

Abstract

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Airlangga University, Surabaya, 19 June 2021.

The role of mediation in Information and Communication Technology, and Innovation, in the influence of business strategy on company performance, studies on MSME food products that are certified and labeled halal in West Nusa Tenggara.

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The industrial revolution 4.0 provides opportunities and freedom for Micro, Small and Medium Enterprises (MSMEs) to improve company performance. the use of ICT and its application in implementing business strategies to improve company performance. This study aims to examine the mediating role of ICT and innovation, on the effect of business strategy on company performance, studies on MSMEs certified and labeled halal food products in West Nusa Tenggara (NTB). This study uses a quantitative approach with an explanatory research design and uses a survey method, this study uses a saturated sample with the year of observation (2017-2019). The number of samples is 650 MSMEs and which can be analyzed are 536 MSMEs with a response rate of 82.46%. The analytical tool used is Structural Equation Modeling (SEM) with SmartPLS version 3.0 software.

The results of this study indicate that ICT partially mediates the effect of business strategy on company performance, because social media and e-commerce used are still free accounts, this is done because; 1). Lack of understanding about the importance of online promotion, 2). There is no planned marketing expense item in the business, and 3). Feel satisfied with the results of offline sales. Innovation partially mediates the effect of business strategy on company performance, because product innovation by trying new ideas in adding flavor variants and marketing innovation by changing packaging design, it can increase attractiveness and meet customer tastes so that it can play a role in improving company performance . ICT and innovation together partially mediate the effect of business strategy on company performance, because ICT and innovation are able to improve company performance related to business transactions and marketing products online, so as to streamline time and costs in serving customers quickly and swiftly, as well as innovation What is done can convince and meet the tastes of its customers to continue to consume the products it produces.

The business strategy applied in this research is cost leadership because it is viewed from; the products produced are predominantly commodity products, the production process still uses traditional tools, the lack of new product development, the lack of cooperation with resellers, and the lack of branded products. Company performance in terms of financial performance and non-financial performance. Financial performance has increased, both from an increase in sales of 18.5% - 69.2%, and an increase in profit of 22.8% - 65.7%. Non-

financial performance has increased in terms of; service quality, product quality, and achievement of production targets.

The limitation in this study is that MSMEs do not have financial reports and to calculate the increase in sales and profits, MSME actors can only predict the percentage increase each year.

Further research can use qualitative methods or mixed methods, because MSME actors respond with open interviews. So that it has the opportunity to add other variables and can find out in more detail the problems that occur, and can provide assistance to MSME actors to make financial reports, socialize the benefits of financial reports, in community service programs.

Keywords : *Business Strategy, Company Performance, Information Communication Technology, Innovation, MSME, food products that are certified and labeled halal.*