

THE EFFECT OF MARKETING MIX STRATEGY ON BUSINESS PERFORMANCE IN THE SUMEDANG TOFU INDUSTRY MODERATED BY TECHNOLOGY

Ani Anggraeni¹, Cupian², Wa Ode Zusnita Muizu³

^{1, 2, 3} Universitas Padjadjaran Bandung

¹ ani21001@unpad.ac.id, ² cupian@unpad.ac.id, ³ waodezusnita@unpad.ac.id

Abstract

This study aims to analyze the influence of marketing mix strategies on business performance in the Sumedang tofu industry. The background of the study departs from the phenomenon of declining performance of Sumedang tofu businesses in the last two years as indicated by a decline in sales, customers, and profits, despite this industry having a significant contribution to the local economy. The marketing mix strategy in this study covers seven dimensions, namely product, price, promotion, place, people, process, and physical evidence. The research method uses a non-experimental quantitative approach with data collection techniques through observation, interviews, and questionnaires with 284 Sumedang tofu business actors. Data analysis was carried out using the Structural Equation Modeling-Partial Least Square (SEM-PLS) method using SmartPLS software. Model evaluation was carried out through validity and reliability testing, as well as testing the structural model to determine the relationship between variables. The results show that marketing strategies have a positive and significant effect on business performance. This is indicated by a path coefficient value of 0.481, a t-statistic of 10.998, and a p-value of 0.000. These findings indicate that the more effective marketing strategy management, the higher the business performance, as reflected in sales growth, customer growth, and increased profits.

Keywords: Marketing Mix Strategy, Business Performance, Sumedang Tofu Industry, SEM-PLS.

Abstrak

Penelitian ini bertujuan untuk menganalisis pengaruh strategi bauran pemasaran terhadap kinerja usaha pada industri tahu Sumedang. Latar belakang penelitian berangkat dari fenomena menurunnya kinerja usaha tahu Sumedang dalam dua tahun terakhir yang ditunjukkan melalui penurunan penjualan, pelanggan, dan keuntungan, meskipun industri ini memiliki kontribusi signifikan terhadap perekonomian lokal. Strategi bauran pemasaran dalam penelitian ini mencakup tujuh dimensi, yaitu produk, harga, promosi, tempat, orang, proses, dan bukti fisik. Metode penelitian menggunakan pendekatan kuantitatif non-eksperimental dengan teknik pengumpulan data melalui observasi, wawancara, serta kuesioner terhadap 284 pelaku usaha tahu Sumedang. Analisis data dilakukan dengan metode Structural Equation Modeling-Partial Least Square (SEM-PLS) menggunakan perangkat lunak SmartPLS. Evaluasi model dilakukan melalui pengujian validitas, reliabilitas, serta pengujian model struktural untuk mengetahui hubungan antar variabel. Hasil penelitian menunjukkan bahwa strategi pemasaran berpengaruh positif dan signifikan terhadap kinerja usaha. Hal ini ditunjukkan dengan nilai koefisien jalur sebesar 0,481, t-statistik 10,998, dan p-value 0,000. Temuan ini mengindikasikan bahwa semakin efektif pengelolaan strategi pemasaran, semakin tinggi pula kinerja usaha yang tercermin pada pertumbuhan penjualan, pertumbuhan pelanggan, dan peningkatan keuntungan.

Kata Kunci: Strategi Bauran Pemasaran, Kinerja Usaha, Industri Tahu Sumedang, SEM-PLS.



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INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in the Indonesian economy. Data from the Ministry of Cooperatives and SMEs shows that in 2023, MSMEs contributed 60.51% to the national Gross Domestic Product (GDP) and absorbed approximately 96.92% of the Indonesian workforce. More specifically, Micro Enterprises absorbed 89.04% of the workforce, Small Enterprises 4.81%, and Medium Enterprises 3.07%, while Large Enterprises only absorbed 3.08% of the total workforce. This significant contribution confirms the position of MSMEs as the backbone of the national economy and a strategic factor in improving community welfare.

One of the dominant sectors within MSMEs is the food industry. Based on the 2023 KBLI classification, the food industry is recorded as the largest with 1,800,827 business units, followed by the wood and derivatives industry, the apparel industry, the textile industry, and other processing industries. The food industry not only plays a role in meeting the community's basic needs but also drives the local economy through employment and value-added creation.

Among the food industry subsectors, the tofu industry holds a crucial position, particularly in West Java. Sumedang tofu has become a culinary icon, widely recognized not only regionally but also nationally. According to data from the Sumedang Regency Department of Industry and Trade, Sumedang's tofu production capacity in 2023 will reach over 12,000 tons with a production value of approximately IDR 318.6 billion. This industry significantly contributes to the local economy and employs local residents.

However, in the past two years, the Sumedang tofu industry has faced serious challenges in the form of declining average revenue and stagnant business growth. This condition indicates fundamental problems in business management. Factors suspected to be the causes include rising production costs, increasingly fierce competition, and changing consumer preferences. This decline in business performance is reflected in indicators of sales growth, customer growth, and profit growth, as Siswanti stated that these three indicators are the main benchmarks for measuring MSME performance.¹

Declining business performance not only impacts business continuity but also has the potential to depress local economic growth. From a classical economic perspective, Adam Smith emphasized the importance of labor and capital accumulation as key factors in a region's economic growth.² When business performance weakens, contributions to labor absorption and capital management also decline, thus impacting regional economic stability. Data from the Central

¹ T. Siswanti, "Analisis Pengaruh Faktor Internal dan Eksternal terhadap Kinerja Usaha Mikro Kecil dan Menengah (UMKM)," *Jurnal Bisnis & Akuntansi Unsurya* 5, no. 2 (2020).

² F. Saragih, "Analisis Pertumbuhan Ekonomi Indonesia pada Masa Covid-19: Adam Smith [Analysis of Indonesia's Economic Growth during Covid-19: Adam Smith]," *JEEBA*, 2022.

Statistics Agency (BPS) of Sumedang Regency noted that in 2021, the processing industry sector (including Sumedang tofu) absorbed 29.94% of the workforce, but this figure decreased to 29.63% in 2022. This decline in contribution indicates a direct impact of weakening business performance on the industrial sector's capacity to maintain employment.

Various previous studies have shown a significant relationship between marketing strategy and business performance. Afandi et al. assert that a marketing strategy is a systematic plan designed to achieve business goals through a marketing mix encompassing product, price, promotion, and place (4Ps).³ Over time, the marketing mix concept has evolved into the 7Ps, with the addition of people, process, and physical evidence.⁴ In practice, Sumedang tofu businesses still rely heavily on conventional strategies such as maintaining product quality at affordable prices, using banners as promotional media, and selecting roadside locations to reach consumers.⁵

While this strategy is effective locally, limitations in utilizing modern marketing strategies, especially in the digital era, limit market reach and consumer loyalty. Nurhartani et al. highlight that marketing strategies that rely solely on physical locations result in a limited customer base, are vulnerable to external conditions such as weather, and are less adaptable to global competition.⁶ Another contributing factor is the fluctuation in the price of imported soybean raw materials, which impacts the selling price and size of Sumedang tofu products. This demonstrates the need for adaptive and innovative marketing strategies for the Sumedang tofu industry to maintain its performance.

In line with this, several studies emphasize the importance of marketing strategies in increasing the competitiveness of MSMEs. Harianto & Manggu found that appropriate promotions and strategic business location selection positively impact sales.⁷ Meanwhile, Mahdar Ernita et al. revealed that utilizing appropriate marketing media can expand consumer reach and increase customer loyalty, thus directly impacting business performance. These findings confirm that an effective marketing strategy is not only a promotional tool but also plays a role in strengthening customer relationships and maintaining business sustainability.

Based on this phenomenon, research on the influence of marketing mix strategies on business performance in the Sumedang tofu industry is relevant and important. Although marketing

³ R. Afandi et al., "Analisis Strategi Pemasaran Tahu Sumedang dengan Menggunakan Metode 4P Guna Meningkatkan Penjualan di UD Tahu Sumedang 5 Bersaudara," *Factory Jurnal Industri, Manajemen dan Rekayasa Sistem Industri* 1, no. 2 (2022): 39–46.

⁴ Y. Farida, *Buku Manajemen Pemasaran* (Budi Utama, 2019).

⁵ E.D.H. Hilyatussyuhada et al., "Perancangan Strategi Branding 'Tahu Mirasa Conggeang' di Sumedang," *e-Proceeding of Art & Design* 8, no. 3 (2021).

⁶ Y. Nurhartani et al., "Pengaruh Orientasi Pasar dan Orientasi Kewirausahaan terhadap Peningkatan Kinerja Usaha Mikro Kecil Menengah (UMKM) pada Industri Makanan di Kecamatan Cipayung Jakarta Timur," *Jurnal Administrasi dan Manajemen*, 2019.

⁷ H. Harianto and B. Manggu, "Pengaruh Strategi Pemasaran terhadap Peningkatan Kinerja Usaha Mikro Kecil dan Menengah di Kota Bengkulu," *UMMagelang Conference Series*, 2024, 295–308.

theories have been widely discussed in the literature, studies specifically focusing on the Sumedang tofu sector are still limited. Therefore, this study aims to analyze how marketing mix strategies affect business performance, as measured by sales growth, customer growth, and profit growth. Therefore, this research is expected to contribute to the development of marketing mix strategies for local MSMEs while supporting the sustainability of the Sumedang tofu industry amidst increasingly competitive market dynamics.

RESEARCH METHODS

This study used a non-experimental quantitative approach to analyze the influence of marketing mix strategies on business performance in the Sumedang tofu industry. Data were collected through observation, interviews, and questionnaires distributed to 284 tofu industry players in Sumedang Regency. The research instrument, a questionnaire, was designed with a five-point Likert scale to measure respondents' responses to marketing mix strategy indicators (7Ps) and business performance.

Data analysis in this study was conducted using the Structural Equation Modeling-Partial Least Square (SEM-PLS) method through SmartPLS software. This method was chosen based on its ability to test causal relationships between latent variables, while accommodating research models with a relatively complex number of indicators in a limited sample size. The analysis process includes two main stages: outer model evaluation and inner model evaluation. The outer model evaluation aims to assess convergent validity, discriminant validity, and construct reliability in the research instrument, thus ensuring that the indicators used are truly capable of representing the measured variables. Meanwhile, the inner model evaluation is used to test the direct effect of marketing mix strategies on business performance using a path analysis approach, as well as to measure the strength of the relationships between latent variables. Through this approach, the study is expected to provide empirical evidence regarding the extent to which marketing mix strategies contribute to improving the business performance of tofu industry players in Sumedang Regency.

RESULTS AND DISCUSSION

The history of the tofu industry in Sumedang Regency is a clear example of how a local product can become a regional icon and support the community's economy. The Sumedang tofu industry has been known since the early 20th century, starting from family businesses that produce tofu using traditional methods. The distinctive taste and soft texture of Sumedang tofu quickly made it widely accepted by the community. Although it started on a household scale, the existence of a growing network of producers shows that tofu production activities contribute to the regional economy and the livelihoods of many business families and play a role in creating jobs. Over time,

this product is not only known in Sumedang, but also spread to various regions in West Java and even to major cities, thus strengthening its position as one of the regional culinary icons.

Improvements in transportation infrastructure in the following decades also supported the distribution of Sumedang tofu. Ease of road access enabled businesses to expand their markets and reach new consumers. This transformed the business model, initially focused solely on local consumption, into a part of the regional food distribution chain. The tofu production process also underwent a dynamic shift, moving from entirely manual to using simpler equipment. Some businesses even began adopting more modern equipment to increase efficiency and production capacity, although most producers maintained traditional processing practices. This combination of local wisdom and modern adaptations is one of the strengths of the Sumedang tofu industry, enabling it to remain viable amidst the competitive food industry.

From a marketing perspective, Sumedang tofu producers rely on a simple yet effective marketing mix strategy. For the product, consistency of taste and quality are key factors in maintaining customer loyalty. Prices are kept affordable to reach all segments of society. Promotion relies heavily on reputation and word of mouth, although some producers are increasingly utilizing social media to expand their reach. Distribution plays a crucial role, with Sumedang's strategic tofu centers making it easier for consumers from outside the city to access the product directly. Furthermore, the people aspect is evident in the involvement of local workers, who contribute to local employment. The process remains dominated by manual methods, reflecting traditional values while still adapting to market demand. Physical evidence, such as packaging and sales outlets, further strengthens Sumedang tofu's identity in the eyes of consumers.

The marketing strategies implemented by these businesses are closely related to business performance. Research shows that certain elements of marketing strategies have proven significant in driving performance. Harianto and Manggu⁸ found that promotion and location have a positive influence on MSME performance, where appropriate promotion can increase product visibility, while strategic locations facilitate customer access. Another study by Tune⁹ emphasized the importance of human resource quality in mediating marketing strategy with company performance. This means that even if a marketing strategy is well-designed, its success is largely determined by the ability of human resources to implement it. Ernita et al. added a different perspective by emphasizing the role of social media in marketing strategy. Social media has been shown to be effective in building customer engagement, expanding promotions, and increasing loyalty, thus significantly impacting sales and business performance.

⁸ Harianto and Manggu, "Pengaruh Strategi Pemasaran terhadap Peningkatan Kinerja Usaha Mikro Kecil dan Menengah di Kota Bengkulu."

⁹ M.W. Tune, "Pengaruh Strategi Pemasaran terhadap Kinerja Perusahaan melalui Sumber Daya Manusia pada Perusahaan Pangan," *Jurnal Sosial dan Sains* 4, no. 2 (2024): 151–59.

These findings indicate that marketing strategies, whether through conventional promotions, human resource management, or the use of social media, play a central role in improving business performance. In the context of the Sumedang tofu industry, implementing an appropriate marketing mix is a key factor in maintaining productivity, expanding the market, increasing customer satisfaction, and supporting revenue growth. Business performance itself essentially reflects the extent to which a business has successfully achieved its stated goals.

Thus, it can be understood that marketing strategy is not merely an instrument for marketing products, but rather a strategic factor that can determine business success. The more appropriate the marketing strategy implemented, the higher the business performance achieved, as reflected in the competitiveness and sustainability of the Sumedang tofu industry amidst increasingly complex market competition. After conducting research and data collection in the field, data was obtained regarding the business conditions of Sumedang tofu industry owners in relation to marketing strategies and their impact on improving business performance moderated by technology. By using a sample of 284 respondents, namely Sumedang tofu industry owners, the data obtained during the study were presented in the form of data analysis. In this study, an analysis test was conducted with the following analysis stages: (1) Analysis of the measurement model (outer model) to assess the validity and reliability of research indicators; and (2) Analysis of the structural model (inner model) to evaluate the relationship between latent variables. This study aims to describe how marketing mix strategies can improve business performance in the Sumedang tofu industry.

CONCEPTUAL MODEL ANALYSIS

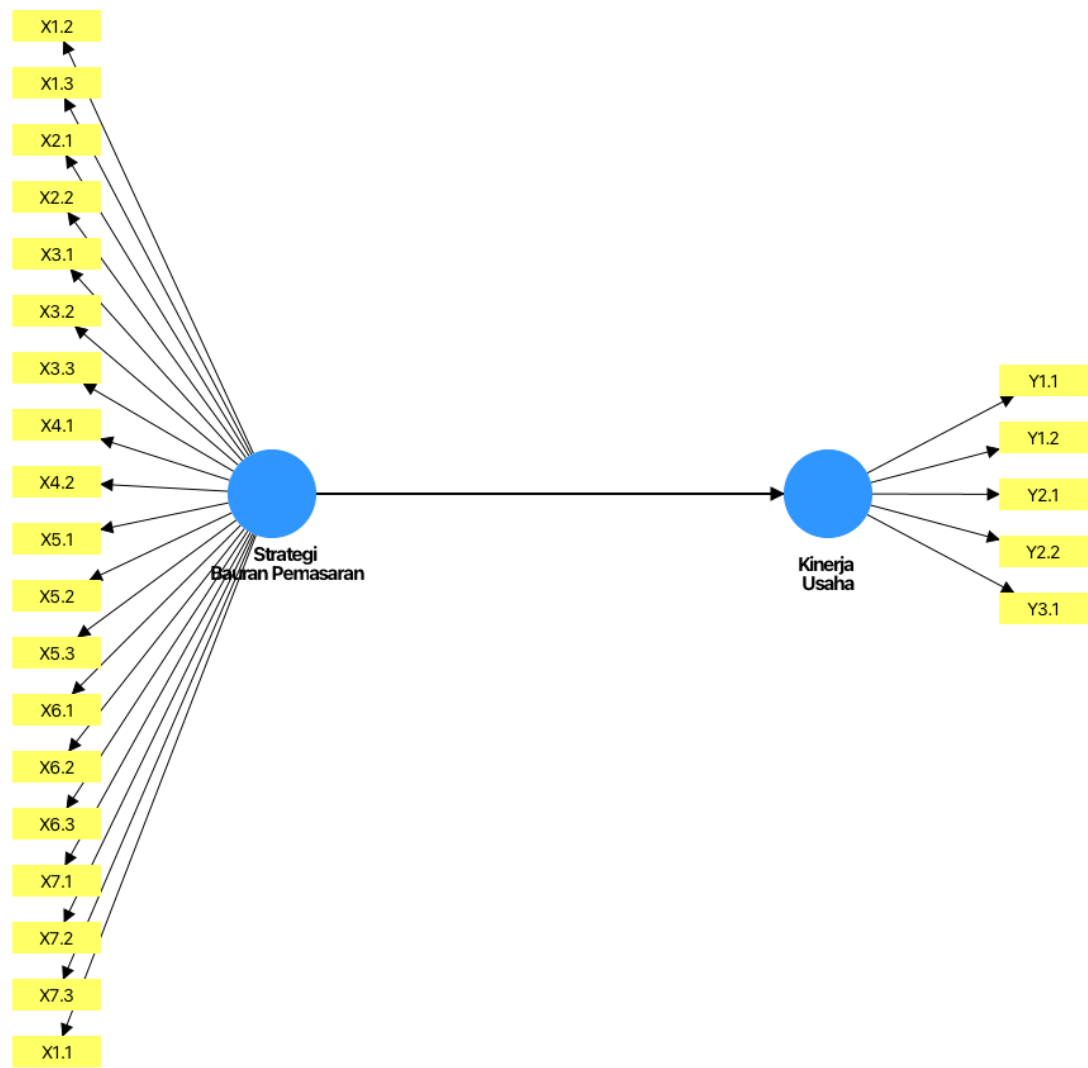


Figure 1. SEM-PLS Conceptual Model.

(Source: Researcher Data Processing Results, 2024)

The conceptual model in this study illustrates the relationship between two main variables: marketing mix strategy and business performance. This relationship is analyzed to determine the extent to which the implementation of marketing mix strategy can influence business performance improvement and its contribution, both directly and indirectly, to the performance of industry players.

Marketing mix strategy [X]

A marketing mix strategy is an approach used by companies or businesses to manage marketing activities to achieve predetermined goals. Syarifuddin et al. explain that a marketing mix strategy is an approach to creating competitive advantage through effective management of

marketing resources. Therefore, a marketing mix strategy serves not only as an operational tool but also as a crucial instrument in building business competitiveness.

In this study, marketing mix strategy is measured across seven main dimensions: product, price, promotion, place, people, process, and physical evidence. These seven dimensions reflect the marketing mix components that collectively are used to assess the extent to which the marketing mix strategy contributes to improved business performance.

Furthermore, the marketing mix strategy is measured through the following indicators:

1. Product [X1.1; X1.2; X1.3]: This indicator describes the extent to which a business actor is able to provide quality products that meet consumer needs. This aspect reflects product competitiveness in the market, innovation capabilities, and efforts to maintain customer satisfaction.
2. Price [X2.1; X2.2]: This indicator shows how pricing strategies can attract consumers and increase business competitiveness. The right price not only reflects the value of the product but is also an important factor in driving purchasing decisions.
3. Promotion [X3.1; X3.2; X3.3]: This indicator assesses the effectiveness of efforts in introducing products to consumers through various promotional media. Successful promotions will increase product visibility, strengthen brand awareness, and drive increased sales.
4. Place [X4.1; X4.2]: This indicator reflects the accessibility of the product to consumers, both through business location and distribution. A strategic location or effective distribution channels can make it easier for consumers to obtain the product and increase their satisfaction.
5. People [X5.1; X5.2; X5.3]: This indicator describes the quality of human resources in providing services to consumers. Employee competence, attitude, and interaction are key factors in building customer trust and loyalty.
6. Process [X6.1; X6.2; X6.3]: This indicator emphasizes efficiency and consistency in service and production flows. A good process will ensure product quality and continuous customer satisfaction.
7. Physical Evidence [X7.1; X7.2; X7.3]: This indicator assesses aspects that can be directly seen by consumers, such as packaging design, business facilities, and the physical appearance of the product. Good physical evidence strengthens the business image and influences consumer perceptions of product quality.

The marketing mix strategy in this study is an independent variable that directly impacts business performance. A comprehensive evaluation of the marketing mix strategy allows Sumedang tofu industry players to identify marketing aspects that need improvement, thereby strengthening their competitiveness in a competitive market.

Business Performance

Business performance can generally be understood as the level of results achieved by a company or business entity in carrying out its business activities. This performance reflects the company's effectiveness and efficiency in managing its resources to achieve its stated goals. Sandra and Purwanto define business performance as a company's ability to effectively conduct its operations, as measured by indicators such as sales growth, profit growth, and customer growth. Furthermore, business performance is measured through the following indicators:

1. Sales Growth [Y1.1; Y1.2]: This indicator demonstrates a business's ability to increase sales volume and revenue over time. Sales growth reflects the competitiveness of a product in the market and the effectiveness of strategies used to expand consumer reach and increase business revenue.
2. Customer Growth [Y2.1; Y2.2]: An increasing number of customers indicates that the company is able to retain existing customers while attracting new ones. This customer growth reflects the sustainability of the business and its success in consistently meeting market needs.
3. Profit Growth [Y3.1]: This indicator assesses a business's ability to generate profits from its operational activities. Increased profits reflect the business's success in managing resources efficiently and demonstrates the business's long-term sustainability.

Business performance in this study is the dependent variable directly influenced by marketing mix strategy. A comprehensive assessment of business performance helps Sumedang's tofu industry identify areas for improvement and strengthen their competitiveness amidst increasingly fierce market competition.

The success of Sumedang's tofu industry is reflected not only in the profits earned by business owners, but also in its contribution to the social and economic dynamics of the surrounding community. Businesses that are able to grow consistently play a role in driving the local economy by creating jobs, expanding business opportunities, and maintaining the sustainability of regional culinary traditions. Furthermore, this success can strengthen regional identity and increase product appeal in a broader market. In this context, implementing an effective marketing mix strategy is a crucial tool for businesses to ensure business sustainability, increase competitiveness, and provide a lasting positive impact.

STRUCTURAL MODEL ANALYSIS

The structural model analysis in this study shows a significant relationship between marketing mix strategy and business performance in the Sumedang tofu industry. The implementation of a marketing mix strategy encompassing product, price, promotion, place, people, process, and physical evidence has been proven to increase business competitiveness. With the right

strategy, businesses can adapt to market dynamics, expand consumer reach, and maintain customer loyalty. This is reflected in increased sales, profit growth, and a consistent increase in customer base.

Optimal business performance ultimately impacts not only the sustainability of individual businesses but also significantly contributes to the Sumedang community as a whole. The growth of the tofu business creates new jobs, increases household incomes, and strengthens the local economy. Furthermore, improved business performance also fosters a more innovative and adaptive business ecosystem, which in turn strengthens Sumedang's identity as a region with distinctive, superior products.

Measurement model analysis (outer model)

Convergent Validity

Convergent validity is a test to ensure that each indicator in the measurement model is able to represent the construct being measured well.

Average Variance Extracted (AVE)

Convergent validity is evaluated through the average variance extracted (AVE) value. The AVE value is used to assess the extent to which indicators within a construct are able to explain the variance of that construct. According to Hair et al. (2021), a construct is considered to have convergent validity if its AVE value is greater than 0.50. This indicates that more than 50% of the indicator's variance can be explained by the construct.

Average variance extracted (AVE) test results table

Average variance extracted (AVE)	
Marketing mix strategy (X)	0.577
Business Performance (Y)	0.592

(Source: Researcher Data Processing Results, 2024)

The results of the convergent validity test indicate that all constructs have met the Average Variance Extracted (AVE) criteria with a value greater than 0.5, namely the AVE of marketing mix strategy (X) of 0.577 and business performance (Y) of 0.592. This indicates that each indicator is able to reflect its latent variable well.

Fornell-Larcker criterion

Fornell-Larcker criterion test results table

	X	Y
Marketing mix strategy (X)	0.760	
Business Performance (Y)	0.481	0.770

(Source: Researcher Data Processing Results, 2024)

The discriminant validity tested using the Fornell-Larcker criteria shows that the square root value of AVE is higher than the correlation between constructs (X = 0.760; Y = 0.770 with a correlation of 0.481).

Composite Reliability

CR is used to evaluate the internal consistency of an instrument.Hair Jr et al., 2021recommends a minimum CR value of 0.70, indicating that the instrument is reliable in measuring the latent construct. As an additional measure of reliability, Cronbach's Alpha assesses the internal consistency of the instrument.Hair Jr et al., 2021recommends a minimum value of 0.70 to indicate adequate reliability. Here are the results:

Composite Reliability Test Results Table

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)
Marketing mix strategy (X)	0.959	0.965	0.963
Business Performance (Y)	0.829	0.843	0.879

(Source: Researcher Data Processing Results, 2024)

The construct reliability test through Cronbach's Alpha and Composite Reliability (CR) also showed values above 0.7, with a range of 0.959–0.965 for marketing mix strategy and 0.829–0.879 for business performance, so that the research instrument was declared reliable.

Heretroit-Monotrait Ratio (HTMT) Test Results Table

	Heterotrait-monotrait ratio (HTMT)
Y <-> X	0.505

(Source: Researcher Data Processing Results, 2024)

The HTMT test results obtained a value of 0.505 which is lower than 0.90, so that the discriminant validity is fulfilled.

Hypothesis Testing Between Variables (Inner Models)

R Square, F Square, Model Fit

The R^2 value is used to measure how much the independent variable can explain the dependent variable. According to Hair¹⁰, R^2 is categorized as weak (0.19), moderate (0.33), and substantial (0.67), while Ghozali¹¹ classifies R^2 values into good (0.75), moderate (0.50), and weak (0.25). F^2 measures the relative influence of the independent variable on the dependent variable by looking at the change in the F^2 value if the independent variable is removed. Hair¹² categorizes the F^2 effect as small (0.02), moderate (0.15), and large (0.35). The Standardized Root Mean Square Residual (SRMR) measures the fit between the observed data and the estimated model, with SRMR values below 0.08 indicating a good model fit, while values up to 0.10 are still acceptable according to Yamin¹³.

R-Square

R-Square Test Results Table		
	R-square	R-square adjusted
Business Performance	0.231	0.229

(Source: Researcher Data Processing Results, 2024)

In the inner model evaluation, the R-Square (R^2) test results showed that the marketing mix strategy variable (X) was able to explain business performance (Y) by 23.1%. Meanwhile, the remaining 76.9% of the variation was influenced by other variables not examined further in this study. Based on the R-Square value obtained, the influence of the independent variables on business performance can be categorized as moderate.

F-Square

F-Square Test Results Table	
	f-square
Marketing mix strategy -> Business Performance	0.301

(Source: Researcher Data Processing Results, 2024)

The F-Square (f^2) value of 0.301 is in the moderate to strong category, which indicates that the marketing mix strategy has a substantial influence on business performance.

¹⁰ J.F. Hair, *Multivariate Data Analysis*, 8th ed. (Cengage, 2018).
¹¹ I. Ghozali, *Structural Equation Modeling, Metode Alternatif dengan Partial Least Square (PLS)*, 5th ed. (Badan Penerbit Universitas, 2020).
¹² Hair, *Multivariate Data Analysis*.
¹³ S. Yamin, "SmartPLS 3," in *AMOS & STATA: Olah Data Statistik (Mudah & Praktis*, vol. 1 (Dewangga Energi Internasional Publishing, 2021).

SRMR

Test Results TableSRMR

	Saturated model	Estimated model
SRMR	0.058	0.058

(Source: Researcher Data Processing Results, 2024)

The Standardized Root Mean Square Residual (SRMR) value of 0.058, which is smaller than 0.08, indicates that this research model has a good level of fit between the model structure and the observed data. Thus, the model used in this study can be considered to meet the model fit criteria, both for the saturated and estimated model structures.

Path Coefficient Hypothesis

Path coefficients indicate the magnitude of the direct influence between latent variables, with a 95% confidence interval. The higher the path coefficient, the stronger the relationship between the variables. This test is conducted using bootstrapping techniques to evaluate the research hypothesis. A t-statistic value > 1.96 or a p-value < 0.05 indicates a significant influence between the variables. The following are the results of the hypothesis test:

Path Coefficient Hypothesis Test Results Table

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Marketing mix strategy -> Business Performance	0.481	0.491	0.044	10,998	0,000

(Source: Researcher Data Processing Results, 2024)

Hypothesis testing using path coefficient analysis shows that the marketing mix strategy has a positive and significant effect on business performance. This is evidenced by the Original Sample value of 0.481, a t-statistic of 10.998 (> 1.96), and a p-value of 0.000 (< 0.05). Thus, the research hypothesis is accepted, namely that the marketing mix strategy makes a significant contribution to improving the performance of the Sumedang tofu industry. This finding underscores that the implementation of an effective marketing mix strategy is an important factor in strengthening business competitiveness and sustainability. The results of the hypothesis testing indicate that all hypotheses are accepted.

Discussion of the Influence of Marketing Mix Strategy on Business Performance

The results of the SEM-PLS analysis show that the marketing mix strategy has a positive and significant effect on business performance in the Sumedang tofu industry, with a path coefficient of 0.481, a T-statistics value of 10.998, and a p-value of 0.000. This finding confirms that the more effective the management of the marketing mix (product, price, promotion, place,

people, process, and physical evidence), the higher the business performance achieved as reflected in sales growth, customer growth, and profit growth.

These findings are consistent with research conducted by Harianto and Manggu¹⁴, which showed that promotional strategies and business location selection play a crucial role and significantly impact the performance of micro, small, and medium enterprises (MSMEs). Well-designed promotions can increase product visibility, attract new customers, and encourage repeat purchases. Furthermore, a strategic business location provides easy access to consumers, thus contributing to the sustainability of business operations. This is relevant to the context of the Sumedang tofu industry, where business locations close to community centers or tourist routes provide significant accessibility advantages.

Furthermore, product quality plays a crucial role in marketing mix strategies. Consistent product quality not only increases customer satisfaction but also builds brand trust, ultimately positively impacting business performance. However, research conducted by Harianto and Manggu¹⁵ revealed that the influence of product quality on business performance can vary depending on various factors. In some contexts, the impact may be insignificant if customers already have stable expectations for a particular product, such as Sumedang tofu, which already has a reputation as a superior local product.

Promotion in the Sumedang tofu industry can be a key approach to increasing competitiveness. Promotion through discounts, sampling, or community events can increase product awareness. Research by Ernita et al. emphasized that effective promotion can help local businesses attract customers and expand market reach. This aligns with the need for Sumedang tofu businesses to remain attractive to loyal customers while attracting new ones.

Location is also a crucial factor in determining business success. Strategic locations, such as near traditional markets, city centers, or tourist attractions, allow products to be more easily accessible to consumers. Research by Harianto and Manggu¹⁶ supports this view, stating that strategic locations can significantly increase sales volume and provide a competitive advantage for MSMEs. In the context of Sumedang tofu, a strategic location not only facilitates product distribution but also supports direct sales to consumers.

Thus, an effective marketing mix strategy provides a strong foundation for improving business performance, particularly in the Sumedang tofu industry. The combination of targeted promotions, consistent product quality, and strategic locations creates opportunities for businesses

¹⁴ Harianto and Manggu, "Pengaruh Strategi Pemasaran terhadap Peningkatan Kinerja Usaha Mikro Kecil dan Menengah di Kota Bengkulu."

¹⁵ Harianto and Manggu, "Pengaruh Strategi Pemasaran terhadap Peningkatan Kinerja Usaha Mikro Kecil dan Menengah di Kota Bengkulu."

¹⁶ Harianto and Manggu, "Pengaruh Strategi Pemasaran terhadap Peningkatan Kinerja Usaha Mikro Kecil dan Menengah di Kota Bengkulu."

to expand their markets, attract new customers, and maintain customer loyalty. These findings confirm that a marketing mix strategy is not only a tool for achieving competitive advantage but also a key pillar in business management.

This research has significant practical implications for Sumedang tofu producers. Optimizing marketing mix elements such as promotion and location can be a top priority in maintaining product competitiveness in a competitive market. With an adaptive and consistent approach, Sumedang tofu producers can maintain their existence while creating added value for consumers.

CONCLUSION

This study demonstrates that marketing mix strategies have a positive and significant impact on business performance in the Sumedang tofu industry. The application of marketing mix dimensions, including product, price, promotion, place, people, process, and physical evidence, has been shown to drive increased sales, customer growth, and business profits. This indicates that the more effective the marketing mix strategy implemented, the higher the business performance achieved. These findings emphasize the importance of optimizing marketing elements as a strategic effort to strengthen competitiveness, maintain sustainability, and increase the contribution of the Sumedang tofu industry to the local economy. Furthermore, this study provides practical implications for MSMEs to be more adaptive in managing marketing mix strategies amidst increasingly competitive competition.

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