data and Digital Marketing Practice, vol. 10, pp. 384-387, 2009. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [4] Rajiv D. Banker, Raj Mashruwala, and Arindam Tripathy, "Does a Differentiation Strategy Lead to More Sustainable Financial Performance than a Cost Leadership Strategy?," *Management Decision*, vol. 52, no. 5, pp. 872-896, 2014. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [5] Jay Barney, "Firm Resources and Sustained Competitive Advantage," *Journal of Management*, vol. 17, no. 1, pp. 99-120. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [6] Yingxia Cao et al., "Using Social Media for Competitive Business Outcomes," *Journal of Advances in Management Research*, vol. 15, no. 2, pp. 211-235, 2018. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [7] Yang Chen et al., "IT Capabilities and Product Innovation Performance: The Roles of Corporate Entrepreneurship and Competitive Intensity," *Information and Management*, vol. 52, no. 6, pp. 643-657, 2015. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [8] Febriyantoro, Mohamad Trio, and Debby Arisandi, "Pemanfaatan Digital Marketing Bagi Usaha Mikro, Kecil Dan Menengah Pada Era Masyarakat Ekonomi Asean," *journal Riset Manajemen and Bisnis Dewantara*, vol. 1, no. 2, pp. 61-76, 2018. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]

4. Conclusion

The results showed that the intensity of competition has a negative and significant effect on business performance, meaning that the higher the intensity of competition, the lower the business performance. Digital marketing has a positive and significant effect on business performance, meaning that high use of digital marketing causes high business performance. Competitive strategy can partially mediate between the intensity of competition and digital marketing on the business performance of food-processed SMEs in Badung Regency.

4.1. Theoretical Implications

This study's results can also enrich and confirm Barney's theory or Resource Based View (RBV) theory. In RBV theory, it is said that industries with better resources and capabilities can develop the right strategy (strategic fitness) to provide products and services that are good, different, quality, fast, and in accordance with customer demands to improve their competitive position and improve performance compared to competing industries (Barney, 1991).

4.2. Practical Implications

To improve the business performance of processed food SMEs in Badung Regency, it is necessary to: a) pay attention to the bargaining power of suppliers, meaning that entrepreneurs need to be in good relations with suppliers, b) use digital marketing to share information with customers through social media (Facebook, Instagram, line, Tiktok, business WhatsApp) to reach a broader market and c) need to manage the community, especially among existing entrepreneurs. This is important to network and provide good service to customers.

- [9] Reza Ghasemi et al., "The Relationship among Strategy, Competition and Management Accounting Systems on Organizational Performance," *European Online Journal of Natural and Social Sciences*, vol. 4, no. 3, pp. 565-581, 2015. [[Google Scholar](#)] [[Publisher Link](#)]
- [10] Aurora Garrido-Moreno et al. "Social Media Use and Value Creation in the Digital Landscape: A Dynamic-Capabilities Perspective," *Journal of Service Management*, vol. 31, no. 3, pp. 313-343, 2020. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [11] I. Gusti Ayu Ketut Giantari et al., "The Role of Digital Marketing in Mediating the Effect of the COVID-19 Pandemic and the Intensity of Competition on Business Performance," *International Journal of Data and Network Science*, vol. 6, no. 1, pp. 217-232, 2022. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [12] Irene Goll, Nancy Brown Johnson, and Abdul A. Rasheed, "Knowledge Capability, Strategic Change, and Firm Performance: The Moderating Role of the Environment," *Management Decision*, vol. 45, no. 2, pp. 161-179, 2007. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [13] Gurjeet Kaur Sahi et al., "Relating Entrepreneurial Orientation with Operational Responsiveness Roles of Competitive Intensity and Technological Turbulence," *International Journal of Operations and Production Management*, vol. 39, no. 5, pp. 739-766, 2019. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [14] YingKai Li, *Heidrick and Struggles CEO*, China Marketing Press, pp. 1-208, 2009. [[Google Scholar](#)] [[Publisher Link](#)]
- [15] Hugo K.S Lam, Andy C.L Yeung, and T.C. Edwin Cheng, "The Impact of Firms' Social Media Initiatives on Operational Efficiency and Innovativeness," *Journal of Operations Management*, vol. 47, pp. 28-43, 2016. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [16] Chang Won Lee, Ik-Whan G. Kwon, and Dennis Severance, "Relationship between Supply Chain Performance and Degree of Linkage among Supplier, Internal Integration, and Customer," *Supply Chain Management*, vol. 12, no. 6, pp. 444- 452, 2007. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [17] Lokman Mia, and Lanita Winata, "Manufacturing Strategy and Organisational Performance: The Role of Competition and MAS Information," *Journal of Accounting and Organizational Change*, vol. 10, no. 1, pp. 83-115, 2014. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [18] Michael E. Porter, *Competitive Advantage*, Free Press, 1985. [[Google Scholar](#)]
- [19] Raphael Odoom, and Priscilla Mensah, "Brand Orientation and Brand Performance in SMEs: The Moderating Effects of Social Media and Innovation Capabilities," *Management Research Review*, vol. 42, no. 6, pp. 155-171, 2019. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [20] Eunho Park et al., "Social Dollars in Online Communities: The Effect of Product, User, and Network Characteristics," *Journal of Marketing*, vol. 82, no. 1, pp. 93-114, 2018. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [21] Michael E. Porter, *Competitive Strategy*, Free Press, 1980. [[Publisher Link](#)]
- [22] Finny Redjeki, and Azhar Affandi, "Utilization of Digital Marketing for MSME Players as Value Creation for Customers during the COVID-19 Pandemic," *International Journal of Science and Society*, vol. 3, no. 1, pp. 40-55, 2021. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [23] Josua Tarigan, and Ridwan Sanjaya, *Creative Digital Marketing*, Elex Media Komputindo, 2013. [[Google Scholar](#)] [[Publisher Link](#)]
- [24] Tejinderpal Singh, Raj Kumar, and Prateek Kalia, "E-marketing Practices of Micro, Small and Medium-Sized Enterprises: Evidence from India," *Strategic Corporate Communication in the Digital Age*, pp. 197-216, 2021. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [25] Thayla Tavares Sousa-Zomer, Andy Neely, and Veronica Martinez, "Digital Transforming Capability and Performance: A Microfoundational Perspective," *International Journal of Operations and Production Management*, vol. 40, no.7/8, pp. 1095-1128, 2020. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [26] T. Aditya Kumar, G. Sravanthi, and D. Ratna Deepthi, "Competitive Advantage through Business Intelligence for E-Commerce," *International Journal of Computer and Organization Trends*, vol. 3, no. 11, pp. 579-585, 2013. [[Google Scholar](#)] [[Publisher Link](#)]
- [27] Tracy L. Tuten, and Michael R. Solomon, *Social Media Marketing: 2nd Edition*. London: SAGE Publications Ltd, 2014. [[Publisher Link](#)]
- [28] Ni Nyoman Kerti Yasa, "The Role of Partnership Strategy to Improve Company Performance (Study on Rural Banks in Bali Province)," *EKUITAS (Jurnal Ekonomi dan Keuangan)*, vol. 14, no. 3, pp. 305-329, 2010. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [29] Yuliansyah Yuliansyah, Bruce Gurd, and Nafsiah Mohamed, "The Significant of Business Strategy in Improving Organizational Performance," *Humanomics*, vol. 33, no. 1, pp.56-74, 2017. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [30] Wendy Ritz, Marco Wolf, and Shaun McQuitty, "Digital Marketing Adoption and Success for Small Businesses: The Application of the Do-It-Yourself and Technology Acceptance Models," *Journal of Research in Interactive Marketing*, vol. 13, no. 2, pp. 179-203, 2019. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [31] Cemal Zehir, Esin Can, and Tugba Karaboga, "Linking Entrepreneurial Orientation to Firm Performance: The Role of Differentiation Strategy and Innovation Performance," *Procedia - Social and Behavioral Sciences*, vol. 210, pp.358-367, 2015. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]