

CHAPTER V

CLOSING

5.1 Conclusion

Based on the results in this study, several conclusions can be drawn as follows:

- 1) The results of the analysis show that market orientation has a significant and positive influence on the business performance of the Small and Medium Food Industries in Payakumbuh City and Lima Puluh Kota Regency. This explains that the stronger the market orientation of the small and medium-sized food industry, the higher the business performance.
- 2) The results of the analysis show that market orientation has a significant and positive influence on the innovation of the Small and Medium Food Industries in Payakumbuh City and Lima Puluh Kota Regency. This shows that the higher the market-oriented activity of the Small and Medium-sized Food Industry, the higher the innovation.
- 3) The results of the analysis show that knowledge sharing has a weak significant and negative influence on the business performance of the Small and Medium Food Industries in Payakumbuh City and Lima Puluh Kota Regency. This describes that the higher the knowledge sharing in the Small and Medium Food Industry it will not influence its business performance.
- 4) The results of the analysis show that knowledge sharing has a significant and positive influence on the innovation of the Small and Medium Food Industries in Payakumbuh City and Lima Puluh Kota Regency. This states that the higher the knowledge sharing in the Small and Medium Food Industry, the higher the innovation will be.

- 5) The results of the analysis show that innovation has a significant and positive influence on the business performance of the Small and Medium Food Industries in Payakumbuh City and Lima Puluh Kota Regency. This condition indicates that the better the innovation in the Small and Medium Food Industry, the higher the performance.
- 6) The results of the analysis show that use of electronic marketing has a significant and positive influence on the business performance of the Small and Medium Food Industries in Payakumbuh City and Lima Puluh Kota Regency. This explains that the higher the use of e-marketing by the Small and Medium Food Industry, the higher the possibility of increasing the business performance.
- 7) The results of the analysis show that innovation that partially mediates the relationship between market orientation and business performance of the Small and Medium Food Industries in Payakumbuh City and Lima Puluh Kota Regency. This indicates the better innovation, the stronger market orientation will influences business performance.

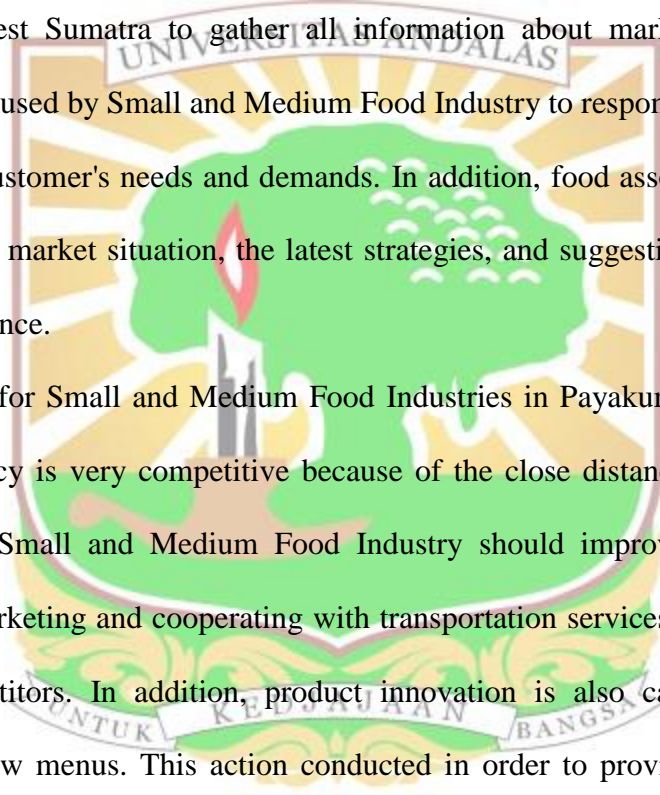
5.2 Research Implications

Based on the study results and the conclusions obtained, several useful implications were found for the Small and Medium Food Industries in optimizing Market Orientation, Innovation, Knowledge Sharing, and the Use of Electronic Marketing in order to optimize Business Performance. It is hoped that the current study can be a reference for Small and Medium Food Industry business actors in running their business, in order to improve their business performance. The implications of this study are as follows:

5.2.1 Market Orientation

The results of the questionnaire answers show that the second indicator of the market orientation variable, in which the Small and Medium Food Industries is competitor-oriented, is the weakest indicator. Hence, in order to increase the influence of market orientation, business actors must pay more attention to competitors. Owners and managers of Small and Medium Food Industry in Payakumbuh City and Lima Puluh Kota Regency can join food associations in West Sumatra to gather all information about market conditions. This information can be used by Small and Medium Food Industry to respond to competitors and properly prepare customer's needs and demands. In addition, food association will provide an overview of the market situation, the latest strategies, and suggestions that can support improved performance.

Competition for Small and Medium Food Industries in Payakumbuh City and Lima Puluh Kota Regency is very competitive because of the close distance. Therefore in this pandemic period, Small and Medium Food Industry should improve their services by utilizing online marketing and cooperating with transportation services to serve consumers better than competitors. In addition, product innovation is also carried out to attract consumers with new menus. This action conducted in order to provide convenience and comfort for consumers during the pandemic. Therefore, it is important for business actors to pay attention to competitors' actions and adopt several strategies implemented by competitors in order to survive. All of this information can be easily obtained through the Food Association.



5.2.2 Innovation

During the Covid-19 pandemic, product sales from the Small and Medium Food Industry will experience a decline, therefore they must be creative and varied in processing products. In order to improve the knowledge and human resources of the Small and Medium Food Industry, they can take part in training held by the government. The Department of Trade and Industry continues to help promote and innovate product development for SMI players, such as for SMI Product Innovation Improvement Training. Through this training, Small and Medium Food Industry players can increase knowledge, competence and innovation in improving product quality and quality.

In addition, the results of the questionnaire answers indicate that the second indicator of the innovation variable, in which the Small and Medium Food Industries improving or revising existing services, is the weakest indicator. Therefore, to increase the impact of innovation, Small and Medium Food Industry players must pay more attention to the services provided. During this pandemic, consumer behavior is changing. Changes in behavior must also be followed by changes in service. Innovation is not only done in products, but also applies to services. Consumers currently tend to prefer to shop online although large-scale social restrictions have been removed. Therefore, the service must also be adjusted, such as by providing online transactions, such as Gopay, etc. then, customers can easily transact remotely. Then also cooperate with transportation services to serve consumers such as Gojek, Payokurir which play a role in delivering orders to consumers. This service improvement will provide satisfaction to consumers, therefore consumers will make repeat purchases in the future.

5.2.3 Knowledge Sharing

The results of the questionnaire indicate that the first and last indicator of the knowledge sharing variable, in which the Small and Medium Food Industries business man exchange important information and learn a lot with relevant parties in the business environment are the biggest indicators. In order to increase the influence of knowledge sharing, the owners and managers of Small and Medium Food Industry in Payakumbuh City and Lima Puluh Kota Regency is expected to optimize business learning with related parties in the business environment. They can actively participate in trainings held officially by the government such as the Department of Trade and Industry.

One of the programs of the Department of Trade and Industry is to carry out development activities for SMIs centers which are expected to be able to build quality and professional centers that are competitive. The program provides guidance on central institutional management, production management, marketing management, financial center management, and business strategy development. In addition, The Ministry of Industry and the Ministry of State Secretariat again held a capacity building program and knowledge sharing regarding the development of small and Medium Industries. These programs are expected to help SMIs to survive in the midst of the Covid-19 pandemic, and can also be done through online seminars and training.

Training can also be obtained from communities related to business backgrounds such as the Sahabat UMKM Community. This community is a forum for interaction between entrepreneurs with training, coaching and mentoring programs that aim to develop the business potential of business man and optimize marketing networks. And owners and managers of Small and Medium Food Industry can join food associations to gather

information and support businesses. Through these programs, it is hoped that they will be able to develop the insight of business man, therefore they can improve their abilities in developing businesses.

5.2.4 Use of Electronic Marketing

Digital training for small and medium industry (IKM) players is very important during the Covid-19 pandemic, which must comply with health protocols. The Ministry of Industry held the Go Digital SMIs program aimed at increasing the knowledge of small and medium industries, increasing competence in digital technology for small and medium industries, and improving the management capabilities of small and medium industries. Therefore, the Small and Medium Food Industry must participate in the programs held by the Ministry of Industry. Small and Medium Food Industry players will receive training, mentoring, and mentoring to increase the reach of online marketing, help promote product strategies in the online market.

The results of the questionnaire answers indicate that the first and last indicator of the knowledge sharing variable, in which the Small and Medium Food Industries have a computerized customer database which is used to carry out marketing activities such as informing customers about new products, is the weakest indicator. The provision of a computerized customer database will be useful for business actors to describe record customer blacklists, determine market potential, and carry out marketing activities. With the database, business actors will find out which customers have problems in buying and selling transactions, by entering them into the blacklist category due to certain reasons, such as fake customers or customers who have problems with payments. A complete and accurate database will greatly assist business actors in determining market potential by region or age

group in order to analyze the right product for the right buyer. If the sales potential in the targeted area is low, then business man can immediately determine promotional strategies or other marketing activities that can boost sales then improve business performance.

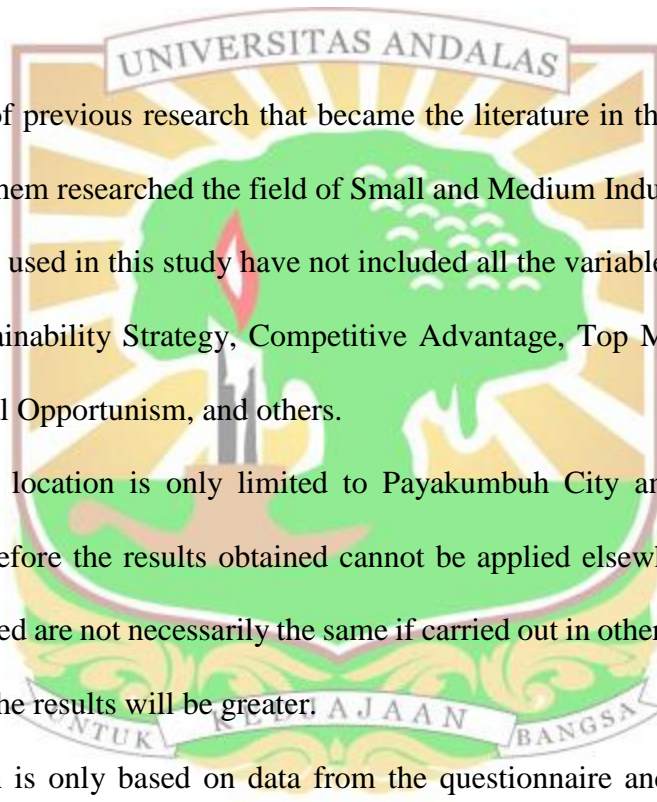
5.3 Research Limitations

The limitations of this research are expected to be a lesson for further research in the future. Some of the limitations in the study that may affect the results of the study are as follows:

1. The objects of previous research that became the literature in this study were SMEs, and none of them researched the field of Small and Medium Industries.
2. The variables used in this study have not included all the variables in previous studies such as Sustainability Strategy, Competitive Advantage, Top Management Support, Technological Opportunism, and others.
3. The research location is only limited to Payakumbuh City and Lima Puluh Kota regency, therefore the results obtained cannot be applied elsewhere. This due to the results obtained are not necessarily the same if carried out in other areas, and if the area is expanded the results will be greater.
4. This research is only based on data from the questionnaire and does not use other methods in collecting research data.

5.4 Suggestion

The suggestions that can be given by author related to the results of this study are as follows:



5.4.1 For Government

Suggestions addressed to the Government of Payakumbuh City and Lima Puluh Kota Regency, it is hoped that the government can pay more attention to the condition of Small and Medium Food Industries during the pandemic and also provide equitable assistance funds, because many business actors in Payakumbuh City and Lima Puluh Kota Regency have not received information about assistance. Most of the Small and Medium Food Industry business actors are young people, hence, the government must support their interests and talents in entrepreneurship. In order to provide education and improve their entrepreneurial skills, this can be achieved through entrepreneurship training programs, online shop web training, conducting socialization and technical guidance on business development in collaboration with the Ministry of Cooperatives and SMEs, as well as the Ministry of Industry.

5.4.2 For Business Owners

Suggestions for Small and Medium Food Industry business actors, in order to survive in the midst of competition, they should pay more attention to the use of electronic marketing. Through the use of electronic marketing, Small and Medium Food Industries can easily create and manage good relationships with customers. This due to electronic marketing such as Instagram, Whatsapp, Facebook, and others is one of the effective and efficient service channels for marketing strategies. Then, increase the ability to innovate to be able to compete and survive in times of crisis.



5.4.3 For Further Research

Suggestions for further researchers are expected to be able to develop other variables in a wider scope that affect business performance. Such as the addition the variable of government support, sustainability strategy, competitive advantage, top management support, technological opportunism, and other. Then it is hoped that further researchers can use different objects, therefore knowledge about business performance can be wider.

