



OPTIMIZING LOMBOK’S PEARL INDUSTRY: THE ROLE OF SOCIAL MEDIA AND FINTECH IN ENHANCING SME BUSINESS PERFORMANCE THROUGH COMPETITIVE ADVANTAGE

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Utilizing digital technology in business enhances competitive advantage, significantly improving performance, particularly for small and medium firms. (SMEs). This study seeks to investigate the impact of social media marketing and the integration of financial technology (FinTech) on company performance, with competitive advantage serving as a mediating variable within the small and medium-sized companies (SMEs) of the Lombok pearl sector. The study methodology employs a quantitative approach utilizing Structural Equation Modeling-Partial Least Squares (SEM-PLS) analysis. The research sample comprises 120 players in the Lombok pearl industry SMEs utilizing social media marketing and finance technology, selected via the census technique through the SME association. The research findings indicate that social media marketing does not immediately boost company performance; nonetheless, it greatly adds to the augmentation of competitive advantage, which subsequently enhances business performance. The implementation of financial technology significantly influences corporate performance and enhances competitive advantage. Moreover, competitive advantage has demonstrated its role as a mediating variable that enhances the association between social media marketing and the adoption of financial technology in relation to company success.

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INTRODUCTION

The tangible manifestation of the development of globalization and technological advancement in this modern era is digitalization. Globally, technology and globalization interact and support one another, fostering stronger and more intricate interactions between nations, both in professional and personal spheres (Luo, 2021).

This phenomena is particularly pronounced in the mobility of products and services, the flow of capital, and the interchange of data and information that facilitate international commerce (Tang et al., 2020). The 2024 study from the International Institute for

Management Development (IMD) indicates that Singapore holds the top position in digital technology competitiveness, with a business efficiency score of 96 points.

Indonesia has ascended to 27th position, an improvement from 34th in 2023, with a business efficiency score of 71.4 points (Databoks, 2024). This augmentation shows the escalating embrace of digital technology in Indonesia, especially within the e-commerce, finance, and other technology-driven service domains.

Digital transformation has opened up new prospects for Small and Medium Enterprises

(SMEs), allowing them to participate in the global market. Digital technologies, including social media and online platforms, facilitate market expansion and enhance operational efficiency for SMEs (Ardiansyah & Ichsanuddin Nur, 2023; Matarazzo et al., 2021). Nonetheless, globalization and digitization present considerable obstacles. In the face of a progressively competitive market, SMEs must formulate new strategies to sustain competitiveness and achieve sustainable growth (Donbesuur et al., 2020).

Competitiveness is the crucial element in addressing the constantly evolving market conditions. The capacity to swiftly adjust to changes, maintain client loyalty, and deliver high-quality products serves as the primary criterion for a business's competitiveness (Burinskienė & Daškevič, 2023).

The cultivation of dynamic talents that amalgamate competitive advantages with the integration of new technology is essential. The implementation of Artificial Intelligence (AI) has demonstrated its ability to enhance the performance of SMEs via operational optimization and strategic decision-making (Denicolai et al., 2021).

Utilizing social media for promotional strategies has emerged as a highly effective method for small and medium-sized enterprises to bolster their competitive edge. Social media provides an economical avenue with extensive reach for the promotion of products and services. Research indicates that the utilization of social media platforms like WhatsApp, Instagram, Facebook, and TikTok facilitates SMEs in fostering closer connections with consumers, enhancing brand visibility, and boosting sales (Maitri et al., 2023; Rahardja, 2022).

Indeed, engaging with social media influencers has emerged as a compelling strategy for market expansion. The report on E-Commerce Influencer Marketing in Southeast Asia for 2023 indicates that a significant 82% of consumers in the region make purchasing decisions influenced by recommendations from influencers (CubeAsia, 2023). In addition to social media, the integration of financial technology (FinTech) serves as a crucial element in enhancing the competitiveness and performance of small and medium-sized enterprises (SMEs).

FinTech fosters advancements in financial services that facilitate swifter, more secure, and increasingly efficient transactions. Within the realm of small and medium-sized enterprises, financial technology serves to not only improve financial inclusion but also broaden market access via digital payment solutions and technology-driven financing (Nugraha et al., 2022). Nonetheless, obstacles to the integration of FinTech in Indonesia persist, including inadequate digital infrastructure and insufficient

financial literacy in certain regions (Situmorang, 2022).

One specific illustration of the significance of digitization tactics in business is the Lombok pearl industry, which is a subset of Indonesia's SME sector. Indonesia, renowned for its rich marine resources, stands as the foremost producer of South Sea Pearl globally. The economic value of these pearls is substantial, and they play a crucial role in fostering both regional and national economic development (Masnun, 2018). West Nusa Tenggara (NTB), recognized as a pivotal hub for pearl production, has experienced a noteworthy surge in its pearl export activities in recent years. Nonetheless, this sector encounters considerable obstacles, notably the repercussions of the COVID-19 pandemic, which resulted in a substantial decrease in the sales of Lombok pearls (Amelia et al., 2022).

The revival of the tourist business and major international events in NTB have helped the pearl industry begin to show indications of recovery after the epidemic. Nevertheless, adaptive technologies and commercial strategies are necessary for these recovery initiatives. The integration of digitalization via social media and FinTech offers a profound opportunity to elevate business performance and bolster the competitiveness of the Lombok pearl industry. The promotion of social media enables a deeper engagement with consumers, whereas the integration of FinTech streamlines and enhances the efficiency of transactions (Caballero-Morales, 2021).

Prior studies indicate that the promotion of social media and the adoption of FinTech play a crucial role in influencing the business performance of small and medium-sized enterprises. Nonetheless, the findings of this study continue to reveal variations in the degree of influence. This research seeks to delve deeper into the influence of social media promotion strategies and the adoption of FinTech on enhancing the competitiveness and business performance of SMEs within the Lombok pearl industry.

Given this context, the research is entitled: "The Role of Social Media Promotion and Financial Technology Adoption in Enhancing Business Performance in Small and Medium Enterprises (SMEs) within the Lombok Pearl Industry." This research focuses on examining the roles of social media promotion and fintech adoption improving business performance, with competitive advantage as a mediating variable – an area that remains underexplored in the context of SMEs within the pearl industry. Using a quantitative approach with SEM-PLS, this study aims to provide both theoretical and enhancing competitiveness in an increasingly complex global market, while also contributing to the local economic development of the Lombok pearl industry.

Hypotheses Development

The Influence of Social Media Promotion on Business Performance

According to the Technology Acceptance Model (TAM) formulated by Davis in 1989, the perception of both ease of use and utility of technology significantly influences the adoption of digital innovations, such as social media, by users (Firsta Alika & Widodo, 2023). Though TAM, this study methodically explore how perceived Ease of use (PEOU) and Perceived Usefulness (PU) impact the use of social media by business actors and its effects on business performance, there by providing a strong theoretical foundation for this research. Platforms like Facebook, Instagram, TikTok, and WhatsApp are meticulously crafted to enhance business operations by enabling the generation and distribution of marketing materials. Prior investigations indicate that the deliberate application of social media plays a crucial role in enhancing business performance, particularly for small and medium-sized enterprises. (SMEs). The effects encompass heightened sales, improved consumer interaction, and the cultivation of brand reputation and trust (Chatterjee & Kumar Kar, 2020; Cherniavska & Vyhivska, 2023; Rosyadah et al., 2023). (Bai and Yan, 2020; Silvano and Mbogo, 2022). According to Umair Manzoor et al. (2020), there is a notable and positive correlation between consumer trust and the influence of social media on purchase intentions, particularly through platforms such as Facebook and Twitter. Furthermore, the utilization of social media platforms like Facebook and Instagram plays a crucial role in enhancing the sales performance of small enterprises.

H1: The influence of social media promotion on business performance is both positive and substantial.

The influence of financial technology adoption on business performance

The integration of financial technology has emerged as a pivotal element in enhancing business performance, particularly for small and medium enterprises. (SMEs). According to the Technology Acceptance Model (TAM), the adoption of technology is influenced by the perceived ease of use and usefulness, a concept particularly pertinent in the realm of financial technology, including digital payment applications, blockchain, and financial automation platforms. Prior investigations indicate that financial technology facilitates transaction management, enhances operational efficiency, and expands market access, thereby exerting a notably beneficial influence on the performance of SMEs across diverse sectors, including the food and beverage industry in Indonesia (Kurniasari, Lestari, et al., 2023; Sinaga

et al., 2023). Furthermore, the implementation of this technology has demonstrated a capacity to enhance revenue, diminish operational expenses, and bolster the competitive edge of enterprises in nations such as Jordan (Kaddumi et al., 2023; Xie et al., 2023).

H2: The adoption of financial technology exerts a favorable and substantial influence on business performance.

The Influence of Social Media Promotion on Competitive Advantage

The utilization of social media for promotion has emerged as a significant element in augmenting competitive advantage, particularly for small and medium enterprises (SME). The advent of social media facilitates a broader market reach for business entities at minimal expense, concurrently enhancing direct engagement with consumers. This methodology enables business entities to proficiently present their offerings, gather insights, and establish unique characteristics that are challenging for rivals to replicate, forming the essential basis of Competitive Advantage. Prior studies substantiate this assertion, as articulated by Sasmita et al. (2023), indicating that innovation and market orientation via social media facilitate the establishment of competitive advantages for SMEs. Kumar & Mishra (2024) assert that the utilization of social media plays a crucial role in establishing competitive advantage, whereas Sari (2024) illustrates the efficacy of social media in fostering sustainable competitive advantage.

H3: The promotion of social media exerts a favorable and substantial influence on Competitive Advantage.

The Influence of Financial Technology Adoption on Competitive Advantage

The integration of financial technology plays a crucial role in bolstering Competitive Advantage within the business landscape, particularly for small and medium enterprises (SME). This technology facilitates the digital transformation of financial processes, enhances the quality of transactions, and expands access to financial services, thereby bolstering the organization's capacity to adeptly respond to market demands (Nugraha et al., 2022; Putri et al., 2022).

The integration of FinTech enables enterprises to adapt more swiftly to market fluctuations, fosters a unique positioning that is challenging for rivals to replicate, and cultivates enduring competitive advantages. Safitri and Miranda (2024) demonstrate that FinTech enables SMEs to react to market demand with greater efficiency, whereas Kurniasari et al. (2023) reveal

that this technology exerts a substantial positive influence on long-term business competitiveness.

H4: The adoption of financial technology exerts a favorable and substantial influence on competitive advantage.

The Influence of Competitive Advantage on Business Performance

The concept of competitive advantage pertains to the distinctive resources and capabilities that a company possesses, which are both valuable and challenging to replicate, thus playing a crucial role in enhancing business performance (Birkinshaw & Goddard, 2009). Studies indicate that the implementation of effective business strategies, including differentiation and cost leadership, fortifies sustainable competitive advantage, subsequently improving customer satisfaction, encouraging repeat purchases, and facilitating entry into new markets (Do & Nguyen, 2020; Farida & Setiawan, 2022). Furthermore, competitive advantage functions as a crucial intermediary that links corporate strategy to business performance (Samad, 2018). The establishment of dynamic capabilities that foster competitive advantage has been demonstrated to positively influence the performance of SMEs (Fabrizio et al., 2022). Additional studies indicate that competitive advantage, in both strategic and relational dimensions, profoundly influences business outcomes, fostering sustainable competitiveness and enhancing company performance (Apriani & Rufaidah, 2018; Sitaniapessy & Huwae, 2023).

H5: The influence of competitive advantage on business performance is substantial.

The Influence of Social Media Promotion on Business Performance through Competitive Advantage

Unique resources that are challenging for competitors to replicate are the source of competitive advantage. Social media serves as a pivotal resource, empowering companies to elevate brand awareness, foster customer interaction, and cultivate customer loyalty, thereby potentially establishing a competitive edge. Studies indicate that social media serves as a conduit in the interplay between promotional strategies and business performance, with competitive advantage emerging as a crucial connection (Corte et al., 2019; Marolt et al., 2022). Moreover, social media facilitates the enhancement of business innovation capabilities, thereby reinforcing competitive advantage and improving overall company performance (Handayani & Sihananto, 2023; Le & Chakrabarti, 2023).

H6: The promotion of social media exerts a considerable influence on business performance by fostering competitive advantage.

The Influence of Financial Technology Adoption on Business Performance through Competitive Advantage

The integration of financial technology, including digital payments and blockchain, has the potential to serve as a distinctive strategic asset, thus fostering a competitive edge that enhances overall business performance (Kurniasari, Utomo, et al., 2023; Soprakan & Kiattisin, 2021). The realm of financial technology fosters operational efficiency, diminishes costs, and enhances financial stability, each of which is integral to fortifying the company's competitive edge (Almashhadani & Ahmed Almashhadanie, 2023). Furthermore, engaging in collaboration with FinTech organizations can significantly enhance business sustainability and performance, with competitive advantage serving as the primary mediator (Subanidja et al., 2022). Additional research indicates that the application of financial technology, in both direct and indirect manners, significantly improves competitive advantage and business performance, particularly within the SME sector (Putri et al., 2022).

H7: The adoption of financial technology exerts a favorable and substantial influence on business performance via the enhancement of competitive advantage.

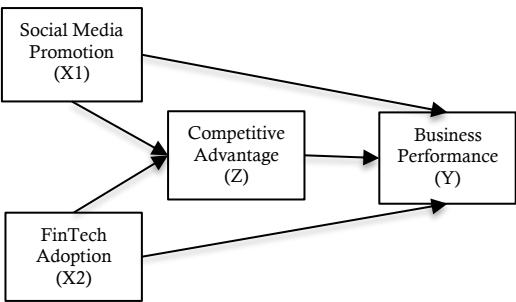


Figure 1. Conceptual Framework

METHOD

This study employs a quantitative methodology featuring a correlational design to examine the interplay among Social Media Promotion, Financial Technology (FinTech) Adoption, Competitive Advantage, and Business Performance within Small and Medium Enterprises (SMEs) operating in the pearl industry of Lombok, West Nusa Tenggara. The collection of data was executed through a meticulously designed questionnaire, serving as the primary tool, which enabled respondents to complete it autonomously, thereby enhancing the efficiency of the data gathering process. This research seeks to assess the impact of independent variables on

dependent variables, as well as the function of Competitive Advantage as a mediating factor. The study population comprises 120 small and medium enterprises within the pearl industry that are officially registered with the Pearl Association of West Nusa Tenggara (NTB).

The sampling technique employed was the census method, wherein the entire population served as the sample to acquire thorough and representative information. The gathered data undergoes rigorous analysis through factor analysis methodologies to examine the relationships among variables. The process of data analysis encompasses the organization of data into groups, the creation of tables, and the testing of hypotheses through the application of Partial Least Squares software (PLS). This methodology enables scholars to assess the intricate interconnections among independent,

mediating, and dependent variables, thus yielding objective and quantifiable insights regarding the elements that affect the performance of small and medium-sized enterprises within the pearl industry in Lombok.

RESULT AND DISCUSSION

A total of 120 entrepreneurs from the small and medium-sized pearl industry in Lombok engaged as respondents in this study. A comprehensive descriptive analysis of the characteristics and responses from the respondents was performed utilizing SmartPLS 4 software. This document elucidates the findings derived from the descriptive analysis and offers an interpretation of the distribution of characteristics and responses provided by the participants.

Table 1. Respondent Characteristics

Characteristics	Description	Frequency	Percentage (%)
Long time in business	Less than 1 year	1	0.83
	1 - 3 years	9	7.50
	4 - 6 years	48	40
	7 - 9 years	57	47.50
	More than 10 years	5	4.17
Business Revenue	Less than Rp 10 million	7	5.83
	Rp 10 - 50 million	104	86.67
	Rp 51 - 100 million	9	7.50
	Rp 101 - 500 million	0	0
	More than Rp 500 million	0	0
Business Location	Kabupaten Lombok Barat	4	3.33
	Kabupaten Lombok Tengah	0	0
	Kabupaten Lombok Timur	0	0
	Kabupaten Lombok Utara	0	0
	Kota Mataram	116	96.67
		120	100%

This study employs a reflective measurement model, wherein the variables of Social Media Promotion, Financial Technology Adoption, Competitive Advantage, and Business Performance are assessed reflectively. In Hair et al. (2021), the assessment of the reflective

measurement model entails a Loading factor of at least 0.70, Composite Reliability of no less than 0.70, alongside Cronbach's alpha, and Average Variance Extracted (AVE) of 0.50 or greater, in addition to the evaluation of discriminant validity in accordance with the Fornell-Larcker criterion.

Table 2. Outer Loading, Composite Reliability and Avarage Variance Extracted

	Measurement Items	Indicators	Outer Loading	Cronbachs Alpha	Composite Reliability	AVE
Social Media Promotion	X1.1	Social media helps me connect with more potential customers.	0.741	0.799	0.869	0.625
	X1.2	I always receive customer feedback through social media.	0.836			
	X1.3	I often share interesting content about pearls on social media.	0.797			
	X1.5	Social media expands the reach of my product promotion.	0.785			
Financial Technology Adoption	X2.2	FinTech services help the operations of my pearl business.	0.757	0.810	0.875	0.637
	X2.3	Financial technology helps me reach a wider market.	0.750			
	X2.4	Financial technology helps me reduce operational costs.	0.861			
	X2.5	Financial technology helps me manage business risks better.	0.820			
Competitive Advantage	Z1	My pearl business is able to offer lower prices compared to competitors.	0.743	0.788	0.878	0.706
	Z2	The customer service I provide makes my business stand out in the eyes of customers.	0.910			
	Z3	I am targeting a specific market segment with pearl products tailored to customer needs.	0.860			
Business Performance	Y1	My business has successfully expanded its market to new areas.	0.761	0.731	0.848	0.650
	Y2	The technology I use helps increase productivity.	0.871			
	Y3	My business profits continue to increase every year.	0.782			

Table 3. Discriminant Validity (Fornell-Larcker criterion)

	Business Performance	Competitive Advantage	FinTech Adoption	Social Media Promotion
Business Performance	0.806			
Competitive Advantage	0.753	0.840		
FinTech Adoption	0.759	0.759	0.798	
Social Media Promotion	0.648	0.684	0.676	0.790

Table 4. R-Square

	R-Square	R-Square Adjusted
Business Performance	0.659	0.650
Competitive Advantage	0.630	0.623

The R2 value for Business Performance, which stands at 0.659, indicates that the model accounts for 65.90% of the variance in the phenomenon or issue of Business Performance. In addition, the residual 34.10% can be attributed to

various factors beyond the scope of Social Media Promotion, Financial Technology Adoption, and Competitive Advantage, which are excluded from the model and error analysis.

Tabel 5. Path Coefficients (Direct Effects) Between Variables

Hypothesis		Original Sample (O)	T-Statistics	P-Values	Decision
SMP → BP	H1	0.134	1.080	0.280	Non-Significant
FTA → BP	H2	0.394	2.782	0.005	Significant
SMP → CA	H3	0.314	3.577	0.000	Significant
FTA → CA	H4	0.546	6.331	0.000	Significant
CA → BP	H5	0.362	3.163	0.002	Significant
SMP → CA → BP	H6	0.114	2.889	0.004	Significant
FTA → CA → BP	H7	0.198	2.292	0.022	Significant

Social Media Promotion on Business Performance

In today's digital landscape, the promotion of social media has emerged as a pivotal strategy for businesses, enabling entrepreneurs to engage directly with consumers, enhance brand visibility, and access a broader market at a reduced expense relative to conventional promotional methods (Kembang et al., 2021; Wibawa et al., 2022). Nonetheless, the findings of this study suggest that Social Media Promotion does not play a substantial role in enhancing Business Performance within Lombok pearl enterprises. The proposition asserting a notable positive impact of Social Media Promotion on Business Performance is dismissed.

This finding can be elucidated by a variety of factors. Initially, the caliber of engagements via

social media within the Lombok pearl sector has yet to effectively translate into sales or profitability. While social media enables customer feedback, this does not invariably result in purchasing behavior. Secondly, the distinct attributes of the pearl industry market indicate that consumers often prefer direct engagements or exhibitions to evaluate product quality, thereby diminishing the efficacy of digital marketing efforts. Third, evidence indicates that the integration of technology, including financial system automation and online sales platforms, significantly enhances productivity more than social media promotions do. Fourth, the promotional strategies employed via social media within this industry remain rudimentary and lack a concentrated effort to substantially enhance sales, thereby complicating the task of distinguishing oneself from competitors. Products

of significant value, such as pearls, tend to be more closely linked with trust and quality. These attributes are frequently upheld through direct recommendations rather than through online marketing strategies (Ovinda et al., 2022). Consequently, professionals within this sector must embrace a more cohesive marketing strategy, merging traditional methods, partnerships with influencers, and engagement in jewelry exhibitions.

The findings align with the study conducted by Khudolei in 2021, which indicates that the efficacy of Social Media Promotion is contingent upon the appropriate strategy. Nevertheless, these results diverge from other research that suggests a substantial impact of social media on business performance (Haeruddin et al., 2023; Lina Lia Febria, 2020; Tajvidi & Karami, 2021; Yasa et al., 2020). This suggests a necessity for deeper investigation into the most effective social media promotion strategies tailored to particular industries.

Financial Technology Adoption on Business Performance

The integration of financial technology has ushered in profound transformations within business operations, particularly impacting the small and medium-sized enterprise sector. FinTech enhances accessibility, accelerates transaction speed, and fosters transparency in financial dealings, thereby contributing to operational efficiency and the advancement of financial services (Putri et al., 2022). This study elucidates that the adoption of Financial Technology plays a crucial role in enhancing the performance of businesses within the Lombok pearl industry.

FinTech empowers enterprises to facilitate swift and seamless digital payment solutions, including electronic payments, mobile banking, and online commerce platforms. This facilitates the transaction process for consumers, consequently fostering an uptick in sales volume. Furthermore, FinTech facilitates the management of budgets, the monitoring of expenses, and the planning of finances with greater efficiency, simultaneously diminishing operational costs and risks associated with financial management (Hidayati et al., 2021).

The findings presented herein corroborate earlier research (Hidayati et al., 2021; Santosa Utomo et al., 2022; Sinaga et al., 2023) that underscores the beneficial influence of FinTech on business performance. According to the Technology Acceptance Model (TAM) (Purwanto et al., 2019), the integration of FinTech within the Lombok pearl industry is influenced by the perceptions of ease of use and usefulness, particularly in terms of transaction efficiency and

enhanced business productivity. In summary, FinTech has emerged as a crucial approach to enhance the sustainability of business performance within this sector.

Social Media Promotion on Competitive Advantage

The promotion of social media has emerged as a crucial strategy for business entities seeking to attain a competitive edge, particularly in the contemporary digital landscape. Social media provides businesses with the opportunity to not only promote their products but also to cultivate brand awareness, enhance customer engagement, and establish a robust brand image. Social media platforms such as Instagram, Facebook, and TikTok offer significant avenues for business entities to broaden their market presence at a reduced expense relative to conventional promotional strategies.

The findings of this research suggest that Social Media Promotion exerts a favorable and substantial influence on Competitive Advantage within the Lombok pearl industry. By employing strategic promotional methods, business entities can expand their market reach, both locally and globally, showcase their pearl products, and enhance their visibility. Engaging directly with customers on social media facilitates the acquisition of feedback, fosters deeper connections, and enhances customer loyalty.

Moreover, social media provides a platform for business entities to articulate messages of product differentiation in a creatively engaging manner through visual content. Through the strategic use of social media, entrepreneurs in the pearl industry in Lombok can distinguish themselves in a saturated market, enhance their brand identity, and establish a significant competitive edge.

The results align with earlier studies (Fatima & Ali, 2022), which contend that leveraging social media for promotion bolsters Competitive Advantage by fostering Brand Awareness and establishing product differentiation through innovative content. Social media promotion ought to be regarded as an essential strategy for competing in the pearl jewelry sector.

Financial Technology Adoption on Competitive Advantage

Financial Technology (FinTech) has emerged as a crucial factor in establishing Competitive Advantage through enhanced efficiency, market expansion, and improved customer experiences. This study reveals that the integration of FinTech plays a crucial and substantial role in enhancing Competitive

Advantage within the Lombok pearl industry sector. Financial technology facilitates the automation of processes, expedites payment transactions, and ensures secure systems, thus establishing a competitive edge in operational efficiency and service quality. By utilizing digital payment systems like e-payment, operators in the Lombok pearl industry can expand their customer base, including access to international markets that typically demand swift and secure payment solutions. This facilitates the transcendence of geographical limitations while concurrently augmenting competitive advantage.

This investigation aligns with earlier findings (Johan, 2021; Subanidja et al., 2022; Sugi et al., 2021), demonstrating that FinTech has the potential to enhance business sustainability by improving efficiency and service quality. Through the strategic application of FinTech, businesses within Lombok's pearl industry can enhance their competitive standing in the progressively digital marketplace.

Competitive Advantage on Business Performance

The concept of Competitive Advantage refers to a business's capacity to provide products or services that surpass those of its rivals, particularly in aspects such as quality, innovation, or pricing strategies. This study demonstrates that Competitive Advantage plays a positive and significant role in enhancing Business Performance within the Lombok pearl industry. This benefit empowers business leaders to foster innovation, broaden market reach, and cultivate customer loyalty, thus reinforcing sustainable business performance. Lombok pearls are esteemed for their quality and authenticity, establishing themselves as a significant source of competitive advantage. This reputation enhances the allure of the products in both domestic and international markets. Furthermore, advancements in design, distinctiveness of products, and excellence in service significantly enhance the competitive standing of Lombok pearl enterprises within the jewelry sector.

This discovery aligns with the Resource-Based View (RBV) theory, which posits that the effective deployment of resources—encompassing technology, finance, and labor—can foster a sustainable competitive advantage (Pereira & Bamel, 2021). Through the ongoing management of these advantages, Lombok pearl enterprises are capable of sustaining their standing in the competitive marketplace, enhancing sales, and ultimately fortifying their overall performance.

Social Media Promotion on Business Performance Trough Competitive Advantage

The advent of social media platforms like Instagram, Facebook, and TikTok has

fundamentally transformed the dynamics of business-customer interactions, broadened market accessibility, and fortified the connections between enterprises and their clientele. Studies indicate that leveraging social media for promotion can enhance business performance, particularly for small and medium enterprises, by fostering greater customer engagement and loyalty. Social media facilitates a closer connection between business entities and their clientele, enhancing the quality of products, services, and communication strategies within the marketplace.

The concept of Competitive Advantage is fundamental in influencing the interplay between social media promotion and business performance. The competitive advantages, including product differentiation and enhanced customer service, amplify the influence of social media promotion on sales and the enhancement of profitability. The findings of this study suggest that leveraging social media for promotion has a beneficial impact on Business Performance within the Lombok pearl industry, especially in terms of Competitive Advantage. While social media may not serve as the primary determinant, its strategic application to enhance Competitive Advantage can profoundly elevate business performance.

The findings of this study are corroborated by the research conducted by Marolt et al. (2022), Zahro et al. (2023), and Zaini et al. (2023), which demonstrate that Competitive Advantage serves as a mediator in the relationship between social media and business performance within small and medium enterprises. Articulated through the lens of Competitive Advantage, which augments the efficacy of promotional activities executed through social media and may lead to enhanced business performance.

Financial Technology Adoption on Business Performance Trough Competitive Advantage

The integration of financial technology (FinTech) is pivotal in enhancing business performance, particularly for small and medium enterprises. The implementation of technologies like digital wallets and digital payment systems facilitates enhanced operational efficiency for businesses, diminishes costs, and broadens market accessibility. Through the provision of expedited and more secure transactions, alongside enhanced customer service, FinTech cultivates a competitive edge that underpins business success.

The findings of this research suggest that the integration of financial technology has a substantial impact on business performance by enhancing Competitive Advantage within the Lombok pearl industry. The implementation of this technology enhances operational efficiency and elevates the customer experience, thereby

fortifying competitive standing within the market. This strategic edge enables enterprises to maintain their relevance and engage in effective competition, thereby leading to enhanced organizational performance. This study is consistent with the evidence suggesting that Competitive Advantage serves as a mediator in the relationship between FinTech adoption and enhanced business performance.

The results align with the findings of studies conducted by Inrawan et al. (2021) and Putri et al. (2022), which indicate that Competitive Advantage serves as a mediator in the relationship between the adoption of financial technology and business performance. The rationale behind this phenomenon lies in the assertion that the adoption of financial technology enhances business performance by fostering efficiency and delivering experiences that serve as competitive advantages for the organization.

CONCLUSION AND RECOMMENDATION

This study determines that Social Media Promotion has not directly enhanced the Business Performance of Lombok pearl enterprises, yet its impact on Competitive Advantage has been notably significant. To enhance business performance, operators must refine their social media promotion strategies, emphasizing the cultivation of a competitive edge. On the contrary, the adoption of financial technology demonstrates a clear impact on business performance and competitive advantage by enhancing operational efficiency, improving risk management, and elevating the customer experience. The concept of Competitive Advantage is fundamental in enhancing business performance, primarily through avenues such as innovation, differentiation, and the cultivation of a robust brand image. Nonetheless, this study exhibits certain constraints regarding its geographical scope, sample size, and the variables examined, which may result in findings that do not entirely encapsulate the complexities of the Lombok pearl industry in its entirety.

It is recommended that business operators enhance their social media promotion by engaging in more dynamic interactions, utilizing paid advertisements, and forming partnerships with influencers. The advancement of Financial Technology must be perpetually refined to facilitate global market expansion, particularly via e-commerce. Emphasizing customer service is crucial for establishing enduring competitive advantages. Future research ought to incorporate supplementary variables, including Brand Awareness and Product Quality, to gain a deeper understanding of the various factors that bolster the competitiveness of Lombok pearl enterprises.

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