Analysis of the Influence of Digital Literacy and Digital Skills on Marketing Strategy of MSMEs in the Solo Raya Region

Intan Widia Puro\textsuperscript{1}, Kussudyarsana*\textsuperscript{2} Sholahuddin\textsuperscript{3}, Nur Achmad\textsuperscript{4}

\textsuperscript{1,4} Economic Development, Faculty of Economics and Business, Universitas Muhammadiyah Surakarta, Surakarta

*Corresponding author. Email: kus165@ums.ac.id

\textbf{ABSTRACT}

This study examines several factors that affect the marketing strategy. The independent variables in this study are digital literacy and digital skills and the dependent variable is the Marketing strategy. This study used a quantitative method with an explanatory research approach to analyze the data. Exploratory research is one of the research approaches used to investigate certain aspect that is of interest, which is not yet known, understood, or recognized. The data in this study were collected by distributing questionnaires. The data obtained were processed using the SmartPLS application. The sample used in this study amounted to 120 respondents. The results of this study show that the analysis results of the influence of digital literacy on a marketing strategy are positive and significant, as evidenced by the results of the hypothesis testing of digital literacy on marketing strategy which is greater than t-table (1.967) which is 4.811 with a large influence of 0.517 and P-value < 0.05 is 0.000. This research also shows that the effect of digital skills on marketing strategy is positive and significant. It is also proven by digital skill on the marketing strategy which is greater than the t-table (1.967) which is 3.039 with a large influence of 0.333 and P-value > 0.05 of 0.002. This research is the first to examine the effect of digital literacy and digital skills on marketing strategy.

\textbf{Keywords:} Digital Literacy, Digital Skill, Digital Marketing, Marketing Strategy

\textbf{1. INTRODUCTION}

Technological advances have changed many aspects of life, including the change in people's habits in sale and purchase transactions, from face-to-face transactions to online transactions. This development relies on the concept of automation of technology without the need for human labor in the application process [1]. Rapidly evolving technology has resulted in many changes in the business sector, one of which is digital marketing. Digital Marketing is a service that is used as a marketing tool that is now widely used by social media users to introduce their business [2].

Competition among business actors is increasing and developing with the times, thus encouraging the emergence of various product variants and various business systems with various competitive advantages. In Indonesia, this phenomenon can be seen in many products that are typical of a region with differentiation and its own uniqueness [3]. To avoid oppression, Micro, Small, and Medium Enterprises (MSMEs) must be able to compete in the international market. Furthermore, in this era of competition, MSME actors should be literate in information technology (IT) to make it easier to market their products overseas. It should be noted that the number of MSMEs in Indonesia is quite large, with approximately 50 million MSME actors. MSME actors will need the appropriate information technology to be able to grow and compete in the current digital era. MSME actors find it difficult to get the right information technology solution because they do not have special staff who are experts in the field of information technology. They require assistance in selecting the appropriate information technology according to the type of business and their needs [4].

Digital Marketing allows business people to easily monitor and meet all the needs and desires of potential consumers. On the other hand, potential consumers can also search for and obtain the desired...
product information simply by browsing particular online websites without leaving the house [2].

Indonesia has several well-known marketplaces and e-commerce such as Tokopedia, Bukalapak, OLX, Shopee, and others that provide free online sales for the general public. These platforms can be used by MSMEs to build a reputation in the marketplace and e-commerce, which will help MSMEs grow [5].

Digital literacy is defined as an individual’s ability to apply various skills on digital devices such as finding and using information, thinking critically and creatively, collaborating and communicating effectively, while maintaining the security of electronic devices and paying attention to the developing socio-cultural context [6]. Three fields coexist in the delivery of information for a company or organization, those are information technology, digital literacy, and digital skill. In a company or organization, the use of information technology and digital literacy, as well as digital skills, can assist in achieving maximum results. This is demonstrated by the growing role of digital literacy and digital skills among companies or organizations. Digital skills include all technology-related skills, ranging from basic skills or literacy, general skills for all workers, and specific skills for information technology professionals [7].

The empowerment of Micro, Small, and Medium Enterprises (MSMEs) is viewed as one of the primary alternatives to reduce the substantial burden of the national and regional economy. Production cannot be increased if it is not followed by hiring more workers [8]. MSMEs are an important component in the planning and development of industrialization concepts in developing countries due to the nature of their technology. They are also important factors in the absorption of labor-intensive workers.

Many MSMEs have been established in the Soloraya area, and not only adults but also many school students, have started small businesses. Soloraya is a populous city with a strategic location that is easily accessible to the community. This city is also famous for its tourism and manufacturing industries. This causes Soloraya to have the potential to create and build a business. Entrepreneurship is important because it contributes to the development of a country [9].

Marketing strategy is a method for companies that produce goods and services to get a sustainable competitive advantage. MSMEs will face competition in order to seize market share [10]. Marketing strategy is a marketing logic in which the company hopes to create value for customers and establish profitable relationships with customers [11]. As a result, the company will do its best for both new and existing customers.

There are several factors that can affect a marketing strategy. In this study, the factors estimated to influence the marketing strategy are digital literacy and digital skills.

Previous researchers have not done much research on digital literacy. Several studies that examine literacy use information seeking and social media variables. These studies found that there is a positive and significant relationship between information-seeking variables and digital literacy. For example, research conducted by Nurul in 2020 [12] showed a positive and significant influence of digital literacy on information seeking. However, a different study conducted by Shafira in 2021 [13] yielded different research results. The results of their research state that there is a negative relationship between social media and digital literacy. Based on these findings, it is necessary to conduct research on digital literacy coupled with digital skills using digital literacy and digital skills with marketing strategy as the dependent variable.

2. LITERATURE REVIEW

2.1. Definition of Marketing Strategy

According to Kotler and Armstrong (2008) in Nadrotul Ulyah, marketing strategy is a type of plan that is broken down in the field of marketing [14]. Marketing strategy is the marketing logic employed by the company to create customer value and establish profitable relationships [15]. Marketing strategy is essentially a comprehensive, integrated, and unified plan in the field of marketing, which provides guidance on the activities to be carried out to achieve the marketing objectives. In other words, marketing strategy is a set of goals and objectives, policies, and rules that provide periodic direction to the company's marketing efforts at each level, as well as its references and allocations, particularly as the company's response to the changing environment and competitive conditions [14].

Kotler mentions the concept of the marketing mix consists of 4P, namely [16]:

a. Product
According to Kotler, a product is anything that can be offered to a market for consideration, purchase, use, or consumption to satisfy wills and needs.

b. Price
Kotler defined price as the amount of money charged for a product or service.

c. Place
A place is associated with a distribution channel aimed at reaching the target consumer. This distribution system includes location, transportation, warehousing, and so on.

d. Promotion
Promotion means activities that convey the benefits of the product and persuade customers to purchase it.
2.2. Definition of MSME

According to the Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises Chapter 1 Article 1: Micro-enterprises are productive businesses owned by individuals and/or individual business entities that meet the micro-enterprise criteria. Small business is defined as a productive business that operates independently, which is carried out by individuals or business entities that are not subsidiaries of companies that are owned, controlled, or become part either directly or indirectly of a medium or large business meeting the criteria of a small business. Medium-sized businesses are productive economic businesses that operate independently, which are carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or become a part either directly or indirectly with small businesses or large businesses with total net assets or annual sales results [17].

2.2.1. MSME Criteria and Characteristic

To distinguish MSMEs, certain criteria and characteristics are needed in classifying MSMEs. According to Law no. 20 of 2008 Article 6 concerning MSMEs, MSMEs are classified based on the following criteria:

a. Micro business criteria

According to Chapter IV Article 6 of the Law Number 20 of 2008 concerning MSMEs, this type of business has a net worth of at most Rp. 50,000,000 (fifty million rupiah) excluding land and buildings for business premises; or it has annual sales of at most Rp. 300,000,000 (three hundred million rupiah)

b. Small business criteria

Chapter IV Article 6 of Law Number 20 of 2008 concerning MSMEs, mentions that this business category has a net worth of more than Rp. 50,000,000 (fifty million rupiah) and a maximum of Rp. 300,000,000 (three hundred million rupiah) excluding land and buildings for business premises; or it has annual sales above Rp. 300,000,000 (three hundred million rupiah) and a maximum tax of Rp. 2,500,000,000 (two billion five hundred million rupiah).

2.3. Digital Literacy

According to Paul Glister in Kurnianingsih digital literacy is the ability to effectively and efficiently understand and use various information from digital devices in various contexts such as academic, career, and daily life [18]. Paul Glister in Sulianta stated that digital literacy is defined as the ability to understand and use information in various forms from a wide variety of sources that can be accessed through computer devices [19].

Hague in Kurnianingsih also stated that digital literacy is the ability to create and share information in different modes and forms; to create, collaborate, and communicate more effectively, and to understand how and when to use good digital technology to support these processes [18].

Bawden said that digital literacy is more closely associated with technical skills in accessing, compiling, understanding, and disseminating information [20]. He also stated that digital literacy entails several aspects, including 1. Knowledge assembly, or the ability to build information from various reliable sources; 2. Ability to present information, including critical thinking in understanding information with an awareness of the validity and completeness of sources from the internet; 3. The ability to read and understand non-sequential and dynamic information material; 4. Awareness of the importance of conventional media and connect it to networked media (internet); 5. Awareness of people's network access that can be used as sources of referrals and assistance; 6. Use of filters on incoming information; 7. Feel comfortable and have access to communicate and publish information. Based on Bawden's elaboration, digital literacy is more related to technical skills in accessing, compiling, understanding, and disseminating information [21].

2.4. Digital Skill

Digital Skills are an individual's ability to know, understand, and use ICT hardware and software as well as digital operating systems [22]. Van Deursen, Helsper, and Eynon said that digital skills are measured in four dimensions: digital technical skills, digital communication, digital analysis, and digital thinking [23].

### Table 1. Digital Skill Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Sub-indicator (Competency)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic knowledge of the digital landscape – internet and cyberspace.</td>
<td>Know the types of hardware and software (devices and features protection).</td>
</tr>
<tr>
<td></td>
<td>Understand the types of hardware and software (devices and features protection).</td>
</tr>
<tr>
<td></td>
<td>Know the types of search engines</td>
</tr>
<tr>
<td>Basic knowledge of information search engines, how to use and select data.</td>
<td>Know how to search information, as well as how to use and sort data.</td>
</tr>
<tr>
<td></td>
<td>Know how to access and sort data in information search engines</td>
</tr>
<tr>
<td></td>
<td>Understand the types of search engines information and uses.</td>
</tr>
<tr>
<td>Basic knowledge of conversational applications and social media.</td>
<td>Know how to access the conversation app and social media.</td>
</tr>
<tr>
<td></td>
<td>Know about various features available in conversation apps and social media.</td>
</tr>
<tr>
<td>Basic knowledge of digital wallet applications, marketplaces, and digital transactions.</td>
<td>Know the types of digital wallet applications, market stores, and digital transactions</td>
</tr>
<tr>
<td></td>
<td>Know how to access the app digital wallets, marketplaces, and digital transactions</td>
</tr>
<tr>
<td></td>
<td>Understand the features available in digital wallet applications, market shops, and digital transactions.</td>
</tr>
</tbody>
</table>

Source: Ministry of Communication and Information Technology, in Cybercreation & Deloitte (2020)

### 2.5. Hypotheses Development

**1. Effect of digital literacy on Marketing strategy**

In 2018, the United Nations Educational, Scientific, and Cultural Organization (UNESCO) defined digital literacy as an individual's ability to access, understand, create, communicate, and evaluate information through digital technology. Craven quoted from Purwanto [25] argued that marketing strategy is an analysis of strategy development and implementation of activities in the strategy of determining target markets for products in each business unit, setting marketing goals, and developing, implementing, and managing marketing program strategies, positioning market designed to meet the wills of target market consumers. Meanwhile, Hartono [26] opined marketing strategy is a set of goals and objectives, policies and rules that give direction to marketing efforts from time to time at each level and location. Based on the explanation above, the following hypothesis was formulated:

H1: Digital literacy has a positive and significant effect on marketing strategy

**2. The Effect of Digital Skills on Marketing Strategy**

Digital skills are basic knowledge regarding search engines, as well as how to use and sort data [22]. According to Kotler, 2005 in Mashuri [27], marketing strategy is a marketing mindset that will be used to achieve marketing goals, in which there is a detailed strategy regarding the target market, positioning, marketing mix, and budget for marketing.

Based on the explanation above, the following hypothesis was formulated:

H2: Digital skill has a positive and significant effect on marketing strategy

### 3. RESEARCH METHOD

#### 3.1. Approaches, Sources, and Data Collection Technique

The researchers used a quantitative research approach. The quantitative method is referred to as the scientific method because it adheres to scientific principles, such as the concrete, objective, measurable, rational, and systematic [28]. The quantitative method is a research method that is based on figures and statistical analysis. In this research, the researchers examined the effect of several variables such as digital literacy and digital skills on the marketing strategy.

For analysis, this study relied on primary data. The data were obtained from respondents' answers generated by using a closed questionnaire. Primary data refers to information obtained directly from the respondents of the research related to the variables of interest for the particular purpose of the study. The closed questionnaire is a request to the respondent to make a choice from a series of alternatives provided by the researcher [29].

To collect the data, the researchers distributed questionnaires to the respondents of the research. The questionnaire is a set of questions given to respondents to find out the reality in the field. The respondents' answers were rated on a 5-point scale, with: SS (Strongly Agree) = 5 ; S (Agree) = 4 ; N (Neutral) = 3 ; TS (Disagree) = 2; STS (Strongly Disagree) = 1.
3.2. Data Analysis Technique

In the study, the researchers used a software analysis tool called SMART PLS 3.0. This research employed Structural Equation Model (SEM) analysis with Partial Least Square (PLS). PLS (Partial Least Square) is an effective analytical method because it does not require that the data be measured at a specific scale [30]. This analytical technique is a combination of two methodological disciplines, namely econometrics, which focuses on predictions, and psychometrics, which can describe the concept of the model, with latent variables (variables that cannot be measured directly) measured through the indicators (manifest variables). Path analysis with latent variables is possible using SEM. Another advantage of using PLS is that the number of samples required for analysis is relatively small.

PLS-SEM analysis consists of two models, namely the Outer model and the Inner model [31]. The outer model consists of Validity Test, Reliability Test, and Multicollinearity Test. While inner model includes Coefficient Determination (R), Goodness of Fit, and Hypothesis test (Direct Effect and Indirect Effect).

4. RESULTS AND DISCUSSION

4.1. Analysis Results

This is quantitative research in which the data generated are in the form of numbers and then analyzed using SmartPLS 3.0 software. The purpose of this research is to analyze the role of digital literacy and digital skill in marketing strategy. The population of this research was MSMEs in Soloraya, with a total of 120 respondents. Data were gathered using questionnaires distributed through Google form. The questionnaire was rated on a scale of 1 – 5. This study includes 2 independent variables, namely digital literacy and digital skills, and 1 dependent variable, namely MSME marketing strategy.

This study uses SEM-PLS analysis, with the calculation process assisted by the SmartPLS 3.0 software. Partial Least Square (PLS) analysis is a multivariate statistical technique that compares multiple dependent variables and multiple independent variables. PLS is a variant-based SEM statistical method designed to solve multiple regression problems such as small research sample sizes, missing values, and multicollinearity. The evaluation of the Partial Least Square (PLS) model is carried out by evaluating the outer model and evaluating the inner model.

4.1.1. Instrument Test

4.1.1.1. Partial Least Square (PLS) Model Schematic

4.1.1.2. Evaluation of Outer Model or Measurement Model

1. Convergent Validity

Table 2. Outer Loadings Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
<th>Outer Loading s</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital Literacy</td>
<td>X1.1</td>
<td>0.853</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.2</td>
<td>0.890</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.3</td>
<td>0.794</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.4</td>
<td>0.791</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.5</td>
<td>0.897</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.6</td>
<td>0.823</td>
<td>Valid</td>
</tr>
<tr>
<td>Digital Skill (X2)</td>
<td>X2.1</td>
<td>0.869</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X2.2</td>
<td>0.926</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X2.3</td>
<td>0.831</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X2.4</td>
<td>0.850</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X2.5</td>
<td>0.932</td>
<td>Valid</td>
</tr>
<tr>
<td>Marketing Strategy</td>
<td>Y.1</td>
<td>0.925</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y.2</td>
<td>0.911</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y.3</td>
<td>0.867</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y.4</td>
<td>0.943</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y.5</td>
<td>0.896</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y.6</td>
<td>0.907</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y.7</td>
<td>0.820</td>
<td>Valid</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2021

The results of SmartPLS processing are shown in Table 2 above. The outer loadings value of all indicators is above 0.7, indicating that all indicators are valid.

2. Discriminated Validity
<table>
<thead>
<tr>
<th>Table 3. Results of Average variance Extracted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Digital Literacy (X1)</td>
</tr>
<tr>
<td>Digital Skill (X2)</td>
</tr>
<tr>
<td>Marketing Strategy (Y)</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2021

Based on Table 3, the AVE value of the digital literacy variable is > 0.5 with a value of 0.779, the digital skill variable is > 0.5 with a value of 0.710, and the value of the marketing strategy variable is > 0.5 with a value of 0.789. This shows that all variables have good discriminatory validity.

3. Composite Reliability Test

<table>
<thead>
<tr>
<th>Table 4. Composite Reliability Result</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Digital Literacy (X1)</td>
</tr>
<tr>
<td>Digital Skill (X2)</td>
</tr>
<tr>
<td>Marketing Strategy (Y)</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2021

Based on Table 4, the Composite Reliability value and the digital literacy variable have a value greater than 0.7, which is 0.936, the digital skill variable > 0.7 with a value of 0.946, and the marketing strategy variable has a value > 0.7 with a value of 0.974. This shows that each variable has Composite Reliability > 0.70, indicating that the four variables are reliable.

4. Cronbach's Alpha

<table>
<thead>
<tr>
<th>Table 5. Results of Cronbach's Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Digital Literacy (X1)</td>
</tr>
<tr>
<td>Digital Skill (X2)</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2021

Based on Table 5, the Cronbach's Alpha value and the digital literacy variable have a value greater than 0.7, which is 0.918, the value of the digital skill variable is > 0.7 with a value of 0.928, and the marketing strategy variable has a value > 0.7 which is 0.970. This shows that all variables have Cronbach's Alpha value > 0.70, which means that all variables are reliable.

5. Multicollinearity Test

<table>
<thead>
<tr>
<th>Table 6. Multicollinearity Results</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Digital Literacy → Marketing Strategy</td>
</tr>
<tr>
<td>Digital Skill → Marketing Strategy</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2021

Based on Table 6, the Multicollinearity values of the digital literacy variable on marketing strategy is 2.662. The value of the digital skill variable on the marketing strategy is 2.662. The value of the variables from each VIF variable < 5, and there is no multicollinearity between variables.

4.1.1.2. Evaluation of Inner Model

1. Coefficient Determination (R²)

<table>
<thead>
<tr>
<th>Table 7. Coefficient Determination Results</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Marketing Strategy (Y)</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2021

Based on Table 7, the R-Square value of the influence of digital literacy and digital skill on marketing strategy is 0.646 or 64.6% and is declared to have a moderate effect.

2. Goodness Of Fit

Goodness of Fit values are divided into 3 categories, namely, small = 0.1, medium = 0.25, large = 0.38. The results of the calculation of the Q-Square are as follows:
GoF = \( Q \text{ Square} = \sqrt{\frac{\text{AVE} \times R^2}{\text{AVE} \times (R^2 - 1)}} \) 

\[
= \sqrt{(0,759 \times 0,6250)} 
= 0,688
\]

From the results above, it can be concluded that this study has a large model because the GoF value is greater than 0.38. Thus, this research model can be stated to have good Goodness of Fit.

3. Hypothesis Testing

This research was conducted by looking at the t-Statistics and P-values. The hypothesis is accepted if the P-value <0.05.

This study proposed 5 hypotheses. Hypothesis testing was conducted using bootstrapping analysis technique. Through the results of the t-statistics obtained, it can be obtained that there is a significant level of influence between the independent variables and the dependent variable. If the value of t-statistic > 1.967, (= TINV (0.05120) (t-table 5% significance), then the effect is significant.

Furthermore, if the P-value obtained in each variable < 0.05, H0 is rejected. The positive influence can be seen through the original sample. The summary results of direct influence testing are as follows:

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Original Sample</th>
<th>T Statistic</th>
<th>P Value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital Literacy (X1) (\rightarrow) Marketing Strategy (Y)</td>
<td>H1</td>
<td>0.517</td>
<td>4.811</td>
<td>Positive and significant</td>
</tr>
<tr>
<td>Digital Skill (X2) (\rightarrow) Marketing Strategy (Y)</td>
<td>H2</td>
<td>0.333</td>
<td>3.039</td>
<td>Positive and significant</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2021

Based on table 4.10 above, it can be seen that:

The t-statistic value of the influence of digital literacy on marketing strategy is greater than the t-table (1.967), which is 4.811 with a large influence of 0.517 and P-value <0.05 of 0.000. As a result, it can be concluded that the direct influence of digital literacy on marketing strategy is positive and significant. Then, hypothesis H1: digital literacy has a positive and significant effect on marketing strategy is accepted.

The t-statistic value of the direct influence of digital skill on marketing strategy is greater than t-table (1.967), which is 3.039 with a large effect of 0.333 and P-value > 0.05 of 0.002. Therefore, it can be concluded that the direct influence of digital skill on marketing strategy is positive and significant. Then the hypothesis H2: digital skills has a positive and significant effect on marketing strategy is accepted.

4.2. Discussion

1. Relationship between Digital Literacy and Marketing Strategy

The results of the analysis show that the effect of digital literacy on marketing strategy is positive and significant. The result of the t-statistical hypothesis test of the effect of digital literacy on marketing strategy is greater than the t-table (1.967), which is 4.811 with a large influence of 0.517 and P-value <0.05, which is 0.000. So, it can be concluded that the better the digital literacy, the better the marketing strategy will be. The results of this study are in line with research conducted by Kristinae & Sahay, which found that knowledge of digital media will improve marketing skills and can be used as a business strategy [32].

2. Relationship between Digital Skill and Marketing Strategy

The results of the analysis show that the influence of digital skill on marketing strategy is positive and significant. This is because the results of the t-statistical hypothesis test of the influence of digital skill on marketing strategy are greater than the t-table (1.967), which is 3.039 with a large effect of 0.333 and P-value > 0.05 of 0.002. Therefore, it can be concluded that the better the digital skills, the better the marketing strategy. The results of this study correspond to research conducted by Mumtahana (2017) and Romdonny & Rosmadi [33], who found that the ability to utilize digital technology such as social media will improve marketing strategies and will have an impact on income growth [34].

5. RESEARCH CONTRIBUTIONS

The results of this study are expected to contribute in the following aspects:

For the academics, this research is hoped to add insight and development of knowledge of the academics, in particular, those who are interested in researching SMEs, marketing strategy, digital literacy, and digital skill. They can use the results of the analysis as the basis for future research.

For MSME actors, this research is expected to provide additional information that can be used as
REFERENCES


