The Influence of Market Orientation and Entrepreneurship Orientation on Marketing Performance of Culinary SME`s in Semarang City

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Abstract
study analyzes the effect of market orientation and entrepreneurial orientation on the marketing of culinary micro, small and medium enterprises (SME`s) in Semarang City. The aim of this research is: (1) Determine the effect of market orientation on market efficiency (2) Determine the effect of business orientation on market efficiency. By using quantitative descriptive research, the sampling technique used in this research is saturated sampling method. The data obtained in this study were obtained by distributing questionnaires to 100 culinary MSME respondents registered in the city of Semarang. SEM Paket Amos 24.0 is used as an analytical tool. The results of the research obtained are (1) Marketing orientation has a positive and significant effect on the performance of MSME culinary marketing (2) Entrepreneurial orientation has a positive and significant effect on the performance of MSME culinary marketing.

Keywords: Marketing Performance, Market Orientation, Entrepreneurial Orientation.

INTRODUCTION

In the current era of globalization, development in developing countries like Indonesia is an element to achieve a better state than before. Development can be achieved in several fields, namely the economic, socio-cultural, political, defense and security fields. One area that helps in national development is in the economic field (Nugraha, 2015).

Data from the Central Statistics Agency (BPS), Indonesia is listed as a country with very fast and high population growth, according to the results of the population census in 2020 of 237,641,326 people with a growth rate of 1.49% based on the 2020 population census, so it is estimated that in 2035 it will be far beyond 300 million people (Wulandari & Yunofri, 2016). With a very rapid population development, it is a challenge for the government to improve the quality of human resources considering global competition, requiring human resources in Indonesia to be able to compete in a global scope (Nugraha, 2015). In the field of development economics this can be done, one of which is by establishing Micro, Small and Medium Enterprises (SME`s). Based on data from the National Development Planning Agency, SMEs are recorded as making a significant contribution to the national economy. In 2014 the number of MSMEs is estimated to reach 99.9% of business units, with employment reaching 96.7%,

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export contribution reaching 15.7%, and its contribution to gross domestic product reaching 57.6%. These figures put forward by Bappenas continue to increase every year and are an illustration of the important role of the existence of MSMEs in helping the government to reduce unemployment, fight poverty, and increase national growth (Alfian, 2016).

The culinary business is considered promising because food is one of the basic human needs (Suci, 2017). Based on data obtained from the official website of the president of the Republic of Indonesia, it is known that there are as many as 56 million micro, small and medium enterprises in Indonesia and 70% of them consisting of food MSMEs have proven capabilities and potential to become economic drivers (Sulistyo, 2016). MSMEs can be defined as productive business units that stand alone, carried out by individuals or business entities in all economic sectors (Tambunan, 2012a). Furthermore, the definition of MSMEs can also be seen from various aspects, such as criteria and characteristics in the form of the number of workers, amount of capital and turnover, type and scale of business, market orientation, and so on (Gayatri, Nurranto, & Hariyanto, 2017).

Meanwhile, based on Law no. 20 of 2008 CHAPTER I Article 1 paragraph 1 to 3 concerning Micro, Small and Medium Enterprises, MSMEs are divided into three categories. The micro business category (UMI) has criteria for a maximum asset value of 50 million Rupiah and annual sales of no more than 300 million Rupiah. The small business category (UK) has criteria for an asset value of more than 50 million Rupiah to 500 million Rupiah and sales results per year between 300 million Rupiah to 2.5 billion Rupiah. The medium business (UM) category has criteria for an asset value of more than 500 million Rupiah to 10 billion Rupiah and sales revenue per year between 2.5 billion Rupiah to 50 billion Rupiah (Tambunan, 2012b).

The criteria consisting of asset value and sales proceeds from each MSME category mentioned above are part of marketing performance indicators. However, marketing performance is not only related to financial understanding, but also requires other things such as market share, customer loss rates (Kotler & Keller, 2016), market growth , competitive prices, product quality relative to competitors and customer satisfaction (Sumarwan, 2011). Apart from being important nationally, the good marketing performance of MSMEs is also important for the Gross Regional Domestic Product (GDP) in DKI Semarang Province from 2015 to 2016, which can be seen from accommodation and food and drink providers in 2015 of 5.45%, in 2016 of 5.82%, and in 2017 it was 5.1%, this proves that the GRDP growth rate

for accommodation and food and drink providers from 2015 to 2016 has increased to 6.8%, but in 2016 to 2017 the growth rate has actually become negative, namely decreased to -0.17%. Furthermore, based on surveys that increase or decrease in marketing performance can be influenced by factors that are often used to measure the impact of the strategy implemented by companies (Fatmawati, Pradhanawati, & Ngatno, 2016). If managed properly, a business with a market orientation has many benefits, one of which is being able to explain the differences in performance achieved by the company (Hatta, 2015).

The results of several other studies also state the same thing where marketing performance can be significantly influenced by the market orientation of business actors (Chairani, 2016; Hussain, Rahman, & Shah, 2016; Sarjita, 2017). However, in contrast to the statement above, several studies state that market orientation has no significant effect on marketing performance (Gholami & Birjandi, 2016; Prihatin, Surya, & Suhendra, 2017). Several other studies state that performance can be influenced by entrepreneurial orientation (Fatmawati et al., 2016; Guspul, 2016; Yeni, Luthan, Hastini, & Primasari, 2014). The results of this study are also in line with several other studies which state that increased marketing performance or vice versa can be significantly influenced by entrepreneurial orientation (Gholami & Birjandi, 2016; Ibrahim & Mahmood, 2016; Mustikowati & Tysari, 2014). On the other hand, there are other studies which state that marketing performance is not affected by entrepreneurial orientation (Hatta, 2015; Prihatin et al., 2017).

LITERATURE REVIEWS

Marketing performance is a factor that is often used to measure the impact of a company's strategy, and one of the indicators that is often used to measure marketing performance is the level of income (Fatmawati et al., 2016). Furthermore, market orientation is defined as something that is important for the continuity of the company, in line with increasing global competition and changes in customer needs. Companies must study or understand market conditions through customers (understand customer wants and needs) and competitors (understand strengths and weaknesses) to increase customer commitment, create customer value, understand customer needs, customer satisfaction goals, measure customer satisfaction and after-sales service. . (Chairani, 2016; Hussain et al., 2016; Sarjita, 2017). In contrast to the entrepreneurial orientation which refers more to processes, practices, and decision-making that pushes towards new inputs and has three entrepreneurial aspects, namely always being innovative, acting proactively and taking risks (Boehm, 2008).

Marketing performance can be influenced by several variables, one of which is market orientation. By definition, market orientation is the company's ability to study its customers and competitors in order to accurately anticipate the responses taken to attract or retain its customers (Budiharjo, 2011), it can be concluded that market orientation is the company's ability to learn or understand market conditions, namely customers (understand customer wants and needs) and its competitors (understand strengths and weaknesses) to retain its customers or to obtain superior value from customers in order to improve marketing performance. Furthermore, marketing performance is also stated to be significantly influenced by market orientation variables (Fatmawati et al., 2016). The statement above is also in line with the results of several other studies which state that market orientation can significantly influence whether marketing performance is good or not (Chairani, 2016; Guspul, 2016; Hussain et al., 2016; Sarjita, 2017; Yeni et al., 2014).

Marketing performance can also be influenced by entrepreneurial orientation variables. According to Boehm (2008, p. 67) The definition of entrepreneurial orientation itself refers to processes, practices, and decision-making that drive towards new inputs and has three aspects of entrepreneurship, namely always being innovative, acting proactively and taking risks, this involves intention and actions that function in a dynamic generative process are aimed at the creation of new ventures (Boehm, 2008). In this regard, risk-taking, being innovative and proactive, and reflecting a company's tendency to engage in innovative behavior and take risks

to achieve its strategic objectives are also part of an entrepreneurial orientation (Swoboda & Foscht, 2014). Several previous studies stated the relationship between marketing performance variables on entrepreneurial orientation. According to research conducted by (Fatmawati et al., 2016), marketing performance can be significantly influenced by entrepreneurial orientation. Likewise according to research conducted by (Yeni et al., 2014) which states that marketing performance can be influenced by entrepreneurial orientation. Furthermore, several other studies also state the same thing where marketing performance can increase or decrease due to the influence of entrepreneurial orientation (Gholami & Birjandi, 2016; Guspul, 2016; Ibrahim & Mahmood, 2016; Mustikowati & Tysari, 2014).

Factors that influence marketing performance include market orientation variables and entrepreneurial orientation variables. Market orientation is the company's ability to study or understand market conditions, namely its customers (understand customer wants and needs) and its competitors (understand strengths and weaknesses) to retain its customers or to obtain superior value from customers in order to improve marketing performance. And entrepreneurial orientation is a process, practice, and decision-making that directs companies to decide to enter new markets or launch new products and reflects the company's tendency to engage in innovative, proactive and risk-taking behavior in order to improve company performance. The results of previous research, the preparation of the research model is based on and designed based on several theoretical foundations and previous research. Various studies on market orientation and entrepreneurial orientation have been carried out to determine their relationship to marketing performance in culinary MSMEs

RESEARCH METHODS / *METHODS*

The variables in this study are divided into two, namely the independent and dependent variables. The independent variable consists of market orientation and entrepreneurial orientation and the dependent variable is marketing performance. Marketing Performance (Y) is measured through indicators of market share, customer satisfaction, price strategy and product quality. Market Orientation (X1) the market is obtained through the dimensions of customer orientation and competitor orientation. Entrepreneurial orientation is measured through proactive, innovative and risk-taking indicators.

The population in this study are culinary MSMEs in the city of Semarang. The sample used in this study was Culinary SMEs in Semarang City with a total of 100 respondents with a differential semantic scale of 1-10. The sampling technique in this study is non-probability

sampling technique, namely incidental sampling and snow ball sampling which are techniques used to determine the sample using considerations that can truly represent the population. The data analysis technique used in this study is confirmatory factor analysis technique in SEM. and the classic assumption test from the AMOS 24 statistical package (Hair, et al, 2014).

RESULTS AND DISCUSSION

Respondent Character

The characteristics of the respondents as subjects in this study can be seen in Table 1.

Table 1 Characteristics of Respondents

No	Characteristics	Results	Percentage
1.	Gender	Woman	55 %
		Man	45 %
2.	Age	20 - 35 years	58 %
		36 - 50 years	52 %
3.	Length of Business	≥ 2 Years	4 0 %
		≤ 3 years	60 %
4.	Have *Online* Marketing	Have	43 %
		No	57 %

Source: Processed primary data (2021).

Normality test

The conclusions of the Normality Test in this study are presented in Table 2.

Table 2 Assessment of normality

Variables	min	max	skew	cr	kurtosis	cr
KP1	2,000	5,000	,140	,572	-,721	-1.472
OK1	1,000	5,000	-.072	-,293	-,346	-,706
OK2	1,000	5,000	.038	, 155	-,358	-,732
KP2	1,000	5,000	.031	,126	-,352	-,719
KP3	1,000	5,000	-,129	-.525	-.550	-1.122
KP4	1,000	5,000	-.056	-,229	-,309	-.630
OK4	1,000	5,000	-,118	-.482	-,483	-.986
OK3	2,000	5,000	,236	,962	-,573	-1.170
OP4	1,000	5,000	-.053	-,215	-,427	-,871
OP3	1,000	5,000	, 174	,710	-,441	-,900
OP2	2,000	5,000	,268	1.095	-,577	-1.178
OP1	1,000	5,000	-.018	-.075	-.458	-.935
Multivariate					7,483	2,041

Source: Processed primary data (2021).

Based on the results of the normality test presented above in Table 2, it shows that the data were normally distributed univariately *and* multivariately *with* no critical ratio value of

kurtosis at ±2.58 and a multivariate value *of 2.041* . Processed data can be said to be normal if it has a critical value (cr) which is at ± 2.58 and the results of the *univariate* and *multivariate data normality tests* show that the value is still in the vulnerable value of ±2.58 (Gh ozali, 2017) .

Research Model Test

the chi-square value (X^2) and *the degree of freedom* (df) value . Based on the results of the writing model test, it can be seen that *the chi-square* (X^2) has a value of 55.043 and *the degree of freedom* (df) has a value of 46 as presented in Table 3 and Figure 1.

Table 3 Criteria for Cut Value Evaluation Results

Goodness-of-fit index	Cut of Value	Analysis Results	Model Evaluation
Chi-Square	(Small) ≤ 62.829	55 . 043	Good
probability	≥ 0.05	0.170 _	Good
GFI	≥ 0.90	0.913 _	Good
IFI	≥ 0.90	0.990 _	marginal
TLI	≥ 0.90	0.9 85	Good
CFI	≥ 0.90	0.9 90	Good
DF	≤ 2.00	1,197	Good
RMSEA	≤ 0.08	0.0 45	Good

Source : Processed primary data (2021).
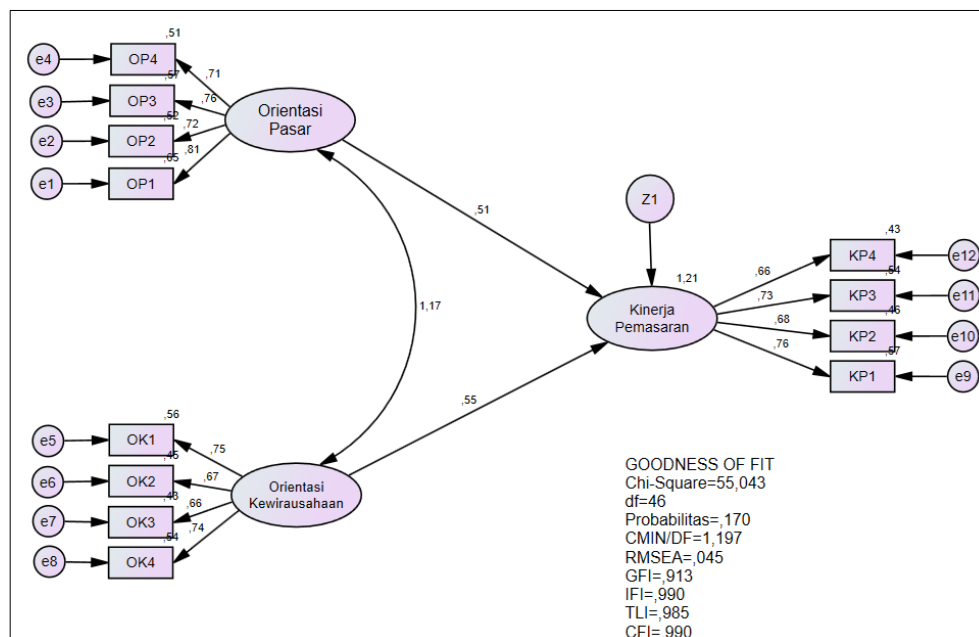
Figure 1. Model Testing Results

The results of the model test depicted in Figure 1 show the *goodness of fit criteria* in the AMOS 24 program. It shows that the *structural equation modeling analysis* in this study is acceptable according to the fit model with a Chi-square value = 55.043 , Probability = 0.170, DF = 1.197, GFI = 0.913, IFI = 0.990, CFI = 0.990, TLI = 0.985 and RSMEA = 0.045. Based on this fit model, it can be concluded that the model meets *the goodness of fit criteria.* Therefore the structural equation model in this study is suitable and feasible to use so that it can be interpreted for further discussion (Gh ozali, 2017) .

Test hypothesis

At the stage of testing the hypothesis of a causal relationship that is not significant, the value of *the critical ratio (cr)* has a critical T value of ≥ 1.966. in facilitating decision making, the authors can see from the *probability figure* (P) where (P) ≤ 0.05. If the value is P≤0.05 then H0 is accepted, and if vice versa if the value is P≥0.05 then H0 is rejected, in the Amos package the results of the hypothesis test can be seen through *the output regression weights.* (Gh Ozali, 2017) which is presented in table 4.

Table 4 Hypothesis Test Results
(Regression Weights)

			Estimates	SE	CR	P
Performance_Marketing	<---	Market_Orientation	,447	,079	5,676	***
Performance_Marketing	<---	Orientation_Entrepreneurship	,549	.088	6,244	***
OP1	<---	Market_Orientation	1,000			
OP2	<---	Market_Orientation	,810	.092	8,832	***
OP3	<---	Market_Orientation	,891	.096	9,329	***
OP4	<---	Market_Orientation	,798	.095	8,421	***
KP4	<---	Performance_Marketing	,853	, 117	7,289	***
OK1	<---	Orientation_Entrepreneurship	1,000			
KP2	<---	Performance_Marketing	,881	,115	7,687	***
KP3	<---	Performance_Marketing	1.027	,123	8,346	***
KP1	<---	Performance_Marketing	1,000			
OK4	<---	Orientation_Entrepreneurship	,986	,118	8,382	***
OK3	<---	Orientation_Entrepreneurship	,834	, 114	7,336	***
OK2	<---	Orientation_Entrepreneurship	,846	,112	7,555	***

Output results on *Regression Weights* explains that each indicator or *manifest variable* that reflects the *latent variable* has a *critical ratio* (CR) value greater (>) than 1.96, the same as the t value in the regression (>) 1.96 and P (significant probability) with *** means *by default* is significant at 0.001, it can be concluded that the three hypotheses are accepted.

CONCLUSION

Based on the research objectives, results and discussion that has been described regarding the effect of market orientation and entrepreneurial orientation on marketing performance in Culinary MSMEs in the Semarang City area and the tests that have been carried out, it can be concluded that: Market orientation influences the marketing performance of Culinary MSMEs. Entrepreneurial orientation influences the marketing performance of culinary MSMEs .

The author provides suggestions that food and beverage culinary MSME actors in the Semarang City area must maintain in providing the best service for customer satisfaction. Furthermore, the researchers provide suggestions that food and beverage culinary MSME actors in the Semarang City area in sharing information related to problematic food and beverage consumers can be increased because information sharing between food and beverage culinary MSME actors is needed for business continuity. In the entrepreneurial orientation variable, the researcher provides suggestions that food and beverage culinary MSME actors in the Semarang City area must maintain new ideas in unique product packaging so that consumers feel interested. Furthermore, the researchers provide suggestions for food and beverage culinary MSME actors in the Semarang City area to increase their courage in taking risks by creating new products for different customers so that their culinary food and beverage businesses can develop.

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