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ANALYSIS OF THE POTENTIAL MARKETING PERFORMANCE OF SMES IN SERANG REGENCY OF BANTEN PROVINCE, INDONESIA

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ABSTRACT

MSMEs in developing countries are one of society's most important economic sectors. This is because the contribution of MSMEs to national economic growth is significant. It has not been completely used by its users. At MSMEs in Serang Regency, Banten Province, their sales decreased significantly. In order to maintain marketing effectiveness, it is important to investigate the factors that cause the increase or decrease in marketing efficiency. This study intends to explore the connection between government, industry, and academia and the marketing performance of small and medium enterprises in Serang Regency, Banten Province. The populations in this study were business leaders in Serang Regency, who were members of the SME Marketing Association in Serang. The number of participants was 33. The findings show is derived from previous findings, such as questionnaires. The sample was chosen to use a random method. Techniques for data analysis use partial least square with SmartPLS version 3.0. The analysis shows that the R Square value is 0.379. The study concluded the use of the triple helix had no significant impact on marketing performance with a path coefficient value of 0.346, while the use of the marketing mix had a significant effect on marketing performance with a path coefficient value of 0.414.

KEY WORDS

Marketing performance, marketing mix, triple helix, SMEs.

In national economic growth, micro, small and medium-sized enterprises (MSMEs) have a strategic role. The contribution of MSMEs to the wheels of the economy was still strong when the global crisis impacted the world. In order to improve the national economy, MSMEs are able to become a locomotive for the real market. That is why the role of MSMEs in Indonesia's economic growth is so significant, particularly in terms of its contribution to the Gross Domestic Product (Sulistyo, 2020).

Banten Province is one of the areas that is advancing the SMEs sector. The following is the GDRP data of Banten Province by Regency/City in 2017-2019:

Table 1 – GDRP of Banten Province in 2017-2019 (In million Rupiah)

Regency/ City	2017	2018	2019
Pandeglang Regency	17.866.428	18.941.701	19.895.912
Lebak Regency	18.683.739	19.767.366	20.908.728
Tangerang Regency	86.964.026	92.124.600	97.539.478
Serang Regency	49.154.636	51.774.398	54.404.473
Tangerang City	101.274.679	107.267.321	111.890.543
Cilegon City	66.444.529	70.409.394	74.385.223
Serang City	20.153.022	21.455.251	22.836.709
South Tangerang City	52.098.555	55.936.156	60.044.979

Source: BPS Banten Province, 2020.

Based on the table above, SME sector is progressing is Banten Province. The Serang Regency's GRDP level has increased every year, based on data from the Central Statistics Agency. In Serang Regency, one of the contributing industries to GRDP is the SME sector.

The number of MSMEs in Serang Regency was 26.909 in 2018 and increased to 37.505 in 2019 (Kabar Banten, 2020).

Although the number of SMEs continues to increase, the marketing performance of SMEs in Serang Banten Regency in the last 5 years has declined. Business pressure from strong competitors indirectly affects the marketing performance experienced by MSME actors in Serang Regency, so that business actors are required to improve their marketing performance. In addition, motivation to become entrepreneurs or SMEs is very important in building a strong business (Machmud & Sidharta, 2016).

It is important to have more information about the factors affecting it in order to achieve a successful marketing performance. The limited human resources of MSMEs have a huge impact on the management of their sector in terms of formal education and knowledge and skills, so that business is difficult to expand optimally. The lack of technological knowledge would make it difficult for them to improve the competitiveness of the goods they manufacture (Hogan, 2019). Therefore, it is expected that the important role of parties such as academics in educating the management of MSME, the role of the government through related agencies such as the cooperative office, trade, which is expected to play an active role in the provision of coaching and training programs carried out by the Cooperative Office and related agencies, and the role of entrepreneurs will become a home for entrepreneur actors.

LITERATURE REVIEW

Marketing performance is a measure for a company to assess a predetermined strategy achievement. We can see the achievement of marketing performance from the indication of an increase in sales volume, an increase in operating profit, and an increase in customers (Moeheriono, 2012). The marketing performance according to Yuhui, (2010) is a multidimensional process that includes three dimensions of effectiveness, efficiency and adaptability. The effectiveness and efficiency of a company's marketing activities are related to market-related objectives, such as revenue, growth and market share.

Sitorus & Utami, (2017) describe the promotion mix as a promotional strategy used by sellers to introduce their goods to customers regarding the promotional mix. Unlike Oentoro, (2012), the promotion mix is an important promotional tool that can create an efficient sales program. It is concluded in many studies that the more the elements of the promotional mix are carried out, the greater the marketing success would be (Lastianto, Pradhanawarti, & Widiartanto, 2010; Nurseto, 2018).

Triple Helix is collaboration between three sectors, specifically: Government, Businessmen, and Academics that play a role in encouraging the growth of innovation. Triple Helix is a field that can move people to increase creativity, ideas and skills (Etzkowitz & Dizisah, 2008). In research of Rufaidah, (2014), states that integrated marketing communications to form a regional image based on the creative economy. Must support the role of the triple helix The role of the Triple Helix in economic development is very important. If the three of them can play an active role, it will maximize the results of economic development (Hamsani & Khairiyansyah, 2018). Triple Helix aspects for the sustainability of SMEs include objectives, stakeholders (academics, business and government), criteria, and alternatives (Mas, 2015).

The framework of this research is presented as follows:

Figure 1 – Conceptual Framework

The hypotheses of this study are:

H_1 = Triple helix has an effect on marketing performance;

H_2 = Marketing mix affects marketing performance.

METHODS OF RESEARCH

Members of the MSME marketing association in Serang Regency, Banten Province were the population in this report. While SMEs in Serang Regency, Banten, who had entered this association for at least two years, were the samples taken as respondents in this report. 33 SMEs players is the number of samples used. Random sampling is the sampling technique employed. The data revealed is derived from direct sampling, such as questionnaires. Using SmartPLS version 3.0 software, data analysis using structural equation modeling.

RESULTS AND DISCUSSION

Measuring the outer model can be seen from its validity and reliability. Indicators are considered valid if they have a correlation value above 0.70. "However, at the research development stage the loading scale of 0.50 to 0.60 is still acceptable" (Ghozali, 2014). Analysis and evaluation of the measurement model (outer model) in the calculate-PLS Algorithm image results as follows:

Figure 2 – Outer Model (Source: Output SmartPLS 3.0)

Based on the path diagram in the image above, any statement instruments on the triple helix variable indicator, marketing mix, and marketing performance that have a factor loading value of < 0.50 will be removed and not included in the next data testing analysis. The triple helix and marketing mix variables have valid criteria and there are no constraints on the indicators because they have a factor loading value > 0.50 . Likewise, the marketing performance variable has met the valid criteria. On the line connecting the triple helix variable to marketing performance, it can be seen that the value of 0.346 is a correlation value or the value of the relationship between the triple helix variable and the marketing performance variable, which is considered weak and positive.

Table 2 – Average Variance Extracted

	AVE
Marketing Performance (Y)	0.524
Triple Helix (X_1)	0.688
Marketing Mix (X_2)	0.691

Source: Output SmartPLS 3.0.

While on the line that connects the marketing mix variable to the marketing performance variable, it can be seen that the value of 0.414 is a correlation value, or the relationship between the marketing mix variable and the marketing performance variable is considered weak and positive. Apart from the value of the outer loading, the instrument is valid or cannot be seen from the average extracted variant (AVE) value with a value above 0.50 is considered valid (Ghozali, 2014).

Based on the table, it can be seen that the marketing performance variables, the marketing mix, and the triple helix have an AVE value of more than 0.50, meaning that the instruments used in this study can measure the variables used.

Furthermore, the reliability test can be seen from Composite Reliability and Cronbach's Alpha with a value above 0.70 which is considered reliable.

Table 3 – Reliability Testing

	<i>Composite Reliability</i>	<i>Cronbach's Alpha</i>
Marketing Performance (Y)	0.845	0.779
Triple Helix (X ₁)	0.868	0.781
Marketing Mix (X ₂)	0.867	0.766

Source: Output SmartPLS 3.0.

Based on the reliability test table, it shows that all statements in each indicator on the variable studied have a value greater than 0.70, meaning that the instrument used is declared reliable and trustworthy. This shows that the instruments used are consistent to be implemented in other research models.

Testing the structural model by looking at the R Square, the SmartPLS output results using the calculate-PLS Algorithm are as follows:

Table 4 – R Square

	<i>R-Square</i>
Marketing Performance	0.379

Source: Output SmartPLS 3.0.

Based on table 4 above, it can be seen that the value of Adjusted R Square for marketing performance is 0.379, thus showing that the contribution of the triple helix variable and the marketing mix to marketing performance is 0.379 or 37.9% and the remaining 62.1% contributes to the variable marketing performance is by another variable.

In this study, the $t_{\text{statistic}}$ test uses a partial test to assess whether the marketing mix (X₂) and the triple helix (X₁) affect marketing efficiency (Y). Since the $t_{\text{table}} = 2,042$ and the 5% error degree. Based on the results of data processing for the hypothesis test, the following results were obtained:

Table 5 – Hypothesis Testing

	<i>Original-Sample (O)</i>	<i>T-Statistic (O/STDEV)</i>	<i>P Values</i>
Triple Helix (X ₁) -> Marketing Performance (Y)	0.346	1.698	0.090
Marketing Mix (X ₂) -> Marketing Performance (Y)	0.414	2.933	0.004

Source: Output SmartPLS 3.0.

Based on the results of the statistical tests, the results of the marketing mix variable's impact on marketing performance show a score of $2.933 > 2.042$ and a P value of $0.004 < 0.05$. This shows that there is a major impact on marketing success among the marketing mix variables. Although the marketing performance effect of the triple helix variable is shown by the t_{count} of $1.698 < t_{\text{table}} 2.042$ and the P value of $0.090 > 0.05$. This shows that the triple helix variable and marketing results have no major impact.

Based on the results of the analysis which states the rejection of the H₁ hypothesis, it means that the role of the triple helix has no effect on the marketing performance of SMEs in

Serang Regency, Banten. The role of the triple helix which comprises government, business, and academia, should work together in a solid collaboration to build the marketing performance of micro, small and medium enterprises with an indication of increasing sales volume, increasing operating profits, and increasing customers. However, based on direct research in the field, SMEs in Serang District have not received the benefits and role of the triple helix to improve marketing performance. Various factors cause the triple helix to cannot improve marketing performance, one of which is the internal factor of SMEs, namely the lack of capital and knowledge of SMEs regarding regulatory information from the government, not responsive to information on collaboration or financing from the government, and not understanding the material provided by academics (Telagawathi et al., 2020).

These results, however, are not in line with research conducted by Farida, (2019) on the role of the triple helix in building marketing efficiency, which notes that the role of government will increase the innovation capabilities of SMEs through policies and regulations, implying that the better the regulations carried out by the government, the better the marketing performance. Like the research results, which state that government-initiated entrepreneurship programs will enhance the performance of these business actors (Rivera & Gozun, 2019). Academics play a part in contributing to the enhancement of SME marketing performance by intellectual academia at universities. In fact, SMEs still lack of market knowledge, which makes it difficult to expand their business (Smith, 2020). In the meantime, business people have a role to play in increasing SMEs' potential for creativity. The role of the triple helix in previous studies was very important for the sustainability of MSMEs, especially in developing countries (Harwiki & Malet, 2020).

In addition, the results of the analysis showing the acceptance of the H₂ hypothesis may imply that there is an impact between the marketing mix and the success of marketing. The impact on marketing performance of the marketing mix impacts the availability, pricing, promotion and distribution of goods. This is in line with the research results that state that the marketing mix influences marketing performance (Komari, Sularso, & Sumiati, 2019; M. & Pinem, 2016; Payangan, Sahbuddin, & Girikallo, 2017; Rahayu, Nurrochmat, & Fachrodji, 2015; Roma, 2019). Products are important aspects that consumers need and pay attention to, such as consistency, form, durability, and prices that must be in line with consumer expectations, promotions must be the target of MSME/small industry players' attention through promotions, ensuring products should be widely recognized, distribution must be enhanced in order to reach customers, areas to increase.

CONCLUSION

The study shows that in Serang District, Serang Regency, Banten Province, the triple helix has no impact on the marketing success of SMEs. This shows that in the effort to improve marketing efficiency for SMEs in the area, the position played by the triple helix has not been maximal. The government needs to create a business environment that, through local policies or legislation, benefits SMEs. Literacy, education, revised or up-to-date scientific values continue to be provided by academics. Through SME mediation towards industries through investment, money, technology and information, businessmen are growing their position.

The study shows that the marker mix impacts improving the marketing efficiency of MSMEs in the Serang District, Serang Regency, Banten Province. This shows that the more SMEs, based on current situations, improve their marketing mix activities, the more the marketing efficiency of these companies increases.

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