Influences The Sustainability Of Business Continuity Through Mass Customization On Embroidery Smes In West Bandung Regency.

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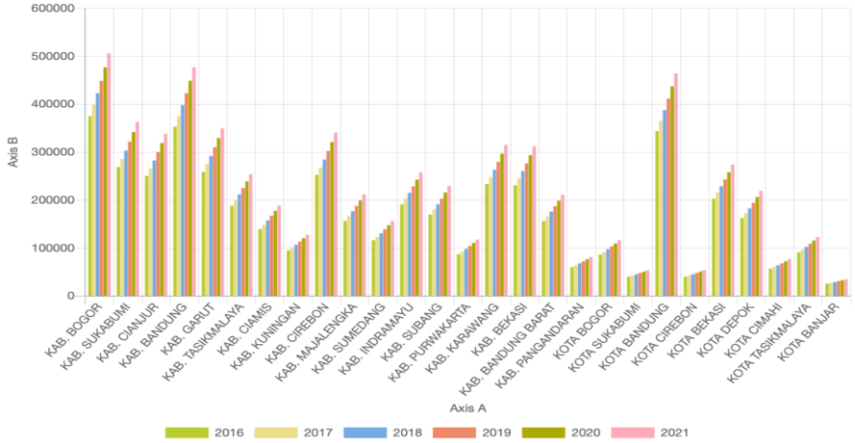
Abstract.

At this time, MSMEs are an important part of the economy in Indonesia, one of them is in the West Java region. It was recorded that in 2021 the number of MSMEs in West Java was 6,257,390 and West Bandung Regency was the area that experienced a significant increase. The categories of the business are accessories, batik, embroidery, craft, fashion, services/others, convection, culinary, food and drink. However, the covid-19 pandemic has caused business actors, especially the embroidery sector that must be work harder in order to survive in the pandemic era. The lack of entrepreneurial innovativeness in business success is can influence a decrease in sales and the success of a business can be seen from business actors who making mass adjustments in terms of production (mass customization). Therefore, business actors are required to be able to maintain their business. On this research using a descriptive and associative methods. Descriptive research explains that characteristic or gap can be used as a basic to solving business problem. On this research, descriptive research explains characteristic and variable function like entrepreneurial innovativeness, mass customization, and business contuinity. The location of this research is in West Bandung Regency, and the research subject were 70 embroidery business actors in West Bandung Regency. Data collection techniques is using library research, then continued with distributing questionnaires and interview. Data analysis techniques is using path diagrams assisted by SEM-PLS software. The result on this research show that entrepreneurial innovativeness mediated by mass customization has an effect on business continuity.

Keywords: *Entrepreneurial Innovativeness, Mass Customization, and Business Continuity.*

I. INTRODUCTION

At this time, MSMEs are an important part of the economy in Indonesia, due the existence MSMEs can help to open job opportunities. Based by data on 2021, sum of MSMEs in West Java is 6.257.390, increases 5.83% from previous years, with the average number of MSMEs each year being 5,413,678.67 from the 6 past years ago (opendata.jabarprov.go.id). there is the data MSMEs in West Java.



Sumber: (opendata.jabarprov.go.id), 2023

From that picture above, one of them has increases in the data MSMEs West Java Province is West Bandung Regency in 2016 there is 156.287 MSMEs. Next in 2017 there is 165.957 MSMEs, in 2018 there is 176.225 MSMEs, and then in 2019 there is 187.128 MSMEs, after that in 2020 there is 198.707 MSMEs and in 2021 there is 211.001. West Bandung Regency has the significant increase by the years even though in the early of 2020 until 2021 has a pandemic Covid-19 which is gave an impact for Indonesia. However, the business actors keep trying to maintan that the economic didn't stop and still going.

Sum of jumlah_umkm	Column Labels				
Row Labels	2017	2018	2019	2020	2021
AKSESORIS	386	410	436	463	491
BATIK	386	410	436	463	491
BORDIR	55	59	62	66	70
CRAFT	13.798	14.651	15.558	16.520	17.542
FASHION	13.466	14.300	15.184	16.124	17.121
JASA/LAINNYA	18.765	19.926	21.159	22.468	23.858
KONVEKSI	8223	8732	9272	9846	10.455
KULINER	59.385	63.059	66.960	71.103	75.503
MAKANAN	43.435	46.122	48.976	52.006	55.224
MINUMAN	8058	8556	9086	9648	10.245
Grand Total	**165.957**	**176.225**	**187.129**	**198.707**	**211.000**

Sumber: (opendata.jabarprov.go.id), 2023

From that table above West Bandung Regency have any categories business type there are accessories, batik, embroidery, craft, fashion, services/others, convection, culinary, food and drink. If looked from that table every category has increases of the business actors by the years. Same as on embroidery category has increases by the years with the sum of business actors is 312 during the 5 years ago.Pandemic Covid-19 gives the impact for business actors especially embroidery sector that must be work harder for still survive in pandemic era. The lack of entrepreneurial innovativeness on business continuity has influence decreases on sales. Melani & Nasution, 2020 said business continuity has marked with increases sales, the result of production and the profits generated. Strengthened by Noor, 2007 business continuity is success from the business to achieving the goals, a business said to be a successful if make a profit due it a goals from someone who doing a business. Purnama, 2022 said one of factor becoming a succesfull is innovation and can take a risk. In the same line opinion with Melani & Nasution, 2020 that the result of production has influence the business continuity then the business actors must make mass adjustments in terms of production (mass customization)

II. METHODS

On this research using a descriptive and associative research methods. The location on this research is in West Java Regency and the subject research is the embroidery business actors in West Java Regency. Data collection techniques is using library research, then continued with distributing questionnaires and interview. This research using the pprimary data tabulated results of questionnaire answers from respondents, in this case embroidery business actors in West Java Regency.On the decriptive analysis, each variable categorized as four (4) measurement result categories, namely: very low, low, medium, high. The frequency and proportions were calculated for each category and the distribution was compiled. Categorization is carried out by reviewing the position of the total variable score within the limits of the minimum value, quartile I, median, quartile III and maximum. Analysis data techniques using the descriptive analysis and verification analysis assisted by PLS-SEM. There is the diagram path using the SEM. After that do the verification statistical hypothesis test. Hypothesis testing is carried out using statistical calculations which are used to test the influence of variables X1 and X2 to Y. The statistical hypothesis in the study, namely entrepreneurial innovativeness, influences the sustainability of business continuity through mass customization on embroidery SMEs in West Bandung Regency.

Entrepreneurial Innovativeness

The role of innovation in entrepreneurship was important. Without innovation a business venture will not be able to run when facing a challenge. That innovation can be defined as and effort or activity to develop or maximize existing the resources. These resources can be in the form of capital, thoughts and even cooperative relationships with other people. With innovation, an entrepreneur can maximize his business (Wahyuningsih, 2020). Indriastuti, 2019 said entrepreneurial innovativeness is the company strategy to apply and supporting the new ideas, novelty, experimen, and the creative process to produce the product, services

or technology process. However, the aspect who will researched in entrepreneurial innovativeness on this research there are technology, behaviour, dan product.

Mass Customization

One of the key succesfull company is fulfill the customer needs required in accordance to quality standards, while the customer demand on the product increasingly individual, thus causing quite a large variety of products. That is can be a market opportunity to fulfill the customer needs as a personal who cannot to fulfill in product type with the standard on mass production (Puspasari, et.al, 2021). Turner *et al*., 2020 said mass customization is the strategy that using by supplier to create the value to increase the customer relationship and build the loyality. While Fatimah, 2019 said mass costumization as the company's ability to offer a wide selection of different product variations for relatively wide market demand without making sacrifices in cost, delivery and quality. Furthermore, the aspects that will be examined in mass customization in this research include quality, services, variety and cost.

Business Continuity

Business continuity is the condition where as the company/industry/business actors which is be able to maintain business operations, including being able to continuously increase the achievement of business profits (Hartomo and Cahyadin, 2013). Another resources explain that sustainability, which recommend a synergy between operational results, respect for people, and preservation of the environment are also valued items by customers and should therefore be considered by companies in their production systems (Zylbersztajn & Lins, 2010). The aspect who will researched in business continuity there are production aspect, market and marketing, management aspect and financial, government policy aspect, economic condition aspect, environment aspect, and business partnership aspect.

III. RESULT AND DISCUSSION

Descriptive Analysis

There is the questionnaire result from 70 respondents, and will be processed based on sum of criteria score variable entrepreneurial innovativeness on below this:

No	Kriteria	Skor Total	Keterangan
1	Minimal ≤ skor total < Kuartil I	700 – 1.400	Sangat Rendah
2	Kuartil I ≤ skor total < Median	1.401 – 2.100	Rendah
3	Median ≤ skor total <Kuartil III	2.101 – 2.800	Sedang
4	Kuartil III ≤ skor total < Maksimal	2.801 - 3.500	Tinggi

a. Respondents responses regarding the entrepreneurial innovativeness variable

No	Indikator	Alternatif Jawaban					Total Skor	Dimensi	Total Frekuensi	Skor Total	Persentase
		1	2	3	4	5					
1	Skor	4	2	4	17	43	303	Technology	70	303	4,33
		4	4	12	68	215					
2	Skor	1	1	3	21	44	316		70	316	4,51
		1	2	9	84	220					
3	Skor	2	3	3	13	49	314	Behaviour	70	314	4,49
		2	6	9	52	245					
4	Skor	0	0	4	29	37	313		70	313	4,47
		0	0	12	116	185					
5	Skor	1	2	4	20	43	312		70	312	4,46
		1	4	12	80	215					
6	Skor	2	2	4	11	51	317		70	317	4,53
		2	4	12	44	255					
7	Skor	0	3	12	29	26	288		70	288	4,11
		0	6	36	116	130					
8	Skor	5	7	7	20	31	275	Product	70	275	3,93
		5	14	21	80	155					
9	Skor	0	0	4	30	36	312		70	312	4,46
		0	0	12	120	180					
10	Skor	0	0	11	27	32	301		70	301	4,30
		0	0	33	108	160					
Total Skor Variabel							**3.051**		**700**	**3.051**	**4,36**

Based on the table above, entrepreneurial innovativeness variable is in the high category (total score 3.051) due the calculation result is in the score between 2.801-3.500. This is can be explained that entrepreneurial innovativeness can be said to be good. Embroidery business actors are able to keep up with technological development, having a good behavior and products to develop.

b. Respondents' responses regarding mass customization variables

There is the questionnaire result from 70 respondents, and will be processed based on sum of criteria score variable *mass customization* on below this:

No	Kriteria	Skor Total	Keterangan
1	inimal ≤ skor total < Kuartil I	840 – 1.680	Sangat Rendah
2	Kuartil I ≤ skor total < Median	1.681 – 2.520	Rendah
3	Median ≤ skor total <Kuartil III	2.521 – 3.360	Sedang
4	Kuartil III ≤ skor total < Maksimal	3.361 – 4.200	Tinggi

No	Indikator	Alternatif Jawaban					Total Skor	Dimensi	Total Frekuensi	Skor Total	Persentase
		1	2	3	4	5					
1	Skor	0	3	7	18	42	309	Quality	70	309	4,41
		0	6	21	72	210					
2	Skor	2	5	17	12	34	281		70	281	4,01
		2	10	51	48	170					
3	Skor	6	33	11	4	16	201		70	201	2,87
		6	66	33	16	80					
4	Skor	6	30	13	4	17	206	Services	70	206	2,94
		6	60	39	16	85					
5	Skor	0	15	28	7	20	242		70	242	3,46
		0	30	84	28	100					
6	Skor	1	6	9	28	26	282		70	282	4,03
		1	12	27	112	130					
7	Skor	0	3	11	21	35	298	Variety	70	298	4,26
		0	6	33	84	175					
8	Skor	0	5	18	26	21	273		70	273	3,90
		0	10	54	104	105					
9	Skor	5	7	11	16	31	271		70	271	3,87
		5	14	33	64	155					
10	Skor	8	10	21	4	27	242		70	242	3,46
		8	20	63	16	135					
11	Skor	0	0	15	27	28	293	Cost	70	293	4,19
		0	0	45	108	140					
12	Skor	6	12	12	11	29	255		70	255	3,64
		6	24	36	44	145					
Total Skor Variabel							**3.153**		**840**	**3.153**	**3,75**

Based on the table above, mass customization is in middle category (3.153) due the calculation result is in the score between 2.251-3.360. The business actors can still develop programs regarding quality, service, variety and cost.

c. Respondents' responses regarding business sustainability variables

There is the questionnaire result from 70 respondents, and will be processed based on sum of criteria score variable business contuinity on below this:

No	Kriteria	Skor Total	Keterangan
1	Minimal ≤ skor total < Kuartil I	840 – 1.680	Sangat Rendah
2	Kuartil I ≤ skor total < Median	1.681 – 2.520	Rendah
3	Median ≤ skor total <Kuartil III	2.521 – 3.360	Sedang
4	Kuartil III ≤ skor total < Maksimal	3.361 – 4.200	Tinggi

No	Indikator	Alternatif Jawaban					Total Skor	Dimensi	Total Frekuensi	Skor Total	Persentase
		1	2	3	4	5					
1	Skor	0	0	11	18	41	310	Aspek produk	70	310	4,43
		0	0	33	72	205					
2	Skor	0	10	9	19	32	283	Aspek pasar dan pemasaran	70	283	4,04
		0	20	27	76	160					
3	Skor	0	0	14	24	32	298	Aspek manajemen dan keuangan	70	298	4,26
		0	0	42	96	160					
4	Skor	0	8	9	26	27	282		70	282	4,03
		0	16	27	104	135					
5	Skor	0	1	11	36	22	289		70	289	4,13
		0	2	33	144	110					
6	Skor	1	11	11	21	26	270	Aspek kebijakan pemerintah	70	270	3,86
		1	22	33	84	130					
7	Skor	0	3	14	18	35	295	Aspek kondisi ekonomi	70	295	4,21
		0	6	42	72	175					
8	Skor	0	2	20	32	16	272		70	272	3,89
		0	4	60	128	80					
9	Skor	5	7	11	16	31	271	Aspek lingkungan	70	271	3,87
		5	14	33	64	155					
10	Skor	0	5	49	10	6	227		70	227	3,24
		0	10	147	40	30					
11	Skor	2	0	6	25	37	305	Aspek kemitraan usaha	70	305	4,36
		2	0	18	100	185					
12	Skor	0	0	4	16	50	326		70	326	4,66
		0	0	12	64	250					
Total Skor Variabel							**3.428**		**840**	**3.428**	**4,08**

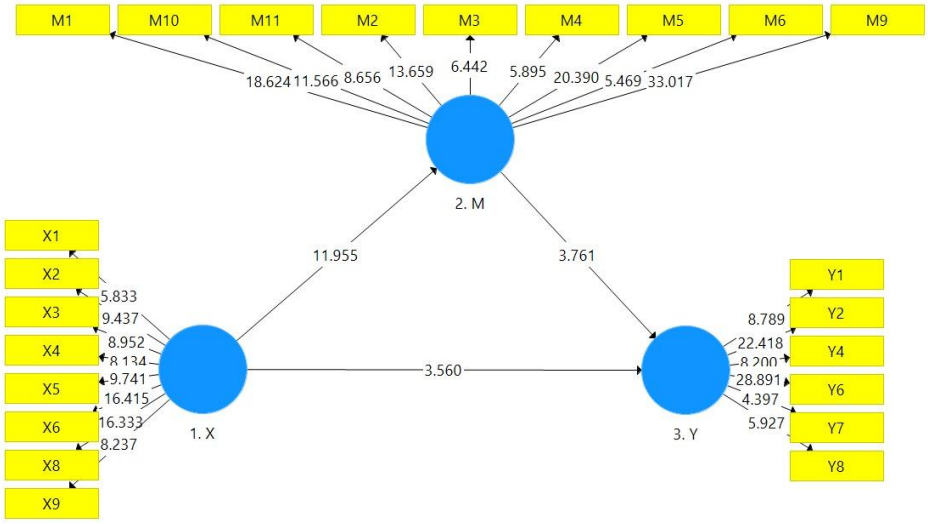
Based on the table above, business contuinity is in the high category (3.428) due the calculation result is in the score between 3.361-4.200. the business actors can continue to develop their businesses by paying attention to product, marketing, management and financial factors, government policies, economic conditions the environment and business partnership.

Analisis Data

a. Outer Model

Indicator Reliability

On this research, indicator reliability test result have been obtained to assess the level of cinsistency and reliability of the measuring instruments used in data collection.



It can be seen that the factor loading indicator value X1, X2, X3, X4, X5, X6, X8, X9, M1, M2, M3, M4, M5, M6, M9, M10, M11, Y1, Y2, Y4, Y6, Y7, Y8 $\geq$ 0.5. From that result rest can be concluded that overall, each construct has been able to explain the variance of each indicator that measures it, meaning that the indicator variables must be maintained.

Discriminant validity

Discriminant validity has two metode there is cross loading and fornell lacker. Cross loading and fornell lacker indicators variable must have the high value towards other contructs.

Construct	Entrepreneurial Innovativeness (X)	Mass Customization (M)	Business Continuity (Y)
Entrepreneurial Innovativeness (X)	0.713		
Mass Customization (M)	0.689	0.710	
Business Continuity (Y)	0.676	0.662	0.724

It can be concluded that the correlation value of the Fornell lackers criterion between constructs is greater than the correlation value between other constructs so that it can be stated to have good discriminant validity or can be said to be feasible.

Internal Consistency

Internal consistency digunakan untuk mengukur reliabilitas suatu konstruk dengan melihat nilai composite reliability dan cronbach's alpha yang dapat dievaluasi dengan internal consistency (ρc).

Construct	**Cronbach's Alpha**	**Composite Reliability**	**Keterangan**
Entrepreneurial Innovativeness (X)	0.864	0.509	Reliabel
Mass Customization (M)	0.876	0.504	Reliabel
Business Continuity (Y)	0.812	0.524	Reliabel

It can be concluded that all constructs fulfill the reliability criteria, this is shown by the composite reliability and Cronbach's alpha values above 0.60, meaning that the indicators that have been determined are able to measure each construct well or it can be said that the four three measurement models have good internal consistency values.

Convergent Validity

Convergent validity is used for measurement models with reflective indicators which are assessed based on the correlation between the item score/component score and the construct score calculated with Smartpls.

Construct	**Average Variance Extracted (AVE)**	**Keterangan**
Entrepreneurial Innovativeness (X)	0.509	Reliabel
Mass Customization (M)	0.504	Reliabel
Business Continuity (Y)	0.524	Reliabel

The AVE value shown in table 3 is > 0.50, it can be concluded that the square root value of AVE shows that the four constructs have test results above the minimum criteria so that the convergent validity measure is good or can be said to have met the convergent validity criteria.

b. Inner Model

Inner models are carried out to see the relationship between constructs, significance values and R-square of the research model. The structural model was evaluated using R-square for endogenous variables and t test as well as the significance of the structural path parameter coefficients. The structural model or inner model is a model that shows the correlation between constructs.

Determination Coefficient (R^2)

The coefficient of determination measures how much variation in the endogenous variable is explained by the exogenous variable. In assessing the model with PLS, start by looking at the R-square for each dependent latent variable

Construct	**R Square**	**Keterangan**
Mass Customization (M)	0.517	Cukup Kuat
Business Continuity (Y)	0.467	Cukup Kuat

Based on the table above, it can be concluded that the coefficient of determination (R) for mass customization (M) is 0.467 (46.70%) and business continuity (Y) 0.517 (51.70%) is a contribution from the mass customization and business continuity variables so that it is included in the sufficient category are strong.

Hypothesis Test

In PLS, statistical testing of each hypothesized relationship is carried out using simulation. In this case, the bootstrapping method is used. Testing with bootstrapping is also intended to minimize the problem

of non-normality of research data. Loading results along with t-statistical values obtained from the bootstrapping process using a sample size for resampling of 500 times.

Research Hypothesis	Relationship	*Original Sample* (O)	t test	t Statistic	P *Value*	Keterangan
H_1	X → Y	0.418	3.434	1.96	0.001	Accepted
H_2	X → M	0.689	11.594		0.000	Accepted
H_3	M → Y	0.374	3.783		0.000	Accepted

Based on the table above, it can be concluded as follows:

1. Entrepreneurial innovativeness (X) has a significant positive effect on business continuity (Y) with a coefficient direction of 0.418, t count 3.434 > 1.96 with a significance level of 0.001 < 0.05. Thus, the first hypothesis (H1) in this study is accepted (Ha is accepted and Ho is rejected). This means that entrepreneurial innovativeness. According to Yuhendri (2022), innovation has a positive impact on business continuity.
2. Entrepreneurial innovativeness (X) has a significant positive effect on mass customization (M) with a coefficient of 0.689, t count 11.594 > 1.96 with a significance level of 0.000 < 0.05. Thus, the first hypothesis (H2) in this study is accepted (Ha is accepted and Ho is rejected). This means that if entrepreneurial innovativeness is increased, mass customization will also increase
3. Mass customization (M) has a significant positive effect on business continuity (Y) with a coefficient direction of 0.374, t count 3.783 > 1.96 with a significance level of 0.000 < 0.05. Thus, the first hypothesis (H3) in this study is accepted (Ha is accepted and Ho is rejected). This means that if business actors want to increase the sustainability of their business, they must be able to increase mass customization.

Meanwhile, the results of mass customization in mediating the influence of entrepreneurial innovativeness on business continuity can be presented in the following table.

Research Hypothesis	Relationship	*Original Sample* (O)	t test	t Statistic	P *Value*	Information
H4	X → M → Y	0.258	3.353	1.96	0.001	Accepted

Based on the test results above, it can be concluded that mass customization (M) can mediate the influence of entrepreneurial innovativeness (X) on business continuity (Y) with t count 3.353 > 1.96 with a significance of 0.000 < 0.05 so it can be stated that the fourth hypothesis (H4) in the research this is accepted (Ha is accepted and Ho is rejected). This means that business contuinity can be improved by increasing entrepreneurial innovativeness through mass customization.

IV. CONCLUSION

Based on the previous discussion, it can be concluded that Entrepreneurial innovativeness has three sub-variables, namely technology, behavior and product. The total score is in the high category.Mass customization is measured using four sub variables, namely, quality, service, variety, and cost. The total score falls into the medium category.The business continuity variable is measured using seven sub-variables, namely product aspects, market and marketing aspects, management and financial aspects, government policy aspects, economic condition aspects, environmental aspects, and business partnership aspects. Overall, the business continuity variable is in the high category.Entrepreneurial innovativeness has a significant effect on business continuity. Entrepreneurial innovativeness has a significant effect on mass customization. Mass customization has a significant effect on business continuity.

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