

The Impact of Critical Resources and Market-Based Orientation on Customer Value in Palm Sugar MSMEs

Nurjaya^{1*}, Nur Ainyah Dini Rizky², Nur Imam Duta Waskita³

¹Universitas Suryakencana, Cianjur, Indonesia

²Institut Teknologi Bandung, Bandung, Indonesia

³Sekolah Tinggi Ilmu Ekonomi GICI, Indonesia

ABSTRACT: This study investigates the influence of critical resources and market-based orientation on customer value in palm sugar micro, small, and medium enterprises (MSMEs). Using a quantitative explanatory approach, data were collected from 300 MSME actors and analyzed through multiple linear regression, correlation analysis, and hypothesis testing.

The findings reveal that critical resources significantly affect customer value ($\beta = 0.197$, $t = 5.891$), contributing 10.4%. Market-based orientation shows a stronger effect ($\beta = 0.267$, $t = 6.539$), contributing 12.5%. Simultaneously, both variables explain 17.9% of customer value variance ($F = 32.438$). These results highlight the importance of integrating internal resource readiness with market-driven strategies to enhance competitiveness in agro-based MSMEs.

KEYWORDS: Critical resources; Market-based orientation; Customer value; MSMEs; Palm sugar

1. INTRODUCTION

Palm sugar (*Arenga pinnata*) is a strategic agro-based commodity with significant economic and social potential in Indonesia. Despite growing domestic and international demand—particularly for granulated palm sugar—most palm sugar MSMEs remain constrained by traditional production systems, weak market access, and limited managerial capabilities. Consequently, their contribution to regional economic growth remains suboptimal.

From a strategic management perspective, competitiveness is shaped by both **internal resources** (Resource-Based View) and **external market orientation** (Market-Based View). However, empirical studies examining the interaction of these perspectives in agro-based MSMEs remain limited. This study addresses this gap by analyzing how critical resources and market-based orientation influence customer value in palm sugar MSMEs.

2. LITERATURE REVIEW AND HYPOTHESES

Critical resources refer to supporting organizational assets—human skills, operational capabilities, and knowledge—that enable effective utilization of core resources. While not always rare, these resources are essential for sustaining competitiveness.

A **market-based orientation** emphasizes responsiveness to customer needs, market intelligence, and value creation through product and pricing strategies. Prior studies suggest that firms with strong market orientation deliver superior customer value.

Customer value represents the perceived trade-off between benefits received and costs incurred by customers, reflected in product quality, service quality, price, and brand image.

Based on this framework, the following hypotheses are proposed:

- **H1:** Critical resources positively influence customer value.
- **H2:** Market-based orientation positively influences customer value.
- **H3:** Critical resources and market-based orientation jointly influence customer value.

3. METHODOLOGY

This study employed a quantitative explanatory design. The population consisted of 300 palm sugar MSME actors, all of whom were included as respondents. Data were analyzed using validity and reliability tests, classical assumption testing, multiple linear regression, correlation analysis, and hypothesis testing (*t-test* and *F-test*).

4. RESULTS

Regression analysis produced the following model:

$$[Y = 32.467 + 0.197X_1 + 0.267X_2]$$

where Y represents customer value, X_1 critical resources, and X_2 market-based orientation.

Partial testing shows that critical resources significantly affect customer value ($t = 5.891, p < 0.05$), while market-based orientation exerts a stronger effect ($t = 6.539, p < 0.05$). Simultaneously, both variables significantly influence customer value ($F = 32.438$), explaining 17.9% of its variance.

5. DISCUSSION

The results confirm that internal readiness through critical resources enhances customer value, particularly by improving production consistency and operational reliability. However, market-based orientation demonstrates a greater impact, suggesting that customer responsiveness and product positioning are decisive factors in agro-based MSME competitiveness.

These findings reinforce the strategic need for MSMEs to align internal capabilities with external market demands. The relatively moderate explanatory power indicates that other factors—such as innovation, institutional support, and digitalization—also warrant further investigation.

6. CONCLUSION

This study provides empirical evidence that both critical resources and market-based orientation significantly influence customer value in palm sugar MSMEs. Market-based orientation plays a more dominant role, underscoring the importance of customer-centric strategies in agro-industrial development.

From a policy and managerial perspective, strengthening MSME competitiveness requires integrated interventions that enhance internal capabilities while improving market access and responsiveness.

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