

Research Article

# Application of RBV Theory in Measuring the Success of MSME Competitive Advantage Business Strategies in the Era of Uncertainty

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## ABSTRACT

The application of Resource-Based View (RBV) theory becomes relevant for MSMEs to maximize internal resources that are unique and difficult to imitate in order to create a sustainable competitive advantage. The purpose of this study is to provide a more comprehensive insight into the role of a combination of internal resources and digital strategies in creating a sustainable competitive advantage amid market uncertainty. This research uses a quantitative method with a case study approach to gain a deeper understanding of the phenomenon in a particular context. Data collection techniques were conducted through questionnaires, observations, interviews, and documentation including reports, guidelines, and related research journals. After the data was collected, the analysis was carried out quantitatively using SEM-PLS. The results concluded that social capital, quality products, owner dedication, qualified staff, and effective control influence the success of MSMEs in a changing market. The application of Resource-Based View (RBV) theory emphasizes the importance of utilizing internal and external resources to create competitive advantage. In an era of uncertainty, the utilization of these resources allows MSMEs to adapt and survive in a dynamic market.

**Keywords:** Resource-Based View; Business Strategy; Competitive Advantage; MSMEs

## 1. INTRODUCTION

In an era of uncertainty characterized by rapid changes in technology, market dynamics, and global disruptions such as pandemics and economic crises, the sustainability of micro, small, and medium enterprises (MSMEs) is a major challenge. MSMEs, which are the backbone of the economy in many countries including Indonesia, often face difficulties in maintaining their competitiveness amidst the pressures of a changing business environment. In this situation, a business strategy based on competitive advantage becomes very important to ensure the survival and growth of MSMEs (Alfiana, Lubis, Suharyadi, Utami, & Sipayung, 2023).

The general business problem is that some MSME entrepreneurs cannot sustain the business for the long term (Anggraeni, Ningtiyas, & Nurdiah, 2021). In this study, more specific problems will be examined in small and medium scale retail businesses in Kerinci Regency, Jambi Province and its surroundings. The purpose of this applied research is to explore the strategies used by retail business owners in Kerinci Regency, Jambi Province to achieve success in a period of more than 5 years. The target population of this study consisted of five retail business owners who have maintained their business for more than 5 years in Kerinci Regency, Jambi Province and surrounding areas. Positive social change can result from improving the performance of MSMEs and reducing the rate of business failure and will also indirectly reduce the unemployment rate in Indonesia. Therefore, this applied research can offer a basis for increasing the income of MSMEs that are able to contribute to local economic growth, and improve people's living standards.

According to the World Association of MSMEs, the Resource-Based View (RBV) approach is an important key in achieving a successful business strategy based on competitive advantage, especially in an era of increasingly complex uncertainty (Crane, 2020). RBV focuses on utilizing internal resources that have VRIN (Valuable, Rare, Inimitable, Non-substitutable) characteristics. In this case, MSMEs need to identify and develop their unique assets that are able to

provide added value in a sustainable manner, either through human resource management, technological innovation, or exploration of local potential (Lukovszki, Rideg, & Sipos, 2021).

Assets such as innovation capabilities, strong business networks, and local cultural advantages are strategic factors that can be maximized to face dynamic market challenges. The ability to continuously innovate enables MSMEs to create products and services that are relevant to consumer needs. On the other hand, business networks provide access to new markets and strategic collaborations, while local wisdom is a unique attraction that is difficult for competitors to replicate (Navas, Suarez, Montañez, & Quintero, 2024). By utilizing RBV-based resources, MSMEs can increase operational flexibility in responding to external disruptions, such as changes in market demand or economic crises. This approach also strengthens MSMEs' adaptability to global challenges, such as digitalization and international competition. In the long run, RBV-based strategies enable MSMEs to not only survive, but also thrive as competitive players in the challenging global business environment (Kulkarni, Joseph, & Patil, 2024).

Based on this, the application of the Resource-Based View (RBV) theory to local retail MSMEs is very important because this approach allows them to utilize their unique internal resources to create a sustainable competitive advantage. The sustainability of MSMEs also has an important role in creating jobs, reducing poverty, and the development of these businesses is an important issue for the economy (Eniola & Ektebang, 2014). Small businesses are essential for employment in every country (Umrani, Johl, & Ibrahim, 2015), and the success of small businesses is an important way to reduce unemployment (Naradda Gamage et al., 2020). The strategies explored in depth in this research will certainly be able to help small business owners to identify and implement strategies that are suitable for use by MSMEs to improve business performance, reduce the possibility of failure in business, and business continuity can survive in the long term (Rohmah, Rismanto, & Imam, 2024).

In addition, MSMEs are the backbone of economic growth in both developed and developing countries (Shaulska, Kovalenko, Allayarov, Sydorenko, & Sukhanova, 2021). So it is necessary to find the best solution to prevent MSME business failures, which are feared to continue to increase in number. So that academic studies like this are very important to do to get results that can be used as solutions to existing problems. The contributions and implications of this research are (1) sharing knowledge about business survival strategies, (2) increasing employment opportunities, and (3) improving people's living standards. In addition, the results of this study can increase policymakers' understanding of the challenges faced by retail businesses in Indonesia and provide alternative solutions in drafting regulations that support the survival of MSME businesses in Indonesia.

The big challenges faced by Micro, Small and Medium Enterprises (MSMEs) in the era of global economic uncertainty, which is characterized by rapid technological change, market fluctuations, and increasingly fierce competition (Musad et al., 2024). Today, businesses around the world are experiencing rapid change, driven by factors such as globalization, high investment in information technology (Irawan, Efrina, Ginting, & Sari, 2023). Recognizing the importance of MSMEs, the Indonesian government will certainly continue to be committed to promoting and supporting the development of MSMEs and controlling the level of business failure rates. Despite the initiatives undertaken by the government, MSME business owners continue to struggle to sustain their businesses (Justino & Tengeh, 2016). Therefore, research on the strategies MSME owners use to sustain their businesses is critical in sharpening our understanding of the factors that can hinder business performance, thereby increasing the likelihood of business success (Marom & Lussier, 2014). So small business owners, regulators, business consultants and investors can use the findings of this study to understand how MSMEs can survive and succeed in the face of uncertainty in the business environment.

The Indonesian government seeks to support and promote the development of MSMEs and reduce the rate of business failure. Despite the initiatives taken by the government, MSME business owners continue to struggle to sustain their businesses (Perdana, Sihombing, Chrisinta, Sahala, & Budaya, 2023). The following is the number of MSMEs 2022-2023 in Jambi Province:

**Table 1.** Number of Micro, Small and Medium Enterprises 2022-2023 Cities and Districts of Jambi Province

No	District/city area	Micro		small		Medium		amount	
		2022	2023	2022	2023	2022	2023	2022	2023
1	KERINCI	6753	6753	646	646	69	69	7468	7468
2	MERANGIN	5416	6840	692	693	13	13	6121	7546
3	SAROLANGUN	2510	2510	107	107	10	10	2627	2627
4	BATANGHARI	17466	17466	138	138	7	69	17611	17673
5	MUARO JAMBI	41234	41234	0	0	0	0	41234	41234
6	TANJUNG JABUNG TIMUR	7650	17658	1048	1135	0	253	8698	19046
7	TANJUNG JABUNG BARAT	17658	7650	1135	1048	253	0	19046	8698
8	TEBO	8370	8370	0	0	0	0	8370	8370
9	BUNGO	11027	2443	1172	881	290	290	12489	3614
10	KOTA JAMBI	46912	46912	3835	3835	0	0	50747	50747
11	KOTA SUNGAI PENUH	6856	7722	1076	1125	1699	181	9631	9028
	PROVINSI JAMBI	171852	165558	9849	9608	2341	885	184042	176051

Source: Jambi Province Office of Cooperatives and MSMEs, 2024

Based on Figure 1, Kerinci stands out in the MSME landscape of Jambi Province. Between 2022 and 2023, the number of MSMEs in Kerinci District remained stable at 7,468 units, consisting of 6,753 micro enterprises, 646 small enterprises, and 69 medium enterprises. Although stable, this figure indicates the need for more efforts to increase and develop the number of MSMEs in the district. Kerinci Regency has a significant number of MSMEs, although it is lower than some other regions in Jambi Province such as Jambi City (50,747 MSMEs) and Muaro Jambi Regency (41,234 MSMEs) in the same year. The majority of MSMEs in Kerinci are micro enterprises, reflecting a local economy dominated by small-scale businesses.

Resource-Based View (RBV) theory is an approach that emphasizes the utilization of a company's internal resources to achieve sustainable competitive advantage (Nenta & Astuti, 2023). According to RBV, resources that are unique, rare, and difficult to imitate have a key role in creating competitive advantage (Aisyah, Puspita, & Elizamiharti, 2022). These resources include assets, capabilities, and competencies owned by the firm that, when managed well, can generate high value and differentiate the firm from its competitors. Therefore, RBV provides a strong foundation in business strategy to achieve a competitive advantage that is difficult for competitors to maintain (Supriandi & Iskandar, 2022). For MSMEs, the application of RBV theory can provide a useful perspective in facing the challenges of an increasingly complex and competitive business environment. MSMEs can leverage their valuable internal resources, such as employee skills, social relationships, and local knowledge, to build advantages that are not easily replicated by competitors (Putra, 2023). By maximizing these resources, MSMEs can improve their competitiveness despite being faced with market uncertainty and limited resources. The implementation of RBV in MSMEs offers an effective way to create sustainable competitive advantage and is relevant to the small business context (Tona Aurora Lubis et al., 2024).

Previous research conducted by (Mutmainah, Armawati, & Tovan, 2024) explained that online marketing strategies have a significant influence on competitive advantage by enabling businesses to reach a wider market, increase interaction with customers, and offer faster and more personalized services. Through the utilization of digital technologies such as social media, e-commerce platforms, and data analytics, companies can increase brand visibility, accelerate the sales process, and create superior customer experiences. This provides an opportunity for businesses to stand out in a competitive market, especially in the highly dynamic digital era. This research offers novelty by applying the Resource-Based View (RBV) theory to measure the success of business strategies based on competitive advantage in MSMEs in the era of uncertainty. Different from previous studies that focused more on digital technology as a marketing tool, this study will explore how MSMEs' internal resources, such as managerial capabilities, product innovation, and operational efficiency, contribute to the success of their business strategies. As such, this research aims to provide more comprehensive insights into the combined role of internal resources and digital strategies in creating sustainable

competitive advantage amid market uncertainty.

This research has an important contribution because it is one of the first efforts in Indonesia, especially in Jambi Province, to identify the main factors that support the success of retail MSMEs in surviving for 5 years amidst uncertainty in Kerinci Regency. This is based on the urgency of understanding local conditions influenced by market dynamics, economic challenges, and unique cultural potential. In addition, this research also provides added value by involving a broad sample of MSMEs, covering 18 (eighteen) sub-districts in Jambi Province, so that the results can form the basis for more relevant and comprehensive development for the MSME sector in the region.

## 2. RESEARCH METHOD

This research uses a quantitative method with a case study approach to explore phenomena in depth in one or more specific environments, as described by (Feagin, Orum, & Sjoberg, 2016). Quantitative method is a research approach that focuses on collecting and analyzing data that can be measured numerically. This approach is used to test hypotheses, measure variables, and look for relationships between variables in a particular phenomenon or problem (Firmansyah & Masrun, 2021). Meanwhile, the case study approach is a research method that focuses on in-depth exploration of a phenomenon or problem that occurs in a particular context, usually in a real environment (Assyakurrohim, Ikhrum, Sirodj, & Afgani, 2023). In this approach, researchers study one or more cases thoroughly to understand the factors that influence the event or event. This approach is well-suited to unearthing in-depth information about complex social phenomena, especially those related to the dynamics of daily life in specific contexts. In this case, the research focuses on the retail MSME sector in Kerinci Regency, which requires further understanding of the factors that influence its success.

The case study approach was chosen for its ability to provide a holistic and data-rich picture. In this study, researchers were able to utilize this approach to directly observe how various internal factors such as management and finance, as well as external factors such as market conditions and government policies interact in the context of retail MSMEs in Kerinci Regency. This allowed the researcher to gain a more comprehensive insight into the challenges and opportunities faced by businesses in the region. The combination of quantitative methods and a case study approach provides a robust approach to assessing the factors that influence the success of retail MSMEs. On the one hand, quantitative data provides a clear picture of relationships between variables that can be statistically tested. On the other hand, case studies allow researchers to understand the broader context and factors that are difficult to measure numerically, providing a more in-depth and contextualized insight into the issues faced by MSMEs in Kerinci Regency. This approach allows researchers to produce more comprehensive and applicable recommendations for the development of MSMEs in the area.

Population refers to all groups or entities that are the focus or object of research. The population consists of individuals, objects, or phenomena that have certain characteristics relevant to the research objectives (Suriani & Jailani, 2023). The population selected in this study are owners of retail MSMEs operating in Kerinci Regency, Jambi Province. Based on existing data, Kerinci Regency has 715 retail businesses consisting of various types of small and medium enterprises. To ensure adequate representation in the study, a sample of 150 retail MSME owners was taken. This sample selection aims to cover variations in business type, size, and other characteristics that may affect the research results, so that the data obtained can represent the real conditions in the field. The sample selection was done by considering diverse business backgrounds, such as product type, business scale, and business experience. This variation is important so that the research can explore the factors that influence the success of retail MSMEs more comprehensively. By taking a sample that includes different types of businesses and different conditions, the research is expected to provide greater insight into the challenges faced by MSMEs in Kerinci Regency, as well as the factors that contribute to their success.

The data collection process in this study was carried out using various techniques, one of which was a questionnaire. Questionnaires were used to collect quantitative data from respondents, namely retail MSME owners in Kerinci Regency. The questions in the questionnaire were designed to explore information related to factors that influence the success of their business, such as social capital, product quality, owner dedication, and human resource management strategies. The questionnaire helped researchers obtain objectively measurable data, providing a more systematic and structured picture of business owners' responses to the various factors under study. Questionnaires also allow the collection of data from a large number of respondents in a relatively short time, so that the results can reflect the opinions and conditions of the wider population under study. The data obtained through the questionnaire was then analyzed to find patterns or relationships between variables affecting the success of MSMEs. In addition to questionnaires, observation, interview and

documentation techniques were used to complement the information obtained, providing a deeper understanding of the daily operational practices of MSME actors. This combination of methods ensures that the data collected is comprehensive and can describe the phenomena occurring in the field more accurately.

In addition to observations, interviews were conducted with business owners as key informants to gather in-depth information on the factors that influence their success. These interviews were designed to understand the challenges faced by MSME actors, such as financial, marketing or managerial constraints. Documentation techniques complemented the data by utilizing written sources such as financial reports, operational guidelines, and sales records. This documentation provides concrete evidence of business performance and management, which can be further analyzed to understand the dynamics of the retail MSME sector in Kerinci district (Jailani, 2023). The measurement model in this study was based on thematic analysis and data categorization. Data obtained from interviews and documents were analyzed by grouping information based on key themes relevant to the research objectives. This analysis enabled the researcher to identify patterns, relationships or gaps in retail MSME practices. In addition, data from observations were used to verify and complement information obtained from interviews and documents.

The collected data was then analyzed using the triangulation method to increase the validity and reliability of the research results. Triangulation is done by integrating various data sources, data collection methods, and points of view. In this way, research findings can be confirmed for consistency so as to provide an accurate picture of the key success factors of retail MSMEs in Kerinci Regency (Alfansyur, n.d.). In this study, a representative sample of the retail MSME population was used to provide results that can be used as a practical reference for stakeholders. This approach helps to answer the research questions more specifically, namely regarding the critical elements that contribute to the success of MSMEs in the local environment. As such, the research findings are expected to be relevant and implementable to support the development of retail MSMEs in Kerinci Regency.

The selection of a proportionate sample size, between 100 and 150 people, was also designed to ensure that the research results reflect the diversity of MSMEs in Kerinci Regency. This is important given that variations in business scale, product type and business strategy can affect success factors. With a carefully designed population and sample, this research is expected to provide results that are both in-depth and applicable. With this approach, the research results are expected to be not only methodologically valid but also relevant in providing new solutions or understanding of the problems faced by retail MSMEs in Kerinci Regency. This research can also serve as a reference for similar studies in other regions to identify more specific success factors of MSMEs according to local characteristics.

To analyze the effect of the application of Resource-Based View (RBV) theory on the success of business strategies based on competitive advantage in MSMEs in the era of uncertainty, this study uses the Partial Least Squares-Structural Equation Modeling (PLS-SEM) method. PLS-SEM was chosen because this method is able to handle complex relationships between variables, including latent variables, with a large sample size and non-normal data distribution. In the context of this research, the PLS-SEM model enables the evaluation of the relationship between MSMEs' internal resources (such as unique assets, innovation capabilities, and business networks) and the success of competitive strategies characterized by adaptability, competitiveness, and business sustainability. Data processing was carried out with the latest version of Smart PLS software, which includes two main stages: model measurement (outer model) and structural testing (inner model). In the model measurement stage, convergent validity, discriminant validity, and reliability tests were conducted to ensure that the research instruments were able to measure the intended concepts consistently. Furthermore, the structural testing stage is used to test the hypothesis and the strength of the relationship between variables. With the model that has been built, the analysis results show how VRIN resources of MSMEs significantly contribute to the success of business strategies based on competitive advantage, providing practical insights for MSMEs to survive and thrive in an era of uncertainty.

### 3. RESULTS AND DISCUSSION

#### 3.1 Respondent Characteristic

The characteristics of the respondents in this study include various demographic categories that provide an overview of the diverse profiles of MSME owners.

Table 1. Respondent Characteristics

Category	Total	Proportion
Gender	Male	64,7%
	Famale	35,3%
Age	< 21 year	14%
	21 - 30 year	62%
	32 – 49 year	12,7%
	50 year	6%
	> 50	5,3%
Education	Junior High	24,6%
	Senior High	40%
	Diploma	8%
	Bachelor	22,7%
	Postgraduate	4,7%
Company Type	Micro	67,3%
	Small	21,4%
	Medium	11,3%
Number of Employees	< 10	67,3%
	< 50	21,4%
	51-300	11,3%

Based on gender, the majority of respondents were male with a proportion of 64.7%, while females accounted for 35.3%. In terms of age, most respondents are between 21 to 30 years old, at 62%, followed by the age group of less than 21 years old at 14%, and 32-49 years old and more than 50 years old at 12.7% and 5.3% respectively. The education of the respondents varied, with 40% having a high school educational background, 24.6% having a junior high school education, 22.7% having an undergraduate education, and only 4.7% having a postgraduate education. In terms of company type, most respondents run micro businesses at 67.3%, followed by small businesses (21.4%) and medium businesses (11.3%). In terms of the number of employees, most companies have less than 10 employees, at 67.3%, while 21.4% have less than 50 employees, and 11.3% have between 51 and 300 employees. These characteristics provide important insights into the demographics and scale of operations of the MSMEs that were the subject of the study, which may influence the results and interpretation of the factors that influence their success.

Statistical Test Results

Measurement Model (Outer Model)

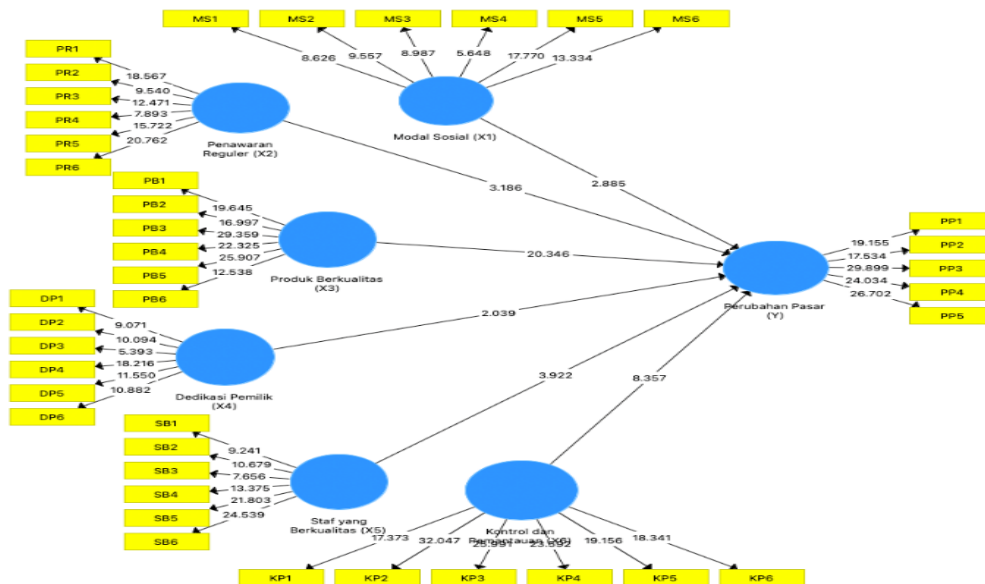


Figure 2. Outer Model

Based on data processing with SEM-PLS 3.0 Professional, the outer model values are as follows:

**Table 2.** Outer Loading

	<b>Owner Dedication (X4)</b>	<b>Control and Monitoring (X6)</b>	<b>Social Capital (X1)</b>	<b>Regular Offer (X2)</b>	<b>Market Change (Y)</b>	<b>Quality Products (X3)</b>	<b>Qualified Staff (X5)</b>
DP1	0,769						
DP2	0,770						
DP3	0,635						
DP4	0,776						
DP5	0,768						
DP6	0,776						
KP1		0,828					
KP2		0,886					
KP3		0,881					
KP4		0,867					
KP5		0,857					
KP6		0,841					
MS1			0,764				
MS2			0,774				
MS3			0,740				
MS4			0,649				
MS5			0,770				
MS6			0,790				
PB1						0,851	
PB2						0,823	
PB3						0,876	
PB4						0,863	
PB5						0,877	
PB6						0,783	
PP1					0,850		
PP2					0,834		
PP3					0,881		
PP4					0,876		
PP5					0,880		
PR1				0,840			
PR2				0,761			
PR3				0,785			
PR4				0,750			
PR5				0,802			
PR6				0,822			
SB1							0,759
SB2							0,770
SB3							0,748
SB4							0,789

SB5	0,833
SB6	0,844

Table 2 indicates that the outer loadings for all indicators on each variable exceed the specified threshold, which is > 0.5. The high loading factor value reflects the close relationship between the indicator and the latent variable it represents.

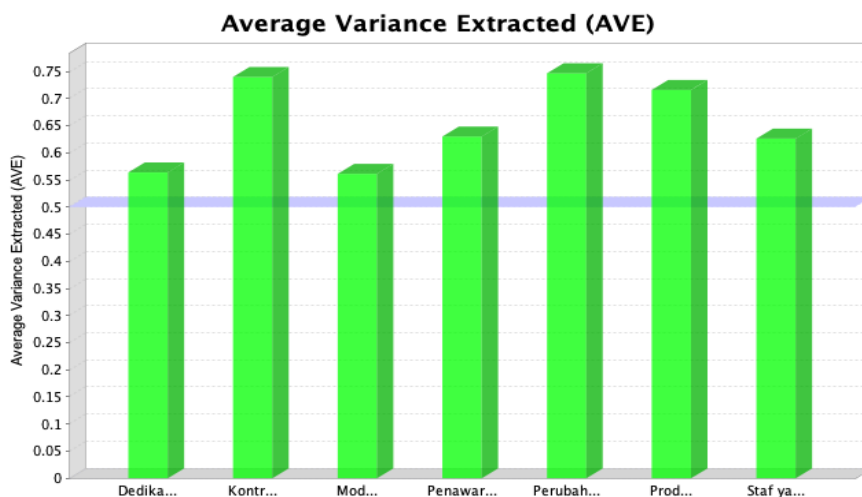


Figure 3. Average Variances Extracted

Table 3. Average Variances Extracted

	Average Variance Extracted (AVE)
Owner Dedication (X4)	0,564
Control and Monitoring (X6)	0,740
Social Capital (X1)	0,561
Regular Bidding (X2)	0,630
Market Change (Y)	0,747
Quality Products (X3)	0,716
Qualified Staff (X5)	0,626

Table 4. Discriminant validity

	X4	X6	X1	X2	Y	X3	X5
Owner Dedication (X4)	0,751						
Control and Monitoring (X6)	0,745	0,86					
Social Capital (X1)	0,976	0,747	0,749				
Regular Bidding (X2)	0,848	0,85	0,832	0,794			
Market Change (Y)	0,756	0,98	0,756	0,854	0,864		
Quality Products (X3)	0,769	0,974	0,772	0,854	0,993	0,846	
Qualified Staff (X5)	0,837	0,874	0,831	0,982	0,892	0,89	0,791

Based on table 4, it can be seen that all indicators that make up each variable in this study have met discriminant validity, this is indicated by the cross loading value, which indicates that the correlation between the construct and its indicators is higher than the correlation between the construct and other indicators.

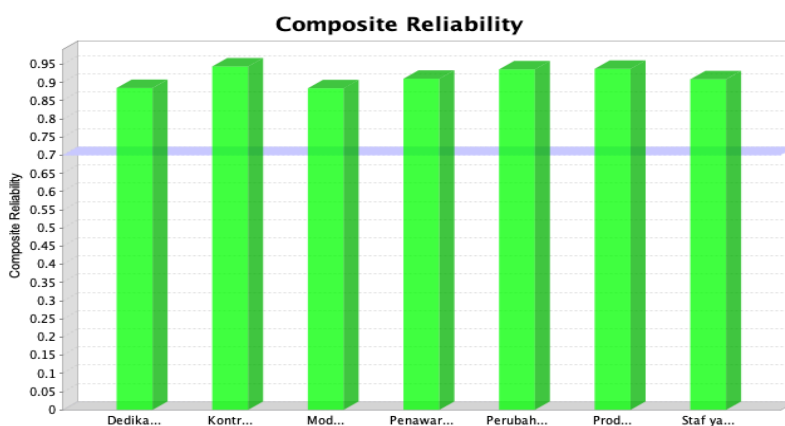


Figure 4. Composite Reliability

Table 3 shows that the Average Variance Extracted (AVE) value has also exceeded 0.5, while the cross loading value reveals that the correlation between constructs and indicators on the variables they measure is greater than the correlation between constructs and other indicators. Therefore, it can be concluded that all indicators in this study have met the criteria for convergent and discriminant validity, so they are declared valid.

Table 5. Composite Reliability

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Owner Dedication (X4)	0,844	0,85	0,885	0,564
Control and Monitoring (X6)	0,93	0,931	0,945	0,74
Social Capital (X1)	0,843	0,848	0,884	0,561
Regular Bidding (X2)	0,883	0,889	0,911	0,63
Market Change (Y)	0,915	0,916	0,936	0,747
Quality Products (X3)	0,92	0,924	0,938	0,716
Qualified Staff (X5)	0,881	0,892	0,909	0,626

Based on the calculation results in table 5, all Cronbach's Alpha values are more than 0.60 (CA > 0.60), and the Composite Reliability value also exceeds 0.70 (CR > 0.70). Thus, it can be concluded that all constructs in this study have high reliability and are declared reliable.

Model Structural (Inner Model)

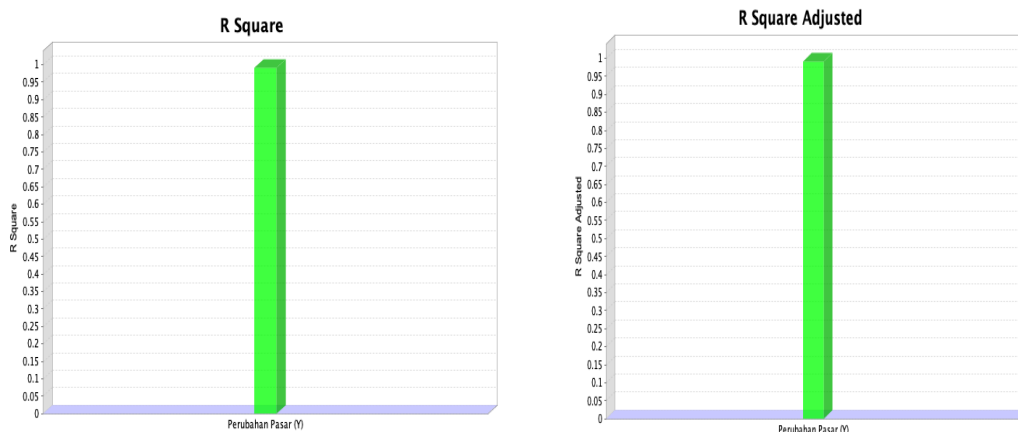


Figure 5. R Square & R Square Adjusted

**Table 6.** R-Square

	R Square	R Square Adjusted
Market Changes (Y)	0,991	0,991

Based on the results of the R-Square calculation shown in Table 6, it is known that all x variables have an influence on market changes 99.1% The rest is influenced by other variables outside the research that has been done.



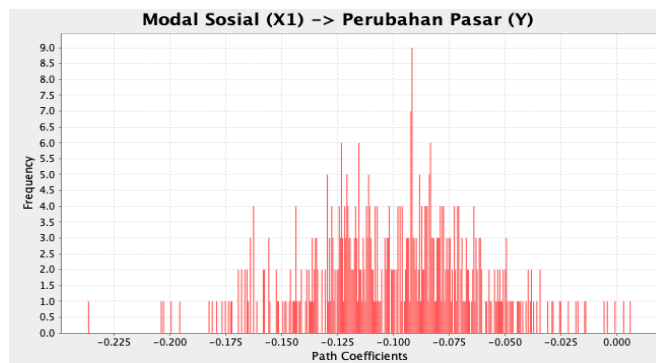
**Figure 6.** Path Coefficients

**Table 7.** Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
Owner Dedication (X4) -> Market Change (Y)	0,079	0,072	0,039	2,039	0,042
Control and Monitoring (X6) -> Market Change (Y)	0,283	0,280	0,034	8,357	0,000
Social Capital (X1) -> Market Change (Y)	-0,105	-0,099	0,036	2,885	0,004
Regular Bidding (X2) -> Market Change (Y)	-0,171	-0,165	0,054	3,186	0,002
Quality Product (X3) -> Market Change (Y)	0,684	0,686	0,034	20,346	0,000
Qualified Staff (X5) -> Market Change (Y)	0,224	0,221	0,057	3,922	0,000

(a) The Path Coefficients test is used as a basis for testing the hypothesis in this study, with predetermined criteria, namely the hypothesis is accepted if the P value is <0.05, and rejected if the value in the P column is > 0.05. The results of hypothesis testing in this study are as follows: H1: Social capital has a positive effect on market changes with a t-statistic value of 2.885, and a P value of 0.004 which means  $P < 0.05$ , which means the hypothesis is accepted.

(b)



**Figure 3.** Hypothesis 1 Results

1. H2: Regular Offerings have a positive effect on market changes with a t-statistic value of 3.186, and a P value of 0.002 which means  $P < 0.05$  which means the hypothesis is accepted.

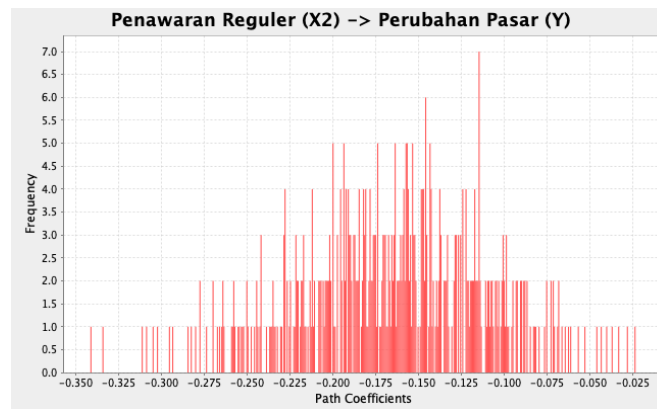


Figure 4. Hypothesis 2 results

2. H3: Quality products have a positive effect on market changes with a t-statistic value of 20.346, and a P value of 0.000, which means  $P < 0.05$ , which means the hypothesis is accepted.

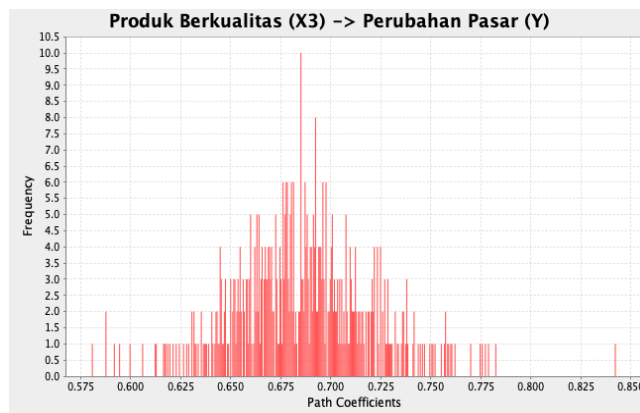
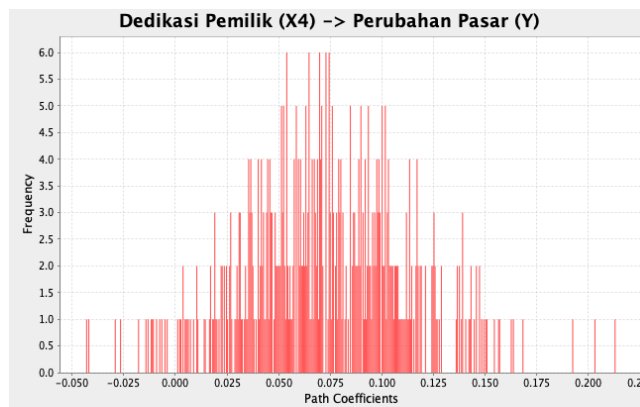
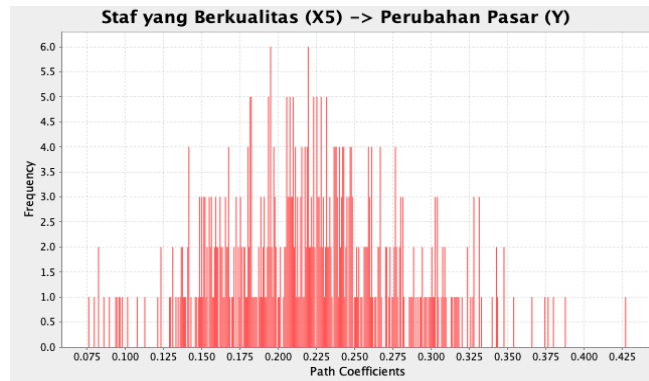


Figure 5. Hypothesis 3 Results

3. H4: Owner dedication has a positive effect on market changes with a t-statistic value of 2.039, and a P value of 0.042, which means  $P < 0.05$ , which means the hypothesis is accepted.



4. H5: Quality staff has a positive effect on market changes with a t-statistic value of 3.922, and a P value of 0.000, which means  $P < 0.05$ , which means the hypothesis is accepted.



5. H6: Control and monitoring have a positive effect on market changes with a t-statistic value of 8.357, and a P value of 0.000 which means  $P < 0.05$ , which means the hypothesis is accepted.

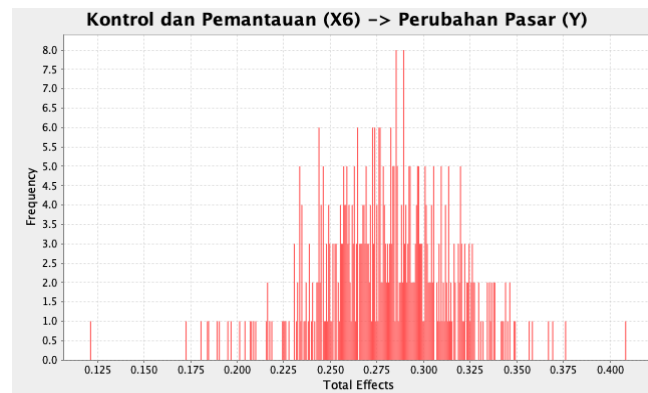


Figure 8. Hypothesis 6 results

### 3.2 Discussion

The results of the analysis show that social capital, regular offerings and quality products, owner dedication, qualified staff, and control and monitoring have a significant influence on market changes, and this is in line with the application of Resource-Based View (RBV) theory in measuring business strategy success and competitive advantage of MSMEs. Social capital, as one of the resources owned by business owners, opens access to external opportunities and resources that can be utilized to adapt to market changes. RBV emphasizes that the success of MSMEs depends not only on physical resources, but also on the ability to leverage strong relationships and extensive networks as capital to survive and thrive in an uncertain market (Zebua, Ndraha, Lahagu, & Hulu, 2024).

In addition, regular offerings and quality products, dedication of owners, and qualified staff demonstrate how internal resources, such as managerial skills and HR capabilities, can be leveraged to create a sustainable competitive advantage. In an era of uncertainty, the ability to effectively manage business operations through tight control and monitoring is crucial, as it enables MSMEs to respond to market changes quickly and efficiently (Prakoso & Apriliani, 2024). Thus, the application of RBV theory in this study explains that optimal utilization of internal and external resources will enable MSMEs to develop business strategies that can create competitive advantage and survive amid market uncertainty. Resource-Based View (RBV) theory is an approach that focuses on how a company's resources can act as a determining factor in creating competitive advantage (Nurul Wardani Lubis, 2022). In MSMEs in an era of uncertainty, RBV can be applied to assess the success of business strategies by looking at the quality and utilization of existing resources. These resources include both physical ones such as capital, technology, and infrastructure, as well as those that are not directly visible such as knowledge, reputation, and relationships with customers (Wijaya, 2024). The success of MSMEs depends not only on external capabilities, but also on internal strengths that are the basis for long-term competitiveness (Dasuki,

2021).

RBV is a conceptual framework that helps explain how companies can achieve sustainable competitive advantage. Experts in strategic management see a firm's resources as the potential to create competitive advantage (Jensen, Cobbs, & Turner, 2016). Thus, RBV is closely related to strategic management theory. From the perspective of RBV theory, companies can achieve sustainable competitive advantage by utilizing their internal resources to beat competitors and overcome external factors that affect company performance (Campbell & Park, 2017). The company's internal resources are the key to creating a competitive advantage and ensuring the survival of the company. Resources that provide competitive advantage have certain characteristics (Shabrian et al., 2023). RBV experts attribute competitive advantage to a firm's unique resources and capabilities. To obtain a sustainable competitive advantage, resources must be valuable, strategic, rare, and difficult to imitate (Behl, Gaur, Pereira, Yadav, & Laker, 2022). In a competitive market, companies that have physical assets, superior human resources, and organizational culture that are rare and not easy to imitate will gain an advantage in the face of competition. Therefore, small business owners need to invest in resources that support competitive advantage and improve their performance. The Resource-Based View (RBV) approach links business success to the organization's resources, which are a major factor in small business growth (Zhang & Udemba, 2023). According to RBV theory, the greater and more valuable the resources a firm has, the greater its chances of surviving and thriving in the market (Barney, 1995). However, although large companies tend to have more resources, research by (Lee, Jiménez, & Devinney, 2020) shows that many small companies with limited resources are able to survive in the face of challenges. This indicates that in addition to organizational resources, other factors such as managerial strategy, adaptation to market changes, and innovation can also affect the success or failure of a business.

The fact that small firms can survive despite limited resources highlights the importance of managerial skills and sound decision-making in optimizing available resources. Small business owners who have a clear vision, the ability to adapt quickly, and creativity in creating added value, can overcome resource limitations and compete with larger firms. Therefore, while the RBV emphasizes the importance of resources, an understanding of other external and internal factors that contribute to business success is crucial for MSME owners in planning and executing their business strategies. In addition, RBV also emphasizes the importance of knowledge management and the organization's ability to manage existing resources (Parinsi & Musa, 2023). In assessing the success of business strategies, MSMEs that are able to develop internal knowledge and innovate sustainably will have a greater chance of success (Rochmawati, Hatimatunnisani, & Veranita, 2023). Therefore, MSME managers need to deeply understand the strategic value of their resources, including aspects such as competent employees, technology used, and the ability to manage and develop these resources to compete with large companies.

The Resource-Based View (RBV) theory provides a relevant framework for understanding the success of MSME business strategies in an era of uncertainty by emphasizing the utilization of internal resources that are valuable, rare, and difficult to replicate. In MSMEs, resources such as social capital, product quality, business owner dedication, qualified staff, and the ability to control and monitor operations, are key elements in creating competitive advantage. These factors enable MSMEs to remain relevant and competitive amidst dynamic market changes, while building sustainable competitiveness through the management of their internal assets. By optimizing these internal resources, MSMEs have the ability to better adapt to global economic challenges, create innovations, and differentiate themselves from competitors. Social capital, for example, encourages strong collaboration, while quality products and services strengthen customer loyalty. The dedication of business owners ensures resilient leadership in the face of uncertainty, and consistent monitoring maintains operational efficiency. With this RBV approach, MSMEs can not only survive, but also thrive despite challenging market conditions.

#### 4. CONCLUSION

Research into the key success factors of retail MSMEs in Kerinci District, Jambi Province, identified several important elements that contribute to small business success. One of the key factors found was social capital, which refers to the close relationships between businesses and the local community. This social capital creates a solid and mutually supportive network between MSMEs and the community. The trust built from these social relationships allows MSMEs to more easily gain support, both from customers and other stakeholders, which in turn strengthens their position in the local market. Social capital is a crucial resource for MSMEs, as it can open up opportunities for collaboration, increase customer loyalty, and provide greater access to a wider market. In addition to social capital, another highly influential factor is product quality. MSMEs that are able to offer high-quality products, which meet customer needs and wants, have a clear competitive advantage. Product quality is a key determinant in winning over customers, especially since consumers tend to be more loyal to businesses that can consistently meet their expectations. Therefore, maintaining product quality is a very

important strategy for MSMEs, not only to increase customer satisfaction but also to build a good reputation in the market. As such, product quality becomes a highly valuable resource within the framework of the Resource-Based View (RBV) theory, which emphasizes the importance of having assets that are unique and not easily replicated by competitors. RBV also highlights the importance of resources that are rare and difficult to replicate. In the context of MSMEs in Kerinci Regency, this can be reflected in quality product offerings combined with a deep understanding of local culture and the uniqueness of the local market. Products that reflect local wisdom or have specific cultural values can provide strong differentiation in the market. This uniqueness makes the product difficult for competitors to replicate, thus giving MSMEs a longer-lasting advantage. In this case, the ability of MSMEs to leverage their internal resources—such as knowledge of the local market, product innovation capabilities, and community linkages—becomes a key element in building a sustainable competitive advantage.

Owner dedication and staff quality also have a significant influence on MSME success. Business owners who have a clear vision and commitment to business development will encourage more stable growth. The same applies to the quality of staff involved in business operations. Competent and well-trained staff can support smooth operations and improve customer service. The active involvement and good management of owners and staff are factors that strengthen the competitiveness of MSMEs, as this relates to their ability to adapt to fast-changing market dynamics. Finally, effective control and monitoring of business operations is the final element that contributes to MSME success. With careful monitoring of operational performance and market response, MSMEs can quickly identify opportunities and challenges and make necessary adjustments. This good management allows MSMEs to remain flexible in the face of external disruptions and dynamic market changes. The analytical results of this study show that elements such as social capital, product quality, dedication of owners and staff, and effective control all play an important role in building MSMEs' competitive advantage. This is in line with the application of RBV theory, which underscores the importance of unique and irreplaceable internal resources in measuring the success of MSME business strategies in an era of uncertainty.

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