

PREDICTION OF MARKET ATTRACTION DUE TO COVID-19, ON THE LIFE CYCLE OF THE COMPANY'S BUSINESS FINANCIAL PERFORMANCE.

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ABSTRACT: Micro, Small and Medium Enterprises is one of the results of community craft creativity, the goal is to dominate the market by creating unique, inexpensive and highly competitive products to improve the community's economy after Covid-19. Micro, small and medium enterprises are a public demand to increase household income to support the family economy. This study aims to measure market attractiveness in order to improve the financial business performance of business companies in order to support the family economy in a world crisis hit by Covid-19. The internal analysis unit is Micro, Small and Medium Enterprises located in the South Sumatra region. The observation unit in this research is the head of micro, small and medium enterprises as well as the head of the company's business unit. The research method used is descriptive and explanatory survey with the number of respondents in this study as many as 332 Micro, Small and Medium Enterprises. From the research results, it is revealed that Micro, Small and Medium Enterprises in South Sumatra in improving financial performance, a strategy in competition is market attraction which can provide a dominant role in the form of ownership of products that are cheap at affordable prices and have great benefits in crisis conditions due to the Covid- 19.

Keywords: Market Attraction, Company Business Financial Performance Lifecycle.

1. Introduction

Globalization creates increasingly high business competition, which is marked by the rise of developing countries with the labor industry. Globalization creates an efficiency-based market that is expected to continue but faces obstacles due to the emergence of the covid-19 outbreaks that have hit people around the world (Hertati, et, all, 2020). This condition causes uncertainty in the business environment and the financial health of business companies so that companies need the ability to anticipate these situations (Hertati & Syafarudin, 2018).

Referring to the conditions above, Chowdhury, et, all (2013) stated that the competitive advantage of a company entering the global market is motivated by the carrying capacity of the company's strategy, in detail, namely: Competitive advantage ultimately results from an effective combination of national circumstances and company strategy (Hertati, 2015). Conditions in a nation may create an environment in which firms can attain international competitive advantage, but it is up to a company to seize the opportunity (Frank & Goyal, 2003). In addition, every business actor needs to improve their capabilities and resilience, by mobilizing all

existing potential in order to win the competition (Kaplan and Norton, 2003). This demand is faced by all economic actors, including in Indonesia.

In relation to Indonesia, various characteristics show that Indonesia has a competitive edge that is still lagging behind other countries (Hertati & Sumantri, 2016). The global attractiveness of the market in Indonesia is in the position of a country in the global environment and competition.

The phenomenon states that a big challenge for Indonesia in the future, especially related to the attractiveness of the market when the Covid-19 occurs, President Jokowi (2020) admits that many informal workers in Jabodetabek are forced to return home because their income has decreased very drastically or even disappeared as a the impact of implementing an emergency response status that limits residents' activities.

The informal sector and daily workers as well as economic incentive programs for micro, small business enterprises, are really being implemented in Indonesia. There are three elements of economic actors that support the industrial sector, namely micro, small and medium enterprises, and small / medium entrepreneurs. Mulyani, (2020) as the Minister of Finance stated that an important component in supporting the improvement of the Indonesian economy is micro, small and medium enterprises that are formed to contribute to the development of the largest national economy in general and state revenues in particular and carry out public benefits in the form of the provision of goods and / or high quality services and adequate for the livelihood of many people.

Business activities that cannot be carried out by the private sector and cooperatives, provide guidance and assistance to economically weak entrepreneurs, cooperatives, and the community. Mulyani (2020) states that the central government has set three main agendas, namely micro, small, and medium enterprises facing the following problems: (1) weak company management capabilities; (2) weak business capital capacity; (3) the condition of machines and equipment that are old or out of date compared to other similar businesses; (4) weak service and marketing capabilities that make it difficult to compete; (5) lack of coordination between micro, small and medium enterprises, especially in relation to upstream and downstream industries; (6) lack of attention and ability to maintain assets owned, resulting in low productivity and quality and accuracy of production results; (7) there are various other obstacles in the fostering and development of micro, small, and medium enterprises after Covid-19. The sectors most depressed due to the corona virus or Covid-19 outbreak are households, micro, small and medium enterprises, corporations, and the financial sector. Economic growth is also predicted to experience contraction. The affected parties are the household sector, which we predict will experience a significant decline in terms of consumption.

In addition, micro, small and medium enterprises also have a strategic role as implementers of public services, balancing large private forces, and helping to develop small businesses / cooperatives. Micro, small, and medium enterprises are

also a significant source of state revenue in the form of various types of taxes, dividends and privatization results. The role of micro, small and medium enterprises is manifested in business activities in almost all economic sectors, such as agriculture, fishery, plantation, forestry, manufacturing, mining, finance, post and telecommunications, transportation, electricity, industry and trade, and construction. However, in reality, until now, micro, small and medium enterprises are still difficult to fulfill their roles as expected. Efforts to increase the efficiency, productivity and profitability of micro, small, and medium enterprises after Covid-19 are the contribution of working capital subsidies from the central government and local governments.

Micro, small and medium enterprises, found several operational problems for micro, small and medium enterprises, including: (1) micro, small, and medium enterprises in providing services to the community, still needs improvement, not many are willing to provide after-sales services, need to improve the quality of both goods and service products, and distribution problems. (2) Problems of production efficiency and productivity often occur in terms of low utility, reduction (losses) both technical losses, distribution, and due to other factors. (3) The problem of maintaining continuity of production, lack of maintenance of facilities and infrastructure and frequent replacement of facilities and infrastructure, even though the old ones are still fit for use. (4) The problem of New Product Innovation, the lack of creativity in improving product quality according to consumer needs and the lack of creation of new products (5) The problem of improving the quality of human resources, many employees who have adequate educational qualifications, but collide with positions that are not in accordance with their field of work, employee participation in training still applies the seniority system. The lack of balance between quality and quantity as a result of overstaffing and poor recruitment patterns, low level of effectiveness of career path planning and reward and punishment systems. (6) Research and Development problems, it is rare to find micro, small and medium enterprises using new methods and lack of attention to research. (7) The problem of the result of the implementation of the level of efficiency is mismatched with the level of target and management's attention to the success of the assignment is not sufficient.

The inadequate performance of micro, small and medium enterprises, among others, comes from systems in management that are not supported by the granting of autonomy to the managers. Individually, many micro, small and medium enterprises are not yet professional, but because they are not supported by a good innovation system, eventually micro, small and medium enterprises cannot be relied on to play an optimal role. If the performance of micro, small and medium enterprises is not improved, the expectation of the importance of the role assigned to micro, small and medium enterprises will not be achieved or implemented. Efforts to improve the performance / health of micro, small and medium enterprises require knowledge of the factors that affect performance. One of the factors hardest hit by Mulyani (2020) as the minister of finance of the republic of Indonesia is The financial sector due to the Covid-19 pandemic, namely banks and finance companies, has the potential to experience liquidity and insolvency problems. The potential for liquidity problems will

be able to create threats coupled with financial market volatility and capital flights which cause greater pressure, indicating that the weak culture of creativity to generate ideas in decision making in micro, small and medium enterprises requires decision makers to make efforts to form an organizational culture.

Kiilholma, Jenni (2007) stated that there are four basic categories that can be used to measure business / business performance, namely: (1) In the form of standards of how to measure a company's ability to meet efficiency goals, so it is a standard related to productivity, costs, or the quality of production that is formulated. such that it can be used as baseline measures in evaluating performance; (2) In the form of standards in order to measure human resources in the organization, companies need to have measurements that are acceptable to the organization in terms of absenteeism, turnover, or job satisfaction; (3) Standards that are relatively difficult to formulate but are related to the factors of creativity, flexibility, decision making and organizational communication; (4) Standards relating to an organization's ability to utilize the environment and get a variety of limited resources (Louden, et, all, 1993).

Luo, Yadong. (1995) stated that performance appraisal can be seen from two sides, namely the financial side and the non-financial side. Then Mahajar, et, all (2010) in the study stated that performance is more emphasized on financial performance. Furthermore, McDonald, Robert B. (1998). Stating that the assessment of financial performance is important because it is a consequence of an economic decision taken and an economic action. McPhee, et, all (2006) stated that financial performance shows the planning, implementation and evaluation of strategy implementation which is reflected in measurable goals such as ROI, ROE or ROA. Research Miller, Alex. (1993) stated that in measuring business performance from financial performance, adopting the instruments used by Stewart & Kenneth (2011) states that financial performance is seen from the sales level, sales growth rate, cash flow, ROE, gross profit margin, net profit from operation, profit to sales ratio, ROI, and the ability to fund business growth from profit. This study uses a profitability measure, which aims to determine the company's ability to generate profits or how far the company can be managed effectively and efficiently (Spence, et, all, 2014).

2. Theoretical Foundation And Hypothesis Development

A market is a meeting place for traders and buyers in an area that shows everything that results in sales and purchases, such as the Goodyear market, which shows sales of tires, whether for car manufacturers or the final consumer (car owner). The market is used for modifiers, meeting consumers and producers in buying and selling transactions. Modifier is the market's appeal in creating a unique product so that the product dominates the market and consumers' ability to buy and find out.

A person is said to be able to create market attractiveness if he can do something he has to do as a result attracting consumers to own the product. Kerin, Roger & Robert (1993). Ability (attractiveness, proficiency, dexterity, talent, ability) is energy (power) to do an action. Hertati (2015). Ability can be interpreted as an ability that is innate,

or is the result of training or practice. Jensen, and Meckling, (1976), linked ability with word skills. Each individual has different skills in carrying out an action. This ability affects the potential that exists in the individual. The learning process requires students to optimize all the skills they have. So, the concept of ability itself has the meaning of competence based on a natural skill or other qualification.

Then Lu & Yuan, (2013) economics is related to how people choose to use scarce or limited production resources to produce various commodities, and distribute them to various members of society for immediate consumption. Judging from the scope / scope, the life cycle of the company's business financial performance is growing well if the micro, small, and medium enterprises can adapt to environmental changes, where the owners of micro, small and medium enterprises are broad, such as can see conditions of inflation, consumer interest, prices, promotions and market trends that are happening today.

2.1. Market Attraction.

Market attractiveness has an important effect on the company's business performance, namely strategy and targets. Michael et.al (2012) stated that there are two, namely: 1) what are the factors that can be measured at the current level of profitability and 2) Will the prospect of profits be better or worse in the future considering market trends and strategy change. The answer to that question depends on the 5 (five) competitive advantages that can be gathered from market conditions by the parties management, namely competition among competitors in the main market, the position of suppliers, customers and threats of substituted goods as well as the prospect of new competitors to enter this new industry in related industries or markets that have the same geographic conditions. Rajshekhar, et, all (2005) stated that market attractiveness can be measured through government intervention, technological change, and market development. Xu, & Huang (2020) suggest that market attractiveness can be measured through market forces, competitive intensity, and market access. Market attractiveness and the position of business competition can support the company to develop strategic marketing. The strategic marketing process includes four stages, namely: strategic situation analysis, formulating marketing strategies, developing marketing programs, and implementing and controlling business strategies. In addition, the results of research by Robbins & Judge (2014) state that the market evaluation strategy will affect the level of product innovation and the development of the overall industry structure, thus the attractiveness of this market needs to be developed so that companies can achieve good profits and high industrial growth.

Sheridan Titman & Roberto Wessels, (1998) stated that market attractiveness can be measured by projections of market growth rates and attractiveness assessments made by management. Likewise Walker, Sigala & Dolnicar (2017) market / industry attractiveness can be measured through market size, market growth, level of competition, price levels, profits, technology, sophistication and government regulations. Micro, small and medium enterprises that are well known to the wider

community can be seen such as market size, market growth, competitive intensity, price levels, profitability, technology, sophistication, and government regulations).

In the research conducted by Zhu, & Jiang, (2019) states that the objective of evaluating potential market attractiveness is to become a reference for the preparation of marketing strategies such as market size, market growth and Number of competitors contribution units. So it is hoped that managers of micro, small and medium enterprises can consider their decisions on market attractiveness by looking at the characteristics of the current market in the context of priority performance which affects the assessment of market attractiveness. Xie & Mao, (2017) the attractiveness of an industry can be measured from several aspects: namely aspects of market growth which include market size, growth rate and market potential; aspects of competition intensity include the number of companies, ease of entry and substitute products; as well as aspects of market access including customer familiarity, access channels and company fit.

Wang & Nicolau (2017) state that the factors used in measuring market attractiveness include entrance barriers, exit barriers, marketing environment, source of competition, segment life cycle, segment size, and profitability. Volgger, et, all (2018) identified five competitive forces in an industry: including the entry of new competitors, the threat of substitute products, the bargaining power of buyers, the bargaining power of suppliers and competition among companies operating in the industry. Tong, & Gunter (2020). The five industrial competitive forces are analytical tools that companies can use in measuring the attractiveness of an industry. The potential profitability of an industry is a function of the interaction between the five forces. For a company, industry attractiveness reflects both opportunities and threats.

Therefore, an analysis of the external environment, particularly the industrial environment, is carried out to identify external opportunities and threats. Opportunities exist if the company gets the advantage of its external environmental conditions to formulate and implement strategies that allow the company to obtain higher profits. Meanwhile, there is a threat when external environmental conditions threaten the integrity and profitability of the company (Tussyadiah & Zach, 2017).

The strength of industrial competition is relatively dynamic which can change along with the dynamics and changing conditions in the industrial environment concerned. In this case, company management must understand how new opportunities and threats arise due to changing industrial environmental conditions, and formulate appropriate strategies to respond to them. Su, & Mattila (2019) suggest that companies in an industry often differ in responding to a changing environment because of differences in the ability of managers to understand issues and external factors. Systematically, Suess & Erul, E. (2020) suggest steps systematically Tang & Buckley (2020) suggest steps to achieve high performance with the I / O model as follows:

1. The external environment.
An environment that is very influential on industrial organizational activities.
2. Identify the industry.
Economic activities are carried out by providing attractive services to users.
3. Above average profit strategy.
Strategic competitiveness that can implement strategies and create corporate value to outperform their competitors by producing superior performance.
4. Implementing the strategy.
The art of drafting, implementing, and evaluating decisions, focusing on organizational goals, policy development and planning to achieve predetermined goals.
5. Company Fit
The values and principles held by all members in the micro, small and medium enterprise organization, which influence behavior and interact with work and other people in doing company work.

Using the company's strengths in the form of assets and expertise that has been developed to implement the strategy. The theory used in this research is Tussyadiah, & Pesonen, (2018). with dimensions including market power / market focus consisting of market coverage served by product / service growth rates, customer purchasing power and customer loyalty, competitive intensity consisting of the number of competitors, competitor prices, ease of entering the market and substitute service / service products and market access, which consists of customer access, product / service fame of the company, ease of obtaining sales demand products / services and ease of market management and development.

2.2. Business Firm Financial Performance Lifecycle

Business performance is basically something that is produced or the result of work achieved from a business that is assessed in a balanced manner by the financial dimensions, customer dimensions, internal business process dimensions, and company learning and growth (Tussyadiah & Park (2018). business) is something that is produced by an organization within a certain period with reference to the established standards. Business performance should be a measurable result and describe the empirical conditions of an organization of various agreed sizes. The business results can be in the form of goods or services that can be attributes of organizational work success.

Organizational improvement implies improvement in organizational management which includes: (a) improved planning, (b) process improvement, and (c) improved evaluation. The results of the next evaluation are information for continuous improvement so that strategic factors (competitive advantage) can be achieved.

More broadly, organizational performance appraisal measures financial and non-financial aspects. These measurements are designed to assess how well the

activities have been achieved and are focused on three main dimensions, namely efficiency, quality and time (Abbasi, and Hamideh. (2012). Then Andrew and Tracey (2004) state that performance measurement at the corporate level is more comprehensive. and abstracts, such as those concerning profits, ROI, ROA or ROE or total turnover of labor. These measures do not question the scale of the company (Akerlof 1970).

ROA is used to measure the company's ability to generate profits by using the total assets owned by the company after adjusting for costs. -cost to fund the asset. The health level of micro, small and medium enterprises is determined based on an assessment of business performance for the financial year concerned which includes:

1. Financial Aspects.

Aspects used by micro, small and medium enterprises to assess the company's overall financial life cycle in the long term.

2. Operational Aspects.

Production processes, services, product design concepts, material and equipment requirements as well as the nature of the process and product characteristics that can dominate the market

3. Administrative Aspects.

An effort that is formed from activities related to policy settings in order to achieve organizational targets /goals and has a very crucial role in all activities throughout the life of a business organization.

4. Sales growth rate.

Growth ratio is a ratio that measures how much the company's ability to maintain its position in the general economic development industry from various sales points of view (sales), which illustrates the company's ability to maintain its economic position amidst the growth of the business company's life cycle.

The assessment of the health level of micro, small and medium enterprises is only determined if the results of the accountant's examination of the annual financial calculations of the micro, small and medium enterprises concerned are declared with the qualifications of "Unqualified" or "Fair with Exceptions" from a public accountant or financial audit agency. **Market Attraction Due to Covid-19, on the Lifecycle of the Company's Business Financial Performance**

Brailsford and Pua, (2002) state that industry is a group of companies that produce similar products or services, and Brigham & Gapenski (1996) states that the basic determinant of profitability is industry attractiveness. Calisir, et, all (2010) stated that market attractiveness can be measured through government intervention, technological change, and market development. Meanwhile (2010) states more fully that market attractiveness can be measured through market forces, competitive intensity, and market access. Market attractiveness and the position of business

competition can support the company to develop strategic marketing. The strategic marketing process includes four stages, namely: strategic situation analysis, formulating marketing strategies, developing marketing programs, and implementing and controlling business strategies.

Fama Eugene (1978) stated that market attractiveness can be measured by market growth rate projections and attractiveness assessments made by management. Likewise, Harris Milton & Raviv (1991) stated that market / industrial attractiveness can be measured through market size, market growth, competitive intensity, price levels, profitability, technology, sophistication, and government regulations.

Hertati (2015), the attractiveness of an industry can be measured from several aspects: namely the aspect of market growth which includes market size, growth rate and market potential; aspects of competition intensity include the number of companies, ease of entry and substitute products; as well as aspects of market access including customer familiarity, access channels and company fit. Meanwhile, Kotler et al. (2009) identified five competitive forces in an industry: including the entry of new competitors, the threat of substitute products, the bargaining power of buyers, the bargaining power of suppliers and competition among companies operating in the industry.

Nikhil Chandra Shil, (2009) that the five industrial competitive forces are analytical tools that companies can use in measuring the attractiveness of an industry. The potential profitability of an industry is a function of the interaction between the five forces. Generally company resources are classified into three categories; includes physical resources, human resources and organizational resources. Rozeff (1982) uniqueness or competency of resources can be created through three forms of assets, namely covering physical assets; land, equipment and location, HR assets; number of employees and expertise, as well as organizational assets that include culture and reputation (Wu & Xie, 2017: Vallaster, et, all, 2019). Parnell, (2010) suggests two categories of company resources, namely: tangible assets and intangible assets. Furthermore, Rozeff (1982) and Shuqair & Mattila (2019) suggest three categories of resources for micro, small and medium enterprises, namely: tangible assets, intangible assets and organizational capabilities.

A resource is a strength for the company if it provides a competitive advantage for the company concerned. Resources owned by the company are relatively better than existing or potential competitors. Conversely, a resource is a weakness for a company if the resources owned by the company are not better than competitors (Vinogradov & Kivedal, 2020). The strategy chosen by management must enable the company to use its core competencies in responding to external environmental opportunities and neutralizing threats (Tang & Wang, 2019: Sthapit & Björk, 2019).

Ruan, and Ma (2011) state that corecompetence or distinctive-competence is a unique strength that enables micro, small and medium enterprises to achieve superiority in the aspects of efficiency, quality, innovation and customer responsiveness, thus creating superior value and competitive advantage. Zhang, & Kizildag (2018) state that the company's ability to understand and develop

continuously these aspects is a requirement for the sustainability of the company concerned.

Xie & Chen (2019). distinctive capabilities related to the unique and different resources owned by competitors. Xie & Liang (2017) resources like this are a source of company excellence and are effective if they can match consumer demands. Understanding and considering distinctive capabilities and connecting them with consumer demands is important in formulating marketing strategies (Scott & Uncles, 2018; Lee and Yang, 2000). According to Sheth (2020) and Wilkinson, et, all (2000) states that a resource is categorized as a capability if it is superior, difficult to imitate and can be used in various competitive situations (Volonino & Hugh 1991: Tussyadiah, 2016). Hypothesis: What is the Market Attraction of Covid-19 on the Life Cycle of Financial Performance of Business Companies



Figure 1: Research framework, 2020

3. Methodology

Reliability shows a certain level of reliability (Cooper, 2003; Gujarat 2003; Hair, et, all, 2014). This reliability shows the consistency of the measuring instrument in measuring the same symptoms. This reliability test aims to determine whether the data collection tool basically shows the level of accuracy, stability and accuracy so that this tool can reveal certain symptoms from a group of individuals even though in different times. This test is performed on questions or statements that are already valid. Testing instrument reliability with a score range between 1-5 using the Cronbach Alpha formula. The instrument is said to be reliable if the α value approaches 1. The calculation of the validity and reliability of each question item is carried out with the help of the SPSS 18.0 program.

4. Data Analysis

Imam Ghazali. (2006) and Kothari (2004) state that the total score is the value obtained from the sum of all item scores. The correlation between item scores and total scores should be significant based on statistical measures. Now & Bougie. (2013) if it turns out that the scores of all items arranged based on the conceptual dimensions are correlated with the total score, then it can be said that the measuring instrument has validity. The formula for testing the validity used is the Product Moment Correlation formula proposed by Pearson with the following formula:

$$r = \frac{n \sum xy - \sum x \cdot \sum y}{\sqrt{n(\sum x^2) - (\sum x)^2} \cdot \sqrt{n(\sum y^2) - (\sum y)^2}}$$

Information :

r = correlation coefficient between instrument items to be used.

X = score of the instrument item to be used

Y = Score of instrument item in variable

n = Number of respondents in the instrument trial

While testing the significance / value of the correlation coefficient (r) is carried out with a significant level of $\alpha = 5\%$, then calculates the t value using the formula:

$$t = \frac{r\sqrt{n-2}}{\sqrt{1-r^2}}$$

Compare with t table value in degrees of freedom = n-2. Testing decision

validity is as follows:

1. The item of the question under study is said to be valid if $t_{count} > t_{table}$
2. The item of the question under study is said to be invalid if $t_{count} < t_{table}$

The validity of the item is determined based on the correlation value (Pearson) of the item with the total of the items representing the entity being measured. If the correlation value of items with a total > 0.3 ; then indicators can be used to measure variables (Sekaran, & Bougie. 2016).).

In addition, the American Psychological Association (1985) determined that a validity coefficient that ranges from 0.3 - 0.4 is considered high enough to be used in a study (Sekaran, 2006). Of the 600 respondents who returned as many as 230 respondents can be declared valid, because each questionnaire question has a correlation with a different total questions. The purpose of the verification analysis is used so that an illustration such as the percentage score of answers to micro, small and medium enterprises is obtained in the following table:

Table 1. Dimensional variables and indicators

No	Conceptual Definition	Dimensions	Indicator
1.	Market Attraction: A series of organizational evaluation actions taken in order to strengthen the product to dominate the market in the long run. Xu, & Huang, (2020).	1. The external environment	a. Political Complexity b. economic complexity
		2. Identify the industry	a. Intangible b. Inseparability
		3. Above average profit strategy	a. Pay attention to quality b. Know your target market
		4. Implementing the strategy	a. product quality, add up b. product features
		5. Company Fit	a. Characteristic b. Have a large capital
2.	Company Business Financial Performance Life Cycle: Financial performance appraisal is measured from various activities at the health level of the organization so as to produce a healthy financial cycle in the long term. Hertati, et,all (2019)	1. Financial Aspects	a. Relevant b. Complete
		2. Operational Aspects	a. There is an activity b. There is a purpose
		3. Administrative Aspects	a. There is a human group b. The existence of business activities
		4. Sales growth rate	a. Price changes,
			b. Volume changes

Source: Results and Discussion of Dimensional Variables and Indicators, 2020

Table 2. The results of this study indicate that all questionnaires are valid and reliable

Variable	Indicator	Value r	Significance	Information
Market Attraction,	X1	.824**	.000	Valid
	X2	.806**	.000	Valid
	X3	.754**	.000	Valid
	X4	.833**	.000	Valid
	X5	.831**	.000	Valid
	X6	.787**	.000	Valid
	X7	.815**	.000	Valid
	X8	.465**	.000	Valid
	X9	.880**	.000	Valid
	X10	.804**	.000	Valid
	X11	.788**	.000	Valid
Company Business Financial Performance Life Cycle.	X12	.860**	.000	Valid
	X13	.865**	.000	Valid
	X14	.753**	.000	Valid
	X15	.849**	.000	Valid
	X16	.855**	.000	Valid
	X17	.868**	.000	Valid
	X18	.869**	.000	Valid

Source: SPSS Data Processing, 2020

Table 3. Reliability Test Results

No	Latent Variable	Cronbach Alpha	Information
1	Market Attraction	.923	Reliabel
2	Company Business Financial Performance Life Cycle.	.947	Reliabel

Source: SPSS data processing, 2019

Table 4 Test Results. Results of Square roots of AVE

No	Dimensions	Square Roots of AVE
1.	External environment	0.759
2.	Identify the industry	0.749
3.	Above average profit strategy	0.812
4.	Implementing a strategy	0.550
5.	Company Fit	0.762

Sumber: Uji. Hasil Square roots of AVE, 2020

Table 5. Composite Reliability Test Results

No.	Dimensions	Composite reliability	Cronbach Alpha
1.	Financial aspect.	0.846	0.852
2.	Operational Aspects.	0.820	0.836
3.	Administrative Aspects.	0.860	0.841
4.	Sales growth rate	0.821	0.852

Source: Composite Reliability Test Results, 2020

Table 6. Goodness of fit test results on the inner model measured using R square

No.	Model	R square
1.	Market Attraction	0.126

Source: Goodness of fit test on the inner model measured using R square, 2020

Table 7 Q Square Test Results

No.	Model	Q square
1.	Company Business Financial Performance Life Cycle	0.432

Source: Q Square Test Results. SPSS Data Processing, 2020

Table 8 Goodness of Fit (GOF) Results in the Final Model

No	Criteria	Value Limit	Result	Conclusion
1	2-chi square, <i>Significance probability</i>	$p\text{-value} \geq 0,050$ atau $= 0,000$	0,000	Fit
2	GFI	$> 0,60$	0,634	Fit
3	AGFI	$> 0,70$	0,747	Fit
4	CFI	$> 0,82$	0,953	Fit
5	TLI atau NFI	$> 0,85$	0,871	Fit
6	RMR	$\leq 0,70$	0,071	Fit
7	RMSEA	$\leq 0,05$	0,066	Fit

Source: Goodness of Fit (GOF) results in the final model

The research questionnaire was tested using SPSS, and the results showed that all questionnaires were said to be valid and reliable. The results are valid because the

value of r count > r table. The results of the validity test can be seen in Table 2. Haer, et, all (2014) Discriminate validity is comparing the square root of average variance extracted (AVE) value of each construct with the correlation between constructs and other constructs in the model. Where the AVE value must be > 0.50. The limit value used for the degree of reliability is Cronbach's Alpha (Sekaran Uma, 2010). The generally widely accepted standard is that an indicator with a coefficient of greater than 0.7 is declared reliable, even though this number is not a fixed number.

This means, if the research conducted is explanatory, then a value below 0.7 is still acceptable, as long as it is accompanied by empirical reasons that are evident in the exploration process. Haer, et, all (2014) stated that the final CFA model for market attractiveness that was formed had met several Goodness of Fit (GOF) statistical criteria such as χ^2 , GFI, AGFI, CFI, TLI or NFI, RMR, and RMSEA, so that the model The Life Cycle of the Company's Business Financial Performance has met the criteria for a good measurement model (fit) and can be used as a manifest for the formation of a full model. The results of the Goodness of Fit suitability test in the final model of the Company's Business Financial Performance Life Cycle obtained results such as in the recapitulation of the results of the Dimensions and Prediction Indicators of the Company's Business Financial Performance Life Cycle.

6. Discussion

Sigala (2020) states that the management of micro, small, and medium enterprises in the research area has not been able to take advantage of the market attractiveness of Covid-19, has not been able to explore market attractiveness in its operating area, because there are still many business opportunities that seem unable to be adopted by micro and small businesses. medium to develop. Furthermore, Hertati & Sumantri research (2016) states that it is suspected that micro, small, and medium enterprises in this research area have not been able to carefully anticipate existing business opportunities, are not ready to compete intensively due to limited resources, and it is still difficult to access the market due to limited resource capabilities. human and supporting facilities.

When viewed from market attractiveness, market focus is relatively better for micro, small and medium enterprises, especially from the aspect of market growth. Shi, Leiyu. (2008) stated that the market attractiveness that is relatively classified as still not fully understood by the micro, small and medium enterprises is in terms of the intensity of competition where sustainability in maintaining product superiority is relatively difficult to do, micro, small and medium enterprises are currently still not able to fully maintain the continuity of competitiveness. products when compared with products from competitors, especially from other companies.

Micro, small, and medium enterprises still have limited tangible and intangible resource capabilities, especially in terms of tangible assets which include the unavailability of physical facilities such as high technology production equipment,

supporting facilities such as operational vehicles and buildings that have not been renovated due to collisions. limitations of the work model they have. In addition, intangible assets owned by micro, small and medium enterprises tend to be low, especially regarding human resource capabilities, there has not been a reliable organizational culture, where currently micro, small and medium enterprises still rely on organizational experience, where micro, small and medium enterprises are generally classified as long established. Slater, & Yani (2010) management of micro, small and medium enterprises in general have not been able to design a competitive strategy appropriately.

The determination of strategy in competition has not been focused on the management, the orientation of competitive strategies currently leads to two sides, namely product differentiation and cost leadership, whereas in this condition the management of micro, small and medium enterprises will be more appropriate in implementing a competitive strategy also based on a speed base strategy that focuses on emphasizes on three main things, namely meeting market demands, developing human resource capabilities and adapting technology so that the business strategy implemented tends to be more able to create products that are more competitive than competitors.

Stewart & Stanford (2017) in general, the management of micro, small and medium enterprises has not been able to develop cooperation and is still unable to develop relationships with business customers optimally. Sun, et, all (2019) besides that, cooperation with related businesses has not been pursued optimally, for example, partnering with banking institutions in developing working capital so that working capital participation no longer relies on disbursement of funds from the provincial government as owner.

Zou & Meng (2019), when viewed from the weakest part in implementing a partnership strategy, is in terms of partnering laterally, namely raising together with related parties, namely similar companies, intermediary institutions, and higher education institutions as centers of knowledge, especially raising in terms of improvement. capability of human resources, as well as business research activities which until now are still very rarely carried out by micro, small and medium enterprises. Cooperation with similar companies whose performance is considered to be superior is a strategic step that needs to be taken, such as by conducting joint operations (KSO) in order to create technology transfer and transfer of expertise in more professional business management activities.

Sthapit, E. (2019) stated that the performance of micro, small, and medium enterprises is currently not high, especially in the aspect of financial performance, this fact is quite based considering that until now, small and medium micro enterprises in general still need working capital assistance from the owner. namely the provincial government, it is difficult for micro, small, and medium enterprises to develop without an injection of funds from other parties, besides that business performance, seen from the administrative and operational aspects, is still low, this is

due to the fact that it is suspected that the management of micro, small and medium enterprises, in general.

The professional background is not from business people, but comes from bureaucrats, so that the development of the capabilities of the management of micro, small and medium enterprises is a very important thing to do. In designing a competitive strategy, the dominant aspect is the uniqueness of the resource because it makes a more dominant contribution. The uniqueness of resources gives a more dominant contribution when compared to market attractiveness to the partnership strategy. The dimensions of the uniqueness of resources that give a dominant role to the partnership strategy are in the form of ownership of tangible assets followed by intangible assets.

6. Conclusion

Market attractiveness as a result of Covid-19 was created because the products produced really dominate the market and focus on the market including; the size of the market coverage served and the level of market purchasing power, while for the intensity of competition, including the ability of Micro, Small and Medium Enterprises to create substitute products, then in market access, the weaknesses of Micro Small and Medium Enterprises include the ability of companies to market products in markets that are not market attractiveness .

The uniqueness of resources is relatively not well managed, such as in unique and funny product designs, mastery of raw materials, while intangible assets include organizational motivation to employees, and organizational capabilities in terms of management commitment to improve the company's business financial performance. In terms of competition, the management of Micro, Small and Medium Enterprises has not been able to formulate a competitive strategy properly, such as in providing more value to customers at a number of prices, namely superior value based on increased benefits and lowering costs to customers and the speed of the company in fulfilling market demands, through technological adaptation and environmental development that are so fast because technology changes flexibly.

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