

A model for the business performance of micro, small and medium enterprises: Perspective of social commerce and the uniqueness of resource capability in Indonesia

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ABSTRACT

The speed of progress in information technology has evolved continuously and has changed the way entrepreneurship is carried out in running its business. The rapidity of internet users also influences economic development indicated by the shifting of the idea of buying and selling transactions, which previously emphasized face to face, now it is more comfortable and done without face to face or known online. This study aims to provide an overview and examine the use of social commerce, the uniqueness of resource capabilities and competitive advantage in influencing the business performance of MSMEs in Jambi Province. The study also explores the competitive advantage of mediating social commerce and the uniqueness of resource capacity to the business performance of MSMEs in Jambi Province. This research was conducted in three districts in the Jambi Province, namely Jambi city, Tanjung Jabung Barat district, and Sungaipenuh city. The research method used is quantitative research and verification with Smart PLS application version 3.0. The unit of analysis of this study is MSMEs with an observation unit that is the manager of MSMEs businesses in the three locations of research objects. The number of respondents used was 150 selected MSMEs business units from two cities and one district, namely Jambi city, Sungai Penuh city, and Tanjung Jabung Barat District, representing Jambi Province. The results show that social commerce had a significant influence on competitive advantage. Still, on the other hand, it shows that the uniqueness of resource capabilities did not have any substantial impact on competitive advantage. Social commerce did not have any significant effect on the business performance of MSMEs in Jambi Province, as well as the uniqueness of resource capabilities, apparently not significantly influenced the business performance of MSMEs in Jambi Province. On the contrary, competitive advantage can control MSMEs Business performance in Jambi Province. However, the model of social commerce utilization and the uniqueness of resource capabilities affect the business performance of MSMEs in Jambi Province, mediated by competitive advantage.

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1. Introduction

The development of increasingly affordable and secure internet access can increase the number of internet users in Indonesia. According to We Are Social, there is an increase in internet users in Indonesia for a year, from January 2015 to January 2016, which is around 15 percent. Surveys conducted by We Are Social, it is quite illustrative that internet users have experienced an increase in a year. Most of the Indonesian people are beginning to realize the existence of the internet, even now the internet is not just a medium for seeking information, communication, and entertainment, but as a means for online businesses (business through the internet). Previous business activities were only centered on conventional business, but since the existence of the internet, traditional business activities are currently developing online. Proves of the internet also provides changes to the business world. Various buying and selling transactions that previously could only be executed face-to-face are now straightforward and often performed through the web with many online stores. This transaction, through the internet, is known as electronic commerce (e-commerce). E-commerce at this time has evolved by adopting web 2.0, which has the capability

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of increasing customer participation and increasing economic value. It is this technological development which then encourages the emergence of a new initiative known as social commerce (s-commerce), namely trade activities mediated by social media. This model of trading activities uses online web 2.0 based applications that support collaborative interaction and communication so that it can help consumers in the decision-making process to buy goods and services online. The existence of social media technology development and web 2.0 provides an excellent opportunity to change business models e-commerce from a product-oriented environment becomes social and customer-oriented (Wigand et al., 2008; Hariyanto & Alamsyah, 2019). Considering consumers today increasingly demand the existence of online application-based services on commercial sites to be able to interact more socially and interactively (Huang & Benyoucef, 2013). According to 2016, We Are Social, Social, and Mobile report, one of the facts in the story is the finding of the use of social media chat application platforms in Indonesia. The number of active internet users is around 88.1 million, which is directly proportional to the number of current social media users. Presented in a report entitled We are Social, there are approximately 79 million active social media users in Indonesia. When compared to the total population, there is around 30 percent of Indonesia's people who are active users of social media. Reference to the data of social media users in Indonesia shows that the use of s-commerce is very potential in helping the commercial process. The process of creating a competitive advantage for small and medium enterprises (SMEs) in Indonesia, considering that micro, small, and medium enterprises (MSMEs) are one of the fields which make a significant contribution to spurring economic growth in Indonesia (Hikmawati & Alamsyah, 2018).

Handriani (2011) who has observed the development of small businesses in Indonesia, emphasizes that small businesses in Indonesia play an essential role in several things, among others: 1) Small businesses are the leading players in Indonesian economic activities, 2) Providers of employment opportunities, 3) Important players in local economic development and community development, 4) Market creators and innovations through their dynamic flexibility and sensitivity and their relationship with several companies, 5) Contribute to the increase in non-oil and gas exports. This can be supported by the skills of MSME business actors in improving their business performance. The expertise of MSMEs business owners as a part of the unique capabilities of their resources that can add value to MSMEs themselves. In Jambi Province, there were 81,959 of MSMEs, with Jambi City as the city with the most significant number of MSMEs, namely 13,723 (Jambi Cooperative and SMEs Administration Office, 2015). The business consists of Micro, Small, and Medium Enterprises. They are differentiated based on capital and assets, where Micro is Rp. 0- Rp. 50 million, Small is Rp. 50 - Rp. 500 million and Medium Rp. 500 million - Rp. 10 billion. Based on preliminary research that has been conducted, it is known that there are 40 SMEs that use social media activity in their trading activities, with the composition of business groups consisting of small businesses amounting to 34 businesses (85%) and medium businesses amounting to 6 businesses (15%). This explains that the use of social media is still low in commercial activities (s-commerce) in MSMEs in Jambi. Certainly, it needs particular attention, given the low perception of most SME owners in Jambi, on the use of s-commerce for the progress of their business. Therefore, an empirical study is needed to reveal the extent of the influence of commercial utilization and the uniqueness of resource capabilities on competitive advantage and its implications for MSME business performance, so that a real picture of the contribution of benefits to MSMEs in Jambi Province can be obtained. Regarding the background above, the formulation of the research problem is how social commerce and the uniqueness of resource capabilities and competitive advantages influence the business performance of MSMEs in Jambi Province, Indonesia and how competitive advantage is able to mediate social commerce and the uniqueness of resource capacity to MSME business performance in Jambi Province while the purpose of the study was to explain the influence of social commerce, the uniqueness of resource capabilities and competitive advantages on the business performance of MSMEs in Jambi Province and to examine competitive advantage that mediates social commerce and the specificity of resource capabilities to the business performance of MSMEs in Jambi Province.

2. Literature review

2.1 Social Commerce

S-commerce is part of e-commerce that utilizes social media, online media that supports social interaction, and user contributions to help the sale and purchase of goods or services online. S-commerce uses social media as a transaction medium to solve sales transactions, but in some innovative s-commerce, there is no exchange of money at all in it. S-commerce not only means e-commerce on social media sites, but it can also be interpreted as a feature of social media in e-commerce (Fajar et al., 2015). In this case, s-commerce is the relationship between the product and the community of buyers who interact with each other through content. There are two types of s-commerce, namely: First, connect where customer shop (connected where shopping buyers). This means that criteria are met: the market location already exists, there are already many shops there, there are already many people selling there. Second, the shop where customers connect. That is, make a shop where people gather and connect. The use of social media in SMEs provides benefits such as a means of personal contact with consumers, useful as a means of promotion/advertising, data on consumer needs, deliver responses to consumers, and as a basis for business decision making. Besides, social media is also useful as an online discussion forum, monitoring customers online, customer surveys, registering supplier needs, registering supplier requirements, and for displaying product galleries (Priambada, 2015).

2.2 Unique Resource Capability

The uniqueness of resource capabilities is the effort of the company in optimizing resources where these resources are relatively superior when compared to competitors (Wheelen & Hunger, 2014). The uniqueness of a company's resource capabilities can be grouped into tangible assets, intangible assets, and organizational assets. These three groups can be reduced

to two groups only if the Asset Organization is included in the intangible assets. Intangible assets, for example, include office buildings, machines, while intangible capabilities can be in the form of competent human resource competencies, established business reputation, strategic business location, and much more. Utilizing the uniqueness of resource capabilities will encourage companies to quickly reach a better level of business and make competitive advantage readily available and, at the same time, create superior value for customers (Alamsyah et al., 2019). This understanding is supported by Pearce and Robinson (2013), which explains the existence of three essential resources needed by a company, namely tangible assets, intangible assets, and organizational assets. Based on the explanation of the concept of uniqueness of capabilities mentioned above, the construct of the uniqueness of resource capabilities in this study is a strength that is owned by the company and is used to optimize market strategies in order to improve company performance.

2.3 Competitive Advantage

In the era of globalization and increasing competition, companies are required to improve and maintain their competitiveness. For this to be obtained, the company needs to have a competitive advantage. This is in line with that stated by Longenecker et al. (2013), which says that competitive advantage is a benefit for a company that has a product or service seen by the target market better than its competitors. At the same time, Porter et al. (2011) define competitive advantage as developing from the value that can be created by a company for buyers that exceeds the cost of the company in creating it. Competitive advantage can be achieved by running several generic strategies based on costs and differentiation. According to Porter et al. (2011), competitive advantage provides an image for companies in choosing and implementing the general procedure to improve and maintain the competitiveness of companies. At the same time, Longenecker et al. (2003) emphasize that competitive advantage has a basis in the form of unique services, price, right products, consumer experience, and consumer convenience. From the explanation of the concept of competitive advantage used in this study are aspects of product excellence, operational excellence, and proximity to consumers.

2.4 Business Performance

According to Wheelen and Hunger (2014) that business performance can be measured from sales, market share, and profitability. Others believe, business performance is output or the result of implementing all activities related to business activities, business performance indicators are sales growth and profitability. According to Hubbard and Beamish (2011), business performance indicators can be seen from the marketing aspects and through the company's financial performance. Measuring business performance through marketing performance can be measured, including sales, market growth, and market share. The financial performance perspective is measured using measures: (1) return on investment ROI), (2) income mix (revenue mix), (3) asset utilization (measured by asset turn over), and (4) significantly reduced costs. The measurements used to assess performance depend on how the organizational unit will be evaluated and how the objectives will be achieved. Some measures such as Return on Investment (ROI), Return on Equity (ROE), Earning per Share (EPS), Economic Value Added (EVA) are reasonable measures to evaluate the ability of a company or division to achieve profitability goals. However, measurements like this have limitations in measuring other objectives, such as corporate social responsibility or employee development. In short, business performance can be presented the efficiency and effectiveness of the company by measuring and evaluating the performance of the financial, employee, business, and organizational parts.

This study used a balanced scorecard approach to measure the business performance of MSMEs because a balanced scorecard is a group of integrated performance benchmarks derived from corporate strategy and supporting corporate strategy throughout the organization. Measuring the success of business unit performance based on the balanced scorecard approach is divided into four perspectives (Kaplan & Norton, 1996), namely: financial perspective, customer perspective, internal business process perspective, and learning and growth perspective. The measurement of business performance with the balanced scorecard approach provides excellent results that are influenced by the uniqueness of resource capabilities as well as the findings of research conducted by Yacob et al. (2016). Look at the results of previous studies mentioned above, the State of the art of this research is based on improving business performance, especially MSMEs in Jambi Province and in Indonesia in general through the development of competitive advantages that are better applied in the MSME industry which is supported by increased MSME capabilities in developing the uniqueness of capabilities resources and their ability to use social commerce in business, especially the MSME sector. After tracing the studies that have been conducted, both domestically and abroad through searching research journals and search results, it has been shown that the research proposal with this research model has never been carried out by previous researchers; thus, this study has high originality.

3. Conceptual Framework

The framework model of this study is to develop begins with investigating of social commerce variable and uniqueness of resource capability on business performance context to explaining how variables may directly influence, and indirect effects of through competitive advantage. Based on the literature review above, the paradigm of the research or research model can be described as follows.

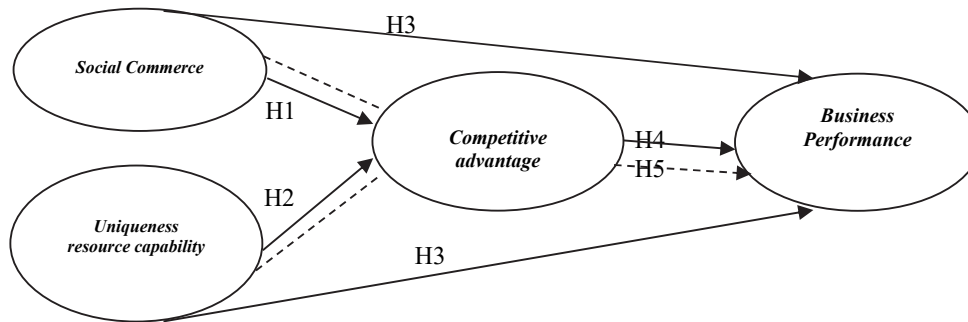


Fig. 1. Research Model

Remarks:

- > Direct effect
- - - - -> Indirect effect

3.1 Research Hypothesis

Based on the literature review and existing research models, the research hypothesis can be formulated as follows:

H1: Social commerce has a significant influence on the competitive advantage of MSMEs in Jambi Province, Indonesia.

H2: The uniqueness of resource capabilities has a significant influence on the competitive advantage of MSMEs in Jambi Province, Indonesia.

H3: Social commerce and the uniqueness of resource capabilities have a significant influence on the business performance of MSMEs in Jambi Province, Indonesia.

H4: Competitive advantages have a significant influence on the business performance of MSMEs in Jambi Province, Indonesia.

H5: Social commerce and the uniqueness of resource capabilities have a significant influence on the business performance of MSMEs through competitive advantage in Jambi Province, Indonesia.

3.2 Research methods

The study used surveys that were marked by the use of questionnaires and identified target populations. The questionnaire mainly uses closed questionnaires, but still uses an open questionnaire technique. To support the acquisition of data from surveys, quantitative data, and also data collection with qualitative approaches to strengthen quantitative data. Sampling is MSME business actors while the analysis unit is MSMEs in Jambi Province (especially in Jambi City, Tanjung Jabung Barat District, and Sungaipenuh City) To meet these criteria data collection methods are carried out with cluster sampling. The number of samples used as respondents was 150 MSMEs entrepreneurs, each of 50 sample units per research object.

3.3 Types and Data Collection Techniques

1) Primary Data. Primary data consists of two main sources, namely 1) individuals, and 2) groups. Data on individuals (MSME owners) were obtained by submitting questionnaires, while data from groups were obtained from in-depth interviews with relevant stakeholders. Data relates mainly to 1) utilization of social commerce, 2) uniqueness of resource capabilities, 3) competitive advantage. This data source, including the government which is directly related to the development and empowerment of MSMEs in Jambi Province.

2) Secondary Data. Covering the number of MSMEs per year, the Number of Workers absorbed by MSMEs, profiles, and business characteristics of MSMEs as well as the amount of lending to MSMEs and other secondary data relevant to this research.

3.4 Research variables

This research variable consists of each variable mainly consist of: 1) social commerce, 2) uniqueness of resource capabilities, 3) competitive advantage, and 4) business performance.

3.5 Data analysis

There are two types of data analysis used:

1) Qualitative analysis. This analysis is used for data collection obtained with in-depth authority, FGD, and observations. As generally, there are two approaches used, namely the content analysis approach and triangulation analysis. This analysis is based on field notes or process records of each researcher.

2) Quantitative Analysis. The method used here is to use SEM analysis with SmartPLS application version 3.0, where the dependent variable is MSMEs Business Performance (Z) and the independent variable of s-commerce utilization (X1) and uniqueness.

4. Findings and discussion

4.1 Description of Respondent

The following can be described as the profile of respondents from this study as follows.

Table 1
Description of the Respondent

Profile	Item	Number of respondents	Percentage (%)
Gender	Male	84	56
	Female	64	44
Ages	17-20 year	20	13
	21-30 Year	30	20
	31 – 39 year	38	25
	>40 year	62	41
education	Elementary School	9	6
	Junior High School	28	19
	Senior High School	65	43
	Collages	24	16
	Bachelor	24	16
	Graduate	0	0
Type of Business	Trading, Hotel, and Restaurant	71	47
	Private Services	6	4
	Financial Services, Rents, and Other Services	18	12
	Transportation and Communication	6	4
	Building	11	7
	Agriculture, Veterinary, Forestry, and Fisheries	8	5
	Mining	0	0
	Manufacturing Industries	12	8
	Electricity, Gas, and Water	18	12
Transaction Values	< 10.000.000	45	30
	11.000.000 – 20.000.000	48	31
	21.000.000 – 30.000.000	26	17
	31.000.000 – 40.000.000	0	0
	41.000.000 – 50.000.000	16	11
	> 50.000.000	16	11
Social Commerce	Less than one year	15	10
	1 to 3 year	80	53
	More than 3 -5 year	45	30
	More than five year	10	7
Social media	Instagram	35	23
	Facebook	65	43
	Twitter	15	10
	Line	25	17
	Others	10	7

4.2 Description of research variables

To answer the first problem statement to describe each research variable, we first look at the average score of the items in Table 2.

Table 2
Recapitulation of research variables description

No	Research variable	Dimension	Average score	Criteria
1	Social Commerce	Organizational support	4.27	Good
		Technology competency	4.03	
		External environment	4.22	
<i>Average Social Commerce</i>			4.16	
2	The uniqueness of resource capability	Physical asset	4.12	Unique
		Intangible asset	4.09	
		Organization asset	3.95	
<i>An average score of the uniqueness of resource capability</i>			4.05	
3	Competitive advantage	Service unique	4.05	Advantage
		Price/Value	4.09	
		Availability of a quality product	3.95	
		Customer experience	4.20	
		The easy customer of MSMEs	3.94	
		Comfortable of transaction	3.95	
<i>An average score of competitive advantage</i>			4.25	
4	Business performance of MSMEs	Financial perspective	3.91	Good
		Customer perspective	4.11	
		Internal business process perspective	4.07	
		Growth and learning perspective	4.11	
<i>An average score of business performance MSMEs</i>			4.05	
<i>Total of an average score of research variable</i>			4.13	Good

Based on the description of the research variables above, it shows that the hypothesis which states that social commerce with the uniqueness of resource capabilities has good capabilities as a competitive advantage with efforts to improve the business performance of MSMEs with excellent relevance.

4.3 Testing of Results

The research model presented must have undergone a model test (inner model & outer model). The outer model, in principle, measures to the extent that the indicator can explain its latent variables. The outer model test is performed on the indicator section, which is tested by convergent validity, composite reliability, average variance extracted, and discriminant validity. Furthermore, the inner model test, which in principle is testing the influence of one latent variable with other latent variables, both exogenous and endogenous. The following is a summary of some of the results of testing the model with the feasibility assumption of the test, which is useful before interpreting the findings of the research model.

Table 3
Model of Test Result

Goodness-of-Fit Index	Cut off Value	Model Test Result	Information
Convergent validity	>0.30	Outer loading > 0.400	Acceptable
Composite reliability	>0.70	Composite Reliability > 0.800	Good
Average Variance Extracted	>0.30	AVE > 0.300	Acceptable
Cronbach's Alpha	>0.70	Cronbach's Alpha >0.700	Good
Outer Weight	>2.032	Outer Weight >2.000	Good

The results of the hypothesis testing of the relationships between the four constructs in line with the research paradigm are hypothesized that social commerce and the uniqueness of resource capabilities influence competitive advantage. Social commerce and the uniqueness of resource capabilities affect the business performance of MSMEs. Competitive advantage influences the business performance of MSMEs, then social commerce and the uniqueness of resource capabilities affect the business performance of MSMEs through competitive advantage. Based on the image of the relationship between research variables that fits the research paradigm, the full results obtained from data analysis using SEM 3.0 SmartPLS, which involves all measurement dimensions of each construct, can be shown in Fig. 2. From the results of field data processing associated with existing research models to explain the relationship between variables can be seen in the following figure below.

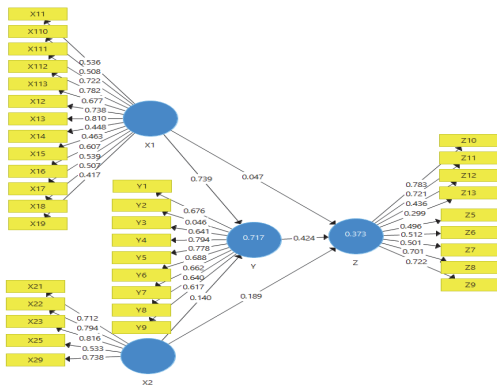


Fig. 2. Path coefficient

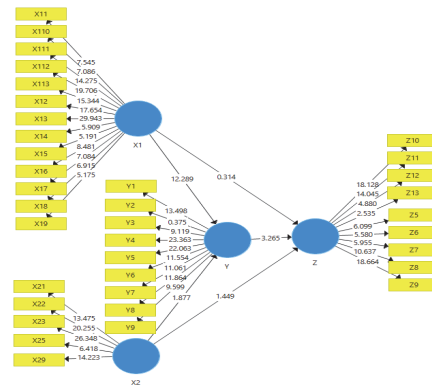


Fig. 3. Model t-value

Furthermore, based on the processing of research data, to test the hypothesis, it is produced in the t-value model image, as shown in Fig. 3. Based on the correlation value (Fig. 2), it is known that there are relationships between variables, namely:

1. X1 is positively related to Y (0.739)
2. X2 is positively related to Y (0.140)
3. X1 is positively related to Z (0.047)
4. X2 is positively related to Z (0.189)
5. Y is positively related to Z (0.424)

However, the correlation value that meets the requirements is only X1 to Y and Y to Z. This means that the rest do not meet the criteria or are weakly related. This is evident from the significance value of the relationship between the variables depicted in Figure 3. Where the t-value value of more than 1.96 is only X1 to Y and Y to Z. Furthermore, the results of the significance test are presented as follows:

1. X1 has a significant relationship with Y (12,289)
2. X2 relates insignificantly to Y (1,877)
3. X1 relates insignificantly to Z (0,314)
4. X2 relates insignificantly to Z (1,449)
5. Y is significantly associated with Z (2,365)

Examining the results of Fig. 2 and Fig. 3, it can be seen that Social Commerce can influence the Competitive Advantage of the Unique Capability of Resources. Furthermore, in terms of Competitive Advantage, it is also able to control the MSMEs Business Performance. However, directly Social Commerce and the uniqueness of Capability Resources are not able to influence the MSMEs Business Performance. The finding is that Social Commerce will be able to improve MSMEs Business

Performance if it is well mediated by Competitive Advantage. At the same time, the Unique Capability of Resources, is not a strategy that can increase Competitive Advantage or Business Performance of MSMEs. Examining the results of Fig. 2 and Fig. 3, it can be seen that Social Commerce is able to influence the Competitive Advantage of the Unique Capability of Resources. Furthermore, in terms of Competitive Advantage, it is also able to influence the MSME Business Performance. However, directly Social Commerce and the uniqueness of Capability Resources are not able to influence the MSME Business Performance. The finding is that Social Commerce will be able to improve MSME Business Performance if it is well mediated by Competitive Advantage, while the Unique Capability of Resources, is not a strategy that can increase Competitive Advantage or Business Performance of MSMEs.

4.3.1 Effect of Social Commerce on the competitive advantage of MSMEs in Jambi Province

Based on the results of smart PLS output, it can be seen that the influence of social commerce on the competitive advantage of MSMEs in Jambi Province is shown in Table 4 as follows:

Table 4
Effect of Social Commerce on competitive Advantage of MSMEs in Jambi Province

No	Research Hypothesis	Path	Path coefficient	t-statistic	Significance (5%)
1	Effect of <i>Social Commerce</i> on competitive advantage	X1 → Y	0.739	12.289	Significant

*Sig on $\alpha = 0.05$ t-statistic > 1.96

Table 4 shows that the influence of social commerce on competitive advantage is significant, with t-statistics higher than 1.96 (t table at $\alpha = 0.05$). The inner coefficient value (β) is positive, which indicates that the influence of social commerce on competitive advantage is positive. Based on the path diagram model above, it was revealed that organizational support, technological competence, and the external environment made a dominant contribution in influencing competitive advantage. The results of this hypothesis test show that the competitive advantage of MSMEs in Jambi Province is primarily determined by the reliability of MSME actors in designing their competitive advantages to be able to enter the market that is capable of being served. In line with D'Aveni and Gunther (2007), it reveals how competing, and non-competitive movements are increasing with the current violence that traditional sources of competitive advantage can no longer be maintained. To compete in this dynamic environment, it is stated that a company must fundamentally change its strategic focus by building a brilliant operational model. This is indicated by how the company moves into the "escalation ladder" as an advantage that continues to be created, eroded, destroyed, and created through strategic maneuvers in the four competition arenas.

4.3.2 Effect of Uniqueness of resource capability on the competitive advantage of MSMEs in Jambi Province

Table 5 explains the results of testing the hypothesis of the uniqueness of resource capabilities towards the competitive advantage of MSMEs in Jambi Province.

Table 5
Effect of Uniqueness of resource capability on the competitive advantage of MSMEs in Jambi Province

No	Research Hypothesis	Path	Path coefficient	t-statistic	Significance (5%)
1	Effect of the uniqueness resources capabilities on competitive advantage	X2 → Y	0.140	1.877	Not Significant

*Sig on $\alpha = 0.05$ t-statistic > 1.96

Table 5 reveals that the effect of the uniqueness of resource capabilities affecting competitive advantage is not significant with t-statistics smaller than 1.96. The inner coefficient value (β) is low, which indicates that the influence of the uniqueness of resource capabilities on competitive advantage is weak. The magnitude of the path coefficient from the importance of the uniqueness of resource capabilities on the competitive strategy is 0.140, meaning that there is a little effect of the uniqueness of resource capabilities on competitive advantage. This reinforces the fact on the ground that the organizational assets of MSME business actors as part of the uniqueness of resource capabilities do not have a significant influence on excellence in competitive strategies. This is because SME employees do not have the right career development path. Human resources in the minimarket business tend to work more like mechanics or more following a standard work order. Instead of that, employee innovation in work does not arise, and neither does the idea of generating business strategies with rapid environmental changes. On the other hand, the picture of the model above explains that the test results show the total influence of social commerce and the uniqueness of resource capabilities on competitive advantage by looking at the coefficient of determination of R-square value. The coefficient of determination R^2 shows that social commerce and the uniqueness of resource capabilities had an influence on competitive advantage by 71.7%, and the remaining 28.3% can be explained by the influence of other factors.

4.3.3 Effect of Social Commerce and the Uniqueness of Resource Capability on Business Performance of MSMEs in Jambi Province

The results of testing the influence of social commerce and the uniqueness of resource capabilities on the performance of the MSMEs business can be explained in the following table.

Table 6

Effect of Social Commerce and the Uniqueness of Resource Capability on Business Performance of MSMEs in Jambi Province

No	Research Hypothesis	Path	Path coefficient	t-statistic	Significance (5%)
1	Effect of Social commerce on Busines Performance	X1 → Z	0.047	0.314	Not significant
2	Effect of Uniqueness on Business Performance	X2 → Z	0.186	1.449	Not Significant

*Significant on $\alpha = 0.05$ t -statistic > 1.96

Table 6 shows the direct influence of social commerce on MSME business performance is not significant with t-statistics smaller than 1.96 (t table at $\alpha = 0.05$). The inner coefficient value (£) is positive, which indicates that the influence of social commerce on MSME business performance is positive. The results of this test suggest that the impact of social commerce is minimal, so it is not significant in improving the business performance of MSMEs. The results of this study are different from the results of the research obtained by Priambada (2015), where the use of social media correlates strongly with SME business performance, especially in terms of increasing sales volume. According to Castronovo (2013), trading activities mediated by social media can have an impact on the company's performance from business owners. This is because, through the use of social media, they can predict consumer purchasing behavior that will come more accurately, increase post brand popularity, attract new consumers, build awareness, increase sales, and build loyalty. But the success of the impact of using social media on the performance of a business is not only a result of social media used by business people, but there are several supporting factors that contribute to the influence of s-commerce on business performance, namely; (1) trust, (2) competence of human resources, (3) business content, (4) quality of social media web, (5) desire to use (behavioral intention) and intensity of use (use behavior) of social media, (6) purpose of use and (7) social media selling index. This explains that even though there is organizational support, adequate technological competence, and the encouragement and demands of the external environment on the use of social media, it has not provided sufficient contribution to the performance of SME businesses in Jambi Province, if without the support of the seven supporting factors in the s-their commerce. Furthermore, the table above also shows that the direct effect of the uniqueness of resource capacity on minimarket business performance is not significant with a t-statistic value smaller than the value of t table, 1.96 (t table at $\alpha = 0.05$). The value of the inner coefficient (£) is positive, which indicates that the effect of the uniqueness of resource capabilities on the business performance of MSMEs is positive. This is supported by the results of a study by Jonker and Schoemaker (2004) that the company's current task is to provide services and organize based on competencies, and information technology. Modern organizations depend on skill and asset ownership in making distinctions between organizations and their competitors. However, in other parts, the effect of the uniqueness of resource capabilities on the business performance of MSMEs is in line with the results of previous studies conducted by Tanurahrjo (2015), which found that there was no influence of unique capabilities on business performance. On the other hand, the table above also explains that the test results show there is an influence of social commerce and the uniqueness of resource capabilities on the business performance of MSMEs seen from the coefficient of determination. The coefficient of determination R^2 shows that social commerce and the uniqueness of resource capabilities have an influence on business performance by 37.3%, and the remaining 62.70% is influenced by other factors.

4.3.4 Effect of Competitive Advantage on Business Performance of MSMEs in Jambi Province

Based on the results of the research hypothesis testing using the SmartPLS version 3.0 application on the effect of competitive advantage on the business performance of MSMEs in Jambi Province can be seen in the following table.

Table 7

Effect of Competitive Advantage on Business Performance of MSMEs in Jambi Province

No	Research Hypothesis	Path	Path coefficient	t-statistic	Significance (5%)
1	Effect of Competitive Advantage on Business Performance of MSMEs	Y → Z	0.424	2.365	Significant

*Significant on $\alpha = 0.05$ t -statistic > 1.96

Table 7 shows that the direct effect of competitive advantage on MSME business performance is significant with t-statistics higher than 1.96 (t table at $\alpha = 0.05$). The value of the inner coefficient (£) is positive, which indicates that the influence of competitive advantage on MSME business performance is 0.424, which means that competitive advantage can improve the business performance of MSMEs with 24.4%. The ability of the management to provide excellent products, as well as being able to meet all the demands of business customers which includes needs, desires, and requests and supported by management's ability to carry out efficiency has implications for price attractiveness. This happens because if everything is done quickly and precisely, it will be able to improve superior business performance. Competitive advantage can be obtained from the company's ability to manage and utilize its resources and capital. Companies that can create competitive advantage will have the power to compete with other companies because their products will still have the ability to compete with other companies because the products will always be in demand by customers. The results of the research obtained show that competitive advantage has a significant effect on SME business performance. The results of this study are in line with the results of Li (2006), who found a positive influence between competitive advantage and performance measured through sales volume, profit level, market share, and return on investment. The results of a similar study were also found by Istanto (2010)

where the competitive advantage strategy influences the performance of the Multipurpose Cooperative in Sleman district, meaning that the superior competitive strategy will improve the performance of the Multipurpose Cooperative in Sleman Regency. Several previous studies were conducted by Ragu-Nathan and Rao (in Li, 2006), Majeed (2011), Nguyen, Sherif, & Newby (2007), Alipour & Mohammadi (2011), Barney (1991), and Agha (2012) also have concluded that there is a relationship between the competitive advantages that companies have and the company's performance. In this study, it was found that there is a positive effect, which means that if the competitive advantage of a company is higher, it will have an impact on improving the performance of the company.

4.3.5 Effect of Social Commerce and the Uniqueness of Resource Capability on Business Performance of MSMEs in Jambi Province through Competitive Advantages

Furthermore, testing the indirect influence of social commerce and the uniqueness of resource capabilities on the business performance of MSMEs through competitive advantage can be executed using smart PLS 3.0. The following picture shows a path diagram image as a result of hypothesis testing.

Table 8

Direct Effect of Social Commerce, Uniqueness of Resource Capability, Competitive Advantages on Business Performance of MSMEs in Jambi Province

No	Exogenous Variable	Business Performance of MSMEs(Z)	t-Statistic Value	Significance (5%)
1	Social Commerce (X1)	0.047	0.314	Not Significant
2	The uniqueness of resource capability (X2)	0.189	1.449	Not Significant
3	Competitive advantage (Y)	0.247	2.365	Significant

*Significant on $\alpha = 0.05$ t-statistics > 1.96

Furthermore, to find out the indirect effects of social commerce and the uniqueness of resource capabilities on the business performance of MSMEs through competitive advantages obtained from the processing of SmartPLS SEM 3.0. For more details, the following are the results of processing the indirect effects of the variables mentioned above.

Table 9

The indirect effect of Social Commerce, Uniqueness of Resource Capability, Competitive Advantages on Business Performance of MSMEs in Jambi Province

No	Exogenous Variable	Business Performance of MSMEs(Z)	t-Statistic Value	Significance (5%)
1	Social Commerce (X1)	0.452	5.316	Significance

*Significance on $\alpha = 0.05$ t-statistic > 1.96

The results of measurements made with software can be explained that it turns out when the influence of the mediator is included in the model, it can be seen that social commerce has a significant influence on the business performance of MSMEs. This is different from the first step when the mediator's influence is not included in the model. The loss of direct influence from the predictor (social commerce) on criterion (MSME business performance) can be said that competitive advantage has the effect of partial mediation.

5. Conclusion and recommendations

5.1 Conclusion

Based on the results of data processing and research findings, it can be concluded that social commerce has had a significant influence on competitive advantage. Still, it has proven that the uniqueness of resource capabilities did not have any strong influence on competitive advantage. On the other hand, social commerce did not have any significant effect on the business performance of MSMEs in Jambi Province, as well as the uniqueness of resource capabilities, but not significantly influence the business performance of MSMEs in Jambi Province. On the contrary, competitive advantage can influence the performance of MSMEs Businesses in Jambi Province. Furthermore, competitive advantage can mediate social commerce and the uniqueness of resource capabilities to the business performance of MSMEs in Jambi Province.

5.2 Suggestion

Based on the results of the research and the conclusions above, the following points can be recommended. For the Government, in the context of policymaking in the MSMEs sector, specifically the development of MSMEs in using digital social media to be able to expand the marketing network of MSME sector products and services both throughout Jambi and outside Jambi Province and even internationally. For MSMEs players, they can identify and map their respective business advantages in competing, while following and executing technological advances and the use of existing social media. For academics, the results of this study can be used as enrichment in marketing strategy management science, especially in the field of retail marketing.

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