Entrepreneurship and MSME market orientation toward creative industries: Society Era 5.0 in Makassar city

Thamrin Abduh[1+]
Hasanuddin Remmang[2]
Herminawaty Abubakar[3]
Abdul Karim[4]

[1,2,3,4]Department of Management, Faculty of Economic and Business, Universitas Bosowa, Jl. Urip Sumoharjo No. Km. 4, Sinrijala, Panakkukang, Kota Makassar, Sulawesi Selatan 90231, Indonesia.
[1]Email: thamrin.abduh@universitasbosowa.ac.id
[2]Email: remmanghasan@gmail.com
[3]Email: herminawati.abubakar@universitasbosowa.ac.id
[4]Email: abdul.karim@universitasbosowa.ac.id

(+ Corresponding author)

ABSTRACT

Micro, small, and medium enterprises (MSMEs) are the most important pillar of the Indonesian economy. Based on data from the Ministry of Cooperatives and SMEs, the number of MSMEs currently stands at 64.2 million with an annual contribution to GDP of 61.07%, IDR 8,573.89 trillion. The contribution of MSMEs to the Indonesian economy includes the ability to absorb 97% of the total existing workforce and raise 60.4% of total investment. However, the MSMEs in Indonesia aren't immune to existing challenges. The contribution of MSMEs to the economic cycle in Indonesia is quite large, reaching 90% every year. There are 19,000 MSME business units in Makassar City, dominated by the culinary sector. The regional government is committed to supporting MSMEs in the era of digitalization and global competition through Society Era 5.0. By increasing the ability of MSMEs to utilize e-commerce, it is hoped that the sector can grow and contribute significantly to the economy of Makassar City. The impact of the COVID-19 pandemic has encouraged a shift in the consumption patterns of goods and services from offline to online, with an increase in internet traffic of around 15%–20%. This momentum will accelerate digital transformation. Indonesia's digital economic potential is still wide open with the fourth largest population in the world and an internet penetration that has reached 196.7 million people.

Contribution/Originality: This research contributes to understanding the role of the MSME sector in increasing local revenue through the prioritization of digital product marketing in the Society 5.0 Era in Makassar City.

1. INTRODUCTION

Indonesia has entered the Industrial Era 4.0. Even though technology has not been optimally implemented for business activities, there has been a technological transformation that has been carried out by businesspeople. After the Industrial Era 4.0, we will enter Society Era 5.0. In these conditions, there are several things that businesses must adjust to be ready. Two things must be done before Society Era 5.0 begins in the business world: (1) Businesspeople are required to produce practical solutions so they can quickly solve problems that occur, (2) Businesspeople must continue to access information and be able to innovate, with the aim improving business performance.

Micro, small, and medium enterprises (MSMEs) are one of the main players in the creative industry. MSMEs in Makassar City play an important role in creating jobs, driving economic growth, and enriching cultural wealth (Hasniati, Indriasari, Sirajuddin, & Karim, 2023). However, they face various challenges, such as increasingly fierce

competition and rapid changes in market demand (Fan et al., 2021). Therefore, MSMEs need to have a strong competitive advantage to survive and thrive in Society Era 5.0. Creative industry MSMEs play an important role in the Indonesian economy (Karim, Asrianto, Ruslan, & Said, 2023). They are a source of economic growth, job creation, innovation, and cultural advancement (Kadarisman, Wijayanto, & Sakti, 2022; Tanjung & Febriaty, 2023) The creative industry also has the potential to face changes and challenges in Society Era 5.0, which are marked by the integration of digital technology, artificial intelligence, automation, and broad connectivity (Wahyuningtyas, Disastra, & Rismayani, 2023). One of the cities in Indonesia that has strong creative industry potential is Makassar City.

In the Industrial Revolution 4.0 era, technological developments have had a significant impact on various sectors, including the creative industry (Aquilani, Piccarozzi, Abbate, & Codini, 2020). The creative industry is considered a sector that has the potential to support a country's economic growth, create jobs, and generate high added value. In Indonesia, the creative industry has also become the main focus in the effort to drive the local economy. The business sector is currently transforming digitally, bringing stronger connectivity, and the use of technology from artificial intelligence (AI), the Internet of Things (IoT), Big Data, and Robotics is having a significant impact on the MSME sector (Ferreira, Coelho, & Moutinho, 2020; Mardjuni, Thanwain, Abubakar, Menne, & Karim, 2022). Support and collaboration from all components of the people in building MSMEs and appropriate technology-based industries to enter the digital era need to continue to be improved. The involvement of experts and business professionals can help develop MSMEs in Society Era 5.0 (Mohammadian, 2022).

Creative industry MSMEs have great potential to increase a country's economic growth (Karim, Syamsuddin, & Asrianto, 2023). However, in facing global competition in Society Era 5.0, creative industry MSMEs need to have a strong competitive advantage to survive and grow in the long term (Menne et al., 2022). Therefore, research on the factors that influence the competitive advantage of MSMEs in the creative industry is very important to assist business owners in developing effective business strategies (Ssenyonga, 2021). Society Era 5.0 requires creative industry SMEs to adapt to changes that occur in the market and keep abreast of technological developments (Surya, et al., 2021). With research on entrepreneurial orientation and market orientation, business owners can understand market changes and develop more targeted business strategies (Ed-Dafali, Al-Azad, Mohiuddin, & Reza, 2023; Karim, Syamsuddin, Jumarding, & Amrullah, 2022).

Amid this paradigm shift, the creative industry has become one of the sectors that has received more attention regarding the challenges and opportunities offered by the Industrial Revolution 5.0 (Narvaez, Alomia Peñafiel, Loaiza Buitrago, & Tavera Romero, 2021). Makassar City is the economic center of South Sulawesi Province, which has the largest population in the eastern part of Indonesia. The role of MSMEs in creating business opportunities and reducing unemployment in Makassar City has been made very visible by the pandemic. Universal economic growth in Indonesia cannot be separated from the development of the MSME sector. This is a reference for the Makassar City Trade Department to take a role in developing the potential of MSMEs (Surya, et al., 2021). One effort to increase the competitiveness of MSMEs is by taking advantage of opportunities to integrate into the global market through the global value chain (GVC) and global e-commerce (GEC). The integration of MSMEs into the GVC can be carried out in the form of indirect exports through domestic aggregators or foreign affiliated companies (Rozak, Adhiatma, & Fitriati, 2021).

There are limited resources to spur capacity building and promotion to strengthen the quality of products and competitiveness (Xu, Lu, Vogel-Heuser, & Wang, 2021). Referring to data from the Makassar City Cooperatives and MSMEs Service, the number of MSMEs operating in various sectors in 2019 employed 16,492 people. In Makassar City, MSMEs in the creative industry play a role in the economy (Wahyuni, Kalsum, Asmara, & Karim, 2022). However, with rapid technological developments and increasingly fierce competition in Society Era 5.0, creative industry MSMEs in Makassar City need to have a strong competitive advantage to survive and grow. Two important

factors that can influence the competitive advantage of MSMEs is entrepreneurial orientation and market orientation (Nowotarski & Paslawski, 2017).

Entrepreneurial orientation and market orientation have been shown to have a significant influence on the competitive advantage of creative industry MSMEs. Therefore, this research can provide valuable insights for business owners to improve their entrepreneurial and market orientation to increase their competitive advantage (Yun, Liu, & Zhao, 2021). Research on the effect of entrepreneurial and market orientation on the competitive advantage of creative industry MSMEs can contribute to the development of science and technology (Longo, Padovano, & Umbrello, 2020). This research can produce new findings that can be applied in the development of creative industry MSMEs and can become the basis for further research in the future (Franco, Godinho, & Rodrigues, 2021).

Previous research has revealed a positive relationship between entrepreneurial and market orientation with the competitive advantage of MSMEs in various sectors. Therefore, this study aims to understand to what extent these factors can affect the competitive advantage of creative industry MSMEs in Society Era 5.0. Determining the competitive advantage of creative industry MSMEs in Society Era 5.0 as well as providing practical solutions and suggestions for business owners in developing their business strategies in the 5.0 revolution era will help to fill this knowledge gap by analyzing the effect of entrepreneurial orientation and market orientation on the competitive advantages of creative industry MSMEs in Makassar City. The structural sections of this paper are organized as follows: Section 2 contains the literature review; Section 3 covers the research methods; Section 4 provides the results and discussion; and Section 5 offers the conclusion and implications of the analysis.

2. LITERATURE REVIEW

After the emergence of the Industrial Revolution 4.0, next is Industry 5.0, which brings major changes to various fields, and it will bring many benefits to MSME business actors (Paschek, Luminosu, & Ocakci, 2022). Industry 5.0 continues to advance rapidly with technological developments. This industrial revolution will involve many forms of technology, and Indonesia is one of the countries currently trying to make it happen (Kim, Ham, & Cha, 2021). One example of real change is the use of robots, which can make tasks easier for humans. In Indonesia, a system like this has not developed rapidly (Zainal, Farza, Harahap, & Dwi Putra, 2020). The evolution of Industry 5.0 encourages efficiency and productivity thanks to the technology utilized by human intelligence (Atif, 2023). For example, many people use AI technology called ChatGPT to communicate, find information, and carry out automated tasks. However, ChatGPT will not be able to function optimally without the support of human intelligence giving the right commands. Another example is the use of HRIS software with cloud technology (Adiningrat, Wahyuni, & Ruhayu, 2023).

By using advanced technology, companies can improve the quality of MSME products and services more easily and quickly. Increasing customer satisfaction and strengthening their position in the market is a must for business people, especially in the MSME sector (Karim, Musa, Sahabuddin, & Azis, 2021). By implementing advanced technology and more efficient production processes, businesses can increase their competitiveness in the global market and expand their market share. Existing human resources are also required to continue to improve their skills so that they not only do repetitive work, but are also able to employ strategic thinking to improve performance (Jermsittiparsert, 2020). Industrial era society 5.0 can help improve the quality of human life by increasing access to health and education services, as well as enabling the development of smart cities that are more sustainable and environmentally friendly (Chourasia, Tyagi, Pandey, Walia, & Murtaza, 2022).

The factors that differentiate businesses from their competitors and provide significant added value for customers. Competitive advantage can include factors such as entrepreneurial orientation, market orientation, and innovation. This is based on similar research conducted on factors that influence the competitive advantage of MSMEs (Grabowska & Saniuk, 2022). Competitive strategy is the search for an advantageous competitive position

in an industry (Adel, 2022). Economic actors, from large entrepreneurs to MSMEs, are finally taking advantage of online transaction systems, such as buying and selling sites and social media. Competitive strategies that can be used are: 1) product/service differentiation, 2) focus on a niche market, and 3) cost advantage. The indicators of competitive advantage are: 1) product uniqueness, 2) product quality, and 3) competitive prices.

Digital technology provides an unprecedented and rapid transformation of economic and social activities. The existence of a digital platform can make it easier to order MSMEs' products in Makassar City, which can create a more competitive market share (Berger, Von Briel, Davidsson, & Kuckertz, 2021). Entrepreneurial orientation is an individual or organizational drive to create value through a combination of scarce resources and risk. Entrepreneurial orientation refers to attitudes, traits, and behaviors related to the development of new business ideas, innovation, and the tendency to take risks to create value and business growth (Tavares, Azevedo, Marques, & Bastos, 2023). Entrepreneurial orientation as a strategy benefits a company so that it can compete more effectively in the marketplace (Bala & Arora, 2023). Higher entrepreneurial orientation can encourage an increase in a company's ability to market its products, leading to better business performance. MSMEs with a strong entrepreneurial orientation tend to have a competitive advantage when facing increasingly fierce business competition (Mah, Skalna, & Muzam, 2022).

There are three indicators of entrepreneurial orientation variables, namely 1) the ability to innovate and develop new products, 2) proactivity, which is the recognition of opportunities and commitment to innovation, and 3) the ability to take risks (Javaid, Haleem, Singh, & Suman, 2021). MSME actors create various innovations to achieve a market orientation that is more competitive and environmentally friendly and opens up employment opportunities in the community (Frare & Beuren, 2022). Entrepreneurs are also required to have a market orientation concept so that business actors can be more observant of changing market conditions and can pay attention to competitors' movements in marketing their products (Leng et al., 2022). Market orientation is an organization's culture and ability to generate a sound understanding of customers and markets and use this information to create superior value for customers. Entrepreneurial orientation reflects how the organization identifies and exploits untapped opportunities (Aheleroff, Huang, Xu, & Zhong, 2022). Market orientation refers to the awareness of creative industry MSMEs on market needs and preferences, as well as their ability to meet and exceed customer expectations. Market orientation involves in-depth market analysis, a good understanding of market trends and needs, proper market segmentation, and the ability to tailor products or services to customer desires (Lu et al., 2020).

Competitive advantage refers to the factors that differentiate creative industry MSMEs from their competitors and provide significant added value. In the Society 5.0 era, which is interpreted as high competition in various sectors, society is required to utilize and master technology (Grabowska & Saniuk, 2022). The Covid-19 pandemic, which has been going on for more than two years, has had a broad impact on people's lives, many sectors have been hit by it, but it has also led people to learn and create innovations to continue to survive and stimulate economic enthusiasm (Surya, et al., 2021).

3. RESEARCH METHOD

A quantitative method is used in this research to explain the relationship between the variables. The aim of this research is to determine the influence of entrepreneurial orientation and market orientation on competitive advantage in Society Era 5.0 in Makassar City. The population of this study comprises 100 MSME actors in the craft sector as there is a large number of these businesses spread across every sub-district in the city. This research uses a cross-sectional research design, where data is collected at a certain time. This research will involve collecting primary data through a survey questionnaire. Sample selection is carried out using purposive sampling to select creative industry MSMEs that are active and have an entrepreneurial orientation and relevant market orientation.

Data was obtained through a survey questionnaire distributed to owners or managers of creative industry MSMEs who were chosen based on character (Sakinah, Ratu, & Weraman, 2020). The questionnaire was designed

using a 5-point Likert scale (strongly disagree to agree) in the form of a questionnaire to measure the level of entrepreneurial orientation, market orientation, and competitive advantage. The questionnaire also includes several questions to gather demographic information about the respondents. The analysis used in this research is univariate and bivariate. Univariate analysis aims to explain or describe the characteristics of each research variable. For numerical data, mean, median, and standard deviation values are used. In general, univariate analysis only produces frequency and percentage distributions for each variable. The formula to calculate the percentage is:

$$P = \frac{f}{n} \times 100\%$$

P = Percentage

f = Frequency of research subjects

n = Total number

After the univariate analysis has been carried out, the results will provide the characteristics and distribution of each variable, and the bivariate analysis can then be carried out. Bivariate analysis is performed on two variables that are suspected to be related or correlated (Lasmita, Misnaniarti, & Idris, 2021). In this study, the bivariate analysis used is only a proportion or percentage analysis. Presentation of the data for the cross-sectional research is presented in an orderly manner textual/narrative. Although what is reported is researched analytically, the results are always preceded by the presentation of descriptive data for the sample studied. The results analysis section is also presented with sequences and logic.

4. RESULTS AND DISCUSSION

4.1. Validity and Reliability Test Results

In this research, validity and reliability tests were carried out to ensure the accuracy of the research instruments used. The aim is to compare the corrected total item correlation value with the r table value (97) at the significance level α = 0.05, namely 0.1996. If the calculated r-value is greater than the table r-value, then the indicator is considered valid and suitable for use. A reliability test was also carried out to determine the accuracy or consistency of the data. The reliability test uses an alpha coefficient (Cronbach's alpha), with a value of 0.60 as the minimum limit to be considered reliable. The results of the validity and reliability tests can be seen in Table 1.

Table 1. Validity and reliability test results.

Construct/Latent variable	Item (Indicator)	Corrected item–total correlation	Reliability (Cronbach's α)
Entrepreneurial orientation (X1)	X1.1	0.473	0.809
	X1.2	0.384	
	X1.3	0.446	
	X1.4	0.576	
	X1.5	0.422	
	X1.6	0.446	
	X1.7	0.419	
	X1.8	0.385	
	X1.9	0.402	
	X1.10	0.396	
	X1.11	0.409	
	X1.12	0.365	
	X1.13	0.350	
	X1.14	0.345	
	X1.15	0.476	
Market orientation (X2)	X2.1	0.354	0.796
	X2.2	0.498	
	X2.3	0.462	
	X2.4	0.485	

Construct/Latent variable	Item (Indicator)	Corrected item–total correlation	Reliability (Cronbach's α)
	X2.5	0.341	
	X2.6	0.444	
	X2.7	0.460	
	X2.8	0.455	
	X2.9	0.475	
	X2.10	0.464	
	X2.11	0.239	
	X2.12	0.283	
	X2.13	0.356	
	X2.14	0.468	
	Y1	0.409	
	Y2	0.508	
	Y3	0.483	
	Y4	0.379	
	Y5	0.531	
	Y6	0.515	
	Y7	0.408	
Competitive advantage (Y)	Y8	0.452	0.818
	Y9	0.424	
	Y10	0.455	
	Y11	0.306	
	Y12	0.392	
	Y13	0.374	
	Y14	0.323	
	Y15	0.548	

Based on the above, all indicators for each construct (entrepreneurship, market orientation, and competitive advantage) have item-total correlation correction values greater than the r-table value (0.197). This shows that all indicators are valid and can be used as measurements for the construct in question. The research results show an alpha value above 0.60 (0.809 for entrepreneurship, 0.796 for market orientation, and 0.818 for competitive advantage). The variables or constructs in this research can be said to have a high level of reliability, indicating the ability of the instruments to accurately measure the constructs of entrepreneurship, market orientation, and competitive advantage in creative industry MSMEs in Makassar City in Society Era 5.0.

4.2. Path Analysis Results

In this study, path analysis was used to determine the influence of entrepreneurship and market orientation on competitive advantage, both directly and through mediating variables. Data analysis was carried out using IBM SPSS version 25. Path analysis is an extension of multiple linear regression analysis, which was carried out twice. The first regression measures the influence of the independent variable on the intervening variable, while the second regression measures the influence of the independent variable on the dependent variable. Table 2 contains the path analysis results obtained from the calculations and values in the equation path.

Table 2. Path analysis results.

Variable	Coefficient	t	Sig.	Description
Constant	11.813	3.540	-	-
Entrepreneurial orientation to market orientation	0.815	13.926	0.000	Significant
Entrepreneurial orientation to competitive advantage	0.479	4.829	0.000	Significant
Market orientation to competitive advantage	0.385	3.884	0.000	Significant
Adjusted R^2 model 1	0.661	-	-	-
Adjusted R^2 model 2	0.673	-	-	-
Entrepreneurial orientation toward competitive advantage through market orientation	5.382	-	-	Significant

Based on the path analysis, the entrepreneurship variable (X1) has a significant influence on market orientation with a Sig. value of 0.000. When compared with significance level α = 0.05, the Sig. < α (0.000 < 0.05), indicating that entrepreneurship influences market orientation. Furthermore, the path analysis through the entrepreneurship variable (X1) has a significant influence on competitive advantage, with a Sig. value of 0.000. When compared with significance level α = 0.05, the Sig. value < α (0.000 < 0.05). The market orientation variable (X2) also has a significant influence on competitive advantage, with a Sig. value of 0.000. When compared with significance level α = 0.05, Sig. < α (0.000 < 0.05), indicating that market orientation influences competitive advantage.

Before calculating the significance of the mediation effect, a regression of the independent variable (X1) on the mediating variable (X2) is carried out to produce coefficient A, and a regression of the mediating variable (X2) on the dependent variable (Y) to produce coefficient B. The research results show that the t-count value is 5.382, which is greater than the t-table value of 1.660. The t-count value is greater than the t-table, so the market orientation variable mediates the influence of entrepreneurship on competitive advantage. The results of the path analysis for this variable have a significant influence on competitive advantage in the MSME sector and creative industries in the Society 5.0 era in Makassar City.

Entrepreneurship is said to be the spearhead for realizing sustainable economic growth through high levels of competition. Increasing entrepreneurship is stated as one of the four pillars of strengthening employment opportunities. Entrepreneurship is the mobilization of one's mind or body to create a business. In other words, entrepreneurs produce work for themselves and others (Maulani, 2021). The form of implementing an entrepreneurial attitude can be demonstrated by entrepreneurial activity with indications of innovative, proactive, and risk-taking abilities. Entrepreneurial competence is needed in implementing marketing strategies to obtain a strong competitive advantage through value responsiveness to customer needs. Meanwhile, the entrepreneurial spirit itself includes five things, namely: autonomy, innovation, courage to take risks, proactiveness, and competitive aggressiveness. The role of the business world also plays a major role in leadership attitudes, the level of education, and the ability to take risks. With high business experience, the ability of business actors to see consumers' desires for a product is also very high (Hasbullah & Anraeni, 2023). Entrepreneurial attitudes and behaviors toward innovation are greatly influenced by the background of business actors regarding business experience in the entrepreneurial sector.

4.3. Discussion

The results of the analysis show that there is a significant influence between entrepreneurial orientation and market orientation. The data processing results show that the significance value (Sig.) of the influence of the entrepreneurial orientation variable on market orientation is 0.000, with a beta coefficient value of 0.815. This shows that this effect is acceptable based on the established significance criteria. Previous research also supports this finding by showing that entrepreneurial orientation influences market orientation. A proactive attitude toward change and an innovative culture are important factors in creating new products that can meet consumer needs. MSMEs with a strong entrepreneurial orientation tend to create innovative products and respond to changing trends in the market to meet consumer needs.

The results of this research show that entrepreneurship has a significant influence on competitive advantage. The better the entrepreneurial attitude possessed by MSMEs, the better their competitive advantage will be. The results of the data processing show that the significance value of the entrepreneurial variable on competitive advantage is 0.000, with a beta coefficient of 0.479. These findings indicate that the influence of entrepreneurial orientation variables on competitive advantage are significant (Utama, Widjaja, & Lego, 2020). Successful creative strategies and product innovations can beat the competition and create customer satisfaction, which in turn increases the number of customers and competitive advantage. MSMEs with a strong entrepreneurial orientation tend to have a proactive attitude, innovate, and create superior products that differentiate them from competitors (Kiyabo & Isaga, 2020).

Market orientation has a significant influence on competitive advantage. The better the market orientation that MSME players have, the better their competitive advantage will be. The results of the data processing show that the significance value between the market orientation variable and competitive advantage is 0.000, with a beta coefficient of 0.385. These findings confirm that market orientation plays an important role in creating a competitive advantage and allows MSMEs to determine trends and present product and price variations according to market demand. MSMEs need to pay attention to market changes and be responsive to these changes to create innovative products that meet consumer needs.

The results of the path analysis show that market orientation acts as a mediating variable between entrepreneurial orientation and competitive advantage. The calculation results show that the t-count (5.382) is greater than the t-table (1.660), which indicates that market orientation mediates the effect of entrepreneurial orientation on competitive advantage. This supports the findings of previous research, which found that market orientation has an important role in linking entrepreneurial orientation with competitive advantage. Approaching a market with good market orientation will create a sustainable competitive advantage. The proactive attitude of MSME actors in creating products and following market trends by being responsive to customer and competitor demands will bring a competitive advantage to the company. A strong entrepreneurial orientation in assessing customer needs and creating innovative products also plays an important role in increasing competitive advantage.

The results of this study indicate that entrepreneurial orientation and market orientation influence the competitive advantage of MSMEs in the culinary sector in Makassar City. A strong entrepreneurial orientation encourages MSME actors to innovate, be responsive to market changes, and create superior products (Yang & Aumeboonsuke, 2022). In addition, good market orientation allows MSME actors to identify consumer needs, adapt products to market trends, and meet customer needs. In the context of intense competition, MSMEs with good entrepreneurial orientation and market orientation have a higher competitive advantage.

In the context of MSME in the handicrafts sector, businesses need to gather information about the background and characteristics of customers as well as developing trends. By being oriented toward consumer needs, MSMEs can formulate the right strategy for creating superior and innovative products. In addition, market orientation also allows MSMEs to determine product variations, determine appropriate prices, and increase customer satisfaction. To achieve a competitive advantage, MSMEs need to carefully managing the risks that may arise (Fatikha, Rahayu, & Sumiati, 2021). Rigorous evaluation of products and observation of market changes is important in creating unique products and having an advantage over competitors. A proactive entrepreneurial orientation, the ability to see market opportunities, and product innovation are the keys to creating a sustainable competitive advantage.

These discoveries can contribute to an understanding of the importance of entrepreneurial orientation and market orientation in increasing the competitive advantage of creative industry SMEs in Makassar City during the Revolution 5.0 era. The practical implication of this research is the need for SMEs to develop entrepreneurial orientation and market orientation as a strategy to increase competitive advantage. This research can also be a basis for the government and related stakeholders in formulating policies that support the development of creative industry SMEs in Makassar City.

5. CONCLUSION

Based on the results and discussion, in this research, it can be concluded that entrepreneurial orientation has a significant effect on market orientation among MSME players in the city of Makassar. Market orientation cannot be separated from the role of competitive advantage for MSME players in marketing their products digitally in Society Era 5.0. The culinary sector in Makassar City is successful in providing prosperity for MSMEs because almost all Makassar City residents have a platform to access all available products.

In the context of Society Era 5.0, MSME players need to take advantage of digital technology and platforms as a means to expand market reach and introduce their products more broadly. In this case, MSME players can take

advantage of social media, online marketplaces, and websites to promote their products. In addition, MSMEs need to improve their digital competence to optimize the use of technology in operations and marketing. For further research, the development of other variables that can affect the competitive advantage of creative industry SMEs is recommended, as well as a more representative sample from various regions in Indonesia. Research can also be carried out using a qualitative approach to gain a deeper understanding of the experiences and strategies used by SMEs in developing entrepreneurial orientation, market orientation, and competitive advantage.

Another suggestion is to improve product quality and create uniqueness that can differentiate a company from its competitors either through design changes or adding new features. MSMEs also need to maintain good relations with consumers, such as providing good service and being responsive to consumer input and complaints. In addition, MSMEs need to pay attention to market trends and changing consumer needs by conducting regular market research.

Overall, this research makes an important contribution to the understanding of the factors that influence the competitive advantage of SMEs in the creative industries in the Revolution 5.0 era. By increasing their entrepreneurial orientation and market orientation, as well as leveraging innovation and technology, MSME players can strengthen their position in market competition and contribute to sustainable economic growth.

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