

EMPIRICAL STUDY OF THE MARKETING PERFORMANCE OF UMKM DONUTS IN TANGGUL SUB-DISTRICT

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ABSTRACT

Purpose: The donut business in Tanggul District has experienced an increase in MSMEs every year, which has resulted in the community with donut producers competing by implementing their own strategies to win the market. So that there is competition with similar MSMEs which has resulted in several donut MSMEs in Tanggul District experiencing an increase and decrease in terms of sales. So that research was conducted to assess marketing performance by looking at the influence of market orientation variables, entrepreneurial orientation, product innovation, and competitive advantage on marketing performance.

Design/Methodology/Approach: This research uses a descriptive research design with a quantitative approach regarding marketing performance characteristics. The study used a saturated sampling method. The data analysis method uses multiple linear regression.

Findings: The results highlight that market orientation has a positive and significant effect on marketing performance, entrepreneurial orientation has a positive and significant effect on marketing performance, product innovation has a positive and significant effect on marketing performance, competitive advantage has a positive and significant effect on marketing performance.

Keywords: Market Orientation; Entrepreneurial Orientation; Product Innovation; Competitive Advantage; Marketing Performance

INTRODUCTION

The development of MSMEs is very important for the economic progress of a country, especially Indonesia. Expanding the number, variety, price of products, and evaluation of marketing performance to increase production by not leaving quality results and providing product satisfaction that meets consumer desires. This results in competition between businesses producing identical goods and services. For this competition, companies must concentrate on marketing efforts and company actions must be able to please customers. As a result, marketing can be said to play an important role in helping the company's efforts to grow sales. To achieve the company's goal of increasing sales results, the company must have a

system or methods that are used as guidelines, especially in the marketing field.

According to (Wahyono, 2016) states, marketing performance is a term used to evaluate the marketing performance of a company as a reflection of business success in market competition. The performance of either individuals, groups, organizations, or companies is a mirror of the level of business success in running a business. The company's strategy is always focused on providing results, both in terms of marketing, namely from the value of sales, customer growth, and sales growth of a business. Marketing performance is an important component of the overall marketing performance of a business. By examining current market conditions, Donut MSMEs in Tanggul sub-district can gain a better understanding of their sales value, sales growth and customers.

Marketing performance will improve by implementing the use of market orientation. Market orientation is the most successful organizational culture for instilling critical habits that result in higher value for customers and improved business performance. Market orientation according to Herman (2018) is the most effective and efficient organizational culture in creating the necessary behavior to create superior value for customers in order to provide superior business performance on an ongoing basis. Market orientation reflects the extent to which the company creates satisfaction by meeting customer needs and wants as an organizing principle within the company.

In addition, entrepreneurial orientation according to Rastini (2017) is defined as the orientation of the company's strategy, one of which includes specific aspects of entrepreneurship in the style of making decisions, methods, and implementation, entrepreneurial orientation is a combination of three dimensions, namely: innovation, proactivity, and risk taking. Entrepreneurial orientation should be owned by managers in a company. If managers already have an entrepreneurial orientation, the company they lead will be able to compete with competing companies. Through entrepreneurial orientation, managers will be able to create a competitive advantage for the company they lead.

Product innovation is just as important, innovation can also be used as a marketing performance technique strategy. The products that business owners display must be innovative. According to Product Innovation according to Subagja (2021) innovation is a new product, service, idea, and perception from someone. Innovation is a product or service that is perceived by consumers as a new product or service.

The main purpose of innovation is to meet market demand so that product innovation can be used to boost the marketing performance of a company. The success of a business to maintain the continuity of its product sales is tested on its ability to innovate. Innovating and

creating something different and even new is important in the business world, including the business forms of luxury donut shops and simple donut shops on the roadside that require innovation so that the products produced continue to attract consumer buying interest. Product innovation can be defined as the functional advancement of a product that puts it ahead of the competition. Customers always want changes from a product, the difference here is how organizations collaborate to respond to what customers want and market changes.

In addition to innovation, market orientation, and entrepreneurial orientation to improve marketing performance, MSMEs, especially businesses, are required to have a competitive advantage. According to Kotler in Subagja's research (2021) competitive advantage is an advantage over competitors that is obtained by delivering greater customer value, through lower prices or by providing more benefits in accordance with higher pricing. By having a competitive advantage, a business will be able to survive so that in measuring its success, existing business competitiveness supports business performance including the marketing performance of a business. Competitive advantage can be achieved if every business is able to provide more value to customers than what is provided by its competitors. Competitive advantage can come from various activities of each business such as producing, marketing, delivering, and supporting its products. Customers generally prefer to buy products that have more value than what they want or expect. However, this value will also be compared to the price offered. Product purchases will occur if customers consider the price of the product in accordance with the value it offers. Competitive advantage is also created by using the company's resources and capabilities to achieve a lower cost structure and the ability to differentiate products from its competitors. The number of small and medium-sized businesses today causes business continuity to experience a high level of competition, especially businesses that produce similar products.

With the increase in the number of competitors in the last 6 years in Donut MSMEs in Tanggul sub-district, the total is 42 MSMEs in Tanggul sub-district. This can be a problem for existing business owners. The main cause that occurs in the donut competition in Tanggul sub-district is that new competitors have their own strategies which result in the number of Donut production of similar businesses experiencing an increase and decrease in terms of sales. All of this cannot be separated from the various problems that occurred in 2021 with the number of donut production experiencing a decrease in marketing performance and fluctuations in sales results from business units due to an increase in raw material prices and a lot of switching consumer demand. With the lack of innovation from entrepreneurs in the products produced, such as in terms of flavors, sizes and models that are less developed. So that Donut MSMEs will continue to fight in the competition by implementing strategies that

focus Donut MSMEs in Tanggul District to provide results, both in terms of marketing, namely from the value of sales, customer growth, and sales growth for the success of Donut MSMEs in Tanggul District. So that many of the consumers often move between bakeries, especially donuts. The success and failure of each MSME depends on how the purchasing patterns and responses to their products and the level of intensity of competition, both direct and with substitutes. Based on this phenomenon, it is necessary to conduct research related to the influence of market orientation, entrepreneurial orientation, product innovation and competitive advantage on marketing performance. Therefore, the researcher conducted a study with the title Empirical Study of Marketing Performance of Donut MSMEs in Tanggul District.

METHODS

This research uses a descriptive research design with a quantitative approach regarding marketing performance characteristics. The data collection techniques used in this study were interviews, observations, and questionnaires. The research data was based on a review of relevant literature and questionnaires sent to 42 donut business owners in Tanggul sub-district. The study used a saturated sampling method. The data analysis method uses multiple linear regression. As for the data program using IBM SPSS 25.0 statistics.

RESULTS

Validity Test

The results of validity testing revealed the validity of the relationship between four independent variables and one dependent variable, namely Market Orientation (X1), Entrepreneurial Orientation (X2), Product Innovation (X3), Competitive Advantage (X4,) and Marketing Performance (Y).

Reliability Test

The reliability test results show that the relationship between Market Orientation (X1), Entrepreneurial Orientation (X2), Product Innovation (X3), Competitive Advantage (X4,) and Marketing Performance (Y) is reliable and in accordance with the reliability value which is higher than the minimum reliability value of Cronbach's Alpha Reliable > 0.70.

Normality Test

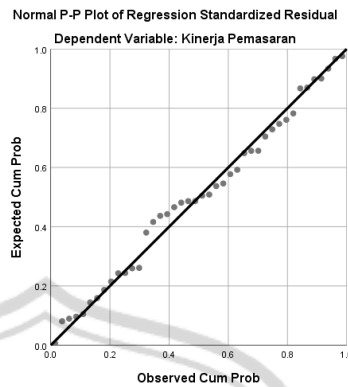


Figure 1. Normality Test Results

Looking at Figure 1, it can be said that the model is normally distributed, because the points spread around the diagonal line and follow the direction of the diagonal line, so the regression model fulfills the assumption of normality.

Multicollinearity Test

Table 1. Multicollinearity Test

No.	Variable	Tolerance	VIF	Description
1.	Market Orientation (X1)	0,782	1,092	No Multicollinearity
2.	Entrepreneurial Orientation (X2)	0,740	1,017	No Multicollinearity
3.	Product Innovation (X3)	0,813	1,176	No Multicollinearity
4.	Competitive Advantage (X4)	0,848	1,177	No Multicollinearity

Based on the table above, it shows that the multicollinearity test results of all independent variables in this study have a Tolerance value > 0.1 and a VIF value < 10 . This is in accordance with the statement put forward by (Subagja, 2021) which states that a multicollinearity-free regression model is one that has a VIF value < 10 and a Tolerance number > 0.1 .

Heteroscedasticity Test

The results of heteroscedasticity testing can be seen the points spread randomly, do not form a certain clear pattern and feel above and below the number 0 (zero) on the Y axis. This means that there is no deviation from the classic assumption of heteroscedasticity in the regression model made.

Multiple Linear Regression Analysis

Table 2. Multiple Linear Regression Analysis

No.	Variable	Regression Coefficient
1.	(Constant)	19,729
2.	Market Orientation (X1)	0,231
3.	Entrepreneurial Orientation (X2)	0,137
4.	Product Innovation (X3)	0,205
5.	Competitive Advantage (X4)	0,337

$$Y = 19,729 + 0,231X_1 + 0,137X_2 + 0,205X_3 + 0,337X_4 + e$$

The multiple linear regression equation above can be explained as follows:

a = constant value of 16,395, indicating that the amount of marketing performance when the variables of market orientation, entrepreneurial orientation, product innovation, and competitive advantage are constant, then marketing performance still has a positive effect of 19.729; b_1 = coefficient value of 0.231, indicating that the market orientation variable has a positive influence on marketing performance which means that the better the market orientation, it will improve marketing performance; b_2 = coefficient value of 0.137, indicating that any increase in the entrepreneurial orientation variable has a positive effect on marketing performance, which means that the better the entrepreneurial orientation, the marketing performance will improve; b_3 = the coefficient value of 0.205, indicating that any increase in the product innovation variable has a positive effect on marketing performance, which means that the better the product innovation, the marketing performance will be improved; b_4 = the coefficient value of 0.337 indicates that any increase in the competitive advantage variable has a positive effect on marketing performance, which means that the better the competitive advantage, the marketing performance will be improved.

Partial Significance Test (t test)

Table 3. Partial Significance Test Results (t Test)

No.	Variable	t count	t table	Sig.	Description
1.	Market Orientation (X1)	2,534	1.68195	0,016	Significant
2.	Entrepreneurial Orientation (X2)	-2,086	1.68195	0,044	Significant
3.	Product Innovation (X3)	-2,908	1.68195	0,006	Significant
4.	Competitive Advantage (X4)	3,071	1.68195	0,004	Significant

Based on the table above, the significance value for the influence of market orientation, entrepreneurial orientation, product innovation, competitive advantage and marketing performance. there is a significant influence on marketing performance.

Test Coefficient of Determination (R²)

Table 4. Test Coefficient of Determination (R²)

R	R Square	Adjusted R Square	Std. Error of the Estimate
0,620 ^a	0,385	0,318	2,436

Based on the table above, it shows that the influenced R Square value is 0.385. So it can be concluded that the influence of market orientation variables, entrepreneurial orientation, product innovation, and competitive advantage on marketing performance is 0.385 or 38%.

DISCUSSION

The first hypothesis shows that the results of research on the effect of market orientation on marketing performance have a positive and significant effect on marketing performance. It can be interpreted that the average respondent in this study responded strongly agree in determining and considering market orientation factors, namely customer orientation and competitor orientation and market information with items, including customer satisfaction, customer needs, customer complaints, monitoring competitors' actions and responding to changes made by competitors. The large contribution of the market orientation variable is because entrepreneurs tend to assess market orientation as being in a very good category, because entrepreneurs are able to understand and understand what consumers want. Thus, the market orientation variable in donut MSMEs in Tanggul District plays an important role in improving marketing performance. Because market orientation is an effective and efficient organizational culture to create the behavior needed by the company to create superior value for buyers and superior performance for the company. So that a market-oriented company is a significant factor in achieving superior marketing performance. Which means that with market orientation, MSMEs can know, understand and answer the needs and expectations of customers, and can find out the weaknesses and strengths of competitors and coordinate company resources so that they can ultimately improve marketing performance.

The entrepreneurial orientation hypothesis has a significant influence on marketing performance at Donut MSMEs in Tanggul District. It can be interpreted that the average respondent in this study gave an agreed response in determining and considering the entrepreneurial orientation factor of donut MSMEs in Tanggul

District. In this study, it can be seen that the donut business in Tanggul District is entrepreneurially oriented in MSMEs, it can be seen from the company's strategy in making innovations that seek to make improvements, present something new / unique that is different from existing ones. entrepreneurs who always innovate in their business. then profit and success in taking risks. Donut MSMEs in Tanggul District always think proactively in actions that lead to positive things, namely having stimulation, self-awareness, imagination, conscience, free will and having a response, but he has a choice to do something positive. And courageous in taking risks, namely as a consequence that has a detrimental impact. The risk of donut MSMEs in Keacamtan Tanggul is not an obstacle to success but is used as a challenge.

The product innovation hypothesis has a significant effect on marketing performance. so it can be concluded that H3 is accepted, which means that product innovation has a positive and significant effect on the marketing performance of donut MSMEs in Tanggul District. It can be interpreted that the average respondent in this study gave an agreed response in determining and considering the product innovation factor of donut MSMEs in Tanggul District. The magnitude of the contribution of the product innovation variable shows that respondents really want product innovation so that they tend to rate product innovation in the excellent category. The main purpose of innovation is to meet market demand so that product innovation can be used to boost the marketing performance of a company.

The competitive advantage hypothesis has a significant effect on marketing performance at donut MSMEs in Tanggul District. It can be interpreted that the average respondent in this study gave an agreed response in determining and considering the competitive advantage factors of donut MSMEs in Tanggul District. According to Kotler in research (Subagja, 2021) competitive advantage is an advantage over competitors that is obtained by delivering greater customer value, through lower prices or by providing more benefits in accordance with higher pricing.

CONCLUSION

Perceptions or responses from 42 respondents of donut MSMEs in Tanggul District regarding the influence of market orientation, entrepreneurial orientation, product innovation, and competitive advantage on marketing performance obtained an average value of very good. Based on the results of hypothesis testing, market orientation has a positive and significant effect on the marketing performance of donut MSMEs in Tanggul District. So it can be said that by increasing market orientation can improve performance. Entrepreneurial orientation has a positive and significant effect on marketing performance at donut MSMEs in Tanggul District. So it can be said that by increasing entrepreneurial orientation can improve marketing performance. Product innovation has a positive

and significant effect on marketing performance at Donut MSMEs in Tanggul District. So it can be said that by increasing product innovation can improve marketing performance. Competitive advantage has a positive and significant effect on the marketing performance of Donut MSMEs in Tanggul District. So it can be said that increasing competitive advantage can improve marketing performance.

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