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# Digital Marketing Strategy, Competitiveness of Competitive Advantage, and Performance of Micro small and Medium Enterprises (MSMES) Food Sector in Ambon City, Maluku Province

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***Abstract***
*This study uses primary data by dividing 103 questionnaires to micro, small and medium enterprises, the survey was conducted from November 2021 to February 2022. This research was conducted in Ambon City with a population of MSME actors in the food sector. data from the questionnaire were analyzed using* Structural Equation Modeling *with the help of SPSS and Amos 21.*
*The results of the study found that: 1) Digital marketing strategy had a significant positive effect on competitive advantage. 2) Competitiveness has a significant positive effect on competitive advantage. 3) Digital marketing strategy has a significant positive effect on performance, 4) Competitiveness has a socially insignificant effect on performance 5) Competitive advantage has a significant positive effect on performance. 6) Digital marketing strategy has a significant positive effect on performance through competitive advantage. 7) Competitiveness has a significant positive effect on performance through competitive advantage.*

***Keywords:*** Digital Marketing Strategy, Competitiveness, Competitive Advantage, and MSME Performance

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## I. Introduction

Economic development is a business process and policy that aims to improve people's living standards, expand employment opportunities, and equalize the distribution of people's income. Economic growth is a measure of the economic development of a country, this can be seen from the growth in the production of goods and services in an economic area. within a certain time. Production can be measured in the concept of added value that can be created by economic sectors in a certain area which is known in total as Gross Domestic Product (GDP), an indicator to measure a country's economic performance or as a benchmark for the success of the government in moving economic sectors. is GDP. Entering 2020 until this year, these are the toughest years for the Indonesian people and also all nations in the world because of the covid 19 outbreak, this outbreak not only affects public health, but also affects social and economic problems in various countries. The world economy is experiencing severe pressure due to the COVID-19 outbreak, the International Monetary Fund (IMF) projects the global economy to grow at minus 3%, including the Indonesian economy which contracted in the second quarter of 2020 with an economic growth of -5.3%. (Indonesian GDP Quarter 2016-2020). This contraction was mainly caused by a decrease in household consumption, a decrease in investment spending including for construction and acquisition of fixed assets, the realization of government spending including goods expenditures, as well as a significant decline in exports and imports, this is due to government regulations, namely social restrictions to prevent Covid-19 19. The same condition also occurred in the business field of providing accommodation and eating and drinking which also experienced a fairly deep contraction of 22.02%, this was due to being required to follow the PSBB rules. The business field for providing accommodation and food and drink experienced a decline in the distribution of GDP in the second quarter of 2020 after the previous quarters were able to maintain an average contribution of 2%. The government's recommendation to stay at home has caused the number of visitors to restaurants or places to eat to decline. Indonesia's Gross Domestic Product Quarterly 2016-2020 (2020)

The development of the industrial sector in development in Indonesia cannot be separated from the role and existence of MSMEs. Thus efforts to increase the development of MSMEs is the right step to spur economic growth. In addition to opening up job opportunities, the existence of small industries is also a support for the people's economy. The industrial sector is a sector that has the potential to generate added value, especially for

many companies. This added value can be obtained from many factors, among others, the existence of a variety of diverse and quality products produced by the industry to attract consumers, modern technology used to produce products, and capital (capital) to generate as much profit as possible. One of the facts that emerged in the MSME industry is globalization. This aspect of globalization has three dimensions, namely ideology, technology and markets (Andiani 2006). Micro, small and medium enterprises (MSMEs) are businesses that do not require large capital such as renting buildings or shop houses and others, but it is enough with a device, namely a smartphone that can access the internet, this is made easier by the availability of an application so that business actors only need to register yourself and what products you want to trade. According to data from the Ministry of Cooperatives, Small and Medium Enterprises (MSMEs) in 2020, the number of MSME actors is 65,465,497 businesses or 99.99% of the total number of business actors in Indonesia. The absorption capacity of MSME workers is 119.562.843 workers or 96.92% of the labor absorption capacity of the business world. Meanwhile, the contribution of MSMEs to the national economy (GDP) at current prices is 60.5.

## II. Research Methods

Design according to Ghozali (2014: 89) is a blueprint for data collection, measurement and data analysis based on research questions. Building a research design with the aim that data can be collected and analyzed to answer research problems. The method used in this study is a quantitative research method with a correlational approach. This research is intended to understand a real picture of a phenomenon that is in the context of the research. With this quantitative descriptive research, various information will be collected in order to test hypotheses or answer statements related to the problem under study. The variables used in this study are digital marketing strategy, competitiveness, competitive advantage, and performance taken from several literatures. To examine all research problems, the necessary data were obtained through a field survey using a questionnaire distributed to respondents. Then an analysis and description of all problems is carried out through data analysis, statistical calculations and data interpretation.

Population and Sample

1. Population
   Sugiyono (2015: 151) defines population as a generalization area consisting of objects or subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions. The population in this study are micro, small and medium enterprises (MSMEs) in the food sector that have gone online or already have online access in Ambon City, as many as 103 SMEs.

2. Sample
   Now (2016 :123) the sample is a sub-group or part of the population from the sample studied by a researcher and conclusions can be drawn that can be generalized to the entire population. In this study, the sample size was adjusted to the analytical model used, namely structural equation modeling (SEM). In this regard, the sample size for SEM that uses the maximum likelihood estimation model (MLE) is 100-200 samples by Ghozali (2014). Referring to the opinion of Hair et al (2010) found that the appropriate sample size for the SEM sample size is 100 to 200 and because the total population of MSMEs in the food sector is only 103, all populations are used as samples.

**Data Collection Methods Data**

collection techniques (instruments) used were observation, questionnaires, and documentation. Observation is a research activity by directly observing the field according to the object being observed. Questionnaire is a list of questions/statements distributed and given to respondents by answering questions/statements with marked weights according to the category. Documentation is secondary data that has been processed and used as an archive to strengthen the observations. The questions/statements in the questionnaire are based on relevant theories and from the findings of previous research. Questions or statements in the questionnaire are measured using a Likert scale as follows: a scale of 1 to 5 which means that; 5 = Strongly Agree (SS), 4 = Agree (S), 3 = Disagree (KS), 2 = Disagree (TS), 1 = Strongly Disagree (STS). The measure of the value of the Likert scale is that the higher the score given by the respondent, the indicator that the respondent shows a more positive attitude towards the object studied by the researcher. The Likert scale is used because it has a lot of convenience in compiling questions, giving a higher score score is easy compared to a lower score score, besides that it has high reliability in sorting based on the intensity of a certain attitude.

**Data Analysis Method**

To analyze the effect of digital marketing strategy, competitiveness, competitive advantage and performance of SMEs in Ambon City, Maluku Province, this is done by using SEM (Structural Equation Model) analysis using the Lisrel 8.80 program. Before the data is analyzed, the results of distributing questionnaires that

have been compiled in the form of data tabulations, then the compiled data is tested for validity, reliability, data normality and classical assumption requirements tests, to ensure the quality of the data when used in research.

1. Data Validity
   a. Validity Test Validity
      Test is a measure to assess whether the measuring instrument used is really able to provide the value of the variable you want to measure. Testing the validity of each item used item analysis, which is to correlate the score of each item with the total score which is the sum of the scores for each item. If the value of rcount>rtable is obtained, the statement item is declared valid.
   b. Reliability Test Reliability
      Test is a measure to assess whether the measuring instrument used is able to provide a consistent measurement value. Inconsistent measuring tools will produce dubious data. The method used to measure reliability is by using coefficient Alpha (Cronbach Alpha), which is the average of all coefficients obtained from dividing as many items as possible into different groups. Santoso (2014: 280) states that a questionnaire is said to be reliable if the answers given by the respondent to the statement are consistent. The relationship is expressed by the coefficient "r", the coefficient r ranges from 0 to 1 and if the value of r obtained is greater than rtable, it is said that the statement or variable is reliable or trustworthy, meaning that the data used is feasible to use.
   c. Normality Test The
      Data obtained and tabulated were then tested for normality of the data. Good data for research is data that is normally distributed. To test the validity, reliability, and normality of the data performed using Lisrel 8.80.

2. SEM (Structural Equation Modeling)
   Analysis A comprehensive analysis of all variables in the study at the multivariate analysis stage was carried out by structural equation modeling (Structural Equation Model/SEM). In general, SEM analysis techniques are divided into two main characteristics, namely:
   a. Estimation of multiple interdependences of many variables
   b. the ability to present unobserved concepts

**Measurement Model**

Research variables are basically measurable concepts, however,that, are abstract concepts that cannot be measured directly (unobserved variables or often also called latent variables or constructs). In data collection techniques, this type of variable is measured by a set of questions which essentially measures how much the research subject responds to the concept to be measured. In the SEM concept, a set of questions asked are considered as manifest variables, through a confirmatory factor analysis (CFA) model, a set of manifest variables will form a predictive model for one latent variable (construct) of the concept to be measured. So basically CFA modeling is designed to test the multidimensionality of a theoretical construct (concept) or CFA aims to test whether a set of questions (manifest variables) about a concept is indeed a valid indicator as a latent construct to be measured. One of the benefits of CFA is its ability to assess construct validity. Construct validity is a measure used to determine how the design indicators that are realized as manifest variables are able to reflect their theoretical constructs. According to Hair et al, (2010). Construct validity provides confidence that the manifest variable which is the response of the research subject about a construct to be measured really describes the actual conditions in the population. There are four measures of construct validity, namely:

a. Convergent validity The statement items (indicators) of a construct must be convergent or there is a high proportion of variance distribution, convergence properties can be detected based on the loading factor. A high loading value on a construct indicates that their indicators converge at one point. The conditions that must be met are, first, the loading factor must be significant because the significant loading factor may be of low value, so after being standardized (standardized loading estimate) each indicator must have a loading value above 0.5.
b. Variance extracted
   In CFA, the average value of the extract variance (Average Variance Extracted / AVE) between statement items or indicators of a set of constructs is a summary of convergent validity. AVE can be calculated using a standardized loading estimate

The structural of SEM analysis that connects all observed constructs through a simultaneous equation system, called simultaneous because the dependent variable in one equation can function as an independent variable in the other equation. It doesn't matter how complex the structural model is or how many relationships between constructs are involved. Path analysis can be completed in a simple way. In SEM all relationships in

the path diagram can be estimated to quantify the influence between the independent and dependent variables. The stages in Structural Equation Modeling (SEM) according to Wijanto (2015) are:

a. Model specification (model specification) This stage is related to the formation of an initial model of structural equations, prior to estimation. This initial model is formulated based on previous theory or research
b. Identification (identification) This stage is related to the study of the possibility of obtaining a unique value for each parameter in the model and the possibility that simultaneous equations have no solution.
c. Estimation This stage is concerned with estimating the model to generate parameter values using one of the available estimation methods. The choice of the estimation method used is often determined based on the characteristics of the analyzed variables.
d. Testing fit This stage is concerned with testing the fit between the model and the data. Several criteria for the measure of fit or Goodness of Fit (GOF) can be used to carry out this step.
e. Respecification (Respeccification) This stage is related to the re-specification of the model based on the results of the compatibility test of the previous stage.

Assessment of Model Fit

According to Hair et.al (2010), the use of 4-5 goodness of fit criteria is considered sufficient to assess the feasibility of a model, as long as each criterion of goodness of fit is absolute fit indices, incremental fit indices, and parsimony fit. indices are represented". Absolute fit indices are a type of goodness of fit that compares the theoretical fit of the model with the data collected. Absolute fit indices consist of: Chi-Square (X2), Goodness of Fit Indices (GFI), Root Mean Square Error of Approximation (RMSEA). The value of Chi-Square (X2) is basically an indication of the suitability between the framework of the relationship between variables that is built theoretically with empirical facts in the form of observations. In accordance with the guidelines between the framework of the relationship between variables that were built theoretically and empirical facts in the form of actual data from observations. Thus a significant X2 value will have implications for the rejection of H0 which means that there is a difference between the theoretical framework built and empirical facts in the form of actual observational data.

Goodness of fit test index (GFI), describes the overall level of suitability of the residual squared from the predicted and estimated values compared to the actual observed data. The GFI parameter is considered an absolute fit measure because it only assesses the overall fit of the model without being corrected by the degree of freedom, the GFI value must be high (GFI>0.9) the higher the GFI value, the closer the distance between the predicted value and the actual observed data will be.

Root Mean Square Error of Approximation (RMSEA), is basically the residual variance that describes the variation in the distance between the predicted value of the fit model and the actual data observed. A model is said to be eligible to meet the requirements of multivariate analysis if it has a small RMSEA value (RMSEA0.9) the higher the AGFI value, the more suitable the fit model produced with the proposed Null Model. Persimonious Fit Indices, is a measure to relate the goodness of fit model with a number of estimated coefficients needed to achieve model fit. Persimonious Fit Indices consist of Persimonius Goodness of Fit Index (PGFI), Persimonius Normed Fit Index (PNFI), and Expected Cross Validation Index (ECVI).

## III. Results And Discussion

Maluku Province is ranked 28th out of 32 provinces according to the population in Indonesia, where in 2020, the population is 1,848,923 people. Maluku Province is divided into 9 regencies and 2 cities consisting of 118 sub-districts and 35 sub-districts and 1,198 villages and the state, according to the Central Statistics Agency (BPS), the population density in Ambon city is 1,163.02 people per square kilometer (km2). This means that the city of Ambon has an area of 359.4 km2 with a population of 347.3 thousand people consisting of various regions in the city of Ambon, with the number of MSMEs in 2020 as many as 25,893 companies, which is a significant capital to advance the economy in Maluku province, especially Ambon city. BPS (2020). Ambon City is based on a survey of Indonesia's digital status in 2020 with a "Digital Literacy Index Scale of 3.80, this is certainly a capital for MSME actors in running their business. The city of Ambon is now experiencing development, this can be seen from the rapid growth of industry, especially the food industry, this can be seen from the increase from year to year and the spread of cafes, coffee houses and food stalls as well as industries that manage ready-to-eat in various places. , with a variety of products, judging from the role of MSMEs, it will be very important for the economy because MSMEs can provide job opportunities and improve the welfare of people's lives and equitable distribution of community income.

**Hypothesis Testing**

Based on the empirical model proposed in this study, it is possible to test the proposed hypothesis through path coefficient testing on the structural equation model. Table 29 is a hypothesis testing by looking at

the p value, if the p value is less than 0.05 then the relationship between the variables is significant. The test results are presented in the following table:

Table 1. Hypothesis Testing

| | **Variable** | | | **Direct** | **Indirect** | **Total** | **P-Value** | **Ket** |
|---|---|---|---|---|---|---|---|---|
| **Hip** | **Independent** | **Intervining** | **Dependent** | | | | | |
| 1 | Digital Marketing Strategy (X1) | - | Competitive Advantage (Y) | 0.504 | - | 0.504 | 0.000 | (+) Significant |
| 2 | Competitiveness (X2) | - | Competitive Advantage (Y) | 0.408 | - | 0.408 | 0.005 | ( +) Significant |
| 3 | Digital Marketing Strategy (X1) | - | Performance (Z) | 0.441 | - | 0.441 | 0.021 | (+) Significant |
| 4 | Competitiveness (X2) | - | Performance (Z) | 0.023 | - | 0.023 | 0.906 | (+) Not Significant |
| 5 | Competitive Advantage (Y) | - | Performance (Z) | 0.603 | - | 0.603 | 0.005 | (+) Significant |
| 6 | Digital Marketing Strategies (X1) | Competitive Advantage (Y) | Performance (Z) | 0.504 | 0.441 | 0.945 | 0.023 | (+) Significant |
| 7 | Competitiveness (X2) | Competitive Advantage (Y) | Performance (Z ) | 0.408 | 0.023 | 0.431 | 0.048 | (+) Significant |

Data Source: *Appendix 5 primary data processed 2022*

From all the hypothesized direct five path models, there are four significant paths and one insignificant path and between the two indirect paths all are significant. The interpretation of table 29 can be explained as follows:

1. Digital marketing strategy has a significant positive effect on competitive advantage with P = 0.000 <0.05 with a coefficient value of 0.504, this coefficient indicates that the better the digital marketing strategy, the better the competitive advantage.
2. Competitiveness has a significant positive effect on the performance of MSMEs in the food sector with P = 0.005 < 0.05 with a coefficient value of 0.408, this coefficient indicates that the better the competitiveness, the better the performance of MSMEs.
3. Digital marketing strategy has a significant positive effect on the performance of MSMEs in the food sector with P = 0.021 < 0.05 with a coefficient value of 0.441, this coefficient indicates that the better the digital marketing strategy, the better the institutional performance will be.
4. Competitiveness has an insignificant positive effect on MSME performance with P = 0.906 > 0.05 with a coefficient value of 0.023, this means that MSMEs only pay attention to innovation, technology and communication, technology transfer, macroeconomic environment, environmental changes and legislation. invitation but do not have a competitive advantage then the performance of the food sector MSMEs will not be realized.
5. Competitive advantage has a significant positive effect on the performance of MSMEs in the food sector with P = 0.005 < 0.05 with a coefficient value of 0.603, this coefficient indicates that the better the competitive advantage, the performance of MSMEs in the food sector in the form of digitization, customer growth, profitability, quality and quantity will the better
6. The digital marketing strategy has a significant positive effect on competitive advantage with P = 0.000 <0.05 with a coefficient value of 0.504, this means that the better the digital marketing strategy, the better the competitive advantage will be. Digital marketing strategies also indirectly affect the performance of MSMEs through competitive advantage with a coefficient value of 0441. This means that a good and appropriate marketing strategy will create a better competitive advantage and ultimately have an impact on the performance of MSMEs in the food sector which is getting better

7. Competitiveness has a significant positive effect on the performance of MSMEs in the food sector with P = 0.048 > 0.05 with a coefficient value of 0.43, this coefficient indicates that competitiveness does not directly affect competitive advantage. However, competitiveness has an indirect effect on the performance of MSMEs in the food sector through competitive advantage with a coefficient of 0.408 with a P value of 0.048 <0.05. This means that good and appropriate competitiveness will create a better competitive advantage and ultimately have an impact on the better performance of MSMEs in the food sector.

**Research Results**

Analysis of research results using a structural equation model (Structural Equation Model / SEM) with confirmatory factor analysis (CFA) diagram AMOS 21.0 (Analysis of Moment Structure, Arbukle, 1997). The predictive power of observation variables both at the individual level and at the construct level is seen through the critical ratio (CR). If the critical ratio is significant, then these dimensions will be said to be useful for predicting latent constructs or variables. The latent variables (constructs) of this study consist of digital marketing, competitiveness, competitive advantage, and the performance of MSMEs, using the structural equation model of AMOS to obtain fit model indicators. The benchmark used in testing each hypothesis is the critical ratio (CR) value on the regression weight with a minimum value of 2.0 in absolute terms.

The criteria used are to test whether the proposed model is compatible with the data or not. The model fit criteria consist of: 1) the degree of freedom must be positive and 2) the non-significant Chi-square required (p 0.05) and above the accepted conservative (p = 0.10) (Hair et al., 2006), 3) incremental fit above 0.90, namely GFI (goodness of fit index), Adjusted GFI (AGFI), Tucker Lewis Index (TLI), The Minimum Sample Discrepancy Function (CMIN) divided by degree of freedom (DF) and Comparative Fit Index (CFI), and 4) low RMSEA (Root Mean Square Error of Approximation).

**Measurement Results of Each Construct or Latent Variable**

After testing the assumptions and necessary actions for the next violation, a fit model analysis will be carried out with model fit criteria such as GFI (Goodness of fit index), adjusted GFI (AGFI), Tucker Lewis Index (TLI), CFI (Comparative of fit index), and RMSEA (Root Mean Square Error of Approximation) for both individual models and complete models. The measurement results on the dimensions or variable indicators that can form a construct or latent variable with confirmatory factor analysis are explained in succession as follows:

1. Digital marketing strategy.
   Digital marketing strategy (X1) is the respondent's response related to efforts or encouragement to achieve goals, both individual goals and organizational goals. The measurement model for the latent variable of digital marketing strategy which consists of six indicators of manifest variables (observed variables), including: using digital TV (X1.1), social media (X1.2), email (X1.3), mobile/wireless (X1 .4), Internet (X1.5), and data base (X1.6),Confirmatory analysis (CFA) test results for the marketing strategy variable on the model as follows.

2. Competitiveness.
   Competitiveness (X2) is the respondent's response related to efforts or encouragement to achieve goals, both individual goals and organizational goals. The measurement model for the latent variable of competitiveness consists of six indicators of manifest variables (observed variables), including: technology and communication (X2.1), macroeconomic environment (X2.2), innovation (X2.3), technology transfer (X2. 4), laws and regulations (X2.5), and the business environment (X1.6).

3. Competitive Advantage (Y).
   Competitive advantage (Y1) is the respondent's response related to efforts or encouragement to achieve goals, both individual goals and organizational goals. The measurement model for the latent variable of competitive advantage consists of five indicators of manifest variables (observed variables), including: financial resources (Y1), technology (Y2), brand identification Y3), human resources (Y4), and customer relations (X1. 5).

4. Competitive Advantage (Y).
   Competitive advantage (Y1) is the respondent's response related to efforts or encouragement to achieve goals, both individual goals and organizational goals. The measurement model for the latent variable of competitive advantage consists of five indicators of manifest variables (observed variables), including: financial resources (Y1), technology (Y2), brand identification Y3), human resources (Y4), and customer relations (X1. 5).

5. MSME performance.
   MSME performance (Z) is the response of respondents related to efforts or encouragement to achieve goals, both individual goals and organizational goals. The measurement model for the latent variable of MSME performance consists of six indicators of manifest variables (observed variables), including, digitalization technology (Z1), customer growth (Z2), profitability (Z3), quality or quality (Z4), quantity or amount (Z. 5), and timeliness (Z6).

**Research Findings**

Based on the results of the discussions that have been stated, this study found several findings, namely:

1. The path that has the greatest total impact is the path of digital marketing strategy competitive advantage. This finding shows that it is important for MSME actors in the food sector to use digital marketing strategies to achieve competitive advantage.
2. The competitiveness path to the performance of MSMEs in the food sector, has no significant positive effect on the performance of MSMEs. This finding shows that it is important for MSME actors to pay attention to and improve competitiveness in an effort to improve the performance of MSMEs in the food sector.
3. Competitive advantage as an intervening variable has a significant meaning in this study because the sign is positive. Accordingly, this intervening variable is able to act as a liaison or mediator. Thus, the mediating variable of competitive advantage makes a significant contribution to improving the performance of MSMEs in the food sector in Ambon City. Or there is a total effect of exogenous variables on endogenous variables in this study which can be proven in the Sobel test.

**Research Limitations**

This study has several limitations including:

a. This research was conducted only on MSME actors in Ambon City and this provides limitations in generalizing the research findings.
b. The measurement of research variables was carried out based on perceptions which were largely determined by the memory of the respondents as MSME actors and their self-assessment so that there was a tendency for bias to occur in the measurement.
c. The empirical analysis carried out in this study uses survey data that analyzes the relationship at one point in time (cross sectional), while attitudes and behavior are very dynamic things so that to analyze attitudes and behavior longitudinal observations are needed, for that further research studies are needed to analyze again changes in the relationship of influence between the variables studied in this study.
d. The difference between this research and previous research lies in the model that was built, by analyzing the influence of digital marketing strategies, competitiveness on the performance of MSMEs by using competitive advantage as an intervening variable.
e. The exogenous variables of this study are only based on the concept. It is hoped that future researchers who are interested in this study will use other variables.
f. The unit of analysis in this study is limited to SMEs specifically for food, so it is hoped that future researchers who are interested in this study will use a broader unit of analysis, namely customers or consumers in Ambon City. A broader unit of analysis will provide justification for wider benefits to policy makers, especially in the food sector, Micro, Small and Medium Enterprises in Ambon City.

## IV. Conclusion

1. Based on the results of the analysis and discussion that there is a significant influence of the digital marketing strategy variable on competitive advantage. Several measuring tools through the indicators used that the highest indicator is the internet for that need to be maintained and improved. Meanwhile, according to the loading factor (λ) is the highest email indicator. This means that the MSME actors in the food sector in Ambon city need to maintain and improve these two indicators in an effort to achieve competitive advantage.
2. Based on the results of the analysis and discussion that there is a significant influence of the competitiveness variable on competitive advantage, from several measuring tools through the indicators used, the highest indicator is Innovation. Meanwhile, according to the loading factor (λ), the highest indicator is the legislation. This means that MSME actors in the city of Ambon need to pay attention and increase innovation and pay attention to regulations or laws from the regional government or the central government in order to increase the competitiveness and competitive advantage of the food sector MSMEs.
3. Based on the results of the analysis and discussion that there is a significant influence of digital marketing strategy variables on the performance of MSMEs in the food sector, from several measuring tools through the indicators used, the highest indicator is email, while according to the loading factor (λ), the highest

indicator is mobile/wireless. it means that MSME actors in Ambon city need to maintain and improve these two indicators in improving the performance of MSMEs in the food sector.

4. Based on the results of the analysis and discussion, there is an insignificant positive effect of the competitiveness variable on the performance of MSMEs, from several measuring tools through the indicators used that the highest indicator is legislation. Meanwhile, according to the loading factor (λ), the highest indicators are technology and communication, meaning that MSME actors in Ambon city need to maintain and improve both indicators in improving the performance of MSMEs in the food sector.
5. Based on the results of the analysis and discussion that there is a significant influence of the competitive advantage variable on the performance of MSMEs. However, from several measuring instruments through the indicators used, the highest indicator is the position of technology. Meanwhile, according to the loading factor (λ) the highest indicator is financial resources, meaning that MSME actors in Ambon city need to maintain and improve both indicators in improving the performance of MSMEs in the food sector.
6. Based on the results of the analysis and discussion that there is a significant effect of digital marketing strategy variables on MSME performance through competitive advantage. meaning that competitive advantage as a mediating variable or between being able to provide a role in improving the performance of MSMEs in the food sector in Ambon City.
7. Based on the results of the analysis and discussion that there is a significant influence of the competitiveness variable on the performance of MSMEs through competitive advantage. This means that competitive advantage as a mediating variable or between is able to provide a role in improving the performance of MSMEs in the food sector in Ambon City.

## V. Suggestion

a. Based on the results of the analysis and discussion that there is a significant effect of digital marketing strategy variables on competitive advantage. However, from several measuring tools, the indicators used are that the lowest indicator is email. Therefore, this indicator needs attention and improvement, by means of MSME actors increasing their technological capabilities by learning how to make and use e-mail in the process of improving the performance of MSMEs in the food sector. Meanwhile, according to the loading factor (λ) is the smallest data base usage. This means that MSME actors in Ambon city need to pay attention to the data base of consumers and economic actors that can help increase the competitive advantage of their MSMEs.
b. Based on the results of the analysis and discussion that there is a significant influence of the competitiveness variable on competitive advantage. However, from several measuring tools through the indicators used, the lowest indicator is the change in the business environment. Meanwhile, according to the loading factor (λ) is the smallest indicator is technology transfer, meaning that the food sector SMEs in Ambon City need to pay attention to changes in the business environment, how changes occur in the internal environment or the external business environment in an effort to increase the competitive advantage of SMEs. .Demikian juga denganfaktor transfer teknologibaikitudarikalanganakademisi, pelakuusahaitusendirimaupunpemerintahperluitudipelajari dan diperhatikanbilainginmeningkatkankeunggulanbersaingdari UKMK itusendiri.
c. Berdasarkanhasilanalisis dan pembahasanbahwaterdapatpengaruhpositiftidaksignifikanvariabeldayasaingterhadapkinerja UMKM, daribeberapaalatukurmelaluiindikator yang digunakanbahwaindikatordengannilaiterkeciladalahperubahanlingkunganbisnis. Sedangkansesuaidenganlodingfaktor (λ) indikatorterendahadalah transfer teknologiartinyabahwa para pelaku UMKM di Kota Ambon perlumemperhatikanperubahanlingkungan, baikitu yang terjadi pada internal UMKM dan ekternaldarilingkungan UMKM itusendirisehinggahaltersebutdiharapkandapatmeningkatkankinerja UMKM sektorpangan.
d. Berdasarkanhasilanalisis dan pembahasanbahwaterdapatpengaruh yang signifikanvariabelkeunggulanbersaingterhadapkinerja UMKM. Namundaribeberapaalatukurmelaluiindikator yang digunakanbahwaindikatordengannilaiterkecilyaituhubunganpelanggan. Sedangkansesuaidenganlodingfaktor (λ) indikatorterendahadalahsumberdayamanusiaartinyabahwa para pelaku UMKM di Kota Ambon perlumemberikanperhatiandalammeningkatkankeduaindikatortersebutmisalnya yang berkaitanhubunganpelangganmakapelaku UMKM harusberusaha agar tetapmembinahubungan yang baikdenganpelanggandengancaramempunyai data base pelangganataumemberikansemacam bonus ataudiskon dan sebagainya, dan untuksumberdayamanusiamakapelaku UMKM harusdiupayakanmempunyaiskilataukemampuan yang lebihdalammenjalankanstarategikhususnyabagaimanameningkatkankeunggulanbersaing dan kinerja UMKM.

e. Berdasarkanhasilanalisis dan pembahasanbahwaterdapatpengaruh yang signifikanvariabel strategi pemasaran digital terhadapkinerja UMKM melaluikeunggulanbersaing. artinyabahwakenggulanbersaingsebagaivariabelmediasiatauantaraharuslebih di perhatikan dan ditingkatkanbagaimana strategi meningkatkankeunggulanbersaingnyahinggadapatmeningkatkankinerja UMKM sektorpangan di Kota Ambon.
f. Berdasarkanhasilanalisis dan pembahasanbahwaterdapatpengaruh yang signifikanvariabeldayasaingterhadapkinerja UMKM melaluikeunggulanbersaing. artinyabahwakenggulanbersaingharusdiperhatihan oleh para pelaku UMKM, bagaimana strategi yang tepatmeningkatkankeunggulanbersaingtentunyadengan juga meningkatkandayasainghinggamampumemberikanperandalammeningkatkankinerja UMKM sektorpangan di Kota Ambon.

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