Digital Marketing, Competitive Advantage, Moderation of Financial Self-Efficacy: Implications for Marketing Performance of MSME Sector of Processed Patin Fish Products in Kampar Regency, Riau Province

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Abstract. This study aims to measure the influence of digital marketing, competitive advantage, and financial self-efficacy as moderating variables and their impact on marketing performance in the MSME sector of processed patin fish products in Koto Mesjid Village, XIII Koto Kampar District. This study uses a quantitative approach with primary data collection by distributing questionnaires to 50 business actors and data processing using Partial Least Square (PLS) statistical techniques. The results of this study confirm that digital marketing does not have a significant effect on marketing performance, competitive advantage has a significant effect on marketing performance, financial self-efficacy variables have a direct and significant effect on marketing performance, financial self-efficacy variables do not moderate the effect of digital marketing on marketing performance, financial self-efficacy variables do not moderate the effect of competitive advantage on marketing performance. Several other factors or variables still affect marketing performance variables both directly and through moderation.

Keywords: *Digital Marketing, Competitive Advantage, Financial Self-Efficacy, Marketing Performance, MSME Sector*

INTRODUCTION

The Village Development Index or IDM is a Composite Index formed from the Social Resilience Index (IKS), Economic Resilience Index (IKE), and Village Ecological Resilience Index (IKL). This definition is stated in Article 1, number 8 of the Regulation of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration of the Republic of Indonesia (Permendesa PDTT-RI) Number 2 of 2016 concerning the Developing Village Index. The Developing Village Index classifies villages into five (5) statuses, namely: (i) Very Disadvantaged Village, (ii) Disadvantaged Village, (iii) Developing Village, (iv) Advanced Village, and (v) Independent Village. The Village Classification aims to show each Village's characters' diversity in the score range of 0.27–0.92 on the Developing Village Index. The classification into 5 Village statuses also aims to sharpen the determination of Village development status and recommendations for necessary policy interventions. The following are Village statuses classified based on thresholds:

Table 1. Village Status Based on Threshold (Score)

No	Village Status	Threshold
1	Very Underdeveloped Village	IDM Ÿ 0,4907
2	Underdeveloped Village	0,4907 < IDM Ÿ 0,5989
3	Developing Village	0,5989 < IDM Ÿ 0,7072
4	Advanced Village	0,7072 < IDM Ÿ 0,8155
5	Independent Village	IDM > 0,8155

Source: Regulation of the Minister of Village Development of Underdeveloped Villages and Transmigration No. 11 of 2014 concerning Village Development of Underdeveloped Regions and Transmigration of the Republic of Indonesia No. 2 of 2016.

Table 1 shows the classification of Village status to determine development status and recommend policy interventions that need to be carried out. So, the approach and intervention applied to the status of Very Underdeveloped Village, Underdeveloped Village, Developing Village, Advanced Village, and Independent Village. Developing a Village is associated with the situation and conditions of the underdeveloped and very underdeveloped Villages, which vulnerability factors can explain. Compiling/updating the I.D.M. is to support the Government's efforts to overcome underdeveloped villages and increase independent villages. The aim is to determine the Village progress and independence status and provide essential data and information for Village development. The scope is carried out to prepare I.D.M. components, the status of Village progress and independence, and the utilization and management of I.D.M. data (Article 2 of Permendesa PDTT-RI No. 2 of 2016).

Koto Masjid Village is an advanced Village. This Village is known as Kampung Patin. This Village has a cultivation pond that specifically cultivates patin fish. The catfish cultivation business in Koto Mejid Village began in 2003-2012 with support from P.T. Telkom Pekanbaru. The environmental conditions of Koto Mejid Village refer to the area located on the outskirts of the Koto Panjang Hydroelectric Power Plant Reservoir. This makes Koto Mejid Village, as well as a center for developing inland pond fisheries, also have the potential to create floating net cages (K.J.A.) in the Koto Panjang Hydroelectric Power Plant Reservoir. The following is data on the development of the I.D.M. status of Koto Mejid Village XIII Koto Kampar in 2018-2023:

Table 2. Development of I.D.M. Status of Koto Mesjid Village, XIII Koto Kampar District 2018-2023

No	Year	IKS	IKE	IKL	IDM Value	Status
1	2018	0,70290	0,68330	0,66670	0,68430	Developing
2	2019	0,88000	0,75000	0,66667	0,76556	Advanced
3	2020	0,91430	0,88330	0,66670	0,82140	Independent
4	2021	0,90860	0,91670	0,66670	0,83060	Independent
5	2022	0,90860	0,91670	0,66670	0,83060	Independent
6	2023	0,89140	0,91670	1,00000	0,93600	Independent

Source: Kampar Regency PMD Service 2023

Table 2 shows that in 2018-2023, Koto Mesjid Village achieved Village status from a developing Village in 2018 to an independent Village in 2023. The Developing Village Index (I.D.M.) classification aims to support efforts to achieve Village and rural area development targets, namely eliminating 5,000 Underdeveloped Villages and adding at least 2,000 Independent Villages as stated in the 2015-2019 National Medium-Term Development Plan. For this reason, clarity is needed regarding Village progress and independence throughout Indonesia. The clarity of this status will facilitate stakeholders in the development and empowerment of Village communities, especially the Government and Village communities themselves, in managing growth and achieving Village development goals.

LITERATURE REVIEW

Digital Marketing. According to Pomirleanu et al. (2013), digital marketing is a marketing activity that includes branding and uses various web-based media such as blogs, websites, email, AdWords, and social networks. According to Coviello, Milley, and Marcolin (2001), Digital Marketing uses the internet and other interactive technologies to create and connect dialogue between companies and identified consumers. The role of digital marketing strategy can be vital in keeping up with the development of digital technology and developing plans to attract consumers and direct them to a combination of electronic and traditional

communication. According to (Chaffey & Ellis-Chadwick, 2019), digital marketing uses digital technology applications. The digital marketing paradigm has resulted in drastic changes and shifts in the world market and increased the prevalence of customer intentions and purchasing power, resulting in several applications of advanced technology. Business technology is created to respond to business changes (Kannan & Li, 2017; Poturak & Softic, 2019).

Competitive Advantage. Competitive advantage results from implementing strategies that utilize various resources owned by the company. Unique expertise and assets are seen as sources of competitive advantage (Afsharghasemi et al., 2013). The idea of competitive advantage that is full of strength is to recognize competitive advantage as a tool to achieve goals (Kontes, 2010). In addition, competitive advantage is the ability of an organization to increase value for customers further, and compared to competitors who have a relatively advantageous position, the challenge is to maintain each advantage for an achievement (Al-Rfou & Trawneh, 2010).

Financial Self-Efficacy. It can be assessed both in general and in general. This self-efficacy science is considered stable in dealing with and eliminating difficulties in a person's or company's finances (Nyoman, 2018). According to Kojo Oseifuah (2010), it is said that a person's belief in his ability to succeed in growing entrepreneurial souls. The basis of Bandura's social cognitive theory (Yusuff et al., 2019) is a reciprocal that describes the interaction between three factors: behavior, environmental factors, and personal (Yusuff et al., 2019). Behavior refers to skills and actions. Environmental factors refer to aspects such as social context and situation. Personal factors are cognition, self-efficacy, or self-confidence (Yusuff et al., 2019).

Marketing Performance. A concept or component known as marketing performance is often used to assess the effectiveness of a company's plans (Munir et al., 2019). Different corporate cultures and leadership philosophies impact a company's perception of the effectiveness of ongoing marketing initiatives, highlighting the need to assess marketing performance. Based on Baker and Sinkula's (2009) research, sales value, profit fluctuations, and changes in revenue proportion are used to assess marketing performance in terms of Profitability. In addition, Avlonitis and Gounaris (1997) measured marketing performance by revenue, gross margin, return on investment, and market share.

METHOD

This study uses explanatory research modeling to test a theory or hypothesis to strengthen or even reject the theory or hypothesis of existing research results or to determine the extent of the influence between independent variables and dependent variables and moderation. The research method used in this study is a quantitative descriptive research method, namely research conducted to determine the value of independent variables, either one or more variables (independent), without comparing or connecting one variable with another (Sugiyono, 2013). In addition, researchers use a descriptive method with a quantitative approach, interpreted as a research method based on positivism, to study specific populations or samples. Data collection uses research instruments; data analysis is quantitative or statistical to test the established hypothesis (Sugiyono, 2017).

This study aims to determine and explain whether digital marketing and competitive advantage directly affect marketing performance and financial self-efficacy variables as moderation can affect the marketing performance of the MSME business sector of processed catfish cultivation products in Kampar Regency, Riau Province. The subjects of this study were business actors in the processed product sector of the UMKM business sector of processed patinfish cultivation products in Kampar Regency, Riau Province. According to Arikunto (2010), if the Population is less than or equal to 100, all samples must be taken;

if the Population is more significant than 100, the sample taken is 10% - 15% or 20% - 25% of the Population. Samples were taken from 50 respondents using census techniques. Primary data were collected through a questionnaire-based survey distributed using a questionnaire to obtain data from consumer responses distributed using closed questions, namely questions with answer choices provided by the researcher. The advantage of using a questionnaire is that respondents can understand the contents of the statement and are classified as business actors who are enthusiastic and take the initiative to improve or maintain the marketing performance of the UMKM business sector of processed catfish cultivation products in Kampar Regency, Riau Province. The data was then processed using Partial Least Square (PLS) with a Structural Equation Modeling (SEM) equation model based on components or variants.

RESULTS OF RESEARCH AND DISCUSSION

PLS Analysis (Outer Model)

Outer model evaluation in PLS-SEM is carried out to assess the validity and reliability of the model (Ghozali, 2021). By using valid and reliable instruments in data collection, it is hoped that the research results will be valid and reliable (Sugiyono, 2017). The initial evaluation stage hypothesis model uses an outer or measurement model. Then, the primary data will be processed and estimated as respondent answer scores using the Smart PLS3 application. This stage involves selecting a good research model that will be applied to analyze the hypothesis. The following are the findings of construct indicator estimation using SmartPLS in the initial model :

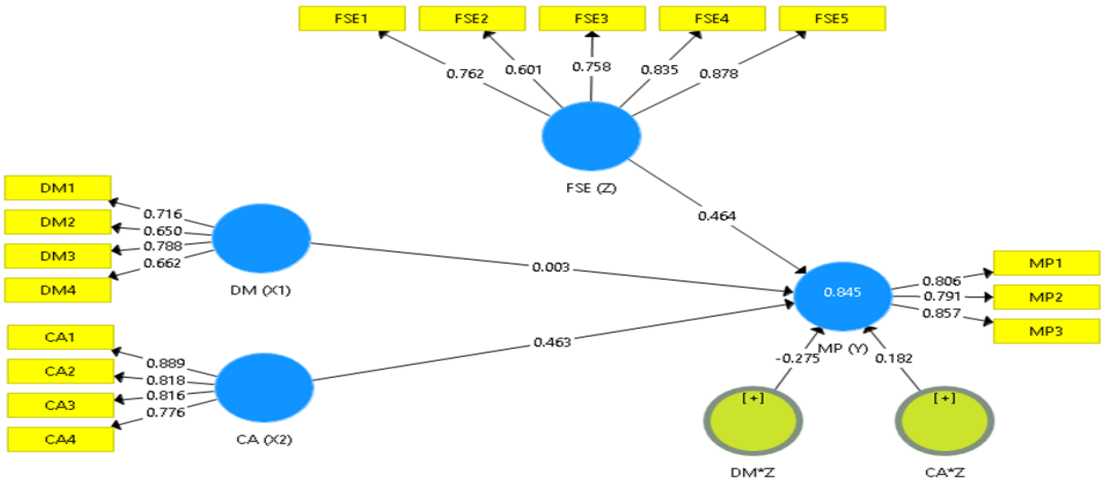

Figure 1. PLS Algorithm Results (First Order)

In outer mode, the loading factor value shows the correlation between the indicator and its construct. Indicators with low loading values indicate the indicator works on its measurement model. The expected loading value is > 0.7 (Ghozali et al., 2015). From the results of the PLS Algorithm above, there are still loading factor values below 0.7, namely DM2 and FSE2.

Convergent validity (Outer Loading)

Convergent Validity Order is intended to determine whether the indicator is valid when measuring the dimensions. The loading factor's size indicates each indicator's convergent validity when measuring the dimensions. An indicator is declared valid if the loading factor is positive and more significant than 0.7. The results of the convergent validity Order test are presented in the following table:

Table 3. ***Outer Loading***

	CA (X2)	CA*Z	DM (X1)	DM*Z	FSE (Z)	MP (Y)
CA (X2) * FSE (Z)		0,943				
CA1	0,889					
CA2	0,818					
CA3	0,816					
CA4	0,776					
DM (X1) * FSE (Z)				1,069		
DM1			0,716			
DM2			0,650			
DM3			0,788			
DM4			0,662			
FSE1					0,762	
FSE2					0,601	
FSE3					0,758	
FSE4					0,835	
FSE5					0,878	
MP1						0,806
MP2						0,791
MP3						0,857

Based on the information above, it can be seen that the results of the digital marketing variable (X1) produce a loading factor greater than 0.7. The conclusion means that the digital marketing variable (X1) is stated as valid when measuring its dimensions. The following result can be seen in the competitive advantage variable (X2), producing a loading factor greater than 0.7 (DM1 and DM3), but for DM 2 and DM 4, it is close to 0.7. The conclusion means that the competitive advantage variable (X2) is yet to be validated in measuring its dimensions. The following result can be seen in the financial self-efficacy variable (Z), producing a loading factor greater than 0.7 (FSE1, FSE3, FSE4, and FSE5), but for FSE2, it is close to 0.7. The conclusion means that the financial self-efficacy variable (Z) is yet to be validated in measuring its dimensions. Furthermore, the marketing performance variable (Y) results produce a loading factor greater than 0.7. The conclusion means that the competitive advantage variable (Y) is stated as valid when measuring its dimensions.

Discriminant Validity

Discriminant validity is carried out to ensure that each concept of each latent model is different from other variables. Validity testing is carried out to determine how precisely a measuring instrument performs its measurement function (Ghozali, 2016). In SMART-PLS, discriminant validity testing can be assessed based on the fornell-larcker criterion and cross loading. In the fornell-larcker criterion test, discriminant validity is likely good if the root of the AVE on the construct is higher than the correlation of the construct with other latent variables. In contrast, the cross loading test must show a higher indicator value for each construct compared to the indicators on other constructs (Sekaran & Bougie, 2016).

Tabel 4. ***Matrik Average Variance Extracted (AVE) & Composite Reliability***

Construct Reliability and Validity

Matrix	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
CA (X2)	0.844	0.850	0.895	0.682
CA*Z	1.000	1.000	1.000	1.000
DM (X1)	0.665	0.676	0.798	0.498
DM*Z	1.000	1.000	1.000	1.000
FSE (Z)	0.825	0.829	0.879	0.597
MP (Y)	0.754	0.760	0.859	0.670

The AVE value of the Rule of Thumbs is above 0.5, which makes it easier for us to see the green color in the AVE results. In the construct reliability and validity table, one value is not yet valid below the AVE value, which is 0.498 DM (X1). Based on the table above, the composite reliability value for the digital marketing variable (X1), competitive advantage (X2), financial self-efficacy (Z), and marketing performance variable (Y) is more significant than 0.7. Based on the calculation of composite reliability, all variables that measure dimensions are declared reliable.

Inner Model

R-Square

After the estimated model meets the criteria of the outer model, the following is a structural model test (inner model). The following is the R-square value, or what is often called the R^2 Determination Coefficient. R-Square measures the proportion of variation in the value of the influenced variable (endogenous) that can be explained by the influencing variable (exogenous).

Table 5. ***R-Square***

R Square

Matrix	R Square	R Square Adjusted
	R Square	R Square Adjus...
MP (Y)	0.845	0.828

The marketing performance R-Square Adjusted value is 0.828, according to the table above. This shows that digital marketing, competitive advantage, and financial self-efficacy strongly influence 82.8% of the marketing performance variable. At the same time, additional factors outside this study are 17.2%.

Hypothesis Testing

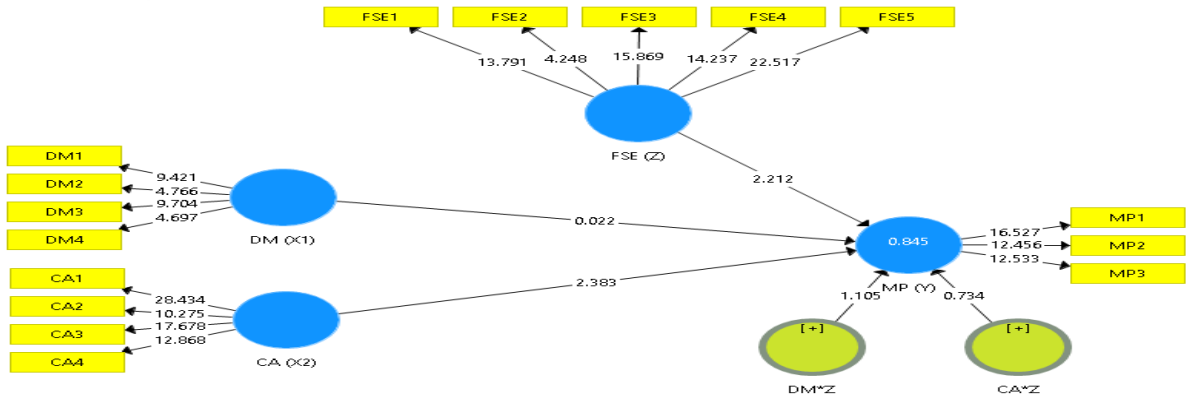

Figure 2. Bootstrapping output

Table 6. Hypothesis Testing (Bootstrapping)

Path Coefficients

Mean, STDEV, T-Values, P-Values	Confidence Intervals	Confidence Intervals Bias Corrected	Samples

	Original Sampl...	Sample Mean (...	Standard Devia...	T Statistics (|O/...	P Values
CA (X2) -> MP (Y)	0.463	0.448	0.194	2.383	0.018
CA*Z -> MP (Y)	0.182	0.099	0.249	0.734	0.464
DM (X1) -> MP (Y)	0.003	-0.024	0.157	0.022	0.983
DM*Z -> MP (Y)	-0.275	-0.182	0.249	1.105	0.270
FSE (Z) -> MP (Y)	0.464	0.501	0.210	2.212	0.027

Based on the table above, it can be concluded as follows:

1. Digital marketing (X1) on marketing performance (Y) = original sample 0.003 (positive), p-value 0.983 > 0.05 (H1 = not significant)
2. Competitive advantage (X2) on marketing performance (Y) = original sample 0.463 (positive), p-value 0.018 < 0.05 (H2 = significant)
3. Financial self-efficacy (Z) on marketing performance (Y) = original sample 0.464, p-value 0.027 < 0.05 (H3 = significant)

Moderated regression analysis helps test the influence of moderating variables in strengthening or weakening the relationship between independent and dependent variables. The criteria are as follows:

1. If the P-value <0.05, then significant means that the moderating variable plays a role in moderating (strengthening or weakening) the relationship between an exogenous variable and an endogenous variable.
2. If the P-value> 0.05, then insignificant means that the moderating variable does not play a role in moderating (strengthening or weakening) the relationship between an exogenous variable and an endogenous variable.

Based on the table above, it can be concluded as follows:

1. Digital marketing (X1) moderated by financial self-efficacy (Z) on marketing performance (Y) = original sample -0.275 (negative/weakening), p-value 0.270> 0.05 (H4 = not significant), meaning that financial self-efficacy (Z) weakens the influence of digital marketing (X1) on marketing performance (Y) but not significantly.
2. Competitive advantage (X2) moderated by financial self-efficacy (Z) on marketing performance (Y) = original sample 0.182 (positive/strengthening), p-value 0.464> 0.05 (H5 = not significant), meaning that financial self-efficacy (Z) weakens the influence of competitive advantage (X2) on marketing performance (Y) but not significantly.

CONCLUSIONS AND SUGGESTIONS

Conclusions

Based on the results of the analysis and discussion that researchers have conducted in Digital Marketing, Competitive Advantage Moderation Financial Self-Efficacy: Implications for Marketing Performance of the MSME Business Sector of Processed Patin Fish Cultivation Products in Kampar Regency, Riau Province, the following conclusions can be drawn:

1. Digital marketing (X1) does not directly influence the marketing performance (Y) of the MSME business sector of processed patin fish cultivation products in Kampar Regency, Riau Province.
2. Competitive advantage (X2) directly influences the marketing performance (Y) of the MSME business sector of processed patin fish cultivation products in Kampar Regency, Riau Province.

3. Financial self-efficacy (X_3) directly influences the marketing performance (Y) of the MSME business sector of processed patin fish cultivation products in Kampar Regency, Riau Province.
4. Digital marketing (X1) has an indirect influence on marketing performance (Y) moderated by financial self-efficacy (Z) in the MSME business sector of processed patin fish farming products in Kampar Regency, Riau Province.
5. Competitive advantage (X2) has an indirect influence on marketing performance (Y) moderated by financial self-efficacy (Z) in the MSME business sector of processed patin fish farming products in Kampar Regency, Riau Province.

Suggestions

Based on the research results and conclusions described above, the researcher provides suggestions that can be used as a contribution of thought for the UMKM business sector of processed patin fish cultivation products in Kampar Regency, Riau Province. The suggestions from the researcher are as follows:

1. Digital marketing uses the internet and other interactive technologies to create and connect dialogue between companies and identified consumers. The role of digital marketing strategies can be vital in keeping up with the development of digital technology and developing plans to attract consumers and direct them to a combination of electronic and communication communications so that it can be suggested that an excellent digital marketing strategy will be able to improve and maintain the marketing performance of the MSME business sector of processed patin fish cultivation products in Kampar Regency, Riau Province.
2. Competitive advantage is achieved in activities in an industry or market by creating competitive economic value. It states that creating competitive advantage is an effort to provide benefits to customers through better differentiation than competitors and also an effort to obtain the most efficient costs in order to be able to present competitive pricing policies, so it can be suggested that with an excellent competitive advantage strategy will be able to improve and maintain the marketing performance of the UMKM business sector of processed patin fish cultivation products in Kampar Regency, Riau Province
3. Financial self-efficacy can be assessed both in general and in general. This self-efficacy science is considered stable in dealing with and eliminating difficulties in a person's or company's finances. Financial self-efficacy is a person's belief in their ability to succeed in growing entrepreneurial spirits, so it can be suggested that good financial self-efficacy will be able to improve and maintain the marketing performance of the UMKM business sector of processed catfish cultivation products in Kampar Regency, Riau Province.

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