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Enhancement of marketing performance through entrepreneurship marketing in food and beverages Small-Medium Enterprises (SME) in Semarang, Central Java

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Abstract. This research aimed to see relationships between Entrepreneurial Marketing construct and Marketing Performance construct in Small-Medium Enterprises (SME) of food and beverages. Questionnaires were given to 150 owners of food and beverage SME to test the proposed construct. Testing data used the AMOS 22 program. Testing was run to analyze a relationship between the constructs and the proposed hypothesis. The results of the test proved that there was a positive relationship between the construct of entrepreneurship marketing and marketing performance. So it can be concluded that the implementation of entrepreneurial marketing theory will help a business in improving its marketing performance.

1. Introduction

The development and competition of businesses nowadays are overgrowing. Businesses that are engaged in small and medium enterprises are also not free from the intensity of competition. All business fields are required to be able to see opportunities that can be utilized to maintain the sustainability of the business. Entrepreneurship marketing is a combination of two concepts, that are entrepreneurship orientations and marketing concepts. In addition, it has been explained in one of the previous studies that the theory of marketing and the theory of entrepreneurship is a feature in value creation [1].

Entrepreneurship orientation refers more to the strategic orientation of a business, obtaining an entrepreneurial aspect seen from the way of making decisions, practices, and methods [2]. From the research that has been done, it is known that the entrepreneurship orientation allows small businesses or those classified as a beginner to have better performance compared to its competitors so that it can improve company performance [3–5].

Entrepreneurship marketing can be the key to improve better marketing performance [6]. Overall, the theories of entrepreneurship and marketing have also been examined concerning Entrepreneurship marketing. The use of marketing techniques to develop the entrepreneurship performance has received attention in research and has had an adaptation of entrepreneurial techniques to improve the marketing performance results [7]. A business that is more entrepreneurial oriented tends to be able to determine



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opportunities better and faster than competitors [4]. This tendency can help a more agile business in utilizing an existing opportunity [7].

The entrepreneurship marketing combines a focus on the markets, creative insights on identifying opportunities, and ability to take risks [8]. There are several indicators that can be used to measure the variables of entrepreneurship marketing, which are Proactive Orientation, Encouraging Opportunities, Consumer Intensity, Risk Management, Resources, Innovation Focus, and Value Creation. These indicators refer to researches conducted previously [1,9]. Besides, the marketing performance can be measured as a variable with several indicators, namely sales growth, market share, sales to customers [10].

2. Methods

The questionnaire was distributed to SME's Owners, which were respondents to obtain primary data in this study. The population of the food and beverage SME itself was 1448 units. While the samples taken in this study were 150 SME units. This research aimed to determine the performance of inputs (Entrepreneurship Marketing) on output performance (Marketing Performance). Data collection in this study was obtained by distributing questionnaires to respondents and asked to fill in the questions or statements that have been provided by researchers. This study used primary and secondary data for collecting the data. Questionnaires were distributed to 150 respondents to obtain primary data while supporting literature was used to gain secondary data.

3. Results and discussions

Table 1. Reliability and validity test

| Variables & Indicators | Sources | Std. Loading | Construct Reliability | Convergent Validity |
|----------------------------|--|--------------|-----------------------|---------------------|
| Entrepreneurship Marketing | (Morris et al., 2015; Thomas et al., 2013) | | .805 | .614 |
| Proactive Orientation | | .689 | | |
| Encouraging Opportunity | | .719 | | |
| Consumer Intensity | | .658 | | |
| Risk Management | | .663 | | |
| Resources | | .506 | | |
| Innovation Focus | | .513 | | |
| Value Invention | | .501 | | |
| Marketing Performance | (Chang et al., 2010) | | .740 | .585 |
| Sales Growth | | .602 | | |
| Market Share | | .754 | | |
| Sales for Consumer | | .733 | | |

Testing the full model used Amos, it is expected that each construct has a minimum value of 0.50 while the value of the critical ratio has a value above 1.96. And then, each construct formed can be accepted with a significance below 0.05. The result of testing showed that each indicator was taken. Reliability of each construct can be measured using a CR with a minimum standard of ≥ 0.70 and produce excellent reliability. The result showed Entrepreneurship Marketing had a value of 0.805, and Marketing performance had a value of 0.740. Meanwhile, the validation of the construct was measured using the AVE with a minimum standard of ≥ 0.50 and expected to produce acceptable validation. As a result, Entrepreneurship Marketing had a value of 0.614 and 0.585 FOR Marketing.

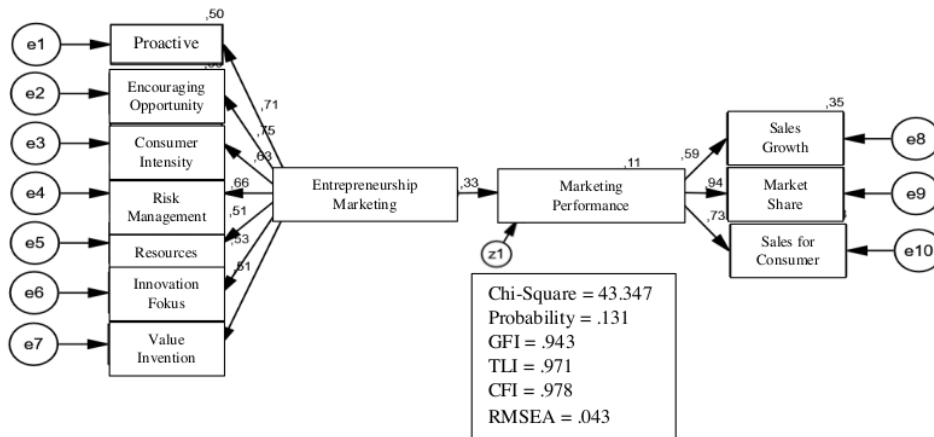


Image 1. Full mode test

Table 2. Cut-of-Value

| Goodness-of-Fit Index | Cut-of-Value | Analysis Result | Model Evaluation |
|-------------------------------|---|-----------------|------------------|
| χ^2 Chi-Square Statistic | $X^2_{\text{calculation}} < X^2_{\text{table}} (210,175)$ | 43.347 | Fit |
| Significant Probability | ≥ 0.05 | 0.131 | Fit |
| GFI | ≥ 0.90 | 0.943 | Fit |
| AGFI | ≥ 0.90 | 0.907 | Fit |
| TLI | ≥ 0.95 | 0.971 | Fit |
| CFI | ≥ 0.95 | 0.978 | Fit |
| RMSEA | ≤ 0.08 | 0.043 | Fit |

From the tests conducted, it is known that the model has been well supported. With the results of the CFI value was 0.997, TLI obtained a value of 0.996, then RMSEA got a value of 0.015. While for entrepreneurship marketing CR on marketing performance gained a value of 2.716, which was more significant than the standard value of 1.96. The hypothesis that was accepted at the probability level was significantly lower than 5%.

Table 3. Regression weights in full model

| | | | Estimate | S.E. | C.R. | P |
|------|------|----|----------|-------|-------|--------|
| PK 3 | <--- | PK | 0.459 | 0.159 | 2.879 | 0.0004 |
| PK 7 | <--- | PK | 1 | | | |
| PK 6 | <--- | PK | 1.055 | 0.23 | 4.585 | *** |
| PK 5 | <--- | PK | 0.961 | 0.208 | 4.62 | *** |
| PK 4 | <--- | PK | 1.245 | 0.238 | 5.226 | *** |
| PK 3 | <--- | PK | 1.277 | 0.248 | 5.152 | *** |
| PK 2 | <--- | PK | 1.558 | 0.296 | 5.258 | *** |
| PK 1 | <--- | PK | 1.545 | 0.299 | 5.176 | *** |
| PK 1 | <--- | PK | 1 | | | |
| PK 2 | <--- | PK | 1.077 | 0.189 | 5.682 | *** |
| PK 3 | <--- | PK | 0.968 | 0.167 | 5.806 | *** |

The test results for loading factors indicated that all indicators got values below 0.05 so that all indicators were significant. Indicators can be said to be significant if each indicator has a value smaller than the specified standard, which is 0.05 (***) is interpreted as having a small value or close to 0).

Table 4. Standardized loading factor in full model

| | | | Estimate |
|------|------|----|----------|
| PK 7 | <--- | PK | 0.51 |
| PK 6 | <--- | PK | 0.53 |
| PK 5 | <--- | PK | 0.507 |
| PK 4 | <--- | PK | 0.656 |
| PK 3 | <--- | PK | 0.630 |
| PK 2 | <--- | PK | 0.751 |
| PK 1 | <--- | PK | 0.708 |
| PK 1 | <--- | PK | 0.593 |
| PK 2 | <--- | PK | 0.937 |
| PK 3 | <--- | PK | 0.730 |

Furthermore, all indicators in the Standardized Loading Factor (SLF) can be said valid and ideal when making a measurement model. It is because it has produced a value above the standard that has been set, which is 0.5. This means that all indicators meet convergent validity.

According to the results, entrepreneurship marketing is positively able to improve marketing performance in a business. This can be seen in the Critical Ratio value that obtained a value above the specified value standard, which was equal to 2.878 and also a probability value of 0.004, where the value was smaller than the specified standard value was 0.05. This result is reinforced by research conducted by [11], which says that entrepreneurial marketing is positively able to improve marketing performance and has an essential role in business.

4. Conclusion

Entrepreneurship marketing has a positive influence on improving the marketing performance of a business. It is expected that businesses that adopt the entrepreneurial marketing theory will be able to see more quickly the opportunities that exist and to compete with existing competitors by innovating the products that will be marketed.

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