

During the Covid-19 Pandemic, Marketing Strategy Analysis for Crispy MSMEs "MA ICIH"

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Abstrac. Large-scale social restrictions (PSBB) cause conventional marketing of company products to be limited. The purpose of this study was to examine the impact of the marketing approach during the Covid-19 pandemic on the performance of MSMEs with technology as a moderator variable with the research subject being Kripik "Ma Icih" MSME customers. MSMEs during the pandemic must be able to carry out product marketing using social media applications. A sample of 100 respondents became the sample of this study. The data collection approach has been tested for validity and reliability by reporting, interviews, and questionnaires. The results showed that: (1) With a value of 0.767 and a P-value of 0.0033, the effect of production on MSME performance is positive and significant. (2) With a result of $0.000 < 0.05$, technology moderates the impact of production on MSME performance in a positive and significant way. (3) Production on MSME performance is positive and significant with a value of 0.468 and a P-Value of 0.042 (4) The positive and significant distribution of MSME performance moderated by technology shows a result of $0.030 < 0.05$ (5) There is a positive and significant difference between direct marketing and MSME performance with a value of 0.265 and a P-Value of 0.000. (6) the positive and significant effect of direct marketing on the performance of MSMEs moderated by technology shows a result of $0.000 < 0.05$.

Keywords: Marketing strategy; MSME performance; Technology.

INTRODUCTION

The foundation of the people's economy that can sustain the nation's economy is MSMEs (Micro, Small and Medium Enterprises). In Indonesia, MSMEs have been able to contribute to the regional budget. The position of MSMEs is considered very significant because this sector is not only a source of livelihood, but also provides direct and indirect employment opportunities for people with relatively low levels of knowledge and skills. According to Law No.20/2008

concerning micro, small and medium enterprises (Saefullah; et al 2010), that is, with a maximum asset of Rp. 50 million and a maximum turnover of Rp. 300 million for micro businesses, assets of more than Rp. 50 million-Rp. 500 million and turnover of more than IDR 300 million – IDR 5 billion for small businesses, assets of more than Rp. 500 million - Rp. 10 billion and turnover of more than Rp. 2.5 billion - Rp. 50 billion for medium businesses, and assets of more than Rp. 10 billion and turnover of more than Rp. 50 billion for large businesses.

The Covid-19 pandemic has had a major impact on many industries, including the economy. Indonesia's economic and business sectors have been hit hard by the Covid-19 outbreak. Many micro, small and medium enterprises (MSMEs) are confused because their companies are hindered and cannot even develop. Globally, supply chains have weakened due to the impact of Covid-19, commodity prices have fallen, and the possibility of a global economic crisis has increased. Domestically, discretionary spending, factory closures, travel bans, and PSBB (large-scale social restrictions) have been curtailed by the effects of Covid -19. The widespread spread of the corona virus or Covid-19 has begun to affect more than half of cooperatives and Small and Medium Enterprises in North Sumatra. There are around 2.8 million MSMEs in North Sumatra.

There are too many MSMEs that have not been properly registered. Production and marketing strategies are important factors in optimizing the efficiency of MSMEs. However, MSMEs experienced a dramatic decline in demand during the Covid-19 pandemic. One of the factors that experienced a decline was production. This is because production is an activity of making something, be it a service or work, of course it must be based on efficiency and effectiveness by using machine power or original handwork. If only the results of a production are not good in quality, then of course it will have an impact on consumers' lack of interest in trading. People need human labor, natural resources, capital in all its forms, and skills to be able to produce. (Sumolang, Rotinsulu, and Engka 2019),

One of the keys to the success of an MSME is the ability to carry out effective promotions. One of the promotional mixes used by UMKM chips "Ma Icih" is Direct Marketing. Direct marketing is a marketing technique that allows businesses to use any channel to communicate directly with customers. To accelerate promotional activities and have an impact on productivity in the organization itself, several businesses are currently conducting direct marketing (Subroto, Hapsari, and Astutie 2016)

The use of the internet and information technology is an alternative for MSMEs in order to survive and increase income considering social restrictions make conventional marketing methods irrelevant (Nurlinda, 2020). that information technology is a competitive weapon, and promoting information technology as a resource allows organizations to gain competitive advantage. because almost all sectors could not run as they did before Covid-19, during Covid-19 many businesses had to close and were forced to layoffs because income decreased. (Reswari 2020)

The Ministry of Cooperatives and SMEs accelerates SMEs to introduce digital business practices. Policies implemented to encourage the digitization of MSMEs include refocusing on the Ministry of Cooperatives' training program for MSMEs which aims to increase MSMEs' awareness of digitalization. One of them is through the page and podcast series

at www.edukukm.id. Furthermore, MSME foster brother assistance services are also carried out. (Elsa Catriana 2020)

Another thing that can support the performance of these MSMEs is the use of e-commerce services to facilitate product sales to a wider market share. Therefore, the North Sumatra provincial government's current program is to include MSME actors in the online market (E-Commerce) or e-commerce platform to spur product sales to overcome distribution problems and strengthen e-learning. This is because many MSMEs do not know the procedures for communicating online, making it difficult for marketing in research conducted by (Lumempouw et al. 2014), there is a variable effect of technology application on company performance, and other research sources stated by (Syarifah and Fauziyah 2017), that information technology that moderates the competitiveness of MSMEs has a positive and significant effect, which means that the work can be completed on time when MSMEs adopt IT for their business operations, and production activities will be well controlled. Local government should be more active in disseminating existing training programs. Not to mention the crisis of confidence from MSME actors in actualizing technology in their MSME systems, in this case because there is still a lack of existing capital and lack of self-motivation.

Digital marketing is the activity of promoting and finding markets through online digital media using various means such as social networks (Purwana, 2017). Digital marketing is one of the marketing media that is currently in great demand by the public in supporting many activities (Pradiani, 2017). Of course, the above phenomenon needs serious attention to find a solution to the problem. Based on the context of the problems above, the main area of this research is marketing strategy. namely related to marketing strategies in terms of production, distribution and promotion. The promotion mix used is direct marketing where direct marketing that applies technology is the moderating variable in this research.

This research underlies the objectives of the existing problem formulation, namely: 1) Test and analyze whether the production marketing strategy affects the performance of "Ma Icih" Kripik UMKM in Bandung City. 2) Test and analyze whether technology moderates the influence of production marketing strategies on improving the performance of "Ma Icih" Kripik UMKM in the city of Bandung. 3) Test and analyze whether the marketing strategy in terms of distribution has an effect on improving the performance of UMKM Kripik "Ma Icih" in the city of Bandung. 4) Test and analyze whether technology moderates the effect of marketing strategy in terms of distribution on improving the performance of UMKM Kripik "Ma Icih" in Bandung City. 5) Test and analyze whether the marketing strategy in terms of direct marketing has an effect on improving the performance of UMKM Kripik "Ma Icih" in the city of Bandung

LITERATURE REVIEW

Definition of MSMEs

UMKM is the designation for the form of small businesses with a maximum net value of Rp. 200,000,000 for company premises, except for land and houses. Small business is an *autonomous* and profitable commercial business carried out by an individual or business entity that is not a subsidiary or branch of a corporation that is directly or indirectly owned, managed or part of a medium or large business that fulfills the requirements of the law. Number 20 of 2008

concerning MSMEs, in the MSME Development Strategy and Policy book (Rio F. Wilandara & Susilawati 2016) outlines the following, Medium enterprises are active and autonomous economic enterprises carried out by people or business organizations that are not subsidiaries or business branches owned, managed or partially, directly or indirectly, by small businesses or large businesses by total assets. As stipulated in the law, net or annual sales results. According to Peggy A. Lambing and Chales R. Kuel (in Tejo Nurseto, 2004) states that entrepreneurship is a process of capturing and realizing an opportunity regardless of existing resources, and requires the courage to take calculated risks.

Marketing Strategy

Marketing has become one of the foundations that can make business travel profitable in the modern era. How not, consumers who were not familiar with a product, can be more familiar with the product in detail through marketing. The company is run by four general functional aspects, namely marketing, human resources, production, and finance. These four functional aspects are integrated in its strategy to realize the company's vision and mission. The marketing strategy will base its strategy formulation on the marketing function, coupled with an analysis of external factors or competition. The production function will base the formulation of a production strategy on decisions/policies in production management (Hazmanan; et al, 2016). According to William J. Stanton (2012),

The marketing strategy seeks to determine which markets to focus on, which market conditions are needed, what forms of advertising are appropriate and other activities in the marketing department. The human resource plan emphasizes how the organization or business unit decides how the workforce is selected and used. The production strategy determines how and where products or services are made, the degree of vertical integration in the production process, the allocation of physical resources, and the relationships with suppliers that are affected by the availability of raw materials and technological advances. While the financial strategy examines the impact of financial conditions from the choice of organizational strategy in managing finances. (Hazmanan; et al, 2016).

The strategy of the marketing function has four main components which are the target consumers, which include 1. Product Factors

Designing products in such a way that consumers are still interested in these products, even though competitors are issuing similar products or products whose advantages are relatively the same as those owned by the business. According to Suharyadi, et al (2007) if the product produced is of good quality, then a product can compete in the market so that it influences purchasing decisions. According to Cannon, et al (2008), quality is the ability of a product to satisfy customer needs or wants. According to Simamora (2001), product quality is the difference between a feasible product according to current consumers. According to Tjiptono, (2007) product quality is a dynamic condition related to products, services, people, processes, and the environment that meet or exceed expectations.

2.Price Factor

The price set must be in line with the value and benefits that consumers will experience. Price should not be seen as an independent variable, but should be linked to product consumer

expectations and actions. Price is a very important thing in the purchase of both goods and services. According to Basu Swasta (2010), price is an amount of money plus some goods and their services. Price is often used as an indicator of value when the price is associated with the perceived benefits of an item or service. price is a monetary unit or other measure that is exchanged in order to obtain ownership rights or use of an item or service (Tjiptono, 2007). Meanwhile, according to Kotler and Keller (2012) price is defined as the amount of money billed for a product or service,

3. Marketing Channel Factors (Distribution)

Selection of the right marketing channel will greatly determine marketing success because product users will obtain the product based on the availability of the product in their area. Basu Swastha, (2010) channel is a structure of organizational units within the company and outside the company consisting of agents, dealers, wholesalers and retailers, through which a commodity product or service is marketed. While the distribution channel according to Tjiptono, (2008) is defined as follows that the distribution channel is a series of organizational participation that performs all the functions needed to deliver products or services from the seller to the final buyer. According to Kotler (2010) defines distribution channels as a collection of companies and individuals who take over rights,

4. Promotion Factor

Promotion of goods is an attempt to attract customers to the product. Must be transparent about product advantages, product costs, after-sales operations, and facilities in marketing and must be in line with facts and in accordance with the organization's market plan (Hazmanan et al, 2016). According to Tjiptono (2007) promotion is an element of the marketing mix that focuses on efforts to inform, persuade, and remind consumers of the company's brand and products. Meanwhile, according to Buchory and Saladin in Aris Jatmika Diyatma (2017) promotion is one of the elements in the company's marketing mix that is utilized to inform, persuade, and remind about the company's products. According to Daryanto (2011),

Definition of Performance

The importance of performance can be concluded that not only in terms of finance, but also in terms of human resources, performance management has a very big influence. Achievement of results at the level of the organization or study unit is the success of the organization. At the organizational level, success is related to organizational priorities, organizational architecture, and organizational management. Performance at this organizational level is related to organizational goals, organizational design, and organizational management. An important aspect of production management in a company is the evaluation of business performance. In evaluation performance, an understanding of anticipated performance becomes the starting point. Performance appraisal is said to be relevant considering how well the organization has carried out its functions through performance appraisal. The company's accuracy in carrying out its functions will have a significant effect on achieving overall organizational efficiency (Moeheriono, 2012). Performance is the behavior and results achieved related to all procedures. Market-oriented business has a positive effect on the growth of large companies (Utaminingsih, 2016)

Technology

A technology that is used very intensively by many people today. In the promotion method, the thing that is currently used is the internet, which is the largest and barrier-free network. In other words, the internet is very helpful and makes it easy for every job to exchange information, contact, collaborate, and support business processes. In this case, MSMEs are expected to be able to adopt technology to boost their production performance. Business environmental changes such as changes in technology and customer needs have an impact on business competitive advantage (Tirtayasa, 2020). Customers are currently looking for better prices and quality through technological developments (Ong et al. 2010). Technological advancement is defined in terms of features, innovative designs, and constants of interest, technical advances open up choices and make it easier for consumers to buy goods or services. These characteristics include the use of emerging technologies and technical developments, such as architecture, style, color and product selection (Oktaviani 2017). Technology can be defined as the ability to identify technological problems and capitalize on ideas that can solve current technical problems, and technology, on the other hand, is equipment or devices such as equipment, software and hardware that are successfully used within an enterprise to solve operational problems (Allitan 2018). Online sales from social media applications such as Facebook, Twitter, Instagram, Blogger and even well-known online stores such as Bukalapak, Tokopedia, Blibli, Kaskus, Lazada, Matahari Mall,

Thinking/Conceptual Framework

1. Effect of Production Strategy on Performance

Improving company performance is very influential on the production process that occurs, this is because development planning is planning what business will be produced in the future and how many items. Production can also be characterized by managing resources such as labor, raw materials, machinery and other equipment as a process of producing products within a certain time as expected or scheduled. Research that has been conducted (Subroto, Hapsari, and Astutie 2016) found that the influence of production factors on the performance of MSMEs is positive, meaning that the higher the level of productivity will lead to an increase in the performance of MSMEs, meaning that the performance of MSMEs in Brebes Regency will be more positive and significant.

2. Effect of Production Strategy on Performance Moderated by Technology

Digital technology is now an integral part of business resources and is used by managers in day-to-day business management, especially in manufacturing processes. The existence of increasingly advanced and modern technology will make it easier for producers to produce goods, besides that it can reduce the cost of producing an item by using modern machines and make it easier for producers to sell goods in large quantities. Research conducted by (Munizu 2013) suggests that the influence of production technology on performance in the technical process has a relatively low performance impact. Even though it is important to make attractive packaging, hygienic, durable products and quality assurance certification (SNI), ISO 9001 is an important thing to do so that the performance of SME food-based products can be continuously improved and sustainable.

3. Effect of Distribution Strategy on Performance

Distribution is one of the biggest challenges business owners and product development have. The difficult distribution process will cause long distribution and shipping costs to reach the consumers. By smoothing the flow of goods without any hindrance, successful distribution will significantly benefit production activities and increase in excess costs will be the benchmark for working in the business. Based on research that has been conducted by (Sugeng Rianto, 2014) notes that distribution channels have a significant influence on business performance and distribution channels have a significant positive influence on business performance.

4. Effect of Distribution Strategy on Performance Moderated by Technology

Distribution of marketing aspects that function to facilitate the delivery of goods to consumers, in this case can be done by using technology to facilitate and save time on delivery of goods. However, in research conducted by (Yunia Wardi 2017) the performance of MSMEs is not affected by market and technological turbulence, including entrepreneurial orientation. This is because the markets served by MSMEs tend to be traditional according to the characteristics of the typical regional products being marketed so that rapid market changes do not have an impact on the performance of UKM in West Sumatra.

5. The Effect of Direct Marketing Strategy on Performance

Marketing activities are one of the important points that are needed in business. The best-selling product is the hope of all sellers. One of them is with promotional activities carried out using direct marketing.

Based on research that has been carried out by (Hendrawan et al 2019). Research by (Supardi and mei Ie 2019), it can be explained and concluded that the adoption of e-commerce in SMEs has a positive influence on the performance of SMEs in DKI Jakarta.

6. The Effect of Direct Marketing Strategy on Performance Moderated by Technology

The use of online media as a way of launching products or services that are used by business people to carry out business processes. Digital marketing is an attempt to take advantage of the digital world or the internet to market a brand or product. The goal is to meet customers and prospects quickly and in a timely manner. It can easily be a way to promote certain products/brands through internet media through advertisements, the internet, Facebook, Youtube or other social media. The influence of e-commerce capacity and social media promotion on marketing performance, e-commerce capabilities and promotion on social media simultaneously affect marketing efficiency at the Tegal City morning market, (Prihadi and Susilawati 2018). Meanwhile, in the research conducted by (Gumilar and Zulfan 2014), like the mass media,

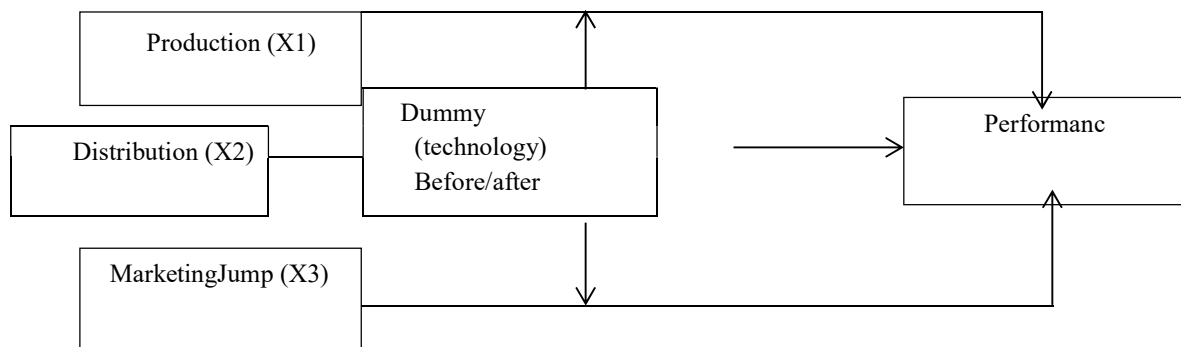


Figure 1.Research Model

RESEARCH METHODS

This study uses an associative and quantitative research approach which aims to determine the relationship between two or more variables (Sugiono, 2010). The variables in this study consist of independent variables and moderator variables as well as dependent variables. In this study, the authors used a quantitative research method which, according to Sugiono (2010), is defined as a method based on positive philosophy used to examine certain populations or samples. The sampling technique is generally carried out randomly, collecting data using research instruments, analyzing data that is quantitative/statistical in nature with the aim of testing the hypotheses that have been set

Population and Sample

The research population will be generalized, so the sample used as a data source must be representative. This can be done by taking samples from the population randomly up to a certain number. (Riduwan, 2014) Research Population According to Sugiono (2010), the definition of population is as follows: "Population is a generalized area consisting of objects or subjects that have certain qualities and characteristics set by researchers to study and then draw conclusions. The population in this study were the people of Bandung City who had bought "Ma Ichi" chips. The number of members of the population is unknown.

According to Sugiono (2010) the sample is part of the number and characteristics possessed by the population. If the population is large, and it is not possible for the researcher to study everything in the population, for example due to limited funds, manpower and time, the researcher can use samples taken from the population. This study uses a non-probability sampling technique because the population size is unknown, and purposive sampling is used as a sampling technique. Purposive sampling is a sample determination technique with certain considerations in accordance with the desired criteria to be able to determine the number of samples to be studied. Purposive sampling is used because there are often many limitations that prevent researchers from taking random samples. then by using purposive sampling it is expected that the sample criteria obtained are truly in accordance with the research to be conducted. The criteria used in sampling were the people of Labuhanbatu. Because the population of members is not known with certainty, the sample size is calculated using the Cochran formula (Sugiono, 2010):

$$n = \frac{z^2 pq}{e^2}$$

$$n = \frac{(1.96)^2(0.5)(0.5)}{(0.10)^2}$$

$$N = 96.04 = 97 \text{ Orang}$$

Information:

n = sample

z = Price in the normal curve for a 5% deviation, with a value of 1.96

p = 50% chance of being right = 0.5

q = 50% chance of being wrong = 0.5

e = margin of error 10%

From the results above, 96.04 is a fraction, and according to Sugiyono (2019) calculations that produce fractions (commas) should be rounded up. So that the number of samples in this study were 97 respondents.

Multiple Linear Regression Analysis with Dummy Variables

The analytical method used to answer the first problem formulation is multiple linear regression, with the F test and t test as hypothesis tests. Dummy variables are often also called dummy, binary, categorical or dichotomous variables. The dummy variable only has 2 (two) values, namely 1 and 0, and is given the symbol D. The dummy has a value of 1 (D=1) for one category and zero (D=0) for the other category.

$$Y_1 = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e \quad \dots\dots\dots(1)$$

$$Y_2 = \alpha + \beta_4 X_1 + \beta_5 X_2 + \beta_6 X_3 + \beta_6 Y_1 + e_2 \dots\dots\dots (1)$$

Information :

Y = MSME performance

a = The Price of the Constant is the approximate value of Y if X = 0

b1,b2,b3 = The regression direction coefficient is the magnitude of the change in the related variable due to changes in each independent variable unit.

Information:

Y1 = MSME Performance

Y2 = Technology

α = Constant

β1, β2, β3, = Coefficient e = error Cost = tech

X1 =Product quality

- X2 =Distribution
- X3 =Direct Marketing
- b1D =Promotion Technology
- e =Epsilon (Influence of other factors)

In = Dummy variable (0= before the outbreak of COVID-19, 1= during the outbreak of COVID-19)

RESULTS AND DISCUSSION

Validity test

The validity test was carried out to reveal whether the questions in the questionnaire were correct or not. A questionnaire is said to be valid if the questions on the questionnaire are able to reveal something that will be measured by the results of the questionnaire. According to Sugiyono (2013) these requirements must be met, namely they must have the following criteria:

- a. If $r \geq 0.30$, then the question items from the questionnaire are valid
- b. If $r \leq 0.30$, then the question items from the questionnaire are invalid

Table 1. Validity Test Results.

Variable	Question	Correted item total correlation	Criteria validity	Result of validity
Product quality	Product quality 1	0.926	0.30	Valid
	Product quality 2	0.912	0.30	Valid
	Product quality 3	0.949	0.30	Valid
	Product quality 4	0.833	0.30	Valid
	Product quality 5	0.717	0.30	Valid
Distribution	Distribution 1	0.730	0.30	Valid
	Distribution 2	0.892	0.30	Valid
	Distribution 3	0.742	0.30	Valid
	Distribution 4	0.722	0.30	Valid
	Distribution 5	0.622	0.30	Valid
Marketing Direct	Distribution 6	0.725	0.30	Valid
	Direct marketing 1	0.642	0.30	Valid
	Direct marketing 2	0.658	0.30	Valid
	Direct marketing 3	0.591	0.30	Valid
	Direct marketing 4	0.665	0.30	Valid
Performance	Direct marketing 5	0.591	0.30	Valid
	Performance 1	0.842	0.30	Valid
	Performance 2	0.874	0.30	Valid
	Performance 3	0.625	0.30	Valid
	Performance 4	0.880	0.30	Valid
Technology	Performance 5	0.803	0.30	Valid
	Technology 1	0.777	0.30	Valid
	Technology 2	0.816	0.30	Valid
	Technology 3	0.844	0.30	Valid
	Technology 4	0.810	0.30	Valid
	Technology 5	0.847	0.30	Valid

Source: Primary data processed, 2022

Reliability Test

A reliable instrument is an instrument which, when used several times to measure the same object, will produce the same data. The reliability test of this study will use the Cronbach Alpha technique. According to Sugiono (2013) a measuring instrument is said to be reliable and can be processed at a later stage if the Cronbach Alpha value is > 0.7 . If the measuring instrument has a Cronbach Alpha value $<$ then the measuring instrument is unreliable

Table 2. Reliability Test

Variable	Cronbach Alpha	Criteria	Conclusion
Product quality	0.937	0.7	Reliable
Distribution	0.909	0.7	Reliable
Direct marketing	0.952	0.7	Reliable
Performance	0.883	0.7	Reliable
Technology	0.880	0.7	Reliable

Source: Primary data processed, 2022

Classic assumption test

Before entering into a discussion of research results, a description of the data will be explained first, the steps for analysis using dummy variables, the classical assumption test and discussion.

1. Analysis Steps Using Dummy Variables

The step of using dummy regression in this study was carried out in several steps, such as coding the independent variables, after the coding was completed, an analysis was carried out in SPSS. The following are the steps after coding in SPSS

2. Normality test

One important normality test for statistical inference is the normality of the data with the following hypothesis:

Table 3.SPSS Output Structure Normality Test Results 1

		Unstandardized Residuals
N		97
Normal Parameters, b	Means	260.9614
	std. Deviation	71.49992
	Most Extreme Differences	
	absolute	.066
	Positive	.044
	Negative	-.066
Kolmogorov-Smirnov Z		.757
asymp. Sig. (2-tailed)		.616

From the results of the normality test on the Y variable above, it can be seen that the

Kolmogorov-Smirnov sig value is > 0.05 , so the performance of UMKM chips "Ma Ichi" is normally distributed because normal data means H_0 is accepted. Both normality tests on product quality independent variables. The results of the analysis show as follows:

Table 4.SPSS Output of Structure Normality Test Results 2

Unstandardized Residuals		
N		97
Normal Parameters, b	Means	3.2836
	std. Deviation	.22522
Most Extreme Differences	absolute	,100
	Positive	,100
	Negative	-.068
Kolmogorov-Smirnov Z		1.135
asymp. Sig. (2-tailed)		,156

From the results of the normality test on the product quality variable above, it can be seen that the Kolmogorov-Smirnov sig value is > 0.05 , so the product quality data is normally distributed because the data is normal, then H_0 is accepted. The three normality tests on the research topic independent variables that have been changed into dummy variables. The results of the analysis show as follows:

Table 5.SPSS Output Result of Structure Regression Analysis 1

Model	Unstandardized Coefficients		Standardized Coefficients	Q	Sig.
	B	std. Error	Betas		
(Constant)	.664	2,664		.249	.804
1 X1	.137	.038	.330	3,643	.000
X2	.378	.110	.328	3,437	.001
X3	.215	.096	.200	2,228	.028

The author compares the results obtained by the author from this study with previous researchers on the basis of this objective.

1. Effect of Production Strategy on Performance

From this study it was found that the effect of production on the performance of MSMEs is positive and significant with a value of 0.137 and a P-Value of 0.000, the performance of MSMEs will increase along with increased production. This is in line with research conducted by (Subroto, Hapsari, and Astutie 2016), which noted that the influence of production factors on the performance of MSMEs is positive, meaning that the higher the level of production, the greater the performance of MSMEs. This means that the factors of production have a positive and important effect on the performance of SMEs. This is in line with research conducted by

(Hendratmoko, 2020), with face-to-face limitations due to the Covid-19 pandemic which has hit for almost 6 months, entrepreneurs maximize their production by being more efficient and flexible in methods and sensitive to seeing current opportunities.

2. Effect of Distribution Strategy on Performance

From this study it was found that the effect of distribution on the performance of MSMEs was positive and significant with a value of 0.468 and a P-Value of 0.042, where if the distribution was carried out properly, the performance of MSMEs would also increase. This is in line with research conducted by (Sugeng Rianto, 2014) which states that distribution channels have a significant influence on business performance and distribution channels have a significant positive influence on business performance.

3. Effect of Direct Marketing Strategy on Performance

The findings of this study produce a value of -0.265 and a P-value of 0.307, which means that direct marketing has a positive and significant effect on the performance of MSMEs, in line with previous research (Supardi and May Ie 2019), it is concluded that the inclusion of e-commerce in small and medium enterprises has a positive impact on performance of small and medium enterprises in DKI Jakarta.

4. The Effect of Production Strategy on MSME Performance during the Pandemic

The effect of production on the performance of MSMEs moderated by technology shows a result of $0.000 < 0.05$, which means that the interaction value $X1 * Z$ to Y is significant so that the effect of production on MSMEs performance moderated by technology is positive and significant. The results of this study mean that the higher the use of technology in the production process, the business performance will increase. Supported by previous studies, the findings show that there is a positive relationship between production and market success as well as the use of existing technology. The greater the use of technology in the production process will further improve the company's performance and vice versa the lower the use of technology in the production process, the lower the company's performance. (Nursanti, Handoko, and Vitasari, 2017).

Table 6. Coefficients Sub-structure2

		Coefficients^a				
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	.090	.425		.213	.832
	Produksi	.664	.130	.504	5.128	.000
	Distibusi	.314	.471	.308	3.668	.033
	Pemasaran_langsung	.330	.101	.319	3.280	.001
	Kinerja_UMKM	.224	.435	.271	.957	.045

Dependent Variable: technology

1. Effect of Production Strategy on Performance Moderated by Technology

The effect of production on the performance of MSMEs moderated by technology shows

a result of $0.000 < 0.05$, which means that the interaction value $X1 * Z$ to Y is significant so that the effect of production on MSMEs performance moderated by technology is positive and significant. The results of this study mean that the higher the use of technology in the production process, the business performance will increase. Supported by previous studies, the findings show that there is a positive relationship between production and market success as well as the use of existing technology. The greater the use of technology in the production process will further improve the company's performance and conversely the lower the use of technology in the production process, the lower the company's performance. According to Nursanti, Handoko, and Vitasari,

2. Effect of Distribution Strategy on Performance Moderated by Technology

This study shows that distribution has an effect on the performance of SMEs which is moderated by technology and shows a result of $0.033 < 0.05$ which has a positive and significant effect. The results of previous research that has been done, state that the higher the use of technology in the distribution system will further improve business performance. (Sulila, Wolok, and Pakaya 2019). So that the results of the research that the authors did are the same as the research above, namely distribution with technology will improve business performance. Namely 64% stated that during the pandemic the frequency of shipping goods within and outside the area did not experience significant problems by maximizing assistance from other parties, in this case available online transportation. Because,

3. Effect of Direct Marketing Strategy on Performance Moderated by Technology

The results of the author's research show that the effect of direct marketing on MSME performance moderated by technology shows a result of $0.001 < 0.05$, meaning that the relationship between these variables is positive and significant, thus technology moderates the effect of direct marketing on MSME performance. Based on these findings, the conditions that occur in the performance of the workshop business in relation to direct marketing carried out during the Covid-19 pandemic are determined by the influence of existing technology. As many as 50% of entrepreneurs stated that it was very important to use social media as the main marketing channel during a pandemic, because consumers responded more quickly to social media. Although there are also many entrepreneurs who disagree that social media that uses attractive promotional content will captivate consumers. However, it cannot be ruled out that the role of social media has had a huge impact during the pandemic. This is also in line with previous studies which noted that the greater the use of social media, the greater the success of their business (Gumilar and Zulfan 2014).

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

The following conclusions are drawn based on the results of the analysis and discussion that have been described, namely:

1. Product quality has a positive effect on MSME performance. This is evidenced by the significance of the test of 0.000 (smaller than alpha 0.005) with a beta value of 0.130 which indicates a positive direction. Which means that SMEs in the city of Bandung will increase if the quality of their products is improved

2. Distribution has a positive effect on the performance of SMEs. This is evidenced by the significance of the test of 0.033 (smaller than alpha 0.005) with a beta value of 0.471 which indicates a positive direction. This means that MSMEs in the city of Bandung will increase their distribution to the outside of the district
3. Direct marketing has a positive effect on the performance of MSMEs. This is evidenced by the significance of the test of 0.001 (smaller than alpha 0.005) with a beta value of 0.101 which indicates a positive direction. This means that MSMEs in the city of Bandung will increase direct marketing in the surrounding districts.
4. The influence of production on the performance of SMEs is positive and significant. Where the increase in the amount of production will increase the performance of UMKM Kripik "Ma Icih". Where 56% of entrepreneurs stated that they agreed that during the current pandemic, production strategies must adapt to consumer needs by looking at the existing market because they must be flexible with the opportunities that exist during the pandemic.
5. The effect of direct marketing on the performance of MSMEs moderated by technology is also positive and significant, meaning that the application of appropriate technology in direct marketing strategies will also improve the performance of Kripik "Ma Icih" MSMEs. This is illustrated by 50% of entrepreneurs using the internet network to facilitate services to consumers during the COVID-19 pandemic

Suggestion

1. Building MSMEs requires government involvement and support by encouraging economic policies on their part. Government assistance in realizing technological literacy is important for MSME players in the midst of a time jump, especially during a pandemic where the interaction between sellers and buyers is physically limited, technology is the right solution to use during a pandemic.
2. There has been a change in people's behavior during this pandemic. For example, advice to frequently wash hands and gardening is now a preferred activity as the Corona pandemic continues to spread. Because of this, it is necessary to take advantage of a new marketing strategy, to actively produce goods that consumers can buy directly for the types of products that are on the rise during the pandemic.
3. MSMEs must be flexible with the needs of the community by innovating products based on existing needs and maximizing faster delivery services and satisfying product packaging.
4. Suggestions for further research, further research is needed on the performance of MSMEs using the Technology Moderation Variable after the Vovid-19 pandemic has stopped spreading or the PSBB has been relaxed.

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