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FACTORS DETERMINING MARKETING PERFORMANCE OF FASHION SMEs IN JAKARTA: THE PERSPECTIVE OF MARKETING SKILLS, CRM, AND COMPETITION INTENSITY

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ABSTRACT
This study analyzes the Marketing Performance of the Fashion MSME Industry in Jakarta. The purpose of this study is to examine the influence of marketing skills and customer relationship management on marketing performance through competitive intensity. This study is quantitative by distributing questionnaires to 240 MSME actors. Using the Structural Equation Modeling (SEM) method with the Partial Least Square (PLS) alternative with the Smart-PLS 4.0 program. The results of the data analysis show that: (1) Marketing Skills have a significant effect on Marketing Performance through Competitive Intensity in the Fashion Industry in Jakarta. (2) while Customer relationship management has a direct effect on Marketing Performance without considering the Intensity of Competition in the Fashion Industry in Jakarta.

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INTRODUCTIONS

Currently, many domestic products are able to penetrate the global market. One such business is the design industry, which is increasingly in demand due to its increasing quality. Progressively, the design industry is seen as increasingly confusing during the pandemic. Efforts to reach the market are also complemented by the most extreme online entertainment with support techniques and the attraction of top specialists (Helsanti et al., 2025). The Indonesian government still relies heavily on MSMEs as the backbone of the economy, this is due to their significant contribution to Indonesia's GDP. Furthermore, the number of MSMEs in Indonesia dominates the total number of national businesses. Data from the Ministry of Cooperatives and SMEs shows that 99% of businesses are MSMEs, with a labor absorption rate of up to 97% in 2013 and continued to increase until 2017.

One industrial sector still dominated by MSMEs is the creative industry. Overall, the fashion industry, as a subsector of the creative industry, makes a significant contribution to the national economy, accounting for approximately 2.8% of the total creative industry sector. However, the growth of MSMEs, including those in the fashion industry, is quite slow, and the failure rate for new businesses is high. With the ASEAN Economic Community in 2015, competition in the industry has become increasingly fierce. Competitors come not only from large companies

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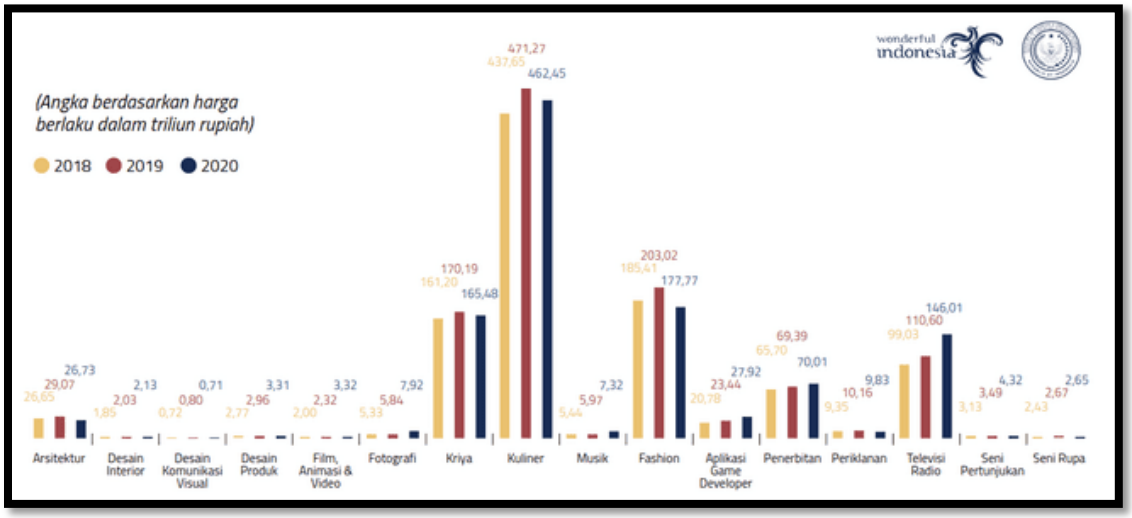
but also from imported products from other ASEAN countries that offer lower prices for the same product quality. The fashion industry market share is still dominated by large-scale companies, with around 40% (Andriani et al., 2018).



Source: Ministry of Tourism and Creative Economy

Figure 1Development of Creative Economy GDP in Indonesia

The graph above details the creative industries, whose GDP growth is directly monitored by the Ministry of Tourism and Creative Economy. The GDP growth of each industry shows that the three largest contributors to national GDP are culinary, fashion, and crafts. The development pattern in the fashion sector has the potential to support economic growth. Fashion MSMEs are among the three creative industry MSMEs with the highest growth rate, at 15.01%. (Ferdiansyah & Bukhari, 2021).

The current development of the Indonesian fashion industry reflects rapid growth and growing consumer demand for fashion products. Several trends and factors influencing the development of the Indonesian fashion industry today involve various aspects, including digitalization, sustainability, and the increasing exploration of local creativity. The adoption of technology and the growth of e-commerce have transformed the way consumers shop for fashion products. Many local and international brands are utilizing online platforms to market and sell their products.

2020 could be considered a very difficult time. The pandemic has forced all elements of society to survive. Various parties have needed to adapt to face emergencies, one of which is the fashion industry. A state of emergency in the design industry has actually been brewing since late 2019. (Tania & Pratama, 2025)Imran Amed and Achim Berg, in their report for Matter of Design, stated that the fashion industry was on full alert at the beginning of the year due to poor prices towards the end of 2019. Therefore, the fashion industry is expected to face an emergency, and its leaders are now critically ill in facing 2020.

The pandemic is one of the reasons for the worsening situation. Business of Design noted that approximately 75% of registered fashion companies are experiencing difficulties. Until now, according to Amed, the organizer behind The Matter of Style MC Kinsey and Company, the design industry has generally focused on offline exchanges. According to the data, it was observed that over 80% of style exchanges were completed during the offline slowdown. Discontinued purchases ultimately shifted online due to the pandemic.

Transactions declined 34% between January and March 2020, driven by the rapid spread of the coronavirus pandemic. According to a McKinsey Global Style Report audit, revenues decreased by 90% compared to 2019 (Abdurohim et al., 2022).

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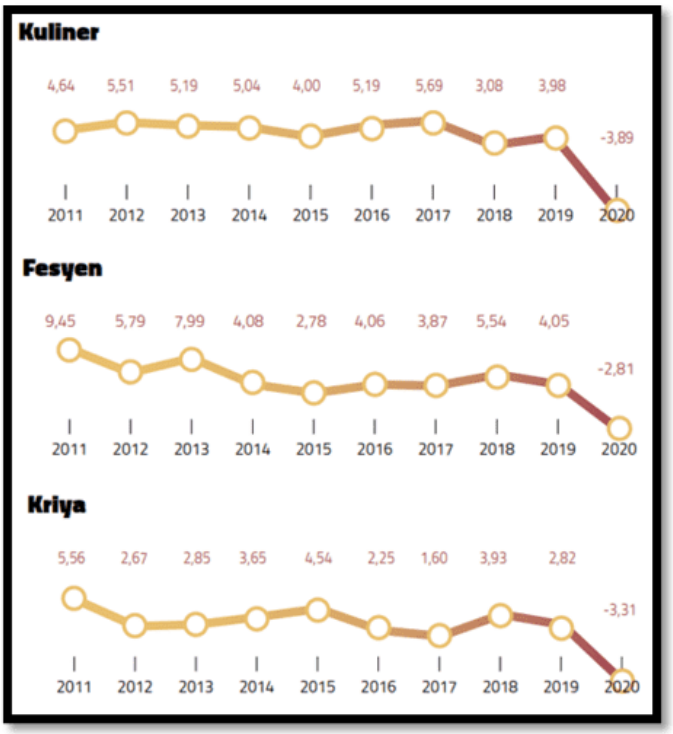

Source: Ministry of Tourism and Creative Economy

Figure 3. National GDP Growth Rate for the 3 Largest GDP Contributing Industries

If we look at the National GDP growth rate report for the 3 largest GDP contributing industries above, it can be concluded that from 2011 to 2020 after being impacted by the pandemic, the fashion industry experienced a significant decline compared to other industries. This certainly affected the profitability of each fashion industry player in Indonesia.

Consumption, purchasing, and shopping behavior have completely changed due to the COVID-19 pandemic, lockdowns, and restrictions on social movement. People have shifted to online shopping due to the circumstances, which can increase impulsiveness in individual consumer purchases (Chauhan et al., 2023).

Changing behaviors have led many design firms to abandon their traditional businesses and leverage the complexity of technology by leveraging online businesses and web-based entertainment platforms to accelerate their transaction growth. Significant price reductions are also being implemented to increase interest in offerings. Design businesses state that to avoid emergencies, design organizations need to take action by collaborating and limiting competition. Leaders must allow information, methodologies, and insights about their company's path to be seen and understood by other organizations (Amed & Berg, 2021).

According to previous research, Al-Gasawneh et al. (2022)profitability is a derivative indicator of the variable marketing performance, which is influenced by many factors. Showcase ability impacts promotional execution. Khan & Khan (2021)This lack of visibility impacts advertising execution, which aligns with research that found Prihadi & Susilawati (2018)e-commerce skills, a marketing skill, have an insignificant impact on marketing performance.

Furthermore, with the decline in profitability and changes in consumer behavior due to the Covid-19 pandemic, all industrial sectors are shifting their sales strategies to online methods. An organization's client data resources can influence the execution of its campaigns. By leveraging client data resources, organizations can gain in-depth insights

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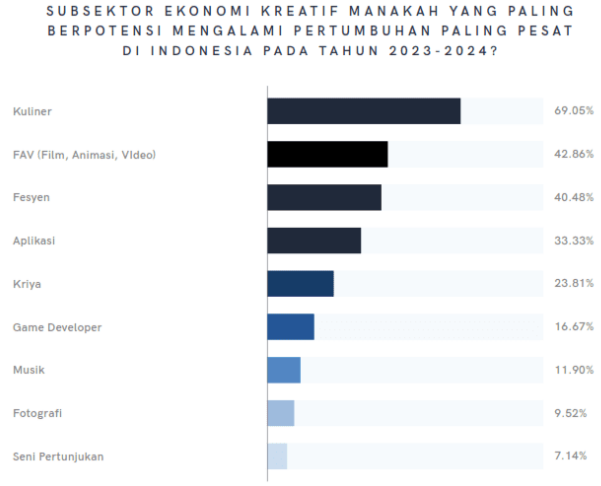
into client behavior, buyer needs, and market patterns. This can help organizations develop more successful promotional systems, increase consumer loyalty, and expand profits (Varadarajan, 2020).

On the other hand, currently the fashion industry in Indonesia is being hit by a storm of competition with imported products which are much cheaper in terms of price, besides that the transaction phenomenon in the form of buying and selling used clothes has become a common habit, especially among young people (Juliani & Nuvriasari, 2024).

The value of used clothing imports soared by over 600% in 2022. This high value surpassed that of clothing and accessories (Morgan et al., 2012). Support from various parties is essential. Economic empowerment plays a crucial role in anticipating business competition. Another threatening factor is foreign fashion products (Bayu Wardhana, 2022).



Source: Outlook for Indonesian Tourism and Creative Economy 2023/2024, Ministry of Tourism and Creative Economy

Figure 2. Potential Growth of the Creative Economy Subsector

One of the parties supporting the fashion industry is the Indonesian Ministry of Tourism and Creative Economy, which has identified several creative economy sub-sectors as having the potential for growth. This support comes in the form of Government Regulation No. 24 of 2022 concerning the Implementing Regulations of Law No. 24 of 2019 concerning the Creative Economy, which aims to provide financing facilities for creative economy players as capital for developing intellectual property (IP)-based businesses.

The intensity of competition in a business today can moderate the influence of marketing skills on marketing performance. Competitive intensity is a concept that refers to the level of competition and rivalry within a particular market or industry. This can be influenced by factors such as the number of competitors, the level of innovation, the price level, and the level of market demand. Competitive intensity plays a moderating role in the relationship between external knowledge seeking and process innovation (Mulyana et al., 2020).

By looking at all the existing business competition in the fashion industry, MSMEs in the fashion industry must be able to analyze customer information which is The Knowledge-based view (KBV). The Knowledge-based view (KBV) of the firm is explained as the view that knowledge is the core of a company's competitiveness, and the way a company creates, acquires, absorbs, and utilizes that knowledge can generate potential new sources of revenue and maintain performance differences between competing companies . (Grant, 1996; Rubera, Chandrasekaran & Ordanini, 2016) In this context, knowledge can be created by companies by utilizing their information analysis capabilities to process their information assets. In some organizational contexts, the company's unique assets and capabilities become

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the basis for creating the third type of company resource, namely knowledge. For example, customer information assets and company information analysis capabilities become the basis for generating customer insights.

KBV demonstrates that knowledge is a valuable resource. In the context of CRM, organizations can leverage customer knowledge to build stronger relationships. Customer Relationship Management helps. Understanding customer preferences, behaviors, and needs requires the acquisition and application of knowledge. CRM systems can be designed to capture, analyze, and use this knowledge effectively.

Customer information assets are quite diverse. Customer evaluation information can also include the volume of reviews and star ratings provided by customers. The more reviews and star ratings provided, the more information is available for potential buyers to make purchasing decisions. Therefore, customer evaluation information can be an important factor in influencing customer purchasing decisions in online platform-based markets. Research conducted by Kim & Kim (2022)shows that customer evaluation information has a significant impact on sales. Quantitatively, the volume of star ratings and the volume of customer reviews have a positive influence on sales. In this case, the more star ratings and customer reviews provided, the greater the likelihood that the product or seller will sell.

Based on the phenomena and previous research outlined in the background, several research questions can be formulated. These questions include whether marketing skills influence competitive intensity, whether customer relationship management influences competitive intensity, whether marketing skills influence marketing performance, whether customer relationship management influences marketing performance, and whether competitive intensity influences marketing performance.

In line with the problem formulation, the purpose of this study is to prove and test the influence of marketing skills on competitive intensity, the influence of customer relationship management on competitive intensity, the influence of marketing skills on marketing performance, the influence of customer relationship management on marketing performance, and the influence of competitive intensity on marketing performance. Thus, this study is expected to provide a deeper understanding of the relationship between these variables.

Based on the above description of the presented data, phenomena, and previous research that tend to be contradictory, the researcher attempts to analyze factors that can influence marketing performance, including marketing skills, utilization of customer information assets, and competitive intensity, which are assumed to moderate marketing performance. Therefore, the researcher will conduct a study entitled "The Impact of Competitive Intensity on the Marketing Performance of MSMEs in the Fashion Industry in Jakarta."

METHOD

This study uses a quantitative approach with a survey method. The variables studied consist of marketing skills (X1) and customer relationship management/CRM (X2) as independent variables, competitive intensity (Z) as an intervening variable, and marketing performance (Y) as the dependent variable (Sugiyono, 2020).

The population in this study was MSMEs in the fashion industry in Jakarta, with an uncertain number. The sample was determined using a purposive sampling technique, which selects respondents based on specific criteria. The sample size was determined using the formula indicator × 10 (Hair et al., 2010), resulting in 240 respondents (Rachman et al., 2024).

Data collection was conducted by distributing a questionnaire using Google Forms. The research instrument used a 1–5 Likert scale (1 = strongly disagree, 5 = strongly agree). A total of 48 items represented indicators for each research variable.

Data analysis techniques included descriptive analysis to describe respondent characteristics and response distribution, and inferential analysis to test the research hypotheses. Hypothesis testing was conducted using Partial Least Squares (PLS) with the aid of SmartPLS 4.0 software, as this method can examine relationships between latent variables without requiring strict data distribution assumptions.

The research instrument was a questionnaire with a Likert scale of 1–5 (1 = strongly disagree, 5 = strongly agree). A total of 48 items represented indicators for each variable.

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Data analysis was conducted using the Partial Least Square – Structural Equation Modeling (PLS-SEM) approach using SmartPLS 4.0 software. The analysis includes:

1. Outer model to assess the validity and reliability of the instrument through convergent validity, discriminant validity, Average Variance Extracted (AVE), Composite Reliability, and Cronbach's Alpha.
2. Inner model to test the relationship between latent variables using R-Square (coefficient of determination) and Q-Square (predictive relevance).
3. Hypothesis testing is performed through bootstrapping to obtain the t-statistic and p-value. The hypothesis is declared significant if $t > 1.96$ or $p < 0.05$.

RESULTS AND DISCUSSIONS

A. Description of Informant

Informant Data

Micro, small, and medium enterprises (MSMEs) have proven to be the main drivers of the real sector, influencing financial development in Indonesia. MSMEs play a significant role in the Indonesian economy, both in terms of the number of specialized units, commitment to Gross Domestic Product (GDP), delivery, and also the large number of workers retained. MSME organizations are divided into two large groups: agricultural and non-agricultural. Non-agricultural MSME organizations include wholesalers and retailers, such as natural product intermediaries who purchase organic produce in bulk and exchange it per kilogram. Accommodation and food and beverage suppliers, such as restaurants, catering services, bistros, cooks, and so on. Processing industries, such as garment factories, are classified as manufacturing businesses in the handling industry classification. The progress of MSMEs generally tends to be problematic and does not fully meet assumptions. Problems that still hinder the formation of MSMEs are limited capital and access to capital sources.

B. Understanding Results

The data analysis techniques used are validity testing, reliability testing, and hypothesis testing using the *SmartPLS software test tool* version 4.0. SEM-PLS, which is part of the *Structural Equation Modeling* (SEM) analysis, has two models: *the outer model* (measurement model) and *the inner model* (*structural model*).

The measurement model used to test validity uses *convergent validity* and *discriminant validity* . In addition to testing validity, *the outer model* also measures data reliability using *composite reliability* and *Cronbach's alpha. The structural model (inner model)* then measures the *Q-square, R-square* , and *T-statistics* or t-test (Hassan et al., 2015).

1. Measurement Model (*Outer Model*)

Validation or legitimacy testing can be achieved by utilizing a method with the *SmartPLS application* to create an underlying path chart. The chart structure, which utilizes model testing, is suitable for meeting combined legitimacy, particularly the element of nesting each statement on variables indicating capability, client relationships with executives, ruthless power, and advertising execution. The outline is illustrated in the figure below:

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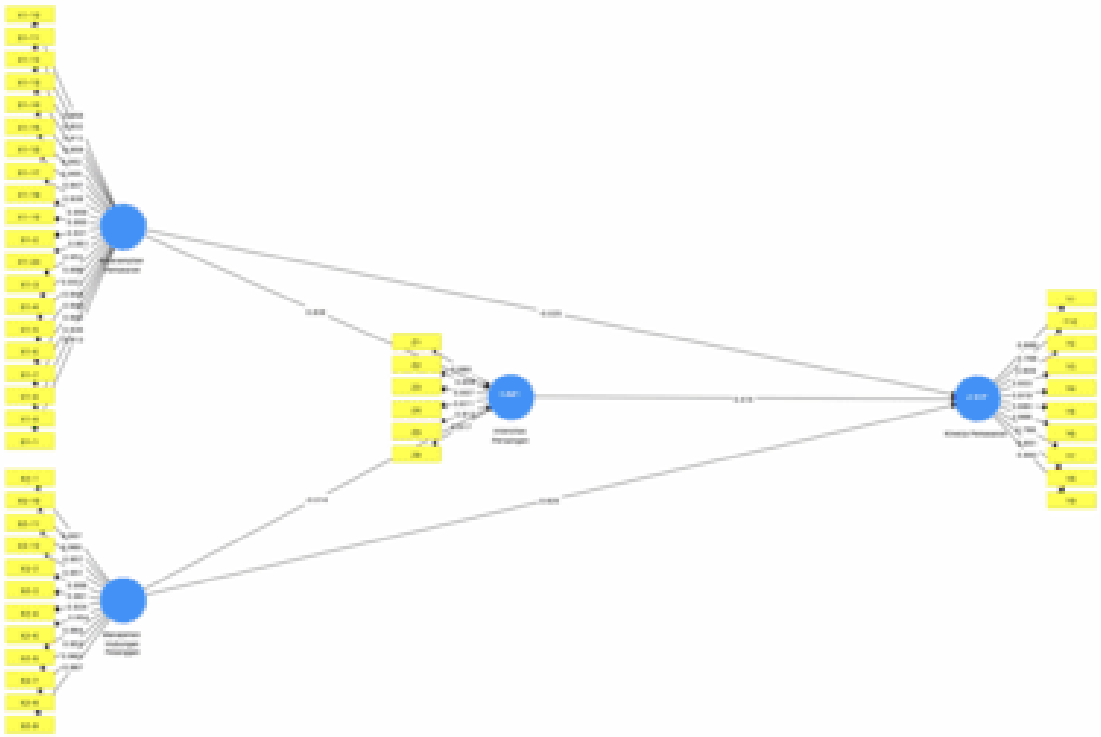

Source: *PLS Output Results*

X *Outer* Model Image

Based on the figure above, the results obtained are in accordance with the requirements and can be considered valid for all instructions for each variable of promotional or marketing capabilities, client relationships with executives, serious strength and advertising execution because *the loading factor value* is more than 0.7. As a result, this tends to be continued with the following information testing conducted by the analyst.

2. Validity Test

The first step in a measurement model is to test its validity. Validity testing uses *convergent* and *discriminant validity*, which determines whether the values for each construct meet *convergent* and *discriminant validity criteria* with the outer model. This will clarify the relationship between the indicators and their latent variables. The validity tests performed are as follows:

a. Convergent Validity Test

Combined legitimacy is expected to show the relationship between markers and inactive variables. The combined legitimacy test with intelligent markers is surveyed by considering the stacked factors or the relationship between item scores (indicators) and construct scores. The value of a single reflection measure is considered high if the connection has a value > 0.70 with the development to be estimated. However, if the value is 0.50 to 0.60, it is still considered sufficient or satisfactory (Ghozali, 2014). Then there is another method that can be used to measure combined legitimacy, namely by using the *Average Variance Extracted* (AVE) value, where the AVE value should be large, assuming it is greater than 0.5 (Ghozali, 2014).

Table X Convergent Validity Test Results

Variables	Indicator	*Loading Factor*	AVE	Information
	Y1	0.889	0.753	*Valid*

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Variables	Indicator	*Loading Factor*	AVE	Information
Marketing Performance	Y2	0.909		*Valid*
	Y3	0.933		*Valid*
	Y4	0.919		*Valid*
	Y5	0.880		*Valid*
	Y6	0.866		*Valid*
	Y7	0.766		*Valid*
	Y8	0.851		*Valid*
	Y9	0.883		*Valid*
	Y10	0.766		*Valid*
Marketing Skills	X1-1	0.913	0.885	*Valid*
	X1-2	0.931		*Valid*
	X1-3	0.952		*Valid*
	X1-4	0.896		*Valid*
	X1-5	0.931		*Valid*
	X1-6	0.949		*Valid*
	X1-7	0.946		*Valid*
	X1-8	0.943		*Valid*
	X1-9	0.936		*Valid*
	X1-10	0.958		*Valid*
	X1-11	0.932		*Valid*
	X1-12	0.912		*Valid*
	X1-13	0.959		*Valid*
	X1-14	0.952		*Valid*
	X1-15	0.955		*Valid*
	X1-16	0.947		*Valid*
	X1-17	0.939		*Valid*
	X1-18	0.959		*Valid*
	X1-19	0.955		*Valid*
	X1-20	0.951		*Valid*
Customer Relationship Management	X2-1	0.957	0.913	*Valid*
	X2-2	0.956		*Valid*
	X2-3	0.961		*Valid*
	X2-4	0.924		*Valid*
	X2-5	0.954		*Valid*
	X2-6	0.964		*Valid*
	X2-7	0.953		*Valid*
	X2-8	0.963		*Valid*
	X2-9	0.967		*Valid*
	X2-10	0.960		*Valid*
	X2-11	0.957		*Valid*
	X2-12	0.951		*Valid*
Competition Intensity	Z1	0.880	0.787	*Valid*
	Z2	0.859		*Valid*
	Z3	0.937		*Valid*

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Variables	Indicator	*Loading Factor*	AVE	Information
	Z4	0.811		*Valid*
	Z5	0.913		*Valid*
	Z6	0.917		*Valid*

Source: Processed data

The table above shows that all instruments have *loading factors* greater than 0.7. An indicator is considered *valid* if it produces a correlation value greater than 0.7. It can be concluded that all indicators for each variable have *loading factors* greater than 0.7 and AVE values greater than 0.5. Therefore, the indicators for each variable are considered *valid* and can proceed to the next stage.

b. Discriminant Validity Test

the Heterotrait-Monotrait Ratio (HTMT) value , where the HTMT value is said to be very good if it is <0.9, as well as *the cross-loading* between the measurement and its construct. The *cross-loading value* in discriminant validity is >0.7 in one variable. The factor loading value indicates the correlation between the indicator and its construct. Indicators with low loading values indicate that the indicator does not work in the measurement model. The expected loading value is >0.7 (Ghozali, 2014).

***Heterotrait-Monotrait Ratio* Test Results**

	Competition Intensity	Marketing Skills	Marketing Performance	Customer Relationship Management
Competition Intensity				
Marketing Skills	0.848			
Marketing Performance	0.945	0.943		
Customer Relationship Management	0.832	0.988	0.948	

Source: *PLS Output Results*

Based on the table above, the value of *the Heterotrait-Monotrait Ratio* in this study shows that the results show that there are two variables that get results in accordance with the expected, namely <0.9 marketing skills with competitive intensity and customer relationship management with competitive intensity. Meanwhile, marketing performance with competitive intensity, marketing performance with marketing skills, customer relationship management with marketing skills and customer relationship management with marketing performance have values >0.90. All correlation values between the variables are only two as expected, there is another way to be able to see the validity of the discriminant is to look at the *cross loading value. The cross loading* value is as follows:

Table X *Cross Loading Test Results*

	Marketing Skills	Customer Relationship Management	Competition Intensity	Marketing Performance
X1-1	0.913			
X1-2	0.931			

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	Marketing Skills	Customer Relationship Management	Competition Intensity	Marketing Performance
X1-3	0.952			
X1-4	0.896			
X1-5	0.931			
X1-6	0.949			
X1-7	0.946			
X1-8	0.943			
X1-9	0.936			
X1-10	0.958			
X1-11	0.932			
X1-12	0.912			
X1-13	0.959			
X1-14	0.952			
X1-15	0.955			
X1-16	0.947			
X1-17	0.939			
X1-18	0.959			
X1-19	0.955			
X1-20	0.951			
X2-1		0.957		
X2-2		0.956		
X2-3		0.961		
X2-4		0.924		
X2-5		0.954		
X2-6		0.964		
X2-7		0.953		
X2-8		0.963		
X2-9		0.967		
X2-10		0.96		
X2-11		0.957		
X2-12		0.951		
Y1				0.889
Y2				0.909
Y3				0.933
Y4				0.919
Y5				0.88
Y6				0.866
Y7				0.766
Y8				0.851
Y9				0.883
Y10				0.766
Z1			0.88	
Z2			0.859	

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	Marketing Skills	Customer Relationship Management	Competition Intensity	Marketing Performance
Z3			0.937	
Z4			0.811	
Z5			0.913	
Z6			0.917	

Source: *PLS Output Results*

Based on the table above, it tends to be seen that all explanations of each indicator in the variables of marketing skills, CRM, competitive intensity and marketing performance have high *cross-loading values* according to the variables that have been compiled compared to other variables. Thus, it tends to be reasonable that each instrument of the instructions in this examination variable is considered substantial so it should be continued to the next stage. Considering the consequences of *the Heterotrait-Monotrait Proportion* and *Cross-Stacking* , this provides solidarity with the statements conveyed from the previous *Heterotrait-Monotrait Proportion* because all statements for each marker in the variable have values that are considered valid. Thus, considering the consequences of the calculation of focused legitimacy and discriminant legitimacy, it is assumed that all proclamations of the instructions are considered important because they have the option to measure the variables of marketing skills, client relationships, competitive intensity and marketing performance.

3. Reliability Test

After the validity test is completed, an examination is conducted using a fixed quality test. The reliability test must be viewed from the consequences of the *SmartPLS application results* obtained from the superior quality of *Cronbach's Alpha* and *Composite Reliability* of each variable. A variable can be considered solid if it has a *Composite Reliability value* and *Cronbach's Alpha* > 0.7. *Composite Reliability* is considered better for assessing consistency in a development (Ghozali, 2014). The following table shows the consequences of the reliability test estimation:

Table X Reliability Test Results

Variables	***Composite Reliability***	***Cornbach's Alpha***	**Criteria**
Competition Intensity	0.957	0.945	Reliable
Marketing Skills	0.994	0.993	Reliable
Marketing Performance	0.968	0.963	Reliable
Customer Relationship Management	0.992	0.991	Reliable

Source: *PLS Output Results*

Based on the reliability test results table, it can be confirmed that the measuring instrument used in this study has passed the consistency test. This can be seen from the *composite reliability* and *Cornbach's alpha values* for each variable, which have met the required reliability criteria, namely > 0.7. Therefore, it can be concluded that each variable in this study is reliable.

Structural Model (*Inner Model*)

The inner model is *a structural model* aimed at predicting causal relationships between latent variables (Ghozali, 2021). *Structural models* in PLS are evaluated using *R-square* ($R2^{)}$ for endogenous constructs, which aims to determine the extent of influence of all exogenous variables on endogenous variables, and *path coefficients (t-values)* for hypothesis testing.

1. *R Square* (R^2)

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The coefficient of determination (*R-Square*) is a tool that measures how well a model explains the variation of a dependent variable. The coefficient of determination has values ranging from zero to one. A small correlation indicates that the dependent variable's variance is limited, and a value close to 1 indicates that the independent variable provides almost all the information needed to predict the dependent variable. Nusrang et al. (2023)A value $R^2$of 0.75 indicates strong correlation, a value $R^2$of 0.50 indicates moderate correlation, and a value $R^2$of 0.25 indicates weak correlation. The following are the results of the R2 test *:*

***Square* Test Results (R 2)**

Variables	***R Square Adjusted***	**Criteria**
Competition Intensity	0.678	Moderate
Marketing Performance	0.932	Strong

Source: *PLS Output Results*

Based on the table above, $R^2$the competitive intensity variable is 0.678, which means that marketing skills and customer relationship management (CRM) can understand the competitive intensity by 0.678 or 67.8% and the excess is 32.2%, understanding by various variables that were not analyzed in the examination. The marketing performance variable has a value $R^2$of 0.932, meaning that the marketing performance variable can be understood by the marketing skills, CRM, and competitive intensity variables by 0.932 or 93.2% and the excess is 6.8% influenced by various factors that were not examined in this study.

2. *Q-Square* Test

Q-Square test , also known as *predictive relevance* or *predictive sample reuse,* is a technique for measuring the observed value of a model's results and estimating its parameters. A *Q-Square value* <0 indicates the model lacks *predictive relevance,* while a *Q-Square value* >0 indicates the model has *predictive relevance.* (Nurhalizah et al., 2024).

Table X *Q - Square Test Results* (Q2)

Variables	***Q-Square***
Competition Intensity	0.529
Marketing Performance	0.696

Source: *PLS Output Results*

Based on the table above, the Q2 value for the competition intensity and marketing performance variables is > 0, so it can be concluded that the independent variable for the competition intensity and marketing performance variables is appropriate because it has a value > 0.

Hypothesis Testing

Hypothesis testing in this research functions to determine the validity of the statement given and to draw conclusions about whether the truth of the hypothesis that has been made is accepted or rejected.

The basic output *used* in hypothesis testing is the value contained in *the path coefficients output* . The *original sample value* (O) indicates the direction of the relationship between each latent variable, and the *path coefficients score* derived from the *t-statistics value* indicates the level of significance in the hypothesis test. The hypothesis is accepted if the *t-statistics value* is > 1.96 in the two-tailed hypothesis .

***Path Coefficients* Test Results**

Hypothesis	***Original Sample* (O)**	**T *Statistic* (|O/STEDV|)**	**P- *Values***	**Conclusion**
Marketing Skills ➔Competition Intensity	0.839	4,281	0,000	Influential
Customer Relationship Management ➔Intensity of Competition	-0.014	0.071	0.944	No effect
Marketing Skills ➔Marketing Performance	-0.025	0.320	0.749	No effect

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Hypothesis	*Original Sample* (O)	T *Statistic* (|O/STEDV|)	P- *Values*	Conclusion
Customer Relationship Management ➔Marketing Performance	0.625	8,278	0,000	Influential
Marketing Performance Competition Intensity➔	0.414	15,269	0,000	Influential

Source: *PLS Output Results*

Based on the table above, the influence between each variable can be explained as follows:

1. Marketing skills on competitive intensity have an *original sample value* of 0.839 indicating positive results, a *t-statistic value* of 4.281 > 1.96 and a p- *value* of 0.000. This means that marketing skills have a significant positive influence on competitive intensity, so H1 is accepted.
2. Customer relationship management on competitive intensity has an *original sample value* of -0.014 indicating a negative result, a *t-statistic value* of 0.071 < 1.96 and a p-value *of* 0.944. This means that customer relationship management has no influence on competitive intensity, so H2 is rejected.
3. *original sample* value of marketing skills on marketing performance is -0.025, indicating a negative result, with a *t-statistic* of 0.320 <1.96, and a p- *value* of 0.749. This means that marketing skills have no effect on marketing performance, so H3 is rejected.
4. Customer relationship management on marketing performance has an *original sample value* of 0.625 indicating a positive result, a *t-statistic value* of 8.278 > 1.96 and a p- *value* of 0.000. This means that customer relationship management has a significant positive influence on marketing performance, so H4 is accepted.
5. The intensity of competition on marketing performance has an *original sample value* of 0.414 indicating a positive result, a *t-statistic value* of 15.269 > 1.96 and a p- *value* of 0.000. This means that the intensity of competition has a significant positive influence on marketing performance, so H5 is accepted.

Discussion

Based on the results of calculations that have been carried out using the SEM-PLS method using SmartPLS 4.0 with a sample representing a population of 240 MSME owners in the fashion industry in Jakarta, the researcher analyzed the data obtained to support the results of this study. The framework of the results of the test is as follows:

The Influence of Marketing Skills on Competitive Intensity

Based on the results of the calculation and analysis of the hypothesis test, it shows that marketing skills have a positive relationship with the intensity of competition. This can be seen from the original sample value of 0.839, in addition to the t-statistic value of 4.281 > 1.96 and the p-value of 0.000 < 0.05. Therefore, it can be concluded that marketing skills influence the intensity of competition.

The results of this study indicate a positive relationship, meaning that if the owners of fashion industry MSMEs improve their skills in marketing their businesses, the intensity of competition will increase. Based on the results of descriptive analysis on the marketing skills variable that has the highest average value is the statement "The ability to design attractive and effective advertisements has been owned" with a value of 4.196. This shows that if the owners of fashion MSMEs in Jakarta are able to create or design attractive advertisements, it will make customers interested in the advertisements they see, so that it will arouse curiosity or curiosity in the minds of customers to prove whether the advertisements given or displayed are appropriate or not. Therefore, it will trigger competitors to compete to prove better promotional strategies in the future. In line with research conducted by Dewi (2018)where the results of the study Social Media Advertising Factors have a positive relationship with Purchasing Decisions.

Furthermore, the lowest average value for the marketing skills variable is the statement "The ability to promote products online to ensure sales has been owned" with a value of 3.750. Although this value is included in the agree category, MSME owners in the fashion industry in Jakarta are expected to be able to improve this or carry out more attractive promotions with the aim of increasing purchases, because in the current digital era, promoting products

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online has a very big impact. By promoting products online, it will certainly make it easier for buyers to know whether the product is still available or not, even buyers can also expect the price offered.

The Influence of Customer Relationship Management on Competition Intensity

Based on the results of the calculation and analysis of the hypothesis test, it shows that customer relationship management has a negative direction towards the intensity of alienation, this can be seen from the original sample value of -0.014, in addition the t-statistic value of 0.071 <1.96 and the p-value of 0.944 > 0.05. So it can be concluded that customer relationship management has no effect on customer intensity.

The results of this study indicate that there is no negative relationship, meaning that if the owners of MSMEs in the fashion industry in Jakarta improve their relationships with customers, it will not affect the intensity of competition. Based on the results of descriptive analysis on the customer relationship management variable that has the highest average value, namely the statement "Communication with customers in certain segments is well established" with a value of 3.888. This shows that if the owners of MSMEs in the fashion industry in Jakarta are able to have good relationships with customers, it will certainly not create an intensity of competition with competitors, because basically customers want to buy a product not because they have a good relationship with the trader, but customers buy a product because they want the product or need it. So this certainly will not be able to influence customers to want to buy or not and will not affect the intensity of competition with competitors. Not in line with research conducted by Khan & Khan (2021)that Customer Relationship Management affects the Intensity of Competition, this may be due to differences in business aspects in the study.

In addition, the lowest average value in customer relationship management is in the statement "The marketing strategy owned is directed at targeting potential customers" with a value of 3.708. This means that even though the marketing strategy is directed at customers, it will not be able to influence the intensity of competition with competitors, even though the target is in accordance with what is expected, customers may move elsewhere to buy a desired product because the product they want is not available. So this will not affect the intensity of competition with competitors.

The Influence of Marketing Skills on Marketing Performance

Based on the results of the calculation and analysis of the hypothesis test, it shows that marketing skills have no relationship to marketing performance. This can be seen from the original sample value of -0.025, in addition to the t-statistic value of 0.302 < 1.96 and the p-value of 0.749 > 0.05. Therefore, it can be concluded that marketing skills have no effect on marketing performance.

The results of this study indicate a negative direction, meaning that if the owners of MSMEs in the fashion industry in Jakarta improve their marketing skills, it will not improve their marketing performance. Marketing skills do not affect marketing performance, indicated by the strategy being implemented being less effective, even though the owners of MSMEs in the fashion industry have good skills, if the marketing strategy implemented as a whole is less effective or not in accordance with market conditions, of course it will not achieve the desired results. In accordance with research conducted by Brewis et al. (2023)that generally marketing skills affect marketing performance, however, according to the results of the study, the opposite is true. There are many factors that occur, including differences in business segments that are the source of research information.

The Influence of Customer Relationship Management on Marketing Performance

Based on the results of the calculation and analysis of the hypothesis test, it shows that customer relationship management has a positive relationship with marketing performance, this can be seen from the original sample value of 0.625, in addition to the t-statistic value of 8.278 > 1.96 and the p-value of 0.000 < 0.05. Therefore, it can be concluded that customer relationship management has an effect on marketing performance.

The results of this study indicate a positive relationship, meaning that if MSME owners in the fashion industry in Jakarta improve their customer relationship management, their marketing performance will improve. To improve customer satisfaction in the fashion industry, MSME owners need to better understand their customers' needs and

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preferences, enabling them to provide more personalized and responsive services. This improvement in customer satisfaction can increase customer loyalty, which will positively impact marketing performance.

Furthermore, customer relationship management has a significant impact on marketing performance. By increasing customer satisfaction and loyalty, enabling better market segmentation, improving operational efficiency, and providing data for better decision-making, customer relationship management can help MSME owners achieve better marketing performance. MSMEs that implement customer relationship management well can certainly manage customer relationships more effectively, because maintaining relationships with customers will result in higher sales. In line with research conducted by Al-Zyoud (2019)[1], CRM consistently influences marketing performance even in different business subsectors.

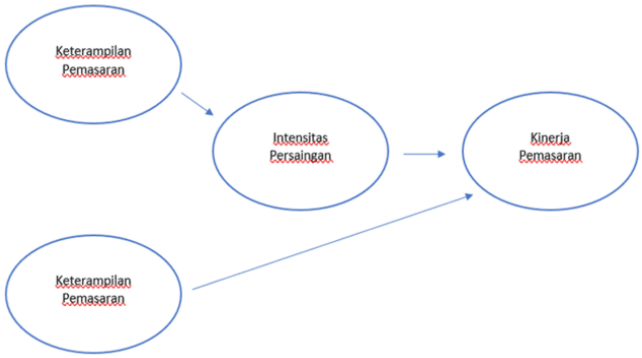
The Influence of Competition Intensity on Marketing Performance

Based on the results of the calculation and analysis of the hypothesis test, it shows that the intensity of competition has a positive relationship with marketing performance, this can be seen from the original sample value of 0.414, in addition to the t-statistic value of 15.269 > 1.96 and the p-value of 0.000 < 0.05. Therefore, it can be concluded that the intensity of competition affects marketing performance.

The results of this study indicate a positive relationship, meaning that if MSME owners in the fashion industry in Jakarta increase the intensity of competition with customers, it will affect marketing performance. Based on the results of descriptive analysis on the competitive intensity variable that has the highest average value is the statement "The ratio of costs to pricing is evaluated regularly" with a value of 3.467. This shows that if MSME owners in the fashion industry in Jakarta are able to evaluate the cost ratio regularly, of course, MSME owners can identify where costs may be increasing or inefficient. This certainly allows MSME owners to immediately take action, such as renegotiation, contracts with suppliers, or even improvements to the production process, because these things can reduce excessive costs. These results are supported by previous research conducted by Khan & Khan (2021)where the intensity of competition affects Marketing Performance.

In addition, the lowest average value for competitive intensity is in the statement "There has been a significant shift in market share" with a value of 2.971. This means that MSME owners in the fashion industry must be able to immediately read or follow market share, because if MSME owners cannot follow the existing market share, MSME owners will be left behind by existing trends. If MSME owners are able to read the shift in market share and are able to follow the upcoming market share, of course this will attract many customers, because customers feel that the MSME is able to follow the developments that occur.

The following are the results of the framework of thought after analyzing the data as described above:



CONCLUSION

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This study was conducted to examine the influence of marketing skills and customer relationship management on the intensity of competition as well as the influence of marketing skills, customer relationship management, and competitive intensity on marketing performance in the fashion industry of MSMEs in Jakarta with a sample of 240 respondents. The results showed that marketing skills were proven to influence the intensity of competition, meaning that the better the marketing skills possessed by MSME owners, the higher the level of competition they face. Conversely, customer relationship management did not influence the intensity of competition, because good relationships with customers do not necessarily lead to competition with competitors. Furthermore, marketing skills also did not influence marketing performance, indicating that good skills will not provide optimal results if not supported by the right marketing strategy that is in accordance with market conditions. However, customer relationship management was proven to have a positive effect on marketing performance, because understanding customer needs and preferences can increase satisfaction and loyalty which has an impact on performance improvement. In addition, competitive intensity has a positive effect on marketing performance, where competition encourages MSMEs to be more efficient in managing costs and business processes so that they can improve marketing results. Overall, this study confirms that customer relationship management and competitive intensity are important factors in improving the marketing performance of fashion MSMEs in Jakarta, while marketing skills require more appropriate strategic support to provide a significant impact.

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