Implementation of Incremental Innovation and Radical Innovation Through Digital Marketing in Increasing the Competitive Advantage of UMKM Lampit in Wetland Areas of Hulu Sungai Utara Regency

by Humaidi Bisnis

Implementation of Incremental Innovation and Radical Innovation Through Digital Marketing in Increasing the Competitive Advantage of UMKM Lampit in Wetland Areas of Hulu Sungai Utara Regency

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Abstract

The purpose of this study is to analyze the Implementation of Incremental Innovation Analysis and Radical Innovation through Digital Marketing in Increasing the Competitive Advantage of UMKM Lampit Products in Wetland Areas of Hulu Sungai Utara Regency. The specific objectives of this study are 1. To analyze incremental innovation and radical innovation to the digital marketing of UMKM Lampit products in the wetland area of Hulu Sungai Utara Regency, 2. To analyze incremental innovation and radical innovation to the competitive advantage of UMKM Lampit products in the wetland area of Hulu Sungai Utara Regency , 3. Analyzing digital marketing on the competitive advantage of UMKM Lampit products in the wetland area of Hulu Sungai Utara Regency, and 4. Analyzing incremental innovation and radical innovation on competitive advantage through digital marketing of UMKM Lampit products in the wetland area of Hulu Sungai Utara Regency.

The research method using the research approach used is a quantitative approach which can be interpreted as a research method based on the philosophy of positivism, used to examine certain populations or samples with sampling techniques that can generally be classified, data collection uses research instruments, data analysis is quantitative/ statistics with the aim of testing the hypotheses that have been set. The collected data was then analyzed using the PLS (Partial Least Square) analysis model using the help of the SmartPLS package computer program. The results of data processing using the PLS (Partial Least Square) analysis model using the help of the SmartPLS package computer program, the result is that incremental innovation has a significant effect on digital marketing, radical innovation has a significant

effect on digital marketing, incremental innovation has a significant effect on competitive advantage, radical innovation has a significant effect on competitive advantage, digital marketing has a significant effect on competitive advantage, incremental innovation has a significant effect on competitive advantage through digital marketing, and radical innovation has a significant effect on competitive advantage through digital marketing for Lampit MSMEs in the Wetland Area of Hulu Sungai Utara Regency.

Keywords: Incremental Innovation, Radical Innovation, Digital Marketing, Competitive Advantage

1.   INTRODUCTION

Hulu Sungai Utara Regency is a swamp area with the main livelihood of the population being farming. However, in their free time, these residents also do handicrafts such as mats and furniture. This is also supported by the abundant availability of raw materials and expertise passed down from generation to generation, especially by utilizing materials that are abundantly available in the area, such as wood, rattan and purun. These handicrafts are generally sold, either at the local market (in Amuntai), or shipped to Java. The existence of a large export potential and can increase regional income, the handicraft centers are strategic areas to boost the economy. According to data, there are 18,000 artisans at HSU with 63 units of rattan mats, 872 units of bamboo, 812 units of rattan or lupu, 9 units of rattan furniture, 289 units of wooden furniture, two units of bamboo furniture, 70 units of water hyacinth, 158 units of thatch and carving wood 12 units. Measured in terms of operating value of IDR 144.87 billion.

One of the crafts that are produced which are actively carried out by the HSU UMKM in Indonesia is rattan handicrafts. Rattan craft that produces rattan mats, or what is known as Lampit, is a home industry activity in this swamp area. Apart from being marketed to meet local and regional market demand, rattan mat production has also succeeded in penetrating the export market. For the regional area, rattan mats are marketed to South Kalimantan (Banjarmasin), Central Kalimantan Province, to Java and Bali. Meanwhile, Lampit is also marketed to Singapore, Malaysia, Japan, Taiwan and Korea. Apart from functioning as mats, mats, whose raw materials are mostly supplied from Central Kalimantan, are also used to decorate/cover walls in Japan.

Lampit is the main source of income and a side income source to meet the economic needs of the local population. As a home industry, Lampit also opens up a lot of job

opportunities by absorbing a lot of manpower. In addition, it is a source of foreign exchange for the country, namely as an export commodity. Lampit has an ethnic design with traditional minimalist nuances and a warm impression, so it is in great demand by foreign consumers from Asian countries such as Japan, China, Hong Kong and Korea. This export activity is supported by the government. Even though there is an exemption to export raw or semi-finished rattan raw materials, due to the stipulation regarding an export tax of 30%, the interest of entrepreneurs to export it is no longer competitive. This is because the added value of finished goods received is greater than exporting in the form of raw or semi-finished rattan.

As time goes by, the demand for lampit crafts begins to decline, this is because MSMEs engaged in lampit crafts do not have strong ownership of customer value. Retaining customers is a competitive advantage for each of these business actors, because the many increasingly unique demands from consumers are connected with the development of this modern era. Business competition is getting tougher and tighter, every company is always required to develop. One way that companies or business actors use to be able to compete and develop is to create new strategies.

Innovations in MSME lampit products are urgently needed to improve operational reliability. If MSMEs are able to create innovation, they must be able to develop business strategies so that they can be used as a tool to face competition, for this reason, MSMEs are required to be able to identify opportunities and threats that exist in their business environment, namely by implementing innovation. Therefore, SMEs must be able to think creatively and innovatively in the current era of globalization. According to (Luecke, 2003) there are 2 types of innovation, namely radical and incremental innovation. Radical innovation is innovation that is completely new to the world, both in existing technology and from pre-existing methods. Meanwhile, incremental innovation is innovation in stages, carried out by developing either the previous form or the previous technology in a better direction.

MSMEs of lampit products in order to be able to provide information and increase sales widely need to take advantage of digital marketing. Digital marketing is a form of business or activity carried out by marketers, both companies and individuals in the context of marketing a product or brand, both goods and services through the use of digital information technology, such as using electronic media, or using digital media. internet based. Digital marketing based on electronic media can use advertisements on television or radio, while those based on internet media such as marketing through social media and e-

commerce. The development of information technology and marketing through digital marketing is predicted to be a turning point in the technique of marketing a product from conventional marketing to using digital marketing, not only on marketing elements but will impact all business activities as a whole, be it a large-scale business or a large-scale business. national and individual businesses that have a small scale

There are still many MSMEs of lampit products that have not paid much attention to the importance of expanding the market network by using the online platform. By paying attention to these problems, it is hoped that the lampit business people can further develop the value of innovation and increase their competitive advantage. Furthermore, what many MSMEs complain about for lampit products at HSU is the decrease in demand for lampit so that rattan stocks will accumulate. Rattan as the main raw material for lampit products which is stored for a long time is not a problem, however, if it is kept in the warehouse for too long it will cause new problems, among others, profits cannot meet the company's needs, then excess capacity will create new problems.

The cause of the undeveloped MSMEs of HSU lampit products is because of the lack of innovation of MSME lampit products. Every SMEs of lampit products must innovate because it will be very difficult for a company or organization to compete with its competitors if there is no innovation. UMKM lampit products are required to always innovate in today's increasingly modern era. Competition is something that must be faced by a company. Competitive advantage is a part of success or failure in a company (Indrajit, 2002).

Competitive advantage is the result of implementing a strategy that utilizes various resources owned by the company (Sensi Tribuana Dewi, 2006). Competitive advantage is a concept that can be seen from the company's accuracy in providing products in the market and responses to consumer complaints such as product quality, consumer needs, mastery of new markets and continuous product innovation (Aditya, 2004). Competitive advantage is also a company's ability to create superior value in order to face competition and the ability of a business to achieve abnormal profits in industry competition through a value creation strategy.

In general, consumers want innovative products according to their wishes. For micro, small and medium enterprises (MSMEs), success in developing new product innovations means that these MSMEs are one step ahead compared to their competitors. This requires MSME intelligence in understanding the tastes of their consumers so that the development of product innovations that they do is ultimately in accordance with the wishes of their consumers' demands. Thus, the development of product innovation must really be planned

and carried out carefully. According to Dubé & Renaghan (Petzer, 2008), competitive advantage can also be seen as the value a company can create to differentiate itself from its competitors. The value created can be measured through the price consumers are willing to pay for the services provided. If the consumer sees that the service can generate the expected profit, then the consumer will buy and repurchase.

MSMEs of lampit products at HSU state that their production activities will run smoothly and can last for decades to come. This can be seen from the environment where Amuntai City is a Lampit producing city in South Kalimantan. Even though outside the City of Amuntai there are many that are better in terms of production, quality of materials, quality of colors, designs of motifs that are more diverse. This is the reason why many MSMEs of HSU lampit products need to be given an understanding of innovation so that Amuntai City lampit products are more able to see environmental developments and can innovate so that MSMEs of HSU lampit products can develop rapidly and have a competitive advantage. Apart from that, of course digital marketing must also be carried out regularly so that consumers get the expected information. So that researchers want to conduct research entitled "Implementation of Incremental Innovation Analysis and Radical Innovation through Digital Marketing in Increasing the Competitive Advantage of UMKM Lampit Products in Wetland Areas of Hulu Sungai Utara Regency

2. LITERATURE REVIEW
2.1 Micro, Small and Medium Enterprises (MSMEs)

MSMEs are businesses that have a fairly high role, especially in Indonesia which is still classified as a developing country. With the large number of MSMEs, there will be more job opportunities for the unemployed. In addition, MSMEs can be used as a source of income, especially in rural areas and low-income households. The results of the study (Waridin, 2004) show that the link between economic empowerment and financing can develop undeveloped community businesses and as a holding company to meet the needs for capital, raw materials, and access to marketing networks and promote all types of community businesses so that community empowerment requires institutions economy as strengthening the local economy.

Obstacles faced in community empowerment include limited supporting factors such as production facilities, business capital/working capital, and institutional structure and system arrangements. Another factor that causes less than optimal results in the development of micro-economic businesses is caused by the lack of business capital

assistance provided to business actors as well as the limited skilled workforce, and the lack of optimal training and guidance. Empowerment carried out through the distribution of business capital can drive the growth of the people's economic sector. This is indicated by the emergence of new business actors, both in the field of household crafts, food and beverage shops, beauty salons, shops, and transportation (Aprillia, 2014).

2.2 Product Innovation

Innovation is defined as a mental process that leads to the creation of new phenomena; This phenomenon may be a new material or spiritual product, (a new service or a new technique). In fact, innovation is the analysis or combination of several concepts and creates new thoughts and concepts that were not previously available (Kao, 2001). Innovation is known as an important factor for companies to create value and maintain competitive advantage in today's highly complex and dynamic environment (Kumar, 2010). Innovation is a topic of interest to many academics and managers because it is found that it can powerfully add to realizing competitive advantage (Tellis, 1997).

Product innovation is defined as a new product or service offered to the market to meet consumer needs and wants. Product innovation is one of the impacts of rapid technological change and high product variety that will determine organizational performance (Hurley, 1998). According to (Parthasarthy, 2002) product innovation is a relatively new product for the industry that is produced through information technology owned by the company at this time (through expansion or synthesis) or by using new information technology. Product innovation is one of the impacts of rapid technological change and high product variety where innovation will determine organizational performance (Hurley, 1998).

Product innovation is creating new products that can meet the needs and desires of consumers so that there is an interest in buying these products, which means that they can be realized through purchasing decisions which are then able to compete with other products. Product innovation has 2 (two) indicators namely (Hohne, 1999)

1. Incremental innovation is utilizing the potential of a predetermined design and often strengthens the dominance of a company's capabilities. These innovations enhance the functional capabilities of existing technologies by means of small-scale improvements in value-added technology or small-scale improvements to existing products and business processes.

2. Radical innovation is innovation that introduces a new concept that deviates significantly from past practices and helps create a product or process based on a different set of techniques or scientific principles and often opens up new markets or as a result the product or service resulting from completely new method.

2.3   Digital Marketing

Marketing is the activity of a company in creating, communicating, delivering and exchanging offerings that have value for consumers or society. While the Internet is a media created digitally. In life, the internet is very easy to find the information needed, purchase goods, and much more that can be done through internet media. So now the internet has become an important medium for companies or business people in exchanging offers. Digital marketing is marketing using digital technology. The role of digital marketing is important according to the development of digital technology and developing plans to attract customers and direct them to a combination of electronic and conventional communications (Chaffey D, 2009).

The strategy of business people by utilizing digital marketing, especially through social media, can provide ways and steps to increase consumer networks in marketing their products so that business people can increase the advantages of their competitors. According to (Muljono, 2018) Digital marketing uses the internet and information technology as marketing media. The need to use the internet as a marketing medium to expand and enhance traditional marketing functions. This definition concentrates on all traditional marketing. So digital marketing helps bring together sellers and buyers supported by technological advances. Digital marketing indicators include Accessibility, Interactivity, Entertainment, Credibility, Irritation, and Informativeness

2.4   Competitive Advantage

Competitive advantage is the result of implementing a strategy that utilizes various resources needed by the company (Tribuana, 2006). Meanwhile, according to (Suparyadi, 2003) competitive advantage cannot be understood by looking at a company, but must come from the origin of competition, carried out by various companies designed by the company in designing, producing, marketing, searching for and supporting its products.

Competitive advantage basically grows from the value or benefits that a company can create for its buyers that is more than the costs that the company has to incur to create it. It is this value or benefit that buyers are willing to pay for, and superior value comes from

offering a lower price than competitors' prices for equivalent benefits or offering unique benefits that exceed the price offered (E. Porter, 1993). According to (Kotler, 2003) defining competitive advantage is an advantage over competitors that is obtained by offering lower value or by providing greater benefits because the price is higher. According to (S. Li, 2006) measuring a company's competitive advantage by using indicators such as Price, Quality, Delivery, Dependability, Product Innovation, and Time to Market.

3. RESEARCH METHOD

This research was conducted to analyze the implementation of incremental innovation analysis and radical innovation through digital marketing in increasing the competitive advantage of UMKM lampit products in the wetland area of Hulu Sungai Utara Regency. Researchers use a quantitative approach which can be interpreted as a research method based on the philosophy of positivism, used to examine certain populations or samples with sampling techniques that can generally be classified, data collection uses research instruments, data analysis is quantitative/statistical in nature with the aim of testing hypotheses which has been set.

According to (Sugiyono, 2019) the sample is part of the number of characteristics possessed by that population. This sampling is carried out if the research has a large population and has limitations in conducting research. The criteria for taking this sample must be truly representative, so that the data taken can represent the entire existing population. Meanwhile (Arikunto, 2006) says the sample is part of the population (part or representative of the population studied). The research sample is part of the population taken as a data source and can represent the entire population. The technique used to take samples in this study is accidental sampling According to (Sugiyono, 2019) accidental sampling is taking respondents as a sample based on coincidence, that is, anyone who happens to meet the researcher can be used as a sample if the person who happens to be found is suitable as a data source. The samples taken in this study were 47 SMEs of lampit products in the Wetland Area of Hulu Sungai Utara Regency (HSU).

Data collection techniques are methods used by researchers to obtain data in a study. In this study, researchers used data collection techniques by means of a questionnaire (questionnaire). The data analysis technique that will be used to test this research uses the Partial Least Square (PLS) method. PLS is a power full analysis method which in this method is not based on many assumptions. The PLS approach is distribution free (does not assume certain data, can be in the form of nominal, category, ordinal, interval, and ratio) (Ghozali,

2014). PLS uses the bootstrapping method or random multiplication where the assumption of normality will not be a problem for PLS. In addition, PLS does not require a minimum number of samples to be used in research. Research with small samples can still use PLS. PLS is classified as a nonparametric type, therefore in PLS modeling data with a normal distribution is not needed (Hussein, 2015).

4. RESULT AND DISCUSSION

In principle, testing the inner model or structural model examines the influence of one latent variable on other latent variables, both exogenous and endogenous. It can also be said to test the hypothesis between one latent variable and another latent variable. The test is carried out by looking at the percentage of the variance described, namely: R2 for the dependent latent variable which is modeled to get the influence of the independent latent variable using the stone-geisser Q square test, as well as looking at the size of the structural path coefficient. The stability of this estimate is tested using the t-statistic obtained through the bootstrapping procedure. (Wiyono, 2011:402).

4.1 Evaluation of the Structural Model

Hypothesis testing in this study was carried out after going through three (3) stages of testing the outer model (validity and reliability). The third structural model has fulfilled all the requirements of the outer model so that it can proceed to testing the inner model or testing the hypothesis of the influence between variables. In SEM PLS hypothesis testing (inner model) is to determine the influence between variables which are marked with the direction of the arrow from the variable to another variable (blue round shape). Path coefficients are the value of the path coefficient or the magnitude of the influence of the latent variable. In the PLS structural model, the path coefficients are written on each arrow from one latent variable to another. The greater the value of the path coefficients, the greater the influence and vice versa
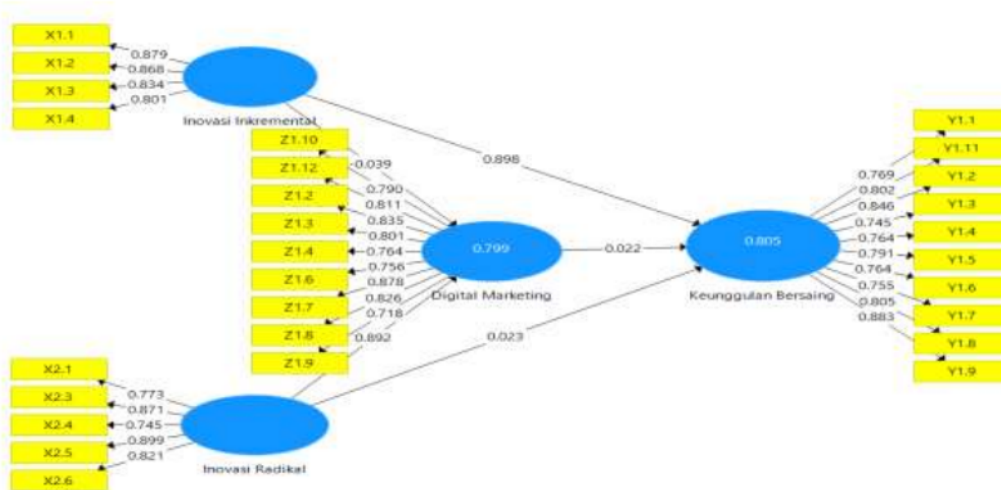
Figure 1 The path coefficient of the structural model

Source: smartPLS Outputs (2023)

The path coefficients values as shown in Figure 1 for more details are presented again in the form of table 1 below.

Table 1. The path coefficient of the structural model

No	Konstruk	Digital Marketing	Incremental Innovation	Radical Innovation	Competitive Advantage
1	Digital Marketing	1,000	-0,061	0,893	-0,013
2	Incremental Innovation	-0,061	1,000	-0,025	0,896
3	Radical Innovation	0,893	-0,025	1,000	0,020
4	Competitive Advantage	-0,013	0,896	0,020	1,000

Source: Output smartPLS (2023)

Path Coefficients only show the magnitude of the influence between variables and do not provide evidence whether the influence between the variables is significant or not. Significant or not significant test between variables in PLS is done by comparing the value of the t statistic with a 5% significance t of 1.96. (Chin, 1998 and 2010), (Hair. et.al, 2011 and

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2012) in (Latan and Ghozali, 2012). The inner T of the PLS structural model is obtained by the bootstrapping method. The result of the t statistic calculation is shown in Figure 2
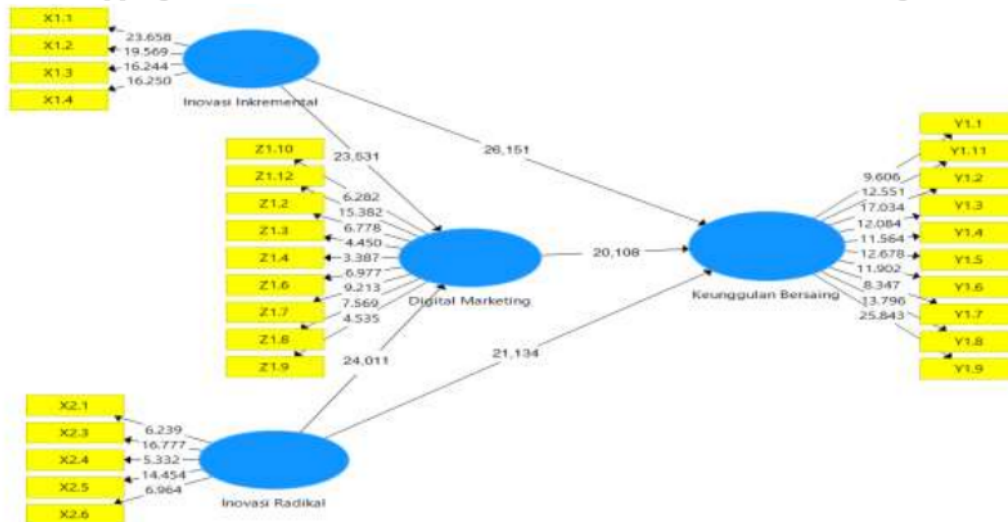

Figure 2. Structural model t-statistic values
Source: smartPLS Outputs (2023)

Testing the significance of the partial effect of each exogenous variable on the endogenous variable is carried out by comparing the t statistical value with t significance. If the T-statistic is higher than the significance T value, it means that the hypothesis is supported or accepted. This study used a 95 percent confidence level or significant level = 5%, so the significance T value for the two-tailed hypothesis was 1.96. (Chin, 1998 and 2010), Hair. et.al (2011 and 2012) in Latan and Ghozali (2012)

Table 2. Path coefficients and t-statistics: the inner structural model

No	Influence between Variables	Coefficient	t	P values	Decision
1	Incremental Innovation -> Digital Marketing	0,039	23,531	0,000	Significant
2	Incremental Innovation -> Competitive Advantage	0,898	26,151	0,000	Significant

No	Influence between Variables	Coefficient	t	P values	Decision
3	Radical Innovation -> Digital Marketing	0,892	24,011	0,000	Significant
4	Radical Innovation -> Competitive Advantage	0,023	21,134	0,000	Significant
5	Digital Marketing -> Competitive Advantage	0,022	20,108	0,000	Significant
6	Incremental Innovation -> Digital Marketing -> Competitive Advantage	0,001	14,059	0,013	Significant
7	Radical Innovation -> Digital Marketing -> Competitive Advantage	0,019	20,106	0,000	Significant

Source: Output smartPLS (2023)

The data presented in the table above can be interpreted by looking at the path coefficients which indicate the coefficient of influence between variables. Furthermore, to determine the level of significance of the relationship between variables, namely by looking at statistical values. If the t-statistic value > t-table, the results are significant (Chin, 1998 and 2010), (Hair. et.al, 2011 and 2012) in (Latan and Ghozali, 2012). The t-table value can be known by calculating the formula for the degree of suitability. Based on the calculation of the degree of conformity formula that has been carried out using a significant level of 5% (one-tailed) or a 95% confidence level, it can be seen that the t-table is 1.96.

The first hypothesis test was conducted to test the effect of incremental innovation variables on digital marketing variables. Proof of whether there is a significant effect is done by comparing the t-statistical value of the results of bootstrapping with a significance t of 5%. Based on the test results, it is known that the t count > t statistic is: 23.531 > 1.96 or the sig. 0.000 < 0.05. It can be concluded that incremental innovation has proven to have a significant effect on digital marketing. Thus, the first hypothesis is accepted as true.

Testing the second hypothesis was conducted to test the effect of incremental innovation variables on competitive advantage variables. Proof of whether there is a significant effect is done by comparing the t-statistical value of the results of bootstrapping with a significance t of 5%. Based on the test results, it is known that the t count > t statistic is: 26.151 > 1.96 or the sig. 0.000 < 0.05. It can be concluded that incremental innovation has a significant effect on competitive advantage. Thus the second hypothesis is accepted as true

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Testing the third hypothesis was carried out to test the effect of radical innovation variables on digital marketing variables. Proof of whether there is a significant effect is done by comparing the t-statistical value of the results of bootstrapping with a significance t of 5%. Based on the test results, it is known that the t count > t statistic is: 24.011 > 1.96 or the sig. 0.000 < 0.05. It can be concluded that radical innovation has proven to have a significant effect on digital marketing. Thus, the third hypothesis is accepted as true.

Testing the fourth hypothesis was conducted to test the effect of radical innovation variables on competitive advantage variables. Proof of whether there is a significant effect is done by comparing the t-statistical value of the results of bootstrapping with a significance t of 5%. Based on the test results, it is known that the t count > t statistic is: 21.134 > 1.96 or the sig. 0.000 < 0.05. It can be concluded that radical innovation has proven to have a significant effect on competitive advantage. Thus, the fourth hypothesis is accepted as true.

Testing the fifth hypothesis was carried out to test the effect of digital marketing variables on competitive advantage variables. Proof of whether there is a significant effect is done by comparing the t-statistical value of the results of bootstrapping with a significance t of 5%. Based on the test results, it is known that the t count > t statistic is: 20.108 > 1.96 or the sig. 0.000 < 0.05. It can be concluded that digital marketing has proven to have a significant effect on competitive advantage. Thus, the fifth hypothesis is accepted as true

Testing the sixth hypothesis was carried out to test the effect of incremental innovation variables on competitive advantage variables through digital marketing. Proof of whether there is a significant effect is done by comparing the t-statistical value of the results of bootstrapping with a significance t of 5%. Based on the test results, it is known that the t count > t statistic is: 14.059 > 1.96 or the sig. 0.013 <0.05. It can be concluded that incremental innovation has proven to have a significant effect on competitive advantage through digital marketing. Thus, the sixth hypothesis is accepted as true.

Testing the seventh hypothesis was carried out to test the effect of radical innovation variables on competitive advantage variables through digital marketing. Proof of whether there is a significant effect is done by comparing the t-statistical value of the results of bootstrapping with a significance t of 5%. Based on the test results, it is known that the t count > t statistic is: 20.106 > 1.96 or the sig. 0.000 < 0.05. It can be concluded that radical innovation has proven to have a significant effect on competitive advantage through digital marketing. Thus, the seventh hypothesis is accepted as true

4.2   Evaluation of Goodness of Fit structural model

In principle, testing the inner model or structural model tests the goodness of fit of the structural model and continues testing the influence of one latent variable on other latent variables, both exogenous and endogenous. The structural model must meet the criteria of the goodness of models of various sizes that are commonly used.

1.   **The coefficient of determination (R-Square)**

The predictive power of a structural model can be measured using R Square (R2). The use of R Square (R2) to explain the effect of certain exogenous latent variables on endogenous latent variables does it have a certain effect. R Square values (R2) with scores of 0.67, 0.33 and 0.19 indicate that the model is strong, moderate and weak (Chin et al, 1998 in Ghozali and Latan, 2015). The value of R Square (R2) is contained in table 3.

Table 3. R-Square and Adjusted R-Square models

No	Variable	R Square	Adjusted R Square
1	Digital Marketing	0,799	0,790
2	Competitive Advantage	0,805	0,792

Source: Output smartPLS (2023)

From the results of the R Square analysis, it shows that digital marketing varies by incremental innovation and radical innovation by 79%, the remaining 21% is varied by other variables that are not included in this research model. The contribution of incremental innovation and radical innovation to digital marketing is in the substantial (strong) category. Meanwhile, the variation of competitive advantage is determined by incremental innovation, radical innovation, and digital marketing of 79.2%, the remaining 20.8% is varied by other variables that are not included in this research model. The contribution of incremental innovation, radical innovation, and digital marketing to competitive advantage is in the substantial (strong) category.

2.   **Goodness of Fit (GoF)**

In PLS Path Modeling can identify global optimization criteria to determine the Goodness of Fit index. The Goodness of Fit or GoF index developed by (Tenehause et al., 2004) is used to evaluate measurement models and structural models and in addition provides a simple measure of overall model predictions. The GoF score criteria are 0.10, 0.25

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and 0.36 which indicate that GoF is small, GoF Medium and GoF Large (Ghozali and Latan, 2015). GoF values can be seen in the following table 20

Table 4. R Square and the Communality Index Model

No	Variable	R Square	Communality
1	Digital Marketing	0,799	0,619
2	Competitive Advantage	0,805	0,793

Source: Output smartPLS (2023)

Furthermore, to find out the goodness of fit (GoF) structural model of digital marketing variables, it is calculated by means of the square root of the average communality index and average R Square values, as follows:

GoF $= \sqrt{0.799 * 0.619}$
$= \sqrt{0.494}$
$= 0,702$

The greater the value of GoF, the more appropriate the depiction of the model. According to (Wiyono, 2011) the GoF score category is divided into three, namely 0.1 (weak), 0.25 (moderate), and 0.36 (large). A GoF value of 0.739 is interpreted as a large GoF, meaning that the measurement model (outer model) with the structural model (inner model) is feasible or valid. Furthermore, to find out the goodness of fit (GoF) structural model of the competitive advantage variable, it is calculated by means of the square root value of the average communality index and average R Squares, as follows:

GoF $= \sqrt{0.805 * 0.793}$
$= \sqrt{0.638}$
$= 0,798$

The greater the value of GoF, the more appropriate the depiction of the model. According to (Wiyono, 2011) the GoF score category is divided into three, namely 0.1 (weak), 0.25 (moderate), and 0.36 (large). A GoF value of 0.739 is interpreted as a large GoF, meaning that the measurement model (outer model) with the structural model (inner model) is feasible or valid.

5. CONCLUSION

Based on the results, analysis and discussion, the conclusions of this study are as follows:

1. Incremental Innovation and Radical Innovation have a significant effect on Digital Marketing for Lampit MSMEs in the Wetland Area of Hulu Sungai Utara Regency
2. Incremental Innovation and Radical Innovation have a significant effect on Competitive Advantage of Lampit MSMEs in the Wetland Area of Hulu Sungai Utara Regency
3. Digital Marketing has a significant effect on Competitive Advantage in Lampit MSMEs in the Wetland Area of Hulu Sungai Utara Regency
4. Incremental Innovation and Radical Innovation have a significant effect on Competitive Advantage through Digital Marketing for Lampit MSMEs in the Wetland Area of Hulu Sungai Utara Regency

Suggestions that can be given for further research are:

1. Product quality is the main asset of UMKM Lampit. Ensure that each product produced maintains high quality standards, as this builds a positive reputation and customer loyalty.
2. Continue to create new and innovative products. Based on market research, identify the latest trends and evolving customer needs, then design relevant and attractive products.
3. Consider expanding into new markets. This could mean entering new geographic markets or targeting previously unexplored customer segments.
4. Continue to improve digital marketing efforts. Use social media, websites and other online marketing tools to reach a wider audience and generate sales.

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