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Family Welfare of Micro, Small, and Medium Entrepreneurs: A Literature Study Review of Economics

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ABSTRACT

Family welfare is the main priority in the nation's social welfare because the family is the smallest unit in society. The family has an important role in achieving national development goals, so family development is needed to create a prosperous family. The aim of the research is to provide empirical evidence of the influence of human capital, product innovation and online marketing on the welfare of micro, small and medium enterprise entrepreneurs. This scientific article employs qualitative methodologies and conducts literature reviews or library research as its approach. The research results show that human capital plays an important role in maintaining a business in the face of changing market situations. Product innovation carried out in an effort to increase the availability of various products can improve welfare. The use of digital marketing is becoming increasingly important for Micro, Small, dan Medium. Various recommendations can be provided to effectively oversee human capital, innovation, and online marketing in order to enhance human well-being. These include enhancing individuals' capabilities and skills in adapting and innovating with information technology for business operations, achieved through heightened engagement in relevant training and ongoing studies in the respective field.

Keywords: Entrepreneurs; Family Welfare; Human Capital; Innovation; Online Marketing

INTRODUCTION

The worsening world economy caused by the Covid-19 pandemic has resulted in the Indonesian economy slumping at a macro level. This is indicated by the Indonesian economy experiencing a contraction in the second quarter of 2020, namely -5.3 percent. The decline in economic performance also had a negative impact on employment conditions, namely an increase in the Open Unemployment Rate from 1.19 percent in February 2019 to 1.21 percent in February 2020. This condition was caused by an increase in the number of the workforce and an increase in the Labor Force Participation Rate amidst decreasing opportunities. The Labor Force Participation Rate was recorded to have increased from 76.68 percent in February 2019 to 77.08 percent in February 2020 (Bank Indonesia, 2020).

The World Health Organization also stated that Covid-19 is a global pandemic, which has a negative impact on the economy (Lu et al., 2020). The Covid-19 pandemic has had an uncertain impact on the economy, especially for entrepreneurs and Micro, Small and Medium Enterprises, which has also contributed to the decline in the national economy. Data obtained from the Ministry of Cooperatives, Small and Medium Enterprises in 2018, the number of Micro, Small and Medium Enterprises was 64.2 million or 99.99 percent of the number of business actors in Indonesia. In 2020, Micro, Small and Medium Enterprises will be able to absorb a large workforce, namely 117 million workers or 97 percent of the total workforce absorption capacity in the business world. Number of Micro, Small, Businesses and Medium Enterprises, which is directly proportional to the number of job opportunities in Indonesia, so that Micro, Small and Medium Enterprises have a large contribution to employment. Micro, Small and Medium Enterprises also have a large contribution to gross domestic product, namely 61.97 percent of the total national gross domestic product or the equivalent of Rp 8,500 trillion in 2020 (Sasongko, 2020). From this data, Indonesia is said to have the potential for a strong national economic base because of the large number of Micro, Small and Medium Enterprises and the very large labor absorption capacity. So far, Micro, Small and Medium Enterprises have proven to be strong in facing the economic crisis because they have fast transaction turnover and are in touch with the primary needs of society (Suci, 2017).

Family welfare is the main priority in the nation's social welfare because the family is the smallest unit in society. The family has an important role in achieving national development goals, so family development is needed to create a prosperous family. Law Number 11 of 2009 explains that welfare is a condition of fulfilling the material, spiritual and social needs of citizens so that they can live a decent life and be able to develop themselves, so that they can carry out their social functions (Indonesia. The Audit Board, 2009a). The decline in people's welfare during the Covid-19 pandemic is also associated with an increase in the number of poor people. The number of poor people in Bali was stated to have increased from 3.61 percent or 156.91 thousand people in the September 2019 period, increasing to 3.78 percent or 165.19 thousand people in the March 2020 (Bank Indonesia, 2021). Law Number 52 of 2009 explains that family resilience and prosperity is the condition of a family that has tenacity and toughness and contains material physical abilities to live independently, develop oneself and one's family to live in harmony in increasing the well-being, physical and spiritual happiness (Indonesia. The Audit Board, 2009b). Business resilience emerges as an entrepreneurial skill that allows companies to adapt and grow stronger in facing challenges in improving their business performance. The performance of a business will be able to improve the welfare of Micro, Small and Medium Enterprises. Good business performance can show that the business will be able to survive in changing market situations.

During the Covid-19 pandemic, the family business environment has become increasingly complex, so that the resilience of the family business becomes a determinant in achieving family prosperity. The outbreak of the Covid-19 pandemic has forced many businesses to close, causing trade disruptions in most industrial sectors and small businesses (Donthu & Gustafsson, 2020). Global challenges and advances in information technology as well as changes in market situations due to the Covid-19 pandemic have certainly brought major changes to the life and business flow of an organization or company. This makes it important to have an innovation strategy to help companies survive changes in market situations (Aldianto et al., 2021). Innovation capability is a reflection of the company's tendency towards new ideas with a creative process, the results of which are found in new products, services, or technological processes (Lumpkin & Dess, 1996). De Oliveira Teixeira and Werther (2013) stated that innovation is very important for business survival because resilient businesses not only anticipate the number of buyers' needs but do so by creating product innovations. A business that is able to carry out sustainable product innovation is declared to have a competitive advantage and will be able to adapt to changes in the environment, so that it can reduce the impact of threats and risks faced to achieve business resilience (Lumpkin & Dess, 2001; O'Reilly & Tushman, 2008; and Teece et al, 1997). Innovation is very important for business survival because a strong business not only anticipates the number of buyers' needs but does so by creating product innovations.

This article examines the welfare of families of Micro, Small and Medium Enterprise entrepreneurs based on human capital, product innovation, and the use of online marketing. The study carried out is a literature study that examines several literatures that examine the welfare of families of Micro, Small and Medium Enterprise entrepreneurs.

LITERATURE REVIEW

Welfare Theory

Law Number 11 of 2009 defines social welfare as a condition of fulfilling the needs of a decent life for the community, so that they are able to develop themselves and can carry out their social functions which can be carried out by the government, regional government and the community in the form of social services which include social rehabilitation, social security, social empowerment, and social protection (Indonesia. The Audit Board, 2009a). From the law above, it can be observed that the measure of the level of welfare can be assessed from the ability of an individual or group to fulfill their material and spiritual needs. Material needs can be linked to income which will later realize the need for food, clothing, shelter, and health. Then spiritual needs are connected with education, then security and tranquility of life. Todaro and Smith (2012) state that welfare is measured through the results of life development and increasing living standards in an effort to improve the quality of life which includes (1) increasing capabilities and equal distribution of basic needs such as food, housing, health and protection; and (2) increasing living standards in terms of income, education, and awareness of cultural and human values. Fahrudin (2012) explains that welfare is a condition where a person can fulfill basic needs, be it the need for food, clothing, shelter, clean drinking water as well as the opportunity to continue education and have adequate work that can support the quality of his life so that his life is free from poverty, ignorance, and fear.

Albert and Hahnel (2005) divide welfare theory into three parts, namely: (1) Classical utilitarian, where this approach emphasizes that a person's pleasure or satisfaction can be measured. The principle for individuals is to increase their level of well-being as much as possible. For society, improving the welfare of its group is a principle adhered to in its life; (2) Neoclassical welfare theory, where the welfare function is a function of all individual satisfaction; and (3) New contraction approach which promotes maximum freedom in the life of an individual or person. The emphasis in this approach is that individuals will maximize their freedom to pursue goods and services without any interference from certain parties. Based on the opinions of these experts, Sen (1987) said that the level of satisfaction (satisfaction) can describe the level of a person's ability to evaluate an action and can reach various welfare groups, while happiness can only be felt regarding various events in certain groups in their access to society and institutions. Meanwhile, Peck and Vicki (2003) say that individual, family, or community satisfaction can describe the level of ability to consume goods and services as well as hopes for the future. Kolle and Drewnoski in Bintarto (1989) explained that welfare can be measured from several aspects of life, such as looking at the quality of life from material, physical, mental, and spiritual aspects.

Family Welfare Theory

The main priority in the nation's social welfare is the welfare of the family because the family is the smallest unit in society. Prosperous conditions are not permanent and can change at any time, either sooner or later. To achieve and maintain prosperity, humans must strive continuously within an undetermined time limit, in accordance with the demands of life which are always developing and have no time limits (Kuswardinah, 2016). Family welfare is a family that has a decent, good life, without burdening other people and has good economic conditions and whose life is no longer restless and restless because they think about life's needs that must be met and live prosperously, safely, and peacefully (Muhidin, 1992). The aim of building a prosperous family is to develop the quality of the family so that a sense of security, peace and hope for a better future can grow in realizing physical prosperity and inner happiness. Law Number 52 of 2009, explains the level of family welfare which can be caused by several factors both from within and from the environment concerned (Indonesia. The Audit Board, 2009b). Internal factors that determine the level of family welfare are the number of family members, place of residence, and socio-economic situation of the family and economic situation of the family.

Human Capital

The development of human capital theory was first pioneered by Theodore Schultz, who believed that increasing a person's welfare does not depend on land, equipment, or energy, but depends on knowledge. Human capital is a combination of traits (intelligence, energy and positive attitude, reliability, and commitment), learning ability (talent, imagination, creativity, and ingenuity), and motivation to share information and knowledge (Schultz, 1961). Further developments were put forward by Thünen (1875) who acknowledged that the level of human service cannot be separated from the abilities and skills they possess, which are obtained through education. The study of human capital theory continues to be carried out by twentieth century economists such as Becker (1975) who argued that education and experience are the basis of human capital which ultimately leads to investment in knowledge and skills to increase one's success. Becker (1975) expressed the application of economic logic in examining individual investment decisions in work knowledge and skills such as education, training, investment, company-specific knowledge, career choices (work decisions, changing jobs, or changing professions, labor mobility) and other related characteristics. With employment (wages, salaries, and working hours).

As new technological advances are discovered, workers are required to be educated, have more skills and knowledge; making human capital begin to be seen as access to needed intangible asset resources. In the end, this concept changes the difference between physical assets and non-physical assets. Coleman (1998) shows how physical assets are created by converting materials to create tools that facilitate production. Human capital is created by changing humans to have skills, ways of acting and innovating that are able to move non-physical assets. Human capital then becomes an important investment compared to other forms of capital. Wernerfelt (1984) includes human capital as one of the assets that is useful for maintaining business success. Strategic action requires a set of physical, financial, and physical resources, financial and specific capabilities, so that business success is determined by its ability to obtain and retain resources. The emphasis on human capital research positions humans as the main component that most dominantly determines business success. Human capital as an intangible resource is a source of creativity, innovation, and strategic renewal (renewable) for the company.

Nahapiet and Ghoshal (1998) define human capital as the accumulation of individual talents and knowledge obtained through education, training, experience, and cognition. Meanwhile, Pfeffer (1998) defines human capital as a person’s knowledge, skills, and abilities that can produce professional services and economic returns. Human capital is also the starting point for sources of innovation and ideas or renewal. In line with Wernerfelt, Pfeffer (1998) illustrates human capital in a company as a tree, so humans are the sap and most companies depend on humans who make them grow. Edvinson and Malone (2007) define human capital as individual knowledge, experience, abilities, skills, creativity, and willingness to innovate. Human capital is an important capital for every business, because it is a source of innovation and strategy renewal, reengineering processes, as well as a source of company ideals. One element that can create a positive market perception for a company is the ability a person has so that the company is able to survive in market competition. Bontis et al. (2000) associate human capital as fresh blood (life-blood) the key to business or business success, but you must not ignore social capital and emotional capital in creating business success.

Son (2010) revealed that human capital plays an important role in economic growth and poverty alleviation. At a macro level, human capital accumulation increases work productivity, facilitates technological innovation, increases returns to capital, creates sustainable growth, and in turn supports poverty alleviation. On a micro level, human capital built through education has the potential to make it easier for someone to get a job in the labor market and increase their capacity to earn a higher income. The term human capital reflects human productive capacity including various skills such asliteracy, numeracy, cognitive, and analysis (Son, 2010). Nafukho et al. (2004) explore the definition of human capital chronologically, four of which are as follows: (1) The knowledge and skills that a person obtains through education and training are a planned investment product that produces returns (Schultz, 1961); (2) A person’s investment in education produces a return in extra income equivalent to the cost of studying (Becker, 1975); (3) Investment in formal and informal education and training that enhances individual abilities by providing the knowledge, skills, attitudes and motivation needed for economic and social development for professional services (Pfeffer, 1998); and (4) Investments in education and training have personal and social returns (Becker, 2007).

In essence, these four definitions emphasize the same aspect, namely investment in education and training, as well as the expected return from this investment. The concept of human capital is used implicitly in many empirical studies of business success. The success of businesses (especially micro and small businesses) can depend on the relative return on human capital, which is obtained from the labor market and from entrepreneurship (Becker, 2007). De Pablos (2003) states that there are four elements of human capital, namely (1) Education: This includes employee formation in terms of education and experience (unskilled personnel versus skilled personnel, graduate degrees, PhDs, and international experience); (2) Training: This includes indicators established by the company. This indicator covers the items such as training days per employee, training ratio per working hour (per year), measure the training investment category (employees/year); (3) Commitment and motivation. The scope of commitment indicators is the percentage of staff promotions/total staff, staff perceptions of participation and enjoyment of the work environment; and (4) Results. It shows the employee's overall satisfaction with the job. Generally measured by the employee satisfaction index. Other measures that also include results are employee absenteeism due to illness and injury resulting in lost work hours.

Based on several opinions of researchers that have been expressed, it can be concluded that the essence of human capital is an invisible or intangible ability, consisting of knowledge, intelligence, skills, beliefs, experiences possessed by humans, as a core component of the organization so that the organization has a goal. And come alive. Han et al. (2008), put forward human capital indicators in their research including leadership skills in team management and workforce competency, for researchers St-Pierre and Audet (2011) put forward several indicators to measure human capital, with the development of employee education and educational background, while Mayo (2000), suggests there are 3 components to measure human capital, namely individual motivation, organizational climate and leadership. Based on the concept of human capital proposed by St-Pierre and Audet (2011) and Mayo (2000) and conditionsregarding research subjects, human capital indicators are measured based on indicators of competence, skills, motivation, and experience.

Innovation

Innovation is a product or service that is perceived by consumers as a new product or service (Shaferi et al., 2022). In simple terms, innovation can be defined as a breakthrough related to new products. However, Kotler (2008) added that innovation is not only limited to the development of new products or services. Innovation also includes new business thinking and new processes. Innovation necessitates leveraging both existing knowledge within the business and acquiring novel insights from diverse knowledge sources (Wuryaningrat et al., 2019). Innovation means observing consumers to find and satisfy consumers by providing new products (Buchari, 2004). Keh et al. (2007) explain that innovation is very important for the following reasons: (1) Technology changes very quickly as new products, processes and services come from competitors, and this drives businesses to compete and succeed; (2) The effect of environmental changes on product life cycles is getting shorter; (3) Today's consumers are smarter and demand fulfillment of their needs. Expectations in fulfilling needs expect more in terms of quality, updates, and price; (4) With markets and technology changing rapidly, good ideas can be more easily imitated, and this requires new and better methods of using products, processes, and faster service; and (5) Innovation can generate faster growth, increase market segments, and create a better corporate position.

Innovativeness is an important component of entrepreneurial orientation because it reflects an important way in which firms pursue new opportunities (Lumpkin & Dess, 1996). Innovative reflects a fundamental willingness to depart from existing technology or practices and venture beyond the current state of the art (Baker & Sinkula, 2009). Innovativeness refers to the tendency of SMEs to creatively initiate and support new ideas, experiments and creative processes that can result in new products, services or technological processes, or the exploitation of new markets (Kropp & Zolin, 2005; Li et al, 2016). Innovativeness can take several forms ranging from a willingness to try new product lines or experiment with new advertising media, to focused efforts to master the latest products or technological advances (Lumpkin & Dess, 1996).

Schumpeter (1942) was among the first to emphasize the role of innovation in the entrepreneurial process. Wealth is created when existing market structures are disrupted by the introduction of new goods and services, causing new firms to emerge. In this process, entrepreneurs were considered as innovators who drive economic evolution, while Miller and Friesen (1982) noted that entrepreneurial companies are characterized by their willingness to dare and regularly innovate, daring to take considerable risks in product market strategies. Without innovation, companies will not be able to survive long or compete in the market. This is because customer needs, wants and requests are always changing. Customers will not always consume the same product. Customers will look for other products from other companies that they feel can satisfy their needs, something related to goods, services, or ideas that someone feels are new (Hadiyati, 2011). Therefore, continuous innovation is needed to attract the attention of customers so that the company can remain standing to continue its business.

Product innovation should be able to provide added value compared to similar products (product superiority), so that it can make the company have an advantage compared to its competitors. Lukas and Ferrell (2000) explain that there are several indicators of product innovation, namely: (1) Line extensions are products produced by a company that are not really new but are relatively new to a market; (2) A new product (me too product) is a new product for the company but not new for the market; and (3) A truly new product (new to the world product) is a product that is new to both the company and the market.

Rogers (1983) explains that innovation has the following attributes.

Relative Advantage (Relative Advantage)
The degree to which an innovation is considered better or superior to what has existed before. This can be measured from several aspects, such as economic aspects, social prestige, comfort, satisfaction, and others. The greater the relative advantage perceived by the adopter, the faster the innovation can be adopted.

Compatibility
The degree to which the innovation is considered consistent with prevailing values, past experience, and adopter needs. For example, if a particular innovation or new idea is not in accordance with applicable values and norms, then the innovation cannot be adopted as easily as compatible innovations.

Complexity
The degree to which an innovation is perceived as difficult to understand and use. There are certain innovations that can be easily understood and used by adopters and others that are the opposite. The easier it is for adopters to understand and comprehend, the faster an innovation can be adopted.

Trialability
The degree to which an innovation can be tested within certain limits. An innovation that can be tested in a real setting will generally be adopted more quickly. In order to be quickly adopted, an innovation must be able to demonstrate (demonstrate) its superiority.

Observability
The degree to which the results of an innovation are visible to others. The easier it is for someone to see the results of an innovation, the more likely that person or group of people is to adopt it. It can be concluded that the greater the relative advantage, compatibility, testability, and observability and the smaller the complexity, the faster it is likely that the innovation can be adopted.

Digital Marketing
Information is an important medium that plays a role for marketers in order to win the competition. Advances in digital telephone networks, interactive cable television, personal computers, online services, and the internet have made information increasingly faster and easier to obtain (Paul, 1996). The Internet has several attractions and advantages for consumers and organizations, for example in convenience, 24 hours a day access, efficiency, relatively unlimited alternative spaces and choices, personalization, and potential information sources (Chandra & Pouchous, 2017). Since the beginning of 2000, information technology has entered the mainstream market and developed further into what is called new wave technology. New wave technology is technology that enables connectivity and interactivity between individuals and groups (Kotler, 2008). The new wave includes three main forces, namely cheap computers and mobile phones, cheap internet, and open source. The existence of the digital economy is marked by the increasingly widespread business or trade transactions that utilize the internet as a medium for communication and collaboration between companies and between individuals (Situmorang, 2011).

In a business context, the internet has a transformational impact that creates a new paradigm in business, in the form of digital marketing (Chandra & Pouchous, 2017). If in the past the traditional business interaction model was known as face to face, now this interaction model has developed towards modern faceless electronic or e-commerce based on interactions, namely Business to Business (B2B), Business to Customer (B2C), and Customer to Customer (C2C) with the ultimate target of serving segments of one (Arnot & Bridgewater, 2002). In the world of marketing, the digital marketing era is currently known, where marketers are no longer limited to forms of advertising using conventional media, such as print and electronic media, but can utilize digital media. Through this digital channel, marketers offer the opportunity to streamline expenditures to build relationships with consumers and increase consumer loyalty (Reinartz et al., 2005). Coviello et al. (2001) argue that e-commerce digital marketing can help companies to improve marketing performance and profits.

RESEARCH METHOD

The method for writing this scientific article is qualitative methods and literature studies or Library Research. Examining literature books according to the theories discussed, especially in the scope of economics. Apart from that, analyzing reputable scientific articles and also scientific articles from non-reputable journals.

RESULTS

In accordance with the description that has been explained, it can be seen that family welfare is considered a top priority because the family is the smallest unit in society. To be able to achieve and maintain this prosperity, family members must continue to develop in accordance with life’s demands. The importance of welfare is to improve the quality of families who feel safe, secure, and have hope for a better future. Family welfare is often determined by internal and external factors, one of the internal factors being the family's economic situation. The economic condition of the family, in this case for Micro, Small and Medium Enterprises, can be seen from their ability to maintain their business and earn income. In this case, Micro, Small and Medium Enterprises are declared to be more able to survive any crisis conditions that occur.

The ability of Micro, Small and Medium Enterprises to maintain their business cannot be separated from the role of human capital, innovation in the products produced and digital marketing. As stated by Theodore Schultz, increasing prosperity usually does notdepend on land ownership, equipment ownership or full energy ownership, but rather depends on the knowledge possessed by the human capital of each Micro, Small and Medium Enterprises actor (Schultz, 1961).

In research on human capital, humans are positioned as the main component and have the most role in determining the success or failure of a business. As also explained by Son (2010), human capital has an important role in economic growth and has a major contribution to reducing the amount of poverty that occurs. Through explanations expressed by several researchers, human capital is expressed as the invisible abilities of a person, and consists of knowledge, intelligence, skills, beliefs, experience which are the core of a business being able to run to earn income. Apart from human capital, what is no less important is needed to maintain Micro, Small and Medium Enterprises, namely innovation in the products produced. The development of technology and the times will mean that consumers will not always consume the same products continuously. Consumers will of course look for other products that they feel are better able to satisfy their needs. This is what makes continuous innovation very important to carry out with the aim of ensuring that consumers continue to make purchases and businesses remain able to continue their business. Something that is no less important to do in maintaining Micro, Small and Medium Enterprises in digital times like this is carrying out digital marketing. Through digital marketing, business owners can reach a wider market and can also reduce expenses in marketing, which can increase profits and will have an impact on increasing the performance of Micro, Small and Medium Enterprises, thereby improving the welfare of their families.

DISCUSSION

The Relationship of Human Capital to the Family Welfare of Micro, Small, and Medium Enterprise Entrepreneurs

Son (2010) revealed that human capital plays an important role in increasing welfare. In line with Son, Schultz (1961) also believes that increasing a person’s welfare does not depend on land, equipment, or energy, but depends on knowledge in human capital. In Hye and Hanna’s (1990) research, it is also explained that there is a positive relationship between education level and welfare. The higher the education a person receives, the higher his economic status. It can be seen that regions with higher levels of (formal) education have more human capital which grows faster than regions with lower levels of educational attainment (Garcia & Soelistianingsih, 1998). At macro level, the accumulation of human capital will increase work productivity, increasing returns to capital, creating sustainable growth, and in turn supporting increased family welfare. According to Wijayanti et al. (2020), increasing skills in human resources can increase the speed of work so that a greater number of products are produced. The more products that can be produced with a higher level of work efficiency and effectiveness at lower production costs, the more family income will be able to increase. An increase in income over time will generally cause an increase in welfare in the same direction (Hukom, 2014).

Human capital plays an important role in maintaining a business in the face of changing market situations (Daou et al., 2019). Blanco and Montes-Botella (2017) stated that human capital makes an extraordinary contribution to company resilience. Humans with all their abilities, if fully utilized to the maximum, will produce extraordinary business performance. This is in line with research conducted by Felício et al. (2014) which states that human capital has a positive effect on business performance. Hamedi and

Mehdiabadi (2020) stated that human capital is an effective indicator of business resilience. The better human quality will influence the higher efficiency and productivity of a business (Hunter & Lean, 2014). Hye and Hanna (1990) also explained that there is a positive relationship between the level of education and knowledge a person has and their level of welfare. The higher the education a person receives, the higher his economic status and ability to meet his family's needs.

Brüderl and Preisendörfer (2000) stated differently that work experience, which is part of human capital, does not have a significant impact on business growth. Most sokasi craft businesses are family businesses with experience passed down from generation to generation. Hartati et al. (2017) in their research also obtained results that experience in human capital had no effect on farmers' welfare. Davidsson and Honig (2003) argue that formal education is not a determining factor for success in maintaining a business and in achieving prosperity. In Widyastuti's (2012) research, the results showed that education had a negative effect on family welfar' because the higher a person's level of education, the more costs the person would incur 'o continue that high level of education, so that it could deplete the family's income.

The Relationship Between Product Innovation and the Welfare of Families of Micro, Small and Medium Enterprise Entrepreneurs

Some of the success factors of innovation are information acquisition, knowledge formulation, knowledge validation process, knowledge diffusion and integration, practical knowledge, and individual and group learning (McElroy, 2002). Some indicators used to measure innovation are the number of new products produced, the average time to develop new products, the number and quality of patents produced, the number and quality of research and development employees, cooperation in research development with other departments, the exchange of knowledge, management support innovative culture, management ability to handle innovation projects, rewards for innovative employees and top management supporting innovation (Kijek, 2012).

St-Pierre and Audet (2011) suggest that indicators for measuring innovation are reputation (good name), patents owned, number of research and development staff, formalization of research and development activities, research, and development collaboration, and observing technological developments. Based on the opinion expressed by Lukas and Ferrell (2000) regarding innovation indicators take into account the research subjects, namely craftsmen, in this research the innovation indicators used are line extensions, new products (me too products), and product really new (new to the world product).

Product innovation needs to be carried out because customer needs, wants, and requests are always changing. Customers will not always consume the same product. Customers will look for other products from other companies that they feel can satisfy their needs, something related to goods, services, or ideas that someone feels are new (Hadiyati, 2011). According to Keh et al. (2007), innovation is very important because it can produce faster growth, increase market segments, and create a better corporate position.

The Relationship of Online Marketing to the Family Welfare of Micro, Small and Medium Enterprise Entrepreneurs

Digital marketing is promotional activities and market search through online digital media by utilizing various means. The increasingly rapid development of technology means that the use of digital marketing must be quickly understood and studied in order to reach more consumers by providing services online. Business actors must grow the courage to try new things such as utilizing digital marketing to be able to continue developing their business. The use of digital marketing is becoming increasingly important for MSMEs to be able to increase promotion of their products with the aim of increasing sales and income. The use of technology in digital marketing will be able to increase exploitation in exploiting existing market opportunities and exploring new opportunities to meet market challenges in developing countries. According to Hardilawati (2020), MSMEs need to carry out digital marketing as a strategy to survive amidst the changing market situation. The increasing competition and decreasing number of consumers require MSMEs to be able to market their products optimally and think creatively and innovatively. The increasingly rapid development of technology also means that digital marketing must be able to be understood and studied by MSMEs. Research conducted by Hendrawan (2019) states that digital marketing has a positive and significant effect in improving the sales performance of MSMEs.

According to Donthu and Gustafsson (2020), MSMEs that are able to grow and develop well are MSMEs that have implemented and joined the digital marketing ecosystem, so it is important to immediately transform MSMEs from offline to online. The spread of the Corona virus ultimately causes changes in consumer behavior and changes in the direct market to an online market. The use of digital marketing is becoming increasingly important for MSMEs to be able to increase promotion of their products with the aim of increasing sales and income (Awali, 2020). The increase in income obtained will enable business activities to continue and MSMEs will be able to maintain their business and achieve prosperity for MSMEs (Jensen, 2007). Different results were obtained by Hardilawati (2020) who stated that e-commerce had a positive but not significant influence in improving marketing performance. In research by Satria et al. (2020), it is said that the use of digital marketing cannot be fully applied to all business activities, there is still a need for offline activities to connect with consumers, employees and stakeholders in the community when holding certain events.

CONCLUSION

Based on several article references that have been presented in the discussion above, several things can be concluded as follows.

Human capital plays an important role in maintaining a business in the face of changing market situations. Human capital makes an extraordinary contribution to the resilience of a company. Humans with all their abilities, if fully deployed to the maximum, will produce extraordinary business performance and be able to improve family welfare. Different results were obtained in several articles regarding human capital components such as experience, training, and formal education. Several articles found that there was no significant influence of experience, training, and formal education on family welfare.

Indicators for measuring innovation are reputation (good name), patents owned, number of research and development staff, formalization of research and development activities, research, and development collaboration, and observing technological developments. Product innovation carried out in an effort to increase the availability of various products can improve welfare.

Digital marketing is promotional activities and market search through online digital media by utilizing various means. The use of digital marketing is becoming increasingly important for Micro, Small and Medium Enterprises to be able to increase promotion of their products with the aim of increasing sales and income. The increase in income earned will increase the ability to meet the living needs of family members, so that it will be able to encourage increased family welfare.

Based on the conclusions above, several suggestions that can be given to be able to manage human capital, innovation, and online marketing which are encouraged to improve human welfare are increasing human abilities and skills in adapting and innovating with information technology in running their business by increasing participation in training and studies continue in the appropriate field.

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DECLARATION OF CONFLICTING INTERESTS
The authors declared no potential conflicts of interest.

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