

THE INFLUENCE OF ENTREPRENEURIAL MARKETING ON MARKETING PERFORMANCE THROUGH DIGITAL MARKETING CAPABILITIES IN THE NEW NORMAL ERA ON MICRO SMALL AND MEDIUM ENTERPRISES IN PALU, CENTRAL SULAWESI

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ABSTRACT

This research intends to determine the influence of Entrepreneurial Marketing through Digital Marketing Capabilities on Marketing Performance in the New Normal era for MSMEs in Palu, Central Sulawesi. Explanatory research method was conducted. The types and sources of data used was primary data through distributing questionnaires to 197 respondents who became the sample of this research. The sampling technique used was the Yamane and Isaac formula. Hypothesis testing used was path analysis with Smart-PLS software. The results show that Entrepreneurial Marketing through Digital Marketing Capabilities has a positive but not significant influence on Marketing Performance in the new normal era for MSMEs in Palu, Central Sulawesi.

Keywords: Entrepreneurial Marketing, Digital Marketing Capabilities, Marketing Performance, Micro Small and Medium Enterprises

INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) are pillars of the people's economy that absorb formal and informal workers and contribute to the Gross Domestic Product (GDP) of a country. In Indonesia, from 2010 to 2018, MSMEs absorbed an average of 95 million people annually. Even in 2015, MSMEs were able to absorb a workforce of 123.2 million. The contribution of MSMEs to Gross Domestic Product from 2010 to 2019 is 56% (Nadyan *et al.*, 2021).

Micro, Small and Medium Enterprises (MSMEs) are businesses that have resilience in the face of economic turmoil. When Indonesia experienced an economic crisis in 1998 and 2008, the MSME sector made a major contribution as a support for one of the pillars of the economy. However, when the Covid-19 pandemic struck the whole world, it was MSMEs who experienced and felt the effects for the first time. Both business performance and its contribution to GDP experienced a very large decline of around 37%. The Covid-19 pandemic has logical consequences for the government to take a policy such as limiting various social activities of the community and ultimately having an impact on economic activities. Since this policy was implemented, 90% of MSMEs have been affected. A report from the Asian Development Bank (ADB) states that around 50% of MSMEs have closed their businesses and 88% no longer have savings, resulting in a decrease in sales turnover by an average of 40% to 70%. (Nadyan *et al.*, 2021).

The Covid-19 pandemic has limited public mobility, triggering changes in consumer behavior. Marketing Expert Inventure Consulting explained that the Covid-19 pandemic has caused major changes to consumer behavior or Megashift Consumer Behavior 10x10 where changes in consumer behavior are 10 times greater at a rate 10 times faster. So that every business actor faces a new world in running his business and forces companies to create new patterns in marketing their products that are triggered by changes in lifestyle, preferences, priorities and completely new patterns of decision making. (Fajrian, 2021).

In the new normal era, of course, MSMEs in Palu, Central Sulawesi Province also experience the same problems and challenges as other MSMEs in Indonesia. Changes in consumer behavior due to social restrictions in shopping also require MSMEs to rethink their strategies in order to achieve stable performance, and even grow in this new normal era. So it is necessary to adjust the mindset, mentality, strengthen cash flow and how to respond to the decline in sales turnover and open new market access.

One area of MSMEs that is experiencing challenges in marketing its products is MSMEs in the food and beverage sector, because consumers are very concerned about product quality and price at the same time tend not to want to make direct purchases to MSMEs that provide food and beverages, consumers want products that are purchased first, obtain clear and open information regarding product quality, packaging, brands, prices offered, promotions, service processes and compare them with similar products offered by other MSMEs before the consumer makes a purchase decision.

Mort *et al.*, (2010) argued that MSME actors are required to be able to make strategic decisions made by an entrepreneur in dealing with uncertain situations such as during the pandemic and the new normal era as it is today. The strategic decision in question is a strategy to improve the situation or adjust to conditions in the new normal era through the creation of new opportunities or innovative ideas, so that MSMEs have a competitive advantage.

Several previous studies, entrepreneurial marketing, hereinafter referred to as Entrepreneurial Marketing, is applied to describe the marketing process of companies pursuing opportunities in uncertain marketing conditions and often in conditions of limited resources. Entrepreneurial marketing is a combination of the entrepreneurial spirit which is synonymous with passion, risk taking, proactive seeing opportunities with marketing which is identical to efforts to market and introduce a product and service to the public. (Moris *et al.*, 2002; Rashad, 2018; Mort *et al.*, 2010; Sadiku-Dushi *et al.*, 2019).

The new normal era experienced by all business actors also requires the relevance of using digital resources to ensure marketing strategies run optimally and can improve marketing performance. Marketing entrepreneurs are required to have the ability to use digital technology (Digital Marketing Capabilities – DMC's) in improving marketing performance (Wang, 2020).

The development of digital technology in the new normal era is very rapid. The dynamic development of technology requires the ability of MSMEs to adapt. At the same time helping companies to be able to obtain benefits and information on market opportunities based on consumer needs, when consumers need it and at what price they want based on the ability of consumers. (Azubuike, 2013). Wardaya *et al.*, (2019) in his research stated that digital marketing capabilities make it easier for companies to find creative ideas so that companies can produce innovative new products.

The implementation of an entrepreneurial marketing strategy that is strengthened by digital marketing capabilities (DMC's) in the new normal era is expected to be the best solution to generate and restore the marketing performance of food and beverage MSMEs achieved and measured by sales growth, increasing market share, and increasing market share. customer satisfaction. Marketing performance is one indication that describes the progress of the company and as a measure of achievement obtained from the overall marketing activity process for a company (Hatta, 2015; Gao, 2010). Wardaya (2019) stated in his research that good MSME performance resulted in better business growth.

Entrepreneurial marketing comes from two words, namely entrepreneurial and marketing. Entrepreneurial means entrepreneurship and marketing means marketing. Entrepreneurial is defined as the process of creating by bringing together a unique package of resources to exploit opportunities. This not only results in the creation of new and oriented

growth of the company, but also in the strategic renewal of the company. This process includes a series of activities required to identify opportunities, define a business concept, assess it, acquire the necessary resources, and then manage and harvest a business (Morris *et al.*, 2002).

Miles *et al.*, (2014) stated that entrepreneurial marketing as an activity in entrepreneurship in marketing management that focuses on the marketing management process to improve new market opportunities and then to empower innovation in the marketing mix to be more effective in the pursuit of new market opportunities. Another definition of entrepreneurial marketing was put forward by Sadiku-Dushi *et al.*,(2019) defined as “A combination of innovative, proactive, and risk-taking activities that create, communicate, and deliver value to and by customers, entrepreneurs, marketers, their partners, and society at large”. Based on several opinions, it can be concluded that entrepreneurial marketing is an action taken by entrepreneurs to always be proactive, innovative, dare to take risks, create value for customers, utilize existing resources, and always be oriented towards customer satisfaction.

According to Morris *et al.*, (2002) Entrepreneurial Marketing consists of 7 (seven) dimensions, namely; Proactiveness, Calculated Risk-Taking, Innovativeness, Opportunity Focus, Resource Leveraging, Customer Intensity, and Value Creation. Research conducted by Sadiku-Dushi *et al.*, (2019) using 7 (seven) dimensions developed by Morris *et al.*, (2002) with the object of research is the owners of SMEs in Kosovo.

Digital marketing has evolved over time from a specialized term that describes the marketing of products and services using digital channels to a general term that describes the process of using digital technology to acquire customers and build customer preferences, promote brands, retain customers, and increase sales (Kannan dan Li, 2016). Digital marketing can be seen as the activities, institutions, and processes facilitated by digital technology to create, communicate and deliver value for customers and other stakeholders.

However, "digital" is not synonymous with "information technology". Wang (2020) and Bharadwaj *et al.*, (2013) stated that digital marketing is related to the ability to use digital technology to improve marketing performance known as Digital Marketing Capabilities (DMC's). DMC's is one of the functional capabilities in the process, practice and connection with customers through digital media (Pranita, 2018).

Jantunen *et al.*,(2012) defines DMC's as the ability of businesses to market their products and services using digital technology to acquire customers, promote brands, retain customers and increase sales. Digital marketing can expand the market with online-based technology so that it is more efficient. In addition, digital marketing also makes it easier for companies to find creative ideas so that companies can produce innovative products (Wardaya *et al.*, 2019).

Digital Marketing Capabilities (DMC's) were developed by Wang (2020) using 5 (five) dimensions which are the development of 5 (five) dimensions that have been researched by Song *et al.*,(2007). The development of the five dimensions of DMC's is described in Table 2.7 as follows:

Table 1
The Dimension of Digital Marketing Capabilities (DMC's)

No.	Dimensi DMC's	
	Song <i>et al.</i> , (2007)	Wang (2020)
1.	<i>Customer-linking capabilities</i>	<i>Customer-linking digital capabilities</i>
2.	<i>Market-sensing capabilities</i>	<i>Market-sensing digital capabilities</i>
3.	<i>Channel-bonding capabilities</i>	<i>Channel-bonding digital capabilities</i>
4.	<i>Supplier relationship capabilities</i>	<i>Ability to use digital marketing to retain customer</i>

No.	Dimensi <i>DMC's</i>	
	Song <i>et al.</i> , (2007)	Wang (2020)
5.	<i>Customer-retention capabilities</i>	<i>Capabilities in creating durable relationship with suppliers through digital platforms</i>

Song *et al.*, (2007) develop five dimensions to measure the company's ability to use technology in improving company performance based on these five dimensions. Then, Wang (2020) in his research to develop technological capabilities (capability technology) into digital capability. Digital capability measures the company's ability to digitize the technology used by the company to improve company performance. The difference between the dimension of *DMC's* Song *et al.*, (2007) and Wang (2020) based on 2 (two) new dimensions, that is Ability to use digital marketing to retain customer dan Capabilities in creating durable relationship with suppliers through digital platforms. These two dimensions are used to complement *DMC's* measurement of business processes and the search for new business opportunities in international markets.

One of the achievements of the success of a company is to look at the achievements obtained from marketing performance because marketing performance can reflect the results of an activity carried out by the company and at the same time become a benchmark for the success of a company (Hendrayati dan Gaffar, 2016; Oktavianus, 2020; Sari, 2010; Wirawan, 2017; Yasa *et al.*, 2020). In this case, marketing performance can be used as a benchmark whether the company has succeeded in achieving its maximum target (Hatta, 2015). To face increasingly competitive business competition and changing times, marketing performance can be used as a strategic reference for companies to achieve competitive advantage (Pertiwi dan Siswoyo, 2016).

Marketing performance is one indication that describes the progress of a company based on the overall marketing activity process for a company (Hatta, 2015). Measurement of marketing performance is based on sales growth, market share and customer satisfaction. These three dimensions are key indicators of business success as a result of marketing strategies for customers, markets and finance (Farida, 2016; Gunday *et al.*, 2011).

Entrepreneurial Marketing is one of the ways and strategies that can be taken by companies and MSME business actors to achieve and improve their marketing performance. If MSME actors apply entrepreneurial marketing properly and with discipline, it will have an impact on the sales growth of a company, increase market share, can achieve customer satisfaction and the company is able to gain competitive advantage in the midst of today's tight business competition. Especially with the Covid-19 pandemic, it takes the ability to survive and be proactive to find new opportunities that can create value for customers so that companies can achieve their marketing performance. This is in line with what was expressed by Adel *et al.*, (2020) which states that entrepreneurial marketing has a significant effect on the company's business performance.

METHOD

This research was conducted in Palu, Central Sulawesi Province by conducting a questionnaire survey on Food and Beverage SMEs. The population amounted to 21,696 and a sample of 197 SMEs. The sampling technique in this research went through two stages, namely the Area Sampling Technique and then the Stratified Random Sampling Technique. So that the sample taken is said to be representative, in this research it is determined the number of samples whose population is known which is calculated using the formula by Yamane dan Isaac (Sugiono, 2018:149).

The classification of variables in this research is divided into three, namely independent variables, dependent variables (dependent variables) and intervening variables. Based on these categories, the independent variable in this research was Entrepreneurial Marketing (EM), the intervening variable was Digital Marketing Capabilities (DMC's) and the dependent variable was Marketing Performance (MP). To facilitate the analysis of each hypothesis, each variable is described based on the classification of variables as follows:

1. Entrepreneurial Marketing (X₁) Variable

Entrepreneurial Marketing (EM) variable measuring the efforts of food and beverage MSME actors to improve the customer value creation process through a proactive, innovative approach, calculating the magnitude of risk, customer intensity, optimally utilizing company resources, and creating value to customers. This research used 7 (seven) dimensions based on entrepreneurial marketing by Morris *et al.*, (2002) and Sadiku-Dushi *et al.*, (2019) which are:

1. Proactive Orientation,
2. Calculated Risk-Taking
3. Innovativeness
4. Opportunity Focus
5. Resource Leveraging
6. Customer Intensity
7. Value Creation

2. Digital Marketing Capabilities (DMC's - X₂) Variable

The DMC's variable measures the level of ability of MSME actors in using digital technology through 5 (five) DMC's dimensions (Wang, 2020), yaitu:

1. Customer-linking digital capabilities
2. Market-sensing digital capabilities
3. Channel-bonding digital capabilities
4. Ability to use digital marketing to retain customer
5. Capabilities in creating durable relationship with suppliers through digital platforms

3. Marketing Performance (Y) Variable

Marketing Performance (MP) variable measuring the performance of MSME actors based on 3 dimensions by Farida (2016) and Gunday *et al.*, (2011), that are:

1. Sales Growth
2. Market Share
3. Customer Satisfaction

RESULT AND DISCUSSION

Result

Characteristics of respondents used in this research include:

1. Gender.

The results of respondents' answers show that most of the respondents are female by 59.39% and male by 40.61%. This illustrates that the role of women in the development of MSMEs in Palu is very large. It also means that women have tenacity, toughness, and patience in running a business.

2. Period of Business.

The period of business in question is the time of business carried out by the respondent. Some of the respondents, 42.65%, had a business time of less than two years, 68 (34.52%)

MSMEs had run their business for more than six years. This means that 34.52% of MSMEs have survived and gone through a fairly long test.

3. Education.

Based on education, there are 105 (53.3%) respondents who have a high school education background, 20.3% have a junior high school education background, 17.7% have an elementary education background. Meanwhile, the educational background of bachelor and master degrees were 7.61% and 1.02%, respectively. This means that 197 respondents have diverse educational backgrounds but the dominant is high school and it becomes a challenge in order to improve the quality of human resources to increase capacity and ability to support business.

4. Age.

Based on the age characteristics of the majority of respondents aged 31-40 years and 41-50 years, respectively, amounted to 21.83%. Respondents aged 51-60 years were 36% and over 60 years were 6.6%. 18.78% are in the age of 21-30 years. MSME owners under 20 years old are 12.69%.

5. Ownership.

Based on the ownership, most of the respondents (88.83%) are business owners. 6.6% of respondents stated that the business they started was a joint venture and 4.57% of respondents stated that they continued the business.

Path coefficient test is used to show how strong the effect or influence of the independent variable on the dependent variable. While Coefficient determination (R-Square) is used to measure how much endogenous variables are influenced by other variables. Hoyle (1999:328) mentions the result of R^2 is 0.67 and above for endogenous latent variables in the structural model indicates the effect of exogenous variables (influenced) on endogenous variables (influenced) is included in the good category. Meanwhile, if the result is 0.33-0.67 then it is included in the medium category, and if the result is 0.19-0.33 then it is included in the weak category. (Solimun *et al.*, 2017:119).

Table 2 shows that the Path Coefficients value with four hypotheses consisting of three hypotheses of direct effect and one hypothesis of indirect effect. The highest value of Path Coefficients is in the first hypothesis with a value of 0.468. This result belongs to the **Moderate** category. Then proceed with the second hypothesis with a value of 0.360, this value is included in **Moderate** category. Then proceed with hypotheses three and four with the respective values of Path Coefficients 0.130 and 0.047. All of these values are included in **Low** category.

Table 2
The Value of Path Coefficient

Hipotesis	Pengaruh	Path Coefficients
I	Entrepreneurial Marketing (EM) → Marketing Performace (MP)	0,468
II	Entrepreneurial Marketing (EM) → Digital Marketing Capabilites (DMC's)	0,360
III	Digital Marketing Capabilites (DMC's) → Marketing Performace (MP)	0,130
IV	Entrepreneurial Marketing (EM) → Digital Marketing Capabilites (DMC's) → Marketing Performace (MP)	0,047

Source: primary data processed (2022)

Based on the results of the outer loading estimation, it shows that all variables in this model have a positive path coefficient. This shows that the greater the value of the Path

Coefficient on one independent variable on the dependent variable, the stronger the influence between the independent variables on the dependent variable.

Based on data processing that has been carried out using the smartPLS 3.0 program, the R-Square values are obtained as follows:

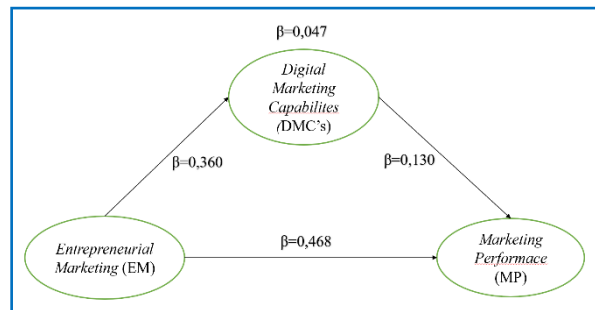


Figure 1.
Estimated Results of Outer Loading

Table 3
R-Square Test

Variable	Direction	Variable	R Square
<i>Entrepreneurial Marketing (EM)</i>	→	<i>Marketing Performance (MP)</i>	0,279
<i>Digital Marketing Capabilities (DMC's)</i>			
<i>Entrepreneurial Marketing (EM)</i>	→	<i>Digital Marketing Capabilities (DMC's)</i>	0,129

Source: primary data processed (2022)

Based on Table 3, the results of the R-Square test of the Marketing Performance (MP) variable described by the Entrepreneurial Marketing (EM) and Digital Marketing Capabilities (DMC's) variables are 0.279. These results indicate that the Marketing Performance (MP) variable can be explained by the Entrepreneurial Marketing (EM) and Digital Marketing Capabilities (DMC's) variables of 27.9% so that there is still 72.1% explained by other variables.

The results of the R Square test for the Digital Marketing Capabilities (DMC's) variable described by Entrepreneurial Marketing (EM) are 0.129. These results show that the Digital Marketing Capabilities (DMC's) described by Entrepreneurial Marketing (EM) are 12.9%, while 87.1% are explained by other variables.

Furthermore, the assessment of Goodness of Fit is known from the Q-Square value. The Q-Square value has the same meaning as the Coefficient Determination (R-Square) in regression analysis, where the higher the Q-Square, the model can be said to be better or more fit with the data. The results of the calculation of the value of Q-Square are as follows:

$$\begin{aligned}
 Q\text{-Square} &= 1 - [(1 - R^2_1) \times (1 - R^2_2)] \\
 &= 1 - [(1 - 0,279) \times (1 - 0,129)] \\
 &= 1 - (0,721 \times 0,871)
 \end{aligned}$$

$$= 1 - 0,627$$

$$= \mathbf{0,372}$$

Based on the results of the above calculations, the Q-Square value is 0.372. This shows the magnitude of the diversity of research data that can be explained by the research model is 37.2%. Meanwhile, the remaining 62.8% is explained by other factors that are outside the research model. Thus, from these results, this research model can be stated to have had a **Moderate Goodness of Fit**.

Hypothesis testing in this research was carried out by looking at the p-values. The research hypothesis can be declared accepted if the p-value is <0.05 (Gozali, 2015). Table 4 shows the results of hypothesis testing obtained in the study are:

Table 4
Hypothesis Testing

	<i>Hypothesis</i>	<i>p Values</i>	<i>Keterangan</i>	<i>Hasil</i>
H1	<i>Entrepreneurial Marketing (EM) → Marketing Performance (MP)</i>	0,000	Signifikan	Diterima
H2	<i>Entrepreneurial Marketing (EM) → Digital Marketing Capabilities (DMC's)</i>	0,000	Signifikan	Diterima
H3	<i>Digital Marketing Capabilities (DMC's) → Marketing Performance (MP)</i>	0,044	Signifikan	Diterima
H4	<i>Entrepreneurial Marketing (EM) → Digital Marketing Capabilities (DMC's) → Marketing Performance (MP)</i>	0,065	Tidak Signifikan	Ditolak

Source: primary data processed (2022)

1. Hypothesis Testing 1: Entrepreneurial Marketing has a positive and significant effect on Marketing Performance
The results of testing the first hypothesis show that the influence of Entrepreneurial Marketing has a Positive and Significant effect on Marketing Performance, showing a p-value of **(0,000)**. The p-Values value is smaller than **(0,050)** which means according to the first hypothesis where Entrepreneurial Marketing has a Positive and Significant effect on Marketing Performance, the first hypothesis is **confirmed**.
2. Hypothesis Testing 2: Entrepreneurial Marketing has a positive and significant effect on Digital Marketing Capabilities (DMC's)
The results of testing the second hypothesis, show that the influence of Entrepreneurial Marketing has a positive and significant effect on Digital Marketing Capabilities (DMC's) showing a p-value of **(0,000)**. The p-Values value is smaller than **(0,050)** so it is said to be positive and significant. These results indicate that there is a positive and significant influence of Entrepreneurial Marketing on Digital Marketing Capabilities. In accordance with the second hypothesis, Entrepreneurial Marketing has a positive and significant effect on Digital Marketing Capabilities so that the second hypothesis is **confirmed**.
3. Testing Hypothesis 3: Digital Marketing Capabilities (DMC's) have a positive and significant effect on Marketing Performance (MP).
Hasil pengujian hipotesis ketiga, menunjukkan bahwa Digital Marketing Capabilities (DMC's) on Marketing Performance shows the value of p-Values **(0.044)**. The p-Values is less than **(0.050)** so it is said to be positive and significant. In accordance with the third hypothesis, namely Digital Marketing Capabilities (DMC's) have a positive and significant effect on Marketing Performance so that the third hypothesis is **confirmed**.
4. Hypothesis Testing 4: Entrepreneurial Marketing (EM) through Digital Marketing Capabilities (DMC's) has a positive and significant effect on Marketing Performance (MP)

The results of testing the fourth hypothesis show that the influence of Entrepreneurial Marketing through Digital Marketing Capabilities (DMC's) on Marketing Performance shows a p-value (**0.065**). The p-Values value is more than (**0.050**) so it is said to have a positive and insignificant effect. So the fourth hypothesis, namely Entrepreneurial Marketing through Digital Marketing Capabilities (DMC's) has a positive and insignificant effect on Marketing Performance so that the fourth hypothesis is **rejected**.

Discussion

The influence of entrepreneurial marketing on marketing performance in the new normal era for MSMEs in Palu, Central Sulawesi.

Entrepreneurial marketing is the process of creating value for the products and services offered to customers. Customer value is the process of co-creating both sellers and buyers, both producers and customers. Customer value is created through creative innovation.

Based on descriptive analysis, the new normal era makes MSMEs try to increase their sales through creative innovation by using the resources they have by focusing on business opportunities in marketing food and beverage products. During the Covid-19 pandemic, MSME entrepreneurs were proactive in finding strategies to increase sales and of course always taking into account the risks of every decision taken in the customer value creation process.

Based on the results of hypothesis testing, it proves that entrepreneurial marketing has an effect on marketing performance. The results of this study are in line with research conducted by Adel *et al.*, (2020) that entrepreneurial marketing has a significant effect on the company's business performance. Adel *et al.*, (2020) argued that the importance of entrepreneurial marketing skills that must be possessed by MSME actors such as courage in predicting situations and taking risks, innovative, proactive attitude, skilled use of resources, so that it can have a positive impact on marketing performance. Becherer *et al.*, (2012) in his research suggests that entrepreneurial marketing which consists of dimensions of proactiveness, innovativeness, calculated risk-taking, resource leveraging, value creation, and customer intensity can have a significant impact on MSME business actors. Hamali *et al.*, (2016) in his research revealed that companies must be more proactive in taking advantage of opportunities from risk management, optimizing resources in creating value for customers, increasing the ability to innovate in realizing marketing performance and company performance.

In addition, the Palu MSMEs can improve their marketing performance through increasing customer intensity. Increase intensity with customers by paying attention to customer satisfaction with the food and beverage products consumed. If the customer intensity is optimized, it will improve the marketing performance of the Palu MSMEs.

This research also found that the factor that needs to be considered by the UMKM in Palu to be able to improve marketing performance in terms of entrepreneurial marketing is resource leveraging. Improve the ability of MSMEs to optimize the use of their resources during the pandemic. To improve these capabilities, MSMEs can improve their skills in managing their resources efficiently, second, through increasing knowledge in information and digital technology.

The effect of entrepreneurial marketing on digital marketing capabilities in the new normal era for MSMEs in Palu, Central Sulawesi. Digital marketing capabilities is the business ability of MSME business actors to market their service products using digital technology to get customers, promote brands, retain customers and increase sales. (Jantunen *et al.*, 2012). Besides that, Wardaya *et al.*, (2019) argued that digital marketing makes it easier for business

actors to choose and determine creative ideas so that companies can produce innovative products.

Based on a descriptive analysis of digital marketing capabilities which have dimensions of customer-linking digital capabilities, market-sensing digital capabilities, channel-bonding digital capabilities, ability to use digital marketing to retain customers and capabilities in creating durable relationships with suppliers through digital platforms, it shows that the SMEs business actors have not been optimal. Described from the response of MSME business actors to the ability to find information about customers, market opportunities and build customer networks through digital. The relationship of entrepreneurial marketing to digital marketing capabilities according to Khaskheli (2020) that entrepreneurial marketing which consists of the dimensions of proactive orientation, value creation, innovativeness and customer focus can have a significant impact on effectiveness in the ability to use social media marketing. Aftab *et al.*, (2021) in his research also suggests that entrepreneurial marketing has a significant influence on social media marketing. The results of this study are in line with the results of this study where entrepreneurial marketing has a positive effect on digital marketing capabilities in the new normal era for MSMEs in Palu, Central Sulawesi.

To further improve the ability of MSMEs in the use of digital marketing (digital marketing capabilities), several things that need to be considered are optimizing the ability of MSMEs to seek opportunities in increasing the utilization of their resources (resource leveraging). Optimization is meant by increasing the ability of MSMEs to use customer relationships to create new markets. In addition to optimizing resource leveraging, MSMEs need to increase customer intensity.

If the ability of MSMEs to improve the process of creating customer value (entrepreneurial marketing) through resource leveraging and customer intensity, it will increase the ability of MSMEs to use digital marketing technology (digital marketing capabilities).

The influence of Digital Marketing Capabilities on Marketing Performance in the new normal era for MSMEs in Palu, Central Sulawesi.

Based on the results of hypothesis testing, it is stated that digital marketing capabilities have an effect on marketing performance. Based on the path analysis test (Table 4.8) the relationship between digital marketing capabilities and marketing performance is categorized as weak. However, based on a positive path coefficient, digital marketing capabilities can be improved so that the marketing performance of MSME business actors can be further improved. Digital marketing capabilities do not focus on technology but on the ability to use digital technology to fulfill demand and/or supply functions (Song *et al.*, 2007). Wang (2020) stated in his research that small companies (MSMEs) with strong digital capabilities, perform the same as medium-sized companies. In addition, digital marketing also makes it easier for companies to find creative ideas so that companies can produce innovative products (Wardaya *et al.*, 2019). So it is concluded that increasing the ability of MSME business actors in using digital marketing will improve their marketing performance.

The results of this study are in line with research conducted by Bampo *et al.*, (2008). Bampo *et al.*, (2008) stated that the social structure of digital networks has a vital role in relation to the spread of viral messages. MSME business actors must have the ability in digital marketing in the new normal era. Ability to use digital marketing for MSMEs based on motivation to increase profits (Ritz *et al.* 2019). This states that the use of digital marketing can improve marketing performance.

This research also found that the factors that need to be considered by MSMEs in Palu to improve their ability to use digital technology are: increasing the ability to digitally integrate all customer channels, optimizing the ability to build digital networking and customer

management. If these factors can be optimized, it will increase the ability of MSMEs to adjust the configuration of their resources and the ability to handle connectivity among stakeholders (customer-linking digital capabilities).

The ability of MSMEs to build networking and sales channels with various related parties through digitalization (channel-bonding digital capabilities) is an advantage that can increase digital marketing capabilities. If digital marketing capabilities increase, it will affect the marketing performance of MSMEs in Palu.

The Influence of Digital Marketing Capabilities as Entrepreneurial Marketing Mediation on Marketing Performance in the New Normal Era for MSMEs in Palu City, Central Sulawesi.

Based on the results of hypothesis testing, it is stated that digital marketing capabilities cannot mediate entrepreneurial marketing on marketing performance. Based on the path coefficient value (Table 4.9) and the result of the outer loading estimation (Figure 4.4) it is clear that the path coefficients of digital marketing capabilities are in the weak category. This means that digital marketing capabilities cannot mediate the increasing efforts of food and beverage MSME business actors in increasing customer value (entrepreneurial marketing) towards increasing marketing performance.

This is contrary to the results of the research conducted by Aftab *et al.*, (2021). The results of his research state that although entrepreneurial marketing directly does not have a significant effect on marketing performance, but through mediation with the help of social media variables, entrepreneurial marketing has a significant influence on marketing performance. Not significant because the research did not use sub-indicators of each entrepreneurial marketing variable. Aftab *et al.*, (2021) suggests that if each indicator of the entrepreneurial marketing variable uses its respective sub-indicators, it is possible that the research results will have a positive influence on marketing performance.

Differences with research conducted by Aftab *et al.*, (2021) is on the mediating variable. This research used digital marketing capabilities as a mediating variable while Aftab *et al.*, (2021) using social media marketing variables. Digital marketing capabilities measure the ability to use digital marketing. Social media marketing measures the efficiency and effectiveness of using digital marketing technology.

If you look at the results of the descriptive analysis that the ability of MSME actors to use digital technology is not optimal, so that digital marketing capabilities have not been able to mediate entrepreneurial marketing on the achievement of marketing performance.

To be able to optimize the mediating role of digital marketing capabilities, it is necessary to increase the ability of MSMEs in the process of creating customer value through a customer intensity approach and the ability to optimally utilize company resources (resource leveraging).

If customer intensity and resource leveraging are optimal, it will affect the mediating role of digital marketing capabilities. Improving the ability of MSMEs through customer-linking capabilities (enhancing the ability of MSMEs to build digital networking and utilizing digital technology to manage customers) and channel-bonding digital capabilities (the ability of companies to build ties with sales channels).

It is concluded that, if the ability of MSMEs to create value for food and beverage products through customer intensity and resource leveraging increases, it will affect the level of MSMEs' ability to use digital technology (digital marketing capabilities). Increasing digital marketing capabilities will be a mediation to improve the marketing performance of MSMEs in Palu.

Conclusions

Based on the formulation of the problem and the results of research that discusses the influence of Entrepreneurial Marketing on Marketing Performance through Digital Marketing Capabilities in the New Normal Era in MSMEs in Palu, Central Sulawesi, it can be concluded that

1. Entrepreneurial marketing has a positive and significant effect on marketing performance in the new normal era for MSMEs in Palu, Central Sulawesi.
2. Entrepreneurial marketing has a positive and significant impact on digital marketing capabilities in the new normal era for MSMEs in Palu, Central Sulawesi.
3. Digital marketing capabilities have a positive and significant impact on marketing performance in the new normal era for MSMEs in Palu, Central Sulawesi.
4. Entrepreneurial marketing through digital marketing capabilities has a positive but not significant effect on marketing performance in the new normal era for MSMEs in Palu City, Central Sulawesi.

Based on the results of the research and the conclusions obtained, the recommendations that are considered relevant and are expected to provide input to all parties are:

1. For MSMEs in Palu, Central Sulawesi
 - a. Must continue to improve capabilities and sharpen the implementation of entrepreneurial marketing strategies, in order to utilize the available resources to find opportunities and create added value for customers, in order to continue to achieve marketing performance in a sustainable manner.
 - b. The MSMEs of Palu must increase customer intensity to achieve and improve their marketing performance. Increasing customer intensity is pursued by paying attention to customer satisfaction with the food and beverage products consumed and applying innovative approaches to create customer relationships.
 - c. The need to increase the ability of MSME actors in optimizing the use of their resources (resource leveraging) in the new normal era. To improve these capabilities, MSMEs can improve their skills in managing their resources efficiently. Second, through increasing knowledge in information and digital technology.
 - d. MSMEs must be able to improve the process of customer value creation (value creation) through resource leveraging and customer intensity so that it will increase the ability of MSMEs to use digital marketing technology (digital marketing capabilities).
 - e. The Palu MSMEs must also improve their ability to use digital technology, namely: increasing the ability to digitally integrate all customer channels, optimizing the ability to build networking and digitally managing customers.
 - f. MSME actors must build networking and sales channels with various parties related to digitalization (channel-bonding digital capabilities) to improve digital marketing capabilities. If digital marketing capabilities increase, it will affect the marketing performance of MSMEs in Palu.
2. For the Government
 - a. It is necessary to carry out more targeted and sustainable planning and breakthroughs in order to improve marketing capabilities to increase entrepreneurial marketing, especially in the use of digital resources (resource leveraging) to support the performance of MSME actors.
 - b. Periodically, the Palu government through the MSME and Trade Industry offices conducts training to improve the digital marketing capabilities of MSME actors.
 - c. The government should also be able to cluster MSME actors more systematically based on the level of difficulty and resources owned by MSME actors in Palu, Central

Sulawesi. So that the process of increasing marketing capabilities and digital marketing capabilities of MSME actors can always be improved from time to time. Both in the form of mentoring and improving human resources as well as the ability to utilize digital resources.

3. For Further Researchers
 - a. It is recommended to develop several other variables that can affect Marketing Performance, so that further research can be more comprehensive and more complete.
 - b. In addition, it is necessary to sharpen and add several moderating variables so that the research results are more complete and integrated.
 - c. Need to do research on different objects with this research.

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