



# Effect of Marketing Mix through Social Responsibility on Housing Industry Performance

Vicki Dwi Purnomo<sup>1,\*</sup>

<sup>1</sup>*Master of Law Program at Widya Mataram University, Yogyakarta*

\*Corresponding author. Email: [Vickydepe@gmail.com](mailto:Vickydepe@gmail.com)

## ABSTRACT

Basically the construction of housing and settlements is the responsibility of the community, while the government's obligation is to guide, regulate and organize guidance as well as provide various assistance and other incentives that can encourage the creation of a more exciting development climate. This research uses a quantitative methodology which consists of the following parts: Research Design; Study Respondents; sampling techniques; Research Instruments; Instrument Validity and Reliability; data collection; procedures; and Statistical Treatment. This study aims to fill the gap between operational marketing and company performance with insufficient answers about the social responsibility of small and medium enterprises in Indonesia. This research sees that there are three reasons for the importance of social responsibility and the need for it to be implemented for micro-enterprises. Companies / micro are part of the community and therefore it is only natural that micro companies also pay attention to the interests of the community.

**Keywords** : *Mix, Marketing, Influence*

## 1. INTRODUCTION

Basically, the construction of housing and settlements is the responsibility of the community, while the government's obligation is to guide, regulate and organize guidance as well as provide various assistance and other incentives that can encourage the creation of a more stimulating development climate. Coaching is for all layers of society at large, while the provision of development assistance and financing from the government is prioritized for low-income communities.

Therefore, according to Razziati (1999:26), because non-farm activities (outside agriculture) can be used as a survival strategy in Cangkringmalang Village, the elements related to the new business are important for observing residential developments in Cangkringmalang Village. This new development is mainly related to the business of housing accommodation, namely accommodation for factory workers who come to the village.

This study aims to fill the gap between operational marketing and company performance with insufficient answers about the social responsibility of small and medium enterprises in Indonesia. This study is considered important for examining social responsibility as a mediating variable, because social

responsibility is believed to have a positive and real impact on companies and consumers. However, in reality it is still not implemented properly.

It is necessary to remember that the attitude of the company to dare to be responsible for the actions, actions, decisions and policies that have been set by the company has not been implemented optimally. This is important, because accountability must emphasize ethical practices and responsible responsibilities in running a business. Through Accountability, companies can gain the trust of society.

Social responsibility is also considered to have not been carried out properly, because there is no transparency characteristic, namely the company's attitude to dare to open and communicate information about its business to consumers and employees. If the company is open to policies and information, then consumers and employees can find out what the company is doing and will facilitate communication between companies and consumers.

Meanwhile operational marketing is believed to be able to increase social responsibility through business strategies to always develop products and the entire company to reduce negative impacts on society, the environment and the economy due to decisions and company operational activities. Sustainability aims to

make a company try to improve the performance and profits of its business while reducing unwanted impacts due to company activities.

This study is also motivated by the absence of sustainable implementation which forms the basis of social responsibility principles. This is important to study because sustainability will affect development, and development, both development companies and product or service company development, must ensure that when the company's performance can be achieved without endangering or disrupting available supplies in the future.

From the description above, the study of the importance of knowing and analyzing the impact of operational marketing that occurs on the performance of Small and Medium Enterprises through mediation is not enough to answer corporate social responsibility.

## 2. EDUCATIONAL BACKGROUND

This research opens up the problem by asking why small and medium businesses use social media marketing and what are the impacts: This research draws on empirical insights from India. In the International Journal of Information Management. The result of this research is that the effect of facilitation conditions on the performance of Small and Medium Enterprises is not significant.

According to [3] in his research on entrepreneurial marketing strategies, institutional environment, and business performance of Small and Medium Enterprises in Egypt found that the effect of Entrepreneurial Marketing Strategy, Entrepreneurial Experience on SME Business Performance was not significant.

Of the three problems of business performance of Small and Medium Enterprises, researchers see the dimensions of the role of social media, conditions of facilities, strategic orientation, entrepreneurial environment, and company capabilities as dimensions that contribute to the variables of business performance of Small and Medium Enterprises.

The reason researchers chose this research is that it is hoped that this research can contribute to meeting the community's need for increased social responsibility in improving the performance of micro-enterprises in Indonesia. In addition, this research was chosen because it is closely related to the competence of researchers, namely the field of marketing operations and corporate social responsibility in society.

From this conceptual framework, the researcher determines three research hypotheses, including the following three working hypotheses: There is no significant effect of marketing operations on social responsibility in small and medium enterprises in Indonesia; There is no significant influence between social responsibility on the performance of small and medium enterprises in Indonesia; There is no significant influence between marketing operations on

the performance of small and medium enterprises in Indonesia.

## 3. RESEARCH PARADIGM

Research gaps or research gaps are the result of efforts to identify gaps or areas of knowledge that are empty or need to be filled with new understanding or knowledge through research. Blank areas or gaps can be topics that are not understood, or lack of knowledge and information that prevents us from finding answers or conclusions to a problem or question.

From the problem of business performance of Small and Medium Enterprises, researchers see the dimensions of the role of social media, conditions of facilities, entrepreneurial environment, and company capabilities as dimensions that contribute to the variables of business performance of Small and Medium Enterprises.

From the problems of marketing operational research, there are dimensions of strategic orientation, innovation ability, marketing strategy, and entrepreneurial experience. These four dimensions will be examined further for their contribution to the solution of marketing operational problems.

From several research results on corporate social responsibility, researchers determined several variable dimensions of research on innovation and corporate social responsibility, namely communication and cohesion, social responsibility motives, product certification for Small and Medium Enterprises, as well as knowledge transfer and training. The paradigm of this research can be described as follows:

The purpose of this study is to determine the extent to which risk assessment affects the performance of Small and Medium Enterprises projects in Machakos District. This study uses a pragmatist philosophical approach and a descriptive survey research design. The hypothesis is tested at the 95% confidence level which states that the risk assessment has no significant effect on the project performance of small and medium enterprises in Machakos District.

This study uses a multiple regression model with a sample size of 265 selected from a population of 5311 small and medium enterprise projects in the Machakos District using a stratified and convenience sampling approach guided by the Yamane formula (1967). Structured questionnaires were used to collect data in which a drop and pick approach was used. The results showed that most of the risk assessment components were positively supported by the respondents and the average response was above 3.50, the composite average.

Inferential statistics which illustrate that risk identification, prioritization and change management have a significant effect on financial performance with  $= 0.102$  ( $p = 0.016$ ) and  $= 0.092$  ( $p = 0.012$ ), while the goals and objectives of the organization have an insignificant effect with  $= 0.031$  ( $p = 0.366$ ). Furthermore, risk identification and prioritization had a significant effect on non-

financial performance with  $\beta = .104$  ( $p = 0.017$ ) while organizational goals and objectives and change management had no significant effect with  $\beta = .020$  ( $p = 0.574$ ) and  $\beta = .054$  ( $p = 0.184$ ) each.

The SME project management should ensure a significant contribution through identification of risks and performance priorities are generally upheld with further efforts to improve risk assessment components that have insignificant performance impacts. Further investigation is needed to find out the cause of the disparity in the effect of risk assessment components on the perspective of financial and non-financial performance.

The research objective (Montgomery et.al, 2018) was to test and analyze the effect of Strategic Planning, Empowerment, Education and Training on Organizational Commitment in the Management of High and Middle Cooperatives in Southeast Maluku Regency, Province. Study and analyze the effect of Strategic Planning, Empowerment, Education and Training on the Performance of Cooperatives and Small and Medium Enterprises in Southeast Maluku Regency, Maluku Province. Test and analyze organizational commitment to the performance of management of cooperatives and Small and Medium Enterprises in Maluku District, Southeast Maluku Province. Study and analyze the effect of strategic planning, empowerment, education and training through organizational commitment on the performance of management in cooperatives and Small and Medium Enterprises in Maluku Regency, Southeast Maluku Province. Data analysis using Structural Equation Modeling (SEM).

The results showed that strategic planning had a positive and significant effect on organizational commitment, empowerment had a significant positive effect on organizational commitment, education and training had a positive and significant effect on organizational commitment. Planning strategy has no significant positive effect on the performance of cooperatives and Small and Medium Enterprises management, empowerment has a positive and significant effect on the performance of cooperative and Small and Medium Enterprises management, education and training has a significant positive effect on the performance of cooperative management and Small and Medium Enterprises

Organizational commitment has a significant positive effect on the performance of cooperatives and the management of Small and Medium Enterprises. Strategic planning has a significant positive effect on the performance of cooperative managers and Small and Medium Enterprises through organizational commitment. Empowerment has a positive and significant effect on the performance of cooperatives and the management of Small and Medium Enterprises through organizational commitment. Education and training have a positive and significant effect on the performance of management of cooperatives and Small

To assess the state of the SME equity capital market in India and to assess the impact of the international SME equity market on the Indian SME market [37] Statistical Analysis/Method: To assess the state of the SME equity market in India, the performance has been compared to the market performance of Small and Medium Enterprises in India. For this purpose, information on stock indexes from various indexes

SME equity shares have been taken for the period.

In addition, the ratio of the number of companies listed on the Small and Medium Enterprises platform and the number of companies listed on the main exchanges has been used as a tool to measure the depth of the Small and Medium Enterprises trading platform. To study the interaction between the Indian Small and Medium Enterprises stock market and the international Small and Medium Enterprises stock market, the Autoregressive Conditional Heteroscedasticity Mean (ARCH-M) model was used.

This study reveals that since its establishment in 2012, the BSE Small and Medium Enterprises market has been able to demonstrate its capabilities. During the reference period, the market performance was impressive and far outperformed other international Small and Medium Enterprises equity capital markets. However, the international Small and Medium Enterprises equity capital market is more entrenched than the Indian Small and Medium Enterprises equity capital market as measured by the ratio of the number of companies listed on the SME platform to the number of companies listed on the main exchanges.

Regarding the interaction between the equity markets of Indian and International Small and Medium Enterprises, the researcher emphasized that while the volatility in Kosdaq and Chinext had a negative impact, the volatility in the Ibu and TSXV markets had a positive impact on the volatility in the BSE Small and Medium Enterprises market. In addition, the impact of two other SME equity markets such as, Alter Next and First North on BSE's SME is not statistically significant.

The researcher confirms that the BSE Small and Medium Enterprises market is a risky market and their findings are statistically significant. Implementation/Upgrade: Given the fact that BSE's Small and Medium Enterprises are in their early years of growth and are still far from being mature and well-rooted, policy makers in active coordination with capital market regulators can take the necessary steps to further deepen the trading of the Business platform Small Medium BSE. Furthermore, it would be beneficial for Small and Medium Enterprises in India if the trading platform for Small and Medium Enterprises was developed as a multilateral trading facility (MTF)

rather than as a regulated market. Sectoral analysis of companies listed in the BSE Small and Medium Enterprises could be an area of further research.

Research conducted by Possumah and Appiah (2018) tested the effect of institutional support in developing managerial capacity on marketing orientation and the growth of Small and Medium Enterprises (UKM). This study uses a positivist research paradigm which requires the use of survey methods. The study sample consisted of 147 participants in the Ghanaian Small and Medium Enterprises sector. This study continuously uses Structural Equation Modeling (SEM) and Smart-Partial Least Square (PLS) to analyze survey questionnaire data and test the research hypothesis.

The results of the study found that institutional support in developing managerial capacity had a positive and significant effect on the comparative advantage and performance of Small and Medium Enterprises. Further research reveals that marketing orientation has a significant effect on the growth of Small and Medium Enterprises. On the other hand, this study found that institutional support in developing managerial capacity has no significant effect on marketing orientation. These results imply that continued investment and support in managerial capacity building and marketing intelligence is needed to enhance the growth of Small and Medium Enterprises. The researcher suggests replication of this study in other Sub-Saharan countries as it is limited to Ghanaian Small and Medium Enterprises only.

This study compiles a model map for the development of Small and Medium Enterprises through several interrelated variables. Either directly or indirectly as shown in the diagram below:

#### 4. MICRO BUSINESS PERFORMANCE

This study obtained information that before starting a business, business actors must have capital to run their business. With sufficient capital, business people can run their business without worrying about a lack of funds. What is the minimum capital that must be owned by a business actor to be able to run his business. To accommodate the running of the business, doing business using a business entity in the form of a Limited Liability Company (PT) is the right thing. Because PT is a partnership of capital, which does business with authorized capital (Article 109 point 1 of Law Number 11 of 2020 (Ciptaker Law)).

In its position, PT is a business entity that has rights and obligations equal to its capital, so that it is free from the rights and obligations of the capital owner. PT founders can consist of two or more people. PTs can also be established by individuals, as long as they meet the criteria for micro and small businesses (Article 109 point 1 of the Ciptaker Law). To start a business by setting up a PT, the founders determine the amount of authorized capital according to the decision of the founder. (Article 109 point 3 of the Copyright Law). Then, what is the basic capital.

In the book of the Limited Liability Company Law, M. Yahya Harahap (2020) defines authorized capital as the entire minimum value of PT shares stated in the articles of association. This authorized capital is a limit for founders, shareholders and investors to invest in PT. In addition to authorized capital, there is also issued capital, which is capital in the form of shares that have been taken by the founders and shareholders. Then there is also paid-up capital, namely capital in the form of shares that have been fully paid up by the shareholders or owners. Please note, the total issued and paid-up capital is at least 25% of the total authorized capital (Article 33 paragraph (1) of Law No. 40 of 2007 (UU PT)).

Although there is no minimum limit for authorized capital for a PT, there are 4 factors that influence the minimum capital for a PT, including: Number of founders (individuals or associations) Criteria for business capital (micro, small, medium, large businesses) Line of business (finance ) or other line of business) Investor identity (WNI/WNA) It has been stated previously that a PT can be established by an individual, as long as it meets the criteria for micro and small businesses. What are the criteria for micro and small business capital? Based on Article 35 paragraph (3)

Government Regulation Number 7 of 2021 concerning Ease, Protection, and Empowerment of Cooperatives and Micro, Small and Medium Enterprises (PP UMKM), states that: Micro Enterprises: maximum capital of Rp. 1 Billion Small Business: Minimum Capital Rp. 1 Billion, Maximum Capital Rp. 5 Billion Medium Enterprises: minimum capital of Rp. 5 billion, maximum capital of Rp. 10 billion. Large Business : Capital more than Rp . 10 billion. Calculation of authorized capital for MSMEs and large businesses does not include land and business premises. Authorized capital is only used for company operations, such as paying employee salaries, buying company support equipment, and renting buildings.

Study I noted that the provisions for establishing a PT without minimum authorized capital only apply to founders or shareholders who are all Indonesian citizens. If the composition of the founders or shareholders contains foreign elements (can be foreign individuals and/or foreign legal entities), then the PT is included in the category of Foreign Investment (PMA) (Article 1 point 13 BKPM Regulation No. 4 of 2021 concerning Guidelines and Procedures Methods of Risk-Based Business Licensing Services and Investment Facilities (BKPM Regulation 4/2021)).

The minimum capital requirements for PMA are (Article 12 paragraph (2) BKPM Regulation 4/2021): Authorized capital of more than IDR . 10 billion, excluding land and buildings, applies to each KBLI business field and each project location. Issued and paid-up capital of at least Rp. 10 billion Founders of PT PMDN (domestic) and PT PMA are currently

required to deposit a minimum of 25% of the authorized capital as evidenced by valid proof of deposit (Article 4 paragraph 1 PP No. 8 of 2021). (PP 8/2021)). Furthermore, proof of this valid capital payment must be submitted electronically to the Minister of Law and Human Rights no later than 60 days from the date of the deed of establishment/statement of establishment (Article 4 paragraph (2) PP 8/2021).

[8] opens up the issue by asking why small and medium businesses are using social media marketing and what are the impacts: This study draws on empirical insights from India. *International Journal of Information Management*. The result of the study is that the effect of Facilitation Conditions on the Performance of Small and Medium Enterprises is Not Significant. More and more companies are using social media to connect with different stakeholders because plans to build a presence on the platform are part of a top-level strategy. The aim of this research is to identify the factors that will help Indian Small and Medium Enterprises (SMEs) to adopt Social Media Marketing (SMM) mechanisms to enhance their business impact. The adoption of Small and Medium Enterprises by Small and Medium Enterprises has a significant impact on increasing the results of Small and Medium Enterprises businesses

The theoretical model has been developed with the help of theory borrowed from TAM and UTAUT 2 with some modifications to explore this impact through business performance, sales, dealing with customers, identifying customer needs and employee creativity. The theoretical model has been empirically validated using a survey of 310 companies and further analysis was carried out using structured equation modeling. The results highlight that perceived usefulness, perceived ease of use and compatibility positively influence the impact of SMEs on adoption by SMEs. Conditions of facilitation have an insignificant effect, while costs have a significant but negative effect on the utilization of Small and Medium Enterprises by Small and Medium Enterprises. Since there are only a few studies in this context, this study contributes to the existing literature on the impact of Small and Medium Enterprises on Small and Medium Enterprises in developing countries.

[5] in their research Orientation and strategic capability influence the performance of Small and Medium Enterprises in the journal *Intelligence and Marketing Planning* found that the Effect of Interaction Orientation on the Performance of Small and Medium Enterprises is Not Significant This study aims to: first, examine the effect of interaction orientation ( IO) and brand orientation (BO) on the marketing capabilities and performance of small and medium enterprises (SMEs), and secondly, assessing the effect of the complementarity of IO and BO on the marketing capabilities and performance of Small and Medium Enterprises .

A model was developed and tested using a survey methodology. Data were collected from 538 SMEs located in Qatar and analyzed using a structural equation model with AMOS. Findings: First, IO affects the performance of Small and Medium Enterprises only indirectly through marketing capabilities, while BO affects the performance of Small and Medium Enterprises both directly and indirectly. Second, Contrary to expectations, the complementarity between IO and BO produces a destructive/suppressive effect, not a synergistic effect, on the marketing capabilities and performance of Small and Medium Enterprises, reflecting the importance of the trade-off for improve marketing capabilities and Small and Medium Enterprises. show. Originality/value: To the authors' knowledge, this is the first study to examine the complementary effects of BO and IO on marketing ability and performance.

Furthermore, [3] in his research on entrepreneurial marketing strategies, institutional environment, and business performance of UKM in Egypt found that the effect of Entrepreneurial Marketing Strategy, Entrepreneurial Experience on SME Business Performance is not significant. [3] Purpose: The aim of this study was to study the relationship between entrepreneurial marketing strategy (EMS), institutional environment (IE) and business performance (BP).

Next, it examines gender roles and entrepreneurial experience (EE) as moderators of EMS-BP and IE-BP relations. Design/Methodology/Approach: Based on the literature review, the authors propose a conceptual model that is tested using a quantitative approach. The questionnaire was completed by 202 owners/entrepreneurs of small and medium enterprises (SMEs) in Egypt. In the absence of a formal population framework for Egyptian Small and Medium Enterprises, a non-probability quota sampling technique was used that takes gender and EE differences into account. Smart PLS software was used for data analysis.

The results showed that EMS had a significant positive effect on BP. IE has a significant positive effect on EMS but not significant on BP. Gender was found to be significantly moderate in the EMS-BP and IE-BP relationship. However, EE was found to be a significant moderator in the EMS-BP relationship. These findings communicate insights to SMEs about the importance of engaging in proactive, risk-taking and innovative activities while creating and delivering value to their customers. Moreover, it summarizes further implications for policy makers to promote better EI for entrepreneurship in Egypt. Originality/value:

This study conceptually contributes to interdisciplinary research investigating the integration between entrepreneurship and marketing as a successful functional strategy in SMEs and its effect on increasing BP and market share. Empirically, it adds

value to the available literature on contemporary strategic entrepreneurship by analyzing this IE-EMS-EE-Gender-BP relationship in a promising, but under-researched, transitional economy.

## 5. MARKETING RESEARCH

[32] examines the effect of strategic orientation on operational ambidexterity: A study of Indian Small and Medium Enterprises in the industrial era 4.0. published in the International Journal of Production Economics. The results of his research include the insignificant effect of Market Orientation on Operational Performance [32]. Based on previous literature showing that cross-functional integration is highly desirable in the domain of operations management, researchers analyzed the effect of strategic orientation (entrepreneurial and market orientation) on operational ambidexterity (exploration and exploitation) to improve business performance. Specifically, based on the Resource Advantage Theory, we examine the effect of strategic orientation on the operational performance-ambidexterity relationship using data from 204 SMEs located in northern India. The researcher first found that exploratory and exploitative operational activities and their level (on average) have a significant influence on the company's business performance.

The researcher also found that market-oriented Indian entrepreneurship and SMEs place more emphasis on exploratory operations; But the effect of market orientation on activities exploitative operational activities are not significant, while entrepreneurial orientation towards exploitative operational activities is very significant. Even though there are insufficient resources to undertake new projects frequently, Small and Medium Enterprises are looking for new opportunities to generate profits, as well as make optimal use of existing resources and capabilities. Thus, the operation function of Small and Medium Enterprises can ensure ambidexterity by focusing equally on existing resources and exploring new resources to capture market opportunities. We suggest that future research should investigate the relationship between operational ambidexterity and other orientations (eg, technology, and learning, performance measures, eg, customer satisfaction and loyalty, and contexts, eg, large-scale and not-for-profit firms).

[21] in his research on the ability of technological resonance innovation to improve marketing performance in the perspective of RA theory. Business: Theory and Practice states that the effect of Innovation Capability on Marketing Performance is not significant. [21] The current research was conducted to fill the research gap on inconsistent findings regarding the ability of market orientation to improve marketing performance by including the ability of technological resonance innovation and product innovation as factors that can improve marketing performance. Five hypotheses were

developed and tested in a sample framework of 121 SMEs in the West Kalimantan region, Indonesia.

The findings of this study demonstrate the important role of techno resonance innovation capabilities in two respects. First, the ability of techno-resonance innovation is proven as a marketing orientation mediator in improving marketing performance. Second, the ability of techno-resonance innovation which has the potential to increase product innovation is very important but not enough to improve marketing performance; However, other extra efforts are still needed, such as aligning the value of innovation with the target market.

[3] in their research entitled Entrepreneurial marketing strategy, institutional environment, and business performance of SME in Egypt in Entrepreneurial Marketing Strategy found that the effect of Entrepreneurial Experience on SME Business Performance is not significant. [3] Purpose: The aim of this study was to study the relationship between entrepreneurial marketing strategy (EMS), institutional environment (IE) and business performance (BP).

Next, it examines gender roles and entrepreneurial experience (EE) as moderators of EMS-BP and IE-BP relations. Design/Methodology/Approach: Based on the literature review, the authors propose a conceptual model that is tested using a quantitative approach. The questionnaire was completed by 202 owners/entrepreneurs of small and medium enterprises (UKM) in Egypt. In the absence of a formal population framework for Egyptian Small and Medium Enterprises, a non-probability quota sampling technique was used that takes gender and EE differences into account. Smart PLS software was used for data analysis.

The results showed that EMS had a significant positive effect on BP. IE has a significant positive effect on EMS but not significant on BP. Gender was found to be significantly moderate in the EMS-BP and IE-BP relationship. However, EE was found to be a significant moderator in the EMS-BP relationship. These findings communicate insights to Small and Medium Enterprises about the importance of engaging in proactive, risk-taking and innovative activities while creating and delivering value to their customers. Moreover, it summarizes further implications for policy makers to promote better EI for entrepreneurship in Egypt.

This study conceptually contributes to interdisciplinary research investigating the integration between entrepreneurship and marketing as a successful functional strategy in UKM and its effect on increasing BP and market share. Empirically, it adds value to the available literature on contemporary strategic entrepreneurship by analyzing this IE-EMS-EE-Gender-BP relationship in a promising, but under-researched, transitional economy.

## 6. SOCIAL RESPONSIBILITY RESEARCH

[6] in their research on structural capital, innovation and performance of the Small and Medium Enterprises industry in the Journal of Intellectual Capital found that the effect of Communication and Cohesion on the Innovation Performance of Small and Medium Enterprises is not significant. [6] Purpose: The aim of this research is to analyze the influence of SME structural capital on innovation capacity and organizational performance, in the context of developing countries.

The sample consisted of 259 industrial UKM from the province of Córdoba, Argentina. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS – SEM). Findings: This study provides evidence that information acquisition and knowledge management, culture and organizational structure, systems and processes have a positive and significant impact on the innovation capacity of Small and Medium Enterprises.

Only the communication and cohesion components did not show positive and significant results. It also demonstrates a positive and significant relationship between capacity for innovation and performance in processes, contributing to the scarce empirical literature in the context of Small and Medium Enterprises.

This study uncovered several limitations that paved the way for the development of future research lines. First, the work focuses on using a single source of information, consulting at the managerial levels of firms, without considering other representative variables to measure innovation capacity. Second, this study only covers companies in the industrial and country sectors. Future studies should focus on other sectors and countries. Practical Implications: The results of this research can have important practical implications for owners and managers of Small and Medium Enterprises.

The results offer a vision of the structural capital dimensions that most influence an organization's innovative capacity. This is especially useful considering that in the Argentine context, low levels of knowledge and structural capital are the keys to being more competitive. Thus, managers of Small and Medium Enterprises can enhance the company's innovative potential and support the acquisition of information and knowledge and improve its processes and systems to contribute to the development of innovation capabilities to make Small and Medium Enterprises more competitive.

The results obtained can be useful for those who are responsible for making public policy decisions, because knowledge about the economy to maintain a developed country and nation needs to be included as one of the main issues in the national improvement agenda. intellectual capital of its people to increase the competitiveness of companies. Originality/value: Research contributes to the development of an intellectual capital literature that focuses on the

generation of innovation and performance within the perspective of Small and Medium Enterprises in developing countries.

Therefore, this study examines the relationship between knowledge transfer and innovation performance of small and medium enterprises of informal economy SMEs involved in international business relations. The study includes a survey of 370 owner-managers and managers of small and medium enterprises in Nigeria's informal e-commerce market. By using the Structural Equation Model (AMOS22), this study shows that the dimensions of knowledge transfer, such as R&D and social networking, have varying degrees of impact on the innovation performance of the informal Small and Medium Enterprises sector. Transfer of knowledge from training shows an inverse and insignificant relationship with innovation performance. This study sets out implications and recommendations that will be useful for theory and practice. [34]. Ask how tourists' attributions to a destination's social responsibility motives influence trust and intentions to visit? The moderating role of destination reputation. Tourism Management. This study found that the effect of Destination Reputation on Social Performance is Not Significant. [34] Through the lenses of attribution theory, signaling theory, and social exchange theory, this study proposes and tests a conceptual model that investigates how tourists' attributions to destination social responsibility motives (DSR) impact destination trust and intentions to visit . a destination. The moderating effect of destination reputation (good vs. average) is specifically examined in the proposed model.

The results of three experimental studies show that the effect of DSR motif attributions on destination trust and visit intentions varies under different destination reputation conditions. In particular, when the destination has a good reputation, the positive impact of intrinsic DSR motive attributions tends to be stronger than that of extrinsic DSR motive attributions. However, when the destination's reputation is averaged, the impact of both types of DSR motive attribution becomes insignificant. The findings of this study provide theoretical and practical implications for destination marketing and DSR campaigns.

## 7. STUDY SYNTHESIS

This study is based on a synthesis of the discussion results of Porter's Generic theory (2000) and previous studies. [1] regarding the Influence of Total Quality Management, Knowledge Management, Knowledge Performance on Environmental Performance. [34] examined the effect of Destination Reputation on Social Performance. [4] examined the effect of Generated Conservation on Value Perceived Behavioral Control.

The difference between Porter's Generic theory and research on marketing operations in its effect on the performance of Small and Medium Enterprises is

that Porter's theory provides a choice of operational strategies in marketing products and services to the industry with four options, namely a comprehensive cost advantage strategy, a differentiation strategy, and a strategy of excellence. comprehensive cost. strategy and differentiation focus strategy. overall cost focus.

Furthermore, the research below has directed researchers to develop study topics on how respondents respond to the marketing operations of the Small and Medium Enterprises industry as follows: Strategic Orientation, Innovation Capability, Marketing Strategy, Business Entrepreneurship. The researcher will also do how respondents respond to social responsibility variables in relation to the following: Communication and cohesion, social responsibility motives, product certification, knowledge transfer and training.

Based on the results of previous research, this study will also examine the extent to which marketing operational variables have a significant effect on the social responsibility of the Small and Medium Enterprises industry in this study. Furthermore, this study will find out how respondents respond to the performance of Small and Medium Enterprises as follows: The role of social media, Conditions of Facilities, Entrepreneurial Environment, Capabilities of Small and Medium Enterprises.

## 8. METHOD

This research uses a quantitative methodology which consists of the following parts: Research Design; Study Respondents; Sampling technique; Research Instruments; Instrument Validity and Reliability; Data collection; Procedure; and Statistical Treatment.

## 9. RESEARCH DESIGN

This study uses a survey research design. This research is included in quantitative research to determine the behavior of individuals or groups in the governance of Small and Medium Enterprises. Basically, the research design is descriptive because a survey questionnaire has been designed and formulated. As research participants, respondents were selected from three clusters representing employers, employees and professionals. Determination of three different clusters is intended to find out the differences in respondents' responses in one area of the company with responses in various fields in other companies. Research respondents conducted on Small and Medium Enterprises in Indonesia. The selection of respondents was determined by considering that at the time of the research there were not many choices, because the country was being hit by the corona pandemic, making it difficult to find respondents elsewhere.

## RESULTS AND DISCUSSION

This chapter discusses the results of research conducted by researchers by taking research locations in the Special Capital Region of Jakarta, Indonesia in March-June 2022. The results of this study are an analysis of qualitative and quantitative data obtained from the field. This chapter starts with the profiles of research respondents and is followed by answers to research questions and research hypotheses.

### RESPONDENT PROFILE

Gender: Men and women with the results of female respondents dominating male respondents. This shows that the micro industry business in Indonesia has employed women well and with a high level of emancipation as well.

The age level of the respondents was divided into four groups, namely the ages of 18-30 years, 31-40 years, 41-50 years, 51 above. The results of this study indicate that most of the respondents were aged 31-40 years. This shows that the majority of micro business respondents are of productive age.

Education is divided into four clusters, namely SMA, Diploma, Bachelor, and Master. The results of the recording in this study showed that most of the respondents had a diploma education level. This shows that the workforce in the micro business sector has a fairly good education.

Professions are divided into four clusters, namely employees, employers, professionals and others. The tabulation results of this study indicate that the majority of respondents are engaged in micro business as professionals. This shows that the field of micro business has creativity controlled by professionals.

Length of work: divided into four clusters, namely Under 1 year, 1-5 Years, 6-10 years, and Above 10 years. The tabulation results of this study indicate that most of the research respondents have worked between 2-4 years. This shows that the relevant working age is still short and can still develop in the near and distant future.

Income: respondents were divided into four criteria, namely 0-3 million, 3.1-5 million, 5.1-10 million, and above 10 million. The results of this study indicate that most of the respondents have an income of between 5-19 million as workers in the micro business sector. This shows that earnings in this sector have been good enough for the businesses that are currently the backbone of the Indonesian economy.

Meanwhile, judging from family dependents, it was divided into four criteria, namely 1-2 people, 3 people, 4 and 5 and higher. So most of the respondents had 3 family dependents. This shows that with the income received, the respondent is prosperous enough to support 3 family dependents.

**Table 3** Profile of Respondents



<i>Demographics</i>	<b>N</b>	<b>Average</b>	<b>std. Deviation</b>	
<i>Gender</i>	384	1.63	.484	Woman
<i>Age</i>	384	1.47	.980	31-40 Years
<i>Education</i>	384	2.88	1050	Diploma
<i>Profession</i>	384	1.74	1,052	Professional
<i>Working Length</i>	384	1.46	.848	2-4 Years
<i>Income</i>	384	2.13	.820	5-10 Million
<i>Final Size</i>	384	2.11	0.647	Three

## STUDY RESULTS

This sub-chapter discusses the results of the study in the form of analysis tables obtained from field research. The results of this study are intended to answer research questions and research

hypotheses. The following reproduces the research questions and answers.

### RESULTS HYPOTHESIS 1 RESEARCH

**Ho:** There is no significant effect of marketing operations on social responsibility in small and medium enterprises in Indonesia.

**Ha:** There is a significant influence of marketing operations on social responsibility in small and medium enterprises in Indonesia.

The table above shows that there is a positive and significant influence between the variables of marketing operations and social responsibility of 0.325 at a significance level of 1 percent. This means that every increase in marketing operations by 1 unit will increase social responsibility by 0.325 units.

The marketing operations variable mentioned above explains 10.4 percent of the corporate social responsibility variable with a significance level of 1 percent as indicated by the calculated R2 and F values of Thus it is necessary to increase company operations in order to increase social responsibility which in turn will increase the performance of micro enterprises in the research area.

## RESULTS OF HYPOTHESIS 2 RESEARCH

**Ho:** There is no significant effect of social responsibility on the performance of micro-enterprises in Indonesia.

**Ha:** There is a significant influence between social responsibility on the performance of micro-enterprises in Indonesia.

The table above shows that there is a positive and significant influence between corporate social responsibility variables on micro business performance of 0.343 at a significance level of 1 percent. This means that every increase in marketing operations by 1 unit will increase social responsibility by 0.343 units.

The marketing operations variable mentioned above explains 18.6 percent of the corporate social responsibility variable with a significance level of 1 percent as indicated by the value of R2 and F count of 88,635. Thus, it is necessary to increase corporate social responsibility in order to improve the performance of micro-enterprises in the research area.

### HYPOTHESIS 3 RESEARCH RESULTS:

**Ho:** There is no significant influence between marketing operations on the performance of micro businesses in Indonesia

**Ha:** There is a significant influence between marketing operations on the performance of micro businesses in Indonesia

The table above shows that there is a positive and significant influence between marketing operations variables and micro business performance of 0.07 at a significance level of 10 percent. This means that every increase in marketing operations by 1 unit will increase micro business performance by 0.084 units.

The marketing operations variable mentioned above explains 0.04 percent of the corporate social responsibility variable with a significance level of 10 percent as indicated by the calculated R2 and F values of Thus it is necessary to increase company operations in order to improve micro business performance which

in turn will be able to improve the performance of micro enterprises in the research area.

## DISCUSSION OF RESEARCH RESULTS

This research sees that there are three reasons for the importance of social responsibility and the need for it to be carried out for micro-enterprises. Companies / micro are part of the community and therefore it is only natural that micro companies also pay attention to the interests of the community. With the implementation of social responsibility, the company has indirectly established good relationships and emotional ties to shareholders and stakeholders.

This study views that business and society have a symbiotic relationship of mutualism (complementary and mutually beneficial). For companies, to get support from the community, at least a license to operate, is a must for companies if they are required to make a positive contribution to society, so that they can boost the company's image and performance or social responsibility itself.

Social responsibility activities are one way to eliminate the potential for mass mobilization (population) to do things that are not desirable as access to exclusivism and monopoly of natural resources exploited by companies without prioritizing expanding opportunities for creating prosperity and developing human resources. who live around the mining area in particular and the people of Indonesia in general.

By carrying out social responsibility activities, consumers can get to know the company better as a company that always does good activities for society. Through the activity of providing product knowledge to consumers by distributing products free of charge, it can raise consumer awareness of the existence of the company's products so as to enhance the company's brand position.

This research views the need to develop Cooperation with Stakeholders. In carrying out social responsibility activities, the company certainly cannot do it alone, so it must be assisted by stakeholders, such as local governments, communities and local universities. Then the company can open good relations with these stakeholders.

If social responsibility is carried out by the company itself, the company has the opportunity to highlight its comparative advantage so that it can differentiate it from competitors who offer the same product or service. Generating Innovation and Learning to Increase Company Influence as seen in the responses of respondents in this study. Choosing social responsibility activities that are in accordance with the company's main activities requires creativity. Planning CSR consistently and periodically can trigger innovation within the company which can ultimately increase the company's role and position in global business. Opening Access for Investment and

Financing for Companies Investors are now aware of the importance of investing in companies that have carried out social responsibility. Likewise, providers of funds, such as banks, prioritize giving financial assistance to companies that carry out social responsibility.

In the end, if companies routinely carry out social responsibility in accordance with their main business and do it consistently and routinely, the business community (investors, creditors, etc.), government, academics, and consumers will become more familiar with the company. Then the demand for the company's shares will increase and automatically the company's stock price will also increase

By implementing social responsibility, companies have the opportunity to gain access to investment and financing from investors and also have the opportunity to develop partnerships with stakeholders, which benefit the company. For the community, with a company implementing CSR, they (the community) have the opportunity/opportunity to get assistance from the company.

## CONCLUSION

The first conclusion that can be drawn in this study is that there is a significant influence of marketing operations on social responsibility in micro-enterprises in Indonesia with a significance level of 1 percent, so that efforts to improve marketing operations can be carried out through market development, product development, and diversification development. Besides that, there is a significant influence between social responsibility on the performance of micro-enterprises in Indonesia with a significance level of 1 percent, indicating the role of social responsibility in managing micro-enterprises by obtaining guidance and guidance from the government. Then this study found a significant effect between marketing operations on the performance of micro-enterprises in Indonesia at a significance level of 10 percent. This shows the conclusion that efforts to increase social responsibility do not necessarily improve the performance of micro-businesses.

## BIBLIOGRAPHY

- [1] Abbas, J. (2020). The impact of total quality management on corporate sustainability through the mediating effect of knowledge management. *Journal of Clean Production*.  
<https://doi.org/10.1016/j.jclepro.2019.118806>
- [2] Adedeji, BS, Ong, TS, Uzir, MUH, & Abdul Hamid, AB (2020). Corporate governance and performance of medium-sized companies in Nigeria: do sustainability initiatives matter?

- Corporate Governance (Bingley).  
<https://doi.org/10.1108/CG-09-2019-0291>
- [3] Adel, HM, Mahrous, AA, & Hammad, R. (2020). Entrepreneurial marketing strategy, institutional environment, and business performance of SMEs in Egypt. *Journal of Entrepreneurship in Emerging Economies*. <https://doi.org/10.1108/JEEE-11-2019-0171>
- [4] Ahmad, W., Kim, WG, Anwer, Z., & Zhuang, W. (2020). Schwartz's personal values, theory of planned behavior and environmental awareness: How are tourist intentions towards eco-friendly destinations formed? *Business Research Journal*. <https://doi.org/10.1016/j.jbusres.2020.01.040>
- [5] Alnawas, I., & Abu Farha, A. (2020). Strategic orientation and the influence of capabilities on SME performance. *Marketing Intelligence and Planning*. <https://doi.org/10.1108/MIP-11-2019-0548>
- [6] Beltramino, NS, García -Perez-de- Lema, D., & Valdez- Juárez, LE (2020). Structural capital, innovation and performance of the SME industry. *Intellectual Capital Journal*. <https://doi.org/10.1108/JIC-01-2019-0020>
- [7] Bodlaj, M., Kadic-Maglajlic, S., & Vida, I. (2020). Describes the impact of different types of innovation, financial constraints and geographic diversification on SME export growth. *Business Research Journal*. <https://doi.org/10.1016/j.jbusres.2018.10.043>
- [8] Chatterjee, S., & Kumar Kar, A. (2020). Why small and medium businesses use social media marketing and what is the impact: Empirical insights from India. *International Journal of Information Management*. <https://doi.org/10.1016/j.ijinfor.2020.102103>
- [9] Das, M., Rangarajan, K., & Dutta, G. (2020). Corporate sustainability in SMEs: an Asian perspective. *Journal of Asian Business Studies*. <https://doi.org/10.1108/JABS-10-2017-0176>
- [10] In the *Journal of Asian Business Studies*. <https://doi.org/10.1108/JABS-10-2017-0176>
- [11] Daveik, NS, Cardinali, S., Sharma, P., & Cedrola, E. (2020). Exploring the role of international R&D activities in the impact of technological and marketing capabilities on SME performance. *Business Research Journal*. <https://doi.org/10.1016/j.jbusres.2020.04.042>
- [12] De, D., Chowdhury, S., Dey, PK, & Ghosh, SK (2020). The Impact of Lean-Oriented Innovation and Sustainability on the Sustainability Performance of Small and Medium Enterprises: A Data Envelopment Analysis-based framework. *International Journal of Production Economics*. <https://doi.org/10.1016/j.ijpe.2018.07.003>
- [13] Dvouletý, O., Srhoj, S., & Pantea, S. (2020). Public SME grants and company performance in the European Union: A systematic review of
- [14] Effiom, L., & Etim Edet, S. (2018). Small and Medium Enterprise Success in Nigeria: Do Environmental Factors Matter? *Journal of Economics and Sustainable Development*.
- [15] Eller, R., Alford, P., Kallmünzer, A., & Peters, M. (2020). Antecedents, consequences, and challenges of digitizing small and medium enterprises. *Journal of Business Research*. <https://doi.org/10.1016/j.jbusres.2020.03.004>
- [16] Falahat, M., Ramayah, T., Soto-Acosta, P., & Lee, YY (2020). Internationalization of SMEs: The role of product innovation, market intelligence, pricing and marketing communication skills as drivers of SME international performance. *Technological Forecasting and Social Change*. <https://doi.org/10.1016/j.techfore.2020.119908>
- [17] Giyanti, I., Indrasari, A., Sutopo, W., & Liquidanu, E. (2020). Implementation of halal standards in food manufacturing SMEs: the drivers and their impact on performance. *Journal of Islamic Marketing*. <https://doi.org/10.1108/JIMA-11-2019-0243>
- [18] Gürlek, M., & Gürlek, M. (2020). Innovation Performance. In *Technology Development through HRM*. <https://doi.org/10.1108/978-1-80043-312-02020006>
- [19] Gyimah, KN, Owiredu, A., & Antwi, F. (2020). The influence of entrepreneurial traits on the success of small and medium enterprises: A Ghanaian perspective. *International Journal of Scientific and Technological Research*.
- [20] Hamiza, O., & Ndi Isoh, AV (2019). Supply Chain Management Practices and SME Performance in Arua City, Uganda. *Business Management and Strategy*. <https://doi.org/10.5296/bms.v10i2.15754>
- [21] Hiong, LS, Ferdinand, AT, & Listiana, E. (2020). The ability of techno-resonance innovation to improve marketing performance: RA theory perspective. *Business: Theory and Practice*. <https://doi.org/10.3846/BTP.2020.12117>
- [22] Ibidunni, AS, Kolawole, AI, Olokundun, MA, & Ogbari, ME (2020). Knowledge transfer and innovation performance of small and medium enterprises (SMEs): An analysis of the informal economy. *Heliyon*. <https://doi.org/10.1016/j.heliyon.2020.e04740>
- [23] Jean, RJ, & Kim, D. (2020). Internationalization of the Internet and SMEs: The role of platforms and websites. *Journal of International Management*. <https://doi.org/10.1016/j.intman.2019.100690>

- V. D. Purnomo
- [24] Kljucnikov, A., Civelek, M., Cera, G., Mezulanik, J., & Manak, R. (2020). Differences in entrepreneurial orientation (EO) of SMEs in an international context: Evidence from the Czech Republic and Turkey. *Engineering Economics*. <https://doi.org/10.5755/j01.ee.31.3.23933>
- [25] Kozielski, R. (2019). The determinants of SME business success – an emerging market perspective. *International Journal of Organizational Analysis*. <https://doi.org/10.1108/IJOA-02-2018-1343>
- [26] Kraus, S., Berchtold, J., Palmer, C., & Filser, M. (2018). Entrepreneurial Orientation: The Dark Triad of Executive Personality. *Journal of Management Promotion*. <https://doi.org/10.1080/10496491.2018.1405524>
- [27] Lopez-Nicolas, C., Nikou, S., Molina-Castillo, FJ, & Bouwman, H. (2020). Gender differences and business model experiments in European SMEs. *Journal of Business and Industrial Marketing*. <https://doi.org/10.1108/IBIM-05-2019-0194>
- [28] Mabula, JB, & Ping, HD (2018). The use of technology and financial literacy on the practice and performance of SMEs in developing countries. *International Journal of Computer Science and Advanced Applications*. <https://doi.org/10.14569/IJACSA.2018.090611>
- [29] Mahmud, N., Hilmi, MF, Aspha, Y., & Mustapha, A. (2019). Total Quality Management and SME Performance: The Mediating Effects of Innovation in Malaysia. *Asia Pacific Journal of Management Accounting*.
- [30] Queiroz, SAB, Mendes, GHS, Silva, JHO, Ganga, GMD, Cauchick Miguel, PA, & Oliveira, MG (2020). Servitization and performance: impact on small and medium enterprises. *Journal of Business and Industrial Marketing*. <https://doi.org/10.1108/IBIM-06-2019-0277>
- [31] Safari, A., & Saleh, USA (2020). Key determinants of SME export performance: a resource-based view and a contingency theory approach using potential mediators. *Journal of Business and Industrial Marketing*. <https://doi.org/10.1108/IBIM-11-2018-0324>
- [32] Sahi, GK, Gupta, MC, & Cheng, TCE (2020). The effect of strategic orientation on operational ambidexterity: A study of Indian SMEs in the industrial era 4.0. *International Journal of Production Economics*. <https://doi.org/10.1016/j.ijpe.2019.05.014>
- [33] Sanyal, S., Hisam, MW, & Baawain, AMS (2020). Entrepreneurial orientation, network competency and human capital: Internationalization of SMEs in Oman. *Asian Journal of Finance, Economics and Business*. <https://doi.org/10.13106/JAFEB.2020.VOL7.N08.473>
- [34] Su, L., Lian, Q., & Huang, Y. (2020). How do tourists' attributions to destination social responsibility motives influence trust and intentions to visit? The moderating role of destination reputation. *Tourism Management*. <https://doi.org/10.1016/j.tourman.2019.103970>
- [35] Sulistyono, H., & Ayuni, S. (2020). The competitive advantage of SMEs: The role of innovation ability, entrepreneurial orientation, and social capital. *Administration Administration*. <https://doi.org/10.22201/FCA.24488410E.2020.1983>
- [36] Syahdan, R., Djaelani, Y., & Mahdi, SAR (2020). Strategic Orientation and Performance of SMEs in Indonesia: The Role of Financial Access Mediation. *Letter Management Science*. <https://doi.org/10.5267/j.msl.2019.10.026>
- [37] Thatte, LR, & Jena, NR (2018). The Development of Equity Capital Markets for MSMEs in India: An Econometric Perspective. *International Journal of Social and Economic Research*. <https://doi.org/10.5958/2249-6270.2018.00001.6>
- [38] Wasiuzzaman, S., & Nurdin, N. (2019). SME debt financing decisions in emerging markets: empirical evidence from Malaysia. *International Journal of Bank Marketing*. <https://doi.org/10.1108/IJBM-12-2017-0263>

**Open Access** This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

