

The Influence of Digital Marketing and Brand Image on the Performance of Moi Kelapa Gading Square MSME Product Quality Moderated

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Abstract

Research objectives this is to find out how to maintain a MSME business by means of a digital marketing strategy that is currently more accessible to many people. The research method is quantitative, by using google form and distributing to respondents. The results of this study prove that digital marketing has a positive and significant influence on performance in MSMEs and product quality has a positive and significant impact on brand image which is moderated by performance in MSMEs.

Keywords

digital marketing; brand image; MSME performance and product quality



I. Introduction

The presence of Covid-19 as a pandemic certainly has an economic, social and psychological impact on society (Saleh and Mujahiddin, 2020). We can know that two years ago Indonesia was hit by the Covid-19 virus, many business actors, especially MSMEs, felt the negative economic impact, besides that many workers were laid off. To break the Covid-19 pandemic, the government urges the public to stay at home and go out only for essential needs that require leaving the house. In order to survive in the midst of a pandemic, it is necessary to improve strategies through social media and the importance of a good brand image in the eyes of the public. Marketing performance, namely the extent to which the achievements produced by the company in the quality of the products produced, it can be said that marketing performance has a measure that is used to estimate gains through marketing procedures carried out by a company. Marketing performance is also still related to the development of consumers through how many consumers are present to make purchases back to the quality of the products produced. Marketing performance is faced with increasing trading capacity and trade development for the company.

In Law No. 20 of 2008 article 3 states: "Micro, Small and Medium Enterprises aim to grow and develop their business in the context of building a national economy based on just economic democracy". It can be seen in the law that the government's desire to donate through economic arrangements can ensure that there is reciprocal risk when group followers. Areas can develop significantly early in the pandemic that have not been resolved to support the people's economy. According to information from the Ministry of Cooperatives and Small and Medium Enterprises, in 2014 there were 57.9 million units, while in 2019 there were 67.4 million business units.

In previous research, social media is an important thing in marketing tools, online stores, import and delivery for consumers. (Hegyes et al., 2018) Prioritizing the position of social media to form a culinary company. Social media has been proven to have a positive influence through business financial performance (Fernández-Miguélez et al., 2020) and delaying sales (Chang et al., 2018).

Based on the review listed above, the researcher wants to know and analyze the role of digital marketing and brand image as an independent variable on the performance of SMEs which is moderated by product quality. One of the culinary foods located at Moi Kelapa Gading Square.

II. Review of Literature

2.1 Effect of Digital Marketing on Performance

Observations of social media sales are tied through exports and imports in the form of food products. We can now develop the business of many entrepreneurs introducing their products to social media (Verhoef et al., 2021). To make it easier for consumers to find addresses, industrial location links are provided through e-commerce places (Festa et al., 2019). Currently, many entrepreneurs mostly use social media platforms as a means of selling, such as Facebook, Twitter, Tiktok, Instagram etc. Alternative platform according to consumer target and sales approach. According to (Kusumasondjaja, 2018) that the advantages of posting interactions are seen as increasing compared to using instructive messages. Using twitter has a more efficient opportunity for instructive allure. The findings suggest that Facebook functions as a superior perceptive entertainment uniting the instructive appeal of intermezzo. Posting interactive advantages through combined appeals gets a wider response on Instagram and Facebook, as long as the messages lead based on instructive appeals are less (Kusumasondjaja, 2018). Essence sales serving content has a tremendous role in the success of connection marketing. Finally, the name page can also promote brand loyalty by establishing consumer interactions with consumers, logos, production, and other industries. However, observations have shown that there are already many industries that have used a logo on the page, making advertising facilities aimed at increasing the explanation of their production rather than using it to go directly to consumers (Shareef et al., 2019).

H1: Digital Marketing Affects Performance

2.2 The Influence of Brand Image on MSME Performance

Brand image is something that is very easy to understand by every customer, it can be seen from the capacity to bring influence and the privileges of the combined brand. To see a customer's or non-consumer's brand image, you can see through the comments how after the order is satisfactory or it can be disappointing. From these responses, we can see the strengths and weaknesses of the entrepreneur or there is something unique among other entrepreneurs. In this way can measure the brand image (Partners & Jenamani, 2020). Requires physical capacity, employee consistency, idealistic personal consistency, brand understanding and cultural compatibility to complete the associative food image in service companies. However, the fees issued are in accordance with the brand so that it will improve the results of the quality of the marketplace facility on actions about the marketplace brand, meanwhile the totality of the facility ranking can act as a motivation to advance actions for the marketplace brand (Diallo & Seck, 2018).

H2: Brand Image Affects Performance

2.3 Influence of Product Quality on Performance

Thus, having appropriate insight into what consumers perceive as a high-class facility has been discussed by many people as an important thing along with performance with the company or institution. Bound observations also prove to increase consumer loyalty and comfort, namely by improving service quality (Su & Teng, 2018). So

entrepreneurs can increase marketing volume by proposing high-class facilities to increase market share and capabilities in their facilities (Becerril-Arreola et al., 2017).

H3: Product quality has an effect on performance.

2.4 The Effect of Brand Image on MSME Performance Moderated By Product

Quality Product quality is that entrepreneurs can fulfill their wants and needs with the hope that they can fulfill their needs as needed by consumers (Fadhli & Pratiwi, 2021). Brand image can change the way in which a brand is introduced to consumers regarding the level and decision that is the most sensitive thing when consumers are comparing brands with one another (Widianti, 2022). When assessing a performance is good or not, according to the number of comparisons through performance measures. The existence of a performance measure is something that is desired in certain jobs so that it can be completed, besides that it is also a counterweight as a desired goal or target. Employee performance is one of a person's activities when carrying out a task that has been given to that person based on skills, expertise, and perseverance as well as the period (Andriyani et al., 2020).

H5: Brand Image Affects MSME Performance Moderated By Product Quality

2.5 The Effect of Digital Marketing on Brand Image Moderated by Product Quality

According to (Cao et al., 2018) proving that the implementation of social media increases entrepreneurs getting consumers, advancing consumers, advancing income and reviews, advancing observable state and quality of the firm, and establishing far-favorable feedback relating to the production or facility. According to (Hendawan, 2019) proving that social media has a positive and significant effect on the development of marketing performance. 70% of innovative companies confirm that social media will form the first connection platform in sales, besides that outside the store network is an addition. That way it will make it easier and social media expertise to reach larger consumers (Purwana et al., 2017).

H4: Digital Marketing Affects Brand Image Moderated by Product Quality

III. Research Method

3.1 Population and Research Sample

The population in this study are consumers and potential consumers of MOI Kelapa Gading Square SMEs in the city of Jakarta, after the population is accepted the researcher analyzes the samples in this study are consumers and potential consumers MSME MOI Kelapa Gading totaled 209 respondents. To get respondents, the researcher used a google from questionnaire which was distributed directly through social media, the data collection method used Smart PLS.

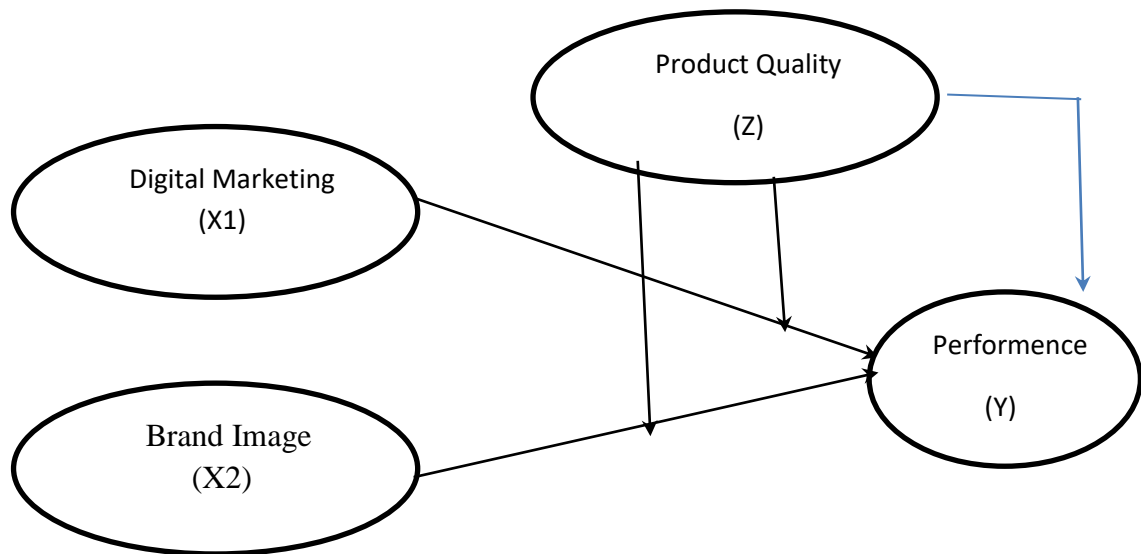


Figure 1. Thinking Framework

H1: Digital Marketing Affects Performance.

H2: Brand Image Affects Performance.

H3: Product quality has an effect on performance.

H4: Digital Marketing has an effect on Brand Image moderated by performance.

H5: Brand Image Affects MSME Performance Moderated by Product Quality.

3.2 Variable Operationalization

a. Digital Marketing (X1)

Digital Marketing is marketing through the internet to be known by more people so that marketing targets can help business actors because consumers have the ability to follow the flow of digitalization (Raharja & Natari, 2021). There are 4 indicators, namely promotion, search engine optimization, social media and public relations (Wiranata et al., 2021).

b. Brand Image (X2)

Brand image is something that considers how long the company can operate. In addition, brand image must also be considered by offering quality company products (Montolalu & Raintung, 2018). There are three indicators, namely, the excellence of brand associations, the strength of brand associations and the uniqueness of brand associations (Amanda & Suprihadi, 2018).

c. Product Quality (Z)

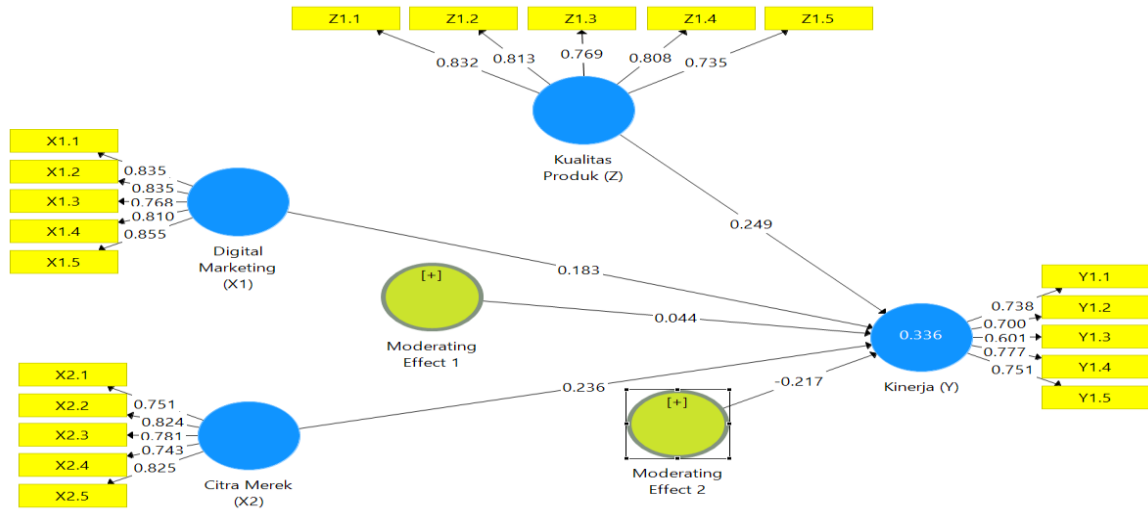
Product quality is related to the satisfaction felt by each consumer. Which aims to meet consumer needs, consumer expectations and increase consumer perceptions of the product (Abshor et al., 2018). There are three indicators, namely, the quality of raw materials, attractive designs and product durability.

d. Performance of MSMEs (Y)

Performance is an encouragement and expertise to complete an obligation or work (Sunarsi et al., 2020). There are four indicators, namely, work quality, work quantity, work reliability and work attitude (Rumondang et al., 2020).

IV. Results and Discussion

4.1 Results



1. The results of the validity test on the Digital marketing variable with 3 indicators are declared valid. Overall indicator result > 0.5.
2. The results of the validity test on the Brand Image variable with 3 indicators were declared valid. Overall indicator result > 0.5.
3. The results of the validity test on the Product Quality variable with 3 indicators are declared valid. Overall indicator result > 0.5.
4. The results of the validity test on the Performance variable with 3 indicators are declared valid. Overall indicator result > 0.5.

a. Reliability Test

The test can be known by using the calculation of the value/score of the Cronbach Alpha instrument for several variables. The results of the answers of 210 respondents were declared reliable if the score was > 0.7.

Table 1. Reliability Test

Variable	Cronbach Alpha	Description
Digital Marketing (X1)	0.879	Valid
Brand Image (X2)	0.845	Valid
Product Quality (Z)	0.852	Valid
Performance (Y)	0.762	Valid

b. Validity Test

Table 2. Validity Test

Variable	Original Sample	Sample Mean	Stan. Dev	T-Statistic	P-Value
X1 -> Y	0.183	2.198	0.083	0.188	0.028
X2 -> Y	0.236	0.239	0.074	3,214	0.001
Z -> Y	0.249	0.265	0.063	3.977	0.000
X1 -> X2 -> Z	0.044	0.023	0.098	0.446	0.656
X2 -> Y -> Z	-0.217	-0.188	0.105	2.069	0.039

By testing the hypothesis to observe the significance of each path coefficient that conveys an explanation based on the influence of the construct. The hypothesis will be accepted and significant if the P Value < 0.5 and T statistic < 1.96 .

1. The first hypothesis has a P Value of 0.028 and a T-Statistic of 2.198. then the first hypothesis is declared accepted.
2. The second hypothesis has a P Value of 0.001 and a T-Statistic of 3.214. then the second hypothesis is declared accepted.
3. The third hypothesis has a P Value of 0.000 and a T-Statistic of 3.977. then the third hypothesis is declared accepted.
4. The fourth hypothesis has a P Value of 0.656 and a T-Statistic of 0.446. then the fourth hypothesis is declared rejected.
5. The fifth hypothesis has a P value of 0.039 and a T statistic of 2.069, so the fifth hypothesis is declared accepted.

4.2 Discussion

a. Influence of Digital Marketing on Performance

The first hypothesis states that digital marketing has an influence on performance. It can be interpreted that digital marketing has a significant influence on performance. The wider the level of digital marketing, the higher the performance in MSMEs.

The digital sales model that is widely used by business actors is by using social media such as marketing a product through TikTok, Twitter, Facebook and Instagram and many more of course. As the years go by, technology is growing rapidly and in the end, MSMEs must learn or understand digital marketing. According to Hendrawan et al., nd, digital marketing has a positive and significant effect on improving the performance of MSMEs. There are 70% of creative entrepreneurs who say that digital marketing will someday become one of the communication and marketing platforms that are widely used by the public.

b. The Effect of Brand Image on Performance

The second hypothesis states that brand image has an influence on performance. It can be interpreted that brand image has a significant influence on performance. The higher the brand image it will improve performance in MSMEs.

Requires physical capacity, employee consistency, idealistic personal consistency, brand understanding and cultural compatibility to complete the associative food image in service companies. However, the fees issued are in accordance with the brand so that it will improve the results of the quality of the marketplace facility on actions about the marketplace brand, meanwhile the totality of the facility ranking can act as a motivation to advance actions for the marketplace brand. (Diallo & Seck, 2018).

c. Effect of Product Quality on Performance

The third hypothesis states that product quality has an influence on performance. It can be interpreted that product quality has a significant influence on performance. With high product quality, it will improve performance in MSMEs.

According to (Tripayana & Pramono, 2020) and (Lestari, 2019) state that an increase in product quality and service quality has a positive and significant effect by having good product quality or always increasing it will attract consumers and workers will be more eager to work. also to pay attention to product quality and replace the product.

d. Digital Marketing has an effect on Brand Image moderated by Performance

The fourth hypothesis has a P Value of 0.656 and a T-Statistic of 0.446. Thus, the fourth hypothesis is declared rejected. Digital marketing variables cannot moderate or strengthen the influence of brand image on performance. Thus, the better the company's brand image, then digital marketing can improve performance in MSMEs.

e. Brand Image has an effect on MSME Performance moderated by Product Quality

The fifth hypothesis has a P value of 0.039 and a T statistic of 2.069. So the fifth hypothesis is declared accepted. Brand Image can moderate or strengthen the influence of product quality on brand image.

Research shows that product quality weakens the influence of brand image on performance (Simamora & Kusmiyati, 2017). Brand image is important in the early stages of the product in order to continue to improve product quality (Syahidah et al., 2022).

V. Conclusion

Judging by the results of the presentation, it can be concluded as follows.

1. Digital marketing has a positive and significant impact on performance in MSMEs.
2. Brand image has a positive and significant influence on performance in MSMEs.
3. Product quality has a positive and significant influence on performance in MSMEs.
4. Digital marketing does not have a positive and significant effect moderated by the influence of brand image on MSME performance.
5. Brand Image has a positive and significant influence on the performance of MSMEs moderated by product quality.

Suggestions

With so many culinary businesses, the competition is getting wider, by promoting through advertisements both advertisements on various platforms which have the aim of surviving in the midst of a pandemic, it is necessary to improve strategies through social media. In the eyes of the public, having fresh quality raw materials always pays attention to cleanliness in every dish.

It can be seen from the research analysis that it is proven that Digital Marketing on MSME performance, brand image on MSE performance, product quality on MSME performance has a significant and positive effect on MSME performance. Moderating the effect of product quality on the influence of digital marketing has no effect on the performance of MSMEs. Moderation of product quality on the effect of brand image on the performance of MSMEs.

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