

DOI: <https://doi.org/10.38035/dijemss.v7i6><https://creativecommons.org/licenses/by/4.0/>

Traditional Food Strategies Face Foreign Food Mediated By Product Innovation

Bintang Narpati¹, Eri Bukhari²

¹Universitas Bhayangkara Jakarta Raya, Bekasi, Indonesia, bintang.narpati@dsn.ubharajaya.ac.id

²Universitas Bhayangkara Jakarta Raya, Bekasi, Indonesia.

Corresponding Author: bintang.narpati@dsn.ubharajaya.ac.id¹

Abstract: This study aims to analyze traditional food strategies in facing competition with foreign foods using Dynamic Capability Theory, with product innovation as a mediating variable in Micro, Small, and Medium Enterprises (MSMEs) culinary in Bekasi City. The research uses a quantitative approach with a survey design, where data is obtained through the distribution of questionnaires to culinary MSME actors in Bekasi City who were selected due to the rapid growth of the culinary sector. Data analysis was carried out using the Structural Equation Modeling (PLS-SEM) method, including validity, reliability, and path analysis tests to test the direct and indirect relationships between variables. The results of the study show that Digital Transformation and Knowledge Management as dynamic capabilities have a positive and significant effect on the business performance of culinary MSMEs. Product innovation acts as a mediator that strengthens the influence of these two variables on business performance, thereby increasing the competitiveness of traditional foods in the face of foreign food. Theoretically, this study strengthens the application of Dynamic Capability Theory in explaining the ability of culinary MSMEs to sense, capture, and reconfigure to maintain a competitive advantage. This study has a limited scope that only focuses on Bekasi City, so the results cannot be fully generalized to other regions, as well as limitations of secondary data that can affect the depth of analysis. However, this research makes an original contribution by integrating Digital Transformation and knowledge management within the framework of Dynamic Capability Theory with product innovation as a strategic mechanism, while highlighting efforts to revitalize traditional cuisine as a strategy to deal with the dominance of foreign food in the era of globalization.

Keywords: Dynamic Capability Theory, Digital Transformation, Knowledge Management, Product Innovation, Business Performance.

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are an important pillar of the Indonesian economy with significant contributions to GDP and national labor absorption (Ariyanti, 2023; Sasongko, 2020). The resilience of MSMEs in facing various crises, including the Covid-19 pandemic, shows their ability to adapt through Digital Transformation and the

use of e-commerce (Amartha, 2024). This strategic role is also reflected in the culinary sector which is one of the most dynamic MSME subsectors in various regions, including Bekasi City.

The growth of culinary MSMEs in Bekasi City during the 2020–2024 period shows an increase in both traditional and foreign foods (Dinkop City Bekasi, 2024). However, data from BPS Bekasi City (2024) shows that foreign food grows faster (29.98%) than traditional food (9.98%). Traditional food develops through nostalgic factors, cultural identity, packaging innovation, and sales digitalization such as the use of GoFood and ShopeeFood platforms (Renko & Buvcar, 2014). In contrast, foreign food is experiencing rapid expansion due to the influence of global trends, the preferences of the younger generation, conceptual innovations such as grab-and-go and fusion food, and the use of technology including AI-based recipes (Ali, 2025). This condition shows that there is increasingly fierce competition and demands traditional culinary MSMEs in Bekasi to strengthen adaptive strategies to remain competitive.

The phenomenon of competition between traditional food and foreign food shows that there are real challenges for culinary MSMEs in Bekasi. Practically, MSME actors still face limitations in the use of Digital Transformation, low *Knowledge Management* such as recipe documentation and innovation, lack of new product development, and stagnation of business performance due to competition with foreign products. Theoretically, previous research has shown inconsistent results related to the influence of *Digital Transformation* and *Knowledge Management* on business performance, as well as limited research that places *product innovation* as a mediating variable in this relationship, especially in the culinary MSME sector.

Based on these gaps, this research provides practical and policy contributions to the development of culinary MSMEs, especially through the optimization of Digital Transformation and knowledge management to improve product innovation and business performance. Theoretically, this study expands the application of Dynamic Capability Theory (DCT) by testing its relevance in the context of traditional culinary MSMEs, thereby enriching the understanding of how sensing, seizing, and reconfiguring mechanisms are implemented in local culture-based sectors facing globalization pressures.

Dynamic Capability Theory (DCT) is the basis of this research because it explains the ability of companies to integrate and reconfigure competencies to deal with changing business environments (Teece et al., 1997). In the context of Bekasi culinary MSMEs, DCT is relevant to understand shifting consumer preferences due to globalization and digital trends. In contrast to static Resource-Based View (RBV), DCT emphasizes dynamic adaptation through sensing, recap, and reconfiguration processes (Teece, 2023)), thus providing a comprehensive theoretical framework for MSMEs to survive and thrive through internal innovation without relying entirely on external factors.

In this study, the concept of sensing is realized through *the Digital Transformation variable* that integrates digital technology (Ellström et al., 2022) such as e-commerce, social media, and data analysis to improve business efficiency and competitiveness. The reseizing process is concerned with the organization's ability to take advantage of opportunities through flexible structures, collaborations, and systems that support innovation (Wilden & Gudergan, 2009) Meanwhile, the reconfiguration/transformation process emphasizes the rearrangement of organizational assets and capabilities through decentralization of decision-making and effective resource management (Girod & Whittington, 2017) In addition, *Knowledge Management* plays an important role in managing and utilizing internal and external knowledge to increase innovation and strategic decision-making (Hafiz et al., 2025), especially for MSMEs that have limited access to information and technology.

Dynamic Capability Theory (DCT) explains that sustainable competitive advantage is built through three main processes, namely sensing, seizing, and reconfiguring (Teece et al., 1997). In the context of this research, Digital Transformation represents sensing capabilities, because through the use of e-commerce, social media, and data analytics, MSMEs are able to

detect changes in consumer preferences, foreign food trends, and new market opportunities more quickly and accurately. This ability allows traditional culinary MSME actors in Bekasi City to read the dynamics of competition and identify innovation needs.

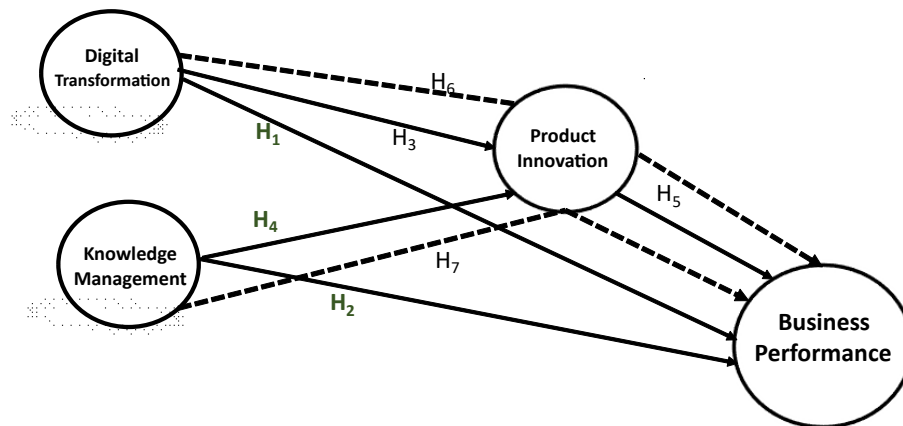
Furthermore, Knowledge Management plays a role as a seizing capability, which is the ability of the organization to take advantage of opportunities that have been identified through the management, integration, and utilization of internal and external knowledge. The practice of recipe documentation, organizational learning, and business experience sharing allows MSMEs to turn market information into strategic decisions and value-added product development.

The product innovation reflects the reconfiguration process, namely the ability to recombine resources, update recipes, modify packaging, and adjust the presentation model to be more relevant to market trends without losing traditional identity. This reconfiguration process ultimately has an impact on business performance, which is reflected in increased sales, customer satisfaction, and the competitiveness of traditional culinary MSMEs.

Thus, the integration of Digital Transformation, Knowledge Management, and product innovation in this study is not only a causal relationship between variables, but conceptually represents the operational mechanism of Dynamic Capability Theory in the context of traditional culinary MSMEs facing the pressure of globalization and foreign food expansion.

This research also places *product innovation* as a mediating variable that links internal capabilities to improved *business performance*. Product innovation includes the development or improvement of products to meet market needs and increase competitiveness through added value for customers (Azhari & Ali, 2024). Meanwhile, *Business Performance* is defined as business performance that contributes to economic growth, productivity, and organizational competitiveness (Grifell-Tatjé & Lovell, 2015). Thus, the integration of *Digital Transformation*, *knowledge management*, and *product innovation* within the framework of *Dynamic Capability Theory* is expected to be able to improve the performance of MSMEs in a sustainable manner.

Although various previous studies have examined the influence of Digital Transformation on the performance of MSMEs and the role of Knowledge Management in improving innovation and organizational performance, most of these studies are still conducted separately and have not integrated the two variables simultaneously in a single complete conceptual framework. In addition, previous research generally has not placed product innovation as a mediating variable that bridges the relationship between Digital Transformation and Knowledge Management to business performance, especially in the context of traditional culinary MSMEs. Furthermore, studies that explicitly use Dynamic Capability Theory (DCT) to explain the mechanism of sensing, seizing, and reconfiguring through the integration of Digital Transformation and Knowledge Management in improving the performance of MSMEs are still limited. Therefore, this study fills the gap by simultaneously testing Digital Transformation and Knowledge Management within the framework of DCT, with product innovation as a mediator, in traditional culinary MSMEs in Bekasi City.



Source : Data processed, 2026

Figure 1. Conceptual Framework

Recent research has explored the influence of digital technology on the performance of MSMEs. Meanwhile (Riawan et al., 2023) noted that digital technology has a positive impact on agility strategies, which in turn improves performance. Research (Pradana et al., 2024) shows that Digital Transformation has a significant impact on the performance of MSMEs in Indonesia.

H1: There is a Digital Transformation that has a positive effect on Business Performance.

Research from Gholami et al. (2013) Knowledge Management Practice directly affects the performance of small and medium business organizations. Knowledge Management has a positive and significant influence on the performance of MSMEs (Apriliadi & Adman, 2019).

H2 : Knowledge Management has a positive effect on Business Performance.

According to Almaazmi et al. (2020) Digital Transformation has a significant impact on product innovation, according to Mo (2024) that Digital Transformation has a positive impact on product innovation through the mediating role of business model innovation and the role of knowledge sharing moderation.

H3 : Digital Transformation has a positive effect on Product Innovation.

According to Bhardwaj (2019), Knowledge Management, including the creation and dissemination of intelligence, facilitates new product innovation in intrapreneurial companies. According to Siregar et al. (2019), Knowledge Management has an important role in driving innovation, including product innovation.

H4 : Knowledge Management has a positive effect on Product Innovation.

The results of research from Hadi, (2023a) show that product innovation has a positive effect on the performance of MSMEs, the results of this research by Dari & Isfianadewi (2020) prove that product innovation has a positive and significant effect on company performance.

H5 : Product Innovation has a positive effect on Business Performance.

According to (Merín-Rodrigáñez et al., 2024), Business model innovation mediates a positive relationship between Digital Transformation and company performance in innovative MSMEs. According to (Al-Ayed et al., 2023), Digital Transformation has a positive impact on organizational performance through the role of innovation mediators.

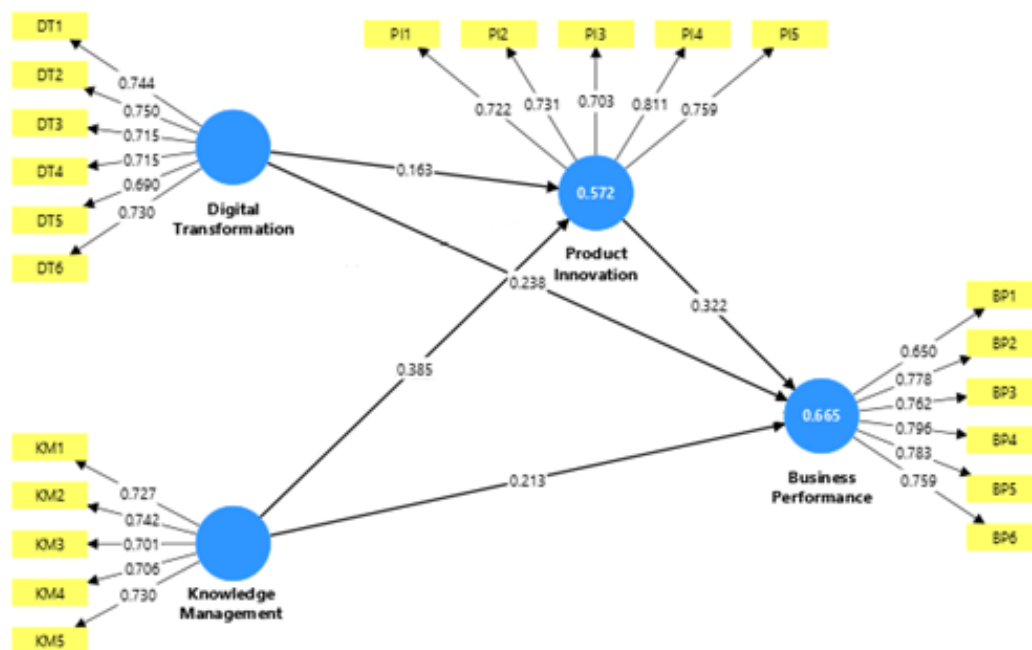
H6 : Digital Transformation has a positive effect on Business Performance through the mediation of Product Innovation.

According to Turulja & Bajgorić (2018), the acquisition and application of knowledge indirectly improves business performance through product and process innovation. According to Byukusenge et al. (2016), Innovation fully mediates the relationship between Knowledge Management and business performance for MSMEs in Rwanda.

H7 : Knowledge Management has a positive effect on Business Performance through the mediation of Product Innovation

METHOD

The validity test in this study was carried out by evaluating the outer loading value of each indicator. Referring to Hair et al. (2017), a loading factor value of 0.70 indicates strong convergent validity. However, in model-based research in the context of heterogeneous MSMEs, a loading value between 0.60–0.70 is still acceptable as long as the Average Variance Extracted (AVE) value and the reliability of the construct meet the required criteria. The test results showed that all indicators had a loading factor value of ≥ 0.70 , so they met the criteria of strong convergent validity according to the recommendations of Hair et al., (2017).



Source : data processed 2026

Figure 2 Research Model

The convergent validity was also evaluated using the Average Variance Extracted (AVE) value presented in Table 1. All constructs have an AVE value above 0.50, so they meet the criteria for convergent validity (Hair et al., 2017). Furthermore, the validity of the discriminant was tested using the Heterotrait-Monotrait Ratio (HTMT) method as shown in Table 1. The results of the analysis showed that all variables had an AVE value above 0.50, namely Business Performance (0.63), Digital Transformation (0.59), Knowledge Management (0.55), and Product Innovation (0.61), thus meeting the criteria for convergent validity.

Furthermore, the validity of the discriminant was tested using the Heterotrait–Monotrait Ratio (HTMT) method. HTMT values smaller than 0.90 indicate that the constructs in the model have adequate discrimination (Hair et al., 2017). The test results showed that all HTMT values between variables were below the limit of 0.90, so it can be concluded that each construct has good discriminant validity and there is no conceptual multicollinearity problem in the research model.

Table 1. Discriminant Validity (HTMT)

Variabel	BP	DT	KM	PI
Business Performance (BP)	—			
Digital Transformation (DT)	0.74	—		
Knowledge Management (KM)	0.69	0.72	—	
Product Innovation (PI)	0.77	0.70	0.73	—

Sumber : data diolah 2026

The reliability test is met if the Alpha Cronbach value is ≥ 0.60 and the Composite Reliability ≥ 0.70 . The test results showed that all variables, namely *Business Performance* ($\alpha = 0.851$; CR = 0.893), *Digital Transformation* ($\alpha = 0.789$; CR = 0.855), *Knowledge Management* ($\alpha = 0.730$; CR = 0.832), and *Product innovation* ($\alpha = 0.804$; CR = 0.865), has a value above the set standard.

Table 2. Construct Reliability and Convergent Validity

Variabel	Cronbach Alpha	Composite Reliability	AVE
Business Performance	0.851	0.893	0.63
Digital Transformation	0.789	0.855	0.59
Knowledge Management	0.730	0.832	0.55
Product Innovation	0.804	0.865	0.61

Source : data processed 2026

Based on these results, it can be concluded that all variables in the research model have a good level of validity and reliability, so that the research instrument is declared consistent, reliable, and suitable for further analysis.

The feasibility test of the model in this study uses the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach. In contrast to covariance-based SEM, the evaluation of the model in PLS-SEM does not focus on the Chi-square value as the main measure of model suitability. Therefore, this study focuses on the evaluation of goodness of fit on the Standardized Root Mean Square Residual (SRMR) and Normed Fit Index (NFI) values.

The results of the analysis showed that the SRMR value of 0.078 was below the cut-off limit of 0.08, thus indicating that the model had a good level of conformity. The NFI value of 0.711 indicates a moderate level of model fit and is still acceptable in the context of PLS-SEM-based social research.

The d_ULS and d_G values were reported as an additional measure of discrepancy. Although d_G values indicate suboptimal results, this indicator is not the main criterion in the evaluation of the PLS-SEM model. Therefore, based on SRMR and NFI values, the research model can be declared to have an adequate level of feasibility to continue in the evaluation of the structural model.

Table 3. Goodness of Fit Test Results

Test	Estimated Model	Results
SRMR	< 0.078	Good Fit
d_ULS	2.309	Good Fit
d_G	0.729	Poor Fit
NFI	0.711	Good Fit

Source : data processed by researchers 2026

Based on the provision that at least one fit indicator is sufficient, the research model is declared feasible and can be continued to the next stage of analysis. Significance analysis was performed through a bootstrapping procedure with 5,000 resamples and a bias-corrected confidence interval approach at a significance level of 5%. This method allows for a more stable and robust parameter estimation in the PLS-SEM model.

Evaluation of the structural model using the R-square value showed that the variables Digital Transformation, Knowledge Management, and product innovation were able to explain Business Performance by 67.2% (strong influence), while Digital Transformation and Knowledge Management explained product innovation by 56.1% (medium influence). This shows that independent variables have a considerable ability to explain endogenous variables in the research model.

In addition to the R-square value, this study also evaluated the effect size (f^2) to determine the contribution of each exogenous variable to the endogenous variable. Referring to Hair et al. (2017), the f^2 value of 0.02 is categorized as small, 0.15 medium, and 0.35 large. The results of the analysis show that Digital Transformation and Knowledge Management have varied contributions to Product Innovation and Business Performance in the small to medium categories. These findings suggest that although the relationship between variables is statistically significant, the contribution rate of each construct to endogenous variables differs.

In addition, this study also tested predictive relevance (Q^2) using the blindfolding procedure. The model is stated to have predictive capabilities if the Q^2 value is > 0 (Hair et al., 2017). The test results showed that the Q^2 value for Product Innovation and Business Performance was above zero, so the model had adequate predictive capabilities in explaining the phenomenon of traditional culinary MSMEs in Bekasi City.

Table 4. Effect Size (f^2)

Variable Relationships	f^2	Category
Digital Transformation → Business Performance	0.12	Small
Knowledge Management → Business Performance	0.08	Small
Digital Transformation → Product Innovation	0.07	Small
Knowledge Management → Product Innovation	0.21	Medium
Product Innovation → Business Performance	0.18	Medium

Table 5. Predictive Relevance (Q^2)

Variable endogenous	Q^2	Remarks
Product Innovation	0.327	Predictive relevance
Business Performance	0.412	Predictive relevance

Source : data processed 2026

With the fulfillment of the R^2 , f^2 , and Q^2 criteria, the structural model in this study can be stated to have adequate explanatory ability and predictive relevance in explaining the performance of traditional culinary MSMEs.

The results of the special indirect effects test showed that the indirect influence through product innovation was statistically significant. Digital Transformation → Product innovation → the Business Performance pathway has a coefficient value of 0.053 ($T = 2.549$; $p = 0.011$),

and Knowledge Management → Product Innovation → Business Performance is 0.102 ($T = 3.054$; $p = 0.002$), and the other pathways are also significant ($T = 2.669$; $p = 0.008$).

Table 6. Special Indirect Effect Value

Variabel	Original sample (O)	T statistics	P values
<i>Digital_Transformation -> Product_Innovation -> Business_Performance</i>	0.053	2.549	0.011
<i>Knowledge_Management -> Product_Innovation -> Business_Performance</i>	0.102	3.054	0.002

Source : data processed 2026

Thus, product innovation has proven to play an important role in the relationship between internal capabilities and MSME business performance.

RESULTS AND DISCUSSION

This study involved 165 respondents of traditional food MSME actors in Bekasi City, with the majority of respondents aged 35–44 years old who have experience and skills in the culinary business as well as family economic motivation.

The results of the hypothesis test showed that all research hypotheses were supported because they had a $p < \text{value of } 0.05$, both for direct and indirect influences between variables.

Table 7. Results of Direct and Indirect Influence Hypothesis Test

Hipotesis	Description	Forecast	nilai-p	Conclusion
H1	There is a positive influence of <i>Digital Transformation</i> on <i>Business Performance</i>	0.257	0.000	Supported
H2	There is a positive influence of <i>Knowledge Management</i> on <i>Business Performance</i>	0.195	0.012	Supported
H3	There is a positive influence of <i>Digital Transformation</i> on <i>Product innovation</i>	0.183	0.002	Supported
H4	There is a positive influence of <i>Knowledge Management</i> on <i>Product innovation</i>	0.353	0.000	Supported
H5	There is a positive influence of <i>Product innovation</i> on <i>Business Performance</i>	0.288	0.000	Supported
H6	There is a positive influence of <i>Digital Transformation</i> on <i>Business Performance</i> mediated by <i>Product innovation</i>	0.053	0.011	Supported
H7	There is a positive influence of <i>Knowledge Management</i> on <i>Business Performance</i> mediated by <i>Product innovation</i>	0.102	0.002	Supported

Source : data processed 2026

The path coefficients on H6 and H7 show that product innovation mediates the relationship between Digital Transformation and Knowledge Management and Business Performance, with indirect influence values of 0.053 and 0.102.

The results of this study not only show the significance of the relationship between variables, but also provide empirical validation of the Dynamic Capability Theory (DCT) mechanism. Digital Transformation in the context of traditional culinary MSMEs plays a role as sensing capability, which is the ability to detect changes in the business environment quickly and accurately. Through the use of e-commerce, social media, and market analytics, MSME actors are able to identify shifts in consumer preferences towards foreign foods, modern packaging trends, and the consumption patterns of the younger generation. Thus, Digital Transformation is not just an operational tool, but a strategic mechanism to read market opportunities and threats in real-time.

Meanwhile, Knowledge Management in this study reflects more of the function of reconfiguring capability. After opportunities and threats are identified through the sensing process, MSMEs need to reorganize their internal resources. The practice of recipe documentation, business experience sharing, organizational learning, and external knowledge integration allows business actors to make product updates, adjust marketing strategies, and improve operational processes. This process is a form of reconfiguring assets and internal competencies to remain relevant to changing market dynamics.

Product innovation in this model serves as a concrete manifestation of the reconfiguration process. When Digital Transformation allows MSMEs to read market trends (sensing) and Knowledge Management allows strategic information processing and integration, product innovation becomes the actual result of the combination of these two capabilities. Therefore, the mediating role of product innovation shows that the competitive advantage of MSMEs is not formed instantly, but through a dynamic process involving opportunity detection, knowledge processing, and resource restructuring.

These findings reinforce the argument that in traditional culinary sectors facing the pressures of globalization and the expansion of foreign foods, success is not only determined by the ownership of resources, but by the ability to dynamically adapt and reconfigure those resources. Thus, the results of this study provide empirical support for the implementation of DCT in the context of MSMEs based on local culture.

Knowledge Management also has a positive effect on Business Performance and product innovation, although its application is still not optimal, especially in technology exploration and strategic knowledge utilization. A culture of knowledge sharing, organizational learning, and internal resource management are important factors in improving innovation and performance of MSMEs. In addition, product innovation has been shown to have a positive effect on Business Performance by increasing customer satisfaction, product diversification, and market expansion.

In addition to direct influence, research also shows that product innovation plays a significant mediator in the relationship between Digital Transformation and Knowledge Management on business performance. Based on the results of the path analysis, both direct and indirect influences on both mediation relationships were proven to be significant. Therefore, product innovation is classified as partial mediation in the relationship between Digital Transformation and Knowledge Management to business performance. This shows that Digital Transformation and Knowledge Management continue to have a direct influence on business performance, while product innovation plays a role in strengthening these relationships.

Digital Transformation and Knowledge Management drive product innovation, such as packaging innovation and recipe development, which strengthens the competitive position of

traditional culinary MSMEs. These findings confirm that strengthening internal capabilities is a key adaptive strategy in responding to market changes without losing local identity.

Practically, the findings of this study provide strategic direction for traditional culinary MSMEs in dealing with the expansion of foreign food in Bekasi City. Business actors need to utilize Digital Transformation not only as a means of promotion, but as a tool to monitor market trends, analyze consumer preferences, and evaluate customer responses on an ongoing basis. In addition, strengthening Knowledge Management through recipe documentation, standardization of production processes, and experience sharing forums between MSME actors can accelerate the adaptation of product innovation without eliminating traditional identities. MSMEs are also advised to develop differentiation based on local cultural values, such as product storytelling, halal certification and food safety, as well as modern packaging innovations that maintain the authenticity of taste. With this approach, traditional culinary MSMEs are not only able to survive foreign food competition, but also create unique positioning that is difficult for global trend-based products to replicate.

CONCLUSION

This research resulted in three main findings. First, Digital Transformation and Knowledge Management have proven to have a positive effect on the business performance of traditional culinary MSMEs, showing that technology-based and knowledge-based internal capabilities are strategic factors in facing foreign food competition. Second, these two capabilities also encourage product innovation as a form of adaptation to changing consumer preferences and market dynamics. Third, product innovation acts as a partial mediator that strengthens the relationship between Digital Transformation, Knowledge Management, and business performance, thus emphasizing the importance of reconfiguring mechanisms within the framework of Dynamic Capability Theory (DCT).

This study has limitations in the scope of the area that only includes traditional culinary MSMEs in Bekasi City, so the generalization of findings to other regions needs to be done carefully. In addition, the use of survey methods with a cross-sectional approach has the potential to cause a bias in respondents' perceptions and has not been able to capture the dynamics of longitudinal capability changes.

Further research is suggested to expand the scope of the region and use a longitudinal design to observe the development of dynamic capabilities in more depth. In addition, follow-up studies can test moderation variables such as market orientation or digital marketing capabilities to enrich understanding of factors that strengthen or weaken the influence of Digital Transformation and Knowledge Management on the performance of MSMEs.

REFERENCES

- Al-Ayed, S. I., Al-Tit, A. A., & Alashjaee, A. (2023). The Effect of Digital Transformation on Organizational Performance by A Mediating Role of Digital Innovation. *Migration Letters*, 20(7), 380–394.
- Ali, M. (2025). Dinamika Tren Kuliner Asing dan Tantangan Pelestarian Kuliner Tradisional di Indonesia. *Journal Of Economics, Business, Management, Accounting And Social Sciences*, 3(3). <https://doi.org/https://doi.org/10.63200/jebmass.v3i3.186>
- Almaazmi, J., Alshurideh, M. T., Kurdi, B. H. Al, & Salloum, S. A. (2020). The Effect of Digital Transformation on Product Innovation: A Critical Review. *International Conference on Advanced Intelligent System and Informatics*. <https://api.semanticscholar.org/CorpusID:225108789>
- Amartha, T. B. (2024). *Kontribusi dan Peran UMKM dalam Perekonomian Indonesia*. Amarta. <https://amartha.com/blog/work-smart/kontribusi-dan-peran-umkm-dalam-perekonomian-indonesia/>

- Apriliadi, A., & Adman. (2019). The Impact of Knowledge Management on SMEs Performance in the city of Bandung. *International Journal of Recent Technology and Engineering (IJRTE)*, 8(3S2). <https://doi.org/DOI:10.35940/ijrte.C1123.1083S219>
- Ariyanti, L. (2023). *Kebijakan Pemerintah Dalam Pemberdayaan UMKM*. KPPN Cirebon. <https://shorturl.at/1UA6j>
- Azhari, F., & Ali, H. (2024). Peran Inovasi Produk, Strategi Pemasaran, dan Kualitas Layanan terhadap Peningkatan Kinerja Perusahaan. *Jurnal Manajemen Dan Pemasaran Digital*, 2(2). <https://doi.org/https://doi.org/10.38035/jmpd.v2i2.146>
- Bekasi, D. U. K. (2024). *Dinas Koperasi, Usaha Kecil dan Menengah Kota Bekasi*. Dinas Koperasi UKM Kota Bekasi. <https://dkukm.bekasikota.go.id/>
- Bhardwaj, B. R. (2019). Influence of knowledge management on product innovation by intrapreneurial firms. *Global Knowledge, Memory and Communication*. <https://api.semanticscholar.org/CorpusID:203526331>
- Byukusenge, E., Munene, J. C., & Orobias, L. A. (2016). Knowledge Management and Business Performance: Mediating Effect of Innovation. *Journal of Business Management*, 4, 82–92. <https://api.semanticscholar.org/CorpusID:168195467>
- Dari, W., & Isfianadewi, D. (2020). Product Innovation Strategy and Dynamic Environment Against the Improvement of Company Performance at MSME in Kulon Progo. *Jurnal Manajemen Bisnis*, 11(2). <https://doi.org/10.18196/mb.11294>
- Ellström, D., Holtstrom, J., Berg, E., & Johansson, C. (2022). Dynamic capabilities for digital transformation. *Journal of Strategy and Management*, 15(2). <https://doi.org/https://doi.org/10.1108/jsma-04-2021-0089>
- Gholami, M. H., Asli, M. N., NazariShirkouhi, S., & Noruzy, A. (2013). Investigating the Influence of Knowledge Management Practices on Organizational Performance: An Empirical Study. *Acta Polytechnica Hungarica*, 10(2), 205–216.
- Girod, S. J. G., & Whittington, R. (2017). Reconfiguration, restructuring and firm performance: Dynamic capabilities and environmental dynamism. *Southern Medical Journal*, 38, 1121–1133. <https://api.semanticscholar.org/CorpusID:168507917>
- Grifell-Tatjé, E., & Lovell, C. A. K. (2015). *Productivity Accounting: The Economics of Business Performance*. <https://api.semanticscholar.org/CorpusID:166660578>
- Hadi, P. (2023). Effect of product innovation on SME's performance: The moderating role of organizational learning and market orientation. *International Journal of Business Ecosystem & Strategy (2687-2293)*, 5(2 SE-Leadership, Innovation and Technology), 47–54. <https://doi.org/10.36096/ijbes.v5i2.405>
- Hafiz, M., Liban, A., Jusoh, J. A., Iryani, S., Saany, A., & El-Ebiary, Y. (2025). The Influence Of Knowledge Management Strategies On Decision-Making In Enterprises. *Journal Of Mechanics Of Continua And Mathematical Sciences*, 20(9). <https://doi.org/https://doi.org/10.26782/jmcms.2025.09.00009>
- Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2017). *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*. Sage.
- Merín-Rodrigáñez, J., Dasí, À., & Alegre, J. (2024). Digital transformation and firm performance in innovative SMEs: The mediating role of business model innovation. *Technovation*. <https://api.semanticscholar.org/CorpusID:269679184>
- Mo, M. (2024). The Impact of Digital Transformation on Product Innovation - Mediated by Business Model Innovation. *Journal of Applied Economics and Policy Studies*. <https://api.semanticscholar.org/CorpusID:272070627>
- Pradana, M. A., Parella, E., Putra, N. P., & Junaidi, J. (2024). Dampak Transformasi Digital pada Kinerja UMKM di Indonesia. *Jurnal Relevansi: Ekonomi, Manajemen Dan Bisnis*. <https://doi.org/https://doi.org/10.61401/relevansi.v8i1.112>
- Renko, S., & Buřcar, K. (2014). Sensing nostalgia through traditional food: an insight from

- Croatia. *British Food Journal*, 116, 1672–1691.
<https://api.semanticscholar.org/CorpusID:168063019>
- Riawan, R., Widhianingrum, W., & Santoso, E. (2023). Kelincahan strategi sebagai mediasi dalam peningkatan kinerja UMKM yang dipengaruhi oleh teknologi digital. *Jurnal Manajemen Bisnis Dan Kewirausahaan*, 7(3).
<https://doi.org/https://doi.org/10.24912/jmbk.v7i3.23242>
- Sasongko, D. (2020). *UMKM Bangkit, Ekonomi Indonesia Terungkit*. Kementrian Keuangan, Direktorat Jenderal Kekayaan Negara.
<https://www.djkn.kemenkeu.go.id/artikel/baca/13317/UMKM-Bangkit-Ekonomi-Indonesia-Terungkit.html>
- Siregar, Z. M. E., Suryana, Ahman, E., & Senen, S. H. (2019). Does Knowledge Management Enhance Innovation: A Literature Review. *International Journal of Scientific & Technology Research*, 8, 1991–1994.
<https://api.semanticscholar.org/CorpusID:204913198>
- Teece, D. J. (2023). *The evolution of the dynamic capabilities framework* (and P. the W. to a S. F. Artificiality and Sustainability in Entrepreneurship : Exploring the Unforeseen (ed.)). Cham : Springer International Publishing.
- Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), 509–533. [https://doi.org/10.1002/\(sici\)1097-0266\(199708\)18:7<509::aid-smj882>3.0.co;2-z](https://doi.org/10.1002/(sici)1097-0266(199708)18:7<509::aid-smj882>3.0.co;2-z)
- Turulja, L., & Bajgorić, N. (2018). Knowledge Acquisition, Knowledge Application, and Innovation Towards the Ability to Adapt to Change. *Int. J. Knowl. Manag.*, 14, 1–15.
<https://api.semanticscholar.org/CorpusID:52911911>
- Wilden, R., & Gudergan, S. P. (2009). *The Effects of Sensing and Seizing of Market Opportunities and Reconfiguring Activities on the Organisational Resource Base*.
<https://api.semanticscholar.org/CorpusID:15965494>