DONE JOURNAL THE ROLE OF REGIOCENTRIC SMALL MEDIUM BUSINESS ADVANTAGE IN INCREASING REGIONAL REVENUE OF BREBES REGENCY

by Fakultas Ekonomi dan Bisnis

THE ROLE OF REGIOCENTRIC SMALL MEDIUM BUSINESS ADVANTAGE IN INCREASING REGIONAL REVENUE OF BREBES REGENCY

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Abstract

This study analyzes regiocentric SMEs and analyzes the advantage of products owned by regiocentric SMEs that affect the regional revenue Brebes Regency. The results of this study were tested by applying Structural Equation Modeling (SEM) using the AMOS 22 analysis tool.

The theoretical implication of this research is that regiocentric SMEs is influenced by product configuration capabilities, entrepreneurial orientation and market orientation. Mean while, regional revenue is influenced by the advantages of regiocentric SMEs, product configuration capabilities, entrepreneurial orientation and market orientation.

The results of this study that hypothesis 1 shows significant results with a value of CR = 2.996 1.96 with probability = 0.003, the probability of testing meets the requirements is below 0.05 so that H1 acceptable. Testing hypothesis 2 shows significant results with a value of CR = 4.093 1.96 with probability = 0.000; the probability of qualifying the test below 0.05 means that H2 of this study is acceptable. Testing hypothesis 3 shows significant results with a value of CR = 2.435 1.96 with probability = 0.015, then the probability of testing meets the requirements is below 0.05 so that H3 is acceptable. Testing hypothesis 4 significant results with a value of CR=3.707 1.96 with a probability value of 0.000; then the test probability meets the requirements below 0.05, meaning that H4 is acceptable.

Key Word : regional revenue, SMEs

JEL Classification: H11, L10, M31

INTRODUCTION

In the current era of regional autonomy, regions are given greater authority to regulate and manage their own households. The objectives are, among others, to bring government services closer to the community, make it easier for the community to bring government services closer to the community, make it easier for the community to monitor and control the use of funds sourced from the Regional Budget (Regional Revenue and Expenditure Budget). In addition to creating healthy competition between regions and encouraging the emergence of new innovations. In line with this authority, local governments through PAD

(Regional Original Income) are expected to be better able to explore financial sources, especially to meet government and development financing needs in their regions (Novrianti, 2015).

In order to manifest capabilities and regional autonomy and to strengthen the structure of regional revenues, the contribution of PAD in the APBD structure must always be increased because it is one of the indicators to measure the success of regional capabilities and autonomy. Currently, the unexplored potential of regional income is generally caused by the lack of sensitivity of the Regional Government (Local Government) in finding the potential advantages of regional products that can increase PAD. If PAD can be maximized and regulated properly through the potential advantages of local native products, it will be able to increase regional competitiveness and be able to grow community welfare through programs aimed at the people (Horota, Riani, & Marbun, 2015).

PAD needs to be encouraged to become part of the financial source in financing the administration of government and regional development to improve and distribute the welfare of the people. PAD is a pure source of revenue from the region, which is the main capital for the region as the cost of government administration and regional development. Potential sources of regional revenue must be explored to the fullest, but of course within the corridors of applicable laws and regulations, including local products.

Brebes Regency as one of the autonomous regions in Central Java Province continues to explore the potentials of original regional products in order to increase PAD revenue. One of the original products of Brebes Regency that contributes to PAD is salted egg SMEs (Small and Medium Enterprises). At the trial which was held from 6 to 9 October 2020, the Ministry of Education and Culture finally determined that salted eggs were no longer just souvenirs typical of Brebes, Central Java. But now the salted egg has been designated as an Intangible Cultural Heritage (WBTb) of Indonesia. The determined Indonesian intangible cultural heritage is at least in the form of oral traditions and expressions, performing arts, community customs, rites and celebrations, knowledge and behavioral habits regarding nature and the universe, and or traditional craft skills and skills and can come from individuals, groups of people, or customary law communities (https://food.detik.com/, 2020). Salted eggs are also seen as a culinary tradition that relies on traditional community skills to process and produce authentic culinary products. Until now, most of the people of Brebes still depend on their livelihood as SME craftsmen and sellers of salted eggs.

The realization of the fluctuating contribution of salted egg SMEs to the PAD of Brebes Regency, the contribution fluctuates as shown in Table 1. below:

Table 1 Realization of the Contribution of the Salted Egg Industry to the Regional Original Income (PAD) of Brebes Regency 2001 to 2020

No.	Year	Contribution to PAD (%)
1.	2001	52
2.	2002	9
3.	2003	39
4.	2004	38
5.	2005	49
6.	2006	38
7.	2007	65
8.	2008	37
9.	2009	49
10.	2010	46
11.	2011	46
12.	2012	16
13.	2013	18
14.	2014	7
15.	2015	4,1
16.	2016	4,5
17.	2017	4,5
18.	2018	4
19.	2019	4
20.	2020	4

From Table 1. above, it can be seen that the percentage development of the realization of the contribution of salted egg SMEs in Brebes Regency to PAD decreased in 2002 by 43%, from 52% to 9%. The year 2004 also decreased by 1% from 39% to 38%. In 2005 there was an increase of 11%, from 38% to 49%. In 2006 it decreased by 11%, from 49% to 38%. In 2007 there was an increase of 27%, from 38% to 65%. In 2008 also decreased by 28% from 65% to 37%. In 2009 there was an increase of 12% from 37% to 49%. The year 2010 also decreased by 3% from 49% to 46%. The contribution in 2011 is the same as the contribution in 2012 which is 46%. In 2012 also decreased by 30% from 46% to 16%. In 2014 it also decreased by 11% from 18% to 7%. In 2015 it also decreased by 2.9% from 7% to 4.1%. In 2016 it also increased by 0.4% from 4.1% to 4.5%. The contribution in 2017 is the same as the contribution in 2016 which is 4.5%. While the contribution in 2018, 2019 and 2020 is the same at 4%. Starting from what has been described above, the problem of this research is how to develop a model that is built from the product configuration capabilities of salted egg SMEs as an effort to increase the PAD of Brebes Regency.

RESEARCH METHOD

This study raises the original income of the Bebes area so that the location of this research is in Brebes Regency, which was carried out for 2 months with the object of research

being Salted Egg Micro, Small and Medium Enterprises (MSMEs) in the Brebes Regency area. This research was conducted with a population of 404 salted egg entrepreneurs in Brebes Regency, Central Java Province, Indonesia (Hanfan & Setiawan, 2018). The number of samples used as many as 107 respondents, from salted egg entrepreneurs who qualify as SMEs in terms of net worth, annual sales results and number of workers. Of the 107 respondents, they met the minimum standard sample criteria suggested which stated that the number of samples was 5 times the number of indicators. This study has 15 indicators, so the number of samples used in this study is 5 x 15 = 75 samples (Sugiono, 2017). Then the number of samples is recommended between 100 to 200 companies. By using a sample of 107 respondents, the requirements for the size of the sample can be met.

The sampling technique is based on stratified sampling because the sampling is done based on the strata in the population of Brebes salted egg entrepreneurs, namely in terms of net worth, annual sales results and the number of workers who fall into the category of small and medium enterprises (Ferdinand, 2016). Sampling is done in such a way that it will ensure that the selection of elements to be studied is based on objectivity, not subjectivity. The data used in this study uses primary data, namely data obtained by interviewing based on a list of questions to a number of respondents selected for this study.

The definition of each variable needs to be explained in a more operational measure. Each variable has an understanding that is very relevant to the context of the variable in the research model. Explanations from various experts regarding the meaning, antecedents and consequences of a variable are transformed into the core definition to sharpen the explanation of variables. A variable already describes in general what is to be studied but the measurement of the variable needs to be concreted through operational measurement which then becomes a reflective indicator of a variable can be seen in table 2 below:

Table 2. Operational Definitions and Indicators

Variable	Operational Definition	Indicators
Product Configuration Ability	The company's mechanism to adapt dynamically, therefore companies are required to be able to create new thoughts, new ideas, and offer product innovation and service improvements to satisfy customers.	X1 : Ability to create new products. X2: Ability to create additions to existing products. X3: Ability to repair and revise existing products.
Entrepreneurship Orientation	The entrepreneur's commitment to innovation in his company by seizing new opportunities through product introduction and innovation in the face of intense business competition, entrepreneurial practices in overcoming	X4 : Product innovation. X5 : Proactively seize new opportunities. X6 : Dare to take risks.

	uncertainty in the business environment and trying to maximize business opportunities, enabling discovery of opportunities regardless of available resources and daring to take risks to generate a new value.	
Market Orientation	he process of company activities related to creating customer needs, wants and satisfaction.	X7 : Ability to meet customer demands. X8 : Ability to respond to customer complaints. X9 : Ability to meet customer's taste.
Advantages of Regiocentric SMEs	The advantages of SME products are in imaging their products to the minds of consumers who are regionally oriented by using regional uniqueness, product peculiarities and irreplaceable products as regional icons.	X10 : The uniqueness of the area. X11 : Product specificity. X12 : Irreplaceable product as regional icon.
Locally-generated revenue	Regional income is collected based on regional regulations in accordance with statutory regulations.	X13 : Local tax results. X14 : The result of regional retribution. X15 : Other legitimate regional income.

The research design used in this study is a descriptive research design. Data was collected using a survey method through a structured questionnaire with a ten-point rating scale. The questionnaires were processed and analyzed by Structural Equation Modeling (SEM) using AMOS 22 analysis tool.

In order to detail the propositions that have been proposed above, further research studies were carried out to produce several hypotheses as follows:

1. The Effect of Product Configuration Capability on the Advantages of Regiocentric SMEs

(Yu, Zhang, Lin, & Wu, 2017) found that the knowledge creation process can only affect the sustainability of competitive advantage through the mediating effect of technological innovation capabilities. To increase the company's competitive advantage, high dynamic capabilities are also needed (Kruasoma & Saenchaiyathon, 2015). Green innovation capability is able to significantly increase sustainable competitive advantage (Ardyan, Nurtantiono, & Rahmawan, 2017). The empirical results highlight the importance of external integrative dynamic capabilities for the three pillars of sustainable competitive advantage for SMEs in the Netherlands (Eikelenboom & Jong, 2019). Define product configuration capability as a

company's mechanism to adapt dynamically, therefore companies are required to be able to create new thoughts, new ideas, and offer product innovation and service improvements to satisfy customers (Hanfan, 2021).

H1 : The higher the product configuration capability, the higher the advantages of regiocentric SMEs.

2. The Effect of Entrepreneurship Orientation on the Advantages of Regiocentric SMEs

Entrepreneurship is the attitude of an entrepreneur's commitment to his company's innovation by capturing new opportunities through product introduction and innovation in the face of intense business competition, entrepreneurial practices in overcoming uncertainty in the business environment and trying to maximize business opportunities, enabling discovery of opportunities regardless of available resources and daring. take risks to generate new values (Ha, et al., 2021). The research by Lake, et al., (2019) shows that entrepreneurial orientation has a positive effect on the competitive advantage of Woven Fabric SMEs in Kupang. The statistical results of Zeebaree, et al., (2019) research found that entrepreneurial orientation has a significant effect on the competitive advantage of SMEs in Kurdistan, Iraq. The findings of Sukmamedian (2019) also state that entrepreneurial orientation has an influence on the innovation and competitive advantage of SMEs in the culinary sector in Bogor, West Java. Entrepreneurial orientation and social capital affect innovation and performance capabilities in achieving a competitive advantage for handicraft SMEs in Semarang, Jepara and Kudus (Sulistyo & Ayuni, 2019).

H2: The higher the entrepreneurial orientation of SMEs, the higher the advantages of regiocentric SMEs.

3. The Effect of Market Orientation on the Advantages of Regiocentric SMEs

A sustainable advantage in business performance is greater for companies that develop market orientation earlier. These companies also get more profits in sales and than companies that are late in developing market orientation (Kumar, et al., 2011). The results of Udriyah, et al., (2019) research which examined 150 textile SMEs in Selangor Malaysia showed that market orientation and innovation had a positive and significant impact on the competitive advantage of SMEs. Market-oriented SMEs contribute to competitive advantage by creating unique products, product quality, and competitive prices which ultimately improve the marketing performance of SMEs (Puspaningrum, 2020). Puspaningrum (2020) states that market orientation is a process of company activities related to creating customer needs, wants and satisfaction. Market orientation indicators include customer orientation, competitor orientation and coordination between functions.

H3 : The higher the market orientation of SMEs, the higher the advantages of regiocentric SMEs.

4. The Influence of Regiocentric SMEs Excellence on PAD

According to Law Number 33 of 2004 concerning the Financial Balance between the Central Government and Regional Governments, PAD is the income obtained by the regions which is collected based on regional regulations in accordance with statutory regulations. PAD is sourced from regional taxes, regional levies, the results of separated regional wealth management, and other legitimate PAD. Regional tax proceeds are a regional levy whose regulations have been set by the region for household financing as a public legal entity. The result of regional retribution is a levy that legally becomes a regional levy as payment for usage or for obtaining the use of services or for obtaining employment, business or property services from the relevant regional government. Other legitimate regional income is regional income from other sources, such as third party contributions to the region which are carried out in accordance with applicable laws and regulations (Setiawan, et al., 2021). Ariwibowo & Insana's research (2018) states that to increase PAD, the DKI Jakarta Provincial Government should develop trading support facilities for MSMEs, easy access to capital and business information, as well as a sense of security and comfort in trading so that it will increase PAD through regional levies. The results of research by Setiawan, et al., (2021) show that the economic growth of SMEs has an effect on increasing PAD in Langsa City. The findings of Lutfiyah's research (2016) simultaneously economic growth and SMEs have a significant effect on regional PAD in Bangkalan Regency. The research findings of Wikardojo (2016) also found that simultaneously economic growth and micro, small and medium enterprises had a significant effect on PAD in Malang Regency.

H4 : The higher the advantage of regiocentric SMEs, the higher the PAD.

Based on the hypothesis developed above and the literature review conducted, an empirical research model is presented as shown in Figure 1. below:
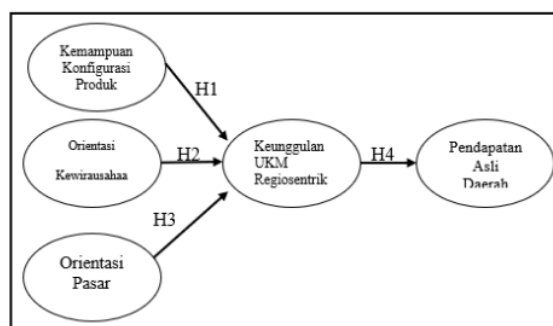

Figure 1. Empirical Research Model

RESULTS AND DISCUSSION

RESULT

Research Overview

Brebes Regency is one of the regencies in Central Java province, with an area of ±1,769 km2, with a population of 1,978,759 people https://id.wikipedia.org/wiki/Kabupaten_Brebes. Brebes Regency is located along the north coast of the Java Sea, extending to the south bordering Banyumas Regency and Tegal Regency, bordering Tegal City in the east and West Java bordering Cirebon City. The image of the Brebes Regency Map can be seen in Figure 2 below:

Figure 2. Map of Brebes Regency

Image source: https://id.wikipedia.org/

Brebes Regency is known as the center of shallots, and is a trade mark considering its position as the largest producer of shallots at the national level. The quality of the shallots produced is the superior variety which provides 23 percent of the national shallot supply.

Not only as a producer of shallots, Brebes is also famous for producing salted eggs from ducks. The economy of Brebes district is supported by duck breeders whose results are duck eggs which are converted into salted egg products of very good quality. So that Brebes is known as the City of Salted Eggs. The number of salted egg breeders in Brebes based on records from the Central Statistics Agency of Brebes Regency is 533,422 farmers (https://brebeskab.bps.go.id/, 2021).

Characteristics of Respondents

To support the economy of Brebes Regency with the development of duck breeders. Most of the duck farming communities have a livelihood as farmers. The farmers use their agricultural land for ducks so that the income obtained is not only from agricultural products but also from ducks. The character of the respondents in this study can be seen in table 3. The following:

Table 3. Characteristics of Respondents

No	Information	Percentage
1	Gender	
	Male	75 %
	Female	25 %
2	Age	
	25 – 40 years	29 %
	41 – 55 years	53 %
	56 – 70 years	18 %
3	Education	
	SD – SMP	35 %
	SMA	45 %
	D1 – D3	10 %
	S1	10 %
4	Income	
	< Rp. 50.000.000	18 %
	Rp. 50.000.000 – Rp. 150.000.000	27 %
	Rp. 150.000.000 – Rp. 300.000.000	36 %
	Rp. 300.000.000 – Rp. 500.000.000	15 %
	Rp. 500.000.000 – Rp. 1.000.000.000	4 %

Loading Factors Significance Test

The loading factors significance test aims to evaluate whether an indicator used confirms that the indicator can together with other indicators explain a variable. The value of loading factors required is to reach 0.50 (Hair, et., al., 2010).

Table 4. *Loading Factors Indicator*

Variable	Loading Factors Value
Product Configuration Capability	X1 : 0.797 X2 : 0.813 X3 : 0.745
Entrepreneurship Orientation	X4 : 0.865 X5 : 0.854 X6 : 0.829

Market Orientation	X7 : 0.874
	X8 : 0.840
	X9 : 0.840
Regiocentric SMEs Advantage	X10 : 0.894
	X11 : 0.902
	X12 : 0.812
Regional Revenue	X13 : 0.850
	X14 : 0.825
	X15 : 0.742

Source: Primary data processed (2020).

Table 4. above shows that the lambda coefficient (λ coefficient) or loading factors shows that all indicators have values above 0.5; so that because all the criteria have met the requirements, then the model is worthy of testing.

a. *Validity and Reliability Testing*

To find out the extent of the accuracy, accuracy and validity of a measuring instrument in research, validity is needed, while to determine the reliability of a research measuring instrument, a high level of reliability is needed. The next test of the validity and reliability of the variables is to calculate the value of construct reliability and the minimum extracted variance to state that the accuracy and reliability have been achieved is 0.50.

Tabel 5. Reliabilitas Konstruk dan *Variance Extracted Full Model*

Indicators	*Estimate*	*Loading* Square	*Error*	Reliabilitas Construct	*Variance Extract*
X1	0.797	0.635209	0.364791		
X2	0.813	0.660969	0.339031		
X3	0.745	0.555025	0.444975		
Amount	2.355	1.851203	1.148797	0.828405147	0.617067667
X4	0.865	0.748225	0.251775		
X5	0.854	0.729316	0.270684		
X6	0.829	0.687241	0.312759		
Amount	2.548	2.164782	0.835218	0.886016309	0.721594
X7	0.874	0.763876	0.236124		
X8	0.84	0.7056	0.2944		
X9	0.84	0.7056	0.2944		
Amount	2.554	2.175076	0.824924	0.887732449	0.725025333
X10	0.894	0.799236	0.200764		
X11	0.902	0.813604	0.186396		
X12	0.812	0.659344	0.340656		
Amount	2.608	2.272184	0.727816	0.903337814	0.757394667

X13	0.85	0.7225	0.2775		
X14	0.825	0.680625	0.319375		
X15	0.742	0.550564	0.449436		
Jumlah	2.417	1.953689	1.046311	0.848100955	0.651229667

Source: Primary data processed (2020).

The results of calculating the construct reliability values presented in Table 4.2 above show that the construct reliability and variance extracted have values above 0.5. This shows that the indicators used have good validity and reliability to explain the variables.

b. *Hypothesis Testing*

From the proposed hypothesis, the hypothesis is tested using the AMOS 22 analysis tool, can be seen in the figure3. Below :
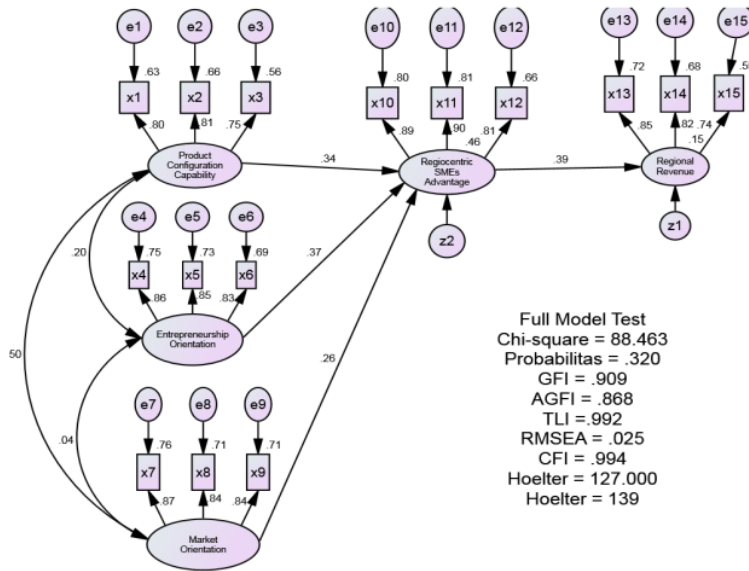
Full Model Test
Chi-square = 88.463
Probabilitas = .320
GFI = .909
AGFI = .868
TLI =.992
RMSEA = .025
CFI = .994
Hoelter = 127.000
Hoelter = 139

Figure 3. Full Model Test

Source: Primary data processed (2022).

Table 6. *Goodness of Fit Full Model*

Goodness of Fit Index	Cut-Off Value	Analysis Result	Model Evalution
Chi-Square	Diharapkan kecil	88.463	Good
Probability	≥0.05	0.320	Good
RMSEA	≤0.08	0.025	Good
GFI	≥0.90	0.909	Good
AGFI	≥0.90	0.868	Marginal
TLI	≥0.95	0.992	Good
CFI	≥0.95	0.994	Good

Hoelter's 0,05	≤127	107	Good
Hoelter's 0,01	≤139	107	Good

Source: Primary data processed (2022).

From the results of processing the full model test using the AMOS 22.0 analysis tool (Figure 4.1), the goodness of fit results are obtained as follows, the Chi-Square value = 88,463; Probability = 0.320; RMSEA=0.025; GFI= 0.909; AGFI =0.868; TLI=0.992; CFI=0.994. Furthermore, the last goodness of fit statistic is critical N which was developed by (Hoelter, 1983). Critical N analysis is intended to estimate the size of the sample size which is sufficient to produce a fit model. The model is said to be able to produce goodness of fit if it has a sample below the Hoelter value tested with both 0.05 and 0.01 probabilities. The following are the results of the critical analysis of Hoelter's 0.05 and Hoelter's 0.01, namely Hoelter's 0.05 = 127; Hoelter's 0.01 = 137 which all meet the fit criteria because the number of samples is 107 below the recommended Hoelter's value (Hair, et., al., 2010). Therefore, the results of Table 5 above show that the model fit test resulted in a good level of acceptance (Table 4.3).

Table 7. Full Model Test Results

Variable Relationship			Estimate	S.E.	C.R	P	Hyphotesis Result
Regiocentric SMEs Advantage	<--	Product ConfigurationCapability	.436	.145	2.996	.003	H1 Acceptable
Regiocentric SMEs Advantage	<--	Entrepreneurship Orientation	.422	.103	4.093	***	H2 Acceptable
Regiocentric SMEs Advantage	<--	Market Orientation	.278	.114	2.435	.015	H3 Acceptable
Regional Revenue	<--	Regiocentric SMEs Advantage	.357	.096	3.707	***	H4 Acceptable

Source: Primary data processed (2022).

From hypothesis testing as listed in Table 4.4, it can be concluded that hypothesis 1 shows significant results with a value of CR = 2.996 1.96 with probability = 0.003, the probability of testing meets the requirements is below 0.05. Thus H1 in this study can be accepted. Testing hypothesis 2 showed significant results with a value of CR = 4.093 1.96 with probability = 0.000; the probability of qualifying the test is below 0.05. Thus H2 is accepted in this study. Testing hypothesis 3 shows significant results with a value of CR = 2.435 1.96 with probability = 0.015, then the probability of the test meets the requirements below 0.05. Thus H3 in this study can be accepted. Testing hypothesis 4 showed significant results with a value of CR=3.707 1.96 with a probability value of 0.000; then the probability of qualifying the test is below 0.05. So H4 in this study is acceptable.

c. Theoretical Implications

The theoretical implication generated in this study is that Regiocentric SMEs Advantage is influenced by Product Configuration Capability, Entrepreneurship Orientation and Market Orientation by 46.4%. Meanwhile, Regional Revenue is influenced by Regiocentric SMEs Advantage, Product Configuration Capability, Entrepreneurship Orientation and Market Orientation by 15.5%. In order for the Regiocentric SMEs Advantage to be maximized by the company, it must pay attention to Product Configuration Capability, Entrepreneurship Orientation and Market Orientation. Then in order for Regional Revenue to increase to the maximum, it must pay attention to the Regiocentric SMEs Advantage, Product Configuration Capability, Entrepreneurship Orientation and Market Orientation

d. Managerial Implications

The managerial implication generated in this research is that the Regiocentric SMEs Advantage in imaging its products to the minds of consumers who are regionally oriented by using regional uniqueness, product uniqueness and irreplaceable products as regional icons needs to be maintained. The advantages of Regiocentric SMEs Advantage in creating new thoughts, new ideas, and offering product innovation and service improvements to satisfy customers must be increased. Regiocentric SMEs Advantage in capturing new opportunities through product introduction and innovation in the face of intense business competition, entrepreneurial practices in overcoming uncertainty in the business environment and striving to maximize business opportunities, enabling discovery of opportunities regardless of available resources and daring taking risks to generate new value must always be improved. Regiocentric SMEs Advantage (Regiocentric SMEs Advantage) in creating needs, wants and customer satisfaction must always be improved. By increasing the product configuration capability (Product Configuration Capability), the entrepreneurial orientation of SMEs (Entrepreneurship Orientation) and market orientation (Market Orientation) will increase the Regiocentric SMEs Advantage. Furthermore, the ability of Regiocentric SMEs in increasing the superiority of their products will increase the Regional Revenue of Brebes Regency.

DISCUSSION

The results of the research above prove that the superiority of the MSME (Regiocentric SMEs Advantage) product is salted eggs in Brebes Regency which has a different taste from other regional salted eggs.

Product Configuration Capability of salted eggs is no longer the old marketing model that only waits for buyers to come, the digitalization era teaches MSMEs to provide fast service. With online marketing either through the web, e-commerce or social media, it will accelerate product services to reach consumers.

MSMEs currently must be able to be globally competitive seeing that high competition allows many new competitors who have the ability to gain global market share. The weakness of salted egg SMEs is still limited to meeting regional needs, limited access to international marketing ranging from differences in state regulations, language, limited capital to the level of resilience of salted egg products themselves. To enter the international market, it is important to maintain the quality and quality of its products. Entrepreneurship Orientation for SMEs to dare to take international market opportunities can be through cooperation with exporting companies or assistance from local governments.

The perpetrators of Salted Egg SMEs in Brebes Regency must have a market orientation thought (Market Orientation) for their products in meeting the wants and needs of their consumers. Product innovation must continue to be carried out in an effort to fulfill the desires and needs of these consumers. Salted egg product innovations with various flavors can provide choices according to consumer tastes.

Regional Revenue from salted egg SMEs is able to make a major contribution to the economic sector. Salted egg SMEs in Brebes Regency not only move the GRDP revenue of SMEs every year but also absorb labor. The absorption of work in MSMEs has an impact on reducing unemployment. So the need for the role of local governments in helping MSMEs in the form of capital and access to marketing to international markets.

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