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SOCIAL MEDIA ADOPTION AND INNOVATION ON CULINARY MSMEs PERFORMANCE THROUGH COMPETITIVE ADVANTAGES DURING COVID-19

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ABSTRACT

Background: During the COVID-19 pandemic, the business environment and competition for culinary MSMEs in Surabaya have been more active. Adopting social media is a crucial competitive instrument for Surabaya's MSMEs in the food industry to endure and adjust with the COVID-19 epidemic. Product innovation can also help the production of product value, which is essential to the performance of MSMEs. In order to be able to fully explain how the use of social media and innovation impacted the performance of culinary MSMEs in the city of Surabaya during the COVID-19 epidemic, a set of competitive advantage variables was chosen.
Aim: Examining the effects that innovation and the use of social media may have on the Surabaya City culinary MSMEs' ability to compete.
Method: Based on established culinary MSME sample criteria, researchers assessed the use of purposeful sampling. 120 respondents completed questionnaires for the purpose of gathering the study's primary data, which was then analyzed using the SEM-PLS analytic method and the Smart PLS 3.0 software.
Findings: The adoption of social media by effective MSMEs can increase the competitive advantage of MSMEs so that from the competitive advantages possessed by MSMEs, it can result in the achievement of better MSME performance.

KEYWORDS

social media adoption; innovation; culinary; MSMEs performance; competitive advantage

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INTRODUCTION

One of the cities with the rapid growth of the culinary sub-sector is the city of Surabaya. Based on a report by the Central Statistics Agency of East Java Province (2019), from 2014 to 2018 the number of food service providers in Surabaya continued to increase. In 2015 there was the largest increase, reaching 86% compared to 2014 and in 2017 to 2018 where the increase occurred in 29%. The increase is also backgrounded by the City of Surabaya which is one of the regions that has strong potential and competitiveness through creative business products, because it is supported by innovative human resources as capital for the economic development of the people of the city of Surabaya. However, when the COVID-19 pandemic hit Indonesia, MSMEs experienced changes in their business activities and income.

The COVID-19 pandemic has caused changes and uncertainties in every aspect of life. In terms of business, the pattern of consumer needs and desires has changed a lot and the conditions of market competition are also difficult to predict (Kumar & Andriani, 2020). Actors in the Micro, Small and Medium Enterprises (MSMEs) sector have concerns about the policies issued by the government regarding regional restrictions and reducing the operating hours of

business activities. The policy of limiting areas and operating hours makes MSME players have to change their business processes and models. The most affected subsector is the culinary subsector, especially the food and beverage supply business (Ministry of Tourism and Creative Economy, 2021).

Social media has been seen as an effective tool for corporate commercial purposes and better business performance (Rapp et al., 2013). Most companies use social media to enhance business brand image and brand awareness (Nisar & Whitehead, 2016). The use of information technology, the internet and social media can encourage the innovation capabilities of MSMEs, and play a role in expanding the market both regionally and globally through network capability (Cenamor et al., 2019).

Innovation has been identified as a powerful trigger for the resilience of small business organizations and economic development in both the manufacturing and service sectors (Stephanidis et al., 2020). However, in practice, attention regarding the timing and implementation of innovations is important in choosing and implementing the necessary strategies and technicalities. This is because the main dimensions of innovation can involve high costs and risks, and the current COVID-19 phenomenon has increased both of these things and greatly affects the performance of MSMEs (Caballero-Morales, 2021).

Research on the use of social media, the implementation of innovations, and competitive advantages that will produce the performance of MSMEs have been done well before. Research by Cassette et al. (2020) states that the use of social media and capabilities in the use of social media can affect competitive advantage. However, there are differences in the results of research by Al Bakri (2017) and Lee et al. (2018) regarding the influence of social media adoption on competitive advantages in MSMEs, especially, in the study of the adoption or use of social media did not have a significant effect on competitive advantage. Research on the influence of MSMEs' ability to access information sharing with social media can affect company performance positively and significantly has been carried out before. Such research by Nwankpa & Roumani (2016) and Qalati et al. (2021) resulted in the statement that the adoption of social media positively affects innovation and business performance. However, there are inconsistencies in the results of the study by Ahmad et al. (2019) who state that the adoption of social media does not affect the company's performance.

The relationship between innovation and competitive advantage according to research from Kuncoro and Suriani (2018); Lestari et al. (2019); Soloducho-Pelc and Sulich (2020); and Indriyaningrum and Fahrunnisa (2021) prove that innovation has a positive and significant effect on the competitive advantage of an MSME. A different thing is found in the research of Setiawan & Hartanto (2020) and Christian & Justinius (2021), the results of the study state that innovation does not affect competitive advantage. Research on the relationship between innovation and the performance of a company, especially MSMEs, is carried out by Zainurossalamia et al. (2016); Chen et al. (2018); Rofiaty (2019); Sumarni et al. (2020); Nathan & Rosso (2022) state that innovations produced by a company or organization will have a positive and significant impact on the performance of the company or organization. However, there are inconsistencies in the results of research on innovation and company performance, this is found in research by Ali et al. (2016) and Prima Lita et al. (2020) that state that innovations in a company do not have a significant effect on company performance.

The research topic regarding competitive advantage with company performance has positive and significant results as has been researched by Songling et al. (2018); Na et al. (2019); Supriyadi (2020). The research revealed that competitive advantage is one of the factors that can influence and improve business performance.

Research by Setyawati et al. (2017), Purwanto et al. (2021), and Anjaningrum (2020), stated that innovation will produce business performance if there is a competitive advantage in business activities. However, there is an inconsistency in the research of Cai et al. (2017) which states that innovation will affect business performance through competitive advantage if the company is in the product development phase, but if it is in the product maturity phase, innovation does not have a significant effect on performance through competitive advantage.

Table 2. Research Gap Summary

No.	Variable	Researchers	Result	Information
1.	Social media adoption and competitive advantage	Huang et al. (2021); Cassette et al. (2020)	Positive and significant effect	Inconsistency
		Al Bakri (2017); Lee et al. (2018)	No significant effect	
2.	Social media adoption and business performance	Nwankpa & Roumani (2016) and Qalati et al. (2021)	Positive and significant effect	Inconsistency
		Ahmad et al. (2019)	No effect	
3.	Innovation with a competitive advantage	Kuncoro & Suriani (2018); Lestari et al. (2019); Sołoducho-Pelc & Sulich (2020); Indriyaningrum & Fachrunnisa (2021)	Positive and significant effect	Inconsistency
		Setiawan & Hartanto (2020) and Christian & Justinius (2021)	No effect	
4.	Innovation and performance of a	Zainurossalamia et al. (2016); Chen et al. (2018); Rofiaty (2019); Sumarni et al. (2020); Nathan & Rosso (2022)	Positive and significant effect	Inconsistency
		Ali et al. (2016) and Prima Lita et al. (2020)	No significant effect	
5.	Innovation to business performance through competitive advantage	Setyawati et al. (2017) and Anjaningrum (2020)	Positive and significant effect	Inconsistency
		Cai et al. (2017)	No effect	

Based on the background and arguments for the selection of research objects, it can be felt appropriate to conduct research entitled "Social Media Adoption and Innovation on Culinary MSMEs Performance Through Competitive Advantages During COVID-19".

METHOD

The object of research chosen in this study is culinary Micro, Small, and Medium Enterprises (MSMEs) in the form of culinary services (food services), especially in the form of cafes, shops, restaurants, and home culinary businesses that sell and market their products through the internet in the city of Surabaya which is characterized by the collaboration of creativity and innovation in presentation and business activities. The object of the study was chosen because Surabaya is the second largest city in Indonesia after Jakarta and this will have an impact on the wider market opportunities for culinary MSME players then when viewed in terms of getting information about networks, creativity and innovation is more accessible. The selection of research objects in the form of culinary MSMEs, especially food and beverage service providers, namely cafes, shops, and restaurants in this study based on arguments from Colurcio & Russo-Spe (2013) that innovations in culinary MSMEs is a fairly complex process from raw materials to the final product and distributed to consumers.

Another foundation in the selection of culinary MSME objects in Surabaya can be related to the conditions of the COVID-19 pandemic, where MSME actors are greatly affected on the sales side and receipt of profits due to the recommended health rules and protocols. Based on data by the Mandiri Institute in December 2020, the percentage of the number of visits to restaurants in eight major cities, one of which is the city of Surabaya has decreased by 79%. It can affect the strategy of MSME players, especially in the culinary sector, to survive and maximize their resources in facing pandemic conditions by adopting social media to carry out marketing activities, customer service and information search.

The population in this study is MSMEs providing culinary services in the form of cafes, shops, restaurants or home culinary businesses whose activities are forced and sold entirely through the internet in Surabaya. This study used purposive sampling. Purposive sampling was considered by researchers because researchers focused on the goal of analyzing how social media adoption and innovation can affect the competitive advantage and business performance of MSMEs based on predetermined MSME sample criteria.

The primary data in this study was sourced from 120 respondents through questionnaires/ questionnaires, the answer results were then processed and analyzed using the SEM-PLS analysis method. As for the secondary data referred to by researchers in the form of scientific journals, literature studies, and statistical data relevant in this study. The data collection technique used in this study was in the form of a questionnaire. The instrument measurement technique in this study used the Likert Scale. As for data analysis, researchers apply descriptive analysis, inferential statistical analysis, outer model analysis, fit model, inner model, mediation test, and hypothesis test.

RESULTS AND DISCUSSION

The reason for using data analysis techniques with Smart-PLS is because it is appropriate to use models with small samples and without using normality assumption tests such as in multiple regression tests or path analysis. In the rejection or acceptance of the hypothesis the

study used a reference to the value of t-statistics compared to t-table. If the value of t-statistics is greater than t-table (1.96) then the relationship of a variable is said to have a significant effect or hypothesis is accepted. Furthermore, the results of testing directly using bootstrapping techniques can be found in Table 3 and the results of indirect testing (mediation) in Table 4 below:

Table 3. Direct Hypothesis Testing Results

No	Relationship	Path Coefficient	t-Statistics	p-Value	Information
1.	Social media adoption – MSME Performance	0,224	2,655	0,008	Significant
2.	Social media adoption – The competitive advantage of MSMEs	0,562	8,766	0,000	Significant
3.	Innovation – MSME Performance	0,287	2,790	0,005	Significant
4.	Innovation-Competitive Advantages of MSMEs	0,307	3,800	0,000	Significant
5.	Competitive advantage-business performance	0,427	4,368	0,000	Significant

Source: Primary Data Processed, 2022

Based on the test results in Table 3, it can also be illustrated through Figure 1 by showing the coefficient values of each hypothesis in this study.

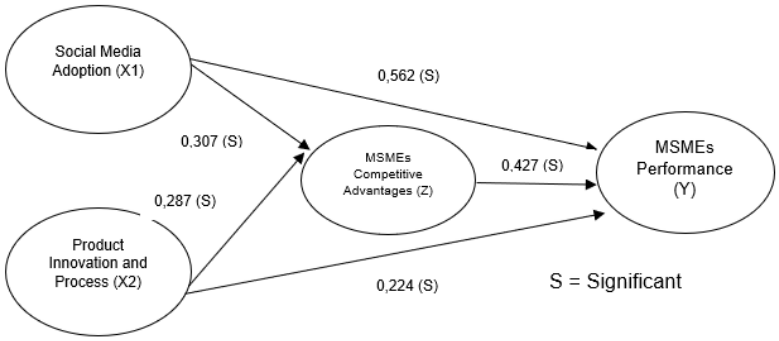


Figure 1. Structural Model Direct Influence Path

Based on the results of data processing in Table 3 and Figure.1, it can be described in detail as follows:

1) H1 (Social media adoption has a significant effect on MSME performance): Based on the results of hypothesis testing, it is known that the t-statistical value on the direct influence of social media adoption (X1) on MSME Performance (Y) is 2,655 or more than 1.96 at a significance level of 5%. So H1 is accepted and it can be concluded that the adoption of social media has a significant effect onthe performance of MSMEs. Pno value of the coefficient is known to have a value of 0.224 with a positive sign. This means that the better the level of social media adoption owned by culinary MSMEs in the city of Surabaya, the more it can create the performance of these MSMEs which is also increasing, and vice versa.

2) H2 (Social media adoption has a positive and significant effect on the competitive advantage of MSMEs): Based on the results of hypothesis testing, it is known that the t-statistical value on the direct influence of social media adoption (X1) on competitive advantage (Z) of 8,776 or more than 1.96 at a significance level of 5%. So H2 is accepted and it can be concluded that the adoption of social media has a significant effect on the competitive advantage of MSMEs. Furthermore, the value of the coefficient is known to have a value of 0.562 with a positive sign. This means that the better the level of social media adoption by MSMEs, the better it can create a good competitive advantage. It can be concluded that H2 is accepted and has a positive and significant relationship.
3) H3 (Innovation has a positive and significant effect on MSME performance): Based on the results of hypothesis testing, it is known that the t-statistical value on the direct influence of innovation (X2) on MSME performance (Z) is 2,790 or more than 1.96 at a significance level of 5%. So H3 is accepted and it can be concluded that innovation has a significant effect on the performance of MSMEs. Furthermore, the coefficient value is known to have a value of 0.287 with a positive sign. This means that the better the level of implementation of innovation by MSMEs, the better it can create good performance.
4) H4 (Innovation has a positive and significant effect on the competitive advantage of MSMEs): Based on the results of hypothesis testing, it is known that the t-statistical value on the direct influence of innovation (X2) on the competitive advantage of MSMEs (Z) is 3,800 or more than 1.96 at a significance level of 5%. So H4 is accepted and it can be concluded that innovation has a significant effect on the competitive advantage of MSMEs. Furthermore, the coefficient value is known to have a value of 0.307 with a positive sign. This means that the better the level of innovation in an MSME, the better it can create a good competitive advantage. It can be concluded that H4 is accepted and has a positive and significant relationship.
5) H5 (Competitive Advantage of MSMEs on MSME Performance): Based on the results of hypothesis testing, it is known that the t-statistical value on the direct influence of competitive advantage (Z) on business performance advantage (Y) of 4,368 or more than 1.96 at a significance level of 5%. So H5 is accepted and it can be concluded that the competitive advantage of MSMEs has a significant effect on the performance of MSMEs. Furthermore, the value of the coefficient is known to have a value of 0.427 with a positive sign. This means that the better MSMEs have competitive advantages, the better they can create good MSME performance. It can be concluded that H5 is accepted and has a positive and significant relationship.

Table 4. Indirect Influence Test Results (Mediation)

Hypothesis	Relationship	Path Coefficient	T-Statistics	P-Value	Information
6	Social media adoption-Competitive advantage-Business performance	0,240	3,275	0,001	Significant

7	Innovation-Competitive advantage-Business performance	0,131	3,811	0,000	Significant

Source: Primary Data Processed, 2022

Table 4 states that the test results can be indirectly deciphered as below:

1) H6 (Competitive advantage mediates the influence of social media adoption on business performance): Based on the results of hypothesis testing, it is known that the t-statistical value on the influence of social media adoption (X1) on business performance (Y) through competitive advantage (Z) has a p-value of 0.001 and a t-statistical value of 3.275 or more than 1.96 at the level of 5%. Therefore, it can be concluded that competitive advantage mediates the influence between social media adoption variables on business performance. This illustrates that increasing the competitive advantage in each culinary MSME is able to mediate the adoption of social media which ultimately affects the performance of culinary MSMEs in the city of Surabaya.
2) H7 (Competitive advantage mediates the influence of innovation on business performance): Based on the results of hypothesis testing, it is known that the t-statistical value on the influence of innovation (X2) on business performance (Y) through competitive advantage (Z) has a p-value of 0.000 and a t-statistical value of 3.811 which is greater than 1.96 at the level of 5%. So it can be concluded that competitive advantage is able to mediate the influence between innovation variables on business performance. This illustrates that further increasing the innovations carried out by each culinary MSME will be able to mediate competitive advantages which ultimately affect the business performance of culinary MSMEs in the city of Surabaya.

The Effect of Social Media Adoption on MSME Performance

The adoption of social media by MSMEs will be a supporting tool for marketing, become a forum for communication with consumers and as a means to find information related to business activities, both articles, news and various information that is useful for the sustainability of MSMEs. Culinary MSMEs that adopt social media can make it easier for customers to have access to various shared sources of information from other customers in connection with their experiences and recommendations when consuming products from these culinary MSMEs and this will affect their purchasing decisions in the future. Therefore, the important role of social media in developing relationships and trust with customers, suppliers, and potential partners is an important consideration for culinary MSMEs, especially because the longer it takes, the competition for culinary MSMEs, especially in the city of Surabaya, is getting higher and the adoption of social media helps culinary MSMEs to maintain competition and achieve the performance of MSMEs that have been targeted.

According to the test results between the variables of social media adoption and msME performance, it is said to have a positive and significant effect. The results of this study are in line with research by Tajvidi and Karami (2021) regarding the adoption of social media in MSMEs which has a positive and significant influence on the performance of MSMEs, respondents in the study adopted social media by spreading digital content or digital

information about their MSMEs on various types of social media that the MSMEs manage, for example Facebook, Instagram and Twitter which will then create awareness of the product or the existence of these MSMEs. The research can be related to the phenomenon of respondents of this study adopting social media to support their MSME activities, from the results of data collection through questionnaires and short interviews, information was obtained that respondents adopted social media by creating and disseminating digital content on MSME social media related to product info, promotions and giveaways or a competition that can attract potential consumers and active consumers of MSMEs. The results of this study also confirm the previous research by Qalati et al. (2021) and Hanafizadeh et al. (2021) which stated that the adoption of social media carried out by MSMEs at every stage of business development directly affects the financial and non-financial performance of MSMEs.

The Effect of Social Media Adoption on the Competitive Advantage of MSMEs

Based on the results of the analysis of this research data in Table 3 which states that the adoption of social media by MSMEs has a positive and significant effect on the competitive advantage of MSMEs. Respondents in this study stated that they were informed about the market potential compared to competitors and knew that there was a growing trend through the adoption of social media in their MSMEs. Respondents also argued that they agreed with the better quality of their products than the results of the msME social media observations that competitors have.

According to the results of data analysis through direct testing, it can be seen that this study confirms the results of previous studies regarding the influence of social media adoption and competitive advantages. Research by Novianti et al. (2021) which states that the adoption of social media by culinary MSMEs can increase competitive advantage directly at low cost and technical management that is not too complicated. Research by Ahmad et al., (2019) resulted in a statement that the adoption of social media can affect competitive advantages, in the study respondents used Facebook as a means of supporting MSME activities so that respondents who are also managers of MSMEs have many opportunities to explore information about the wants or needs of potential consumers and their active consumers, the same is also applied by respondents of this study who play a role in playing a role as an MSME manager who decided to use Facebook in managing the marketing activities of the MSME. The same research by Ahmad, et al. (2019) states that the adoption of social media, especially by MSMEs, has the benefit of creating competitive advantages, attracting new customers, and reducing the costs incurred for offline marketing activities.

The Effect of Innovation on MSME Performance

The implementation of product innovation in the early stages of an MSME can be started by tracing using what strategies and how a product innovation is possible and even must be done so that the innovation idea can be realized. The strategy used is that the products produced by culinary MSMEs must be different and have more value, this can lead to the good performance of MSMEs and reach the core point of the company, which is to satisfy consumers. Of course, this is the ultimate goal of MSMEs, namely the achievement of financial and non-financial performance because they have achieved sustainable optimal sales, are able to achieve new market targets, increase the number of comments and are able to adapt to

changing trends, customer preferences and consumer behaviors that have changed during the COVID-19 pandemic.

The results of the direct test analysis can be known if product innovation has a positive and significant effect on the performance of MSMEs. The results of this study also confirm the phenomenon in the field that respondents have developed their culinary MSME products by implementing new ideas in their products and have also succeeded in introducing products in a fast and appropriate time compared to their competitors. This also indicates that during the COVID-19 pandemic conditions, culinary MSME players must be adaptive and make changes as soon as possible in order to maintain the performance of their MSMEs and survive in the increasingly fierce culinary business competition in the city of Surabaya.

The results of this study also confirm the findings in previous studies on product innovations carried out by MSMEs which have a positive and significant effect on the performance of MSMEs. Research on product innovation and also the performance of MSMEs by Nathan and Roso (2022) which states that product development and new product launches that have been given new ideas can accelerate the achievement of previously targeted business performance. Furthermore, research by Manolopoulos et al. (2022) regarding the inoavation of MSME products that are unique, attractive, meet consumer needs and have good quality can affect the performance of MSMEs, which is marked by the profitability and growth of these MSMEs. Febrianti et al. (2022) in her research on product innovation and MSME performance during the COVID-19 pandemic stated that MSMEs that carry out product innovations will quickly adapt and survive in conditions of COVID-19 uncertainty, and these MSMEs can still maintain their business performance.

The Effect of Innovation on the Competitive Advantage of MSMEs

This research proves that product innovation is able to increase the competitive advantage of MSMEs positively and significantly. There are 2 variable indicators of product innovation in this study, namely product development and product introduction. To achieve performance on each product innovation indicator is not easy but can be done by MSMEs, but not all of them can do this. If it is related between the variables of product innovation and the competitive advantages of MSMEs, the products owned by MSMEs with their various variations and also efforts to maintain product quality will produce competitive advantages for these culinary MSMEs.

The results of this study are in line with research by Fitriasari (2020) and Wicaksana et al. (2020). The three studies state that product innovations that will or have been developed by MSMEs in particular can help these companies adapt in a dynamic and uncertain business environment, more specifically in the case of the COVID-19 pandemic that has hit Indonesia and resulted in the condition of MSMEs full of uncertainty. Other studies that support this research are research by Suhaeni (2018) and Amesho et al. (2021) which states that product innovations implemented by MSMEs will directly have a positive and significant effect on the advantages of these MSMEs.

When viewed from the real conditions in the field, the innovation of the products produced is something that must be done by culinary MSMEs because to create products ready to compete, there must be continuous improvements. The end result of implementing product innovation is to ensure that its products have an advantage in the competition. Excellence in

competition, especially in the case of the COVID-19 pandemic can be achieved by excelling in terms of costs, being able to reduce the cost of goods produced, excelling in offering product prices and excelling in terms of the creation of goods.

The Effect of MSME Competitive Advantage on MSME Performance

Competitive advantages in the market will make it easier for MSMEs to achieve greater profits than competitors. The results showed that competitive advantage has an influence on business performance. The results of this study indicate that competitive advantages in culinary MSMEs in the city of Surabaya are able to improve the performance of MSMEs. This can happen because the accuracy in utilizing the ability to compete and the ability of MSMEs in managing the sources of excellence owned by MSMEs efficiently and effectively can have an impact on improving better company performance. The results of this study can prove the correctness of the theory put forward by Porter (2008), which states that competition is the core of a company's success or failure, as well as determine the accuracy of the company's activities that can support the improvement of its performance.

There is a statement that the competitive advantage of MSMEs can affect the performance of MSMEs positively and significantly. The variable competitive advantage of MSMEs in this study refers to the factors that allow culinary MSMEs to produce products better, quality or cheaper than their competitors (Niculescu et al., 2019). The performance variables of MSMEs in this study will also produce information that will confirm previous research if the competitive advantages possessed by MSMEs will affect the performance of MSMEs, both financial performance and non-financial performance. The results in this study are in line with previous research on innovation and competitive advantages of MSMEs. Research by Setyawati et al. (2017), Anjaningrum (2020) which states that competitive advantages characterized by product price strategies that can compete or are lower than consumers can improve the performance of MSMEs both financial and non-financial performance. The two previous studies were also able to confirm the conditions that occurred in the respondents in this study, respondents judged that culinary products from their MSMEs could compete with competitors who had the same culinary products and respondents also argued that their MSME culinary products had cheaper prices than similar competitors. Furthermore, research by Pereira-Moliner et al. (2021) also states that MSMEs can have competitive advantages that will lead these MSMEs to achieve their overall business performance.

The Effect of Social Media Adoption on MSME Performance through Competitive Advantage

When MSMEs aim to achieve competitive advantage, MSMEs are also expected to not only have the ability and excellence in production and marketing but also be able to read market needs and produce good MSME performance. For this reason, these SMEs need to get special attention and the support of the right information. Social media can be used by MSMEs to get information quickly because it has low management costs, simple technical management, ease of use, and its ability to connect and reach many potential and active consumers. Previous research has confirmed that the use of social media by MSMEs has several advantages, for example, providing a wider reach through brand engagement (Geurin & Burch, 2017), improving knowledge-sharing behavior and access to markets through virtual access (Jung &

Jeong, 2020), and making it easier for MSME owners and managers in relation to visualization and considering distance, time, and geography (Jin & Hurd, 2018).

It can be known if there is a positive relationship between the variables of social media adoption, the competitive advantages of MSMEs and also the performance of MSMEs. If it is related between this research and previous research, it will be in line with research by Yuliantari and Pramuki (2022) which states that the use and adoption of digital technology such as social media can increase the competitive advantage of MSMEs and also increase the achievement of MSME business performance, especially in the conditions of the COVID-19 pandemic.

Therefore, social media adooping by respondents in this study as a supporting tool for MSME activities can increase the ability of MSMEs to improve their performance if they are associated with the RBV theory (Trainor et al., 2014). The company's resource-based view provides a foundation for the relationship between the use of social media and the creation of more value and performance for MSMEs (del Giudice et al., 2018).

The Effect of Product Innovation on MSME Performance through Competitive Advantage

In this study, innovation was able to improve company performance through competitive advantages and influenced positively and significantly. The variables of competitive advantage of MSMEs in this study have indicators including indicators of the ability of MSMEs to offer product prices, the ability to explore the market and the ability to win the competition as well as product innovation variables that have indicators of product development and product introduction. Based on the indicators of the competitive advantage variable, if fully met, it will affect the performance of culinary MSMEs financially and non-financially, but in this case competitive advantage is a mediation variable between the variables of innovation and MSME performance.

Changes in preferences or tastes should be a study for culinary MSME owners but are sometimes ignored by many entrepreneurs. Entrepreneurs only produce goods that are good, good quality, have a good brand or good reputation in the name of a product. Culinary MSMEs if they only rely on the name of a well-known and well-known culinary product, it will more or less provide benefits for the company but only for a moment.

CONCLUSION

The adoption of social media can improve the performance of MSMEs. According to the results of the study, MSMEs already have the ability to adopt and utilize social media to support their MSME activities and in the end can help to achieve competitive advantages and performance of MSMEs inthe city of Surabaya. This is because the adoption of social media is able to help market products at a low cost, as a means to find information and tools that are able to find out the needs and desires of consumers, both active and potential consumers.

The implementation of product innovation is able to increase the competitive advantage of MSMEs, through products that are inovatif and full of new ideas, launching culinary products at the right time and always maintaining the quality of these products can help culinary MSMEs to have and improvetheir competitive advantages. Product innovations produced by culinary MSMEs in the city of Surabaya according to the results of research are also able to help MSMEs to achieve business performance both in financial and non-financial performance. The

better the product innovation produced by a culinary MSME, the culinary MSME will be able to get good business performance as well.

The competitive advantage possessed by MSMEs is able to improve the performance of MSMEs. The better the level of competitive advantage through the ability to offer product prices, the ability to explore the market and the ability to win competitors will increase the achievement of the financial and non-financial performance of these MSMEs. The adoption of social media by effective MSMEs is able to increase the competitive advantage of MSMEs so that from the competitive advantages possessed by MSMEs, it can result in the achievement of better MSME performance. In terms of product innovation, culinary MSMEs in the city of Surabaya are said to be able to encourage the achievement of the competitive advantage of MSMEs so that they can also be used as an impetus to improve the performance of MSMEs better.

Researchers can then search and consider other indicators of social media adoption and are better able to explain comprehensively the variables of social media adoption that can be implemented in culinary MSMEs in particular. Culinary MSMEs can go deeper to consider the development of good and quality products and independently research culinary products from similar competitors, this is necessary because quality products and the timing of product introduction or launch are important aspects for MSMEs to survive and achieve competitive advantages and improve their performance.

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