ENTREPRENEURIAL MARKETING: IMPROVING THE MARKETING PERFORMANCE OF THE CREATIVE INDUSTRY IN THE EMBROIDER STITCHING SECTOR IN WEST SUMATRA

Rose Rahmidani\textsuperscript{a}, Dessi Susanti\textsuperscript{b}, Armiati\textsuperscript{c}, Yuhendri Leo Vrista\textsuperscript{d}

**ABSTRACT**

**Purpose:** This study's goal is to ascertain how entrepreneurial orientation and market orientation affect Micro Small and Medium-sized Enterprises’ marketing performance (MSMEs).

**Theoretical Framework:** Entrepreneurial Marketing is used to empower the creative industries as marketing and entrepreneurship are crucial in driving innovation, introducing new products, creating new ventures, and promoting economic development - all of which are key activities in the creative industries.

**Design/Methodology/Approach:** To achieve the objectives of this study, the quantitative approaches were utilized. The population of interest was Micro, Small and Medium-sized Enterprises (MSMEs) engaged in Embroider and Stitching located in West Sumatra Province, and a purposive sampling technique was employed to select the sample for this study. Multiple statistical techniques were employed for data analysis, including SPSS and Partial Least Square (PLS) for Structural Equation Model (SEM) analysis.

**Findings:** The study's results indicate that Entrepreneurial Orientation has a positive impact on Marketing Performance. Additionally, Entrepreneurial Orientation has a positive impact on Market Orientation, and Market Orientation has a positive impact on Marketing Performance. Furthermore, Entrepreneurial Orientation has a positive impact on both Market Orientation and Marketing Performance.

**Research, Practical, and Social Implications:** This study offers theoretical and practical implications for improving the marketing performance of the Embroidery and Stitching industry in West Sumatra Province by applying Entrepreneurial Marketing, through the integration of local cultural values, it is expected that the competitiveness of the region will improve. The expectation is that government policy programs will subsequently stimulate the creative industry's growth in West Sumatra Province.

**Originality/Value:** This study examines the impact of Entrepreneurial Marketing on marketing performance, while previous studies have examined its impact on the financial performance of SMEs.

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MARKETING EMPRESARIAL: MELHORANDO O DESEMPENHO DE MARKETING DA INDÚSTRIA CRIATIVA NO SETOR DE COSTURA DE BORDADOS EM SUMATRA OCIDENTAL

RESUMO
Objetivo: O objetivo deste estudo é verificar como a orientação empreendedora e a orientação para o mercado afetam o desempenho de marketing das micro, pequenas e médias empresas (MPMEs).

Estrutura teórica: O marketing empreendedor é usado para capacitar os setores creativos, pois o marketing e o empreendedorismo são cruciais para impulsionar a inovação, introduzir novos produtos, criar novos empreendimentos e promover o desenvolvimento econômico - todas essas atividades são fundamentais nos setores creativos.

Projeto/Metodologia/Abordagem: Para atingir os objetivos deste estudo, foram utilizadas abordagens quantitativas. A população de interesse foram as micro, pequenas e médias empresas (MPMEs) envolvidas em bordados e costuras localizadas na província de West Sumatra, e uma técnica de amostragem intencional foi empregada para selecionar a amostra para este estudo. Várias técnicas estatísticas foram empregadas para a análise dos dados, incluindo SPSS e Partial Least Square (PLS) para a análise do Modelo de Equação Estrutural (SEM).

Conclusões: Os resultados do estudo indicam que a orientação empreendedora tem um impacto positivo no desempenho de marketing. Além disso, a orientação empreendedora tem um impacto positivo sobre a orientação para o mercado, e a orientação para o mercado tem um impacto positivo sobre o desempenho de marketing. Além disso, a orientação empreendedora tem um impacto positivo tanto na orientação para o mercado quanto no desempenho de marketing.

Implicações sociais, práticas e para pesquisa: Este estudo oferece implicações teóricas e práticas para melhorar o desempenho de marketing do setor de bordados e costuras na província de Sumatra Occidental aplicando o Marketing Empresarial, por meio da integração dos valores culturais locais, e espera-se que a competitividade da região melhore. A expectativa é que os programas de políticas governamentais estimulem o crescimento do setor criativo na província de West Sumatra.

Originalidade/valor: Este estudo examina o impacto do Marketing Empresarial no desempenho de marketing, enquanto estudos anteriores examinaram seu impacto no desempenho financeiro das PMEs.

Palavras-chave: Desempenho de Marketing, Marketing Empresarial, Orientação Empreendedora, Orientação para o Mercado, MPMEs, Costura de Bordado.

MARKETING EMPRESARIAL: MEJORA DE LOS RESULTADOS DE MARKETING DE LA INDUSTRIA CREATIVA EN EL SECTOR DE LA COSTURA DE BORDADOS EN SUMATRA OCIDENTAL

RESUMEN
Objetivo: El objetivo de este estudio es determinar cómo afectan la orientación empresarial y la orientación al mercado a los resultados de marketing de las microempresas y las pequeñas y medianas empresas (PYME).

Marco teórico: El marketing empresarial se utiliza para potenciar los sectores creativos, ya que el marketing y el espíritu empresarial son cruciales para impulsar la innovación, introducir nuevos productos, crear nuevas empresas y promover el desarrollo económico; todas estas actividades son clave en los sectores creativos.

Diseño/metodología/enfoque: Para alcanzar los objetivos de este estudio, se utilizaron enfoques cuantitativos. La población de interés fueron las micro, pequeñas y medianas empresas (MIPYME) dedicadas al bordado y la costura situadas en la provincia de Sumatra Occidental, y se empleó una técnica de muestreo intencional para seleccionar la muestra de este estudio. Para el análisis de los datos se emplearon diversas técnicas estadísticas, entre ellas el SPSS y el método de mínimos cuadrados parciales (PLS) para el análisis del modelo de ecuaciones estructurales (SEM).

Conclusiones: Los resultados del estudio indican que la orientación empresarial tiene un impacto positivo en los resultados de marketing. Además, la orientación empresarial tiene un impacto positivo en la orientación al mercado, y la orientación al mercado tiene un impacto positivo en los resultados de marketing. Además, la orientación empresarial tiene un impacto positivo tanto en la orientación al mercado como en los resultados de marketing.

Implicaciones sociales, prácticas y para la investigación: Este estudio proporciona implicaciones teóricas y prácticas para mejorar los resultados de marketing del sector del bordado y la costura en la provincia de Sumatra Occidental mediante la aplicación del marketing empresarial a través de la integración de los valores culturales locales, y se espera que mejore la competitividad de la región. Se espera que los programas políticos gubernamentales estimulen el crecimiento del sector creativo en la provincia de Sumatra Occidental.

Originalidad/valor: Este estudio examina el impacto del marketing empresarial en los resultados de marketing, mientras que estudios anteriores han examinado su impacto en los resultados financieros de las PYME.
Palabras clave: Rendimiento de Marketing, Marketing Empresarial, Orientación Empresarial, Orientación al Mercado, MPMEs, Costura de Bordados.

INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) have gained attention from researchers worldwide due to their significance in driving economic growth, especially in developing countries (Nuvriasari et al., 2022). Various studies have been conducted on MSMEs, including Karel et al., 2013; Jaswal, 2014; Waari, 2015; Belás et al., 2015; Asare et al., 2015; Yahaya et al., 2016; Vaikunthavasan et al., 2019; Benneth et al., 2019; Weldeslassie et al., 2019; Bhat, et al, 2020; Hervé et al., 2020; Meher et al., 2021; Tumiwa & Nagy, 2021; Varga, 2021; Gavurova et al., 2022; Rupeika-Apoga & Petrovska, 2022; Takeda et al., 2022; Bukki et al., 2023; Singh, 2023. In Indonesia, researchers have also conducted studies on MSMEs, such as Hanggraeni et al., 2019; Dewi et al., 2020; Nursini, 2020; Sahela et al., 2021; Mardikaningsih et al., 2022; Wijayanto et al., 2023.

Based on the information provided by the Office of Cooperatives and MSMEs of West Sumatra Province, Indonesia, there are 7,197 assisted SMEs in West Sumatra. One of the well-known Micro, Small and Medium Enterprises (MSMEs) in West Sumatra Province, Indonesia is the embroidery and stitching industry, which is a product of Minangkabau ethnic culture. In West Sumatra, embroidery stitching is regarded as an important craft, and businesses are present in almost all of the towns and cities. This business is typically run by micro, small, and medium-sized businesses. MSMEs, like the embroidered stitching sector, are crucial for boosting the economy through supporting the creative sector.

Firm success is largely determined by firm performance (Bahari et al., 2023). For MSMEs, An important component of growth and survival is marketing performance (Nuvriasari et al., 2022). Marketing performance is the most important thing in developing a company (Zhang et al., 2018). However, in reality, In West Sumatra Province, the marketing results for the stitching and embroidery sectors are still under average, Yeni et al., (2014) research found that the understanding of embroidery business actors in West Sumatra regarding marketing activities is still inadequate, with 58% of new MSMEs' marketing activities being at the non-marketing level. It proves that entrepreneurs' knowledge of marketing is limited, which has prevented them from applying marketing concepts such as markets, customers, competitors, and competitive advantage in their businesses. In short, small and medium-scale business actors or entrepreneurs' understanding of marketing remains...
low. These findings are consistent with findings from other countries, even in developed countries where the level of competition for MSMEs is not as high as it is today. Huang & Brown (2018), in their study of 973 MSMEs in developed countries like Australia, found that marketing was the biggest problem (40.2%) faced by MSMEs. Several industries, including MSMEs, have been significantly impacted by the COVID-19 pandemic (Widiastini et al., 2023). This situation also affects the embroidery and stitching industry in West Sumatra Province, thereby impacting their marketing performance.

Based on interviews with MSMEs entrepreneurs in the embroidery stitching industry, it was found that marketing, particularly competition with other products, is a significant challenge. The competition can come from within Indonesia or abroad, such as Malaysia, with handicrafts from Tasikmalaya being the primary domestic competitor. Embroidery stitching from West Sumatra is considered monotonous in terms of motifs and color combinations compared to competitors. As a result, competing products that offer attractive prices are often preferred by consumers. Therefore, research is needed to assess the marketing skills of entrepreneurs in this industry and expand the scope of the study to include micro-scale businesses. Entrepreneurial marketing can enhance marketing performance, and marketing performance is impacted by entrepreneurial marketing (Hidayatullah et al., 2019). An interaction between marketing and entrepreneurship establish Entrepreneurial Marketing (Kilenthong et al., 2016).

This study will utilize the topic of Entrepreneurial Marketing, which has been extensively used by previous researchers (such as Jones & Rowley, 2011; Reynolds, 2018; Gilmore et al. 2014) in studying small and medium-scale businesses. These studies have found that the implementation of marketing in small-scale businesses is largely dependent on the entrepreneur's knowledge, which tends to be more general compared to management or marketing skills (Gilmore et al. 2014; Reynolds 2018). Reynolds (2018) also argues that the entrepreneurial behavior of small businesses makes conventional marketing approaches adopted by larger companies inapplicable. Therefore, Hisrich (1992) believes that marketing and entrepreneurship are two important and interrelated elements in small business management, and Morris et al. (2002) refer to this relationship as Entrepreneurial Marketing. In this study, Entrepreneurial Marketing will be used to empower the creative industries, as marketing and entrepreneurship are critical for promoting innovation, introducing new products, creating new ventures, and promoting economic development, which are all important activities in the creative industries (Hisrich, 1992).
In this study, Entrepreneurial Marketing is focused on two main constructs are Entrepreneurial Orientation (EO) and Market Orientation (MO). Previous research has shown that these two constructs have a positive and significant effect on Entrepreneurial Marketing (Nuvriasari et al., 2020). Entrepreneurial Orientation is a primary construct of interest in strategic entrepreneurship research (Anderson et al., 2015). It has a strong relationship with organizational performance in small businesses (Vasconcelos et al., 2016) and MSMEs’ performance (Octavia et al., 2020). Another dimension of Entrepreneurial Marketing is Market Orientation, which has been found to be significantly related to business performance (Octavia et al., 2020).

The research problem is the suboptimal marketing performance of the embroidery and stitching industry in West Sumatra Province. which can be improved through entrepreneurial marketing. In line with the description above which explains that Entrepreneurial Marketing plays an important role in the creative industries, the research designed to conduct a study of these two aspects is linked to the strategy of empowering the creative industries. The problem to be discussed in this study is what is the role of Entrepreneurial Orientation and Market Orientation in improving the Marketing performance of MSMEs?

LITERATURE REVIEW

Micro, Small and Medium Enterprises (MSMEs)

The conception of MSMEs varies in many countries, with size, revenue, and activity being used as the basis for classification (Chong & Ali, 2022). Micro, Small, and Medium Enterprises are closely associated with entrepreneurship. The definitions of MSMEs differ widely, not only due to environmental differences such as those between Asia and developed countries with a western culture, but also due to variations in the indicators used by experts to measure the size of the business.

Micro, Small, and Medium-Sized Businesses (MSMEs) are generally categorized based on a variety of factors, including the number of employees, investment value, assets, sales, credit, or a combination of these factors. For instance, The Malaysian Department of Industry and Trade defines SMEs as businesses with assets of less than RM 2.5 million and a workforce of less than 200 people. In this study, the definition of SMEs as businesses with between 5 - 99 employees, as provided by BPS (1999), was used. BPS (2016) further classifies business scale based on the number of workers, which include: (1) Micro small businesses with fewer than five employees;
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Entrepreneurial Marketing

Entrepreneurs must abandon conventional concepts and adopt new, inventive ways of thinking and doing, such as entrepreneurship marketing when conventional marketing strategies are not appropriate for small and medium-sized companies, (Sadiku-Dushi et al., 2019). Ionță, (2012) defines entrepreneurship marketing as proactive identification and exploitation of opportunities to acquire and retain profitable customers through an innovative approach to risk management, resource utilization, and value creation.

Marketing Performance

One of a company's performance metrics is marketing performance. It can be evaluated using operating income, market share growth, and yearly sales rate (Yasa et al., 2020). The results of a company's entire marketing efforts are measured by its marketing performance. This measure is an indication of whether a company is advancing or not. Marketing performance is the output of all the marketing efforts and strategies that a business has undertaken (Chong & Ali, 2022). Good marketing performance is indicated by three main focuses, namely the value of sales, sales growth, and the company's share of the market, which ultimately increases the company's profit (Ferdinand, 2014). In their research, Propheto et al. (2020) used the dimensions of non-financial marketing performance developed by Clark, which are market share, service quality, flexibility, customers’ satisfaction, and customers’ loyalty.

Their study operationalizes marketing performance as including new customers gained, sales growth, and market share. On the other hand, Iddris & Ibrahim (2015) research operationalizes marketing performance as including financial measures such as investment return, sales return, and net income, as well as non-financial measures such as customers’ satisfaction, customers’ loyalty, visit-to-sale conversion rate, and e-Marketing sales value.

Entrepreneurial Marketing

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In Indonesia, MSMEs are considered as players in the creative economy. 17 different sub-sectors make up Indonesia's creative economy, It also encompasses the production of video games, Architecture, Interior Design, Music, Fine Arts, Product Design, Fashion, Culinary, Animation and Video Film, Photography, Visual Communication Design, Television and Radio, Crafts, Advertising, Performing Arts, Publishing, and Applications. Embroidery and stitching belong to the Fashion sub-sector.

(2) small industries with five to 19 employees; and (3) medium industries with 20 to 99 employees. This classification will also be used in the present study.
The term entrepreneurship marketing stands for the entrepreneurial approach to marketing, which calls for creative, proactive, and risk-taking methods of producing, communicating, and providing clients with value (Solé, 2013). Gilmore et al. (2014) demonstrated in their research in Northern Ireland that the characteristics of micro, small, and medium enterprises (MSMEs) affect the characteristics of the marketing carried out. The findings of Gilmore et al. (2014) also suggest that the networking used by MSMEs entrepreneurs/managers can be a tool for implementing marketing.

Furthermore, Reynolds (2018) also argues that characteristics of MSMEs such as limited resources and entrepreneurial behavior factors make it difficult to adopt the classic marketing strategies used by large-scale companies. In relation to entrepreneurial behavior factors, marketing for MSMEs is also referred to as entrepreneurial marketing (Carson & Cromie, 2013; Moriarty et al., 2014), which provides an alternative to classic marketing strategies.

Researchers have conducted studies on entrepreneurial marketing with various approaches and analytical methods. Jones and Rowley (2015) established four orientations that business owners need to comprehend: entrepreneurial, market, customer, and innovation oriented. However, this study did not use Customer Orientation as it was included as an indicator in the Market Orientation measure (MOTRN) developed by Deshpane & Farley (1998), which was used in this study. Likewise, the study did not use Innovation Orientation, because it was already included in the Entrepreneurial Marketing dimension used by Wang (2012) in his research. Instead, this study used Learning Orientation as an additional orientation, in addition to Entrepreneurial Orientation and Market Orientation. According to earlier studies, these three orientations are connected and enhance performance (Lin et al., 2013; Wang, 2012), and provide the theoretical basis for this research.

**Entrepreneurial Orientation**

The idea of Entrepreneurial Orientation (EO) is frequently regarded the foundation of literature on firm-level entrepreneurship (Wales et al., 2011). Entrepreneurial Orientation comprises three dimensions: innovation, proactivity, and risk-taking. It is defined as the company's decision-making procedures, managerial philosophies, and entrepreneurially minded strategic behaviors. (Wales, 2016; Wales et al., 2019). Entrepreneurial orientation is the entrepreneur's behavior in finding new markets, serving customers, beating competitors in taking advantage of business opportunities and daring to do risky ventures (Wahyuni & Sara,
Entrepreneurial Orientation indicates the priorities chosen by companies in identifying and exploiting market opportunities (Shane & Venkataraman, 2016). This questionnaire focuses on variables that Wang (2012) has also employed, such as market proactivity, competitive aggression, firm risk-taking, and firm innovation. Based on the above researchers, Entrepreneurial Marketing consists of four dimensions, namely: market proactivity, competitive aggression, firm risk-taking, and firm innovation.

**Market Orientation**

Market orientation is viewed as the final stage in the development of a business organization, which has emerged from various business orientations. This strategy involves integrating customer orientation, competitor orientation, and interfunctional coordination (Taleghani et al., 2013). Market orientation is an organizational culture that focuses on the understanding of the market condition in terms of customer and competitor (Affendy et al., 2015). Market orientation was an organizational culture that created the behaviors necessary to generate superior value for customers (Wahyuni & Sara, 2020).

Market orientation can be approached from two perspectives: cultural and behavioral perspective. The company's values and norms are included as part of the cognitive process from a cultural perspective. On the other hand, from a behavioral perspective, it is viewed as a process of gathering market information. The definition given by Narver and Slater (2016) and Jaworski & Kohli (2012) is widely accepted and used by researchers. Market orientation is a term introduced by Narver and Slater (2016) to describe an organizational culture that prioritizes customer focus, competitor focus, and interfunctional cooperation, which is based on two criteria: long-term focus and profit generation. The above-mentioned criteria consider non-profit institutions such as universities unsuitable based on their motives. On the other hand, Market orientation, according to Jaworski & Kohli (2012), is an organizational behavior that entails applying marketing ideas through actions including gathering, sharing, and reacting to market information.

The present study adopts Baker & Sinkula (2009) view of Market Orientation, which proposes that Market Orientation is demonstrated by a company's willingness to embrace marketing principles and integrate customer orientation into their strategic decision-making processes. This definition is deemed suitable for the MSMEs context, and thus, the measurement scale utilized in this study supports the recommendation of Baker & Sinkula
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(2009), who employed the Market Orientation-Task-Related-Need (MOTRN) scale developed by Deshpane & Farley (1998) in their own research.

RESEARCH METHODOLOGY

This research employs a quantitative methodology using a survey instrument that employs a five-point Likert scale, ranging from "strongly disagree" to "strongly agree." The population of this study is Embroidery MSMEs in West Sumatra Province using Purposive Sampling technique. This study uses the criteria for MSMEs according to BPS (2016), where small businesses should have between 5 and 19 people, medium businesses should have between 20 and 99 employees, and micro businesses should have fewer than 5. These criteria are used in this study. The determination of the sample size for the Structural Equation Model (SEM) uses the measurement from Hair et al. The sample size of this study is 120 respondents. The researcher selected eight regions in West Sumatra Province, such as Tanah Datar District, Bukittinggi City, Agam District, Payakumbuh City, Pariaman City, and Lima Pulu Kota District, which are the basis of Embroidery and stitching MSMEs. The sample size is divided proportionally for each region.

The exogenous variable is Market Orientation, the mediating variable is Entrepreneurial Orientation, while the endogenous variable is Marketing Performance. Validity and reliability tests were used to test the validity of the questions used. The validity test was conducted by looking at the correlation of factors within one construct. Meanwhile, for content validity assessment of the questionnaire, the opinions of competent experts were sought. Furthermore, Cronbach's Alpha was utilized to evaluate the measurement tool's reliability, with a minimum Cronbach's Alpha coefficient of 0.60. Several statistical methods are employed in this investigation. Structural Equation Modeling (SEM), which employs Partial Least Squares (PLS), as the method of data analysis.

RESULTS AND DISCUSSION

Results

Based on the gender, the owners of Embroidery and stitching MSMEs are 27 males (22.50%) and 93 females (77.50%). The owners are predominantly women because Embroidery and stitching are related to creating design motifs. Respondents are mostly dominated by productive age entrepreneurs, 31-64 years old, with a total of 119 people (99%), while only 1 respondent (1%) is aged 71-80 years. In terms of education level, the dominant
respondent has a high school education background (54%) and 37% have a college degree, while the rest completed only primary education. Respondents who have attended training related to their business are 67 or 55.83%, while the rest have never received any training. Out of 120 respondents, 38% of them are actively registered as members of an association related to their business.

Ninety-seven businesses (80.33%) have been operating for more than 5 years. The marketing area for all regions is mostly focused on Bukittinggi City as the trading center for West Sumatra Province. The marketing area outside the country includes Malaysia, Singapore, Brunei, Turkey, China, and Australia. Table 1 presents the business characteristics based on the number of workers classification.

<table>
<thead>
<tr>
<th>No</th>
<th>Scale Enterprises</th>
<th>Classification Total Manpower</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Micro</td>
<td>&lt;5</td>
<td>32</td>
<td>26.67%</td>
</tr>
<tr>
<td>2</td>
<td>Small</td>
<td>=5-19</td>
<td>40</td>
<td>33.33%</td>
</tr>
<tr>
<td>3</td>
<td>Medium</td>
<td>20-99</td>
<td>48</td>
<td>40.00%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td>120</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Prepared by the authors (2022)

Test the Validity and Reliability of Research Instruments

Validity Test

The validation of the measurement instrument in this study was performed with the use of the Partial Least Squares (PLS) software, which is a statistical method utilized in Structural Equation Model (SEM). Convergent and discriminant validity are two indicators employed to evaluate the validity of the instrument, and these are evaluated by examining the outer loading values generated by the algorithm. Convergent validity pertains to the association between the scores of the items (component score) and the score of the construct (latent variable). High convergent validity is achieved when the loading value is above 0.7. If the loading value is between 0.5 and 0.7, it is recommended not to remove the item as long as the AVE and the communality value of the item are above 0.5. Items with loading values below 0.5 will be dropped from the analysis, and the validity of the instrument will be re-estimated.

The data processing results showed that the outer loading values of two indicators measuring the Entrepreneurial Orientation variable were below 0.50, namely EO4 with an outer loading value of -0.355802 and EO7 with a value of 0.431268. These invalid indicators were dropped from the study. Meanwhile, the AVE and communality scores for the Market Orientation and Entrepreneurial Orientation constructs were <0.5, with AVE scores of
0.436062 and 0.382770. These invalid indicators were also dropped and the data were re-estimated. However, this still did not meet the requirements as the AVE and Communality values for the Market Orientation and Entrepreneurial Orientation variables were still below 0.5. Therefore, the required outer loading value was increased to <0.6. With this criterion, seven Market Orientation variable indicators were deemed invalid, namely MO1 (0.574516), MO2 (0.461882), MO3 (0.526637), MO5 (0.582692), MO7 (0.579875), MO8 (0.536861), MO9 (0.519423), and MO15 (0.567442). In total, 10 indicators were dropped, with two from the Entrepreneurial Orientation variable and eight from the Market Orientation variable. As the number of indicators to be dropped was high, the next solution was to detect outliers using SPSS 11.5 to identify data that deviated from responses given by participants. Outliers were identified based on Z-scores greater than +1.96 and -1.96. Six outliers were identified and dropped from the study as they were deemed to be deviant data. Thus, the data that were suitable for analysis were based on 114 respondents.

To review the outer loading values of the Marketing Performance, Entrepreneurial Orientation, and Market Orientation variables, the data from 114 respondents were processed using PLS software. The outer loading values after dropping outliers (without including the previously dropped EO4 and EO7 values) showed that the AVE and communality values of the studied variables did not meet the required threshold (<0.5), namely the Entrepreneurial Orientation (0.460210) and Market Orientation (0.370305) variables. As the AVE and communality values did not meet the required threshold, the required threshold for outer loading was increased to <0.6. As a result, the Market Orientation indicators (MO2, MO5, MO7, MO8, MO9, and MO15) were dropped and re-estimated. The results of this re-estimation showed that not all of the indicator loading values met the required rule of thumb of >0.5, but the obtained values were close to 0.5 for EO (0.489980) and MO (0.475349).

The validity was further tested using discriminant validity, which indicates that latent constructs or variables predict measures in their own block better than measures in other blocks. Discriminant validity was examined using Cross Loading values, which is the correlation between an indicator score with its variable being greater than its correlation with other variables. The square root of the AVE for each variable was found to be bigger than the correlation between other variables when the square root of the AVE for each variable and the correlation between variables were compared. Therefore, all latent variables have good discriminant and convergent validity.
Reliability Test

Cronbach Alpha values for each reflective construct indicator block were employed as two criteria for reliability testing in this study, along with composite reliability. When the composite reliability and Cronbach Alpha values of a construct are both higher than 0.70, it is regarded as dependable. The outcomes of the composite reliability and Cronbach Alpha tests for each variable display in Table 2

<table>
<thead>
<tr>
<th>Construct</th>
<th>Composite Reliability</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing Performance</td>
<td>0.875090</td>
<td>0.846710</td>
</tr>
<tr>
<td>Entrepreneurial Orientation</td>
<td>0.831251</td>
<td>0.774725</td>
</tr>
<tr>
<td>Market Orientation</td>
<td>0.869419</td>
<td>0.830401</td>
</tr>
</tbody>
</table>

Source: Prepared by the authors (2022)

Referring to Table 2, the composite reliability and Cronbach Alpha values for each measured variable are bigger than 0.70, indicating that the indicators used in this research variable are reliable.

DISCUSSION

Structural Model Testing (Inner Model)

Latent constructs with theoretical connections build up the structural model. These constructs include estimating path coefficients, which indicate how strongly endogenous and exogenous variables are correlated. With the support of bootstrapping, this test generates the significance levels for the paths connecting the latent variables. For testing the relevance between constructs in the structural model, the R-Square for endogenous constructs, path coefficient values, or t-values are used to evaluate the PLS structural model. A test for the model's goodness-of-fit is the R-Square value.

The R-Square value for the model assessing the impact of entrepreneurial orientation on marketing performance is 0.308402. As the result, The variability of the entrepreneurial orientation construct can account for 30.84% of the variability of the marketing performance construct, with the remainder being explained by variables outside the scope of the study. Similarly, the model that examines the relationship between entrepreneurial orientation on market orientation and marketing performance offers an R-Square value of 0.358612, It can be translated as the variability of the Market Orientation construct being accounted through the
Entrepreneurial Orientation construct's variability by a proportion of 35.86%. While other factors unrelated to the study are considered while adjusting the remaining variability.

To further clarify, the analysis aims to determine the significance of how marketing performance is affected by entrepreneurial orientation and market orientation by examining the parameter coefficient values and the t-statistic significance. Indicating the level of significance while testing the hypothesis is done using the parameter coefficient values, whereas the statistical significance of the parameter coefficient values is determined by the t-statistic values.

In this analysis, the path coefficient scores or inner model values for two-tailed hypothesis should be above 1.96 and for one-tailed hypothesis is above 1.64 to test the hypothesis at a 5% alpha level, as suggested by Hair et al. (2006). The structural model testing of this study is presented in Table 3.

### Table 3. Total Effect (Mean, STDEV, t-Values)

<table>
<thead>
<tr>
<th></th>
<th>Original Sample (O)</th>
<th>Sample Mean (M)</th>
<th>Standard Deviation (STDEV)</th>
<th>Standard Error (STERR)</th>
<th>t Statistics (O/STERR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial Orientation -&gt; Marketing performance</td>
<td>0.482443</td>
<td>0.483590</td>
<td>0.058868</td>
<td>0.058868</td>
<td>8.037805</td>
</tr>
<tr>
<td>Entrepreneurial Orientation-&gt; Market Orientation</td>
<td>0.582906</td>
<td>0.593868</td>
<td>0.047679</td>
<td>0.047679</td>
<td>12.366602</td>
</tr>
<tr>
<td>Market Orientation -&gt; Marketing performance</td>
<td>0.324608</td>
<td>0.317982</td>
<td>0.078256</td>
<td>0.078256</td>
<td>4.035560</td>
</tr>
</tbody>
</table>

Note: The test was conducted at the two-tail significance level
*) Significant at p<0.05
Source: Prepared by the authors (2022)

Based on the results presented in Table 3, the Total Effect shows only the direct effect of each variable. the indirect effects can be determined based on the Path Coefficients in Table 4.

### Table 4. Path Coefficients (Mean, STDEV, t-Values)

<table>
<thead>
<tr>
<th></th>
<th>Original Sample (O)</th>
<th>Sample Mean (M)</th>
<th>Standard Deviation (STDEV)</th>
<th>Standard Error (STERR)</th>
<th>t Statistics (O/STERR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial Orientation -&gt; Marketing performance</td>
<td>0.289564</td>
<td>0.286847</td>
<td>0.074652</td>
<td>0.074652</td>
<td>3.983967</td>
</tr>
<tr>
<td>Entrepreneurial Orientation-&gt; Market Orientation</td>
<td>0.582906</td>
<td>0.593868</td>
<td>0.047679</td>
<td>0.047679</td>
<td>12.366602</td>
</tr>
<tr>
<td>Market Orientation -&gt; Marketing performance</td>
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<td>0.078256</td>
<td>4.035560</td>
</tr>
</tbody>
</table>

Note: The test was conducted at the two-tail significance level
*) Significant at p<0.05
Source: Prepared by the authors (2022)
Based on the information provided in Table 4, it presents the results of the path analysis, which examines the relationships between the variables in the study. According to the findings, entrepreneurial orientation affects marketing performance both directly and indirectly. The direct effect suggests that as Entrepreneurial Orientation increases, so does Marketing Performance. Meanwhile, the indirect effect suggests that Entrepreneurial Orientation also has an impact on Marketing Performance through its impact on Market Orientation. This effect is smaller than the direct effect, but it is still significant. The findings imply that a higher level of entrepreneurial orientation will lead to a higher level of market orientation and, eventually, a higher level of marketing performance. Which indicates the strength of the relationship between these variables.

**Hypothesis Test**

The findings indicate that entrepreneurial orientation has a considerable positive impact on marketing performance, with a value of 0.482443 at a significance level of $\alpha = 0.05$ and a statistical value of 8.037805, which was greater than the critical value of 1.96. Furthermore, they found that the variable of Entrepreneurial Orientation had a significant positive effect on Market Orientation, with a value of 0.582906 at a significance level of $\alpha = 0.05$ and a statistical value of 12.366602, which was greater than the critical value of 1.96. The research implies marketing performance is positively correlated with market orientation. The coefficient of 0.324608 indicate that there is reciprocal relationship between market orientation and marketing performance. The statistical value of 4.035560 suggests that this relationship is statistically significant at the 0.05 level, which was greater than the critical value of 1.96.

To assess the significance of the path between variables in the structural model, the t-statistics between variables were examined in the total effect table. The conclusion of the hypothesis testing results can be seen in Table 5 below:

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Hypothesis Statement</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Entrepreneurial orientation has a positive effect on Marketing performance</td>
<td>Received</td>
</tr>
<tr>
<td>H2</td>
<td>Entrepreneurial Orientation has a positive effect on Market Orientation</td>
<td>Received</td>
</tr>
<tr>
<td>H3</td>
<td>Market orientation has a positive effect on Marketing performance</td>
<td>Received</td>
</tr>
<tr>
<td>H4</td>
<td>Entrepreneurial Orientation has a positive effect on Market Orientation and a positive effect on Marketing Performance</td>
<td>Received</td>
</tr>
</tbody>
</table>

Note: The test was conducted at the two-tailed significance level
*) Significant at $p<0.05$
Source: Prepared by the authors (2022)
Based on the results of the hypothesis testing, it indicated that all of the hypotheses were received. In other words, Entrepreneurial Orientation has a positive impact on both Marketing Performance and Market Orientation, Market Orientation has a positive impact on Marketing Performance. Furthermore, Entrepreneurial Orientation has a positive impact on both Market Orientation and Marketing Performance. Entreprenurial Orientation has a strong relationship with organizational performance in small businesses (Vasconcelos et al., 2016) and MSMEs performance (Lechner & Gudmundsson, 2014; Octavia et al., 2020). Entrepreneurial Orientation has a positive effect on Marketing Performance (Zaini et al., 2014; Fatikha et al., 2020). Entrepreneurial Orientation has a 30.84% impact on Marketing Performance, In contrast to other variables excluded from the study. Entrepreneurial Orientation describes the extent to which a company builds identification and exploits untapped opportunities as a principle of organizational design (Baker & Sinkula, 2009). There are three aspects of innovativeness, proactiveness, and risk-taking in entrepreneurial orientation. All of these dimensions should be considered by the owners of Embroidery and Stitching MSMEs in the province of West Sumatra. Efforts that can be made by the owners of Embroidery and Stitching MSMEs in West Sumatra to improve their Entrepreneurial Orientation include making dramatic changes to their product lines and services and striving to become the company that firstly offers new products and services. Owners must also enhance their Proactive behavior, which involves aggressive behavior directed towards competing companies and pursuing profitable business opportunities.

An increase in Entrepreneurial Orientation is depicted by a company's increasing efforts to build, identify, and exploit untapped opportunities as a principle of organizational design, as done by the owners of Embroidery and Stitching MSMEs in the West Sumatra province through Innovativeness, Proactiveness, and Risk-taking. This will result in better Marketing Performance for Embroidery and Stitching in MSMEs West Sumatra province, which is depicted by an increase in sales volume, profit growth, customer satisfaction, entering new markets, and successful new products. Entrepreneurial Orientation has a positive and significant effect on market orientation (Affendy et al., 2015; Fatikha et al., 2020), with an effect size of 0.358612. This means that if Entrepreneurial Orientation is increased by 0.358612 units, Market Orientation will also increase by 0.358612. The marketing performance of the company will improve as the owners of Embroidery and Stitching MSMEs become more entrepreneurially oriented. This result is in line with the study conducted by Baker & Sinkula (2009), which demonstrates a strong
connection between Entrepreneurial Orientation and Market Orientation as a learning process. Market Orientation reflects the extent to which a company builds satisfaction from the needs and desires of customers as a principle of organizational design. On the other hand, Entrepreneurial Orientation reflects the extent to which a company builds identification and exploitation of untapped opportunities as a principle of organizational design. Both orientations learn to become a process of understanding their customers and markets. Specifically, both market-oriented and entrepreneurial companies strive to meet customer needs, pursue identified market expansion, and exploit emerging opportunities.

It has been found that Market Orientation has an effect on Marketing Performance. Market Orientation which has been found to be significantly related to business performance (Octavia et al., 2020). The Market Orientation had effect on marketing performance (Alrubaiee, 2013). This indicates that an increase in market orientation among embroidery and stitching MSMEs owners will result in an improvement in their marketing performance. The impact of Market Orientation on Marketing Performance for Small and Medium Enterprises has been found in several previous studies, such as Slater & Narver (2000). Market Orientation is a business mindset that prioritizes delivering superior value to customers, as described by Slater & Narver (2000). A business whose Market Orientation increases will be able to improve Marketing Performance (Nerver & Slater, 1990). In order to improve MSMEs Marketing performance, efforts must be made to develop marketing strategies, such as paying attention to market orientation, focusing on customer orientation, competitor orientation, and interfunctional coordination, and developing or innovating new products (Puspaningrum, 2020).

In order to enhance the Market Orientation of Embroidery and Stitching MSMEs owners, they need to increase their commitment to customers by prioritizing customer satisfaction as a means to gain competitive advantage. All functions within the company should also contribute to increasing customer value. Furthermore, Embroidery and Stitching MSMEs in West Sumatra Province should improve coordination among functions within their company, specifically by integrating all members of the organization in meeting customer needs.

CONCLUSION

Conclusion, Limitation and Further Research

Based on the findings of this study, it can be inferred that a market-oriented approach in business can provide customers with superior value. This, in turn, leads to an improvement in marketing performance for Embroidery and Stitching MSMEs in West Sumatra Province, as
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Evidenced by increased sales volume, profit growth, expansion into new markets, and higher customer satisfaction. According to the results of the hypothesis testing, market orientation serves as a mediator for entrepreneurial orientation as well as marketing performance, which emphasizes the importance of market orientation for the company's success. Thus, increasing market orientation can improve entrepreneurial orientation, which directly benefits Embroidery and Stitching MSMEs marketing performance in West Sumatra Province.

The study has some limitations as it uses a quantitative approach with statistical analysis. Therefore, the findings are based on numbers and their interpretations, without exploring in-depth the entrepreneurial marketing and marketing performance of Embroidery and Stitching MSMEs in West Sumatra Province. Future research could use a mixed-method approach to comprehensively explore entrepreneurial marketing and marketing performance of Embroidery and Stitching MSMEs in West Sumatra Province. For future research, it is suggested to concentrate on developing strategies and models for entrepreneurial marketing and to enhance the marketing performance of Embroidery and Stitching MSMEs in West Sumatra Province.

REFERENCES


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