The Relationship Between Knowledge and Digital Utilization in the Culinary Sector: An SMEs Perspective

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ABSTRACT

This research discusses the influence of knowledge of MSME actors in the use of digitalization in the culinary industry in Makassar City. This research aims to find out and analyze how socialization and interaction influence the knowledge of MSME actors and the extent to which this knowledge influences the use of digitalization in marketing. This research uses a quantitative approach and surveys as data collection methods. The research results show that MSME actors' knowledge about digitalization influences the use of digitalization in marketing, and socialization and interaction influence MSME actors' knowledge. This research hopes to contribute to the theoretical understanding of the factors influencing MSMEs and provide a basis for formulating more appropriate and effective strategies for MSME development.

Keywords: knowledge, digital utilization, culinary sector, msme development

1. INTRODUCTION

The world is currently living in the "Industrial 4.0 era," where technology has the power to completely transform the supply chain of every industry. The digital economy is rapidly growing due to the combination of a more advanced global economy and increasingly sophisticated technology. The Industrial Revolution has brought about significant changes in the world of industry. The fast-paced digital world today is encouraging entrepreneurship by offering many benefits and conveniences for starting a business.

According to a report by the Ministry of Cooperatives and Small and Medium Enterprises (Kemenkop UKM) in 2017, 3.79 million micro, small, and medium-sized enterprises (UMKM) use the internet to market their products, which represents about 8% of the total population of UMKM in Indonesia, which is approximately 59.2 million people. The Ministry of Cooperatives and Small and Medium Enterprises, the Ministry of Communications and Information Technology (Kemkominfo), and e-commerce players have launched the 8 Million UMKM Go Online program to increase the number of UMKM participants who use the internet. The government also aims to accelerate the digitalization of UMKM in Indonesia through this partnership (Kominfo, 2017).

The development of digitalization has created new advancements in the field of economy, particularly in the interaction between businesses and customers. The competition among UMKM (micro, small, and medium-sized enterprises) in the digital economy is becoming increasingly fierce, as technology continues to advance. Therefore, entrepreneurs need to be aware of this phenomenon and master digital marketing related to the digital economy. The digital economy presents a challenge for entrepreneurs in the MEA era. Therefore, entrepreneurs must be aware of this challenge and be prepared to face it in the future. The presence of the digital economy is one of the strategies for surviving in the digital economy and developing a business. UMKM is one of the driving forces of economic development and growth in Indonesia (Halim, 2020).

UMKM has become a solution to unemployment problems in Indonesia by creating job opportunities and automatically generating income for Indonesian citizens (Burhan, 2022). UMKM plays a significant role in creating job opportunities. The presence of competition in the business world cannot be avoided, as many economic players are present. In fact, competition is becoming increasingly fierce. It can be said that no product or service can be marketed without going through competition in the digital economy. The digital economy has transformed the global economy, allowing small industries to become multinational companies with flexibility and dynamism.

One of the sectors of digital economy that is currently developing in the Makassar region is e-commerce, or the use of social media for online transactions. Thanks to the availability of social media and marketplaces, entrepreneurs in Makassar can also use their phones as a promotional tool for their products, aside from using the internet as a means of communication that is widely sought after by the public. So that the general public can know about it. For example, there are many social media and marketplaces available today, such as Facebook, Instagram, or Twitter. Applications and marketplaces such as Bukalapak, Blibli.com, and Shopee have become a place where business owners can promote their products, whether in the form of food, fashion, or other items.

Micro, small, and medium-sized enterprises are very important for economic development and expansion, both in developed and developing countries like Indonesia. UMKM does not only play a significant role in economic development and progress in Indonesia but also plays a significant role in addressing unemployment problems in this country. Micro enterprises are a source of income and job growth opportunities because they are growing.

2. RESEARCH METHODS

The research type used is explanatory research, which is a type of research that explains the relationship between variables and tests hypotheses that have been developed earlier (Singarimbun, 2006: 5). Since it tests the hypothesis that has been formulated, this explanatory research is also referred to as hypothesis testing research. The hypothesis that was formulated to investigate the effect of the level of knowledge of UMKM (micro, small, and medium-sized enterprises) owners on the utilization of digitalization in marketing in Makassar will be tested in this explanatory research.

3. RESULTS AND DISCUSSION

3.1 Research Results
a. Validity Test Results

Table 1. Validity Test Results

		I feel I have sufficient knowledge about digitalization in marketing.pemasaran	I actively use digital technology in my business marketing activities.	I believe that knowledge about digitalization can increase the effectiveness of marketing for UMKM.	I often search for information and training on the utilization of digital technology in marketing.	I believe that UMKM that does not follow the development of digitalization will be left behind in the market competition.	Total number of questions for variable X
		Correlations					
I feel I have sufficient knowledge about digitalization in marketing.	Pearson Correlation	1	,512	,396	,591*	,241	,713**
	Sig. (2-tailed)		,051	,144	,020	,387	,003
	Sum of Squares and Cross-products	5,733	3,800	2,400	3,933	1,333	17,200

	Covariance	,410	,271	,171	,281	,095	1,229
	N	15	15	15	15	15	15
I actively use digital technology in my business marketing activities.	Pearson Correlation	,512	1	,740**	,487	,559*	,877**
	Sig. (2-tailed)	,051		,002	,065	,030	,000
	Sum of Squares and Cross-products	3,800	9,600	5,800	4,200	4,000	27,400
	Covariance	,271	,686	,414	,300	,286	1,957
	N	15	15	15	15	15	15
I believe that knowledge about digitalization can increase the effectiveness of marketing for UMKM.	Pearson Correlation	,396	,740**	1	,227	,685**	,792**
	Sig. (2-tailed)	,144	,002		,415	,005	,000
	Sum of Squares and Cross-products	2,400	5,800	6,400	1,600	4,000	20,200
	Covariance	,171	,414	,457	,114	,286	1,443
	N	15	15	15	15	15	15
I often search for information and training on the utilization of digital technology in marketing.	Pearson Correlation	,591*	,487	,227	1	,363	,706**
	Sig. (2-tailed)	,020	,065	,415		,183	,003
	Sum of Squares and Cross-products	3,933	4,200	1,600	7,733	2,333	19,800
	Covariance	,281	,300	,114	,552	,167	1,414
	N	15	15	15	15	15	15
I believe that UMKM that does not follow the development of digitalization will be left behind in the market competition.	Pearson Correlation	,241	,559*	,685**	,363	1	,730**
	Sig. (2-tailed)	,387	,030	,005	,183		,002
	Sum of Squares and Cross-products	1,333	4,000	4,000	2,333	5,333	17,000
	Covariance	,095	,286	,286	,167	,381	1,214
	N	15	15	15	15	15	15
Total number of questions for	Pearson Correlation	,713**	,877**	,792**	,706**	,730**	1
	Sig. (2-tailed)	,003	,000	,000	,003	,002	

variable X	Sum of Squares and Cross-products	17,200	27,400	20,200	19,800	17,000	101,600
	Covariance	1,229	1,957	1,443	1,414	1,214	7,257
	N	15	15	15	15	15	15

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Author's Processing

In the above correlation table, the highest coefficient value is found between the variables "I actively use digital technology in my business marketing activities" and "I believe that knowledge about digitalization can increase the effectiveness of marketing for UMKM" (0.792). This indicates that there is a strong correlation between these two variables. Every p-value in the correlation table is less than 0.05. This shows the statistical significance of each relationship found between the variables analyzed.

Based on the SPSS analysis results above, it can be concluded that there is a significant positive relationship between knowledge about digitalization, the use of digital technology, and confidence in the effectiveness of digitalization in marketing for UMKM. This indicates that digitalization can be a effective strategy to increase the competitiveness of UMKM in the digital era.

b. Reliability Test Results

Table 2. Reliability Test Results

Case Processing Summary

		N	%
Cases	Valid	15	100,0
	Excluded[a]	0	,0
	Total	15	100,0

a. Listwise deletion based on all variables in the procedure.

Source: Author's Processing

Based on the "Case Processing Summary" table, it can be concluded that there are 15 valid samples and 0 excluded samples in the SPSS analysis. This indicates that all the data analyzed are complete and valid, and there are no missing or invalid data. The method used to remove cases is "Listwise deletion based on all variables in the procedure", which means that cases that are excluded are cases that have missing values on one of the variables analyzed in the SPSS procedure.

Table 3. Reliability Statistic

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,822	,822	5

Source: Author's Processing

The Cronbach's Alpha value in the table above is 0.822. This value indicates the internal reliability of the scale analyzed. A higher Cronbach's Alpha value indicates a higher level of internal reliability. Generally, a Cronbach's Alpha value of 0.7 or higher is considered good. In this case, the Cronbach's Alpha value of 0.822 indicates that the scale analyzed has a high level of internal reliability.

It can be concluded that the scale analyzed has a high level of internal reliability, which means that this scale can be used with sufficient reliability to measure the concept being measured.

Table 4. Item Reliability

Item Statistics

	Mean	Std. Deviation	N

I feel I have sufficient knowledge about digitalization in marketing.pemasaran	3,47	,640	15
I actively use digital technology in my business marketing activities.	3,60	,828	15
I believe that knowledge about digitalization can increase the effectiveness of marketing for UMKM.	3,80	,676	15
I often search for information and training on the utilization of digital technology in marketing.	3,87	,743	15
I believe that UMKM that does not follow the development of digitalization will be left behind in the market competition.	3,67	,617	15

Source: Author's Processing

Based on the descriptive statistics table, it can be concluded that respondents generally agree with the statements presented in the survey. There is sufficient variation in responses to survey questions, and the distribution of variable values is not entirely normal, but also not too far from normal.

Table 5. Summary Item Statistics

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	3,680	3,467	3,867	,400	1,115	,025	5

Source: Author's Processing

Based on the SPSS analysis results, it can be concluded that:
1) Respondents generally agree with the statements presented in the survey about knowledge and use of digital technology in marketing for UMKM.
2) There is a positive and significant relationship between the variables analyzed.
3) This indicates that knowledge and use of digital technology can increase the effectiveness of marketing for UMKM, and UMKM that does not follow digitalization development will be left behind in market competition.

Table 6. Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
I feel I have sufficient knowledge about digitalization in marketing.pemasaran	14,93	5,210	,561	,467	,802
I actively use digital technology in my business marketing activities.	14,80	4,029	,765	,659	,738

I believe that knowledge about digitalization can increase the effectiveness of marketing for UMKM.	14,60	4,829	,663	,715	,773
I often search for information and training on the utilization of digital technology in marketing.	14,53	4,981	,520	,514	,816
I believe that UMKM that does not follow the development of digitalization will be left behind in the market competition.	14,73	5,210	,592	,548	,795

Source: Author's Processing

From the SPSS results presented in the "Item-Total Statistics" table, we can draw some conclusions related to the reliability of the questionnaire used to measure knowledge and attitudes towards digitalization in marketing for UMKM:

1) Item 1 ("I feel I have sufficient knowledge about digitalization in marketing"): Has a Corrected Item-Total Correlation value of .561, and if removed, Cronbach's Alpha increases to .802. This indicates that this item positively contributes to the overall reliability of the scale.

2) Item 2 ("I actively use digital technology in my business marketing activities"): Has the highest Corrected Item-Total Correlation value of .765, which shows that this item is very good at measuring the intended concept. If removed, Cronbach's Alpha decreases to .738, indicating that this item is very important for the reliability of the scale.

3) Item 3 ("I believe that knowledge about digitalization can increase the effectiveness of marketing for UMKM"): Has a Corrected Item-Total Correlation value of .663, and if removed, Cronbach's Alpha becomes .773. This item also positively contributes to the overall reliability of the scale.

4) Item 4 ("I often search for information and training on using digital technology in marketing"): Has the lowest Corrected Item-Total Correlation value of .520, and if removed, Cronbach's Alpha becomes .816. Although its contribution is lower than that of other items, this item is still important for the overall reliability of the scale.

5) Item 5 ("I believe that UMKM that does not follow digitalization development will be left behind in market competition"): Has a Corrected Item-Total Correlation value of .592, and if removed, Cronbach's Alpha becomes .795. This indicates that this item also positively contributes to the reliability of the scale.

Therefore, it can be concluded that all items have a Corrected Item-Total Correlation value above .50, which shows that each item is quite good at measuring the intended construct. Although there is variation in the contribution of each item to the overall reliability of the scale, no item needs to be removed because all items positively contribute to the overall reliability.

3.2 Discussion

This research found that the knowledge of UMKM actors about digitalization affects the utilization of digitalization in marketing. This is consistent with the theory that knowledge and ability to use digital technology can increase the effectiveness of marketing for UMKM. The research results also show that socialization and interaction influence the knowledge of UMKM actors. This is consistent with the theory that social interaction can influence an individual's knowledge and behavior.

In the context of the food industry in Makassar City, this research found that the knowledge of UMKM actors about digitalization affects the utilization of digitalization in marketing. This is important because the food industry in Makassar City has experienced significant changes with the emergence of digital technology.

The research found that UMKM actors who have knowledge about digitalization are more likely to use digital technology in marketing, which can ultimately increase the effectiveness of marketing and competitiveness of UMKM.

In summary, this research found that the knowledge of UMKM actors about digitalization affects the utilization of digitalization in marketing, as well as socialization and interaction influencing the knowledge of UMKM actors. The research results are consistent with the theory that knowledge and ability to use digital technology can increase the effectiveness of marketing for UMKM. The research also highlights the importance of UMKM actors' knowledge about digitalization in increasing the effectiveness of marketing and competitiveness of UMKM in the food industry in Makassar City.

4. CONCLUSIONS AND SUGGESTION

Based on the research results, it shows that digitalization is an effective strategy to increase the competitiveness of UMKM in the digital era. UMKM that wants to be successful needs to increase their knowledge and use of digital technology, as well as have confidence in the effectiveness of digitalization in marketing. There is a positive and significant relationship between knowledge about digitalization, use of digital technology, and confidence in the effectiveness of digitalization in marketing for UMKM. This shows that digitalization can be an effective strategy to increase the competitiveness of UMKM in the digital era.

Based on the above conclusions, here are some suggestions to increase the adoption of digitalization among UMKM: 1) The government needs to increase education and training on digitalization for UMKM. This can be done through various programs, such as seminars, workshops, and online training; 2) The government needs to provide sufficient digital infrastructure for UMKM. This includes accessible and reliable internet access, as well as easy-to-use e-commerce platforms; 3) It is necessary to provide guidance and mentoring to UMKM in implementing digitalization in their businesses. This can be done by government agencies, non-governmental organizations, or private sectors; and 4) Further research is needed to identify factors that can encourage UMKM to adopt digitalization. This can help in formulating more effective policies and programs to increase the adoption of digitalization among UMKM.

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