

Research Article

Lani Nurhalimah^{1*}, Nurni Arrina Lestari², Muh. Abdul Aziz³

Analysis of Diversification Strategies in Improving MSMe Performance

*Corresponding Author: **Lani Nurhalimah**: Muhammadiyah University of Sukabumi, Indonesia; lani222@ummi.ac.id

Nurni Arrina Lestari: Muhammadiyah University of Sukabumi, Indonesia; nurniarrinalestari@ummi.ac.id

Muh. Abdul Aziz: Muhammadiyah University of Sukabumi, Indonesia; muhammadaziz085@ummi.ac.id

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Abstract: This research aims to analyze perceived usefulness, social media marketing, and diversification strategies in improving MSME performance. The results of the research show that there is a significant influence between perceived usefulness on diversification strategies, a significant positive influence of perceived usefulness on MSME performance, a significant positive influence of social media marketing on diversification strategies, an insignificant positive influence of social media marketing on MSME performance, and a positive influence diversification strategy has a significant impact on MSME performance. The research method uses quantitative with a purposive sampling technique, for a known population of 254. The sample consists of 108 respondents. Furthermore, the full model SEM test also shows a good model with adequate Goodness Of Fit values. The research results show that the perceived usefulness of social media marketing has a significant positive effect on diversification strategies, which in turn has a significant positive effect on the performance of MSMEs. However, the relationship between social media marketing and MSME performance is not directly significant. This research makes an important contribution in understanding the factors that influence MSME performance through diversification strategies, by considering the role of perceived usefulness and social media marketing.

Keywords: Perceived Usefulness, Social Media Marketing, Diversification Strategy, MSME Performance.

Introduction

MSMEs play a very important role in the country's economy. The economic sector in Indonesia cannot be separated from the role and support of business entities or individuals such as Micro, Small and Medium Enterprises (MSMEs). (Hanim and MS. Noorman 2018). The growth of micro, small and medium enterprises is considered very important to maintain economic recovery in Indonesia after Covid-19. MSMEs in Indonesia themselves have a very large role and contribution to the unemployment rate in Indonesia, because with MSMEs they become providers of labor and a source of income for community groups. low income (Tri ratnawati and Hikmah 2013).

Data from the Ministry of Cooperatives and SMEs shows that the number of MSMEs continues to increase, reaching 65.5 million in 2021, in line with the increase in workforce absorbed to reach 119.6 million people (Ahdiat 2022). The MSME sector is especially dominant in the food industry in Indonesia, which recorded around 1.51 million businesses in 2020. This proportion reached 36% of the total national micro and small industries, this shows that the food sector is the backbone for many MSMEs in this country (Ahdi 2020). However, the Covid-19 pandemic in 2020-2021 had a serious impact on MSMEs, causing a significant decline in sales and income. according to the coordinating ministry for the economy, a survey conducted by UNDP and LPEM UI found that the majority of MSMEs experienced problems such as a decrease in income (77%) and a decrease in asset value (97%) (Mawarsari 2023).

In the midst of the problems faced, digital marketing has emerged as a potential solution for MSMEs to recover and improve MSME performance. However, the adoption of digital marketing has not been used optimally by MSMEs. Only around 30.9% of MSMEs have adopted digital marketing strategies (Mawarsari 2023). This is caused by various obstacles such as limited knowledge about technology and low levels of

education among MSME players (Arumsari, Lailyah, and Rahayu 2022). Apart from that, MSMEs also face challenges in accessing financing and marketing.

In this context, MSMEs in Sukabumi City, West Java, show similar characteristics. Sukabumi City has 254 active MSMEs in various sectors, especially the food sector such as making mochi, soy sauce, and tofu and tempeh products (Ramdan and Siwyanti 2022). Despite the great potential, MSMEs in Sukabumi City also experience similar challenges like other MSME players in Indonesia, including in terms of adopting adequate technology and digital marketing strategies to increase the competitiveness of MSMEs in an increasingly competitive market (Siwyanti et al. 2023).

The role of MSMEs in a region can be the main strategy for improving the economy in the region (Livicansera 2024). One of them is that Sukabumi City is very diverse and also has the opportunity to be well developed. So, this will increase productivity and increase the regional economy. To see data on MSME production in the city of Sukabumi in table 1 below:

Table 1. Data on MSME Production for Sukabumi City in 2020

No	Subdistrict	Number of MSMEs
1.	Warudoyong	62
2.	Citamiang	40
3.	Cikole	66
4.	Quail Mountain	20
5.	Cibereum	20
6.	Baros	27
7.	Overtime	19
Total		254

Source: MSME data, 2020

From the data presented in table 1, it can be seen that the MSME data in 7 sub-districts in Sukabumi City has 254 production MSMEs that are actually running. The potential for MSMEs in the city of Sukabumi is dominant in the food industry. This shows that the existence of MSMEs in each sub-district can make a significant contribution to local economic growth and community welfare. However, there are still problems that occur in MSMEs in Sukabumi City, namely the decline in MSME performance, the use of digital marketing is not yet optimal. Based on the results of research conducted by MSME management organizations, there are several problems such as a lack of untrained human resources resulting in difficulties in building digital businesses, limitations of MSME actors in the concept and implementation of digital marketing. MSMEs in Sukabumi City have difficulty competing due to the lack of information regarding the importance of innovation (Kiflan wakik 2023).

This is also reinforced by the fact that there is still a research gap from several studies conducted, such as research conducted by (Nur Utami 2022) explains that perceived usefulness has a positive effect on the marketing performance of MSMEs, whereas according to research conducted by (Lindawati and Salamah 2011). Perceived usefulness has no effect on MSME performance, according to Nindina (2018) explaining that diversification strategies have a positive effect on MSME performance. Meanwhile, according to (Sri and Chen 2019) said that diversification strategies have no effect on MSME performance. Apart from that, in research conducted by (Hidayat et al. 2022) that social media marketing influences the performance of MSMEs.

Based on the gap phenomenon that has been stated, the author is interested in conducting research with the title "Analysis of the Perceived Usefulness and Marketing of Social Media on the Performance of

MSMEs with Diversification Strategy as an Intervening Variable". Based on the problems explained previously, namely the declining performance of MSMEs, less than optimal use of technology, less than optimal use of social media marketing, and weakening product innovation, the problem can be formulated as follows:

1. Is there an influence of perceived usefulness on diversification strategies?
2. Is there an influence of perceived usefulness on MSME performance?
3. Is there an influence of Social Media Marketing on Diversification Strategy?
4. Is there an influence of Social Media Marketing on MSME Performance?
5. Is there an influence of Diversification Strategy on MSME Performance?

Literature Review

Perceived Usefulness

Davis' theory explains that the "Technology Acceptance Model" (TAM) is a model used to predict and explain how technology users accept and use the technology in the context of relationships with users (Irawati, Rimawati, and Pramesti 2020). This model originates from psychological theories that describe information technology user behavior, with a focus on user beliefs, attitudes, intentions, and behavioral relationships(Irawati et al. 2020).

Perceived usefulness is the extent to which someone believes that using a particular system will improve their job performance (Deb, Nafi, and Valeri 2022). According to (Irianing Tyas and Satia Darma 2017) the level of belief that using a particular system will improve job performance or business performance. Besides that, if MSME players believe that using digital media will improve their performance, then MSME players believe that the perceived usefulness has an impact on their business sector.

According to (Ulhaq Irfan, Ngoc Thi Anh Pham, Vu Le, Hiep-Cong Pham 2022) Perceived usefulness can improve business quality with marketing cost efficiency. Companies are more likely to adopt a technology if they perceive that the technology provides desired features, which in turn improves their performance and results. This perceived usefulness is an important factor in a company's decision to adopt internet technology, such as digital marketing (Ritz et al. 2019).

According to Davis (1989) in (Marikyan 2006), perceived usefulness includes convenience, benefits, increased effectiveness, productivity, and job performance. (Margono Laveda 2017) states that perceived usefulness is the belief that technology can improve business performance.

Indicators of Perceived Usefulness

According to (Ferdianto 2021) states that perceived usefulness focuses on:

- a) Speeding up someone's work, where someone by using information technology can speed up the work they carry out,
- b) Benefits users, where the use of information technology can provide higher profits compared to just relying on traditional tools,
- c) Providing effectiveness, namely a person's ability to utilize technology to achieve goals efficiently and effectively,
- d) Increasing productivity, where someone can optimize the use of technology, and can achieve better results in a shorter time, and
- e) Making someone's work easier, where if someone uses technology well and appropriately, it can make work easier, can increase efficiency and productivity.

Social Media Marketing

Social media marketing is a very popular digital marketing method and is increasing in popularity. The generation of secure web development and design that aims to facilitate communication, information sharing, and collaboration across networks is the definition of social media (Deb et al. 2022). Currently, small and medium enterprise (MSME) stakeholders must have the ability to sell their goods through digital media, so that consumers can gain a better understanding of the products sold by these small and medium enterprises. By utilizing digital media marketing for their business products, MSME players will feel a positive impact on the sustainability of MSME performance (Luthfiyyah and Masruriyah 2023). Even though MSMEs have online connectivity, social media involvement, and e-commerce development, MSMEs have not used social media optimally in the business they run because MSMEs do not understand the value and function of social media (Haryanto, Pebriyanto, and Banjarmasin 2020).

The most attractive type of marketing for MSMEs is digital marketing, which can reach a very large number of customers because service providers with increasingly technical tools have expanded their access to electronic marketing channels (Deb et al. 2022). Digital marketing can change the way potential buyers interact and purchase goods through applications. In addition, using digital marketing tools can reduce costs and improve MSME performance by improving their services. Digital marketing can also help with customer-oriented strategies (Deb et al. 2022).

According to Mileva & Fauzi (2018) in (Riadi 2023) says that social media marketing encourages one to promote and communicate their website, product or service through their channels through online channels by tapping into a much larger community than traditional methods. Apart from that, according to (Taan et al. 2021). The use of social media can help companies to see different opinions and analyze shifts in attitudes among people participating in the business (Taan et al. 2021).

Indicate of Social Media Marketing

According to (Taan et al. 2021) indicators of Social Media Marketing are:

- a) Content creation
- b) Share content
- c) Easy to interact
- d) Expanding market reach
- e) Building community

Diversification Strategy

According to (Rifantama and Suryaningrum 2022) Diversification strategy is a way to improve products by expanding the number of divisions, both commercial and geographical, to increase existing market space or to improve other products. This can be done by opening new business areas and expanding product lines that already exist there, product marketing areas are expanded, offices are opened, mergers and acquisitions are carried out to increase economies of scale and vice versa. Apart from that, according to (Astuti 2022) implementing a product diversification strategy in marketing can stimulate consumer interest and have a positive impact on the company by increasing sales and creating a positive image for the company. This opinion is strengthened again according to research (Kotler Philip, Armstrong Gary, dub 2003). Diversification is an industrial development strategy by starting a new business or acquiring another industry outside the existing industrial products and markets.

According to expert Tjiptono (2007) in (Indrata 2021) Product diversification is a strategy to search for and develop new products and/or markets with the aim of achieving growth for MSMEs. Apart from

that, according to Kotler (2007:385) in (Prihatini 2020) said that one way for companies to differentiate their products from competitors. Product differentiation is another strategy within the company, which includes advertising and other sales efforts that can create consumer trust in a product brand (Tarida 2012).

A diversification strategy not only creates new products but also changes existing products so that the results are different. Thus, diversification strategies can be used as a tool to ensure that customers do not get bored with existing products but have many other choices (Imelinudiyana 2022)

Diversification Strategy Indicator

According to (Palupi 2019) indicators of a diversification strategy consist of:

- a) Product sizes vary;
- b) Diverse product types;
- c) Product quality varies;
- d) Product designs are diverse.

MSME performance

Performance is a person's achievement in carrying out duties and obligations in his business. Soeprihanto in Anita Carolina and Yuni Rimawati said that employee performance or work performance is basically the result of an employee's work within a certain period of time compared with various options such as standards/targets or other standards that have been set and mutually agreed upon (Widjaja et al., 2018) . Performance is a set of management activities that provide an overview of the results achieved in carrying out duties and responsibilities. Public accountability for success and failure. According to (Rahmawati, 2020) company performance variables include performance indicators for sales, marketing, employee retention, sales growth, market share and employee retention. Performance is a description or condition of achieving the implementation of activities to achieve the goals, objectives, vision and mission of the organization.

Performance, according to (Rolos, Sambul, and Rumawas 2018), defined as the level of achievement achieved by a person in carrying out the duties and obligations related to his business. MSME performance is the result or assessment of company performance carried out by individuals or groups who divide their activities into tasks and roles. According to Soeprihanto in Anita Carolina and Yuni Rimawati, employee performance is the result of an employee's work within a certain period of time compared with various options such as standards, targets, or other standards that are determined and mutually agreed upon. (Ponijan 2012).

In addition, the performance of MSMEs shows how well the organization is able to respond to the individual needs and requirements of its stakeholders. Good business skills help economic authorities to maximize the performance of MSMEs (Diana, Hakim, and Fahmi 2022). According to Moehleriono (2012:32) in (Putri, Desmiyawati, and Hariadi 2020) states that performance creates added value for companies and economic agents, because managers are not able to survive and some are just entering growth. Another definition of performance is a quantitative and qualitative measure of the level of achievement of goals or objectives set by an organization and can be financial or non-financial.

Apart from that, according to Aribawa (2016:2) (Musran Munizu 2010) says that the performance of MSMEs is the result of work carried out by someone who can complete it within a certain period of time because of the tasks carried out by someone in the MSME. This is related to the standard values of the MSMEs where a person works.

From several definitions of MSME performance that have been presented, it can be concluded that,

MSME performance is a form of overall results that have been achieved which are measured in terms of comparison between work output factors, targets, goals and also the form of predetermined criteria.

According to (Musran Munizu 2010) Indicators of MSME performance consist of:

- a) Sales growth increases
- b) Capital growth increases
- c) Workforce growth
- d) Market share growth

Research Framework

The government continues to carry out tax reform which includes legislation from the formulation stage to its creation as well as improving tax administration so as to make it easier for taxpayers in terms of services. The framework for this research is as follows:

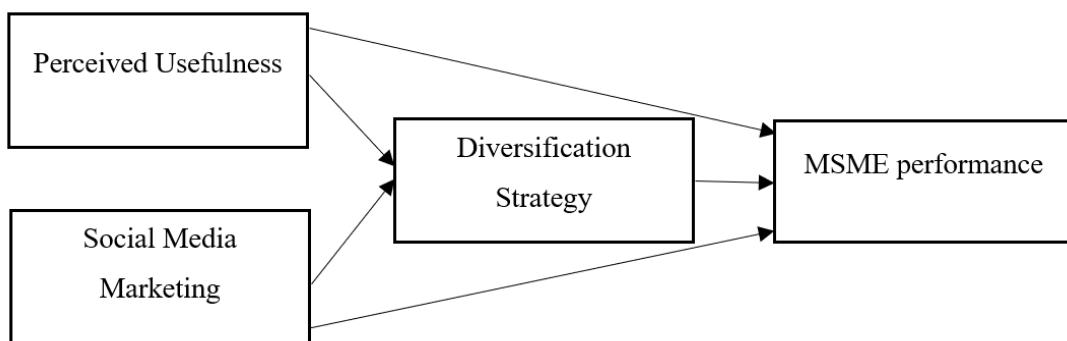


Figure 1. Research Framework

Hypothesis

Based on the framework above, the following hypothesis can be formulated:

- H1: There is a partial influence of the perceived usefulness of algorithms on diversification strategies.
- H2: There is a partial influence of Perceived Usefulness on MSME Performance.
- H3: There is a partial influence of Social Media Marketing on Diversification Strategy.
- H4: There is a simultaneous influence of Social Media Marketing on MSME Performance.
- H5: There is a partial influence of Diversification Strategy on MSME Performance.

Method

Research design

This research uses a quantitative approach, namely explaining the relationship between variables and testing theory using certain tools or certain instruments. Therefore, this approach is in accordance with research conducted by the author which aims to evaluate how the independent variable Perceived Usefulness, and the Social Media Marketing intervening variable Diversification Strategy, affect the performance of MSMEs as the dependent variable.

Population and Sample

The population of this research is MSME owners with the criteria that MSMEs have been in business for more than 1 year, MSMEs are used to using digital media, MSMEs have social media accounts, MSMEs have income above one million rupiah. Recorded MSME data in 2022 there will be 254 people. The sample size taken in this research used Hair theory (Hair J et al. 2014). For more details, it is determined using the

following formula:

$$N = \{5 \text{ to } 10 \text{ indicators} \times \text{number of indicators used}\}$$

Information :

n = Number of Samples

Based on the formula above, the number of samples in this study is:

$$N = \{6 \times 18\} = 108$$

$$N = 108 = 108 \text{ People}$$

Based on the results of sample calculations, a sample of 108 MSME owners was obtained.

Data Collection Procedures

Questionnaire consists of providing a number of questions related to research variables to all MSME owners in Sukabumi City via Google Form.

Results and Discussion

Exogenous Convirmatory Factor Analysis (CFA) Test

Convirmatory Factor Analysis (CFA) test for independent variables that are not influenced by other variables that form the model. These exogenous variables are usually considered as sources or drivers of changes in the internal (endogenous) variables that form the model (Ginting 2010). In this research as follows:

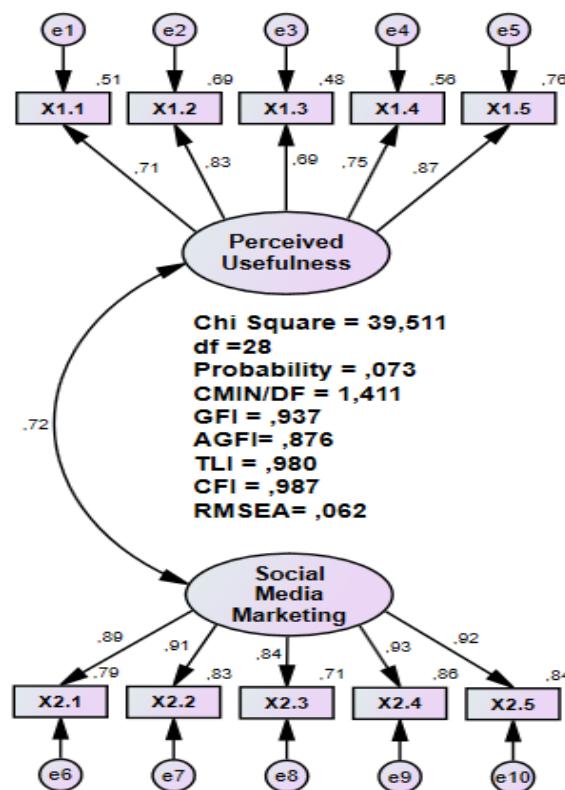


Figure 2. Exogenous CFA Test

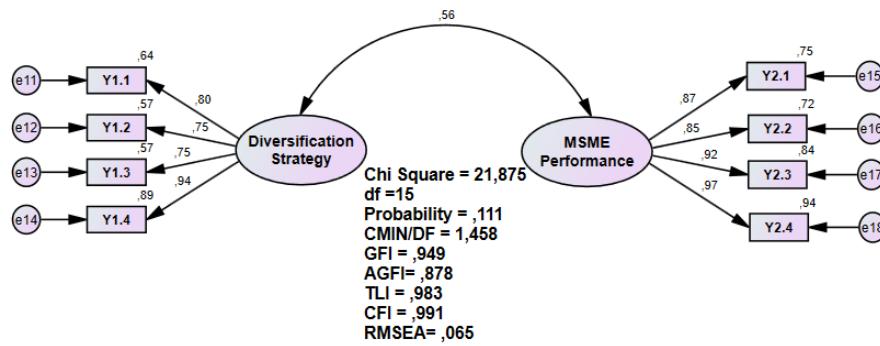
Based on Figure 2 above, it can be seen that the Feasibility of the CFA Model Based on Exogenous Variables is as follows:

Table 2. Exogenous Goodness of Fit

No	Goodness of fit index	Cut off value	Analysis results	information
1.	Chi-Square	< (df: α :0.05)	39,511	Fit
2.	CMIN/DF	< 2.00	1,411	Fit
3.	Probability	> 0.05	0.073	Fit
4.	GFI	> 0.90	0.937	Fit
5.	AGFI	> 0.90	0.876	Marginal
6.	TLI	> 0.90	0.980	Fit
7.	CFI	> 0.95	0.987	Fit
8.	RMSEA	< 0.08	0.062	Fit

Endogenous Convirmatory Factor Analysis (CFA) Test

Endogenous Convirmatory Factor Analysis (CFA) test is a variable that is influenced by other variables in the model. Endogenous variables are usually caused or influenced by exogenous variables (Ginting 2010). In this research as follows:

**Figure 3. Endogenous CFA test**

Based on Figure 3. above, it can be seen that the feasibility of the CFA Model Based on Endogenous Variables is as follows:

Table 3. Exogenous Goodness of Fit

No	Goodness of fit index	Cut off value	Analysis results	information
1.	Chi-Square	< (df: α :0.05)	21,875	Good Fit
2.	CMIN/DF	< 2.00	1,158	Good Fit
3.	Probability	> 0.05	0.111	Good Fit
4.	GFI	> 0.90	0.949	Good Fit
5.	AGFI	> 0.90	0.878	Marginal Fit
6.	TLI	> 0.90	0.983	Good Fit
7.	CFI	> 0.95	0.991	Good Fit
8.	RMSEA	< 0.08	0.065	Good Fit

Coverget Validity Test

Validity testing is a process for measuring the extent to which an instrument or measuring tool (such as a questionnaire) actually measures what it is intended to measure (Effendi, Mohd, and Khairani 2015). The loading factor for each indicator must be significant and ideally more than 0.5.

Table 4. Loading Factor

		Estimate
X2.1	<--- Social_Media_Marketing	,887
X2.2	<--- Social_Media_Marketing	,911
X2.3	<--- Social_Media_Marketing	,846
X2.4	<--- Social_Media_Marketing	,923
X1.1	<--- Perceived_Usefulness	,721
X1.2	<--- Perceived_Usefulness	,825
X1.3	<--- Perceived_Usefulness	,699
X2.5	<--- Social_Media_Marketing	,915
X1.4	<--- Perceived_Usefulness	,749
X1.5	<--- Perceived_Usefulness	,873
Y1.4	<--- Diversification_Strategy	,939
Y1.3	<--- Diversification_Strategy	,748
Y1.2	<--- Diversification_Strategy	,761
Y1.1	<--- Diversification_Strategy	,801
Y2.1	<--- MSME_Performance	,866
Y2.2	<--- MSME_Performance	,856
Y2.3	<--- MSME_Performance	,927
Y2.4	<--- MSME_Performance	,961

Based on the Amos output data, the estimated value obtained is above 0.5, so it can be concluded that the data is considered valid, because whether a test is valid or not is when the value obtained is above 0.5.

Reliability Test

Reliability Test is a composite and the extracted average variance is usually used to measure reliability tests in the AMOS program. In reliability there is a Composite Reliability (CR) value to measure the internal consistency of indicators in the form of latent constructs (Hair J et al. 2014). Meanwhile, the Average Variance Extracts (AVE) value is how to calculate the CR and AVE values:

Table 5. Reliability Test

Variable	Indicator	CR	AVE	Information
Perceived Usefulness	X1	0.88267	0.60244	Reliable
Social Media Marketing	X2	0.953555278	0.804312	Reliable
Diversification Strategy	Y1	0.88750236	0.66548675	Reliable
MSME performance	Y2	0.946649119	,8163855	Reliable

Source: Data Processing, 2024

Full SEM Model Test

The full model test is an analysis stage that aims to evaluate the structural model as a whole. This includes structural models and measurement models (Hair J et al. 2014). Then an evaluation is carried out on the suitability of the model fit as follows:

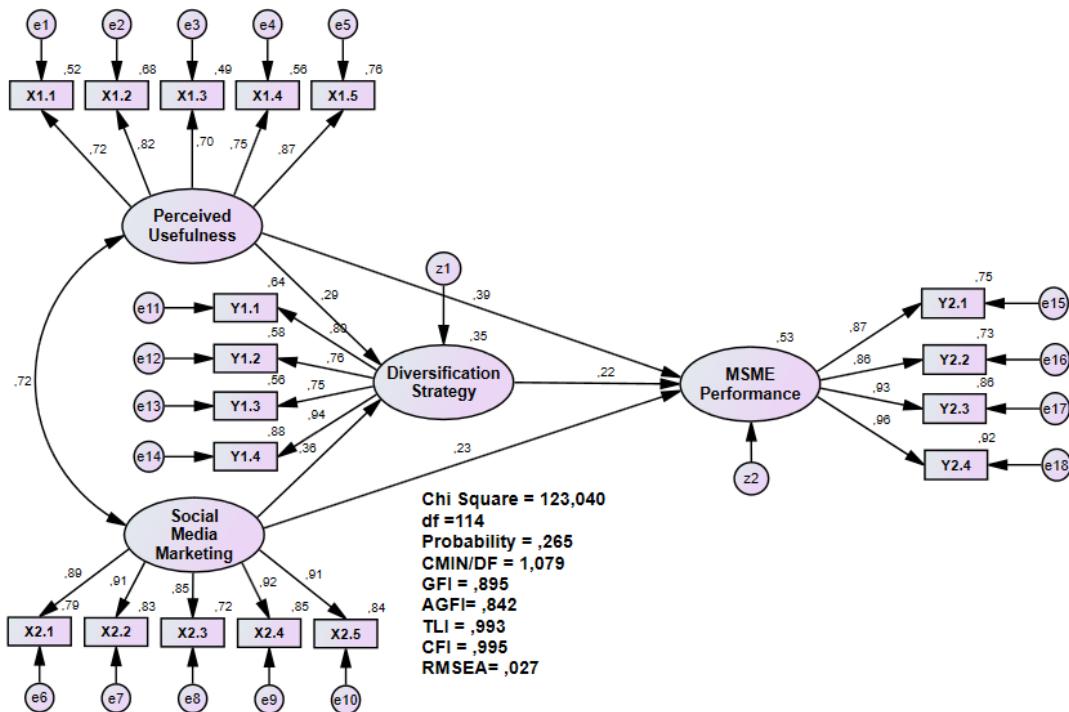


Figure 4. Full Model Test

Table 6. Goodness of Fit

Index	Cut off value	results	Model evaluation
Chi-square	As small as possible	123,040	Good fit
Probability	< 0.05	0.265	Good Fit
Cmin/Df	< 2.00	1,079	Good Fit
GFI	< 0.90	,895	Marginal Fit
AGFI	> 0.90	,842	Marginal Fit
TLI	> 0.90	,993	Good Fit
CFI	> 0.95	,995	Good Fit
RMSEA	> 0.08	,027	Good Fit

Source: Data Processing, 2024

According to Hair et.al (2019), the use of 4-5 goodness of fit that meets the requirements is sufficient to assess the suitability of a model. Based on the results of data analysis based on Goodness Of Fit testing, it has met several Goodness Of Fit criteria values.

Hypothesis testing

Hypothesis testing is a decision making method based on data analysis. In this hypothesis test there are 2 influences, namely direct and indirect because in this study there are intervening variables. The following are the results of the analysis obtained below:

Table 7. Hypothesis Testing

		Estimate	S. E	CR	P	Label
Diversification_Strategy	<---Perceived_Usefulness	,469	,236	1,990	,047	Par_1
Diversification_Strategy	<---Social_Media_Marketing	,428	,164	2,605	,009	Par_2
MSME_Performance	<---Perceived_Usefulness	,520	,172	3,029	,002	Par-3
MSME_Performance	<---Social_Media_Marketing	,219	,117	1,864	,062	Par_4
MSME_Performance	<---Diversification_Strategy	,177	,080	2,208	,027	Par_5

Source: Data Processing, 2024

Based on table 7, it is found that the perceived usefulness → Diversification Strategy with a positive P value of 0.047 is smaller than 0.05 which is interpreted as significant or accepted, then the social media marketing variable towards diversification strategies with a positive P value of 0.009 which means significant positive or accepted , next is the perceived usefulness variable on the performance of MSMEs with a positive P of 0.002 which means significant positive, next is social media marketing on the performance of MSMEs with a positive P value of 0.062 which is interpreted as positive and not significant because the value is above 0.05 which means it is rejected and finally the variable diversification strategy on MSME performance with a significant P value of 0.027, which means it is significantly positive or not accepted.

Test of Direct and Indirect Effects

The direct effect test is an analysis used to evaluate the direct effects between latent constructs in the structural model. This direct effect is usually indicated by a one-way arrow connecting the two constructs in the structural model. Path coefficient, also known as path coefficient, also known as path coefficient, estimated by AMOS. The path coefficient shows the strength and direction of the direct influence of one latent construct on another latent construct(Arbuckle 2019). The following is a direct influence test below:

Table 8. Direct Effect Test

	Social Media Marketing	Perceived Usefulness	Diversification Strategy	MSME performance
Diversification_Strategy	,355	,286	,000	,000
MSME_Performance	,226	,394	,220	,000

Source: Data Processing, 2024

Based on table 8, it shows that the diversification strategy variable for social media marketing has a value of 0.355 and the diversification strategy variable for perceived usefulness has a value of 0.286 which is greater than the value of social media marketing. So it can be described that social media marketing has a direct impact on the performance of MSMEs with a value of 0.226 and the perceived usefulness of the performance of MSMEs is worth 0.394. If it is concluded that the influence of the perceived usefulness is greater at 0.394 because the value is greater than social media marketing with a value of 0.226.

Table 9. Indirect Effect Test

	Social Media Marketing	Perceived Usefulness	Diversification Strategy	MSME performance
Diversification_Strategy	,000	,000	,000	,000
MSME_Performance	,078	,063	,000	,000

Source: Data Processing, 2024

Based on table 9, the indirect influence through diversification strategies, there is a social media marketing value of 0.78 and a perceived usefulness value of 0.63. So if the value is compared with the direct influence, the direct influence value is smaller than the direct influence value. This illustrates that improving the performance of MSMEs can be improved through perceived usefulness and social media marketing without going through a diversification strategy, but diversification strategies can also have an effect because the value obtained is positive.

Table 10. Total influence

	Social Media Marketing	Perceived Usefulness	Diversification Strategy	MSME performance
Diversification_Strategy	,355	,286	,000	,000
MSME_Performance	,304	,457	,220	,000

Source: Data Processing, 2024

Based on these three tables, the direct and indirect influence of social media marketing variables on MSME performance has a direct influence value of 0.226 which is greater than the indirect influence of 0.078. Based on these results, improving the performance of MSMEs can be achieved directly without going through a diversification strategy.

Next, based on the perceived usefulness variable on the performance of MSMEs, it has a direct influence of 0.394 which is greater than the indirect effect of 0.063, it can be concluded that improving the performance of MSMEs can be achieved directly without going through a diversification strategy.

Based on the total effect, the most superior value is the perceived usefulness variable on MSME performance of 0.457. Meanwhile, the value of the social media marketing variable on the performance of MSMEs that has the most influence is perceived usefulness and social media marketing variables.

Closing

Conclusion

1. The Perceived Usefulness of Social Media Marketing influences Diversification Strategy. This means that the role of perceived usefulness with social media marketing can determine the increase in MSME performance
2. Perceived usefulness influences MSME performance. This shows that the higher the level of usefulness felt by MSME actors towards an innovation or change, the greater the likelihood that they will adopt and use it effectively.
3. Social Media Marketing has no effect on MSME performance. This shows that the higher the social media marketing, the lower the influence on the resulting MSME performance
4. Diversification strategies influence MSME performance. This means that the Diversification Strategy is

a strategy that is very relevant to increasing the performance of MSMEs.

Upcoming Research Agenda

Based on the conclusions above, several suggestions can be given as follows:

1. Based on the results of research conducted on MSMEs in Sukabumi City, it is necessary to increase the use of technology and social media marketing so that the performance of MSMEs in Sukabumi City gets maximum results.
2. MSMEs in Sukabumi City need to increase product innovation to be more competitive with large MSMEs.
3. For further research, we hope to use newer theories that can adapt to current developments regarding Public Services. The organization should emphasize every employee to maintain the values of honesty in their work by always cross-checking when work is in progress without notification. previously.
4. For further research, we hope that future research can carry out a wider research area in the city and district of Sukabumi so that all existing problems can be explored.

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