

Enhancing MSME Performance through Market Sensing Capability, Innovation Capability, and Iconic Ethnic Product Development

Latifah Anom¹, Abdul Azis Safii²

Department of Management, Sekolah Tinggi Ilmu Ekonomi Cendekia Bojonegoro, Indonesia^{1,2}

Corresponding Author: Abdul Azis Safii (azis.asli@gmail.com)

ARTICLE INFO

Date of entry:

1 May 2022

Revision Date:

22 May 2022

Date Received:

2 June 2022

ABSTRACT

Facing competition from global batik producers with prices that tend to be cheaper, MSME Batik Jonegoroan faces serious problems in its sales performance. This study aims to analyze the development of comparative product advantages sourced from the company's market sensing and innovation capabilities. Products with comparative advantage based on regional ethnic characteristics are expected to reclaim market share from Jonegoroan Batik. A total of 194 owners of SMEs producing Jonegoroan batik were sampled in this study. Structural equation modelling analysis with smart-PLS software shows that market sensing capability, innovation capability, and iconic ethnic product positively affect MSME performance. The indirect effect test proves that iconic ethnic products perform a mediating function in the relationship innovation capability and MSME performance. Meanwhile, the iconic ethnic product is not a mediating variable for the influence of market sensing capability on MSME performance. This finding implies that MSMEs with innovation capabilities should emphasise the orientation of developing comparative advantages of products based on ethnic characteristics to increase innovation and ultimately achieve company performance. The research limitation is related to data collection, which only involves one of the many MSME sectors that may affect the generalization of the research results.

Keywords: Market Sensing Capability, Innovation Capability, Iconic Ethnic Product, MSME Performance, Batik Jonegoroan MSME



Cite this as: Anom, L., & Safii, A. A. (2022). Enhancing MSME Performance through Market Sensing Capability, Innovation Capability, and Iconic Ethnic Product Development. *Jurnal Ilmu Manajemen Advantage*, 6(1), 1–10. <https://doi.org/10.30741/adv.v6i1.778>

INTRODUCTION

The development of MSMEs has long been the focus of the Indonesian government as part of sustainable economic development. MSMEs Batik is also a special concern because Batik is an icon of Indonesian products in the international arena after being designated as one of the cultural heritages by UNESCO in 2009.

Jonegoroan Batik or Batik with a distinctive pattern of the Bojonegoro Region is part of the diversity of Indonesian Batik products that are well known in the global market. In Bojonegoro Regency, there are 247 batik-producing MSMEs spread over 11 districts (Safii & Rahayu, 2021). With the

main motif typical of Jonegoroan, the number of batik production in the Bojonegoro is around 200 thousand pieces per year. This amount is considered to produce a total turnover of batik production in Bojonegoro Regency worth more than Rp. 15 billion with a price range per sheet between tens of thousands to millions of rupiahs.

Tighter competition with the emergence of batik product abroad, such as batiks from China at a price that tends to be cheaper, can kill the market from Jonegoroan Batik entrepreneurs. China Batik produced with a labor-intensive system has relatively low prices, but the quality and level of innovation still lag behind local products. Based on that, local batik entrepreneurs must reclaim market share based on the advantages of ethnic motifs and the MSME's sensitivity to the market.

To face increasingly fierce competition, every company must carry out an innovation strategy. Innovation is important for companies because most of the advantages come from innovation (Saunila, 2020). Amabile et al., (1996) defines innovation as the introduction of a new process, product, or idea in an organization. Innovation capability enables the company to develop and win the competition.

The ability of a corporation to understand the market in order to profit is referred to as market sensing competence. In addition, sensing also aims to enable companies to read the movements of competitors so that companies can place customer and competitor orientations in harmony (Lindblom et al., 2008). Market sensing can be a critical component of a company's success. MSMEs who have a good understanding of the market environment will identify market needs, market trends, and changes in the business environment (Ardayan, 2016).

Another important strategy that MSMEs can apply to face pressure from competitors is developing iconic ethnic products or comparative advantages based on regional characteristics as a differentiator compared to various products offered by competitors (Fitriani & Ferdinand, 2015). The elements of the Iconic ethnic product are the uniqueness, value, and benefits offered by the product from the customer's perspective (Hakkak & Ghodsi, 2015).

The performance of an MSME can be measured based on three indicators (Mones et al., 2013); sales growth, market growth, and customer growth. Sales growth is measured by the increase in sales at a certain time. Market growth shows the mastery of the market share of the product compared to competitors' products. Finally, customer growth is related to recruiting new customers as an extra effort to increasing sales performance.

Porter strategic Theory explain that cost leadership strategies, differentiation strategies, and strategies that focus on enhancing corporate performance are three strategies that organizations can utilize to gain a competitive edge (Wright, 1987). Differentiation is designing a product design that is not the same as products competitors (Kotler, 2002). MSMEs differentiate intending to provide something more to customers in the hope of creating long-term customer loyalty (Bellis et al., 2016). Customer loyalty will bring a competitive advantage to the company through a mechanism that satisfied customers will provide the word-of-mouth information to potential consumers to increase the number of customers and increase product sales.

Gupta (2015) explained that a good product must meet the following criteria: (1) it can attract consumers to make purchases, (2) increase company profits (3) it must minimize expenses, and (4) it must be able to alter its value to different target markets. A product's attributes might be a feature that separates it from rival products (Gurlek & M.Tuna, 2015). Products with distinguishing characteristics offer value to the product and encourage customers to pay more for it (Slater & Narver, 2010).

Product innovation is a component of the innovation framework, which links corporate culture features to the ability to innovate to improve company success through consumer purchasing

decisions. (Saunila, 2020). The company's product innovation is intended to result in distinctive product acculturation. If a product gains its appeal through a distinctive distinguishing advantage, it will improve the company's performance in the form of increased sales, market share, and the number of customers (Chen & Chen, 2017).

Marketing response is organizational learning about consumers, competitors, distribution channels, continuously searching for market opportunities accurately, and understanding market threats (Fang et al., 2014). Companies that have good market sensing capabilities will obtain various information to anticipate, analyze, and then interpret it into improving the products offered so that in the end, the product has a remarkable difference from competitors.

Several marketing professionals have conducted empirical research on the impact of market-sensing capability on corporate performance. Morgan et al. (2009), for example, found that market-sensing capabilities boosts revenue growth rate. Other researchers (Bayighomog Likoum et al., 2020; Choirunnisa et al., 2018; Waibe et al., 2018) found similar result when assessing the influence of market-sensing capability on MSMEs profitability.

Several studies have been conducted to examine the practical effect of the innovation ability of MSMEs on the firm performance. Ardyan (2016) conclude that that market innovation ability can increase product innovativeness success, and then owners' success to create innovative product will affect SMEs performance. Other study also found positive influence of innovation ability into MSMEs Performance (Anning-Dorson et al., 2018; Rhee et al., 2010). Unlike the two studies, Cillo et al., (2010) found that market innovation ability did not affect the performance of MSMEs.

Market-sensing capability is previously linked to MSMEs performance (Ardyan, 2016; Bayighomog Likoum et al., 2020; Choirunnisa et al., 2018; Cillo et al., 2010; Rhee et al., 2010), and firm innovativeness to firm performance (Anning-Dorson et al., 2018; Bayighomog Likoum et al., 2020; Parida et al., 2017; Waibe et al., 2018), but due to contradictory findings, these relationships are sometimes only theoretical. Prior studies' failure to incorporate significant intervening ideas could be a reasonable explanation for these inconsistent results in the association between market-sensing capability with firm performance, and firm innovation on firm performance. In this study, iconic ethnicity product is proposed as a strategic mediator for innovation capabilities and marketing capabilities to improve MSME performance. Modern business requires distinguishing superiority to differentiate from competitors' offerings (Anning-Dorson et al., 2018; Gupta, 2015). The element of excellence is uniqueness and value from the customer's perspective.

The novelty in this study is the emphasis on iconic ethnic products as mediating variables on the influence of innovation capabilities and marketing capabilities on MSMEs firm performance. Iconic ethnic products developed based on ethnic specificity make products not easily imitated by competitors, make consumers willing to pay more for the uniqueness, and contribute to company sales (Valencia, 2016).

Based on the background of business phenomena and gap research, the purpose of this study is to investigate the direct and indirect effects of marketing sense capability and innovation capability on MSMEs Performance through Iconic Ethnic Products as intervening variables.

METHODS

The population in this study is MSMEs producer of batiks Jonegoroan, where according to data from the Bojonegoro Regency Cooperatives and MSME Office in 2016, 247 MSMEs were producing Bojonegoro batik motifs. Determination of the number of research samples was carried out using the slovin-formula approach. With a margin of error of 5%, the number 194 is obtained as the number of samples. The sampling technique uses simple random sampling.

Data collection on this study uses a questionnaire distributed to the perpetrators of Batik Jonegoroan productions. Questionnaires and interviews were conducted using a blended online and face-to-face method. The questionnaire was prepared in writing and provided answer choices in the form of statements. The questionnaires were measured using an interval scale of 1 to 5, with a scale range of 1 for strongly disagreeing statements while 5 for strongly agreeing statements.

SEM (Structural Equation Modeling) with the Smart-PLS 3.0 application was utilized to analyze the data in this study. SEM is a collection of statistical procedures that examines a set of relationships between one or more endogenous (dependent) variables and some independent variables (exogenous) (Leguina, 2015). These variables take the form of factors or constructs that are made up of several directly measured indicators. The exogenous variables in this study are market sensing capability and product innovation capability, while the endogenous variables are iconic ethnic products and the performance of MSMEs. The details of indicators from all variables on this research described on the Table 1.

Table 1. Indicators of Variables

Variables		Indicators	Notation	Source
Marketing Capability	Sense	- learning about consumers	MSC1	(Ardyan, 2016)
		- tracking rival strategy	MSC2	
		- understand the market changing	MSC3	
		- responsive	MSC4	
Innovation Capability		- make a product evaluation	IC1	(Saunila, 2020)
		- unconventional product	IC2	
		- offering new benefits	IC3	
		- offering new feature	IC4	
Iconic Product	Ethnic	- pattern based advantage	IEC1	(Bellis et al., 2016)
		- color based advantage	IEC2	
		- attribute attractiveness advantage	IEC3	
		- extended based advantages	IEC4	
MSMEs Performance		- growth of sales	FP1	(Safii & Rahayu, 2020)
		- growth of profit	FP2	
		- growth in the number of customers	FP3	
		- market-shares	FP4	

Source: compiled from various sources

The PLS path model was created using data from multiple prior research to determine the direction of the link between variables, along with all indicators that have been operationalized. The path model is depicted in figure 1.

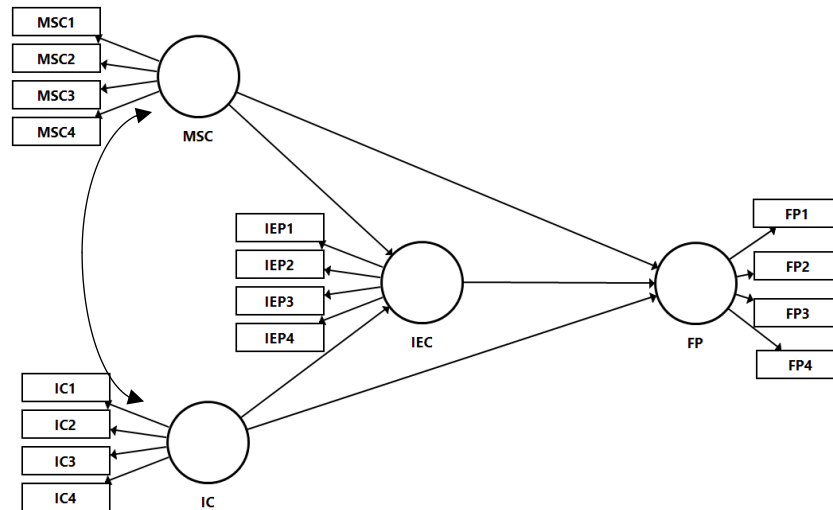


Figure 1. Empirical Path Model
 Source: developed for this research

RESULTS AND DISCUSSION

Demographic of Respondents

Through a simple random sampling procedure, a total of 250 structured questionnaires were sent to prospective respondents via WhatsApp. To raise the response rate, the researchers met with numerous owners of SMEs who produce Jonegoroan Batik in person. A total of 214 questionnaires were received, of which 20 were not used in the analysis due to missing key data, resulting in a sample size of 194. The main characteristics of the sample, such as 'education level of MSME owners,' 'year of MSMSEs establishment,' and 'Monthly turnover,' are shown in Table 2.

Table 2. Demographic of Respondents

Characteristics	Total Samples = 194	
	n	%
Education Level		
Elementary	44	22,68%
Junior High School	82	42,27%
Senior High School	43	22,16%
University	25	12,89%
MSMEs Establishment		
Less Than 5 years	110	56,70%
5 - 10 Years	55	28,35%
More than 10 years	29	14,95%
Monthly turnover		
Less than Rp 10 milion	22	11,34%
Rp 10 milion - Rp 50 milion	159	81,96%
More than Rp 50 milion	13	6,70%

Source: Data processed, 2021

Structural Model Feasibility Analysis

Model feasibility analysis is useful for testing the full model used in the study. Table 3 describes the results of the model's feasibility test using confirmatory factor analysis. From column 1, it can be seen that the standardized loading factor for the MSC4 and IEC3 indicators is below 0,05, while the loading factor for the other indicators is greater than 0,05, so the MSC4 and IEC 3 should be removed from the model (Anderson & Gerbing, 1988).

The constructs being evaluated are represented by the measures' reliability and validity, which assess the psychometric qualities of the measurement scales employed in the study. The validity of the data has internal consistency, which indicates that the measures consistently represent the same latent construct. Table 1 Column 2 displays the composite construct reliability for each construct, which ranges from 0,770 (firm performance) to 0,934 (market sensing capability), where all values above 0,6 indicate that all constructs meet the acceptable criteria (Hair et al., 2010)

The variance-extracted estimation calculates how much variance a construct captures in comparison to the variance due to measurement error. Table 1 column 3 summarizes the Average Variance Extracted (AVE). The variance extracted scores of the constructs ranged from 0,771 (firm performance) to 0,861 (market sensing capability), which suggests adequate convergent validity (Hair et al., 2010).

Table 3. Model Feasibility Test

Variables	Indicators	Standardized loading factor	Composite reliability	AVE
Market Sensing Capability	MSC1	0,798	0,934	0,861
	MSC2	0,816		
	MSC3	0,611		
	MSC4	0,498		
Innovation Capability	IC1	0,691	0,876	0,788
	IC2	0,741		
	IC3	0,736		
	IC4	0,819		
Iconic Ethnic Product	IEC1	0,881	0,932	0,778
	IEC2	0,669		
	IEC3	0,153		
	IEC4	0,821		
MSMEs Performance	FP1	0,783	0,770	0,771
	FP2	0,811		
	FP3	0,776		
	FP4	0,675		

Source: Data processed, 2021

In this study, Smart-PLS SEM analysis was used to test the causal relationship between research variables. Table 4 is an overview of the relationship test results between variables, both direct and indirect relationships.

Table 4 shows that the results of the direct influence test found that market sensing ability ($\beta = 0,432$, $p < 0,05$), product innovation ability ($\beta = 0,047$, $p < 0,05$), and iconic ethnic products ($\beta = 0,144$, $p < 0,05$) had a positive effect on MSME performance. Meanwhile, from the antecedents of iconic ethnic products, product innovation capabilities positively affect the development of iconic ethnic products ($\beta = 0,087$, $p < 0,05$). In contrast, market sensing capabilities do not affect the development capabilities of iconic ethnic products ($\beta = 0,035$, $p > 0,05$).

Table 3. Result of SEM Analysis with SmartPLS

Relationship path	Coefficient	p-value	Result
Direct Effect			
Market Sensing Capability → MSME's Performance	0,432	0,039	Significant
Innovation Capability → MSME's Performance	0,047	0,003	Significant
Iconic Ethnic Product → MSME's Performance	0,144	0,018	Significant
Market Sensing Capability → Iconic Ethnic Product	0,035	0,545	Not Significant
Innovation Capability → Iconic Ethnic Product	0,087	0,000	Significant
Indirect Effect			
Market Sensing Capability → Iconic Ethnic Product → MSME's Performance	0,092	0,083	Not Significant
Innovation Capability → Iconic Ethnic Product → MSME's Performance	0,030	0,007	Significant

Source: Data processed, 2021

From the indirect effect test, it was found that there was an indirect effect of innovation capability on MSME's performance through the development of the iconic ethnic product ($\beta = 0,030$, $p < 0,05$), and there was no indirect effect of market sensing capability on MSME's performance through the iconic ethnic product ($\beta = 0,092$, $p > 0,05$).

This study has several key theoretical implications based on the preceding findings. This research sheds light on the significance of business innovation activities aimed at developing products with ethnic advantages. The product innovation capability makes the company be able to meet customer needs faster and better than competitors. Competitive advantage improves the company's overall performance (Hakkak & Ghodsi, 2015). Product innovation capabilities encourage the development of competitive advantage based on iconic ethnic products by the company. All innovation efforts especially related to products and processes, aim to increase the value delivered to customers (Gallego et al., 2013). Firms must improve their innovation capabilities because this creates competitive advantages, including developing iconic ethnic products. It was observed that the higher the innovation ability, the more comparative advantage of the company's products which in turn improves the company's performance (Storey et al., 2015). Innovation capability aids in the absorption of external knowledge that may then be used to build new superiors products.

This study also contributes to marketing practice. First, companies, especially MSMEs category companies, must realize that the ability and ability to innovate products are two important advantages. First, they improve company performance. The findings revealed a favorable and significant influence between the development of product innovation capabilities and company performance. The implication is that when MSMEs invest and increase efforts to develop product innovation, it will give positive results in improving performance, including company sales. This confirms the findings of (Anning-Dorson et al., 2018; Ardyan, 2016; Rhee et al., 2010; Muttaqien & Sulistyan, 2022).

Second, innovation capability creates effectiveness in the company. Innovation is a strategic tool for companies to face changes in the internal and external environment. In order to respond to the turbulent environment, companies need to encourage innovation, which is very important to achieve a competitive advantage on various strategies to improve company performance. These findings confirm the results of the study (Anning-Dorson et al., 2018; Bayighomog Likoum et al., 2020; Waibe et al., 2018).

Other findings from this study indicate that market sensing capabilities has a positive and significant effect on company performance. These results indicate that market sensing ability is one of the important factors in improving company performance. This finding is in line with the results of (Ardyan, 2016; Choirunnisa et al., 2018; Rhee et al., 2010). Companies that use sensing capabilities

can demonstrate an anticipatory ability to understand customer needs and competition (Adeniran & Johnston, 2012). Market sensing capabilities enable MSMEs to collect market information and then adopt strategies to maintain or improve company performance (Fitriani & Ferdinand, 2015).

CONCLUSION

In this research, there are several objectives to be achieved. The first objective of this study is to see if market sensing capabilities has an impact on MSME performance, either directly or indirectly (iconic ethnic product as an intervening variable). This study indicates that the iconic ethnic product is not a mediating variable of market sensing capability on the performance of MSMEs. Market sensing ability directly influences the performance of MSMEs. Learning about the market, tracking competitors' strategies, understanding market trends, and being responsive directly improves company performance.

The study's second goal was to see how product innovation capability affected MSMEs' performance, both directly and indirectly (iconic ethnic product as an intervening variable). According to the findings of this study, the iconic ethnic product is a mediating variable of product innovation capacities on MSMEs' performance. Product innovation capabilities, such as generating iconic ethnic products, provide competitive benefits. It was discovered that the greater the company's ability to innovate, the greater the comparative advantage of its products, which increases the company's performance.

This study's findings merit two contributions to the field of entrepreneurship research. First, in the Jonegoroan Batik industries, product innovation capabilities are the most significant aspect in achieving MSMEs' performance. In this study of iconic ethnic product is a mediating variable of product innovation on the performance of MSMEs. Second, market sensing capabilities still are predictive in MSMEs improving performance. This study suggests that iconic ethnic product is not a mediating variable on the effect of market sensing capabilities on MSMEs performance.

There are certain limitations to this research. First, while the goal of this research is to determine the impact of market sensing and product innovation on the development of iconic ethnic products and firm success, it would be more interesting to examine these effects over time. Because the current study used only cross-sectional data, the results could only be interpreted in a limited way. Future research can examine the extent to which the company's capabilities influence the company's ability to provide a comparatively superior product and enhance its performance using longitudinal data to widen the empirical scope. Further limitations include the fact that this study acknowledges sector- and market-specific factors, which limits the generalizability of the study conclusions. This research could be replicated in other industrial sectors in the future. To have a meaningful impact, the conclusions of this study must be used in accordance with the sector and market-specific characteristics.

Despite these limitations, the findings of this study are expected to not only assist MSMEs in developing and implementing their strategies, but also serve as motivation for researchers to pursue this line of inquiry further in order to complement the analysis of micro, small, and medium-scale enterprise performance and resilience.

Although there are still some limitations, the findings of this study are expected not only to help MSMEs in developing and implementing strategies for improving their performance and sales, but also being a motivation for researchers to conduct further studies to complete an analysis of the performance and sustainability of micro, small, and medium-scale enterprises.

REFERENCES

- Adeniran, T. V., & Johnston, K. A. (2012). Investigating The Dynamic Capabilities And Competitive Advantage Of South African SMEs. *African Journal Of Business Management*, 6(11), 40-88.
- Amabile, T., Conti, R., Coon, H., Lazenby, J., & Herron, M. (1996). Assessing the work environment for creativity. In *The Academy of Management Journal*, 39(5), 1154-1184.
- Anderson, J. C., & Gerbing, D. W. (1988). Structural Equation Modeling in Practice: a Review and Recommended Two-Step Approach. *Psychological Bulletin*, 103(3), 411-423. <https://doi.org/10.1037/0033-2909.103.3.411>
- Anning-Dorson, T., Hinson, R. E., Amidu, M., & Nyamekye, M. B. (2018). Enhancing service firm performance through customer involvement capability and innovativeness. *Management Research Review*, 41(11), 1271-1289. <https://doi.org/10.1108/MRR-07-2017-0207>
- Ardyan, E. (2016). Market Sensing Capability and SMEs Performannce. The Mediating Role of Product Innovativeness Sucess. *DSLU Business & Economics Review*, 25(2), 79-97.
- Bayighomog Likoum, S. W., Shamout, M. D., Harazneh, I., & Abubakar, A. M. (2020). Market-Sensing Capability, Innovativeness, Brand Management Systems, Market Dynamism, Competitive Intensity, and Performance: an Integrative Review. *Journal of the Knowledge Economy*, 11(2), 593-613. <https://doi.org/10.1007/s13132-018-0561-x>
- Bellis, E. D., Herrman, D. E., Bierhov, A., & Rohman, E. (2016). Uniqueness of Mass-Custmized Products. *Journal of Retailing*, 92(2), 162-172.
- Chen, C.-C. V., & Chen, C.-J. (2017). The role of customer participation for enhancing repurchase intention Article information. *Management Decision*, 55(3), 547-562. <https://doi.org/10.1108/MD-06-2016-0380>
- Choirunnisa, Ferdinand, A. T., & Indriani, F. (2018). Analisis pengaruh penginderaan pasar, pemasaran kewirausahaan, kemampuan jaringan, dan keunggulan bersaing terhadap kinerja pemasaran. *Jurnal Bisnis Strategi*, 27(2), 79 -94.
- Cillo, P., Luca, L. M. De, & Troilo, G. (2010). Market Information Approaches, Product Innovativeness, and Firm Performance. *Research Policy*, 39(9), 1242-1252.
- Fang, S.-R., Chang, E., & Chou, C. H. (2014). Internal Market Orientation, Market Capabilities, and Learning Orientation. *European Journal of Marketing*, 48(1), 13-20.
- Fitriani, L. K., & Ferdinand, A. T. (2015). Acculturative Iconic Product Attractiveness and Marketing Performance. *Journal of Global Strategic Management*, 2(9), 15-15. <https://doi.org/10.20460/jgsm.2015915570>
- Gallego, J., Rubalcaba, L., & Suárez, C. (2013). Knowledge for innovation in Europe: The role of external knowledge on firms' cooperation strategies. *Journal of Business Research*, 66(10), 2034-2041. <https://doi.org/10.1016/j.jbusres.2013.02.029>
- Gupta, S. D. (2015). Comparative Advantage and Competitive Advantage: An Economic Prespective and a Sythesis. *Athens Journal of Business and Economics*, 1(1), 9-22.
- Gurlek, M., & M.Tuna. (2015). Reinforcing Competitive Advantage Through Green Organizational Culture and Green Innovation. *The Service Industries Journal*, 5(5), 298-308.
- Hair, J. F., Babin, B. J., & Anderson, R. E. (2010). *Multivarait Data Analysis*. Prentice Hall.
- Hakkak, M., & Ghodsi, M. (2015). Development of Sustainable Competitive Advantage Model Based on Balanced Scorecard. *International Journal of Aian Social Science*, 5(5), 298-308.
- Kotler, P. (2002). *Marketing Mangement* (Millenium). Prentice-Hall.
- Leguina, A. (2015). A primer on partial least squares structural equation modeling (PLS-SEM). *International Journal of Research & Method in Education*, 38(2), 220-221. <https://doi.org/10.1080/1743727x.2015.1005806>
- Lindblom, A., Olkkonen, R., Kajolo, S., & Mitronem, L. (2008). Market-Sensing Capability and Business Performance of Retail Entrepreneurs. *Contemporary Mangement Research*, 4(3), 219-236.
- Mones, S. D., Pop, M. D., & Rose, G. M. (2013). SME's Performance. *Management & Marketing*, 8(1), 129-146.

- Muttaqien, F., & Sulistyana, R. B. (2022). Product Branding Training Model for MSMEs in Probolinggo Regency. *Innovation Business Management and Accounting Journal*, 1(1), 26-31. <https://doi.org/10.56070/ibmaj.v1i1.4>
- Parida, V., Pesämaa, O., Wincent, J., & Westerberg, M. (2017). Network capability, innovativeness, and performance: a multidimensional extension for entrepreneurship. *Entrepreneurship and Regional Development*, 29(1-2), 94-115. <https://doi.org/10.1080/08985626.2016.1255434>
- Rhee, J., Park, T., & Lee, D. H. (2010). Drivers of innovativeness and performance for innovative SMEs in South Korea: Mediation of learning orientation. *Technovation*, 30(1), 65-75. <https://doi.org/10.1016/j.technovation.2009.04.008>
- Safii, A. A., & Rahayu, S. (2021). Human Capital and Social Capital as Determining Factors of The MSMEs Surviving Ability. *Jurnal Ilmu Manajemen Advantage*, 5(1), 1-19.
- Safii, A. A., & Rahayu, S. (2020). The Role of Social Capital and Owner Cosmopolitanism on Marketing Performance of Jonegoroan Batik MSMEs. *Proceeding 1st International Conference on Business & Social Sciences (ICOBUSS)*, 1-10.
- Saunila, M. (2020). Innovation capability in SMEs: A systematic review of the literature. *Journal of Innovation & Knowledge*, 5(4), 260-265.
- Slater, S. F., & Narver, J. C. (2010). The Positive Effect of a Market Orientation on Business Profitability. *Journal of Business Research*, 48(1), 69-73.
- Storey, V. M., Boso, N., & Cadogan, J. W. (2015). The form of relationship between firm-level product innovativeness and new product performance in developed and emerging markets. *Journal of Product Innovation Management*, 32(1), 101-118.
- Valencia, V. S. (2016). Small Firm Survival: An Australian Perspective. *Advances in Management & Applied Economics*, 6(5), 1792-7552.
- Waibe, S., Sallehudin, R. M., Rosli, A. N., & Saad, S. (2018). Proactiveness, Innovativeness And Firm Performance : The Mediating Role Of Organizational Capability. *Academy of Strategic Management Journal*, 17(5), 1-14.
- Wright, P. (1987). A refinement of Porter's strategies. *Strategic Management Journal*, 8(1), 93-101.