

THE ROLE OF ENTREPRENEURIAL COMPETENCE IN MEDIATING SOCIAL MEDIA UTILIZATION AND E-PAYMENT SERVICES ON MARKETING PERFORMANCE IN WEST JAVA CULINARY MSMES

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ABSTRACT

This study looks into how entrepreneurial skill influences the relationship between the usage of social media, e-payment systems, and marketing performance in culinary MSMEs in West Java. This study used the associative causal method to evaluate data received from 400 MSME respondents using a structural equation model (SEM) and SmartPLS 3.0 software. The findings indicate that the usage of social media and e-payment systems improves marketing performance both directly and indirectly, with entrepreneurial competence serving as a significant mediating factor. This study emphasizes the significance of integrating digital technologies and developing entrepreneurial skills in order to attain competitive marketing performance in the digital era. Training programs aimed at boosting MSME actors' digital literacy and entrepreneurial abilities are recommended.

KEYWORDS Social media utilization, electronic payment services, marketing performance, entrepreneurial competence



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INTRODUCTION

The rapid progress of the Fourth Industrial Revolution has fundamentally transformed various sectors, especially through the integration of automation and artificial intelligence. This development encourages the digitization of business processes, thus requiring quick adaptation from business actors to remain competitive (Prehanto et al., 2024). In the realm of marketing, traditional approaches are beginning to be replaced by digital strategies, which demand the

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optimization of resources and the utilization of technology to achieve sustainable performance (Purwaamijaya et al., 2022).

Micro, small, and medium-sized firms (MSMEs) drive Indonesia's economic growth, accounting for 99.99% of the country's business units. Despite their significance, MSMEs continue to encounter persistent obstacles in improving their marketing performance, including low revenue, restricted market reach, and minimal adoption of digital technologies (Maesaroh, 2020). In West Java, culinary MSMEs dominate the sector and offer great potential for innovation in marketing strategies. Although the number of businesses continues to increase, its marketing performance is still not optimal due to the adoption of social media and e-payment services that have not been maximized (Febriansyah & Prabowo, 2023).

West Java Province has great potential to develop businesses through MSMEs, which is shown by the increase in the number of business entities every year (Hernita & Ginanjar, 2021). Based on information provided by the West Java Cooperatives and Small Enterprises Office, there will be 7,055,660 MSMEs in 2023, a 5.83% growth over 2022. This figure shows significant growth, which is 6.45% in the last one year. Among the various categories of MSMEs, the culinary sector is the most dominant in West Java and continues to grow every year (Altarifi, 2020).

The lack of marketing performance of MSMEs has a significant impact on the competitiveness of local firms as well as the economic growth of West Java. According to Suryadi et al. (2023), many MSMEs in this area are struggling to participate in a market that is growing increasingly competitive due to a lack of resources and knowledge. The lack of adoption of digital technologies, as well as the low execution of modern marketing methods, has resulted in a drop in sales and stagnant corporate growth. Furthermore, a research conducted in 2023 by Sudirjo et al. found that marketing skills, particularly in the field of digital marketing, significantly impact MSMEs' success in this sector. However, the lack of training and education needed to understand consumer behavior and digital marketing trends is a major obstacle (Sari et al., 2023). As a result, most MSMEs still rely on traditional marketing methods that are less effective in reaching a wider market, thus hindering the development of their businesses and creating instability in the economic sector (Bruce et al., 2022). This low marketing performance also results in a decrease in the competitiveness of MSMEs, which ultimately affects Regional Original Revenue (PAD) and reduces opportunities for new job creation in this sector (Rahmayanti et al., 2021). As a result, the contribution of MSMEs to the regional economy has not reached its maximum potential, so that economic growth in West Java has not been optimized (Amiri et al., 2023).

The usage of social media, electronic payment systems, market orientation, customer relationship management (CRM), innovation, and technological adaptation are some of the key elements that impact MSMEs' marketing success. Social media use is crucial for reaching a wider audience and raising consumer brand recognition. According to Rasyid et al. (2023), social media increases marketing success because it gives MSMEs the opportunity to communicate directly with more people and reach a wider audience at lower prices. In addition,

electronic payment systems (e-payments) also play a key role by providing a faster and more secure way of transactions, which ultimately increases customer satisfaction and loyalty. Research by Yawised et al. (2022) states that e-payment not only simplifies the transaction process but also reduces risks for consumers, which in turn strengthens the competitiveness of MSMEs in the digital era.

To boost the marketing efficacy of MSMEs in West Java, three key techniques have been implemented: utilizing social media, integrating electronic payment systems (e-payment), and developing entrepreneurial skills. These ideas are intended to solve the issues that MSMEs experience when promoting their products in the digital world. Effective use of social media allows MSMEs to communicate directly with consumers, resulting in more personalized interactions and enhanced customer loyalty (Dwivedi et al., 2021). However, significant disparities exist in how MSMEs leverage social media, as many business owners struggle with limited knowledge and technical expertise. To address these challenges, a specialized training program is necessary to enhance the digital skills and capabilities of MSME actors, empowering them to effectively navigate and utilize social media platforms.

E-payment services offer convenience and security for consumers in making transactions. The use of a reliable electronic payment system can reduce obstacles in the transaction process, especially when consumers increasingly prioritize practicality and security aspects (Abidin et al., 2022). However, the implementation of e-payment among MSMEs is still faced with challenges, especially for business actors who are not familiar with digital technology in their business operations. Therefore, increasing digital financial literacy is a crucial step so that MSMEs can integrate e-payment more effectively in their business activities (Fadilah et al., 2022). In addition, entrepreneurial competence plays a role as a mediating element that connects the use of social media and e-payment with marketing performance. These competencies include the ability to identify market opportunities, manage resources efficiently, and innovate to meet consumer needs (Hou et al., 2023). However, there are often gaps in the form of lack of access to entrepreneurship education that can improve managerial skills and innovation. Therefore, an appropriate entrepreneurship training program is needed to help develop the capacity of MSMEs, especially in the culinary sector (Sudirjo et al., 2023). Teece's (2018) Dynamic Capabilities theoretical framework offers an explanation for these solutions. This concept emphasizes the necessity of an organization's capacity to react quickly to changes in the business environment by exploiting and developing internal resources such as technology adoption and entrepreneurial talent development. In the context of MSMEs, the Dynamic Capabilities theory is extremely significant since business actors require adaptive capabilities to manage social media, e-payment systems, and entrepreneurial competencies in order to tackle difficulties and capitalize on possibilities in the digital age.

Although numerous studies have highlighted the positive effects of social media and electronic payment systems on marketing performance, certain uncertainties persist. One notable gap lies in the insufficient exploration of entrepreneurial skills as a mediating factor between electronic payment systems, social media engagement, and marketing efforts. This research seeks to explore the

relationships among social media utilization, entrepreneurial competencies, marketing performance, and electronic payments. Furthermore, earlier studies on the impact of electronic payment systems on MSME performance, such as those by Ahmad et al. (2019) and Safitri et al. (2024), have produced conflicting results. These inconsistencies highlight the necessity for a more in-depth investigation into the factors influencing the success of electronic payment systems, particularly among culinary MSMEs in West Java. As a result, the goal of this study is to provide a more in-depth understanding of the interplay between social media and electronic payments, with a particular emphasis on the role of entrepreneurial skills in boosting MSME marketing efficiency. Beyond providing useful insights into marketing strategies and business practices for the MSME sector, the findings are expected to contribute to the theoretical discourse on marketing effectiveness.

By investigating how entrepreneurial competence mediates the impact of social media and e-payment service use on marketing performance, this study seeks to address these issues. In order to maximize MSMEs' potential in the digital market, this study emphasizes the significance of enhancing digital literacy and entrepreneurial skills using the Dynamic Capabilities framework.

RESEARCH METHOD

Research Object

This research focuses on MSMEs in the West Java culinary industry, with the goal of enhancing marketing outcomes by boosting the effectiveness of social media and electronic payments. This study used Social Media Utilization and E-Payment Services as independent factors (X1 and X2), Marketing Performance as the dependent variable (Z), and Entrepreneurial Competence as a mediating variable (Y).

Population, Samples, and Sampling Techniques

The study's population includes MSMEs operating in the culinary industry in West Java, which will reach 2,524,740 units by 2023. This population was chosen based on a number of factors, including enterprises located in West Java, working in the culinary industry, using electronic payment systems (e-payment) such as e-wallets or QRIS, and having an active social media account. The Slovin formula, obtained as follows, was used to estimate the number of samples at a 5% significance level.

$$n = \frac{N}{1 + N(e)^2}$$
$$n = \frac{2.524.740}{1 + 2.524.740(0.05)^2}$$
$$n = \frac{2.524.740}{6311.85} \approx 400 \text{ Respondent}$$

Information:

$N = 2,524,740$ (population)

$e = 0.05$ (significance level or margin of error 5%)

The sample size for this study consisted of 400 respondents. The selection process employed a purposive sampling method, designed to align the chosen participants with the specific characteristics pertinent to the research focus (Ghozali, 2016).

Population, Sample and Sample Drawing Technique

The cause and effect connection between the variables under investigation is examined in this research using a quantitative methodology and a causal associative design. This method seeks to investigate the link between two or more variables, assuming that modifications to one will have an impact on modifications to the others. This design provides an opportunity for researchers to understand how independent variables affect dependent variables in a given context, resulting in deeper insights into the dynamics of those relationships (Sekaran & Bougie, 2016). Data collection was carried out through questionnaire as the main method, using a four-level Likert scale. The levels on this scale include Strongly Agree (5), Agree (4), Hesitate (3), Disagree (2), and Strongly Disagree (1). This study analyzes the variables of Social Media Utilization, E-Payment Services, Entrepreneurial Competence, and Marketing Performance, each of which is measured based on specific indicators for each of these variables.

Technical Data Analysis

This study used SmartPLS 3.0 software to apply the SEM-PLS technique. To study the relationships between variables inside the structural framework, both internal and external models were assessed. To guarantee its structural soundness, the external model was put through a rigorous testing process. Convergent validity was confirmed by ensuring that the Average Variance Extracted (AVE) was greater than 0.5 and that factor loadings met or exceeded 0.7, whilst discriminant validity was validated using the Fornell-Larcker criterion and cross-loadings. Cronbach's Alpha, composite reliability (CR > 0.7), and other reliability measures were employed to evaluate internal consistency. Bootstrapping techniques were utilized to calculate t-statistics and p-values for hypothesis testing. If the t-statistic was greater than 1.96 or the p-value was less than 0.05, showing a significant association between the variables in the model, the hypothesis was deemed valid.

RESULT AND DISCUSSION

Characteristics of Respondents

This research involved 400 respondents from MSMEs with various characteristics. By gender, most of the respondents were women (53.5%), while men accounted for 46.5%. The age group with the most respondents (39%),

followed by those aged 46-55 (25.3%), was 36-45 years old.. High school graduates (28.7%) and junior high school graduates (37%) make up the majority of respondents' educational backgrounds. Most MSMEs have been in business for 1–5 years (57.3%), according to the length of time they have been in operation. Most MSMEs are classified as small businesses based on the number of employees (58.3%), with an average monthly income ranging from 5-10 million rupiah (51.7%). In terms of social media usage, the most frequently used platforms are WhatsApp Business (97.8%) and Instagram (92.8%). Meanwhile, for e-payment services, QRIS is the most widely used (96.5%), followed by Gopay (57.3%).

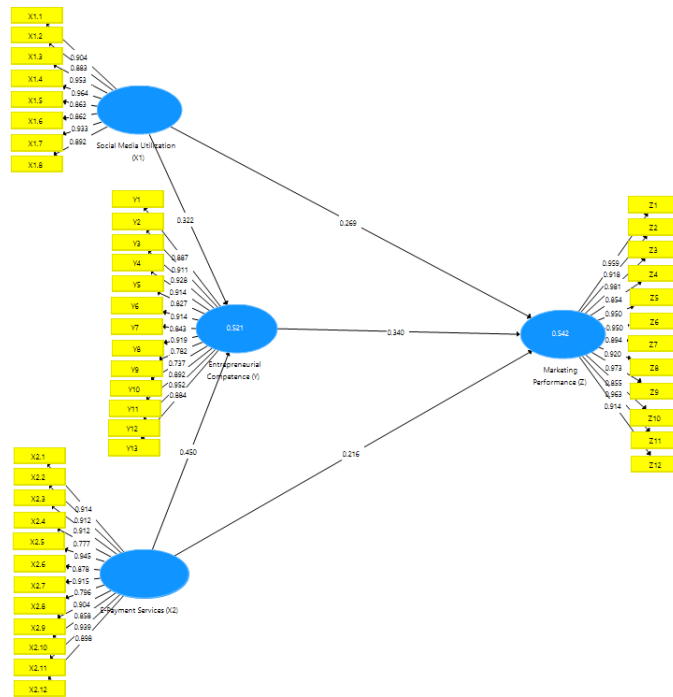
Table 1. Characteristics of Respondents

Characteristic	Category	Percentage	Sum
Gender	Man	53,5%	214
	Woman	46,5%	186
Age	18 – 25 Years	3,8%	15
	26 – 35 Years	19,3%	77
	36 – 45 years old	39%	156
	46 – 55 years old	25,3%	101
	>55 years	12,7%	51
Last Education	Not Graduated	6%	24
	Elementary School	23%	92
	Junior High School	18%	148
	Senior High School	4,2%	115
	Undergraduate	1,2%	20
Length of Business	< 1 Year	19,3%	77
	1 – 5 Years	57,3%	229
	6 – 10 Years	18%	72
	11 – 15 Years	4,2%	17
	>15 Years	1,2%	5
Number of Employees	Small	58,3%	233
	Intermediate	40,3%	161
	Big	1,5%	6
Average Monthly Income	< 5 Million	40,5%	162
	5 – 10 Million	51,7%	207
	10 – 20 Million	7,5%	30
	>20 Million	0,2%	1
Social Media Used	Instagram	92,8%	371
	Facebook	18,5%	74
	WhatsApp Business	97,8%	391
	TikTok	38,3%	153
	Youtube	0,3%	1
E-Payment Services Used	Gopay	57,3%	229
	OVO	30,3%	121
	ShopeePay	48,5%	194
	Funds	23,3%	93
	QRIS	96,5%	386

Source: Data processed (2024)

Convergent Validity

The attached illustration, which depicts the relationships among the variables analyzed in this research, represents the findings of an initial exploration of the research model conducted using the SmartPLS 3.0 software.



Source: Data processed (2024)

Figure 1. Results of the PLS Algorithm SEM Model

Making ensuring each indicator has the greatest loading value on its own construct in relation to other constructions is the goal of the outer loading test. Indicator dependability is deemed satisfactory when the loading value is more than 0.708, since this number shows that the construct can account for over 50% of the indicator's variation (Sarstedt et al., 2021). According to Figure 1, every outside loading value is higher than the 0.70 criterion. Given that every loading value satisfies the necessary requirements, these findings demonstrate the studied model's high degree of dependability.

Table 2. Average Variance Extracted (AVE)

It	Variable	AVE	Information
1	Social Media Utilization (X1)	0,824	Valid
2	E-Payment Services (X2)	0,790	Valid
3	Entrepreneurial Competence (Y)	0,771	Valid
4	Marketing Performance (Z)	0,862	Valid

Source: Data processed (2024)

Table 2 demonstrates that the AVE values for marketing performance, entrepreneurial abilities, electronic payment services, and social media use variability are all higher than 0.5. At least half of the variation in the indicators that comprise each construct can be explained. This demonstrates that all structural

models' convergent validity has been met; as a result, the model is deemed to be of adequate quality to move forward with analysis.

Validity of Discrimination

Discriminatory validity is the degree to which a thought in a structural model can be empirically distinguished from other conceptions. Exogenous concepts are considered authentic if their square root value (\sqrt{AVE}) is greater than their correlation value with other model elements. The study's findings revealed that the discrimination validity test, carried out using the Fornell-Larcker method, was effective.

Table 3. Fornell Larcker Test

	Social Media Utilization (X1)	E-Payment Services (X2)	Entrepreneurial Competence (Y)	Marketing Performance (Z)
Social Media Utilization (X1)	0,907			
E-Payment Services (X2)	0,738	0,889		
Entrepreneurial Competence (Y)	0,655	0,688	0,878	
Marketing Performance (Z)	0,651	0,649	0,665	0,928

Source: Data processed (2024)

The discriminant validity test results in Table 3 show that the square root value of the Average Variance Extracted (\sqrt{AVE}) for each construct exceeds its correlation coefficient with other constructs. This conclusion indicates that all of the PLS model's constructs match the conditions for discriminant validity. The Variance Inflation Factor (VIF) was used for additional research in order to identify any possible multicollinearity inside the regression model. High intercorrelations between independent variables can lead to multicollinearity. The VIF measures the degree of interdependence between independent variables by analyzing how much the existence of other independent variables affects the variance of one of them.

Table 4. Collinearity Statistics (VIF)

	Social Media Utilization (X1)	E-Payment Services (X2)	Entrepreneurial Competence (Y)	Marketing Performance (Z)
Social Media Utilization (X1)			2,198	2,415
E-Payment Services (X2)			2,198	2,621
Entrepreneurial Competence (Y)				2,086
Marketing Performance (Z)				

Source: Data processed (2024)

According to the Partial Least Squares (PLS) model's VIF analysis, all of the variables under investigation, all variables investigated have Variance Inflation

Factor (VIF) values lower than the 5 threshold. According to Hair et al. (2021), there are no significant concerns with multicollinearity. Because the interactions of the independent variables do not have a significant impact on one another, the model is stable and suitable for further investigation. Along with cross-loading and the Fornell-Larcker test, the Heterotrait-Monotrait Ratio (HTMT) technique is used to assess discriminant validity. Hair et al. (2021) define the HTMT approach as comparing the average correlation of indicators across several constructs to the average correlation of indicators inside a single construct (monotrait-heteromethod correlation). All of the PLS model's constructs meet the criteria for discriminant validity, and discrimination is considered genuine when the HTMT value is less than 0.9, according to Henseler et al. (2015).

Table 5, HTMT

	Social Media Utilization (X1)	E-Payment Services (X2)	Entrepreneurial Competence (Y)	Marketing Performance (Z)
Social Media Utilization (X1)				
E-Payment Services (X2)	0,745			
Entrepreneurial Competence (Y)	0,664	0,682		
Marketing Performance (Z)	0,656	0,656	0,668	

Source: Data processed (2024)

According to Table 5's findings of the discriminating validity test, all constructs have Heterotrait-Monotrait Ratios (HTMT) values below the 0.9 cutoff. This confirms that all PLS model constructs meet the established requirements for discriminatory validity.

Composite Reliability

Cronbach's Alpha and Composite Reliability scores were used to assess each construct's composite dependability. For this criterion, a score greater than 0.7 is normally deemed satisfactory. However, scores for Composite Reliability and Cronbach's Alpha that are somewhat lower than 0.7 can still be regarded acceptable in exploratory research provided the factor loading is low enough (0.5), as long as the convergent and discriminant validity criteria are met.

Table 6. Composite Reliability

	Cronbach's Alpha	Composite Reliability
Social Media Utilization (X1)	0,969	0,974
E-Payment Services (X2)	0,976	0,978
Entrepreneurial Competence (Y)	0,975	0,978
Marketing Performance (Z)	0,985	0,987

Source: Data processed (2024)

According to the research results shown in the table, each construction has a Composite Reliability and Cronbach's Alpha value of more than 0.7. These findings confirm that each building meets the specified requirements.

Inner Model

First, the goodness of fit of the inner model is evaluated to ensure that the PLS model fits the analyzed data. Based on the sample, this step evaluates how well the model captures the population. R Square, Q Square, and SRMR values are examined by the PLS approach to evaluate the quality of fit. The R Square score shows how well the model can predict dependent variables, whereas Q Square gauges the predictive relevance of the model. By classifying models into three groups perfect fit, fit, and awful fit SRMR assesses the degree of fit of a model.

R Square values are classified by Hair et al. (2021) as substantial, moderate, and weak, with corresponding criteria of 0.75, 0.50, and 0.25. At 0.521 and 0.542, respectively, the R Square values for marketing performance and entrepreneurial ability are in the moderate range. Based on the influence of exogenous factors, these results imply that the model exhibits a rather robust predictive capacity for explaining these variables.

Table 7. R Square Value

Variable	R Square	Criterion
Entrepreneurial Competence (Y)	0,521	<i>Moderate</i>
Marketing Performance (Z)	0,542	<i>Moderate</i>

Source: Data processed (2024)

Both the SRMR value and the R Square value are taken into account when evaluating the model's goodness of fit. If a model's SRMR value falls between 0.08 and 0.10, it is considered fitting; if it falls below 0.08, it is considered a perfect fit. The study shows that this model is in the perfect fit category with an SRMR value of 0.077.

Table 8. SRMR

Component	SRMR	Estimated Model
Saturated Model	0,077	<i>Fit</i>
Estimated Model	0,077	

Source: Data processed (2024)

The Q Square statistic is used to assess a model's predictive power. Low predictive relevance is indicated by a Q Square value between 0.02 and 0.15, and moderate predictive relevance is indicated by a value between 0.15 and 0.35. Strong predictive performance is indicated by a Q Square value greater than 0.35 (Chin, 1998). The model's remarkable predictive power is indicated by the Q Square value for marketing success, which is in the high category based on the data in Table 9.

Table 9. Q Square Model

Latent Variable	Q Square	Criterion
Entrepreneurial Competence (Y)	0,392	
Marketing Performance (Z)	0,462	<i>Great predictive relevance</i>

Source: Data processed (2024)

Hypothesis Testing

The estimated parameters provide important information about how the variables in the study are related. Hypothesis testing is carried out by referring to the values generated from the internal weights of the model. The results of the estimates used to analyze the structural model are presented in Table 10.

Table 10. Direct Influence Test Results

	Original Sample (O)	T Statistics (O/STDEV)	P Values	Information
Social Media Utilization (X1) -> Marketing Performance (Z)	0,269	5,649	0,000	Accepted
E – Payment Services (X2) -> Marketing Performance (Z)	0,216	3,401	0,001	Accepted
Social Media Utilization (X1) -> Entrepreneurial Competence (Y)	0,322	7,809	0,000	Accepted
E – Payment Services (X2) -> Entrepreneurial Competence (Y)	0,450	11,150	0,000	Accepted
Entrepreneurial Competence (Y) -> Marketing Performance (Z)	0,340	6,250	0,000	Accepted

Source: Data processed (2024)

The study's findings indicate that social media and electronic payment methods have a substantial impact on MSMEs' marketing success in West Java. E-payment services have a coefficient of 0.216 with a P-value of 0.001, but social media usage has a coefficient of 0.269 with a P-value of 0.000. Both of these elements have been demonstrated to improve marketing performance. Additionally, social media use and e-payment services significantly enhanced entrepreneurial competency, with respective values of 0.450 and 0.322. Entrepreneurial competence has a strong impact on marketing performance, as evidenced by its 0.000 P-value and 0.340 coefficient. These results highlight how crucial it is to enhance digital technology and cultivate entrepreneurial abilities in order to increase MSMEs' marketing effectiveness.

Table 11. Indirect Influence Test Results

					Original Sample (O)	T Statistics (O/STDEV)	P Values
Social Media Utilization (X1)	->	0,110	5,294	0,000			
Entrepreneurial Competence (Y)	->						
Marketing Performance (Z)							
E-Payment Services (X2)	->	0,153	5,767	0,000			
Entrepreneurial Competence (Y)	->						
Marketing Performance (Z)							

Source: Data processed (2024)

A path coefficient of 0.110, T-statistic of 5.412, and p-value of 0.000 suggest that social media use has an indirect impact on marketing performance through entrepreneurial skills. The p-value is lower than 0.05, and the T-statistic is greater than 1.96, indicating that entrepreneurial skills can mediate the association between marketing performance and social media use. Electronic payment methods demonstrated a similar pattern, indicating that entrepreneurial skill indirectly affects marketing performance. With a p-value of 0.000, a T-statistic of 5.412, and a path coefficient of 0.115, these data suggest that entrepreneurial skills mediate the influence of e-payment services on marketing outcomes.

Coefficient of Determination

Table 12. Adjusted R Square

	R Square	R Square Adjusted
Entrepreneurial Competence (Y)	0,521	0,518
Marketing Performance (Z)	0,542	0,538

Source: Data processed (2024)

Social media use and e-payment services explain 51.8% of the variance in the variable of entrepreneurial skill, with other factors impacting the remaining 48.2%, according to the adjusted R square value of 0.518. However, an adjusted R square of 0.538 for marketing performance shows that e-payment services, social media use, and entrepreneurial competence account for 53.8% of the variation in marketing performance, with other factors accounting for the remaining 46.2%.

Discussion

The Effect of Social Media Utilization on Marketing Performance

According to this study, social media utilization greatly improves MSMEs' marketing efficacy. Consumer engagement, market reach, and brand awareness can all be enhanced by social media (coefficient 0.269, T-value 5.649, and P-value 0.000). MSMEs may reach a wider audience, build better relationships with customers, and market their goods more effectively and affordably by using social media. Prior research by Anggraeni & Sanaji (2021), Wibawa et al. (2022), Herison et al. (2022), Novitaristanti et al. (2023), Fadhillah et al. (2021), Subagja et al. (2022), Qalati et al. (2021), and Shauri et al. (2023) is consistent with the findings of this study. Social media has grown into a potent digital marketing tool that helps MSMEs reach a larger audience and build closer relationships with their clients.

According to the dynamic capacities hypothesis, MSMEs' usage of social media shows their capacity to incorporate new technology into their marketing plans, enabling them to adjust to the constantly shifting dynamics of the market. Descriptive data from this study shows that most respondents use WhatsApp Business (97.8%) and Instagram (92.8%) as the main media in marketing activities, indicating a high level of social media adoption among MSMEs.

The Effect of E-Payment Services on Marketing Performance

This study reveals that the marketing performance is notably influenced by their adoption of electronic payment systems. This is evidenced by a coefficient of 0.216, a T-statistic of 3.401, and a P-value of 0.001. The integration of digital payment systems streamlines the transaction process for customers, enhances operational efficiency, and builds greater trust between consumers and MSMEs. Moreover, electronic payment solutions facilitate smoother transactions, offering customers a more convenient and efficient shopping experience. These outcomes are in line with those of Subekti and Pahlevi (2022), who found that using digital payment technologies may boost both operational effectiveness and consumer loyalty. Research by Kwabena et al. (2019) and Agustina et al. (2023) also provided more evidence, demonstrating that electronic payment solutions improve MSMEs' marketing success. Using e-payment services makes transactions simpler and adds value by enabling more dependable and effective operational management. According to the dynamic capacities hypothesis, MSMEs' capacity to adapt to the demands of the constantly changing market by incorporating digital technology into their operations is shown by their use of electronic payment systems. According to the study's descriptive data, the majority of respondents utilize Gopay (57.3%) and QRIS (96.5%), demonstrating the growing importance of digital payment systems in MSME operations.

The Effect of Social Media Utilization on Entrepreneurial Competence

Social media usage has been shown to significantly increase entrepreneurial competence (correlation value: 0.322, T-statistic: 7.809, P-value: 0.000). Social media opens opportunities for MSMEs to recognize market trends, get feedback from customers, and improve their ability to innovate. In addition, social media makes it easier to access information about competitors' strategies, thus supporting a more strategic business decision-making process. This conclusion is consistent with Noviaristanti et al.'s study from 2023, which found social media to be an essential tool for developing entrepreneurial skills in the digital age. According to the dynamic capacities hypothesis, social media usage shows how MSMEs may utilize digital technology to strengthen their entrepreneurial skills and adjust to changing market conditions. According to descriptive data, 39% of respondents who were between the ages of 36 and 45 shown a great deal of promise for using social media to encourage MSME entrepreneurial endeavors.

The Effect of E-Payment Services on Entrepreneurial Competence

The adoption of electronic payment methods significantly influences the growth of entrepreneurial skills, as evidenced by the study's coefficient of 0.450, T-

statistic of 11.150, and P-value of 0.000. The use of digital payment solutions facilitates the integration of technological innovation into MSMEs' operations and enhances their understanding of tech-based financial management. Research by Yawised et al. (2022), which highlighted that electronic payment systems assist MSMEs in improving both their managerial and technical capabilities. According to dynamic capabilities theory, the adoption of such systems reflects MSMEs' ability to adapt to market shifts, increase efficiency, and boost competitiveness. A significant portion of respondents, 51.7%, reported a monthly income between 5-10 million rupiah, illustrating the crucial role of digital payment services in enhancing operational efficiency at the medium business level.

The Effect of Entrepreneurial Competence on Marketing Performance

A key factor in enhancing MSMEs' marketing success is entrepreneurial competency. This skill assists MSMEs in identifying market opportunities, improving resource management, and fostering innovation, as shown by its coefficient of 0.340, T-statistic of 6.250, and P-value of 0.000. These competencies also support the use of digital marketing technology to expand market share and increase customer loyalty. Research conducted by Hong & Nguyen (2020) supports these results, showing that entrepreneurial competence contributes significantly to the implementation of sustainable marketing strategies. Within the framework of the dynamic capabilities theory, this competency functions as a strategic asset that allows MSMEs to adapt to market changes while strengthening competitiveness. Descriptive data from this study suggest that the majority of MSMEs are in the early phases of business development (1-5 years, 57.3%), underlining the significance of establishing entrepreneurial competencies to maximize marketing potential at this point.

CONCLUSION

The research results indicate that social media usage and e-payment systems have a notable influence on the marketing outcomes of MSMEs, with coefficients of 0.269 and 0.216, respectively. Social media contributes to enhancing marketing effectiveness by boosting brand visibility, fostering improved customer interaction, and broadening market access. On the other hand, electronic payment services provide convenience and security in transactions, which has an impact on increasing customer trust. In addition, Social Media Utilization and E-Payment Services also showed a significant positive influence on Entrepreneurial Competence, with coefficients of 0.322 and 0.450, respectively. It has been shown that entrepreneurial competency aids MSME players in identifying market possibilities, efficiently allocating resources, and promoting innovation. With a value of 0.340, entrepreneurial competence itself significantly affects marketing performance. It also acts as a mediator in the link between marketing performance and digitalization. This research emphasizes the importance of improving entrepreneurial competence through intensive training programs and strengthening digital literacy to maximize the use of digital technology by MSMEs.

Future studies could broaden their focus by examining different industries and regions to understand how additional elements, such as product innovation and

market orientation, affect marketing results. Moreover, further research could explore how digital platforms tailored for MSMEs contribute to fostering a sustainable business environment and adapting to technological advancements.

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