The Effect of Legal Protection Innovation and Marketing Education on the Performance of Banjarbaru City MSMEs In The Era Of Society 5.0

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ABSTRACT

This study aims to analyze the influence of legal protection innovation and marketing education on the performance of Micro, Small and Medium Enterprises (MSMEs) in Banjarbaru City in the context of the Society 5.0 era. The Society 5.0 era emphasizes the important role of digital technology in various sectors, including MSMEs. MSMEs play a significant role in the Indonesian economy, but face various challenges, such as increasingly tight competition and changes in market patterns towards digital. This study uses a quantitative approach with a sample of 26 MSMEs from a total population of 10,869 registered in Banjarbaru City. Data were collected through questionnaires and processed using non-parametric statistical analysis, such as Spearman Rank Correlation and Kruskal-Wallis, because the data were not normally distributed. The results of the study indicate that legal protection innovation does not have a significant effect on MSME performance, with a correlation coefficient of -0.026 and a significance value of 0.901. In contrast, marketing education has a significant positive effect on MSME performance, with a correlation coefficient of 0.591 and a significance value of 0.001. This confirms that MSMEs who receive better marketing education tend to have higher performance, especially in terms of sales growth, customers, and profits. This study also found significant differences in MSME performance based on age, with older age groups showing higher levels of education and better MSME performance. In conclusion, although innovations in legal protection have not shown a significant impact, marketing education has been shown to play an important role in improving MSME performance in the digital era. This study recommends improving marketing training and education programs for MSMEs to strengthen their competitiveness in an increasingly modern and digital market.

Keywords: Legal Protection Innovation, Marketing Education, MSME Performance, Society 5.0

INTRODUCTION

The development of science and technology is now increasingly showing rapid progress. Until now, humans have reached the era of society 5.0 which is marked by the increasing centralization of the role of technology in human life. Society 5.0 is a concept developed by the Japanese government and has become an important topic in global discussions about social and economic transformation in the digital era. Society 5.0 carries a vision of how society can utilize digital technology to achieve significant progress in various aspects of life. Society 5.0 can be interpreted as a technology-based social concept that focuses on the human social environment. The Society 5.0 era seeks to break through the challenges of the previous era, namely the industrial revolution 4.0 era. Unlike the concept of the industrial revolution 4.0 which only aims to improve personal and

business welfare, the society 5.0 era seeks to create new values that meet the needs of many people and eliminate social inequality.

With the concept of the society 5.0 era, economic actors must be able to adapt and innovate faster, including Micro, Small and Medium Enterprises (MSMEs). According to Harsono (2014), MSMEs are creative businesses or businesses that meet business standards that are present as a livelihood for people to meet their needs. Based on Law Number 20 of 2020 concerning Micro, Small and Medium Enterprises (MSMEs), small businesses are defined as activities that provide profit and an independent creative economy. This means that the owners and implementers of the business come from individuals or business entities that do not depend on other business units, are not tied to large or medium

entrepreneurs and are not branches of their divisions.

MSMEs play a very important role in the development and economic growth of a country, not only in developing countries, but also in developed countries. In Indonesia, MSMEs are one of the most important pillars in supporting the country's economy. Based on data from the Ministry of Cooperatives and SMEs, the number of MSMEs currently reaches 64.2 million with a contribution to GDP of 61.07 percent or 8,573.89 trillion rupiah. The contribution of MSMEs to the Indonesian economy includes the ability to absorb approximately 117 million workers or 97 percent of the total workforce, and can collect up to 60.4 percent of total investment (data from the first semester of 2021) (Junaidi, 2023).

The MSME sector is of concern to the government because it has a significant contribution related to national economic development. Its ability to survive the economic crisis is proof that the MSME sector is part of a strong industry. The success of development is indicated by added value, employment opportunities and equal opportunities to do business, so that industry is increasingly effective in becoming the main driver of development. The role of MSMEs is also often associated with government efforts to reduce unemployment, combat poverty and equalize income. Therefore, the policy of developing MSMEs in Indonesia is often considered as a policy of creating employment opportunities.

Along with the development of the times, MSMEs need to align their businesses with the progress of the times and existing trends. Currently we are in the era of digitalization and industrial revolution. An era where technology and the internet play an important role in every line of human life, including the business sector. MSMEs must have the ability to compete globally to continue to encourage the creation of an integrated market so that it can develop not only at the national level but also at the international level. This means that MSMEs must have opportunities, support, opportunities and legal protection from the government. Because having firm support for each MSME unit is the same as giving its side to the economic efforts built by the people.

MSME business opportunities are currently increasingly difficult, this is because businesses or activities that have the potential to be carried out by MSMEs are actually taken over by large business units. These large businesses are supported by strong business management, market networks and capital that have succeeded in penetrating markets and networks widely. This is what causes pioneering business units as MSMEs to find obstacles to developing and running their businesses.

Although based on the facts above, MSMEs have made a large contribution to the people's economy, the government has given more attention to large business units. Meanwhile, small business units such as MSMEs are allowed to run simply. This is certainly not in accordance with Article 33 of the 1945 Constitution, the essence of which states that economic activities must aim to provide welfare for all Indonesian people.

In addition, the current market system based on market mechanisms also benefits large business units. So that it finally makes small business units such as MSMEs increasingly marginalized from the market. Finally, MSMEs do not have equality in terms of opportunities to run their businesses so that the government feels the need to provide maximum protection to MSMEs and create a concept of protection based on economic justice.

Another obstacle or constraint experienced by MSME actors is the difficulty in obtaining business permits or business legality. What is meant by legality or formality is the granting of permits and legal entity status to business actors, especially MSMEs based on applicable laws. MSME business permits are divided into two types, namely business permits in the form of legalization of the legal entity form of the company concerned and the granting of business activity permits issued by related parties or institutions. The approval or validity of the legal substance of this organization is the power of the Department of Law and Human Rights (HAM) which is then handed over to a person who has received power of attorney from

the government (Notary). This causes the cost of business permits to be rather large for small and medium businesses (Wardani, 2017).

Several obstacles and problems experienced by MSMEs above indicate the need for legal protection so that MSMEs as the strongest pillar of the Indonesian economy can develop and become a competitive business sector. The development of MSMEs will be difficult if the legal protection provided by the government is lacking and not firm. Therefore, MSMEs need to get legal protection both in terms of ease of licensing, as well as protection of intellectual property rights.

In addition to legal protection from the government, MSMEs must also have a good understanding and ability in terms of marketing. Marketing strategy is one way to win the competition for MSMEs that produce goods or services. Marketing needs to get serious attention from MSMEs, especially in the process of determining the chosen marketing strategy in order to be able to penetrate the market. Moreover, the increasingly tight competition conditions like today, the ability to capture market share will be faced by MSMEs themselves.

The pressure on MSMEs is becoming increasingly felt due to changes in market patterns in this digital era, shifting from conventional to a more modern direction with digital support, known as digital marketing. The challenges faced by MSMEs in implementing digital marketing are not easy. MSMEs generally have many limitations, including resource readiness and mastery of technology, the ability to adapt to developments, and many other challenges. These resource limitations include that not all MSMEs are educated and understand applied technology or internet services.

One effort to keep up with these developments is to digitize marketing for existing MSMEs. The digitization process in marketing, communication and transactions can be done in real time and can be accessed worldwide, where someone can easily see various types of products. With the digitalization of marketing, consumers can find out information about the products they will buy just by going through the internet. In addition, consumers also have convenience in the ordering process and can compare one product with another (Syah, 2022).

From the description above, in order for MSMEs to survive and be able to compete in the digital era and along with the rapid growth of e-commerce, coaching for MSMEs through marketing education is very necessary to be provided by stakeholders in the local government. With the hope that MSMEs can align their business marketing with the progress of the era and the current digital trends.

Performance is a measuring tool used as an indicator of business success in achieving business goals. MSME performance is the work results achieved by MSMEs in a certain period of time that is linked to a certain value or standard and adjusts to the role or task of the MSME's goals. Many criteria can be used to assess the performance of an MSME, including the commonly used financial performance and non-financial performance. In this study, three indicators were used to measure MSME performance, namely sales growth, customer growth, and profit growth.

This research took place in Banjarbaru City, South Kalimantan. Banjarbaru City is one of the cities that is also the capital of South Kalimantan province. Its status as the capital of South Kalimantan province has been determined since March 16, 2022, replacing Banjarmasin City. Banjarbaru City has an area of 371.38 km² and is divided into 5 sub-districts and 20 villages, with a population of 262,719 in 2022. The relocation of the provincial capital will certainly have a very big impact on changes, and cover almost all areas of people's lives and will also have an impact on cultural, geographical, demographic, and economic aspects as well as economic actors, namely MSMEs.

Based on data obtained from the Cooperatives and SMEs Service of South Kalimantan Province, it is known that the number of SMEs in Banjarbaru City has experienced quite rapid growth compared to other regions.

Table 1 Number of MSMEs in Banjarbaru City

Year	Micro	Small	Intermediate	Amount
2020	10,050	305	0	10,355
2021	10,050	819	0	10,869
2022	10,050	819	0	10,869

METHOD

This study uses a quantitative approach with the aim of analyzing the influence of legal protection innovation and marketing education on the performance of Micro, Small, and Medium Enterprises (MSMEs) in Banjarbaru City in the context of the Society 5.0 era. This approach was chosen because the data obtained from the MSME population can be analyzed statistically, which makes it possible to test the relationship between the variables studied.

Population and Sample

The population in this study is all MSMEs registered in Banjarbaru City, which based on official data reaches 10,869 business units. Due to the large population, sampling techniques are needed to obtain representative samples from the population. Determination of the number of samples is done using the Krejcie & Morgan table, which is a standard method for determining sample size based on population size. From the total population of MSMEs in Banjarbaru City, the sample generated from the Krejcie & Morgan table is 375 MSMEs.

However, in the data collection process, only 26 MSMEs qualified as samples, where they provided valid and complete data for analysis. This could be due to various factors, including low respondent rates or the inability of some MSMEs to provide complete information. Although the number of valid samples is less than expected, this sample can still be used for research with appropriate statistical testing.

Data collection technique

Data collection in this study was conducted by distributing questionnaires to MSMEs who were respondents of the study. The questionnaire was designed with a Likert scale to measure various aspects related to legal protection innovation, marketing education, and MSME performance. Each indicator was measured with several questions that had been previously prepared based on the theoretical framework and literature review.

In addition, secondary data was also collected to strengthen the analysis, such as data on legal protection regulations applicable to MSMEs, local government policies related to marketing education support for MSME actors, and statistical data on MSME economic performance in Banjarbaru City. This secondary data was taken from local government reports, BPS publications, and other documents relevant to the research topic.

Validity and Reliability Test

Before data analysis is carried out, validity and reliability tests are first carried out on the research instrument (questionnaire). Validity tests are used to ensure that the research instrument is able to measure what should be measured, while reliability tests are used to determine the consistency of the instrument. Validity is tested using the construction validity method, by considering the correlation between items in the questionnaire, while reliability is tested using the Cronbach Alpha coefficient, which is considered good if it is above 0.70.

Data Analysis Techniques

Since the number of valid samples is only 26 MSMEs, which is relatively small and does not meet the assumption of normal distribution, this study uses non-parametric statistical analysis techniques. This non-parametric technique was chosen because it does not require the assumption that the data must be normally distributed, so it is suitable for small samples such as in this study. The non-parametric test used in this study is Spearman Rank Correlation to test the relationship between independent variables (legal protection innovation and marketing education) and dependent variables (MSME performance).

Spearman Rank Correlation is a correlation method that can be used for ordinal data or interval data with a small sample size. This test will help in determining how strong the relationship is between legal protection innovation and marketing education with MSME performance. The Spearman correlation coefficient value ranges from -1 to 1, where a value approaching 1 indicates a strong and positive relationship between variables, while a value approaching -1 indicates a strong but negative relationship.

In addition to the correlation test, this study also uses the Kruskal-Wallis test as a substitute for ANOVA to see the differences in MSME performance based on certain groups, based on the categories of Age, MSME Period, and education level of MSME owners. The Kruskal-Wallis test is a non-parametric test that is suitable for comparing three or more independent sample groups.

Data processing

Data processing was carried out using the latest version of the SPSS (Statistical Package for the Social Sciences) statistical program. Data obtained from the questionnaire were inputted into SPSS to then be processed using the selected statistical test. In this process, data cleaning was also carried out to ensure that there were no outliers or invalid data that could affect the results of the analysis.

Research Ethics

This study also pays attention to the ethical aspects of research. Before data collection was carried out, each respondent was given an explanation of the purpose of the study and their rights as research participants. They were given the freedom not to participate without any consequences. In addition, the confidentiality of information provided by respondents was well maintained, where the data obtained was only used for research purposes and presented anonymously.

Research Limitations

The limitation of this study lies in the smaller sample size than planned, which is only 26 MSMEs from the target of 375. This may be due to time constraints in data collection or obstacles in communication with respondents. However, the use of non-parametric methods is expected to be able to overcome this limitation, although the results cannot be generalized widely for the entire population of MSMEs in Banjarbaru City. Thus, the methodology used in this study has been designed in such a way as to be in accordance with field conditions and research objectives, namely to analyze the influence of legal protection innovation and marketing education on the performance of MSMEs in Banjarbaru City in the Society 5.0 era.

RESULT and DISCUSSION

Based on the results of the Spearman Rank Correlation test to test the relationship between the independent variables (legal protection innovation and marketing education) with the dependent variable (MSME performance) using SPSS 22, the results obtained are as shown in the table below.

Table 2. Spearman Rank Correlation Test

Correlations

			Legal Protection Innovation	Marketing Education	MSME Performance
Spearman's rho	Legal Protection Innovation	Correlation Coefficient	1	0.129	-0.026
		Sig. (2-tailed)	.	0.529	0.901
		N	26	26	26
	Marketing Education	Correlation Coefficient	0.129	1	.591**
		Sig. (2-tailed)	0.529	.	0.001
		N	26	26	26
	MSME Performance	Correlation Coefficient	-0.026	.591**	1
		Sig. (2-tailed)	0.901	0.001	.
		N	26	26	26

**. Correlation is significant at the 0.01 level (2-tailed).

Based on table 2, it can be explained:

a. **The Relationship between Legal Protection Innovation and MSME Performance**

It is known that the correlation value is -0.026. The Spearman correlation coefficient value of -0.026 indicates that the relationship between legal protection innovation and MSME performance is very weak and tends to be negative. This means that when there is an increase in legal protection innovation, there is no clear relationship to the increase or decrease in MSME performance.

Based on the significance value (2 tailed), a value of 0.901 was obtained. The significance value of 0.901 is much greater than the significance limit of 0.05 or (0.901>0.05), this indicates that this relationship is not statistically significant. This means that there is insufficient evidence to state a real relationship between legal protection innovation and MSME performance in the samples taken in this study.

b. **The Relationship between Marketing Education and MSME Performance**

The correlation value is known to be 0.951. The correlation coefficient value of 0.591 indicates a fairly strong positive relationship between marketing education and MSME performance. This means that the better the marketing education received by MSME actors, the more their performance will increase. This correlation shows that marketing education has a significant positive impact on the success of MSMEs in Banjarbaru City.

Based on the significance value (2 tailed), the result is 0.001. The significance value of 0.001 indicates that this relationship is significant at a significance level of 0.01 (because 0.001 <0.01). This means that it can be concluded with high confidence that marketing education has a significant positive influence on MSME performance.

c. **The Relationship between Legal Protection Innovation and Marketing Education**

Based on the test results, a correlation value of 0.129 was obtained. The correlation coefficient result of 0.129 indicates a very weak and positive relationship between legal protection innovation and marketing education. This means that there is a slight tendency that if legal protection innovation increases, marketing education will also increase slightly, but this relationship is very weak and has almost no significant effect. Based on the significance value (2 tailed), a value of 0.529 was obtained. The significance value of 0.529 is much greater than 0.05 (0.529>0.05), indicating that this relationship is not statistically significant. This means that there is no strong enough evidence to state that there is a real relationship between legal protection innovation and marketing education.

d. Kruskal-Wallis Test

This test is used to test whether the data in each age group follows a normal distribution. The test results are reported with statistical values, df (degree of freedom), and Sig. (p-value or significant value). The test results are as shown in table 3 below.

Table 3. Normality test using Kolmogorov-Smirnov and Shapiro-Wilk

Tests of Normalityb

Age		Kolmogorov-Smirnova			Shapiro Wilk		
		Statistics	df	Sig.	Statistics	df	Sig.
Education	<20	0.473	5	0.001	0.552	5	0
	21-30	0.36	7	0.007	0.664	7	0
	31-40	0.367	5	0.026	0.684	5	0.01
	41-50	0.473	5	0.001	0.552	5	0

a. Lilliefors Significance Correction
b. Education is constant when Age = >50. It has been omitted.

Based on the table, it can be interpreted that all p-values <0.05, which means that the data in all age groups are not normally distributed based on the Kolmogorov-Smirnov test. The Shapiro-Wilk test is also used to test the normality of the data. Similar to the Kolmogorov-Smirnov test, if the p-value <0.05, then the data is considered not normally distributed. Based on the table above Similar to Kolmogorov-Smirnov, all p-values <0.05, which means that the data is not normally distributed for all age groups based on the Shapiro-Wilk test.

From the results of the two normality tests (Kolmogorov-Smirnov and Shapiro-Wilk), it can be concluded that the education data in all age groups are not normally distributed, because the significance value (p-value) for all age groups is less than 0.05.

CONCLUSION

Based on the results of the study, it can be concluded that legal protection innovation does not have a significant effect on the performance of MSMEs in Banjarbaru City. The results of the Spearman Rank correlation test show a very weak correlation with a correlation coefficient of -0.026, and a significance value of 0.901, which is greater than 0.05. In other words, there is no statistically significant relationship between innovation in legal protection and MSME performance. This may be due to various factors, one of which is the legal protection policy whose impact has not been fully felt by MSME actors. In this case, it could be that the existing legal innovation has not been fully able to provide optimal protection, so it does not directly affect the development and performance of MSMEs.

On the other hand, marketing education has been shown to have a significant influence on MSME performance. The results of the correlation test show that there is a fairly strong correlation between marketing education and MSME performance with a correlation coefficient of 0.591. A significance value of 0.001 (less than 0.05) indicates that this relationship is statistically significant. This means that the better MSME actors are at understanding and implementing marketing strategies, especially those related to modern techniques such as digital marketing, the better the performance of MSMEs, both in terms of increasing sales, number of customers, and profits. Increasing knowledge and skills in marketing, especially in the digital era, allows MSMEs to compete more effectively in a competitive market, thereby improving their overall business performance..

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