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The Influence of Reputation and Strategic Management on Performance through Knowledge Management moderated by Digital Capabilities

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Abstract: This study aims to analyze the influence of reputation and strategic management on the performance of MSMEs through knowledge management with digital capabilities as a moderating variable in MSMEs in Bekasi. This study uses a qualitative approach with a literature review method to comprehensively examine the relationship between variables based on various previous studies. The data used are secondary in the form of scientific articles published in reputable journals indexed by international and national databases (Springer, Sage, Elsevier, Emerald, Web of Science, EBSCO, Copernicus, and SINTA). Data collection techniques involved documentation studies by searching for relevant literature using keywords related to the research variables. Data analysis was carried out descriptively qualitatively through the process of identifying literature, classifying previous research, evaluating research findings, and conceptual synthesis to build a framework for understanding the relationship between variables in the context of developing MSME performance. The results of the study show that: 1) Reputation influences knowledge management; 2) Strategic management influences knowledge management; 3) Knowledge management influences performance; 4) Reputation influences performance; 5) Strategic management influences performance; 6) Reputation influences performance through knowledge management; 7) Strategic management influences performance through knowledge management; and 8) Knowledge management influences performance moderated by digital capabilities.

Keywords: Performance, Reputation, Strategic Management, Knowledge Management, Digital Capabilities

INTRODUCTION

Micro, small, and medium enterprises (MSMEs) are one of the main pillars of the national economy because they play an important role in creating jobs, increasing income equality, and encouraging sustainable economic growth (Pitoyo & Sulistyowati, 2024). In various developing countries, the MSME sector is a driving force of the economy, capable of absorbing large numbers of workers and strengthening the domestic economic structure through production, distribution, and consumption activities (Purnomo et al., 2022). The existence of MSMEs not only contributes to increasing gross domestic product (GDP), but also has a strategic role in strengthening national economic resilience, especially in facing global economic uncertainty (Zaimovic et al., 2025).

In Indonesia, the number of MSMEs shows very significant growth from 2020 to 2023, where in 2020 there were 64 million MSMEs, in 2021 there were 65.4 million MSMEs, in 2022 there were 65 million MSMEs and in 2023 there were 66 million MSMEs (Fauzan, 2025). MSMEs are the most dominant business sector in the national economic structure. MSMEs in Indonesia play a significant role in absorbing labor and making a significant contribution to the national GDP (Azhari et al., 2024).

At the regional level, the development of MSMEs is also seen to be quite rapid, one of which is in Bekasi City and Regency, which is one of the centers of economic growth in the Jabodetabek metropolitan area.

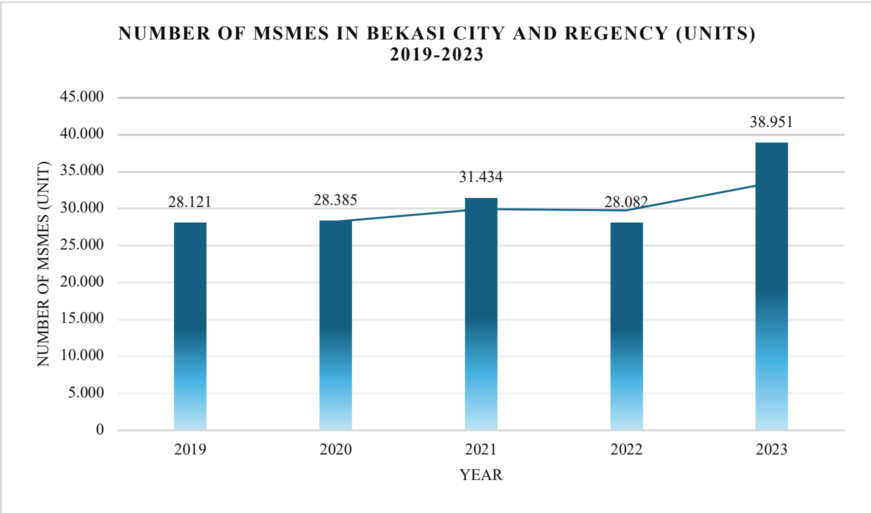

Figure 1. Number of MSMEs in Bekasi City and Regency in 2019-2023 (units)
Source: (BPS West Java Province, 2023)

Figure 1 shows the development of the number of Micro, Small, and Medium Enterprises (MSMEs) in Bekasi City and Regency during the 2019–2023 period, which generally experienced dynamic growth. In the first few years, the number of MSMEs showed an increase, indicating growing entrepreneurial activity and increased community participation in productive economic activities. This growth was also supported by Bekasi's strategic position as an industrial area and a buffer zone for the metropolitan area, which provides market opportunities for small and medium enterprises (Kartika Rahmawati et al., 2025).

However, in 2022, there was a significant decline in the number of MSMEs compared to the previous year, amounting to around 3,000 business units. This decline may indicate issues with MSME performance, such as limited managerial skills, low business competitiveness, and suboptimal use of digital knowledge and technology in business management (Danil & Afif, 2022). This condition shows that the sustainability of MSMEs is not only determined by the number of developing business units, but also by the ability of business actors to manage business strategies, build business reputation, and increase management capacity to maintain sustainable business performance (Widyastuti et al., 2023).

This research is crucial for understanding the strategic factors that can improve the competitiveness and performance of MSMEs in Bekasi.

Based on the background of the problem above, the following research questions are formulated to generate hypotheses for further research, specifically related to MSMEs in Bekasi: 1) Does reputation influence knowledge management?; 2) Does strategic management influence knowledge management?; 3) Does knowledge management influence performance?; 4) Does reputation influence performance?; 5) Does strategic management influence performance?; 6) Does reputation influence performance through knowledge management?; 7) Does strategic management influence performance through knowledge management?; and 8) Does knowledge management influence performance moderated by digital capabilities?.

METHOD

This study uses a qualitative approach with a literature review method that aims to comprehensively examine the relationship between reputation, strategic management, knowledge management, digital capabilities, and MSME performance. A qualitative approach was chosen because this study focuses on conceptual analysis and synthesis of previous research results to build a theoretical understanding of the determinants of MSME performance, particularly in the context of MSMEs in Bekasi City. The literature review method allows researchers to identify patterns of relationships between variables, identify research gaps, and develop theoretical arguments that support the relationship between reputation, strategic management, knowledge management, digital capabilities, and MSME performance (Susanto, Arini, et al., 2024).

This study utilizes secondary data obtained from various scientific publications relevant to the research topic. The secondary data comes from scientific articles published in reputable international journals such as Scopus, Springer, Sage, Elsevier, Emerald, Web of Science, EBSCO, Copernicus, and SINTA. The selection of these sources aims to ensure that the analyzed literature is of high academic quality and relevant to the research topic (Boulton, M. J., & Houghton, 2021).

The data collection technique in this study was conducted through a documentation study, namely by collecting various scientific articles and research publications relevant to the research topic. The literature collection process was carried out systematically through searches in various scientific journal databases using keywords related to the research variables, such as firm reputation, strategic management, knowledge management, digital capability, and SME performance. Data analysis in this study used descriptive qualitative analysis through a systematic literature review stage. The analysis process was carried out in several stages: identification of relevant literature, classification of research based on the variables studied, analysis of previous research findings, and synthesis of research results to build a conceptual framework for the study (Creswell & Creswell, 2018).

RESULTS AND DISCUSSION

Results

Based on the problem formulation above, the results of applied theory in this literature study are as follows:

MSME Performance

The performance of Micro, Small, and Medium Enterprises (MSMEs) is the level of success of a business organization in achieving its stated business goals through the effective and efficient use of resources. MSME performance is generally measured by the business's ability to generate profits, increase sales, expand market share, maintain business continuity, and create added value for business owners and other stakeholders. MSME performance is not only related to financial results, but also includes operational aspects, innovation, product or service quality, and the business's ability to adapt to changes in a dynamic business environment (Ramadhona et al., 2023).

Indicators or dimensions contained in the MSME performance variable include: 1) Sales Growth: Increase in sales volume over time which indicates market acceptance of products or services; 2) Operational Profit: The ability of a business to generate profits after deducting all operational costs, which is the breath of MSME sustainability; 3) Customer Growth: Increase in the number of new customers and the ability to retain old customers (E. B. Saputra & Saputra, 2023).

The performance variables of MSMEs are relevant to previous research conducted by: (Antesty et al., 2023), (Widjanarko et al., 2022).

Knowledge Management

Knowledge management is a systematic process carried out by organizations to identify, collect, develop, store, and distribute knowledge possessed by individuals and organizations to improve performance effectiveness and competitive advantage. Knowledge within an organization can take the form of work experience, technical skills, operational information, or strategic insights held by employees and management. Through the effective implementation of knowledge management, organizations can utilize various available knowledge sources to improve the quality of decision-making, product or service innovation, and operational efficiency (Shahzad et al., 2020).

Indicators or dimensions contained in the knowledge management variable include: 1) Knowledge Creation: Knowledge creation is the process of generating new ideas, information, or methods that can improve the quality of products, services, or organizational business processes; 2) Knowledge Dissemination: The process of distributing important information to team members or employees so that all elements of the business have the same understanding; 3) Knowledge Utilization: The extent to which existing knowledge is translated into product innovation or more efficient business process improvements (Evangelista et al., 2023).

The knowledge management variable is relevant to previous research conducted by: (Widodo, 2023), (Abbas & Khan, 2023), (Nursal et al., 2022).

Digital Capabilities

Digital capability is the capacity of an organization or individual to effectively utilize digital technology to support operational activities, decision-making, and business strategy development. This capability encompasses various aspects such as the use of information technology, the use of digital platforms, data management, and the ability to integrate technology into the organization's business processes. In the era of digital transformation, digital capability is a key factor in determining an organization's success in increasing efficiency, innovation, and competitiveness in the global marketplace (Chatterjee et al., 2023).

Indicators or dimensions contained in the digital capability variable include: 1) Technology Infrastructure: Ownership and use of hardware and software (such as cashier/POS applications, social media, or e-commerce) that support the business; 2) Human Resources Digital Literacy: The level of understanding and skills of owners and employees in operating digital tools productively; 3) Data Integration: The ability to collect and analyze digital data (such as customer transaction history) to make more accurate business decisions (Heredia et al., 2022).

The digital capability variable is relevant to previous research conducted by: (Sukardi et al., 2025), (Wang et al., 2022), (Samsuden et al., 2024).

Reputation

Reputation is the collective perception held by the public, customers, and stakeholders regarding the credibility, quality, and integrity of an organization or company. Reputation is formed through customer experiences, the quality of products or services provided, organizational communication, and the company's consistency in meeting stakeholder expectations. In the business world, reputation is considered an intangible asset with strategic value because it can influence customer trust, consumer loyalty, and a company's image in the marketplace (Kamiya et al., 2021).

Indicators or dimensions contained in the reputation variable include: 1) Product/Service Quality: Customer assessment of the reliability, usefulness, and superiority of the product compared to the promises made; 2) Customer Trust: The level of customer confidence that the business will act honestly, transparently, and responsibly (for example in handling complaints); 3) Brand Image: A unique identity or "good name" attached to the business in the public eye, which distinguishes it from competitors (Kusuma & Indayani, 2020).

The reputation variable is relevant to previous research conducted by: (Korzhevskyi, 2023), (Gangi et al., 2020), (Baah et al., 2021).

Strategic Management

Strategic management is the process of planning, implementing, and evaluating various strategic decisions made by an organization to achieve long-term goals and maintain competitive advantage in a dynamic business environment. This process involves analyzing the organization's internal and external environments, formulating appropriate strategies, implementing them effectively, and evaluating organizational performance to ensure that the strategies implemented are able to achieve the stated goals (Yoshikuni et al., 2024).

Indicators or dimensions contained in strategic management variables include: 1) Strategy Formulation: The planning stage that includes establishing a vision, mission, and situation analysis (SWOT) to determine the direction of the business; 2) Strategy Implementation: The process of allocating resources and determining SOPs to implement plans that have been prepared into real actions; 3) Evaluation and Control: Activities to monitor the results of strategy implementation and make improvements if there are deviations from the set targets (Höglund et al., 2021).

Strategic management variables with previous research conducted by: (Sihombing et al., 2025), (Susanto et al., 2023), (Rachman et al., 2025).

Previous Research

Based on the findings above and previous research, the research discussion is formulated as follows:

Table 1. Relevant Previous Research Results

No	Author (Year)	Research result	Similarities with this study	Differences with this research	Hypothesis
1	(Kurniati, 2022)	The variables of Trust, Reputation and Reciprocity Norms have an influence on Knowledge Management	The similarity with this research is in the independent variable Reputation and the dependent variable Knowledge Management	The difference with this research is in the other independent variables, namely Trust and Reciprocity Norms	H1
2	(Rizqi, 2022)	Strategic Management and Human Resource Management variables influence Knowledge Management	The similarity with this research is in the independent variable Strategic Management and the dependent variable Knowledge Management	The difference with this research is in the other independent variables, namely HR Management	H2
3	(Ardia et al., 2025)	Knowledge Management and Innovation Capability variables influence MSME performance mediated by Competitive Advantage	The similarity with this research is in the independent variable of Knowledge Management and the dependent variable of MSME Performance	Differences in other independent variables, namely Innovation Capability and the mediating variable Competitive Advantage	H3

4	(Setiawan & Iskandar, 2022)	Reputation, Store Commitment, and Store Potential Variables Influence the Performance of MSMEs in Cijeruk District, Bogor Regency	The similarity with this research is in the independent variable Reputation and the dependent variable MSME Performance	There are research objects conducted at MSMEs in Cijeruk District, Bogor Regency	H4
5	(Darmawan et al., 2023)	Strategic Management, Market Orientation, and Technology Orientation Variables Influence MSME Business Performance	The similarity with this research is in the independent variable of Strategic Management and the dependent variable of MSME Performance	The difference with this research is in the other independent variables, namely Market Orientation and Technology Orientation	H5
6	(Setyawati, 2023)	Reputation, Social Media and Access to Capital Variables Influence MSME Performance through Knowledge Management	The similarities with this research are in the independent variable Reputation, dependent variable MSME Performance and intervening Knowledge Management	Differences in other independent variables, namely Social Media and Access to Capital	H6
7	(Tasyrin, 2025)	Strategic Management, Knowledge Sharing, and Technology Capabilities Variables Influence MSME Performance Through Knowledge Management	The similarities with this research are in the independent variables of strategic management, the dependent variable of MSME performance, and the intervening variable of knowledge management	The difference with this research is in the other independent variables, namely Knowledge Sharing and Technology Capabilities	H7
8	(Sari & Firdaus, 2025)	Knowledge Management, Financial Literacy, Entrepreneurial Orientation, and Capital Access Variables on MSME Performance Moderated by Digital Capabilities	Similarities with this research are in the independent variable of knowledge management, the dependent variable of MSME performance, and digital capability moderation	Differences in other independent variables, namely Financial Literacy, Entrepreneurial Orientation and Access to Capital	

Discussion

Based on the formulation of the problem, research objectives and the results of previous research above, the discussion in the research that focuses on MSMEs in Bekasi is as follows:

1. *The Influence of Reputation on Knowledge Management*

Based on a literature review and relevant previous research, it was found that reputation influences knowledge management in MSMEs in Bekasi.

To improve knowledge management in MSMEs in Bekasi, MSMEs in Bekasi must strengthen three key reputation indicators: 1) Product/service quality: Consistently standardize product quality (through halal certification or P-IRT for culinary MSMEs) and ensure responsive after-sales service; 2) Customer trust: Building transparency in transactions, being honest about product composition, and fulfilling delivery promises (especially for MSMEs using digital platforms); 3) Brand image: Building a professional visual identity (logo, packaging) and a unique business narrative.

If MSMEs in Bekasi can consistently implement these three reputation indicators, it will positively impact knowledge management in MSMEs in Bekasi, including: 1) Knowledge creation: Through intense interactions with loyal customers (thanks to reputation), MSMEs will gain new insights; 2) Knowledge sharing: In MSME teams that are proud of their brand, team members are more willing to share tips or efficient work methods with others. There is no hidden knowledge because everyone wants to maintain the quality of the product, which already has a high reputation. 3) Knowledge utilization: MSMEs use knowledge of market trends (from customer data acquisition) to quickly modify products. This utilization is done so that MSMEs do not lose customer trust and remain perceived as an innovative brand in the Bekasi area.

The results of this study align with previous research conducted by (Kurniati, 2022), which states that there is an influence between reputation and knowledge management in MSMEs in Bekasi.

2. *The Influence of Strategic Management on Knowledge Management*

Based on a literature review and relevant previous research, it was found that strategic management influences knowledge management in MSMEs in Bekasi.

To improve knowledge management in MSMEs in Bekasi, MSMEs in Bekasi must strengthen three key strategic management indicators: 1) Strategy formulation: MSMEs must begin establishing a clear short- and medium-term vision and targets for digitalizing marketing within a specific timeframe; 2) Strategy implementation: Executing plans by allocating existing resources appropriately, such as appointing a team member to focus on social media management or establishing a more disciplined production schedule; 3) Evaluation and control: Conducting regular checks on sales records or customer satisfaction on weekends. MSMEs must be willing to correct ineffective work methods.

If MSMEs in Bekasi can consistently implement these three strategic management indicators, it will positively impact knowledge management within MSMEs in Bekasi, including: 1) Knowledge creation: When MSMEs establish a strategy to create new product variants targeting office workers in Bekasi, they will automatically research flavors or packaging. This process creates new technical knowledge that the business previously lacked; 2) Knowledge dissemination: Triggers the transfer of knowledge from the owner to the team, thereby improving organizational capabilities collectively and not relying on a single individual; 3) Knowledge utilization: If an evaluation reveals that customers prefer shopping via WhatsApp, this knowledge can be immediately utilized to change customer service strategies.

The results of this study align with previous research conducted by (Rizqi, 2022), which states that there is an influence between strategic management and knowledge management in MSMEs in Bekasi.

3. *The Influence of Knowledge Management on the Performance of MSMEs in Bekasi*

Based on a literature review and relevant previous research, it was found that knowledge management influences the performance of MSMEs in Bekasi.

To improve the performance of MSMEs in Bekasi, MSMEs must strengthen three key indicators of knowledge management: 1) Knowledge creation: MSMEs must actively experiment with products or services and conduct in-depth observations of market trends in Bekasi (current culinary trends or the need for industrial support services); 2) Knowledge dissemination: Ensuring that critical information is not limited to business owners. There must be a mechanism for transferring expertise to employees; 3) Knowledge utilization: Converting acquired and shared knowledge into concrete actions that improve business quality.

If MSMEs in Bekasi can consistently implement these three knowledge management indicators, it will positively impact MSME performance in Bekasi, including: 1) Sales growth: MSMEs that can predict market demand based on the knowledge they manage will achieve higher sales volumes because their products provide appropriate solutions to the diverse needs of the Bekasi community; 2) Operational benefits: By disseminating knowledge about effective work methods to all employees, operational costs can be reduced. This efficiency automatically widens profit margins without having to constantly raise product prices. 3) Customer growth: Knowledge of customer characteristics allows MSMEs to conduct more personalized and effective marketing, resulting in a consistent increase in the number of new customers.

The results of this study align with previous research conducted by (Ardia et al., 2025), which states that there is an influence between knowledge management and the performance of MSMEs in Bekasi.

4. *The Influence of Reputation on the Performance of MSMEs in Bekasi*

Based on a literature review and relevant previous research, it was found that reputation influences the performance of MSMEs in Bekasi.

To improve the performance of MSMEs in Bekasi, MSMEs must strengthen three key reputation indicators: 1) Product/service quality: Establish consistent quality standards (from raw material selection to packaging) and ensure responsive service. MSMEs must be willing to provide warranties or compensation if products do not meet standards; 2) Customer trust: Maintain integrity in every interaction, such as honesty regarding inventory, price transparency, and security in digital transactions. MSMEs must also be proactive in handling complaints without being defensive; 3) Brand image: Establish a unique and professional identity, whether through attractive packaging, clean business premises, or a well-organized social media presence.

If MSMEs in Bekasi can consistently implement these three reputation indicators, it will positively impact MSME performance in Bekasi, including: 1) Sales growth: When product quality and brand image are recognized, potential buyers will no longer hesitate to try. As a result, sales volume increases not only from existing customers but also from the influx of new customers brought in by positive recommendations; 2) Operational benefits: Trusted customers tend to be less price-sensitive and prioritize quality assurance. This allows MSMEs to maintain healthy profit margins while reducing marketing costs to find new customers from scratch; 3) Customer growth: Customer trust creates a snowball effect. The more positive testimonials, the easier it is for MSMEs to penetrate new markets, which automatically increases the customer base exponentially.

The results of this study align with previous research conducted by (Setiawan & Iskandar, 2022), which states that there is an influence between reputation and the performance of MSMEs in Bekasi.

5. *The Influence of Strategic Management on the Performance of MSMEs in Bekasi*

Based on a literature review and relevant previous research, it was found that strategic management influences the performance of MSMEs in Bekasi.

To improve the performance of MSMEs in Bekasi, MSMEs in Bekasi must strengthen three key strategic management indicators: 1) Strategy formulation: MSMEs must establish a clear vision and conduct a situational analysis (SWOT). This can determine whether the business will focus on low-price advantages or product uniqueness (differentiation); 2) Strategy implementation: Arranging capital allocation for raw material inventory, determining employee responsibilities (even for small teams), and selecting appropriate distribution channels; 3) Evaluation and control: Regularly monitoring work results against predetermined targets. Disciplinedly recording daily income and expenses and actively soliciting customer feedback.

If MSMEs in Bekasi can consistently implement these three strategic management indicators, it will positively impact their performance, including: 1) Sales growth: With a targeted marketing strategy (targeted social media advertising in the Bekasi area), product reach will expand. Consistent execution during the implementation phase ensures product availability is maintained, resulting in continued sales volume growth; 2) Operational profitability: Strategic management enables MSMEs to save production costs without compromising quality; 3) Customer growth: When service strategies are implemented consistently, customers are satisfied and tend to make repeat purchases. This satisfaction triggers positive recommendations to others in the Bekasi area, resulting in an organic and sustainable customer base growth.

The results of this study align with previous research conducted by (Darmawan et al., 2023), which states that there is an influence between strategic management and the performance of MSMEs in Bekasi.

6. *The Influence of Reputation on MSME Performance through Knowledge Management*

Based on a literature review and relevant previous research, it was found that reputation influences the performance of MSMEs in Bekasi through knowledge management.

To improve the performance of MSMEs in Bekasi, MSMEs must strengthen six key indicators of reputation and knowledge management, including: 1) Product/service quality: Maintaining consistent product standards and responsive after-sales service; 2) Customer trust: Acting transparently regarding pricing, product composition, and timely delivery; 3) Brand image: Building a visual identity and unique value proposition (such as being an environmentally friendly MSME or based on Bekasi's local wisdom); 4) Knowledge creation: Converting input from the above reputation indicators into new ideas or work methods. Transforming customer complaints (from service quality) into new product solutions not yet available in the market; 5) Knowledge dissemination: Consistently teaching employees production techniques or good customer service practices. Ensuring that reputation values (honesty and quality standards) are understood and implemented by all team members, not just the owner. 6) Knowledge utilization: Implementing shared knowledge into daily work procedures (SOPs).

If MSMEs can consistently implement these six indicators of reputation and knowledge management, this will positively impact the performance of MSMEs in Bekasi, including: 1) Sales growth: MSMEs can create products that the market truly desires because they learn from their own reputation, resulting in stable and increasing sales volumes; 2) Operational profitability: With smarter, error-free production processes (thanks to the application of knowledge), profit margins are wider because unnecessary costs can be reduced; 3) Customer growth: Satisfied customers not only return (are loyal) but also recommend the MSME to their community in Bekasi, resulting in organic customer growth without high advertising costs.

The results of this study align with previous research conducted by (Setyawati, 2023), which states that there is an influence between reputation and MSME performance through knowledge management.

7. *The Influence of Strategic Management on MSME Performance through Knowledge Management*

Based on a literature review and relevant previous research, it was found that strategic management influences the performance of MSMEs in Bekasi through knowledge management.

To improve the performance of MSMEs in Bekasi, MSMEs must strengthen six key indicators of strategic management and knowledge management, including: 1) Strategy formulation: MSMEs must establish a specific business direction, for example, deciding to become a pioneer in healthy culinary in Bekasi; 2) Strategy implementation: Executing plans by providing supporting tools, such as using digital bookkeeping applications or training production teams; 3) Evaluation and control: Regularly checking weekly targets and comparing them with the reality on the ground; 4) Knowledge creation: Transforming evaluation and market research results into innovative ideas, such as creating product variants that suit the tastes of office workers in Bekasi; 5) Knowledge dissemination: Ensuring that every team member (even if only 2-3 people) understands the desired quality standards and work methods through regular communication; 6) Knowledge utilization: Consistently applying agreed-upon knowledge to daily production and customer service activities.

If MSMEs are able to consistently implement these six strategic management and knowledge management indicators, this will positively impact the performance of MSMEs in Bekasi, including: 1) Sales growth: A well-planned marketing strategy, supported by knowledge of consumer trends in Bekasi, will result in more effective advertising messages. This directly increases order volume because the product is perceived as a relevant solution for customers; 2) Operational profitability: Strategic management that emphasizes efficiency, which is then realized through technical knowledge on how to produce goods more quickly and cost-effectively, will widen profit margins; 3) Customer growth: Through continuous evaluation of customer satisfaction, MSMEs can continuously learn and improve. Service based on customer knowledge creates high loyalty, which triggers the growth of new customers through positive recommendations.

The results of this study align with previous research conducted by (Tasyrin, 2025), which states that there is an influence between strategic management and the performance of MSMEs in Bekasi through knowledge management.

8. *The Influence of Knowledge Management on MSME Performance is Moderated by Digital Capabilities*

Based on a literature review and relevant previous research, it was found that knowledge management influences the performance of MSMEs in Bekasi, moderated by digital capabilities.

To improve the performance of MSMEs in Bekasi, MSMEs must strengthen six key indicators of knowledge management and digital capabilities, including: 1) Knowledge creation: MSMEs must actively monitor trends in the digital market (such as social media algorithms or e-commerce shopping behavior) to generate new product ideas or promotional methods; 2) Knowledge dissemination: Establishing internal communication groups or simple cloud-based data storage to share SOPs, catalogs, and customer service strategies among teams/employees; 3) Knowledge utilization: Transforming customer knowledge data into concrete actions, such as adjusting inventory based on digitally recorded sales history; 4) Technology infrastructure: Having adequate hardware (smartphone/PC) and software (cashier/POS applications, social media, or marketplaces) and a stable internet connection; 5) Human Resource Digital Literacy: MSMEs and their employees must be proficient in operating business applications, understand how digital promotions work, and be aware of data security; 6) Data Integration: Connecting data from various channels (WhatsApp, Shopee, and physical store sales data) into a single, comprehensive report.

If MSMEs can consistently implement these six indicators of knowledge management and digital capabilities, it will positively impact the performance of MSMEs in Bekasi, including: 1) Sales growth: With a strong technological infrastructure, knowledge of Bekasi consumer preferences can be converted into targeted digital advertising. As a result, sales volume grows because products are discovered by the right people at the right time; 2) Operational benefits: MSMEs can save on marketing and operational costs (raw material inventory efficiency) because digital data provides accurate information on when to buy and when to promote. Profit margins are widened due to reduced waste; 3) Customer growth: A digitally proficient team can respond to customer inquiries quickly and personally through instant messaging platforms. This satisfaction creates loyalty and attracts new customers through digital recommendations (testimonials/reviews), which is crucial for MSMEs in Bekasi to build a customer base.

The results of this study align with previous research conducted by (Sari & Firdaus, 2025), which states that there is an influence between knowledge management and the performance of MSMEs in Bekasi which is moderated by digital capabilities.

Conceptual Framework

The conceptual framework is determined based on the formulation of the problem, research objectives and previous research that is relevant to the discussion of this literature research:

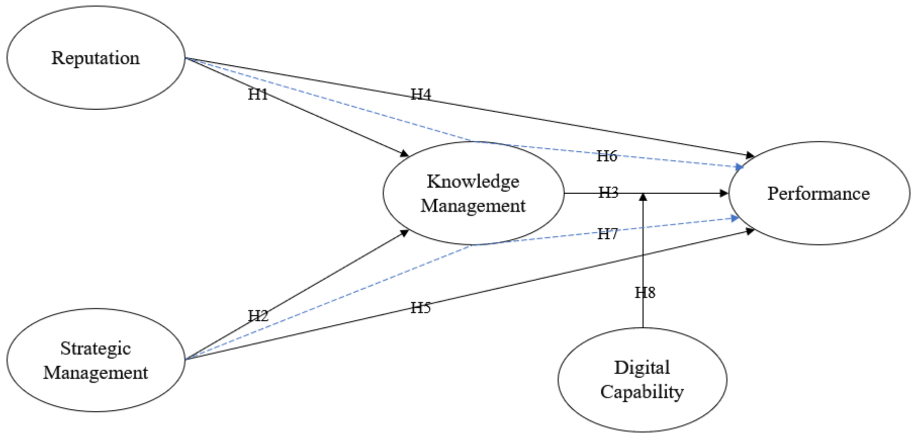

Figure 2. Conceptual Framework

Based on Figure 2 above, reputation and strategic management influence performance through knowledge management, moderated by the digital capabilities of MSMEs in Bekasi. However, in addition to reputation, strategic management, knowledge management, and digital capabilities, other variables influence MSME performance in Bekasi, including:

1) Service Innovation: (Nataya & Yudianto, 2022), (Rohmah et al., 2022), (Pullandarie, 2025).
2) Government Support: (Aziz et al., 2020), (Zulu-Chisanga et al., 2021), (Antesty et al., 2023).
3) Organizational culture: (Widodo et al., 2017), (Susanto, Simarmata, et al., 2024), (Ali et al., 2022), (F. Saputra et al., 2024).

CONCLUSION

Based on the problem formulation, results, and discussion above, the conclusions of this literature review with a case study of MSMEs in Bekasi are as follows: 1) Reputation influences knowledge management; 2) Strategic management influences knowledge management; 3) Knowledge management influences performance; 4) Reputation influences performance; 5) Strategic management influences performance; 6) Reputation influences performance through knowledge management; 7) Strategic management influences performance through knowledge management; and 8) Knowledge management influences performance, moderated by digital capabilities.

The managerial implications of this study indicate that MSMEs need to strengthen their business reputation by improving product quality, service, and customer trust to create a positive business image in the market. Furthermore, implementing sound strategic management is essential for MSMEs to formulate business plans, manage resources effectively, and adapt to changes in the business environment.

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