



Improving Market Performance of MSMEs in Banyumas: Digital Marketing, Digital Accounting and Competitive Strategy

Sevian Anggi¹, Nur Isna Inayati^{2*}, Suryo Budi Santoso³, Selamat Eko Budi Santoso⁴

^{1 2 3 4}Faculty of Economics and Business, Universitas Muhammadiyah Purwokerto

ABSTRACT

This research aims to analyze the impact of digital marketing, digital accounting, and competitive strategies on enhancing the market performance of micro, small, and medium enterprises (MSMEs) in the digital era. Given the significant challenges and opportunities faced by MSMEs, this study explores how digital marketing can expand market reach and improve customer engagement, while digital accounting enhances financial transparency and operational efficiency. Additionally, competitive strategy is identified as a crucial factor in establishing a sustainable competitive advantage. The study focuses on MSMEs in Banyumas Regency, utilizing a sample of 106 respondents. Data analysis was conducted using Partial Least Squares (PLS) statistical methods. The findings indicate that digital marketing, digital accounting, and competitive strategy positively influence the market performance of MSMEs. This research underscores the importance of adopting digital technologies in MSME operations, demonstrating their effectiveness in facilitating various business activities and improving overall competitiveness.

Keywords: *Digital Accounting, Market Performance, Digital Marketing, Competitive Strategy, MSMEs*

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*Correspondence:

Nur Isna Inayati

nurisnainayati@ump.ac.id

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1. INTRODUCTION

MSMEs (Micro, Small, and Medium Enterprises) have an important role in improving the economic welfare of society. MSMEs have a strategic position in improving people's lives while participating in providing employment, contributing to economic growth, and ensuring equitable distribution of community income (Lorensa & Hidayah, 2022). Each year, MSMEs contribute 61% of Gross Domestic Product (GDP) or around 8,573 trillion. From this data, the calculation of MSME data shows the economic situation of a country and explains the situation of the regional economy. By analogy, if the number of MSMEs continues to increase, the economic situation will improve. However, if it goes down, it indicates an economic slowdown both on a regional and national scale.

According to the Central Java Office of Cooperatives and Micro, Small, and Medium Enterprises (MSMEs), the number of business sectors in Central Java reached 4.2 million in 2021. This total comprised 3,776,843 micro businesses, 354,884 small businesses, 39,125 medium enterprises, and 3,358 large businesses (Hadi et al., 2023). In 2022, there was a significant increase in the number of MSMEs, rising by 26.6% compared to 2021 (Sari & Putri, 2023). This growth indicates increasingly fierce competition among MSMEs. One district in Central Java that has experienced a notable increase in MSMEs is Banyumas Regency (Vinta, 2024). According to the Central Statistics Agency (BPS) of Banyumas Regency, the total number of business units was 44,067 in 2021, 44,093 in 2022, and 44,173 in 2023. This trend demonstrates substantial potential for continued growth, particularly due to the factors that support the advancement of these MSMEs.

ASPIKMAS (Association of Micro, Small, and Medium Enterprises) is an organization dedicated to supporting MSMEs in Banyumas Regency in their growth and development. ASPIKMAS collaborates with the Banyumas Regency government to provide assistance to MSMEs, enabling them to enhance their business performance. The Banyumas Regency Government, through the Department of Manpower, Cooperatives, and Small and Medium Enterprises, is conducting training programs for MSMEs aimed at improving market performance and raising awareness of the importance of digitalization (Prihatini, 2023). The training covers various topics, including product processing, bookkeeping, and marketing, with the goal of fostering the development of high-quality MSMEs (Saputra et al., 2021). A key factor in the growth of these enterprises is their market performance. MSME performance is considered effective and developing when it successfully achieves strategic goals, such as increasing market share, enhancing profitability, or fostering innovation. Satisfactory performance can also boost customer trust and strengthen the business reputation or branding of an MSME.

Rapid technological advancements must be accompanied by the adaptation of business actors to the changes that occur. This situation necessitates the integration of technology as a vital component of life, where nearly all aspects are now digital-based (Santoso et al., 2023). In light of increasing competition, particularly in the current digital era, micro, small, and medium enterprises (MSMEs) must continue to innovate to enhance their market performance and sustain their existence. Several factors can support MSMEs in improving their market performance, including digital marketing (Abdullah et al., 2023), digital accounting (Aryanto et al., 2023), and competitive strategy (Wang & Esperança, 2023).

The first factor that can enhance market performance is digital marketing. The implementation of digital marketing strategies can significantly reduce or even eliminate many costs. Furthermore, digital marketing enables more precise targeting, allowing micro, small, and medium enterprises (MSMEs) to allocate their marketing budgets more efficiently. Consequently, the adoption of digital marketing can assist MSMEs in improving their market performance while lowering operational costs associated with traditional marketing methods (Santos et al., 2022). MSMEs have the opportunity to employ various digital marketing strategies to boost their market performance and increase sales volume. Research conducted by Sudirjo et al. (2023) and Sugiana et al. (2023) concluded that digital marketing positively impacts market performance. However, a study by Ramadhani et al. (2022) indicates that digital marketing does not affect market performance.

The second factor that can enhance market performance is digital accounting. In the context of Industry 4.0 and Society 5.0, technological advancements present significant opportunities for micro, small, and medium enterprises (MSMEs) to improve their market performance, particularly in areas such as marketing, transactions, and financial record-keeping (Sunanti

et al., 2022). This transformation aims to increase sales and profits, which is essential for MSMEs to gain a better understanding of consumer needs, enabling them to compete effectively and enhance their market performance relative to competitors (Febriansyah & Prabowo, 2023). The development of accounting applications is designed to simplify financial management for MSMEs, which is anticipated to boost the performance of small and medium-sized businesses. These findings align with research conducted by Anjarwati et al. (2023), Priyanto et al. (2020), and Lina & Permatasari (2020), which indicate that digital accounting positively influences market performance. However, this contrasts with the findings of Putranto & Rani (2022), which suggest that digital accounting has a negative impact on market performance.

The third factor that can enhance market performance is competitive strategy. Companies are currently navigating a dynamic business environment that necessitates heightened vigilance, particularly among micro, small, and medium enterprises (MSMEs). MSMEs must implement effective competitive strategies for their products (Santoso & Astuti, 2018). Competitive excellence can be achieved when a company successfully strengthens its market position, thereby attracting buyer interest and establishing competitive strength (Yuniarti et al., 2020). Companies that can adapt to evolving market trends, respond to consumer needs, produce superior products, manage costs efficiently, and deliver added value to customers at the same or lower costs than their competitors will gain a significant competitive advantage. In general, competitive strategies offer critical advantages in achieving superior market performance (Maziti et al., 2018). Research conducted by Darmawan & Mardikaningsih (2023) and Arif & Safitri (2023) indicates that competitive strategy positively influences market performance. However, research by Hartini (2017) suggests that competitive strategy may have a negative impact on market performance.

The urgency of researching the influence of digital marketing, digital accounting, and competitive strategies on the market performance of Micro, Small, and Medium Enterprises (MSMEs) is driven by the ongoing growth of MSMEs in the digital era. According to studies conducted by Abdullah et al. (2023), Aryanto et al. (2023), and Wang & Esperança (2023), digitalization has the potential to enhance efficiency and improve market performance. The implementation of digital technology allows for more precise targeting, enabling MSMEs to utilize their marketing budgets more effectively.

2. LITERATURE REVIEW

Resource-Based-View (RBV)

According to Barney (1991), the Resource-Based View (RBV) posits that companies can achieve excellence in performance and maintain a competitive advantage if they possess valuable resources, unique capabilities that cannot be imitated, and the skills to absorb and apply them. This theory emphasizes that both physical and non-physical resources in a company or organization can help develop strategies to achieve a competitive advantage (Sari, 2020). The RBV theory serves as a basic model to explain company performance and its ability to develop its capabilities over time (Jovanovic et al., 2020). In the era of an ever-changing digital economy, businesses that are unable to develop these capabilities risk being left behind (Raj et al., 2020).

In this research, the RBV Theory is the basis for explaining how companies can achieve good market performance and maintain a competitive advantage by using the resources and capabilities they have (Hitt et al., 2019). The RBV theory helps in understanding the relationship between digital marketing, digital accounting, and competitive strategy, as well as how managing unique and valuable resources in a digital environment can influence MSME market performance. Improving the market performance of MSMEs through digital marketing, digital accounting, and competitive strategies is driven by the ability of MSMEs to manage and utilize their digital resources optimally. These resources will create competitive advantages that are difficult for competitors to imitate, thereby improving market performance in the long term. By implementing the RBV efficiently, MSMEs can achieve a sustainable competitive advantage, increase profitability, and achieve good market performance in the digital era.

Market Performance

Market performance is a concept used to measure the extent to which a business has achieved success in reaching the

market. This can serve as a mirror for evaluating a company's performance in competition with competitors, where the success of its business in market competition reflects the good performance of all parties involved. Good performance, wide market reach, and the ability to meet market needs are the main goals of all MSMEs. With good performance, it is hoped that an MSME will become a more solid backbone of the economy and will increasingly play an important role in the national economy (Kasendah & Wijayangka, 2019). According to Sudana (2015), market performance describes the extent to which a company can increase the value of its shares traded on the capital market. Apart from that, the performance of MSMEs is also adjusted to individual tasks in the company with certain values or standards (Ayem et al., 2024).

Digital Marketing

Digital marketing is a marketing concept that does not use conventional methods but instead utilizes electronic platforms by leveraging various types of technology (Krishen et al., 2021). Digital marketing employs digital technology such as search engines, social media, email marketing, and mobile applications to promote products or services as a form of innovation (Chinakidzwa & Phiri, 2020). The determinants of digital marketing success are influenced by three important elements: the number of online media visitors, the user's connectedness with the company's business, and personal relationships with target consumers who have been contacted (Muljono, 2019). The effective and efficient application of digital marketing can provide added value to products and businesses because marketing costs are relatively low, and information can be disseminated more quickly with a wider reach.

Digital Accounting

Digital accounting is the process of transforming economic activities in an organization into electronic form by implementing an accounting information system (Miftahurrohman & Sukmawati, 2020). An accounting information system is a system that processes data and transactions to produce information that is useful for planning, controlling, and conducting business (Nazmi et al., 2024). The utilization of information technology, including the digitalization of accounting, can increase the profits and productivity of SMEs (Mutoharoh et al., 2020). However, factors such as limited resources owned by MSMEs can make advanced technology less effective. Digitalization in accounting indicates that accountants and auditors around the world are facing accelerated digitalization, which has the potential to change this profession from its traditional paradigm (Stoica & Ionescu-Feleagă, 2021).

Competitive Strategy

Competitive strategy is an important factor in the economic cycle that is carried out to meet consumer needs (Ikhsani et al., 2021). Competitive strategy is a planned pattern in marketing distribution that supports choices regarding how a business competes to attract target customers and achieve desired goals. This strategy focuses on differentiation, namely choosing to carry out different activities or conducting activities differently from competitors to provide unique value (Porter, 2020). Competitive strategy is related to business performance and influences the quality of strategy implementation (Martin et al., 2020). Competitive strategy arises from various activities that a company may carry out, from design, production, and marketing to supply and other support functions to produce products. Each of these activities can contribute to the relative costs and position of the company, as well as serve as a means of differentiation.

The Effect of Digital Marketing on Market Performance

Digital marketing can be considered a very valuable and rare resource for MSMEs. This is closely related to the RBV theory, which emphasizes the importance of optimizing digital marketing resources by MSMEs. By utilizing and managing resources strategically, MSMEs can gain a competitive advantage that has a direct impact on performance in the market. MSMEs that are able to optimize the use of their digital assets, such as customer data, creative content, and interactions with consumers, tend to have better market performance. Digital marketing includes activities, institutions, and processes supported by digital technology to communicate, create, and convey company value to consumers and other related parties (Krishen et al., 2021). Therefore, digital marketing is considered an effective and efficient method because it can save time, costs, and the effort required. The better the digital marketing strategy implemented, the better the marketing performance of MSMEs

(Effendi et al., 2022). Digital marketing has a positive impact on market performance (Marpaung & Sibarani, 2018; Sudirjo et al., 2023; Purwanti et al., 2022).

H1: Digital marketing has a positive effect on market performance

The Effect of Digital Accounting on Market Performance

According to the Resource-Based View (RBV) theory, digital accounting can be seen as a valuable asset that is difficult to imitate and highly valuable, thus having the potential to be a source of competitive advantage for MSMEs. The use of digital accounting can be considered a strategic resource because it helps MSMEs be more responsive to market changes, manage cash flow effectively, and reduce errors, which ultimately increases operational efficiency (Aurelia et al., 2023). MSMEs that are able to optimize their digital accounting practices can enhance their decision-making processes, improve financial reporting, and ultimately achieve better market performance. By leveraging digital accounting as a strategic resource, MSMEs can position themselves more favorably in a competitive landscape, ensuring long-term sustainability and growth. The application of digital accounting is expected to support better decision-making and more optimal management. By increasing control over MSME operations and efficiency, digital accounting is also anticipated to improve market performance. In research by Larasati et al. (2023), the implementation of this system was proven to be more effective and efficient in enhancing the performance of MSMEs. This finding aligns with other research that demonstrates the positive impact of digital accounting on market performance (Aryanto et al., 2023; Miftahurrohman & Sukmawati, 2020; Mutoharoh et al., 2020).

H2: Digital accounting has a positive effect on market performance

The Effect of Competitive Strategy on Market Performance

According to RBV theory, competitive strategy is a way to manage and optimize MSMEs' unique and valuable resources. Companies that are able to recognize and use digital and competitive resources efficiently tend to achieve better market performance. Improving market performance in MSMEs can be accomplished by ensuring that strategies are suitable for MSMEs (Kurniawati et al., 2021). Companies that implement a competitive strategy will be able to adapt each activity function within the organization and build a cohesive approach that enhances overall effectiveness and efficiency. This adaptability allows MSMEs to respond more effectively to market changes and consumer demands, ultimately leading to sustained competitive advantage and improved market performance. This situation encourages management to enhance MSME efforts to increase productivity, which ultimately can help companies reduce operational costs and improve overall market performance. This capability enables a company to maintain its existence in a competitive environment, where management must work more effectively to achieve the level of efficiency needed to enhance market performance (Darmawan & Mardikaningsih, 2023). Competitive strategy has a positive impact on the market performance of MSMEs, facilitating their ability to adapt and thrive in dynamic market conditions (Porter, 2020; Nabila & Anandya, 2022; Marlina et al., 2020).

H3: Competitive strategy has a positive effect on market performance

3. RESEARCH METHODS

This research uses a population of MSME actors in Banyumas Regency, while the research sample was taken using the purposive sampling method with specific criteria, namely MSMEs in Banyumas Regency under the guidance of ASPIKMAS, a minimum business duration of 3 years, and having carried out digital transformation. As a result, the number of research samples obtained was 106 respondents. In this research, the type of data that will be used is quantitative data sourced from primary data obtained from MSME actors. The data analysis technique used is the statistical method, namely Partial Least Squares (PLS). The analysis process begins with testing the measurement model (outer model), which includes evaluating convergent validity, discriminant validity, and composite reliability. After that, a structural model (inner model) test is carried out to measure how well the developed model can explain and predict the phenomenon under study.

TABLE 1 | Operational Definition and Variable Measurement

NO	Definition	Statement
1.	Digital Marketing (X1) Digital marketing is a product or service marketing strategy that uses digital technology (Abdullah et al., 2023).	We use digital technology to exchange information with partners in real-time We easily find new partners with the help of digital technology We can develop new knowledge with the help of digital technology We will continue to follow developments in digital technology (Wang & Esperança, 2023)
2.	Digital Accounting (X2) Digital accounting is the use of technology to record, process, analyze and report the financial information of a business entity (Aryanto et al., 2023).	We innovate business performance based on digital accounting (recording, processing, analyzing) We can improve business performance and provide digital accounting assistance appropriately We can make the right decisions with the help of digital accounting We plan and implement digital accounting well We use digital accounting to advance digital transformation (Wang & Esperança, 2023)
3.	Competitive Strategy (X3) Competitive strategy refers to the overall capacity of an organization to generate value by implementing digital transformation (Wang & Esperança, 2023).	Competitive strategies help increase competitiveness through digital transformation Competitive strategies through digital transformation help in reducing costs and increasing efficiency Competitive strategies through digital transformation help improve our business reputation Competitive strategy through digital transformation is part of the strategy to increase the value of our products (Wang & Esperança, 2023)
4.	Market Performance (Y) Market performance is the result achieved by an organization in obtaining the desired market share, increasing sales, and achieving profit targets (Wang & Esperança, 2023).	The number of sales increases after digital transformation Revenue increases after digital transformation We will always release new products/services (Wang & Esperança, 2023)

Source: Data processed (2024)

4. RESULTS AND DISCUSSION

4.1 RESULT

Respondent Characteristics

The respondents in this research were MSMEs in the Banyumas Regency area who were under the guidance of ASPIKMAS. The number of respondents involved was 106, all of whom were MSME actors. The following respondent data can be seen in Table 2.

TABLE 2 | Respondent Characteristics

Criteria	Amount	Presentation
By Age		
< 30 years old	7	7%
31 – 40 years old	46	43%
41 – 50 years old	36	34%
> 50 years old	17	16%
Based on length of business		
3 – 5 years old	53	50%
6 – 10 years old	33	31%
> 10 years old	20	19%
By gender		
Female	71	67%
Male	35	33%
Based on monthly turnover		

Criteria	Amount	Presentation
Rp1.000.000 - Rp10.000.000	51	48%
Rp11.000.000 - Rp20.000.000	20	19%
Rp21.000.000 - Rp30.000.000	10	9%
> Rp30.000.000	25	24%
Based on type of business		
Food and Beverage	75	70%
Fashion	11	10%
Creative Industry	8	8%
Health	3	3%
Retails and Services	6	6%
Agriculture and Animal Husbandry	3	3%

Source: Results of Questionnaire Distribution (2024)

Based on Table 2, it can be concluded that the sample in this study was dominated by MSMEs in the age group of 31 to 50 years, which is the productive age for work. Apart from that, most respondents have been running their businesses for more than 3 years, which indicates that they have passed the transition period to the digital transformation era .

Descriptive statistics is a technique for analyzing variables using sample data to provide an overview and describe the variables in the research. This research uses digital marketing, digital accounting, competitive strategy, and market performance variables. The results of the average values of the variables digital marketing, digital accounting, competitive strategy, and market performance are presented in Table 3.

TABLE 3 | Average value of variable

Variable(s)	Indicator	Average
Digital Marketing	DM 1	4,274
	DM 2	4,198
	DM 3	4,236
	DM 4	4,226
Digital Accounting	DA 1	3,868
	DA 2	3,840
	DA 3	4,009
	DA 4	3,906
	DA 5	3,972
Competitive Strategy	CS 1	4,160
	CS 2	4,104
	CS 3	4,142
	CS 4	4,189
Market Performance	MP 1	4,132
	MP 2	4,028
	MP 3	3,972
	MP 4	4,047

Source: SEM-PLS data processing results (2024)

Based on Table 3, the average scores generated for the digital marketing, digital accounting, competitive strategy, and market performance variables show scores in the high and very high categories. This means that the statements in the research

questionnaire can help identify how effective each variable is in influencing MSME market performance .

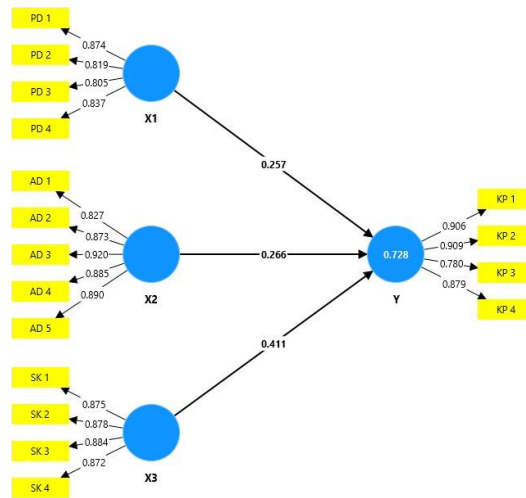


Figure 1. SEM-PLS Model

Evaluation of the measurement model (outer model)

Evaluation of the measurement model (external model) includes validity and reliability tests. The validity test aims to assess the loading factor value of each indicator, which is considered valid if the loading factor is ≥ 0.7 . The Average Variance Extracted (AVE) for each construct should be greater than the correlation value between the construct and other constructs in the model, so it is said to have good discriminant validity. To assess an acceptable level of reliability, composite reliability must be > 0.70 and the Cronbach alpha value must be ≥ 0.60 . Details of the results of the validity and reliability test analysis can be seen in Table 4.

TABLE 4 | Validity and Reliability Test Results

Variable	Indicator	Loading Factor	AVE	Composite Reliability	Cronbach Alpha
Digital	DM 1	0,874	0,696	0,901	0,855
Marketing	DM 2	0,819			
	DM 3	0,805			
	DM 4	0,837			
Digital	DA 1	0,827	0,773	0,945	0,926
Accounting	DA 2	0,873			
	DA 3	0,920			
	DA 4	0,885			
	DA 5	0,890			
Competitive	CS 1	0,875	0,769	0,930	0,900
Strategy	CS 2	0,878			
	CS 3	0,884			
	CS 4	0,872			
Market	MP 1	0,906	0,757	0,925	0,892
Performance	MP 2	0,909			

Variable	Indicator	Loading Factor	AVE	Composite Reliability	Cronbach Alpha
	MP 3	0,780			
	MP 4	0,879			

Source: SEM-PLS data processing results (2024)

Based on the table above, it explains that the AVE in the constructs of Digital Marketing (DM), Digital Accounting (DA), Competitive Strategy (CS), and Market Performance (MP) has produced AVE and loading factors greater than 0.50. Based on the data obtained, it shows that the indicators used in this research are valid, indicating adequate convergent validity.

The table above also states that all constructs for all statements in the questionnaire on statement items related to digital marketing, digital accounting, competitive strategy, and market performance variables have Cronbach alpha values ≥ 0.60 and composite reliability values > 0.70 . Therefore, it can be concluded that all constructs have good reliability.

Besides that, discriminant validity from a measurement model with reflective indicators is assessed based on cross-loading measurements with constructs. If the correlation of the construct with the measurement item is greater than the correlation with the other constructs, it will indicate that the latent construct predicts the measure in the block better than the measure of the other block. The details of the cross-loading analysis results can be seen in Table 5.

TABLE 5 | Discriminant Validity Test Results Cross Loading

Variable	Indicator	DM	DA	CS	MP
Digital Marketing	DM 1	0,874	0,603	0,714	0,738
	DM 2	0,819	0,606	0,666	0,574
	DM 3	0,805	0,488	0,523	0,516
	DM 4	0,837	0,642	0,700	0,696
Digital Accounting	DA 1	0,640	0,827	0,677	0,693
	DA 2	0,574	0,873	0,573	0,608
	DA 3	0,619	0,920	0,675	0,663
	DA 4	0,598	0,885	0,607	0,606
	DA 5	0,662	0,890	0,649	0,696
Competitive Strategy	CS 1	0,662	0,530	0,875	0,644
	CS 2	0,663	0,648	0,878	0,714
	CS 3	0,720	0,684	0,884	0,756
	CS 4	0,719	0,675	0,872	0,710
Market Performance	MP 1	0,745	0,689	0,780	0,906
	MP 2	0,730	0,718	0,770	0,909
	MP 3	0,583	0,604	0,589	0,780
	MP 4	0,596	0,570	0,644	0,879

Source: SEM-PLS data processing results (2024)

Based on the value results of cross-loading between the construct indicators in Table 5, it can be concluded that each indicator in a construct has differences from other constructs, as indicated by the loading scores, which are higher in their own construct. The loading value in the DM variable indicator has a higher value in its own construct compared to the DA, CS, and MP variable constructs. This also occurs with the other variables. Therefore, it can be said that the instrument used in this research has met the criteria for discriminant validity.

Evaluation of the structural model (inner model)

Test results R-Square presented in table 6.

TABLE 6 | Uji R – Square

	R – Square	Adjusted R – Square
Market Performance (Y)	0,728	0,720

Source: SEM-PLS data processing results (2024)

Based on Table 6, the adjusted R-Square value for the market performance variable is 0.720. These results indicate that digital marketing, digital accounting, and competitive strategy influence market performance by 0.720, or 72%, while 28% is influenced by other variables outside this research.

The results of acceptance and rejection of the hypothesis are presented in table 7.

TABLE 7 | Results of acceptance and rejection of the hypothesis

	Original Sample (O)	T statistic (O/STDEV)	P Values	Description
Digital Marketing → Market Performance	0,257	3,252	0,001	H1 accepted
Digital Accounting → Market Performance	0,266	3,431	0,001	H2 accepted
Competitive Strategy → Market Performance	0,411	5,391	0,000	H3 accepted

Source: SEM-PLS data processing results (2024)

Based on Table 7, it shows that the variables digital marketing, digital accounting, and competitive strategy have a positive effect on market performance.

4.2 DISCUSSION**First Hypothesis Testing Results**

The results of the H1 analysis show that digital marketing has a significant positive influence on market performance, as evidenced by p-values of 0.001 and a t-value statistic amounting to 3.252. This supports the RBV theory, which posits that digital marketing is considered an efficient and effective method, especially in reducing the time, costs, and effort required. Digital marketing is understood as the mastery of digital technology and the ability of MSMEs to utilize digital platforms to reach customers. By mastering digital marketing effectively, MSMEs can improve their market performance, as business actors can better optimize market share, sales growth, and customer loyalty. Additionally, digital marketing is often more cost-effective and efficient compared to traditional marketing. The higher quality of digital marketing will contribute to better MSME market performance. This finding is in line with research by Sudirjo et al. (2023), which also shows that digital marketing has a positive impact on market performance.

Second Hypothesis Testing Results

The results of testing H2 show that digital accounting has a significant positive influence on market performance. This is evidenced by p-values of 0.001 and a t-value statistic of 3.431. Based on RBV theory, digital accounting can be considered an important asset that is difficult for MSMEs to imitate. MSMEs that apply digital accounting technology in managing their business will be able to understand the company's financial condition and situation more quickly and accurately. In addition, digital accounting systems help MSME owners reduce the risk of recording errors, often referred to as human error. The implementation of digital accounting also strengthens control over MSME operational activities and increases efficiency, which is ultimately expected to improve performance in the market. This finding is consistent with research conducted by Larasati et al. (2023), which concluded that digital accounting has a positive effect on MSME market performance.

Third Hypothesis Testing Results

The results of H3 testing show that competitive strategy has a positive and significant influence on market performance, with p-values of 0.000 and a t-value statistic amounting to 5.391. This is in line with the RBV theory, which states that companies that implement a competitive strategy can adapt every functional activity in the organization and are unique in understanding the market situation to meet consumer needs. This allows the company to maintain its presence amidst intense competition, with management having to work more effectively to achieve the level of efficiency required to improve market performance. This finding is consistent with research conducted by Marlina et al. (2020), which states that competitive strategy significantly influences MSME market performance because it allows companies to achieve sales growth, increase customer loyalty, and expand their market share. The right utilization of resources and effective competitive strategy management is the key to improving market performance in the MSME sector.

5. CONCLUSION

The results of this research conclude that the market performance of MSMEs is greatly influenced by several important factors, namely digital marketing, digital accounting, and competitive strategy. The use of digital technology in MSME operations has been proven to facilitate various business activities. Digitalization allows business actors to carry out business operations more efficiently and effectively. Apart from that, implementing competitive strategies also helps MSMEs in facing increasingly fierce competition in the market. Technological advances and increasing competition in the business world force MSMEs to be more innovative in utilizing technology. MSMEs need to adopt competitive business strategies in order to survive and develop. In this research, the majority of MSME respondents in Banyumas Regency demonstrated the ability to implement digitalization in their operations. However, there are still some MSME players who are not ready to digitalize. This indicates that increasing understanding and skills regarding digitalization is still very necessary so that its implementation can be carried out optimally.

6. LIMITATIONS AND IMPLICATION

This research has several limitations, namely: First, the distribution of questionnaires is still comprehensive for types of business, so the data produced is still heterogeneous. Second, the minimum business length criteria is 3 years. Therefore, to obtain a more comprehensive picture, it is recommended that further research focus on one type of business throughout Banyumas Regency and is expected to add moderating variables so that it can provide more in-depth results regarding the factors that influence market performance.

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