



Multiple Regression for Analyzing Competitive Strategies in Food SMEs Post Pandemic Covid at Madiun Municipality

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Abstract

Research aim : This study aims to analyze competitive strategies of food and beverage MSMEs in Madiun Municipality during the post-Covid-19 recovery period through entrepreneurial orientation, product innovation, and Instagram endorsements.

Design/Methods/Approach : The research uses a quantitative descriptive method. A purposive sampling technique was employed to obtain 395 respondents from MSME owners. Data collection used questionnaires and interviews, while multiple linear regression was applied as the analytical technique.

Research Finding : The results show that product innovation and Instagram endorsements significantly affect competitive strategy, while entrepreneurial orientation does not. Simultaneously, entrepreneurial orientation, product innovation, and Instagram endorsements together influence competitive strategies.

Theoretical contribution/Originality : The study strengthens the role of social media marketing and product innovation in shaping MSME competitive strategies post-pandemic, while questioning the traditional assumption that entrepreneurial orientation always plays a dominant role.

Practitioner/Policy implication : MSME actors are advised to continue innovating products and using social media endorsements to maintain competitiveness. Policy support should focus on digital transformation and capacity building for SMEs.

Research limitation : This study is limited to the food and beverage MSME sector in Madiun City. Broader research is needed by comparing across regions and involving other factors such as market orientation and brand image.

Abstrak

Tujuan Penelitian : Penelitian ini bertujuan untuk menganalisis strategi bersaing UMKM makanan dan minuman di Kota Madiun pada masa pemulihan pasca Covid-19 melalui orientasi kewirausahaan, inovasi produk, dan endorsement Instagram.

Desain/ Metode/ Pendekatan : Penelitian ini menggunakan metode deskriptif kuantitatif dengan teknik purposive sampling terhadap 395 responden pelaku UMKM. Teknik pengumpulan data dilakukan melalui kuesioner dan wawancara, sedangkan analisis data menggunakan regresi linier berganda.

Temuan Penelitian : Hasil penelitian menunjukkan bahwa inovasi produk dan endorsement Instagram berpengaruh signifikan terhadap strategi bersaing, sementara orientasi kewirausahaan tidak berpengaruh. Secara simultan, orientasi kewirausahaan, inovasi produk, dan endorsement Instagram berpengaruh bersama terhadap strategi bersaing.

Kontribusi Teoritis/ Originalitas : Penelitian ini memperkuat peran pemasaran media sosial dan inovasi produk dalam membentuk strategi bersaing UMKM pasca pandemi, serta mempertanyakan asumsi tradisional bahwa orientasi kewirausahaan selalu dominan.

Implikasi Praktis : Pelaku UMKM disarankan untuk terus berinovasi pada produk dan memanfaatkan media sosial dalam kegiatan pemasaran. Dukungan kebijakan diperlukan untuk transformasi digital dan peningkatan kapasitas UMKM.

Keterbatasan Penelitian : Penelitian ini terbatas pada sektor UMKM makanan dan minuman di Kota Madiun. Penelitian selanjutnya perlu membandingkan antar daerah dan menambahkan variabel lain seperti orientasi pasar dan citra merek.

Kata kunci : Strategi bersaing; Orientasi kewirausahaan; Inovasi produk; Endorsement Instagram.

Introduction

Micro, Small, and Medium Enterprises (MSMEs) in Indonesia play a crucial role in economic growth, serving as the backbone of the national economy by contributing 60% of the GDP and absorbing 97% of the workforce [1]. The Coronavirus Disease (Covid-19) pandemic has dealt a severe blow to the global economy, including Indonesia. The impact has been most felt in consumption, corporate sectors, finance, and particularly MSMEs, which have experienced a drastic decline in sales turnover [2]. MSMEs have become one of the most vulnerable sectors, no longer able to act as an economic buffer as they did during the 1998 and 2008 crises. Therefore, MSME actors are required to think creatively to maintain business stability, one approach being the implementation of entrepreneurial marketing [3].

The government has also provided support for MSME recovery through credit restructuring and incentive packages intended to rapidly restore their condition [4]. Besides internal recovery with government assistance, MSMEs also need to redesign their marketing



strategies. Currently, most marketing activities have shifted to digital platforms like e-commerce (Shopee, Lazada, Tokopedia) and social media (Instagram), compelling MSMEs to adopt proactive digital marketing strategies [5]. This transformation necessitates an improvement in Human Resources (HR) through digitalization training to support business sustainability [6], [7]. However, a major challenge is that not all MSMEs have sufficient resources for digitalization, requiring a strategy that integrates new technology with business sustainability [8]. Digital transformation has emerged as a strategic imperative for Indonesian MSMEs, functioning not only as an adaptive measure but as a core driver for long-term business resilience and competitive positioning in the post-pandemic digital ecosystem [9].

The growth of MSMEs in Madiun City, East Java Province, shows a very promising trend. In the last five years, from the pandemic to the post-pandemic period, the number of MSMEs in the city has increased significantly. As the 4th largest city in East Java, Madiun has substantial economic potential. Table 1. Number of MSMEs in the city Madiun (per business unit)

Table 1. Number of MSMEs in Madiun City (per business unit)

No.	MSMEs by sector	2020	2021	2022	2023	2024
1	Agriculture	1,554	1,554	1,554	1,555	1,555
2	Mining And Excavation	26	26	26	26	26
3	Industry Processing	1.238	1.288	1,342	1,367	1.425
4	Electricity , Gas and Water	0	0	0	0	0
5	Construction	42	42	42	42	42
6	Trade , Hotels and Restaurant	14,654	14,677	14,677	14,738	14,738
7	Transportation	2.111	2.111	2.111	2.111	2.111
8	Finance	98	98	98	98	98
9	Services	3,822	3,822	3,822	3,831	4.025
10	Agriculture	1,554	1,554	1,554	1,555	1,555
11	Mining And Excavation	26	26	26	26	26
	Amount	23,545	23,618	23,672	23,768	24.020

Source: Madiun in numbers, 2024

Based on the data, the largest number of MSMEs is in the trade, hotel, and restaurant sector, which includes food and beverage businesses. This large number indicates very tight competition. This aligns with research by Kawane et al. (2024), who found that while the Covid-19 pandemic devastated many businesses, it also spurred MSMEs to create new, more adaptive business models. While previous studies have extensively explored MSME survival strategies during the peak of the pandemic, a significant research gap remains regarding the effectiveness of integrating traditional internal factors with digital marketing tools during the recovery phase, particularly in second-tier cities like Madiun. This study addresses this gap by re-evaluating the relevance of conventional entrepreneurial orientation when consumer behavior has shifted permanently toward digital ecosystems. The novelty of this research lies in its focus on the post-pandemic 'new normal,' where resource constraints may position tactical digital strategies and product innovation as more dominant drivers of competitive advantage than traditional proactive entrepreneurial traits.



Given this background, the problem statement of this research is how food and beverage MSME actors in Madiun City can build effective competitive strategies in the post-pandemic recovery era amidst intense competition, by considering internal factors such as entrepreneurial orientation and product innovation, as well as external factors like the use of digital marketing through Instagram endorsements.

The research objectives are to identify and analyze the influence of:

1. Entrepreneurial orientation on competitive strategy.
2. Product innovation on competitive strategy.
3. Instagram endorsements on competitive strategy.
4. Entrepreneurial orientation, product innovation, and Instagram endorsements simultaneously on the competitive strategy of food and beverage MSMEs in Madiun City.

Hypothesis Development

Entrepreneurial orientation refers to a firm's ability to innovate, take risks, and act proactively in facing market competition [10]. While companies with a high entrepreneurial orientation tend to be more adaptive and capable of creating a competitive advantage [11], as evidenced by previous studies showing its positive effect on competitive strategy [12], [13]. The post-crisis landscape presents unique challenges. MSMEs in Madiun now operate under significant resource constraints, limiting their ability to execute traditional high-risk strategies. Consequently, entrepreneurial orientation is redefined as a survival strategy, where firms must balance proactiveness with limited financial and human capital to maintain resilience.

H1: Entrepreneurial orientation has a significant effect on competitive strategy.

Product innovation is a key factor in creating a competitive advantage. A company's ability to create new products or update existing ones allows it to remain relevant in the market [14]. Prior research indicates that product innovation positively impacts business sustainability and competitive strategy [15].

H2: Product innovation has a significant effect on competitive strategy.

In the digital era, endorsements via Instagram have become an effective marketing strategy for building a brand and enhancing competitiveness. The trust an audience places in public figures or influencers can increase brand credibility and drive purchase decisions [16]. Research shows that social media endorsements can boost consumer trust and positively impact a company's competitive strategy [17].

H3: Instagram endorsements have a significant effect on competitive strategy.

Post-pandemic competitive strategy for MSMEs is characterized by a shift from aggressive expansion to maintaining market presence amidst uncertainty. Under the Resource-Based View (RBV), MSMEs leverage accessible digital resources, such as Instagram, to overcome capital shortages and build a sustainable competitive advantage. This suggests that competitive advantage is not determined by a single factor but by a combination of strategic elements, where the interaction between entrepreneurial orientation, product innovation, and Instagram endorsements creates a greater competitive advantage [18], [19].

H4: Entrepreneurial orientation, product innovation, and Instagram endorsements jointly have a significant effect on competitive strategy.

Methods



This study employs a descriptive and quantitative approach to identify the factors influencing the competitive strategies of food and beverage MSMEs in Madiun City during the post-Covid-19 recovery period. The population of this study consists of 24,020 MSME units in Madiun City as of 2024. The required sample size was determined using the Slovin formula with a 5% margin of error, resulting in a minimum of 394.4 respondents, which was then rounded to 395. A purposive sampling technique was employed to select participants based on specific criteria: (1) MSME actors operating in the food and beverage sector, (2) businesses that have been active for at least two years, and (3) actors who actively utilize Instagram as a marketing tools.

Data were collected through observation, interviews, and questionnaires. The research instrument, a questionnaire, was tested for validity and reliability to ensure all items were valid and reliable measurement tools. The collected data were analyzed using multiple linear regression. Before the regression analysis, classical assumption tests—including normality, multicollinearity, and heteroscedasticity tests—were conducted to ensure the regression model was robust and representative of the entire population.

The multiple linear regression equation for this study is as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Where:

Y = Competitive Strategy

X₁ = Entrepreneurial Orientation

X₂ = Product Innovation

X₃ = Instagram Endorsement

a = Constant

e = Standard error

The conceptual framework of the research is illustrated below:

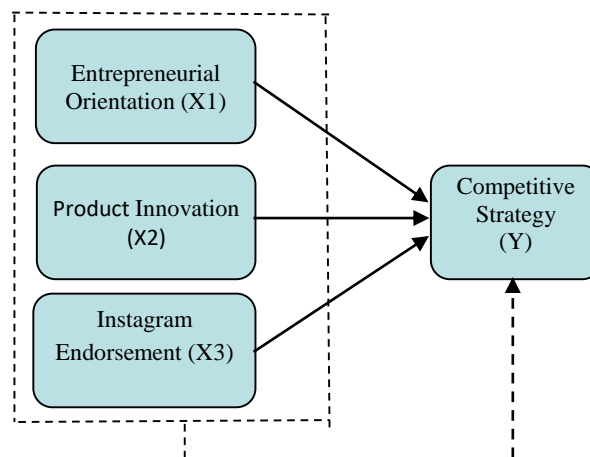


Figure 1. Framework Thinking

Based on framework thoughts, hypotheses drawn up is as following:

H₁ : Orientation entrepreneurship influential significant to strategy compete;

H₂ : Innovation product influential significant to strategy compete;

H₃ : Instagram endorsements are influential significant to strategy compete;



H4 :Orientation Entrepreneurship, Innovation products, and influential Instagram endorsement significant to strategy compete.

Results and Discussion

Entering recovery during the pandemic Covid , MSME actors in Madiun City positive its development, especially marketing online as connector to customers . Next MSME actors can do optimization And invite fellow other colleagues for together utilise technology information as support marketing.

1. Instrument Test

The results of the validity and reliability tests can be seen in the following table:

Table 2. Results of Validity and Reliability Tests of Entrepreneurial Orientation Variables (X1)

Item No.	Validity			Reliability		
	r count	r table	Decision	α Count	α Cronbach	Decision
X _{1.1}	0.631	0.0995	Valid	0.820	0.600	Reliable
X _{1.2}	0.619	0.0995	Valid			
X _{1.3}	0.766	0.0995	Valid			
X _{1.4}	0.808	0.0995	Valid			
X _{1.5}	0.781	0.0995	Valid			
X _{1.6}	0.678	0.0995	Valid			
X _{1.7}	0.439	0.0995	Valid			
X _{1.8}	0.445	0.0995	Valid			
X _{1.9}	0.574	0.0995	Valid			

Source: Data Processing Results, 2024

Table 3. Results of Validity and Reliability Tests of Product Innovation Variables (X2)

No. Item	Validity			Reliability		
	r count	r table	Decision	α Count	α Cronbach	Decision
X _{2.1}	0.430	0.0995	Valid	0.841	0.6	Reliable
X _{2.2}	0.723	0.0995	Valid			
X _{2.3}	0.351	0.0995	Valid			
X _{2.4}	0.595	0.0995	Valid			
X _{2.5}	0.594	0.0995	Valid			
X _{2.6}	0.642	0.0995	Valid			
X _{2.7}	0.726	0.0995	Valid			
X _{2.8}	0.732	0.0995	Valid			
X _{2.9}	0.635	0.0995	Valid			
X _{2.10}	0.471	0.0995	Valid			
X _{2.11}	0.566	0.0995	Valid			
X _{2.12}	0.460	0.0995	Valid			
X _{2.13}	0.632	0.0995	Valid			



No. Item	Validity			Reliability		
	r count	r table	Decision	α Count	α Cronbach	Decision
X _{2.14}	0.507	0.0995	Valid			
X _{2.15}	0.218	0.0995	Valid			

Source: Data Processing Results, 2024

Table 4. Results of Validity and Reliability Tests of Instagram Endorsement Variables (X3)

No. Item	Validity			Reliability		
	r count	r table	Decision	α Count	α Cronbach	Decision
X _{3.1}	0.302	0.0995	Valid	0.873	0.6	Reliable
X _{3.2}	0.237	0.0995	Valid			
X _{3.3}	0.787	0.0995	Valid			
X _{3.4}	0.325	0.0995	Valid			
X _{3.5}	0.725	0.0995	Valid			
X _{3.6}	0.789	0.0995	Valid			
X _{3.7}	0.746	0.0995	Valid			
X _{3.8}	0.872	0.0995	Valid			
X _{3.9}	0.817	0.0995	Valid			
X _{3.10}	0.814	0.0995	Valid			
X _{3.11}	0.740	0.0995	Valid			
X _{3.12}	0.415	0.0995	Valid			

Source: Data Processing Results, 2024

Table 5. Results of Validity and Reliability Tests of Competitive Strategy Variables (Y)

Item No.	Validity			Reliability		
	r count	r table	Decision	α Count	α Cronbach	Decision
Y ₁	0.574	0.0995	Valid	0.707	0.600	Reliable
Y ₂	0.316	0.0995	Valid			
Y ₃	0.268	0.0995	Valid			
Y ₄	0.706	0.0995	Valid			
Y ₅	0.702	0.0995	Valid			
Y ₆	0.574	0.0995	Valid			
Y ₇	0.761	0.0995	Valid			
Y ₈	0.471	0.0995	Valid			
Y ₉	0.575	0.0995	Valid			

Source: Data Processing Results, 2024

The validity and reliability of the research instrument were tested using a sample of 395 respondents. As summarized in Table 1, all 45 indicators for Entrepreneurial Orientation (X1), Product Innovation (X2), Instagram Endorsement (X3), and Competitive Strategy (Y) yielded



r-count values significantly higher than the r-table (0.0995). Furthermore, all variables demonstrated high internal consistency with Cronbach’s Alpha coefficients exceeding 0.60, confirming the instrument’s robustness for further analysis.

2. Technique Data analysis

Before performing the regression analysis, classical assumption tests were conducted to ensure model BLUE (Best Linear Unbiased Estimator). The results indicated that: (1) data were normally distributed based on the P-Plot analysis; (2) no multicollinearity was found, with VIF values for all variables (X1: 1.891; X2: 2.231; X3: 1.307) being well below the threshold of 5; and (3) heteroscedasticity was absent as evidenced by the random distribution in the scatter plot. Thus, the model is eligible for multiple linear regression.

Result data study analyzed with use technique Analysis Multiple Linear Regression And the result served on table following:

Table 6. Results of Regression Analysis

Model		Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	24,334	3.285		7,408	.000		
	Entrepreneurial Orientation (X1)	.058	.098	.118	1,314	.192	.529	1,891
	Product Innovation (X2)	.129	.068	.168	2,053	.046	.448	2.231
	Endorsements (X3)	.133	.063	.225	2.118	.037	.765	1,307

a. Dependent Variable: Competitive Strategy (Y)

Source: Data Processing Results, 2024

Based on Table 6 equation models multiple linear regression is:

$$Y = a + b_1 X_1 + b_2 X_2 + b_3 X_3 + e$$

$$Y = 24.334 + 0.058 X_1 + 0.129 X_2 + 0.133 X_3 + e$$

The regression analysis identifies the primary empirical drivers of MSME competitiveness in Madiun post-pandemic. Product innovation (0.129) and Instagram endorsements (0.133) emerged as the significant factors that directly strengthen competitive strategy. In contrast, entrepreneurial orientation does not show a significant impact (p = 0.192), suggesting that tactical digital promotion is more crucial in the current recovery phase.

3. Hypothesis Testing

Based on Table 6, results testing coefficient regression known No There is influence variable Entrepreneurial Orientation (X1) towards Competitive Strategy (Y) . This is shown by mark beta coefficient of 0.118 but mark probability (Sign) of 0.192 (p > 0.05).

There is influence positive And significant variable Product Innovation to Competitive Strategy (Y) . This is proven with mark beta coefficient of 0.168 and mark probability (Sign) of 0.046 (p < 0.05). There is influence positive And significant variable Endorsement Instagram



to Strategy Compete (Y). This is proven with mark beta coefficient of 0.328 and mark probability (Sign) of 0.037 ($p < 0.05$).

Table 7. Results F Test

ANOVA ^a						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	121,199	3	40,400	6,534	.000 ^b
	Residual	593,561	391	6.183		
	Total	714,760	394			

a. Dependent Variable: Competitive Strategy (Y)
b. Predictors: (Constant), *Instagram Endorsement* (X3), Product Innovation (X2), Entrepreneurial Orientation (X1)

Source: Results data processing, 2024

Based on Table 6, it can be concluded that entrepreneurial orientation (X1), Product Innovation (X2) and Instagram Endorsement (X3) simultaneously influence the competitive strategy of food and beverage MSMEs in Madiun City (Y) This is evidenced by a significance value of $0.000 < 0.05$ and an F-count of 6.534, which exceeds the F-table value for df 3.391 at the 5% significance level (approximately 2.63). Thus, the model is statistically robust and fit for further analysis.

1. Influence Entrepreneurship Orientation to Competitive Strategy for Food and Beverage Sector MSMEs in Madiun City

The statistical analysis reveals that entrepreneurial orientation does not significantly influence the competitive strategy of food and beverage MSMEs in Madiun City ($p = 0.192 > 0.05$). This finding contradicts several established studies [20], [21], and [22] which suggest that proactive risk-taking and innovativeness are fundamental drivers of competitive advantage.

However, this lack of significance provides a unique insight into the 'survival mode' characterizing MSMEs during the post-pandemic recovery phase. Under current resource constraints, local business actors in Madiun tend to prioritize immediate operational stability over high-risk proactive maneuvers. The data indicates that owners are less inclined to seek new market opportunities or take bold risks due to the heightened market uncertainty and depleted capital reserves following the crisis.

In this context, entrepreneurial orientation becomes secondary to tactical survival. The inability of MSME owners to translate ideas into unique product offerings or to actively anticipate business problems suggests that their strategic focus has shifted from growth-oriented proactiveness to maintaining existing market presence. Therefore, while theoretical frameworks emphasize the importance of an entrepreneurial mindset, this study proves that for MSMEs in a recovering second-tier city like Madiun, internal orientation alone is insufficient to drive competitive strategy without the support of external digital tools and tangible product innovation.

2. The Influence of Product Innovation on Competitive Advantage



The analysis demonstrates that product innovation has a positive and significant influence on the competitive strategies of MSMEs in Madiun's food and beverage sector. This aligns with previous research [20], [21] and [22] asserting that innovation is a fundamental driver of competitive advantage. Continuous product innovation, characterized by the integration of local cultural elements and sustainable packaging, serves as a primary tool for MSMEs to maintain market relevance and differentiate themselves from competitors [23]. However, in the specific context of the post-pandemic recovery, this finding suggests that tangible product differentiation serves as a more potent strategic tool than intangible entrepreneurial traits.

In Madiun, MSME actors have successfully navigated the 'new normal' by modernizing their production processes and diversifying their offerings to meet shifting consumer selectively. Unlike entrepreneurial orientation, which remained insignificant, product innovation provides a visible signal of resilience and adaptability to the market. By creating unique products that balance distinctive local characteristics with modern quality standards, these businesses effectively address the heightened consumer demand for value and variety. Furthermore, the integration of these innovative products with digital marketing via Instagram has reduced information asymmetry, allowing MSMEs to maintain market relevance despite limited resources.

This empirical evidence proves that for culinary MSMEs, the ability to rapidly iterate product concepts and adapt to the purchasing power of a recovering economy is the primary key to winning competition. Consequently, the second hypothesis (H2), stating that product innovation significantly affects competitive strategy, is proven.

3. The Influence of Instagram *Endorsements* on Competitive Strategy

The statistical analysis confirms that Instagram endorsements exert a positive and significant influence on the competitive strategies of culinary MSMEs in Madiun. This result aligns with the findings of [26] and [27], which emphasize social media as a pivotal driver of strategic advantage. The implementation of digital technologies, such as e-commerce and data-driven marketing, provides SMEs with a sustainable competitive advantage by enhancing operational agility and deepening customer engagement [28]. However, beyond mere promotion, this study reveals that for MSMEs with limited brand capital, endorsements function as a critical 'trust bridge' in the post-pandemic market.

In this context, Instagram is no longer just a supplementary tool but a primary platform for reducing information asymmetry. By utilizing detailed photo and video catalogs, location tags, and influencer-driven storytelling, MSMEs provide a form of digital legitimacy that traditional advertising cannot replicate for small-scale businesses. Social media influencers play a pivotal role in shaping consumer perceptions and decision-making processes by acting as credible sources of information and cultural ambassadors for culinary brands [29]. This visual transparency allows consumers to overcome the uncertainty of purchasing from small vendors, effectively facilitating quicker decision-making and brand recall. This visual transparency allows consumers to overcome the uncertainty of purchasing from small vendors, effectively facilitating quicker decision-making and brand recall.

Furthermore, the proven increase in sales volume suggests that endorsements act as a catalyst for market penetration in a city like Madiun, where community trust and digital presence are deeply intertwined. For MSMEs in the food and beverage sector, the ability to



leverage social validation through Instagram has become a core strategic necessity to maintain relevance and resilience amidst shifting consumer behaviors. Consequently, the third hypothesis (H3), stating that Instagram endorsements significantly impact competitive strategy, is empirically supported.

4. Simultaneous Influence of Variables

Based on the results of the analysis, it can be concluded that simultaneously the factors of entrepreneurial orientation, product innovation, and Instagram endorsement have an effect on competitive strategies in MSMEs in the food and beverage sector in Madiun City. Competitive advantage is an advantage that a company has compared to its competitors, both in terms of production, operations, and marketing, which provides added value in competing in the market (Ardani, 2024). In this study, MSMEs in the food and beverage sector in Madiun City have met the indicators used, namely product uniqueness, product quality, and competitive prices. The products produced are of good quality, have distinctive characteristics and uniqueness that are different from competitors, and have attractive (packaging). In addition, the price of the product can compete with similar competing products and is in accordance with the ability or purchasing power of consumers.

Research Limitations and Future Directions

This study has several limitations. First, it is confined to three independent variables. Other factors such as market orientation, brand image, product quality, and price were not included in this research model. Second, the study focuses solely on MSMEs in Madiun City, so the results may not be generalizable to other regions.

Therefore, future research is recommended to include the aforementioned variables to gain a more comprehensive understanding of the factors influencing competitive strategy. Furthermore, subsequent studies could be conducted with a broader geographical scope to enhance the generalizability of the findings.

Practical Implications

The findings of this research provide several strategic directions for both MSME owners and the Madiun City Government. For business actors, the primary strategy must shift toward tactical digital execution and visual legitimacy. By investing in professional product photography and engaging with local micro-influencers, MSMEs can effectively bridge the "trust gap" with post-pandemic consumers. Additionally, owners are encouraged to implement iterative innovation by diversifying flavors and packaging that align with current "new normal" preferences for variety and hygiene. Furthermore, MSME actors must systematically monitor environmental dynamics and leverage their dynamic capabilities to reconfigure resources, ensuring that their products and services align with shifting consumer demands for sustainability. Since high-risk entrepreneurial risk-taking did not show a significant impact in this recovery context, maintaining a lean operational model that prioritizes cash flow stability is more advisable than pursuing high-risk expansion until market conditions fully stabilize.

At a policy level, the Madiun City Government should transform from providing basic entrepreneurship training to becoming a provider of digital buffers, such as subsidized local influencer programs or digital catalog platforms. Facilitating easier access to micro-capital is also crucial to help MSMEs transition out of "survival mode" and eventually return to a proactive growth mindset. Finally, government support in streamlining food safety and halal



certifications will complement product innovation, thereby strengthening the overall competitive advantage of the local culinary sector in the broader market.

Conclusion

The results of this study indicate that during the post-pandemic recovery period, entrepreneurial orientation does not significantly influence the competitive advantage of food and beverage MSMEs in Madiun City. This essence suggests that in a resource-constrained environment, business actors prioritize immediate tactical survival over proactive risk-taking. Conversely, product innovation and Instagram endorsements have emerged as the primary drivers of competitive strategy, serving as tangible signals of resilience and vital "trust bridges" that reduce information asymmetry for consumers. These findings prove that tactical digital presence and product variety are currently more critical for maintaining a competitive edge than internal entrepreneurial traits alone.

To strengthen these capabilities, MSME owners are encouraged to shift from general growth mindsets to tactical digital execution by prioritizing visual legitimacy on social media and implementing iterative product innovation. Furthermore, it is recommended that the Madiun City Government, specifically the Service Cooperative and Micro Enterprises, actively involve the banking sector to facilitate capital access for MSMEs affected by the pandemic. This strategic collaboration should focus on increasing productivity, utilizing market opportunities, and providing productive capital to help businesses absorb labor and develop sustainably. Such efforts will be more effective if supported by structured training agendas, business incubation, and promotional exhibitions to expand market reach.

Finally, as this research identifies the limitations of internal entrepreneurial traits in a crisis context, future researchers are encouraged to explore other variables that may influence competitive strategies, such as market orientation, brand image, pricing strategies, and specific product attributes. Expanding the research scope through longitudinal approaches or including external economic factors would provide a more comprehensive understanding of MSME resilience in evolving market conditions.

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