Training Method on Job Training towards Competitive Advantage in Valuable Competence on Small and Medium Industries with Innovation Product as Mediation Variables

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Abstract. The aim of the study is to investigate the effect of training methods on competitive advantage in small and medium-sized industries (SMIs), and their direct effect on innovation. Quantitative research method using univariate, bivariate, and multivariate analysis with Structural Equation Modeling (SEM) Approach. The direct effect has a t-statistic value of 0.207 which is smaller than the t-table of 1.96. This means that the training method has no significant effect on competitive advantage. The direct effect on innovation has a t-statistic value of 6.542 which is smaller than t - table 1.96. These results indicate that the training style has a significant effect on innovation. The indirect effect on innovation is 0.208. It shows that competitive advantage has no significant effect on innovation. The indirect effect on innovation has a -statistical value of 2,560. proves that Innovation (Z) can mediate the relationship between the influence of training methods on Competitive Advantage and Hypothesis 4 is accepted.

Keywords: Training Methods, Competitive Advantage, Small and Medium Industries Innovation.

1 Introduction

The world is now entering the era of the fourth wave of industry, the creative economic industry. As a fifth-wave industry focused on creativity and imagination, the creative economy industry will be the industry of the future. This is not without reason, as the creative economy industry has been able to connect the global market with millions of ideas and ideas sold around the world.

The industry that competes in the global market depends not only on price and quality, but also on technology, innovation, creativity and imagination. The innovation created depends on the knowledge, skills and experience of employees to create value, even

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individual creativity is not enough to create a successful innovation, because creativity and innovation can affect the face of a small company. The better the intellectual capital, the more innovations are created to increase competitiveness. Competitive advantage comes from two sources, either by creating a low-cost advantage (cost leadership) or by the organization's ability to differentiate itself from its competitors (differentiation).

The Creative Indonesia Initiative, launched by the government, aims to give all stakeholders a deep understanding of the contribution of the creative economy to the Indonesian economy and create a positive national image. The President of the Republic of Indonesia has asked 28 central and regional government agencies to support the creative economy development policy introduced since Presidential Directive no. 6 on the development of the creative economy in 2009.

Developing the creative economy through small and medium industries is the right choice to maintain economic resilience in the face of a global crisis, especially during the pandemic sweeping the world. The creative economy should be developed because it has great potential to make a significant economic contribution, create a positive work environment, build a national image and identity, i.e. local wisdom, and create resource-based innovation and creativity renewables, which is one that has a national comparative advantage and has a positive social impact.

The creative industry through small and medium-sized industries has an important contribution to economic development, this is felt to this day, especially when a country or region experiences a decline in economic growth, only small industries can survive and support the economic strength of the country's territory. but the development of creative industries still have a lot of problems, especially in terms of competition, and how a business can survive by increasing its competitive advantage.

Product specialization is one of the competitive advantages that must be owned by small industries to compete by producing an item that is produced differently from other products so that small and medium industries in the ability of one business to have a higher performance than other businesses in the same industry or market [1].

A company's ability to be creative starts with the presence of creative individuals, but this is not enough, creative teams/groups are also needed, so that a creative organization is finally formed. The success of product and service innovation depends on the core element of creativity. Most organizations will struggle to survive without a constant flow of ideas [2].

Creativity is a possibility that everyone has because everyone has the imagination, the desire and the action to turn one thing into another. Creativity can be developed, but this development cannot happen simply, but through the learning process. Training is a way of making the learning process a prerequisite for increasing creativity.

Transformation and work that moves so fast, It can also accompany the transformation of the social system from an industrial society to a knowledge-based society, thus changing the basic process and adding value to all stages of production. A product or service called a value chain business.

Improvement in terms of resource development is certainly expected to emerge new talents in applying products so that new creativity emerges. From the background above, the author is interested in knowing how much influence the training method has in increasing competitive advantage in small and medium industries, so the author describes a title related to the existing problems: Training Methods on Competitive Advantage in Small and Medium Industries with Innovation as a Mediation Variable.

The formulation of the problems that will be studied in this study are:

i. How does the training method affect competitive advantage in small and medium industries (IKM)?
ii. How is the direct influence of the training method towards innovation, in increasing the competitive advantage in Small and Medium Industries (IKM)?
iii. What is the indirect effect of competitive advantage on Small and Medium Industries (IKM) on innovation?
iv. What is the effect of training methods through competitive advantage on innovation, in Small and Medium Industries (IKM)?

2 Literature Review

This research is based on the theory of the firm in the management and behavior and organization of companies, but another reason for using this theory is that the company, as an institution that continues to grow, plays a central role in the economic growth and prosperity of a country. Along with technological innovation, innovation in corporate organizations (as well as other institutions) has greatly increased welfare [3].

Management strategy is a science in making decisions made by top management and carried out by all levels in an organization to achieve its goals [4]. This will form a strategy to determine the direction and next steps that will be used to move the business forward. Therefore, careful and conditional reasoning is required to reveal this strategy, making it a benchmark for this study.

Competitive advantage is an important point of the company, it says competitive advantage when a company can do something that another company cannot or has that a competitor does not have. Having and maintaining a competitive advantage is critical to the long-term success of an organization. In general, an organization can maintain its competitive advantage only for a certain period of time due to the imitation of its competitors and the weakening of this advantage. Besides that, the competitive strategy itself is a combination of the end (goals) that the company strives for with the wisdom in which the company tries to achieve its goals [5]. So in this study competitive advantage becomes the main problem in defining the benefits strategy of companies that cooperate to compete more effectively in the marketplace. The goal of the strategy should be to achieve a sustainable competitive advantage so that the company can dominate both old and new markets.

The creative economy or creative industry is an economic activity in which human creativity is the most important productive asset and determinant of competitive economic development, the production of products of economic value through the management of creativity, the basis of creative economy, etc. The use of creative resources, which is closely related to the competences, experience and skills of those who play a fundamental role in the development. The creative economy fosters growth, creates jobs, increases incomes and improves the quality of society, cultural diversity and human development in general.

The Training Method reveals that: Training is the process of training and equipping employees by improving their skills, abilities, knowledge and behavior. This means that the training will shape the behavior of the employees according to the expectations of the company, for example according to the culture of the company [6]. Then you will increase their productivity by providing employees with different knowledge, skills and experience depending on their work area - people who do not have knowledge and skills on the job. Increased Efficiency and Effectiveness Mastering additional workplace knowledge and skills that employees acquire through training programs will enable them to work more effectively.

Improving competitiveness Well-trained employees will not only be able to increase productivity but will also be able to work more effectively and efficiently, thereby it can increase the company's competitiveness. Working effectively means being able to produce standard products according to customer requirements, and efficient means producing the same number of products, these employees use fewer resources.

The development of the quality of human resources is one form of effort to improve the ability of employees to handle various types of tasks and apply the required abilities according to the type of work available [7]. Such development efforts are beneficial for the organization and individual employees. The right skills and experience of employees and managers can improve an organization's competitiveness and its ability to adapt to changing conditions, especially in the face of external disturbances. The development of the quality of human resources can also be done with a human capital approach that emphasizes 3 approaches: the intellectual capital approach, the social capital approach, and the soft capital approach.

Innovation is a process of idea creation, development of a novelty, and the introduction of a new product, process, or service to the community, Innovation refers to new ideas, products, information technologies, organizations, behaviors, values, and practices that are not widely recognized, accepted, used, or used by most members of society in a given area, and that may be used or encouraged by a change in all aspects of people's lives.

MSMEs need innovation strategies because in many areas the risks are greater if the company does not innovate. Consumers and the industry experience periodic changes and improvements in the products offered. Innovation strategies also help companies face new development and growth challenges. Innovation strategy is a management philosophy that consists of a series of internal and external activities that increase the company's innovation capacity. The importance and role of influence in the configuration of innovation strategies should be emphasized. This role comes from the company's employees, managers and customers.

3 Research Methods

Table 1. Operational Variables

Information Variable		Indicator Variable	Instrument	No Item
Dependent	*Competitive Advantage* (Y)	Valuable Competence (Valuable)	Efforts to increase the effectiveness	1
			Efforts to improve efficiency	2
			Exploiting the opportunities that exist	3
			Strategy	4
			Implementing strategy	5
			Efforts to minimize threats	6
Independent	Method Training (X1)	*The Job Training*	The method of doing work directly	7
			Coaching method with instructions	8
			Demonstration Method by demonstrating the tool	9
			The rotation method by moving to another job	10
			Project method by giving work/tasks to be completed	11

Mediation	Innovation (Z)	Product Innovation	Packaging	12
			What's the writing like?	13
			Product color	14
			Innovation of the open and close system shape	15

3.1 Population and Sample

The population in this study is all small and medium industries recorded at the Indonesian Ministry of industry and trade in 2018-2021 as many as 15,547 IKM, in this study the author narrows the population: the total number of small and medium industries by calculating the sample size using the Slovin technique [8].

The sample is the amount and characteristics that belong to the population or a small part of the population, this study is a sample of small and medium-sized industries registered in the Ministry of Industry and Trade of Indonesia.

Slovin's formula for determining the sample is:

$$n = \frac{N}{1 + N(e)^2}$$

Information:
n = Sample size/number of respondents
N = Population size
E = Percentage

Accuracy considering the sampling error still acceptable; e = 0.1 is specified in Slovin's formula as: e = 0.1 (10%) for large populations and therefore e = 0.2 (20%) for small populations can be obtained from from Solvin. The sample series represented technically represents between 10% and 20% of the study community. The total population for this study was 15,547, so a quotient of 20% was used and calculations were rounded for consistency. So to find out the research sample, the calculations are as follows:

$$n = \frac{15.547}{1 + 15.547(20)^2}$$
$$n = \frac{15.547}{6.219}$$
$$n = 966$$

From the measurements above, a sample of 966 SMEs in Indonesia can be taken.

3.2 Instrumentation

The instruments used in this research are in several ways:

Documentation is the collection of data for research purposes.. This research uses secondary d a t a obtained by taking data from the object at website www.brisyariah.co.id, so series time quarterly finance report of Bank BRI Sharia can be obtained.

Library Research: researcher gathers and learns various theories and drafts related base with the problems discussed in writing the thesis. Theories and drafts are based on the books, articles, and journals related to the issues to be discussed.

Questionnaire is a data collection technique that involves presenting a set of written questions/data with alternative answers for respondents to answer. The questionnaire is designed to be closed so that respondents can answer easily and quickly. The scale used was a Likert scale with five alternative answers, with scores or criteria as follows

- Strongly agree (SS) given a score of 5
- Agree (S) is given a score of 4
- Disagree (KS) is given a score of 3
- Disagree (TS) is given a score of 2
- Strongly disagree (STS) given a score of 1

3.3 Data Analysis

Technique analysis data is directed to answer formulation of research problem or test hypothesis which has formulated in this writing. Since the data is quantitative, then the data analysis technique uses available statistical methods. The method analysis used is as follows:

Validity Test Data was collected through questionnaires. Before the questionnaires were distributed to respondents, they must first go through a validity test. The purpose of the validity test is to measure whether the measuring instrument is valid or not, in this case, the previously prepared questionnaire. To find out whether the measuring device is valid or not, look at the correlation coefficient (r) between the product scores and the overall score. A survey is considered valid if the questions in the questionnaire can reveal something that the questionnaire measures [9].

Perform reliability tests to determine if the tools used are reliable. Reliability means that if the tool is tested repeatedly, the result is the same. Reliability is the extent to which the measurement results using the same object will produce the same data [8]. To test the reliability is by using the Split half method. The results can be seen from the *Correlation Between Forms value*. If r count > r table, then the instrument is said to be reliable, or compare it with a *cut-off point value of* 0.3, then it is reliable if r > 0.3. On the other hand, if r count < from the value of the r table, which is < 0.3, it can be said to be unreliable. The alpha formula is used to find the reliability of tools with scores other than 1 and 0, such as questionnaires or questionnaire descriptions [10]. The formula used in this reliability test is.

3.4 Methods of Data Processing and Data Analysis

To analyze the effect of the independent variable on the dependent, either partially or simultaneously, was carried out in three stages of analysis: univariate, bivariate, and multivariate analysis, all of which were carried out using the Structural Equation Modeling (SEM) Approach

3.5 Assuming SEM, the following are some assumptions on SEM:

Bivariate Analysis At the stage of bivariate analysis, correlation tests were carried out between observational variables in the same construct. This stage is important because the correlation between variables in one construct can be used to see whether the specification of the model to be formed is correct or not. The estimation model of a construct should have

unidimensionality (fulfill the assumption of linearity, and convergent). Because the dependent variable in this study is more than one, the correlation technique used is a canonical correlation. Canonical correlation can simultaneously predict more than one dependent variable, and more than one independent variable [9]. Canonical correlation aims to determine the weighted value of each set of dependent and independent variables to obtain a linear combination of the set of variables that gives the maximum correlation. In addition, canonical correlation can also explain the nature of the relationship that is determined based on the relative contribution of each canonical function variable.

Multivariate analysis in this research is using SEM (Structural Equation Modeling) approach where SEM is a statistical technique to test and estimate causal relationships by using a combination of statistical data and qualitative causal assumptions. SEM is a hybrid technique that includes confirmatory aspects of factor analysis, path analysis, and regression which can be considered special cases in SEM.

Theoretical Model Development The first step in SEM is to identify theoretically the research problem. In this study, the problem that was identified as the training method, and its effect on competitive advantage with innovation as an intervening *variable*. This problem is studied in depth by researchers through literature review, both journals, and *textbooks*. After being studied in-depth, the researcher examines the relationship between exogenous and endogenous latent variables as a basis for making hypotheses that must be supported by strong theoretical justification because SEM is a tool to confirm whether the observed data is by the theory or not.

The development of road map path analysis is an extension of multiple linear regression analysis. Path analysis is a technique for analyzing the causal relationships that occur in multiple linear regression, if the exogenous variables affect not only directly but also indirectly the endogenous variables. The development of the flow chart in this research is as follows:

X1 : Training Method
Z : Innovation
Y : Competitive Advantage

Convert path diagrams into structural equations and measurement models. The development of road map path analysis is an extension of multiple linear regression analysis. Path analysis is a technique for analyzing the causal relationships that occur in multiple linear regression, if the exogenous variables affect not only directly but also indirectly the endogenous variables.

3.6 Structural Equation and Measurement Model

1) The measurement equation for the training method variable (MP) with 6 instrumen is as follows:
   PI1 = 1* PI **,** 1
   PI2 = 2* PI **,** 2
   PI3 = 3* PI **,** 3
   PI4 = 4* PI **,** 4
   PI5 = 5* PI **,** 5
   PI6 = 6* PI **,** 6
2) Innovation variable (IV) with 4 instrumen is as follows:
   IV1= 1*IV **,** 1

IV2= 2*IV , 2
IV3= 3*IV , 3
IV4= 4*IV , 4

3) The measurement equation for the competitive advantage (CA) variable with 4 instrumen is as follows:
CA1 = 1* CA , 1
CA2 = 2* CA , 2
CA3 = 3* CA , 3
CA4 = 4* CA , 4
CA5 = 5* CA , 5
CA6 = 6* CA , 6

4) The structural equation for the innovation variable is as follows:
IV = 1*SQ + 2*IV ,
CA = 1*SQ + 2*IV + 3*CA ,

3.7 Selecting the Type of *Input Matrix* and Estimated Proposed Model

The input matrix type is entered as input data in the form of covariance matrix or covariance or correlation matrix. The software automatically converts the raw trace data into a covariance matrix or correlation matrix. Covariance matrices are preferred over correlation matrices because they provide comparative validity between different populations or different samples. However, the covariance matrix is more complex because the coefficient values must be interpreted according to the construct of the unit of measurement.

Design of Correlation Matrix of Independent Variables

	MP	IV
MP	1	R_{cs-sq}
IV		1

Covariance Matrix of Latent Variables. Design

	MP	IV	CA
MP	1	R_{cs-sq}	R_{cl-sq}
IV		1	R_{cl-cs}
CA			

The estimation of the proposed model depends on the number of study samples with the following criteria [11]:

1. Between 100 – 200: Maximum Likelihood (ML)
2. Between 200 – 500: Maximum Likelihood or Generalized Least Square (GLS)
3. Between 500 – 2500: Unweighted Least Square (ULS)/ Scale Free Least Square (SLS)
4. Over 2500: Asymptotically Distribution Free (ADF)

The above content is for reference only and does not constitute a term. If the sample size is less than 500 but the normality assumption is not met, ULS or SLS can be used.

The next step is to estimate the measurement model and estimate the structure of the equation. Discretionary measurement models, also known as confirmatory factor analysis (CFA), graphically represent the search model and provide double-pointed arrows between

each construct. This step consists in checking whether the covariance matrix of the study sample differs significantly from the estimated population matrix. No significant difference is expected, so large chi-square values are greater than 0.05.

3.8 Possible Identification Problems

Some common identification problems that prevent model creation include the following:

1. Standard error of one or more parameters.
2. The standard error indicates that the developed model is not possible. The expected standard error is relatively small, less than 0.5 or 0, but the value of the standard error cannot be negative, which will be discussed in point 3 below.
3. The program cannot create the array of information it must provide.
4. If the program cannot find a unique solution, the output will not be output. This can happen for a number of reasons, such as too small a sample or mismatched frequency.
5. Occurrence of single numbers, such as negative error difference.
6. The expected error variance is small but not negative. If the value is negative, often called the Heywood state, the pattern should not be interpreted and a message will appear in the output indicating that this solution is not acceptable.
7. A very high correlation (e.g. 0.9) appears between the estimated coefficients obtained.

This confusion, also called singularity, makes the model unsuitable as a means of confirming aggregate theories.

3.9 Evaluation of the Goodness of Fit Criteria

After processing the data with Lisrel, an output is *generated* which requires interpretation from the researcher, below are the characteristics of a good model, there are 9 criteria as shown in the table below.

Table 2 Statistics of Model Fit Test

No	Model Fit Test Statistics	Interpretation
1.	Goodness-of-Fit Indices (GFI)	Value > 0.9 indicates good fit
2.	Root Mean Squared Residual (RMSR)	Value < 0.05 indicates good fit
3.	Root Mean Square Error of Approximation (RMSEA)	A value less than 0.05 indicates a good fit
4.	Adjusted Goodness of Fit (AGFI)	Value > 0.9 indicates good fit
5.	Normal Fit Index (NFI)	Value > 0.9 indicates good fit
6.	Non-Normed Fit Index (NNFI)	Value > 0.9 indicates good fit
7.	Nord Chi-Square (NC)	Less than 1 (bad model), more than 5 (model needs modification)
8.	Comparative Fit Index (CFI)	Value > 0.9 indicates good fit
9.	Incremental Index Fit (IIF)	The higher the IIF value, the more fit a model is to the data.

Source: Ghazali, 2008.

3.10 Interpreting Test Results and Model Modification

Researchers can modify the model to improve the developed model, with the caveat that any modification to the model must be supported by strong theoretical justification. No changes to the model should be made without strong theoretical support. The model can be modified by

adding arrows between the constructs (which may also be complementary to the assumptions) or by adding two arrows between the indices, which should also have strong theoretical support. The feasibility evaluation of the modified model can be compared with the previous modified model. The chi-square reduction between the previously modified model and the modified model must be greater than 3.84. The variable scaling of the exponent can be adjusted. This means that if the two indices are related (by the two arrows), then the chi-square will decrease as the mean index (MI) of that number. For example, if the highest MI number is 2.5, then if the two measures are correlated, then the chi-square of 2.5 decreases significantly because it is above 3.84, as shown in the graph above .Hypothesis testing can also be done in this seventh step with a critical ratio criterion of more than 2.58 at a significance level of 1 percent or 1.96 for a significance of 5%. This step is the same as testing the hypothesis in the well-known multiple regression analysis.

3.11 Design for Data Processing in Lisrel

To facilitate data processing, it is necessary to design input on Lisrel, the following is the design of latent variables and observation variables as well as the syntax that will be used in Lisrel.

Latent Variable	Observation Variable	Syntaq
MP	PI1,PI2, PI3, PI4, PI5, PI6,PI7,PI8,PI9,PI10, PI11,PI12	Laten Variable MP,IV,CA PI1-PI12 IV1-IV15

Fig. 1. Design Input on Lisrel

To perform data analysis, the application used is Lisrel, the data that has been collected from the tabulation of the questionnaire results are first entered into the excel application with the following notation:

1. Latent variables of training methods, MP notation, indicators or observation variables, PI1, PI2, PI3, PI4, PI5, PI6, PI7, PI8, PI9, PI10, PI11, PI12
2. Innovation latent variable, notation IV, indicator or observation variable, IN1, IV2, IV3, IV4, IV5, IV6, IV7, IV8, IV9, IV10, IV11, IV12, IV13, IV14, IV15
3. Competitive advantage latent variable, CA notation, indicator or observation variable, CA1, CA2, CA3, CA4, CA5, CA6, CA7, CA8, CA9, CA10, CA11, CA12, CA13, CA14, CA15, CA16, CA17, CA18, CA19

After notation is made for latent variables and observation variables, the next step is to make a syntax design for generating, path diagrams, etc. Here is the syntax design.

MP1-PMP12 = MP
IV1 -IV15 = IV
CA1-CA19 = CA

MP=IV
MP=CA
IV=CA
CA=IV

Then to make sure this syntax can run or not, a simulation is carried out with dummy data first and it turns out that this syntax can run well and can generate the desired output.

4. Results and Discussion

The table of results of the internal weights of the results of the smoothing run was used to determine the direct effects between the variables of each hypothesis. The trick is to look at the values of the path parameters and the values of the state t for each hypothesis. The good modulus value must exceed >0.5. This parameter is taken from the estimated column of the original sample. The t-stat values are taken from the t-stat column of the internal weight results table. t-stat values greater than 1.96 show a significant direct effect in each hypothesis

Table 3 Submission of Hypotheses

	Original Sample (O)	Sample mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
X1 - > Y	0.025	0.029	0.120	0.207	**0.836**
X1 -> Z	0.480	0.487	0.073	6.542	**0.000**
Y -> Z	0.416	0.411	0.104	4.007	**0.000**
X1 - > Y -> Z	0.247	0.245	0.083	2,967	**0.003**

Based on table 2, the results of testing hypotheses 1 and 2 with t-statistics can be explained as follows : following:

4.1 Direct Influence

1. Effect of Training Method on Competitive Advantage The t-statistic value of the training method against Competitive Advantage 0.207 is smaller than t-table 1.96. These results explain that the training method has no significant effect on competitive advantage
2. The training method for innovation n the t-statistic value of the training method for Innovation is 6.542 less than t - table 1.96. These results indicate that the training model has a significant impact on innovation.

4.2 Influence Not Direct

Competitive advantage in Small and Medium Industries (IKM) toward innovation

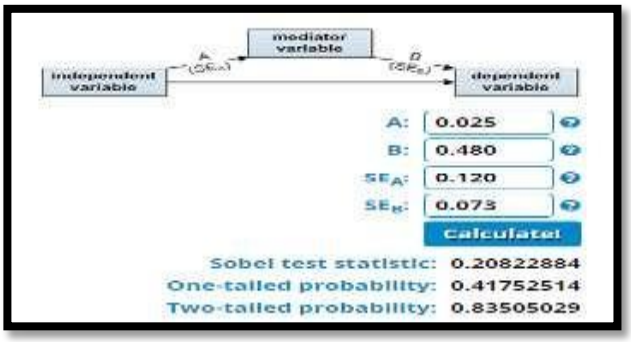

Fig. 2. Test Sobel Hypothesis 3

Figure 1. Hypothesis Sobel test and the results of the Sobel test calculation obtained a -

statistical value of 0.208, because the t statistic value obtained, was 0.208 < 1.985 with a significance level of 0.835 > 0.10 then it proves that *competitive advantage* has no significant effect on innovation.

The method of training through competitive advantage on innovation, in Small and Medium Industries (IKM)?

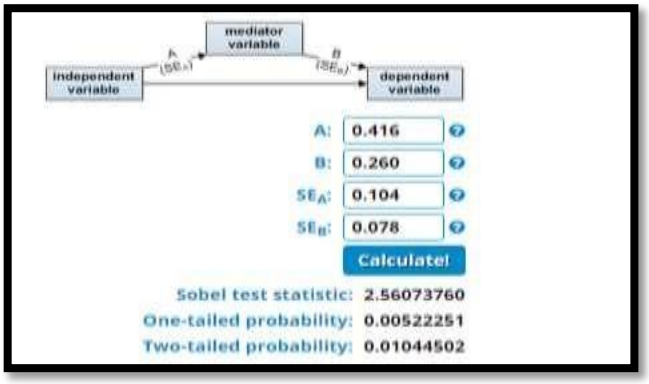

Fig. 3. Test Sobel Hypothesis 4

The results of the Sobel test calculation obtained a -statistical value of 2.560 because the value of t the statistic obtained is 2,560 > 1,985 with a significance level of 0.010 < 0.10 so it proves that Innovation (Z) is capable to mediate connection influence of training methods against Competitive Advantage Hypothesis 4 accepted.

5. Conclusion

5.1 Training method _ to competitive advantage in small and medium industries (IKM)?

It can be concluded that the training method of Valuable Competence (X1.1) do not have an influence which s significant *On The Job Training* (Y1.1). Focusing on the initial sample estimates, which are positive and non-significant, it can be concluded that valuable skill training methods do not increase differentiation and focus.

This study is not in line with the research conducted by Yaseen Zeebaree & Siron (2017), this study results show that orientation entrepreneurship has significant effect on competitive advantage (CMA). The results also highlight that FNC has a moderate role in the relationship between entrepreneurial orientation and CMA in SMEs at KRG Iraq. This difference, there are several reasons among them it is the existence of a big sample that is 680 SMEs, whereas the this study only used 96 samples.

5.2 The direct influence of training methods towards innovation, in increasing the competitive advantage in Small and Medium Industries (IKM)?

It can be drawn that the training method of Competence (X1.1) is valuable, towards innovation (Z) which is reflected by i.e Product Innovation (Z1.1)

By taking into account the value of the original sample the positive and significant estimate, it can be concluded that the training method will influence innovation.

5.3 The indirect influence of competitive advantage in Small and Medium Industries (IKM) on innovation?

Competitive Advantage reflected by the indicator On The Job Training (Y1.1) has a

significant effect on innovation reflected by the indicators Product Innovation (Z1.1), By paying attention to the positive value of the original sample estimate and significance, it can be concluded that Social Media will increase Marketing Performance good value sales, growth, and portion market.

5.4 The effect of training methods through competitive advantage on innovation, in Small and Medium Industries (IKM)?

Based on the results of data analysis and the Sobel test mediation test, social media (X1) does not take effect against *Competitive Advantage* (Y) through variable innovation (Z) with a t-count value of 0.208 < t table 1.985 with a p-value of 0.835. So could conclude that *Competitive Advantage* (Z) is not capable to mediate influence of training method (X1) to *Competitive Advantage* (Y).

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