

## **The Impact of Entrepreneurial Marketing toward Work Performance at the Centre of Garut Specialty Food**

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### **Abstract**

The MSMEs is a sector that has a very large role in increasing the economic growth of the Indonesia state. Garut Regency of West Java utilizing the wealth and potential they have by making MSMEs as employment. One factor that has a very important role in the development of MSMEs is precisely the Dodol Industry itself is marketing but there are still many who use traditional marketing. This study aims to analyze the influence of Entrepreneurial Marketing on business performance at dodol centers in Garut Regency.

This study aims to determine the effect of Opportunity Focus, Proactiveness, Customer Intensity, Innovation, Risk Taking, Resource Leveraging, and Value Creation on Business Performance. The population in this study were business actors in the dodol center of Garut Regency, which amounted to 156 business actors with a sample of 70 respondents. This study uses a non-probability sampling technique that is Purposive sampling. The data analysis technique in this study is descriptive with data analysis of Structural Equation Model-Partial Least Square by performing data processing using SMART-PLS 3.0. The results of this study are that Customer Intensity, Innovation, Risk Taking, Resource Leveraging, and Value Creation have a significant effect on Business Performance, while Opportunity Focus and Proactiveness have no significant effect on Business Performance. From the r-square results that the seven independent variables which is Entrepreneurial Marketing simultaneously contribute influence of 60.1%, which has moderate value.

**Keywords: Entrepreneurial Marketing; MSMEs; Business Performance**

### **1. INTRODUCTION**

The number of The MSMEs more than 57.9 million units in 2014 to 2016 and 2017 in the number of The MSMEs is estimated to be growing more than 59 million fund units. In the year 2016, when the global crisis President RI expressed the MSMEs has the highest durability able to prop up the economy of the country. The MSMEs has become the backbone of the economy of Indonesia and ASEAN. About 88.8 to 99.9% of business in ASEAN is a petite The MSMEs with labor absorption reached 51.7 to 97.2%. In Indonesia itself has The MSMEs the proportion of 99.99% of total trade in Indonesia or as much as 56.54 million units. Therefore, cooperation for development and survive The MSMEs tagline take precedence. According to the data of the Bank Indonesia, each year credit to The MSMEs are experiencing growth. Although in the year 2015, about 60%-70% of the whole sector of The MSMEs do not have access to financing through banking. Bank Indonesia has issued provisions which require to banking to allocate credit or financing to The MSMEs starting in 2015 by 5%, the year 2016 10%, the year 2017 15%, and at the end of the year 2018 by 20% (Bank Indonesia, 2015)

The growth of SME in West Java is significantly increased (Alamanda et al., 2015). West Java has a large and The MSMEs that they have, which is Bandung, Cirebon, Bogor and Garut. This encourages Indonesians to create innovations to improve business performance in order to advance the Indonesian economy. This can be seen from the many business actors in the Micro, Small and The MSMEs industry sector (Kemenperin, 2017).

Garut as a small town in West Java this utilize the wealth and potential they have, up to now there are many small industries even large industry stand. Garut have large groups such as argo and forest products, arts, culture, metal, chemical and food industry as well as livelihood to make The MSMEs as

the field of jobs. Dodol industry itself is included in the industry of argo and forest products, which, according to the Department of industry, experts and management of the market that the industry has ridden Dodol 156 business unit.

Dodol Garut liquid one food has capable of lifting the image of Dodol Garut as producers of high-quality and diverse. One factor that has a very important role in the development of The MSMEs precisely dodol Industry itself is marketing. Marketing has a very important role in large organizations, but it can not be denied that the marketing has a more important role in small and medium businesses due to loss or increase of one slide will largely determine survival of these businesses (Becherer. R. C., et al, 2012).

From the results of the interview with Mr. Farid of the Department of industry, expert, Market Management and Garut as staff holding centres Dodol Garut stated that almost all no one applying entrepreneurial Marketing, average the perpetrators attempt dodol Garut Regency just doing traditional marketing. When appointed entrepreneur able to apply entrepreneurial marketing in its marketing activities, business performance in the guardian will be the better.

Therefore, it is important to know marketing is very entrepreneurial and dominated by small and medium businesses controlled when on want to thrive in the business which are investments. Through entrepreneurial marketing apply focus chance, proactiveness, intensity customers, innovation, risk taking, leveraging of resources, and the creation of value for its current status date is going to be how big its influence on performance efforts of industrial businessmen Dodol Garut Regency.

## **2. LITERATURE REVIEW**

### **2.1 Entrepreneurial Marketing (EM)**

Hamali (2016) stating that Entrepreneurial Marketing is a function of the Organization and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that profitable organizations and stakeholders, and characterized by innovation, risk-taking, proactive, and may be done without resources currently controlled. While according to (Morris, 2002) says that Entrepreneurial Marketing as the proactive identification and exploitation of opportunities for acquiring and retaining profitable customers through innovative approaches to risk management, the utilization of resources and the creation of value. Dimensions of Entrepreneurial marketing, there are seven dimensions i.e. opportunity focus, proactiveness, innovation, customer intensity, risk taking, resource leveraging and value creation. Dimensions in entrepreneurial marketing, according to Morris there are seven dimensions are:

#### **1) Opportunity Focus**

Opportunity Focus is a source of potential profits are sustainable. These things tend to correlate with the level of environmental change, therefore the managers are actively involved in both the search and discovery, as well as continuous learning and adaptation by marketers before (Morris et al, 2002).

#### **2) Proactiveness**

Proactive can be interpreted as taking action or initiative to do something to achieve the intended purpose and to reduce dependency and vulnerability, in terms of environmental conditions and constraints (Morris et al, 2002).

#### **3) Customer Intensity**

Customer Intensity is building what is often seen as the main driving force in the marketing effort that is associated with the customer where done with innovative approaches to create, build, and maintain relationships customer. Entrepreneurial Marketing focuses on innovative approaches to creating new relationships or use an existing relationship to create new markets (Morris et al, 2002).

#### **4) Innovation**

Refer to the company's openness towards new ideas with the formation of the concept of resources such businesses looking for innovation in terms of segmentation, pricing, brand management, packaging, customer communication and relationship management, credit, logistics and services level (Morris, 2002).

#### **5) Risk Taking**

Marketers identify external environment returns with the way reduce uncertainty by means of collaborating with another company, do a test market and product launch marketing, increasing gradually in existing markets with do different types of marketing promotions (Morris, 2002).

## **6) Resource Leveraging**

The ability to use internal and external resources to achieve the goal of marketers and ability in identifying resources that are not used optimally (Morris, 2002).

## **7) Value Creation**

The creation of value and find the value of resources that are not yet in take advantage of as well as creating a unique combination of resources to produce value (Morris, 2002).

## **2.2 Business Performance**

Samsudin (2015) states that the performance is the level of performance that can be achieved, units and divisions using existing capabilities and limitations that have been assigned to reach objectives of the organization/company. While according to Moeheriono (2012) the performance or the performance is a reflection of the level of achievement of the implementation of a program or policy activities in realizing the goals, objectives, vision and mission of the organization which is spent through the planning a strategic organization.

Venkantraman & Ramanujam (1989) says that the narrow concept of business performance is centered on the use of the results of simple financial indicators based on assumed economic goal fulfillment, reflect the Corporation, this concept refers to the performance such financial market growth, the profitability of earnings. There are two dimensions in business performance, which is internal and external, internal business performance is measured from product quality and customer satisfaction while externally measured from the environment and the community.

Based on some of the above theory, it can be concluded that the performance is the level of achievement of the implementation of an activity or program that is administered by a principal efforts in realizing the goals and objectives of the company as a growth sales growth, profits, and customer satisfaction performance dimensions then the effort will be measured is the sales growth, profit growth, customer satisfaction.

Based on theory, a framework of thought in this research will be established. The establishment of a framework of thought are based to see the influence of Entrepreneurial Marketing simultaneous and partial, which became its independent variables is through the dimension of Entrepreneurial Marketing: Opportunity Focus (X1), proactiveness (X2), customer intensity (X3), Innovation (X4), Risk Taking (X5), Resource Leveraging (X6), and value creation (X7) against the dependent variable i.e. Business Performance (Y).

Hypothesis in this research are:

H1: Entrepreneur Marketing have a significant effect on Business Performance.

H2: Entrepreneur Marketing effect significantly partially witch is Oportunity Focus, Proactiveness, Customer Intensity, Innovation, Risk Taking, Resource Leveraging, and Value Creation on Business Performance

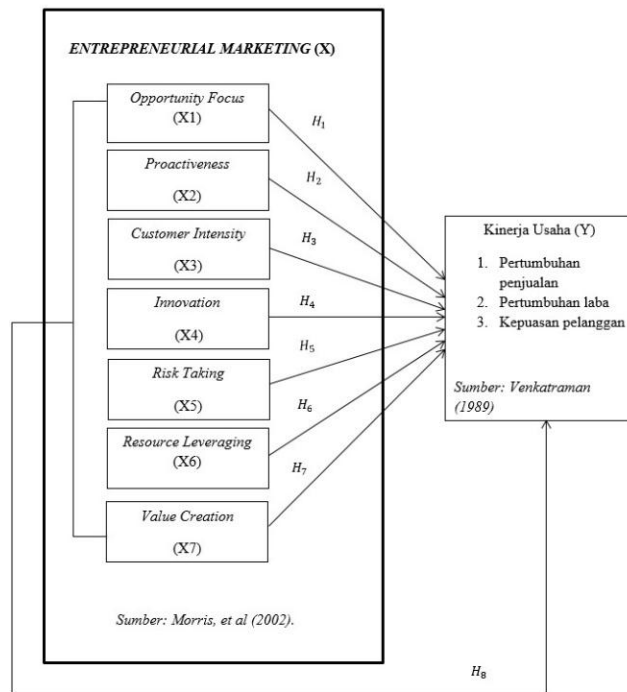


Figure 1. Research Framework

### 3. METHODOLOGY

This research uses causal research and descriptive along with quantitative methods. In other words, this research is conduct wants to find the cause of a problem or more. Based on data from the industry, trade and market management offices in Garut district, the population on this research is business actors totaling 156 business actors. Determination of the total sample using the method with sem-pls, witch is 10 times structural path is 7 times 10 as many as 70 samples. The primary data that is used in this research is taken from 70 questionnaires results with a sampling technique using purposive sampling, which are distributed to the respondents business actors in sentra dodol. The analytical technique that is used in this research is SEM-PLS analysis. According to Ghozali (2014) data on sem-pls do not have to be normally distributed and the sample does not have to be large.

### 4. RESULT AND DISCUSSION

According to the result of SEM-PLS analysis using SmartPLS 3.0, the overall importance of each attribute is obtained as follows.

#### 4.1 Descriptive Analysis

Based on Figure 2, generated the data from each variable has a value that is different between Opportunity Focus, Innovation, Risk Taking, Resource Leveraging, Value Creation is in the category of excellent and variable Proactiveness, Customer Intensity and Business Performance is on a category of very good

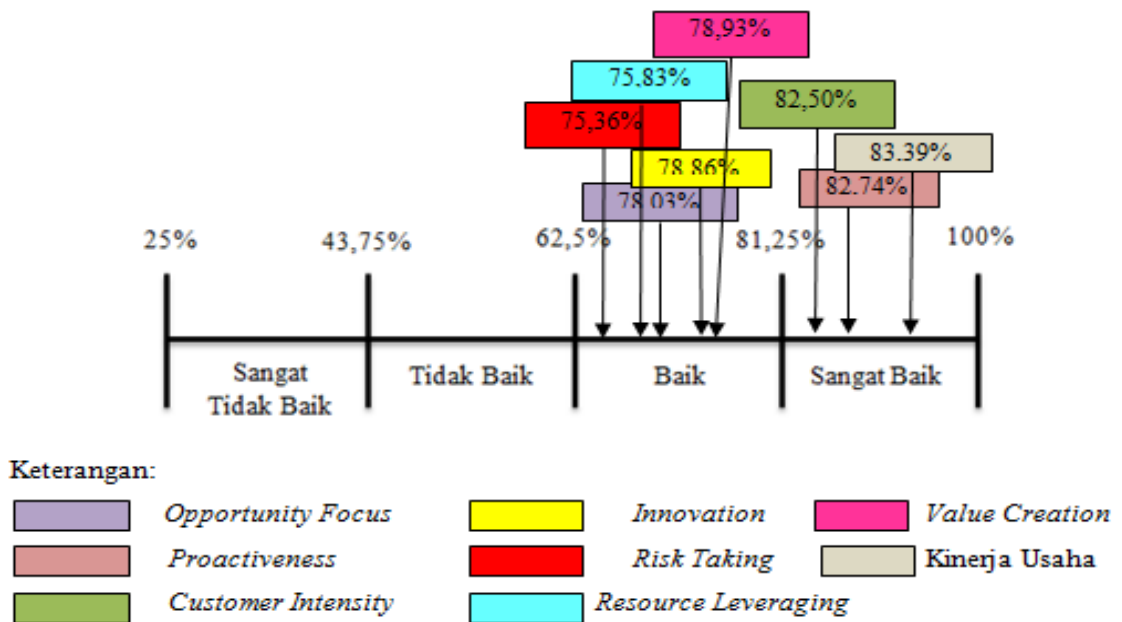


Figure 2. Descriptive Analysis

## 4.2 Analysis of Measurement Model (Outer Model)

### 4.2.1 Test Validity

#### 1) Outer Loading Result

Table 1. Outer Loading Result

Variabel	Item	Loading Factor	Rule of Thumb	Kesimpulan
Opportunity focus	OF1	0.953	0,5	Valid
	OF2	0.922	0,5	Valid
Proactiveness	P3	0.870	0,5	Valid
	P4	0.859	0,5	Valid
	P5	0.910	0,5	Valid
Customer Intensity	C6	0.931	0,5	Valid
	C7	0.924	0,5	Valid
Innovation	I8	0.707	0,5	Valid
	I9	0.807	0,5	Valid
	I10	0.792	0,5	Valid
	I11	0.780	0,5	Valid
	I12	0.589	0,5	Valid
Risk Taking	RT13	0.803	0,5	Valid
	RT14	0.869	0,5	Valid
	RT15	0.856	0,5	Valid
	RT16	0.897	0,5	Valid
Resource Leveraging	RL17	0.918	0,5	Valid
	RL18	0.844	0,5	Valid
	RL19	0.869	0,5	Valid
Value Creation	VC21	0.893	0,5	Valid
	VC22	0.921	0,5	Valid
	VC23	0.833	0,5	Valid
	VC24	0.914	0,5	Valid
Business Performance	KU25	0.799	0,5	Valid
	KU26	0.796	0,5	Valid
	KU27	0.932	0,5	Valid
	KU28	0.884	0,5	Valid

Source: Results Data SmartPLS 3.0

The results of this test for the Loading of the Outer Convergent Validity is to show the results of that outer loading > 0.5 means that overall indicator was declared valid.

## 2) AVE Result (Average Variance Extracted)

Table 2. AVE Result

Variable	AVE
OF ( <i>Opportunity Focus</i> )	0.879
P ( <i>Proactiveness</i> )	0.774
CI ( <i>Customer Intensity</i> )	0.860
I ( <i>Innovation</i> )	0.547
RT ( <i>Risk Taking</i> )	0.735
RL ( <i>Resource Leveraging</i> )	0.770
VC ( <i>Value Creation</i> )	0.794
KU ( <i>Kinerja Usaha</i> )	0.731

Source: The Data has been Processed *SmartPLS* 3.0

Ave (Average Extracted Variance) can be seen that the value in the can of all indicators of 0.50 means that > value AVE (Average Variance Extracted) overall variable is declared valid. This indicates that each variable is acceptable and meets the convergent validity.

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## 3) Cross Loading Result

The results of cross loading can be seen if the indicators on each score loading of latent variables is higher than other variables. It showed that all of the indicators in this study meets the criteria valid and discriminant validity.

Table 4. Cross Loading Result

	OF	P	CI	I	RT	RL	VC	KU
OF1	0.953	0.366	0.267	0.402	0.359	0.348	0.321	0.249
OF2	0.922	0.254	0.139	0.293	0.255	0.317	0.195	0.195
P3	0.278	0.870	0.473	0.498	0.525	0.376	0.756	0.278
P4	0.262	0.859	0.430	0.494	0.499	0.337	0.391	0.262
P5	0.344	0.910	0.622	0.511	0.493	0.506	0.602	0.344
CI6	0.187	0.569	0.931	0.471	0.478	0.551	0.603	0.604
CI7	0.230	0.514	0.924	0.659	0.581	0.621	0.586	0.575
I8	0.334	0.365	0.493	0.780	0.596	0.501	0.227	0.290
I9	0.251	0.159	0.351	0.589	0.363	0.452	0.156	0.206
II0	0.286	0.542	0.407	0.707	0.604	0.318	0.679	0.615
II1	0.233	0.436	0.532	0.807	0.480	0.559	0.403	0.497
II2	0.314	0.408	0.447	0.792	0.516	0.464	0.303	0.356
RT13	0.309	0.517	0.397	0.714	0.803	0.259	0.461	0.467
RT14	0.280	0.327	0.425	0.584	0.869	0.428	0.404	0.257
RT15	0.288	0.536	0.564	0.525	0.856	0.523	0.596	0.368
RT16	0.255	0.522	0.559	0.565	0.897	0.499	0.555	0.379
RL17	0.277	0.342	0.562	0.486	0.411	0.918	0.463	0.368
RL18	0.288	0.451	0.569	0.584	0.506	0.844	0.424	0.384
RL19	0.373	0.435	0.527	0.501	0.365	0.869	0.477	0.368
VC21	0.193	0.576	0.650	0.495	0.608	0.543	0.893	0.659
VC22	0.246	0.695	0.656	0.520	0.657	0.489	0.921	0.636
VC23	0.383	0.544	0.443	0.518	0.395	0.409	0.833	0.542
VC24	0.207	0.619	0.515	0.477	0.447	0.394	0.914	0.619
KU25	0.317	0.495	0.508	0.521	0.350	0.472	0.595	0.799
KU26	0.062	0.351	0.350	0.422	0.182	0.165	0.375	0.796
KU27	0.252	0.555	0.629	0.597	0.521	0.394	0.745	0.932
KU28	0.151	0.477	0.636	0.485	0.416	0.383	0.584	0.884

Source: The Data has been Processed SmartPLS 3.0

## 4.2.2 Test Reliability

### 1) Composite Reliability Result

Table 5. Composite Reliability Result

Variabel	Composite Reliability
Opportunity Focus (X1)	0.936
Proactiveness (X2)	0.911
Customer Intensity (X3)	0.925
Innovation (X4)	0.856
Risk Taking (X5)	0.917
Resource Leveraging (X6)	0.909
Value Creation (X7)	0.939
Kinerja Usaha (Y)	0.915

Source: The Data has been Processed SmartPLS 3.0

Based on Composite Reliability reliability of composite value for each variable are qualified i.e.  $> 0.7$ . For the highest reliability of composite value owned by a variable Value Creation that is of value, whereas the smallest 0939 is variable Innovation i.e. of 0856. It can be concluded that the entire invalid constructs revealed reliability.

### 2) Cronbach Alpha Result

Table 6. Cronbachs Alpha Result

Variable	Cronbachs Alpha
Opportunity Focus (X1)	0.865
Proactiveness (X2)	0.856
Customer Intensity (X3)	0.838
Innovation (X4)	0.808
Risk Taking (X5)	0.881
Resource Leveraging (X6)	0.850
Value Creation (X7)	0.913
Kinerja Usaha (Y)	0.876

Source: The Data has been Processed SmartPLS 3.0

Based on table 6. Cronbach Alpha can be seen if the value of Cronbach Alpha on on each variable has a value above > 0.6. On the results of this test data still reliability because all variables > 0.6.

### 4.3 Analysis of the Structural Model (Inner Model)

#### 1) R-Square

The R-square value is used to measure the rate of variation of the variable changes are independent of the dependent variable (Abdillah, 2015) If the results of R-square of 0.19 and 0.33, 0.67 to endogenous latent variables in the structural model can be interpretation as a model of "good", "moderate", and "weak" (Gozali, 2014).

Table 7. R-Square Result

Variable	R-Square
Kinerja Usaha	0.601

Source: The Data has been Processed SmartPLS 3.0

In the table the results of the R-square is that the endogenous variable, witch is the performance of the structural model in the Business has value a simultaneous means 0601 variables exogenous influence endogenous variables i.e. Entrepreneurial Marketing affects the performance of the business. The R-Square value means that R 0601-Square has a moderate value.

#### 2) Hypothesis Testing

To test the hypothesis, the value of t statistics are generated from the output of the SmartPLS 3.0 compared t the table i.e. must be greater than 1.96. Hypothesis testing can be seen through the results of conclusions of the hypothesis which can be seen in table 8.

Table 8. Hypothesis Testing Result

Hypothesis	Constructs Relationships	T-Statistic	T-table	Description
H2	OF → KU	0.133	1.96	Rejected
H3	P → KU	0.404	1.96	Rejected
H4	CI → KU	3.147	1.96	Accepted
H5	I → KU	3.618	1.96	Accepted
H6	RT → KU	2.225	1.96	Accepted
H7	RL → KU	2.064	1.96	Accepted
H8	VC → KU	3.692	1.96	Accepted

Source: The Data has been Processed SmartPLS 3.0

As seen in the table 8. the results that five variable of Entrepreneurial Marketing have a significant effect on business performance: Customer Intensity (3.147>1.96), Innovation (3.618>1.96), Risk Taking (2.225>1.96), Resource Leveraging (2.064>1.96), and Value Creation (3.692>1.96). And two variable of Entrepreneurial Marketing have a not significant effect on business performance: Opportunity Focus (0.133<1.96), and Proactiveness (0.404<1.96). The results of SEM-PLS analysis support H3, H4, H5, H6, and H7.

## 5. CONCLUSION AND RECOMMENDATION

### 5.1 Conclusion

It can be concluded that the Entrepreneurial Marketing have a significant simultaneously at 60,1%. The variable of Entrepreneurial Marketing have a significant effect which is Customer Intensity, Innovation, Risk Taking, Resource Leveraging, and Value Creation. And the variable of Entrepreneurial Marketing have not a significant effect which is Opportunity Focus and Proactiveness.



## 5.2 Suggestion

### 5.2.1 Suggestion for The MSMEs

The results of this study could be made of the information and material for the evaluation of trade centers in dodol Garut to apply Entrepreneurial Marketing on its business and to further improve the performance of venture.

### 5.2.2 Suggestion for the next Researcher

- 1) Further Research is expected to be able to analyze other factors that become the catalyst for The MSMEs in the city to another.
- 2) This research is only done at the trade hub of dodol Garut Regency only. To that end, is expected to further research can be conducted in other regions due to The MSMEs each region may have different results or with the wider region again.
- 3) Subsequent Researchers are expected to conduct research using other research models with engineering analysis in addition to SEM-PLS with multiple linear regression analysis.
- 4) The next Researcher can analyze the variables have no effect in more detail again using qualitative methods i.e. with interviews.
- 5) Researchers can make formal and informal business unit as the characteristics of the respondents to be more detailed and clear.

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