

ENTREPRENEURIAL ORIENTATION AND MARKETING INNOVATION ON PERFORMANCE MARKETING WITH LEVEL OF COMPETITION AS INTERVENING VARIABLES (SURVEY ON UMKM ACTORS IN KUNIGAN DISTRICT)

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Abstract: The phenomenon in this research is the market share, especially MSMEs in Kuningan Regency, which experienced a decline in sales from year to year. So it can be interpreted that The Kuningan Regency MSME market share experienced negative growth. This lesson aims to find out or analyze the influence of green marketing and corporate social responsibility for purchasing decisions through consumer knowledge. The sample taken was 150 MSMEs in Kuningan Regency. The research instrument was in the form of distributing questionnaires via Google form. The data analysis technique used is Structural Equation Modeling (SEM). The results of hypothesis testing show that (1) Entrepreneurial Orientation has a positive and significant influence on the Level of Competition. (2) Marketing Innovation has a significant positive impact on the Level of Competition. (3) Entrepreneurial Orientation has a positive and significant impact on Marketing Performance. (4) Marketing Innovation has no effect on Marketing Performance decisions. (5) The level of Interference has a positive effect on purchasing decisions and has a positive effect on Important Marketing Performance. (6) Entrepreneurial Orientation has a positive effect on Marketing Performance through Marketing Innovation. (7) Marketing Innovation has a positive effect on Marketing Performance through Level

Keywords: *Entrepreneurial Orientation, Marketing Innovation, Level of Competition, Marketing Performance*

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1. Introduction

In today's modern era, competition in various industries has intensified. The business environment is changing at a rapid pace and is becoming increasingly difficult to predict. This means that every business must have the ability to create and implement marketing strategies that are appropriate, competitive, and able to adjust to changes in competition. The goal is to maintain or increase sales. To achieve the goal of competitiveness and high profitability, companies must make a plan. Businesses will find it difficult to compete if they do not have

the right strategy.

Today's competition is very different from competition in the past so marketing strategies need to be adjusted. Marketing strategy is the key to company success in the era of globalization, while entrepreneurial orientation is seen as an art in seeing the challenges and opportunities that are being faced. Entrepreneurial orientation is an organization's tendency to accept entrepreneurial processes, practices, and decision-making that is characterized by a preference for innovativeness, risk-taking and proactiveness. Matsuno, Mentzer and Ozsomer, (2002). Entrepreneurial orientation is related to the soulor personal characteristics of the company owner and colours the company.

These three things, namely entrepreneurial orientation, marketing innovation and the competitive environment, seem to have become an inseparable unit. The results of Nurseto's research (2012) on small businesses in Tanggulangin leather handicrafts show that marketing strategy has a positive influence on marketing performance. The results of research by Frese et.al (2002) show that entrepreneurial orientation is the key to improving company performance. Companies whose leaders are entrepreneurially oriented have a clear vision and dare to face risks so as to create better performance. This research will try to discuss some of the findings and implications of previous research and businessphenomena that occur in umkm actors in the city of Cirebon where variables of Marketing innovation, entrepreneurial orientation, and the competitive environment are supporting factors for company efforts to achieve optimal and sustainable marketing performance. In addition, there are also research problems (research problems) about the increasingly intense competition in the real estate industry in North Sulawesi which can be proven by the growth of developers who are cumulatively growing but relativelymany umkm are no longer active. This encourages developer companies to be more observant in formulating marketing innovations and have a strong entrepreneurial orientation so that their marketingperformance can be maintained or improved.

Knowledge Gap: Many studies have been conducted on the effect of entrepreneurial orientation and marketing innovation separately, but few have examined their simultaneous impact on marketing performance by considering the moderation of the competitive environment. **Local Context** Previous studies may not have focused much on MSMEs in Cirebon City, which has unique characteristics in terms of culture, economy, and competitive dynamics, The dynamics of MSMEs, MSMEs often operatein a highly competitive environment with limited resources, making it important to understand how theycan leverage entrepreneurial orientation and marketing innovation to improve marketing performance. **Adaptation to the Competitive Environment** MSMEs must adapt quickly to changes in the competitive environment. How they adjust their strategies can significantly affect marketing performance. **Problem Formulation:**

1. How does entrepreneurial orientation affect the level of competition of Cirebon MSME players?
2. How does Marketing Innovation affect the Level of Competition of Cirebon MSME Players?
3. How does entrepreneurial orientation affect the marketing performance of Cirebon MSME actors?
4. How does Marketing Innovation affect the Marketing Performance of Cirebon MSME Players?
5. How does the level of competition affect the marketing performance of Cirebon MSME players?

6. Can Marketing Innovation mediate the effect of Entrepreneurial Orientation on Marketing Performance?
7. Can Marketing Innovation mediate the effect of Marketing Innovation on Marketing Performance

2. Literature Review

2.1. Marketing Innovation

Innovation in marketing is an important aspect of business success in today's rapidly evolving marketplace. Marketing innovation encompasses the development and implementation of new marketing strategies, techniques, and approaches that can enhance a company's competitive advantage and drive sustainable growth. (Tinoco, 2010) (Oe et al., 2022) (Kong & Ibrahim, 2020) (Purchase & Volery, 2020) (Tinoco, 2010). One key aspect of marketing innovation is the ability to anticipate and respond to changing customer needs and preferences. By utilizing emerging digital technologies and platforms, companies can create new communication methods, branding strategies, and marketing innovations. Transaction arrangements that are better aligned with the changing behaviour and expectations of their target markets (Purchase & Voléry, 2020). This can involve the introduction of innovative distribution channels, pricing mechanisms, or marketing campaigns that differentiate a company from its competitors and deliver increased value to customers. In addition, marketing innovation can foster greater collaboration and co-creation with customers, allowing companies to develop offerings that are better aligned with customer needs.

2.2. Entrepreneurial orientation

The concept of entrepreneurial orientation (EO) has received considerable attention in the fields of entrepreneurship and strategic management, as it is widely believed to be an important factor in determining business success and growth. In the context of small and medium-sized enterprises (SMEs), entrepreneurial orientation is particularly important, as these businesses often have the ability to respond quickly to changing market conditions and capture new opportunities. Entrepreneurial orientation encompasses various dimensions, including autonomy, innovativeness, risk-taking, proactiveness, and competitive aggressiveness. These characteristics enable SMEs to identify and capitalise on new market opportunities, which can lead to improved business performance. (Sriayudha et al., 2020) Research shows that entrepreneurial orientation is positively correlated with SMEs' financial and non-financial performance, such as sales growth, profitability, and market share. Entrepreneurial orientation is particularly beneficial for SMEs, as they often have limited resources and must be able to adapt quickly to their environment.

2.3. Level of Competition

As global markets become increasingly competitive, organisations find it necessary to adapt their strategies and approaches to maintain a sustainable competitive advantage (Cravens & Shipp, 1991).

Traditional methods of gaining competitive advantage, such as offering superior products or services at lower prices, are no longer adequate in the face of rapidly changing market dynamics.

Effective strategic communication and organisational capabilities have emerged as critical factors in enabling companies to navigate the new competitive landscape. (Yegon, 2019) As highlighted in the source, the technological revolution and increasing globalisation

have changed the nature of competition, creating the need for greater strategic flexibility and dynamic core competency development (Hitt et al.,1998). To build and sustain competitive advantage, organisations must focus on developing their human capital and leveraging new manufacturing and information technologies (Hitt et al., 1998).

2.4. Marketing Performance

Marketing performance is a critical aspect of business success, as it directly impacts a company's ability to reach and interact with its target audience, generate leads, and ultimately drive sales and revenue growth. In the modern business landscape, where competition is fierce and consumers have more choices than ever before, understanding and measuring marketing performance is essential for small and medium- sized enterprises (SMEs) to remain competitive and thrive. One of the key components of marketing performance is the use of marketing metrics, which help organisations measure the effectiveness of their marketing activities and identify areas that need improvement (Hadrian et al., 2021). As Hanna et al. argue, the rise of social media and the increasing role of consumers in the marketing process further complicates the landscape, necessitating more effective performance measurement tools and techniques. In addition to the need for better marketing performance measurement, there is also a growing emphasis on the alignment between marketing and accounting functions within organisations. This synergy can help provide a more holistic view of the company's overall performance, enabling more informed decision-making and strategic planning.

3. Research Method

Research is a logical way to obtain information with a specific purpose and method, the inquiry strategy used by researchers is a quantitative inquiry strategy. According to (Sugiyono, 2011) a quantitative strategy is an inquiry strategy used to look at specific populations or tests that collect measurable information to test existing speculations. quantitative inquiry is carried out based on tests that are haphazardly selected to draw conclusions that the questions that arise can be connected to the population under consideration. This type of research is a job review investigation, because it requires tests from the population. This approach uses an affiliation approach, a casual affiliation approach is an approach taken to decide the relationship or impact between two or more factors. This research aims to clarify the wonder in the form of relationships between factors (Sugiyono, 2012: 21). The reason for this contemplation is to test whether the independent variable has an impact on the independent variable, and see the intervening variable

4. Results and Discussion

4.1. Results

SEM Full Model Analysis

The results of data processing for full model analysis using the AMOS ver.23 program are as follows:

Table 1. Full Model Feasibility Test Results after Modification

Goodness of Fit Index	Available at	Results	Model Evaluation
<i>Chi-Square</i> (df=111)	Small (< 136,591)	55,658	FIT
<i>Probability</i>	$\geq 0,05$	0,837	FIT
RMSEA	$\leq 0,08$	0,000	FIT
GFI	$\geq 0,90$	0,955	FIT

AGFI	$\geq 0,90$	0,920	FIT
CMIN/DF	$\leq 2,00$	55,658	NOT FIT
MmFI/TLI	$\geq 0,90$	1,012	FIT
CFI	$\geq 0,90$	1,000	FIT

Based on the table above, it shows that the model that has been analyzed is a multidimensional construct structural model with a sample size of 150. The result of the Chi-Square (X²) value shows 55.658 and df of 111 with a probability of 0.837. With a significant level (α) 0.05 so that it can be said that the model is fit, besides that several parameters are said that the model is acceptable because all criteria meet the requirements. It can be concluded that the model is acceptable because there are 4 - 5 criteria that meet the requirements, because according to (Hair et.al., 2010) the use of 4 - 5 goodness of fit criteria is considered sufficient to assess the feasibility of a model, provided that each criterion of goodness of fit is represented.

The results of hypothesis testing using the AMOS ver 23 programme can be seen in the following table:

Table 2. Hypothesis Test (Regression Weight)

			Estimate	S.E.	C.R.	P	Label
Level of Competition	<---	Orientation Entrepreneurship	,463	,225	2,059	,040	par_1
Level of Competition	<---	Marketing Innovation	,398	,194	2,055	,040	par_2
Marketing Performance	<---	Level of Competition	,511	,181	2,826	,005	par_3
Marketing Performance	<---	Entrepreneurial Orientation	-,078	,162	-,481	,631	par_4
Revenue Performance	<---	Marketing Innovation	,499	,212	2,354	,019	par_5

Table 3. Standardized Indirect Effects

	CSR	Entrepreneurial Orientation aan	Level of Competition	Sales Performance
Level of Competition	,000	,000	,000	,000
Marketing Performance	,378	,320	,000	,000

Source: Primary Data Processed, 2024

Based on the table above, the results of the indirect calculation of Entrepreneurial Orientation on Sales Performance through the Level of Companionship show the same indirect effect of 0.000.

Table 4. Direct Effect
Standardized Direct Effects

	CSR	Entrepreneurial Orientation	Level of Competition	Marketing Performance
Level of Competition	,472	,398	,000	,000
Revenue Performance	,126	,038	,802	,000

Source: Primary Data Processed, 2024

Based on the results of the above calculations, the direct effect of Entrepreneurial Orientation on the Level of Competition can be concluded that Entrepreneurial Orientation has a direct effect on the Level of Competition with the Level of Competition as a moderator of (0.476) with an interaction of (0.073) compared to the Level of Competition on Marketing Performance of (0.378).

Table 5. Total Effect
Standardized Total Effects

	Marketing Innovation	Entrepreneurial Orientation	Level of Competition	Marketing Performance
Level of Competition	,466	,418	,000	,000
Revenue Performance	,489	,368	,787	,000

Source: Primary Data Processed, 2024

Based on the data above, it can be seen that the total calculation results of the effect of Entrepreneurial Orientation on marketing performance show that it has a large influence of (0.467) with an interaction of (7.927).

4.2. Discussion

Entrepreneurial Orientation has a positive and significant influence on the Level of Competition. (2) Marketing Innovation has a significant positive impact on the Level of Competition. (3) Entrepreneurial Orientation has a positive and significant impact on Marketing Performance. (4) Marketing Innovation has no effect on Marketing Performance decisions. (5) The level of Interference has a positive effect on purchasing decisions and has a positive effect on Important Marketing Performance. (6) Entrepreneurial Orientation has a positive effect on Marketing Performance through Marketing Innovation. (7) Marketing Innovation has a positive effect on Marketing Performance through Level

5. Conclusion

There are several recommendations that can be used in this research, namely (1) An appropriate marketing strategy is needed to improve marketing performance. (2) To support the successful implementation of the marketing strategy that has been prepared, readiness for marketing innovation and its implementation is required. (3) In this context, it is necessary to create a clear, efficient and satisfactory level of business competition. (4) Marketing innovation must be implemented well to obtain quality, skilled and capable marketing innovation handlers. (5) Being proactive in all matters related to product marketing is something that is no less important for management to build. One form of this is by creating

breakthrough marketing methods that are high value and performance oriented. (6) MSME players who have a strong entrepreneurial orientation will develop strong innovation capabilities and produce high business performance. Innovation capability is defined as the capacity to develop new products that can meet market needs, apply technological processes that are more appropriate to produce those products, develop and adopt new products and processing technologies for future needs, and respond to unexpected technological activities and unexpected opportunities created by competitors.

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