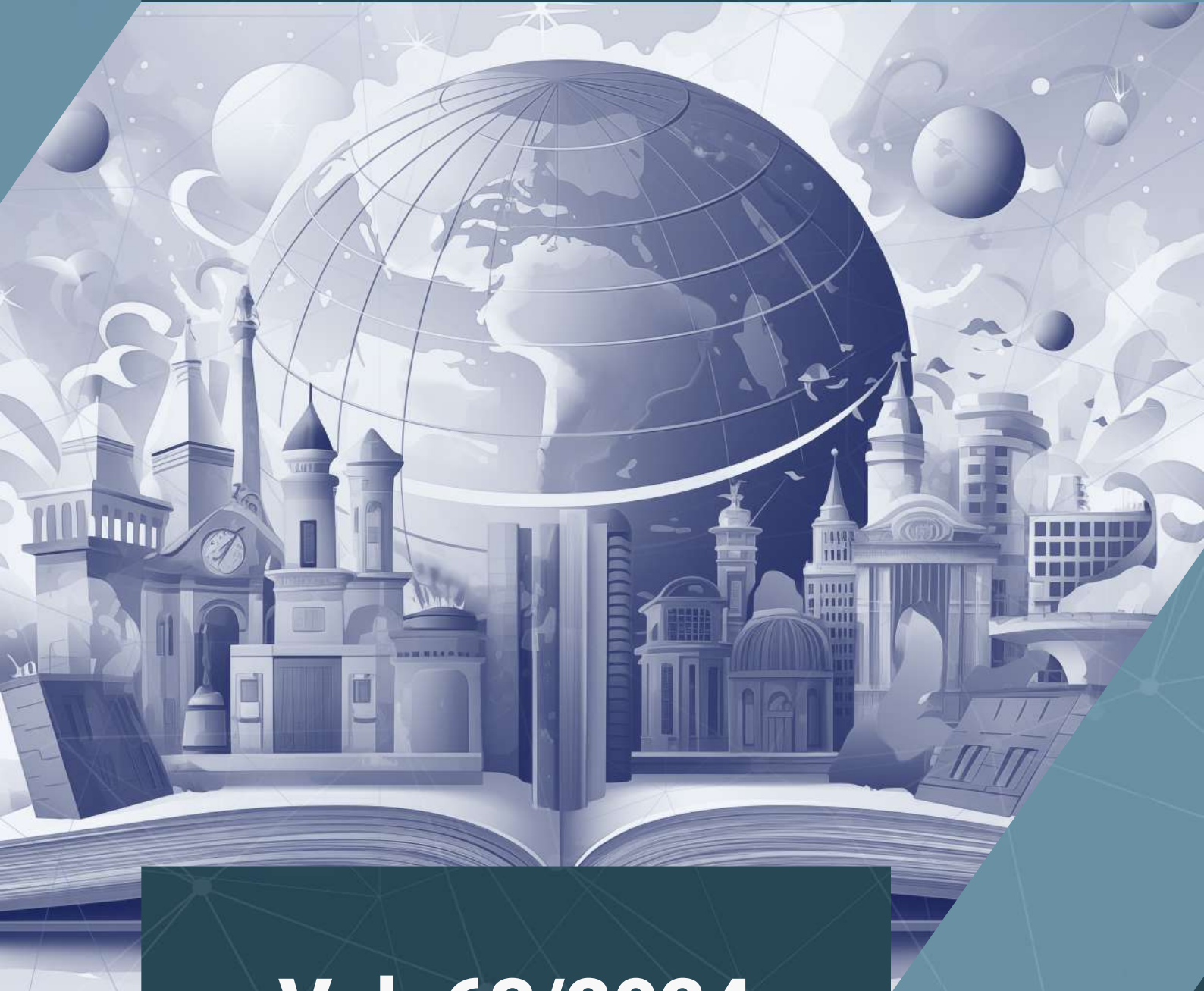




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# The Influence of Entrepreneurial Spirit of Business Actors on MSME Performance During the Covid-19 Pandemic in Palopo City with Digital Marketing as an Intervening Variable

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**Abstract.** The study examined the influence of the entrepreneurial spirit of business actors on performance. Micro, Small and Medium Enterprises during the covid-19 pandemic in Palopo City with digital marketing as an intervening variable. The type of research is quantitative research with a structural equation model approach. The results of the study showed that no direction of the relationship between the entrepreneurial spirit of MSME entrepreneurs ( $\xi$ ) and the financial performance of MSME entrepreneurs ( $\eta_2$ ) in Palopo City during the covid-19 pandemic, there was a real relationship or significant influence of the entrepreneurial spirit of MSME entrepreneurs ( $\xi$ ) on digital marketing ( $\eta_1$ ) during the covid-19 pandemic. there is a relationship and real or significant influence of digital marketing ( $\eta_1$ ) on the performance of MSMEs ( $\eta_2$ ), there is an indication, when the spirit or entrepreneurial spirit expressed in hard work activities, innovation expressed by the application of creative ideas, and creativity in the form of statements of the ability to apply something new in entrepreneurship, as well as the basis of belief in success during the Covid-19 pandemic which if quantified by 1 then marketing efforts with dropshipper or reseller activities, namely a statement of the entrepreneur's initial understanding to understand various factors in digital marketing through copywriting, namely a statement that states arousing curiosity and interest for prospective consumers and existing consumers and thematic facebook pages and Instagram, namely statements about efforts to attract potential buyers and buyers quickly, then the performance of MSMEs in Palopo City has increased by 0.850 or 85%. Digital marketing is able to mediate the entrepreneurial spirit of MSME business actors towards the performance of MSMEs in Palopo City during the Covid-19 pandemic.

**Keywords.** entrepreneurship pyrite, digital marketing, performance

## Introduction

The Covid-19 pandemic that almost destroyed the world economy including Indonesia encouraged entrepreneurs to innovate and be creative with the spirit of maintaining and developing the existence of their business so that it continues to exist and develop for the sake of business continuity, especially for MSMEs (Micro, Small and Medium Enterprises). Innovation and creativity are shown by various marketing efforts that utilize digital technology instruments that are currently experiencing very rapid development and are even expected to continue to evolve in future developments.

Quoted from <https://finansial.bisnis.com> in the We Are Social report entitled Digital

2021, reported that the number of internet users in Indonesia was only 72.7 million people in 2015. In the last six years, this number has increased rapidly to reach 178.68% or increased to 202.6 million people. This illustrates that the desire of Indonesians to use the internet as a means of communication is indeed great and seen from the population, Indonesia has great digital potential. Other data from Indonesia.id which summarizes data describes the scope of the development of the number of internet users, electronic money data in circulation, the distribution of start-ups, digital economic transactions in Southeast Asia, the digital economy by sector, internet speed, internet penetration, and so on which are growing so rapidly.

Furthermore, BPS also noted that the number of businesses selling online in Indonesia reached 2.36 million units in 2020. Proportionally, this figure has reached 25.25% of the total businesses in Indonesia in 2019. Of this figure, the majority or 75.16% of online business actors are still dominant in Java.

Indonesia's great potential to become a digital giant indicates that the potential of this online business is still very large. Judging from the minimal number outside Java. Another thing that has the potential to drive Indonesia's digital economy potential is the growing development of financial technology (fintech) companies. The UOB, PWC, and SFA report stated that the number of fintechs was recorded at only 440 units in 2017. That number continues to grow to reach 783 units this year. The large number of startups, online businesses, and fintechs is also supported by the large scale of data center providers in the country. From a glimpse of what has been conveyed above, it is certainly a breath of fresh air for entrepreneurs in any condition, including in the midst of a pandemic that has hit the global economy to market what they produce

Indonesia's great digital potential for business actors is not enough without the spirit of innovation and entrepreneurial creativity. For Muslims, the spirit of innovation and business creativity is interpreted from a hadith which means: "Indeed, all actions depend on their intentions, and everyone will get what they intend." (HR Bukhari and Muslim), from this hadith it is hoped that trust (the spirit of trust) will be born, namely a spirit that can foster transcendental trust (transcendental of trust). The philosophy of trust (the spirit of trust) concerns the guidance to carry out actions or activities that start from shifting views, speaking, behaving, and working. With the spirit of trust, it is able to form a strong network which then processes towards a culmination that will form strength.

For small and medium enterprises (SMEs), the philosophy of trust (the spirit of trust) must be a fundamental factor in order to grow and develop so that they can have competitive power through creativity and innovation which ultimately gives rise to differentiation amidst the ever-challenging competition along with the rapid development of digital technology which consciously or unconsciously causes business behavior patterns to change. The lack of resources for SMEs must be the motivation for the birth of the spirit of trust.

### **Literature review**

Maddinsyah, Ali., et al, (2020) said that "Humans are the most important resource in a company because they have a strategic role as both a subject and an object. Humans as business actors have the function of planning, organizing, and controlling in achieving company goals." This indicates that business actors, in addition to having an entrepreneurial spirit in running their business, must also have the knowledge, skills, and entrepreneurial insight to create innovation so that the business being run can run well and generate optimal profits (Effendy, AA, et al., 2020).

In line with Sir William Petty in his book entitled; *treatise of taxes & controbutions...* the

same being frequently applied to the present state and affairs of Ireland (quoted from Deliarov; 1995) Petty is an active lecturer at Oxford University and has written extensively on political economy. He said that "labor is the father and active principle of wealth, as land is the mother". Labor or human resources are in principle like father and mother. Father is an active source of inspiration and mother is like passive land, land is indeed important as one of the sources of prosperity, but land is never valuable if it is not managed by humans. This illustrates that human resources have dominance over land resources to create prosperity.

Quoted from the results of a survey conducted by "Frost & Sullivan" an American business consulting company stated that online businesses in Indonesia experienced a growth of 17% per year. What is even more encouraging is that this growth is accompanied by good management such as friendly service, on-time delivery, and maintained consumer data security.

From BPS data of Palopo City, the number of MSME Industrial Companies in 2019-2020 was dominated by the Food, Beverage and Tobacco industry with 417 and 480 business units in 2019 and 2020. The second is the Basic Metal Iron and Steel industry, as well as other industries.

The results of a survey conducted by the Central Statistics Agency (BPS) in Fadly, HD, & Sutarna, S. (2020), recorded "E-commerce users are 3,504 heads of families (KK) in 101 regions in all provinces in Indonesia. From these data, it can be concluded that only around 15.08% of the total use e-commerce businesses, this is in contrast to those who do not use e-commerce businesses, which is 84.92%."

From the data above, the number of MSMEs selling products or services through digital or online marketing in Indonesia is still very low, this certainly has implications for business actors in the city of Palopo which are also still far from expectations in online marketing amidst the rise of marketing using digital instruments. The limited types of businesses spread across the Palopo City area, both in terms of number and methods used, are still backward, such as in terms of marketing that utilizes internet infrastructure called digital marketing. This factor is what later became a concern in this study because research conducted by R. Rahayu, & J. Day, (2015) "The characteristics of MSMEs in Indonesia are still very few in developing digital marketing that is networked and uses sophisticated technology. MSMEs that still use static sites are 32.5%, interactive sites 25% and have not been involved digitally have a percentage of 7.2% of MSMEs."

This is reinforced in research by A. Budiyanto, & AA Effendy, (2020), among the obstacles to the development of MSMEs are "Limited business facilities and infrastructure, especially related to technological tools. Most MSMEs use technology that is still simple so that it is difficult to compete in terms of quality and quantity." So to overcome these problems, research is needed on "Entrepreneurial Spirit of Business Actors on MSME Performance in Palopo City with Digital Marketing as an Intervening Variable".

#### **Article I. Research Method**

Research Method, is a quantitative method. The population in the study consisted of business actors who use digital marketing totaling 480 business units and 235 were selected as samples. random sampling, The research instrument is a questionnaire using a liker scale. The type of research data uses primary data. Data collection is done through questionnaires and is done by distributing directly to research objects or research samples. The Data Analysis Method uses the Structural Equation Model (SEM) with the help of Amos version 22, namely "Statistical techniques that allow testing a series of relatively complex relationships simultaneously" (Ghozali, 2013). Quoted from Matius Robi, Dadan Kusnandar, Evy

Sulistianingsih in the Scientific Bulletin of Math. Stat. and Its Applications (Bimaster) Volume 6, No. 02 (2017). Testing steps.

To analyze the influence of the entrepreneurial spirit of MSME actors in Palopo City on digital marketing and the influence of digital on the performance of MSMEs in Palopo City, there are three latent variables in this study, namely entrepreneurial spirit, digital marketing, and performance. The exogenous latent variables are entrepreneurial spirit. While the endogenous latent variables are digital marketing and performance. The following is a hybrid model (full SEM model) or a combined model between the measurement model and the structural model.

**Figure 1. Framework Model of Thought**



To find out whether the model fits or not is by identifying the model. From this identification there are 3 possibilities that can occur to the SEM model, namely:

1. Model *unidentified*:  $t \geq s/2$
2. Model *just identified*:  $t = s/2$
3. Model *overidentified*:  $t \leq s/2$

Where:

$t$  = is the number of parameters estimated

$s$  = is the sum of the variances & covariances between the manifest variables ( $p+q$ ) ( $p+q+1$ )

$p$  = number of  $y$  variables (endogenous latent variable indicators)

$q$  = number of variables  $x$  (exogenous latent variable indicators)

The absolute fit index measures the overall model fit of both the structural model and the measurement model together. The underlying measure of the overall measurement is the likelihood-ratio chi-square ( $\chi^2$ ). A relatively high  $\chi^2$  value to the degrees of freedom indicates that the observed and predicted covariance or correlation matrices are significantly different and this results in a probability smaller than the significance level. There are two absolute fit indices, namely:

1) Goodness of Fit Index (GFI)

Goodness Of Fit Index (GFI) is an index that describes the overall level of model suitability calculated from the squared residuals of the predicted model compared to the actual data and its value ranges from 0 (poor fit) to 1.0 (perfect fit). The GFI value is recommended above 90% for a measure of good-fit.

2) Root Mean Square Error (RMSE)

RMSE is a measurement method that measures the difference in values from a model's predictions to estimates of observed values. The RMSEA value between 0.05 to 0.08 is an acceptable measure.

a. *Incremental fit measure* (fit index based on model comparison)

Incremental fit measures compare the estimated model to the base model and are often referred to as null models or independence models.

b. Parsimony Matching Measure

Parsimony is defined as the highest degree of fit for each degree of freedom. Thus, high parsimony indicates better results. The commonly used measures of parsimony fit are:

Section 1.01 *Parsimonious Normed Fit Index*(PNFI)

A high PNFI value indicates a better fit. PNFI is only used for comparison of alternative models. PNFI itself is a modification of NFI. PNFI takes into account the number of degrees of freedom to achieve a certain level of fit.

b. *Parsimonious Goodness of Fit Index*(PGFI)

PGFI modifies GFI based on the parsimony of the estimated model. PGFI makes adjustments to GFI with the following formula:

$$PGFI = \frac{df_{\text{model}}}{df_{\text{null}}} \text{ GFI}$$

PGFI values range between 0 and 1, with higher values indicating better parsimony.

This research variable uses three variables, namely entrepreneurial spirit ( $\xi$ ), digital marketing ( $\eta_1$ ), and performance ( $\eta_2$ ). From these variables, several variable indicators were developed, namely:

a. Entrepreneurial spirit ( $\xi$ ) with indicators/sub variables:

1. hard work(x1)
2. innovation (x2)
3. creativity (x3)
4. basic beliefs(x4)

digital marketing ( $\eta_1$ ) with indicators/sub variables:

1. *dropshipper or reseller/understanding*(y1)
  2. *copywriting/arousing curiosity and interest*(y2)
  3. *pacebook page and thematic instagram* (y3)
- (Riadhus Sholihin; 2019)

performance ( $\eta_2$ ) with indicators/sub variables:

1. market share (z1)
2. sales growth (z2)
3. customer retention (z3)

## Results and discussion

### A. Research result

#### 1. Data Normality Test and Outlier Data

This study used 235 data samples. The determination of data samples refers to the assumptions of SEM (Singgih Santoso; 2021:88). The results of the data normality test can be seen in the cr (critical ratio) value. Data is said to be abnormally distributed if the cr value is greater than 2.58 (Singgih Santoso; 2021) in Structural Equation Modeling Analysis. From the results of data processing, the cr value of 0.722 was obtained (see table 2) which is much smaller than 2.58 so it can be concluded that the data is normally distributed. On the other hand, no outlier data was found, namely the results of observational data processing which showed the p1 and/or p2 values were equal to ,000 as in table 3 (attached)

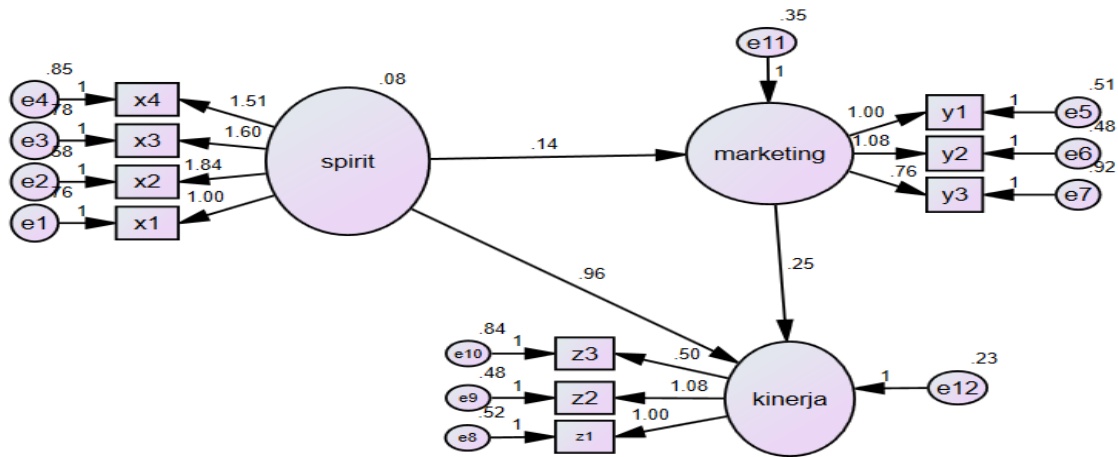
To be more certain about whether or not there will be outlier data, it is necessary to detect outlier data by comparing the mahalanobis value with the critical value. Observation data is said to be outlier if there is observation data with a mahalanobis value > critical value x2. if

this happens then the observation data is discarded. The detection process is known the number of indicators (n) is 11 then the critical value is equivalent to CHIINV (0.001.11) the process with this equation is carried out through the excel program and from the results of the excel process the critical value x2 is 24.72 greater than the highest mahalanobis value in the observation data so that there is no outlier data observation, then the testing process is continued.

2. Model testing parameters

The next stage is testing the overall model. This fit test is intended to evaluate the general degree of fit or Goodness of Fit (GOF) between the data and the model. From the structural model, it can be seen how the relationship or influence between latent variables, in this case, the influence of spirit on digital marketing, the influence of Spirit on MSME performance through digital marketing with the Structural Equation Modeling method. The path diagram showing the results of the Standardized parameter estimation (weight value) of the structural model for the model can be seen in Figure 2 below.

Figure 2. Model and Standardized (weighted values) of the model



Source: Amos Data Processing Results, (2022)

The index used as a standard for model suitability (model testing parameters) to see whether a model is good (Good of Fit) or not (bad fit) is summarized as summarized in table 3 and the results of the indicator testing are presented in table 3 below.

*Goodness Of Fit Indices*

<i>Goodness of Fit Indices</i>	<i>Cut Off Value</i>
<i>X 2 Chi Square</i>	Expected Small
<i>Probability</i>	≥ 0.05
<i>CMIN/DF</i>	≤ 2.00
<i>RMSEA</i>	≤ 0.08
<i>GFI</i>	≥ 0.90
<i>AGFI</i>	≥ 0.90
<i>TLI</i>	≥ 0.95
<i>CFI</i>	≥ 0.95
<i>PGFI</i>	between 0 to 1



*MI par change*

Source; 2022 data processing results.

From table 5 above, it is implied that the next modification process will not produce an alternative decrease in the chi-square value of more than 4 so that the modification process is not continued, or in other words, the model modification process is stopped. Because the modification process is no longer continued, it is continued with another test.

### 3. Goodness Of Fit Test

One of the main tools for testing goodness of fit and testing measurement models is chi-square ( $\chi^2$ ). The chi-square ( $\chi^2$ ) test aims to determine whether the sample covariance matrix is significantly different from the estimated covariance matrix.

Testing process

a. Hypothesis:

Hey; The sample covariance matrix is no different from the estimated covariance matrix.

H1; The sample covariance matrix is significantly different from the estimated covariance matrix.

b. Basis for decision making;

a. Compare the calculated  $\chi^2$  value with the table  $\chi^2$  value with the condition;

❖ If the calculated  $\chi^2$  value  $<$  the table  $\chi^2$  value then  $H_0$  is accepted.

❖ If the calculated  $\chi^2$  value  $>$  the table  $\chi^2$  value then  $H_0$  is rejected.

b. Looking at the probability figures ( $p$ ) on the Amos output with the following criteria:

❖ If the probability value  $p > 0.05$  then  $H_0$  is accepted

❖ If the probability value  $p < 0.05$  then  $H_0$  is rejected.

c. The test results show:

The calculated  $\chi^2$  value (chi-square) is 16.931 and the  $\chi^2$  table value is 33.92 or the calculated  $\chi^2$  value (chi-square) is 16.931  $<$  the  $\chi^2$  table value (33.92) and the equivalent probability ( $p$ ) value is 0.767  $>$  0.05

d. Decision.

From the test results above, it was decided that  $H_0$  was accepted, which means that the sample covariance matrix is not different from the estimated covariance matrix, so it was concluded that the model fits the existing data.

The number of samples and indicators on the test tool affects the reliability where the increase in the number of samples or the increase in the number of indicator variables tends to increase the calculated  $\chi^2$  value so that in certain conditions the calculated  $\chi^2$  is greater ( $>$ ) than the  $\chi^2$  table value so that  $H_0$  is rejected which means the model is not fit (invalid) because the sample covariance matrix is very different from the estimation matrix, for that other test tools are needed to ensure that the data is truly valid (fit). The test tools as explained in the previous chapter.

Since the test equipment or the test equipment as a whole has been explained in the previous chapter, what is displayed next is the test data results from the test equipment in question as a whole using the amos application which of course is also after model modification. The overall test results through the amos application after model modification obtained the model test results as in table 6.

Table 6.

**Overall Goodness of Fit Indices test results after modification**

<i>Goodness of Fit Indices</i>	<i>Model Test Results</i>	<i>Information</i>
<i>X 2 Chi Square</i>	16,931 ≤ before modification	<i>Good of Fit</i>
<i>Probability</i>	0.767 ≥ 0.05	<i>Good of Fit</i>
<i>CMIN/DF</i>	0.7 ≤ 2.00	<i>Good of Fit</i>
<i>RMSEA</i>	0.000 ≤ 0.08	<i>Good of Fit</i>
<i>GFI</i>	0.986 ≥ 0.90	<i>Good of Fit</i>
<i>AGFI</i>	0.965 ≥ 0.90	<i>Good of Fit</i>
<i>TLI</i>	1.069 ≥ 0.95	<i>Good of Fit</i>
<i>CFI</i>	1,000 ≥ 0.95	<i>Good of Fit</i>
<i>PGPI</i>	0.394 (between 0 and 1)	<i>Good of Fit</i>
<i>PNFI</i>	0.526 ≥ 0.05	<i>Good of Fit</i>

Source; data processing results with h amos 2022.

**4. Hypothesis Testing**

- H0;  $\beta = 0$ ; There is no significant relationship and influence between the entrepreneurial spirit of MSME entrepreneurs on the performance of MSMEs in Palopo City during the Covid-19 pandemic.
- H1;  $\beta \neq 0$ ; There is a significant relationship and influence between the entrepreneurial spirit of MSME entrepreneurs on the performance of MSMEs in Palopo City during the Covid-19 pandemic.
- H01;  $\beta = 0$ ; there is no significant relationship or influenceentrepreneurial spirit with digital marketingMSME entrepreneurs in Palopo City during the Covid-19 pandemic
- H11;  $\beta \neq 0$ ; there is a significant relationship and influenceentrepreneurial spirit with digital marketingMSME entrepreneurs in Palopo City during the Covid-19 pandemic
- H02;  $\beta = 0$ ; There is no significant relationship and influence between digital marketing and the performance of MSME entrepreneurs in Palopo City during the Covid-19 pandemic.
- H12;  $\beta \neq 0$ ; There is a significant relationship and influence of digital marketing on the performance of MSME entrepreneurs in Palopo City during the Covid-19 pandemic.
- H03;  $\beta = 0$ ; digital marketing variables are not capable of being mediators (variables)*intervening*) the influence of entrepreneurial spirit on the performance of MSMEs
- H13;  $\beta \neq 0$ ; digital marketing variables are able to mediate (variables)*intervening*) the influence of entrepreneurial spirit on the performance of MSMEs

Criteria as a basis for decision making:

- If the probability value (p) > 0.005 H0 is accepted
- If the probability value (p) < 0.005 H0 is rejected.

For the 4th hypothesis, the criteria as the basis for decision making:

- If the calculated t value < t table, H0 is accepted.
- If the calculated t value > t table H0 is rejected

In accordance with the type of research used in this study, namely quantitative research with a structural equation model approach, hereinafter referred to as SEM, the results of the

research tests that have been carried out according to SEM criteria are presented in the following tables:

Table 2

**Assessment of normality (Group number 1)**

Variable	min	max	skew	c.r.	kurtosis	c.r.
z3	1.000	5.000	-.757	-4.739	-.179	-.559
z2	1.000	5.000	-.477	-2.985	-.462	-1.445
z1	1.000	5.000	-.611	-3.825	-.183	-.573
y3	1.000	5.000	-.755	-4.726	-.258	-.807
y2	2.000	5.000	-.462	-2.890	-.868	-2.716
y1	2.000	5.000	-.378	-2.364	-.959	-3.001
x4	1.000	5.000	-.820	-5.133	-.265	-.829
x3	1.000	5.000	-.571	-3.575	-.523	-1.637
x2	1.000	5.000	-.391	-2.450	-.792	-2.477
x1	1.000	5.000	-.555	-3.474	-.302	-.946
Multivariate					1.459	.722

Source; 2022 data processing results

**CMIN**

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	22	103.549	33	.000	3.138
Saturated model	55	.000	0		
Independence model	10	197.211	45	.000	4.382

**Parsimony-Adjusted Measures**

Model	PRATIO	PNFI	PCFI
Default model	.733	.348	.393
Saturated model	.000	.000	.000
Independence model	1.000	.000	.000

**RMR, GFI**

Model	RMR	GFI	AGFI	PGFI
Default model	.083	.918	.864	.551
Saturated model	.000	1.000		
Independence model	.131	.842	.807	.689

**Baseline Comparisons**

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.475	.284	.570	.368	.537
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

Source; Amos 2022 data results

**Indirect Effects (Group number 1 - Default model)**

	spirit	marketing	kinerja	x3
marketing	.000	.000	.000	.000
kinerja	.576	.000	.000	.000
x3	.000	.000	.000	.000
z3	.360	.532	.000	.000
z2	.217	.239	.000	.000
z1	.576	.850	.000	.000
y3	.209	.000	.000	.000
y2	.510	.000	.000	.000
y1	.677	.000	.000	.000
x4	.000	.000	.000	.000
x2	.000	.000	.000	.000
x1	.000	.000	.000	.000

Source; 2022 data processing results

**B. Discussion**

The results of the hypothesis test did not find any direction of relationship between spirits.entrepreneurshipUMKM entrepreneurs( $\xi$ )with the financial performance of MSME entrepreneurs( $\eta_2$ )in Palopo City during the Covid-19 pandemic, thus it was decided that H0 was accepted. Because H0 was accepted, this indicates that during the Covid-19 pandemic, the spirit of MSME entrepreneurs as measured by the spirit indicatorhard work,Innovation, creativity and basic beliefs of MSME entrepreneurs are something that has existed before and always exists. This is as per theory Y.Douglas McGregor in Yie Ke Feliana, Theory X and Y Douglas McGregor, UPN PRESS, 2009.

Page 30 which says that people will determine their own direction and have the self-control to achieve the goals they have committed to.This is also in line with research conducted byNunik Kusnilawati and Aprih Santoso with the research title "Analysis of Determinants of Student Entrepreneurial Business Performance during the Covid-19 Pandemic" the results show that there is a significant influence between personal characteristics and human capital on entrepreneurial characteristics. Entrepreneurial characteristics have a significant influence on business performance, but there is no significant influence between social capital variables on entrepreneurial characteristics and personal characteristics on business performance. Different

from the research conducted by Harsoyo Dwijo Wiyono<sup>1</sup>, Tedy Ardiansyah, and Tarmizi Rasul; Creativity and Innovation in Entrepreneurship" Usha Journal (Entrepreneurship) Vol 1, No 2 (2020) The results of the study indicate that creativity and innovation in business ultimately give rise to differentiation, so that differences emerge with similar businesses supported by digital marketing during the Covid-19 pandemic, which can increase profits and entrepreneurs can survive in the midst of the Covid-19 pandemic storm.

The results of the hypothesis test were obtained *probability* (probability/p) with value  $0.020 > 0.005$ . According to the decision-making criteria, it is decided that  $H_0$  is accepted, which means that there is no real relationship or significant influence. entrepreneurial spirit of UMKM entrepreneurs ( $\xi$ ) towards digital marketing ( $\eta_1$ ) in Palopo city during the covid-19 pandemic. This indicates that digital marketing of MSME actors in Palopo city during the covid-19 pandemic is equivalent to before the covid-19 pandemic, but still has a relationship indicated by the estimate value of 0.676 (see table...list of attachments). Different from the research conducted Cicik Harini, Darsin, and Sri Praptonom in 2017 entitled "Entrepreneurial Marketing Development in an Effort to Improve the Economic Performance of Micro, Small and Medium Enterprises in Semarang City" the results of the relationship between entrepreneurial marketing and e-commerce development have a path coefficient of 0.695 with  $p < 0.05$ , and a t-count value of  $10.185 > t\text{-table } 1.98$ , this indicates that entrepreneurial marketing has a positive and significant effect on e-commerce development.

The results of the hypothesis test were obtained, probability (probability) with a value  $0.000 < 0.005$ , then it is decided that  $H_0$  is rejected, which means that there is a real relationship or there is a significant influence. digital marketing ( $\eta_1$ ) on the performance of MSMEs ( $\eta_2$ ) in Palopo City during the covid-19 pandemic currently *regret weights* (regression coefficient) with the value of 0.850 indicates, kethics of spirit or entrepreneurial spirit ( $\xi$ ) which is stated in the activity hard work ( $x_1$ ), innovation ( $x_2$ ), which is expressed by the application of creative ideas, and creativity ( $x_3$ ) statement of the ability to implement something new in entrepreneurship, as well as the foundation belief in success ( $x_4$ ) during the covid-19 pandemic which if quantified is 1 then the marketing effort with the activity *dropshipper or reseller* namely a statement of the entrepreneur's initial understanding to understand various factors in digital marketing ( $y_1$ ), Copywriting is a statement that aims to arouse curiosity and interest in potential consumers and existing consumers (customers/ $y_2$ ) and *pacebook page and thematic instagram* namely a statement about efforts to attract potential buyers and buyers quickly ( $y_3$ ) then the performance of MSMEs in Palopo City experienced an increase of 0.850 or 85%.

This is in line with research conducted by Cicik Harini<sup>1</sup>, SB. and Handayani; "Entrepreneurial Marketing Through E-Commerce to Improve MSME Performance"; Derivatives, Journal of Management Vol 16, No 1 (2022): The results of the study show that e-commerce is able to improve the relationship and influence between entrepreneurial marketing on MSME performance, the difference (novelty) of the research conducted by Cicik Harini, SB. and Handayani was conducted before the Covid-19 pandemic. Different from the results of research conducted by Fitri Ramadhani Alum Kusumah, Wan Laura Hardilawati The Influence of Product Innovation, Market Orientation and Digital Marketing on MSME Marketing Performance During the Covid-19 Pandemic in Pekanbaru Vol. 2 No. 2 (2022): Economics, Accounting and Business Journal Vol. 2 No. 2 (2022), the difference (novelty) of the research conducted by Fitri Ramadhani Alum Kusumah, Wan Laura Hardilawati, there are variables of financial performance and marketing performance, but the strategies used are the same, namely using digital marketing, as well as the same orientation, namely aiming to improve performance

results. Management said that digital marketing does not have a significant effect on the marketing performance of MSMEs.

The results of the hypothesis test 3 show  $t$  count  $2.068664 > 1.970242$  according to the basic criteria for decision making proposed above, it is decided that  $H_0$  is rejected, which means that the digital marketing variable is able to mediate (intervening variable) the entrepreneurial spirit of MSME business actors on the performance of MSMEs in the city of Palopo during the Covid-19 pandemic. This is in line with the research conducted by Agus Purnomo Sidi and Ahmad Nizar Yogatama entitled Intellectual Capital Mediation on the Influence of Digital Marketing on Marketing Performance *Iqtishoduna journal* vol. 15 No. 2 Year 2019; The results of the study show that digital marketing has a direct and indirect effect on marketing performance through intellectual capital as an intervening variable has a positive and significant effect. novelty on the mediating variable (intervening) and socio-economic conditions where this study was conducted before the Covid-19 pandemic.

### **Conclusion and suggestions**

#### **a. Conclusion**

1. No direct relationship was found between the entrepreneurial spirit and digital marketing of MSME entrepreneurs in Palopo City during the Covid-19 pandemic.
2. There is a relationship entrepreneurial spirit of UMKM entrepreneurs in developing digital marketing during the Covid-19 pandemic in Palopo City. This is shown by the value *estimate regression weights* 0.676. However, the influence of the relationship is not real or not significant as indicated by the probability value  $(p) 0.020 > 0.005$
3. There is a relationship digital marketing with UMKM performance in Palopo City during the covid-19 pandemic, the influence of relationship digital marketing to MSME performance is real or significant
4. Digital marketing is able to mediate (intervening variable) entrepreneurial spirit of business actors MSMEs on the performance of MSMEs in the city of Palopo during the Covid-19 pandemic.

#### **b. Suggestion**

Observing the phenomena of the spirit of entrepreneurship and digital marketing through the research above in relation to the development of information technology, then, Micro, Small and Medium Enterprises (MSMEs) entrepreneurs, especially those in the city of Palopo with the support of the availability of information technology should have been able to develop marketing efforts through digitalization. This is in line with the thoughts expressed by Bernard Limbong. According to Limbong, Bernhard. (2012). defines entrepreneurship as "an attitude to undertake a business because there is a supportive atmosphere to realize it." He added, "An entrepreneur will always think about acting to find a solution (looking at solution) in accordance with the initiatives that emerge to achieve targets with a certain dynamism because the market will always change following developments.

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