

Improving the Performance and Competitiveness of the Company Through the Implementation of Blue Ocean Strategy in MSMEs Which Promotion is On-Line in Karangasem District

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Abstract - The existence of Micro, Small and Medium Enterprises (MSMEs) in quantity is relatively large, but their contribution to GRDP and export value is still relatively low. This condition requires MSMEs to make innovative breakthroughs in an effort to improve performance and competitiveness. One of the strategies used by MSMEs is to start doing digital marketing. Based on the above, this study aims to test and find out to what extent SMEs in Karangasem Regency have implemented the principles of blue ocean strategy, one of which is through the application of online marketing, affecting performance and competitiveness. From the results of this test, it will then be studied qualitatively how the performance of MSMEs whose promotion is via online and has applied the principles of blue ocean strategy to the existence of the company's performance and competitiveness. This research was conducted on 30 MSMEs whose promotion was via online in Karangasem Regency. The research includes explanatory research (explanatory research) and survey research using questionnaires as a data collection tool. The analytical technique used is descriptive and inferential statistical analysis techniques. The results of the study indicate that through descriptive statistical analysis (Variable Frequency Distribution Analysis) it is known that all

MSMEs have implemented the blue ocean strategy well with an average value of 4.015 (good). Meanwhile, through the path analysis technique, it can be proven that the blue ocean strategy has a positive and significant direct effect on the company's performance and the competitiveness of MSMEs (significance value < 0.05). Another finding in this study shows that in building the competitiveness of SMEs, the relationship path that is considered very effective is the path of the relationship between the company's performance and the competitiveness of SMEs because it has the largest path coefficient value, which is 0.878 (greater than the direct relationship path of the blue ocean strategy to competitiveness), which is equal to 0.590).

Keywords: *Blue Ocean Strategy, Performance and Competitiveness of SMEs.*

I. INTRODUCTION

1.1 Background of the Study

The COVID-19 pandemic caused the Bali economy to contract by -19%. However, the MSME sector continues to grow and can be said to be the savior of the economy in these difficult times. The

number of SMEs in quantity is relatively large, but their contribution to GDP and export value is still relatively low. This condition urges MSMEs to make innovative breakthroughs in an effort to continuously improve performance and competitiveness. Based on data from the Bali Provincial Government in 2020, out of 340,000 MSMEs in Bali, only 250,000 MSMEs have gone digital or 73.52% and 26.48% are still moving towards digital-based performance. This figure historically provides an opportunity for MSMEs that have not used digital platforms to immediately follow this technology. As we know that the role of technology, especially in the era of the industrial revolution 4.0 and society era 5.0, technology is an important asset in the development of a business entity, be it MSMEs, BUMN, BUMD and even international companies. We can see how companies pay attention to the increasing role of technology by constantly upgrading their technology.

If we do reflection at the time of the COVID-19 pandemic, obviously the deterioration in turnover is understandable because it is very difficult to move for these MSME actors. This requires management to pay special attention so that MSMEs have resilience and agility in facing this very high turbulence. Then MSMEs also need to take anticipatory steps by mitigating risks. Furthermore, how MSMEs have a framework of action to support the business continuity plan, namely: first, assist MSMEs with financial resources; secondly create an adequate, durable and efficient digital infrastructure; thirdly improve digital literacy through training, mentoring, and continuous coaching programs; and the fourth is implementing technology transfer alignment programs.

Through innovation, companies will be able to produce products and services with certain characteristics that cannot be found in other products made by competing companies. This is a good start for a business to win the competition. Business actors who are able to adapt in accommodating the needs and desires of consumers can certainly make them to have a better perception of the products value produced by the business. Blue Ocean Strategy is a form of innovation in business strategy that can be applied in running a business with an increasingly fierce level of competition.

According to Kim and Mauborgne in [1], blue ocean strategy is part of the business strategy process by applying control of uncontested market space so that competition becomes irrelevant. The market that is not contested is analogous to a blue ocean where an organization plays alone without any competitors. According to Mauborgne in Wahono (2012) a company needs to develop a blue ocean strategy in terms of buyer utility, price, cost, and adoption. As a starting point in carrying out a blue

ocean strategy, it is to create a strategic profile that is able to focus, be divergent, and have an alluring motto that attracts buyers.

[2] stated in their journal entitled "Implementation of Blue Ocean Strategy in Amsterdam Coffee" explaining that before Kim and Mauborgne created the concept of Blue Ocean Strategy, Kim and Mauborgne did research first for 15 years from more than 150 companies around the world. The results of this research state that from 2 terms describing the conditions of business competition in Blue Ocean Strategy, red ocean and blue ocean, companies that have the potential to have broad market penetration are those with high offer values which are the result of good implementation of the Blue Ocean Strategy concept.

According to [3] competitive advantage can be defined as the company's ability to create value that is not owned and cannot be imitated by competitors. So that the products or services owned by the company can last a long time and become the target of consumers, it is necessary for continuous development that must be carried out by the company, namely through various forms of competitive strategies. According to Porter in [4] that there are 3 (three) general strategies that companies can use to gain competitive advantage, namely cost leadership, differentiation, and focus.

Likewise, the existence of MSMEs in Karangasem Regency, during this covid pandemic period still persists to continue to run its business. One of the breakthroughs made by MSMEs in Karangasem Regency in anticipating this pandemic is to promote online. This strategy is believed to be one way out that is quite effective so that the business can survive, grow and develop. Based on the description above, the research entitled: "Implementation of Blue Ocean Strategy in Efforts to Improve Performance and Competitiveness of MSMEs Promoted Through Online in Karangasem Regency" is very relevant to be carried out.

1.2 Research Problems

Based on the description of the research background above, the formulations of the research problems are:

- a. How is the description of the SMEs performance regarding the implementation of the blue ocean strategy, business performance, and the competitiveness of MSME companies promoting online in Karangasem Regency?
- b. Is there a positive and significant influence between the blue ocean strategy on the performance of SMEs who are promoted through online in Karangasem Regency?

- c. Is there a positive and significant effect of the blue ocean strategy on the competitiveness of SMEs that are promoted online in Karangasem Regency?
- d. Is there a positive and significant effect of company performance on the competitiveness of SMEs that are promoted online in Karangasem Regency?

1.3 Research Objectives

There are several objectives of this research, including:

- a. To know the description of the SMEs performance regarding the implementation of the blue ocean strategy, business performance, and the competitiveness of MSME companies promoting online in Karangasem Regency.
- b. To know whether there is a positive and significant influence between the blue ocean strategy on the performance of SMEs who are promoted through online in Karangasem Regency.
- c. To know whether there is a positive and significant effect of the blue ocean strategy on the competitiveness of SMEs that are promoted online in Karangasem Regency.
- d. To know whether there is a positive and significant effect of company performance on the competitiveness of SMEs that are promoted online in Karangasem Regency?

1.4 Research Benefits

This research is expected to provide the following benefits:

a. Practical Benefits

Practically, this research is expected to be used as an input as a decision-making material in designing a strategic plan (Renstra) for the development of SMEs in Karangasem Regency that uses online media as a promotion to become a strong and independent company.

b. Theoretical Benefits

The results of this study are expected to provide a theoretical contribution to the development of science, especially on how to apply blue ocean strategy in relation to improving company performance and competitiveness.

II. LITERATURE REVIEW

2.1 Theoretical Study

a. Micro, Small, and Medium Enterprises (MSMEs)

Micro, Small and Medium Enterprises (MSMEs) are in accordance with Law Number 20 of 2008. According to the Ministry of State for Cooperatives and Micro, Small and Medium Enterprises, Small and Medium Enterprises (UK) are business entities that have a net worth of at most Rp. 200,000,000

excluding land and buildings for business premises, and having annual sales of at most 1,000,000,000.

b. Blue Ocean Strategy

According to Kim and Mauborgne in [5], blue ocean strategy is part of the business strategy process. By definition, blue ocean strategy is a business strategy that applies control of uncontested market space, thus making competition irrelevant. The market that is not contested is analogous to the blue ocean (blue ocean) where an organization plays alone without competitors.

According to [6], states that in blue ocean strategy no longer uses competition as a way to win the competition, instead it follows a different strategic logic called innovation value. This strategy focuses on making the competition irrelevant by creating a leap in value for buyers.

Meanwhile, according to Kim and Mauborgne in [5], a company needs to build a blue ocean strategy in a series of buyer utilities which is also a blue ocean strategy dimension consisting of product utility, product price, cost, and adoption. The starting point in implementing a blue ocean strategy is to create a strategic profile that is able to be focused, become convertible, and has an alluring motto that attracts buyers.

Furthermore, according to [2] stated in their journal entitled "Implementation of Blue Ocean Strategy in Amstirdam Coffee" explaining that before Kim and Mauborgne created the concept of Blue Ocean Strategy, Kim and Mauborgne conducted research in advance for 15 years on more than 150 companies worldwide. The results of this research state that from 2 terms describing the conditions of business competition in Blue Ocean Strategy, red ocean and blue ocean, companies that have the potential to have broad market penetration are those with high offer values which are the result of good implementation of the Blue Ocean Strategy concept.

c. Company Performance

According to [7] said that performance is a series of management activities that can provide an overview of the extent to which the results have been achieved in carrying out their duties and responsibilities in the form of public accountability in the form of successes or deficiencies that occur. Performance is an activity based on work spirit which includes several success values for both organizations and individuals.

According to [8], performance (work achievement) is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him. Meanwhile, according to [5] states that performance is a work achieved by a person in

carrying out tasks based on skills, experience and sincerity and time.

d. Company Competitiveness

The definition of national competitiveness according to [9] that the competitiveness of small businesses or SMEs is the extent to which a company can meet market demand both domestically and internationally in producing goods and services while maintaining or increasing the income of the company and its employees.

[10] suggest that a strategy in dealing with competition is known as a generic competitive strategy. This strategy is based on an analysis of a company's position in the industry, whether the company's profits are above or below the industry average. A good company will have a high level of income even though the organizational structure is less favorable. To achieve a sustainable competitive advantage, the company must have 2 (two) basic types of competitive advantage, namely low cost and differentiation. These two types when combined with the field of activity to be achieved by the company will lead to three generic competitions, namely: cost leadership, differentiation, and focus. The company's significant strengths or weaknesses are ultimately a function of the impact of relative costs and differentiation.

Competitive advantage is a form of strategy to assist companies in maintaining their viability to achieve the ultimate goal, namely performance that produces high profits [11]. Theoretically, there are 5 (five) dimensions to measure the competitiveness variable, namely the dimensions of human resources, availability and mastery of information technology, organization and management, access to funding, and innovation services.

The first dimension is human resources where owners, managers, supervisors as indicators of this dimension have a broad understanding of the business being managed and its external environment. They also have high creativity so that they can always innovate in the company, have a high level of education and conduct selective recruitment of employees to be placed in positions that match their education, expertise, and experience. And they always provide skills training to employees internally to be able to update their skills.

The second dimension is the availability and mastery of information technology. This indicator describes a process of using technologically advanced equipment and systems. This indicator is also related to the provision of special training for employees so that they can master the use of technological equipment and systems so as to increase labor productivity, capital productivity, and the company's

income level as well as a more efficient level of cost expenditure.

The third dimension is organization and management. The indicator of this dimension is that a good and neat recording system has been carried out regarding all business activities where the system for recording all company activities has used a computerized system. The fourth dimension is the ability of SMEs to obtain capital and the fifth is the ability of SMEs to innovate and provide services.

2.2 Review of Related Literatures

The following are some studies on the implementation of the Blue Ocean Strategy in improving the performance and competitiveness of MSMEs that are promoted through online:

- a. The Strategic Model of Innovation Cluster Implementation of Blue: Ocean Strategy in a typical Greekregion, by [12]. The results of the study found that the relationship between cluster members was not always smooth because there could be conflicts of interest, competitive relationships and different agendas. A cluster may have several degrees of integration, which correspond to different stages of implementation. If conditions do not support the emergence of clusters, more preparatory work is needed from all partners.
- b. [13] "Study of MSME Empowerment Strategies in Facing Free Trade in the Asean Region (Case Study of Kampung Batik Laweyan)". Through a series of Focus Group Discussions (FGD) and interviews with selected informants, this study concludes that to be able to compete in the ASEAN free market, MSMEs need social capital relationships with innovation and cooperation.
- c. The Effect of Blue Ocean Strategy Implementation on the Competitiveness of Restaurant Culinary MSMEs by: [14]. The results found that the application of blue ocean strategy had a positive and significant effect on the competitiveness of restaurant culinary SMEs.
- d. [15] "Empowerment of Small and Medium Enterprises Through Fostered Programs in the Province of Bali". By using the analytical hierarchy process, it was found that the empowerment of MSMEs through fostered programs or fostered partners from upstream to downstream such as capital and marketing is a priority factor in determining the prospects of MSMEs and also the need to synergize with the government, banks, BUMN, cooperatives, LPD, BUMD, colleges and business incubators.

2.3 Conceptual Framework Model and Hypotheses

a. Research Framework

According to Wigwon (2012), innovation is the most important thing in increasing competitive advantage. Furthermore, it is said that Blue Ocean Strategy is a form of innovation in business strategy that can be applied in running a business in an effort to improve business performance and competitiveness.

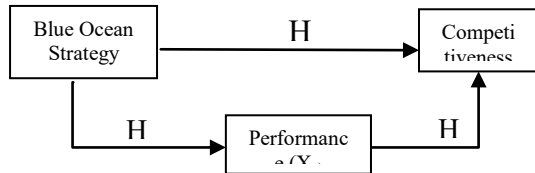


Figure 1 Research Framework

b. Research Hypotheses

According to above research framework, then the research hypothesis can be made as follows:

- 1). Blue Ocean Strategy variable (X_1) has a positive and significant influence on the business performance variable (X_2).
- 2). Blue Ocean Strategy (X_1) variable has a positive and significant influence on the business competitiveness variable (Y).
- 3). Business performance variable (X_2) has a positive and significant influence on the business competitiveness variable (Y).

III. RESEARCH METHODOLOGY

3.1 Research Types and Approaches.

This study used a survey research design approach, which is a research approach in an effort to obtain facts about phenomena related to the problems that are the object of observation by using samples and questionnaires as data collection tools [16].

3.2. Sample and Population

The population in this study are all MSMEs whose promotions are via online in Karangasem Regency as many as 30 companies and all of them will be taken as samples.

3.3 Data Collection Technique

Data collection techniques used in this study were surveys, questionnaires, interviews, and documentation.

3.4 Sources and Types of Data

Sources of data in this study are primary and secondary data. while the types of data used are qualitative data and quantitative data.

3.5 Operational Variables Definition

a. Blue Ocean Strategy Variable (X_1)

The blue ocean strategy variable (X_1) is one of the business strategies that focuses on finding and implementing innovations so that the company does not have competitors. According to Kim and Mauborgne in [5], a company needs to build a blue ocean strategy in a series of buyer utilities which is also a blue ocean strategy dimension consisting of product utility, product price, cost, and adoption.

b. Business Performance Variable (X_2)

It is an achievement achieved by the company in a certain period that reflects the level of health of the company. This variable is measured using indicators: (1) sales, (2) profit, (3) business productivity.

c. Competitiveness Variable (Y)

Competitiveness as variable Y is a condition to what extent a company can meet market demand, in producing goods and services, while maintaining or increasing the income of the company and its employees. Competitive advantage is a form of strategy to assist companies in maintaining their viability to achieve the ultimate goal, namely performance that produces high profits [11]. Theoretically, there are 5 (five) dimensions to measure the competitiveness variable, namely: the dimensions of human resources, availability and mastery of information technology, organization and management, access to funding, innovation and services.

3.6 . Validity and Realibility Test

In an effort to assess the validity of the research instruments used, validity and reliability tests were carried out. The validity test is carried out to see whether the research instrument made is able to measure what it should measure, while the reliability test is intended to assess the consistency of the measuring instrument / research instrument when used at different places and times. Validity testing is done by correlating the item score with the total variable score using the Pearson Product Moment correlation formula.

While the reliability test was carried out using the Alpha Cronbach formula. The results of the calculations carried out both for validity and reliability tests with the help of statistical software SPSS (Statistical Product and Service Solution) version 23.0. Standard reliability test if the value of $r > 0.6$. [17].

3.7 Data Analysis Technique

a. Descriptive Statistic Analysis

The purpose of using this analytical technique is to reveal a description of the data that has been collected from the research location. The description can be done by interpreting the results of data processing through frequency tabulation techniques in order to reveal the tendency of empirical nominal data such as the calculated average (mean), the highest value (mode), and percentage. The results of descriptive analysis are useful to support the interpretation or interpretation of the results of the analysis using inferential statistical techniques.

b. Inferential Statistic Analysis

Path analysis is a further development of multiple regression analysis. In multiple regression analysis, all independent variables are lined up in one block (structure), while in path analysis, the independent variables (exogenous) will be divided into several blocks arranged hierarchically according to the theoretical framework and concepts. Through this technique, it will be able to know the direct influence and indirect effect of the relationship between the variables (Solimun, 2001).

c. Test Assumption Path

The use of regression analysis tools requires the fulfillment of several analytical requirements tests or classical assumption tests, with the aim of obtaining unbiased estimates. Some classical assumptions that must be met are heteroscedasticity test, normality test and linearity test.

IV. FINDING AND DISCUSSION

4.1 . Overview of the Research Area

Astronomically, Karangasem Regency is at a position of 80 00'00 - 80 41'37.8 south latitude and 1150 35'9.8 - 1150 54'9.9 east longitude which makes Karangasem have a tropical climate. The boundaries of the Karangasem Regency are as follows: The north is bordered by the Bali Sea; To the south it is bordered by the Indonesian Ocean; To the west, it is bordered by the regencies of Klungkung, Bangli and Buleleng; and to the east it is bordered by the Lombok Strait.

Karangasem Regency is one of the regencies located at the easternmost tip of the island of Bali which has an area of 839.54 km². The area of Karangasem Regency consists of 8 (eight) sub-districts, 75 villages and 3 (three) sub-districts which include the Districts of Rendang, Sidemen, Mangosteen, Karangasem, Abang, Burdendem, Straits and Kubu.

In 2019 the population in Karangasem Regency was 463,656 people, of which 235,570 (50.81%) were men, and 228,086 people (49.19%) were women. The MSME sector has the largest contribution in the formation of Gross Regional Domestic Product (GRDP). GRDP in 2020 was 26.44%, an increase from 24.55% in 2019. Then followed by the transportation and warehousing sector at 17.19%, accommodation, food and beverages at 8.38%. The categories of government administration, defense and mandatory social security are 8.11%, and construction is 6.59% (BPS, GRDP of Karangasem Regency by Business Field 2016 – 2020).

4.2. Validity and Reliability Test of the Instrument.

Based on the results of the analysis using the product moment technique, it can be seen that all items in the research questionnaire are valid. It can be seen that the calculation value of significance = 0.000 < 0.05 (valid). While the results of the calculations, all test results show the value of the coefficient (r) alpha Cronbach for the Blue Ocean Strategy variable (X1) = 0.814, Performance (X2) = 0.666 and competitiveness (Y) = 0.742 > 0.6 which means that the research instrument is reliable.

4.3 Descriptive Statistic Analysis

a. Description of Respondents' Answers for the Blue Ocean Strategy (X1) variable

The results of the calculation of the frequency distribution of the Blue Ocean Strategy (X1) variable from 4 (four) question items to 30 respondents obtained the following answers: The results showed that the implementation of the blue ocean strategy in MSMEs that promoted online was good with an average value of 4, 09 which is in the interval 3.41 – 4.20 which means good. There are 4 (four) dimensions in measuring the blue ocean strategy variable, namely: (1) product utility, (2) product price, (3) production target cost, and (4) adoption barriers.

b. Description of Respondents' Answers for UMKM Performance Variable (X₂)

Respondents' perceptions related to the MSME performance variable which consists of 3 (three) dimensions, namely: (1) sales volume, (2) profit level, and (3) company productivity. Respondents' answers in detail are as follows: Overall the performance achievements of MSMEs whose promotion via online in Karangasem Regency is in the good category (in the interval: 3.41 - 4.20): with an average value of 4.09 which means good.

c. Description of Respondents' Answers for UMKM Competitiveness Variable

According to Kim and Mauborgne in [1], that blue ocean strategy is part of a business strategy that implements control of uncontested market space. Respondents' perception of answers to the dimensions of competitiveness consisting of: (1) human resources, (2) availability and mastery of information technology, (3) organization and management, (4) access to funding, and (5) innovation and service. mean score 3.99).

4.4. Inferential Statistic Analysis

a. Test Assumption Path

Based on the calculation results, it is known that 3 (three) assumptions test conditions, namely:

Table 1. Recapitulation of Phase I Path Analysis Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)				1.730	.095
1	2.663	1.540		6.283	.000
X1	.586	.093	.765		

R = 0,765
R Square = 0,585
Adjusted R Square = 0,570

Source: Data penelitian, diolah

Dependent Variable: X₂

Predictors: (Constant), X₁

Based on Table 1 above, it can be seen that hypothesis 1 which states that the blue ocean strategy variable (X1) has a positive and significant effect on the performance variable (X2) is accepted because the significance value = 0.000 < 0.05 (significant). The magnitude of the direct influence of blue ocean strategy (X1) on the performance variable (X2) is indicated by the path coefficient of 0.586.

Another finding from this study is that the level of closeness of the relationship or the strength of the influence is R = 0.765 or 75.60% which is a very strong relationship (Arikunto, 2012). While the contribution of the independent variable blue ocean

heteroscedasticity test, normality test, and linearity test meet the requirements so that data analysis can be continued.

b. Influence Analysis of Blue Ocean Strategy Variables (X1) on Performance Variables (X2) and Competitiveness Variables (Y).

1) Stage 1 Analysis

Stage 1 analysis is path analysis to test hypothesis 1 which states that Blue Ocean Strategy (X1) has a positive and significant effect on performance (X2). The results of the recapitulation of the path analysis phase 1 can be seen in Table 1:

strategy (X1) to the dependent variable performance (X2) is indicated by the coefficient of determination R² of 0.585 or 58.50%. This means that the independent variable blue ocean strategy (X1) will contribute to changes in the performance dependent variable (X2) of 0.585 or 58.50% and the remaining 41.50% is influenced by other variables not examined and errors.

Phase II Path Analysis

Path Analysis Phase II is to analyze the effect of the independent variable blue ocean strategy (X1) and independent variable performance (X2) on the dependent variable of competitiveness (Y). The recapitulation of the calculation results of Phase II Path Analysis can be seen in Table 2:

Table 2. Recapitulation of Phase II Path Analysis Test Result

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	5.437	2.256		2.411	.023
1					
X1	.590	1.540	.095	.523	.022
X2	.878	.093	.720	3.966	.007

R = 0,856
R Square = 0,732
Adjusted R Square = 0,604

Dependent Variable: Y

Predictors (Constant), X₁, X₂

Source: Data penelitian, diolah

Based on Table 2 above, it is known that hypotheses 2 and 3 which state that the independent variable blue ocean strategy (X1) has a positive and significant effect on the competitiveness variable (Y) can be accepted because the significance value = 0.022 < 0.05 (significant), and the magnitude This direct effect is shown by the path coefficient of 0.590. Meanwhile, hypothesis 3 which states that the independent variable performance (X2) has a positive and significant effect on the dependent variable of competitiveness (Y) is acceptable, this is because the significance value is 0.007 < 0.05 (significant) with a path coefficient of 0.878.

Another thing that can be obtained from this research is the level of closeness or the strength of the influence of the independent variables on the dependent variable, which can be seen from the magnitude of the correlation coefficient, which is 0.856 or 85.60%, which is a very strong relationship. Meanwhile, the contribution of the independent variable to changes in the dependent variable can be seen from the coefficient of determination R2 = 0.732.

c. Model Test

From the calculation results of the path analysis stages I and II as shown in Table 1 and Table 2, it can be seen those hypotheses 1, 2 and 3 can be accepted because the significance value is < 0.05 (significant). This means that the independent variable blue ocean strategy (X1) has a positive and significant direct effect on the performance dependent variable (X2) and the competitiveness variable (Y). Meanwhile, the independent variable performance (X2) was tested to have a positive and significant direct effect on the dependent variable of competitiveness (Y). Based on the Slimming Theory (Solimun, 2002) which states that all paths are significant, the final research model is as follows:

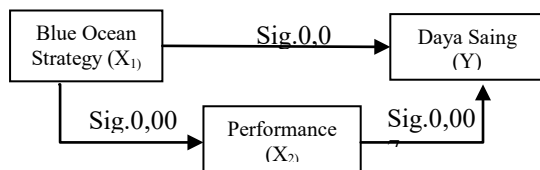


Figure 2 Final Research Model

Based on Figure 5.1 of the Final Model above, it can be explained that improving the performance of SMEs can be built through the implementation of a good blue ocean strategy, and increasing the competitiveness of SMEs can be directly affected by performance. Meanwhile, the implementation of the blue ocean strategy can only affect the competitiveness of MSMEs indirectly through improving business performance.

Based on the results of the calculation of descriptive statistical analysis, it can be explained as follows: First, the implementation of blue ocean strategy by MSMEs whose online promotion in Karangasem Regency is good. This can be seen from the results of descriptive statistical calculations with an average value of 4.90 (good). The dimension that gets the highest score is the adoption barrier dimension with an average value of 4.13 (good). This means that the commitment and togetherness of owners, management, supervisors and employees simultaneously and directly overcomes all forms of problems or complaints from customers.

Based on the description above, it can be explained that most of the MSMEs whose promotions through online have implemented the blue ocean strategy well and have combined product utility innovation, product prices, production target costs well. This has an impact on their ability to overcome various obstacles that occur, provide added value for customers and also be able to harmonize all products, services and activities. This is in accordance with the opinion of Kim and Mauborgne in [18] who are creators of blue ocean strategy who have used value innovation in doing their business.

In general, related to the perception of MSME performance, 30 respondents showed a good perception with an average value of 4.09. The dimension that received the best response was the ability of MSMEs to gain profit, which was categorized as good and had reached the target with an average value of 4.17 (good). While the dimension with the lowest average value is related to the company's ability in the production process with an average value of 4.00 (good) and it is still very necessary to strive for improvement so that production can run according to targets and plans.

The ability of MSMEs to create and achieve high competitiveness is one of the efforts that can be taken to win the competition. Perception. MSME managers whose online promotions in Karangasem Regency are related to competitiveness are good with an average score of 3.99 (good).

Based on the results of inferential statistical analysis calculations, it is known that the blue ocean strategy is very effective in building the performance of MSMEs and has a positive and significant direct effect (significance value = 0.000 < 0.05). This means that the implementation of a good blue ocean strategy will be able to improve the performance of SMEs. Meanwhile, the blue ocean strategy and also the company's performance have a direct effect on increasing the competitiveness of MSMEs.

The contribution of the blue ocean strategy to changes in the performance of MSMEs is 0.595 or 59.50% and the remaining 0.405 or 40.50% is due to other influences that are not examined and errors.

This means that changes that occur in the company's performance 59.50% are influenced by changes that occur in the blue ocean strategy. Meanwhile, the contribution between blue ocean strategy and company performance on the competitiveness of MSMEs is 0.732 or 73.20% and the remaining 26.80% is influenced by other variables that are not examined and errors.

The results of this study also found that in an effort to build the competitiveness of MSMEs, the relationship path that has the greatest influence is through a direct relationship, namely the company's performance to the competitiveness of MSMEs with a path coefficient of 0.878. Meanwhile, the direct link through the blue ocean strategy to the competitiveness of SMEs only has a path coefficient of 0.590. (0.590 < 0.878). This means that in building the competitiveness of SMEs, it will be very effective through improving company performance.

V. CONCLUSION AND SUGGESTION

5.1 Conclusion

Based on the discussion of the research results above, the conclusions of the research that can be conveyed are as follows:

- a. The implementation of the blue ocean strategy, performance achievement and competitiveness by MSMEs promoting online in Karangasem Regency is already good.
- b. Blue ocean strategy has a positive and significant effect on company performance, but has an indirect effect on competitiveness through business performance.
- c. The company's performance has a positive and significant impact on the competitiveness of SMEs.
- d. The influence magnitude of the blue ocean strategy on the company's performance is 59.50% and the influence magnitude of the blue ocean strategy and business performance on the competitiveness of MSMEs is 63.10%.

5.2 Suggestions

In order for the implementation of the blue ocean strategy to provide maximum results to the company's performance and the competitiveness of SMEs, the suggestions that can be submitted are as follows:

- a. The competence of SMEs in designing utility and product prices still needs to be improved.
- b. Dimensions of availability and mastery of information technology that requires a high enough time and cost to always strive for improvement.

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