

STRATEGIES TO IMPROVE MARKETING PERFORMANCE OF UMKM (MICRO, SMALL, AND MEDIUM-SCALE BUSINESS) BASED ON ENTREPRENEURIAL ORIENTATION AND ENTREPRENEURIAL MARKETING

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Abstract

Purpose – This research will provide an overview of the levels of marketing performance, product innovation, co-creation, entrepreneurial orientation, and entrepreneurial marketing in culinary creative industries. The effect of entrepreneurial orientation on co-creation in the culinary creative industry. The effect of entrepreneurial orientation on product innovation in the culinary creative industry. The effect of entrepreneurial orientation on marketing performance in the culinary creative industry. The effect of entrepreneurial marketing on co-creation in the culinary creative industry. The effect of entrepreneurial marketing on marketing performance in the culinary creative industry. The effect of co-creation on product innovation in the culinary creative industry. The effect of co-creation on marketing performance in the culinary creative industry. The effect of product innovation on marketing performance in the culinary creative industry.

Design/methodology/approach – Population of this research is culinary business in West Java in the forms of restaurants, besides of other 11 businesses. In West Java, the population of restaurants is 2.853 spreaded in 17 regencies and 9 cities. To decide the sample number that can represent the population, the researchers use the Slovin formula with an error limit of 19%. The analysis tool used is PLS – SEM. **Findings** – Based on direct observations, spreading the instruments using web-based questionnaire, as well as direct interviews with frontliner employees of culinary businessmen in West Java, and then strengthened by statistical evidence using statistical software PLS 3.1, it is revealed that a relationship model between entrepreneurial orientation and entrepreneurial marketing can enhance marketing performance of culinary businessmen in West Java. In the model, entrepreneurial orientation and entrepreneurial marketing can positively boost marketing performance of culinary businessmen in West Java. **Research limitations** – This study only covers one subsector of creative industries, that is culinary sector in West Java, not involving all sectors of creative industries and from 17 regencies as samples cannot represent or describe all creative industries. This study only involves UMKM or culinary business in West Java that are officially registered in the Ministry of Tourism and Creative Industry of the Republic of Indonesia. **Originality/value** – culinary marketing performance in West Java is very important in terms of running businesses. Marketing performance, nevertheless, is influenced by entrepreneurial orientation and entrepreneurial marketing simultaneously.

Keywords: Marketing Performance, Product Innovation, Co-Creation Innovation, Entrepreneurial Orientation, Entrepreneurial Marketing, Creative Industry, and Culinary

INTRODUCTION

In regard to the performance improvement of a company, some previous studies show that entrepreneurial orientation from businesspeople can increase marketing performance (Charupongsopon & Puriwat, 2017; Hamidi & Shams Gharneh, 2017; Killa, 2014). These studies conclude that there is a strong relationship between entrepreneurial orientation and marketing performance that can directly or indirectly add some alternatives for model development about the relationship between entrepreneurial orientation and its implication on marketing performance such as concept addition that mediates and moderates that then can get a model that is appropriate to be implemented in a company to improve performance maximally (Davis, Greg Bell, Tyge Payne, & Kreiser, 2010; Hamidi & Shams Gharneh, 2017; Killa, 2014). Besides, there is also a study that shows that entrepreneurial orientation and its effect on the enterprise performance will depend on how the company is connected to the external environment (Lumpkin, G.T., & Dess, 2001).

Company performance is conceptualized as end products from activities of a company (Wheelen & Hunger, 2012). The higher the company's performance, especially in the creative economy sector for sure, the better the progress of the economy system of a country. The indicator to measure the success of company's performance is the company's marketing performance, that is sale growth and profit growth, better performance of marketing will impact on company's performance as a whole (Al Saed & Abu Saleh, 2017; Hamidi & Shams Gharneh, 2017; Nataya & Sutanto, 2018). Company's performance is an effort for the company to know and fulfill consumers' need and taste (Charupongsopon & Puriwat, 2017; Nataya & Sutanto, 2018). Marketing performance adopts entrepreneurship performance concept that is measured from the number of innovations, renewals, and organizational venture efforts (Dess, G. G., & Lumpkin, 2005; Zahra & Covin, 1995), including in the creative economy industry or UMKM (Killa, 2014; Suparman & Ruswanti, 2017). As one of the entities of economy in Indonesia, when an industry has potential to be developed and interesting to be researched in depth. Culinary industry in Indonesia is still behind compared to ones in other countries, with growth average 3.45% far behind export growth average 12.63% (Kementerian Pariwisata dan Ekonomi Kreatif RI, 2015). This shows that culinary industry competitions are left behind compared to those in other countries.

West Java is one of the provinces that is conducive enough to develop a creative industry. This province with 47.38 million populations spreaded in 27 regencies and cities has 20.28 million work forces and 3.81 million of them work in creative economy sectors. In West Java, the culinary subsector is a subsector that has the highest contribution to PDRB (bruto regional domestic products) of creative economy. In Covid-19 pandemic era, entrepreneur with adversity quotient, creativity, and innovations can run their business to survive. Those characteristics are regarded as entrepreneurial orientation including desires to search and create new possibilities through behaviours of being innovative, proactive, and brave to take risks (Davis et al., 2010; Zehir, Can, & Karaboga, 2015), especially in difficult situations to survive and even increase their companies' performance. Not only entrepreneurship orientation, but good marketing abilities are also needed from an entrepreneur. Integration between

entrepreneurship and marketing is defined as entrepreneurial marketing concept (Kraus, Harms, & Fink, 2010; Stokes & Stokes, 2000). Entrepreneurial marketing aims to create customer values and customer equity and to cope with challenges in uncertain economic situations (Kraus et al., 2010), especially in this pandemic condition. With entrepreneurial orientation and entrepreneurial marketing abilities for UMKM business people, it is expected that they can survive and keep increasing their performance, one of them is from marketing performance increase factor (Hanfan & Setiawan, 2018).

In line with marketing performance increase, a number of previous researchers conducted studies to test the effect of product innovation on marketing performance and find significant and positive effect from product innovation on marketing performance (Atalay, Anafarta, & Sarvan, 2013; Davis et al., 2010; Hamidi & Shams Gharneh, 2017; Hosseini & Eskandari, 2013; Koellinger, 2008; Suparman & Ruswanti, 2017). Product innovations as mediation from market orientation can give direct and positive effect on a company's performance (Al Saed & Abu Saleh, 2017). Other researchers states that innovations can mediate the relationship between entrepreneurial orientation and co creation in creative industry (Djodjobo & Tawas, 2014; Hamidi & Shams Gharneh, 2017; Munawar & Suarsa, 2020; Zehir et al., 2015). Making innovations is the key to success from a creative industry effort. Innovations that are organized well will create good performance results (Atalay et al., 2013; Tresna & Raharja, 2019). Product innovation factor is very important because better product innovation will impact on performance of better companies (Atalay et al., 2013; Cillo, De Luca, & Troilo, 2010; Karbowski, 2019; Killa, 2014; Munawar & Suarsa, 2020).

Not only product innovation factor, but good co-creation factor will also affect product innovation and marketing performance (Hamidi & Shams Gharneh, 2017; Killa, 2014). The value increase of good co creation will have an impact on marketing performance increase. Co-creation is a certain step for a company to create competitive excellence (Tijmes, 2010), that in the end this concept can improve company's performance. Co creation is defined as collaborative works between consumers and company in innovation process and product innovation, where consumers and companies can be involved in the activities of co-ideation, co design, co-development, and co creation of new products and services (C. K. Prahalad & Ramaswamy, 2004a; Tijmes, 2010). Previous researchers, such as (Hamidi & Shams Gharneh, 2017; Killa, 2014; Morrish, 2011), agree that co-creation value has a direct effect on product innovation and at the end will improve company's performance. Meanwhile, other researchers state that co-creation does not give a positive impact on product innovation (Munawar & Suarsa, 2020), especially in culinary industries.

Other factors that affect marketing performance are entrepreneurial orientation and entrepreneurial marketing. Previous researchers state that a good entrepreneurial orientation factor will increase better marketing performance directly or indirectly (Charupongsopon & Puriwat, 2017; Davis et al., 2010; Killa, 2014; Munawar & Suarsa, 2020; Zehir et al., 2015). Other research also shows that entrepreneurial marketing factors will increase marketing performance. Researchers state that other dimensions form entrepreneurial marketing; proactiveness, opportunity focused, leveraging, innovativeness, risk taking, value creation, dan

customer intensity have significant effect on company's marketing performance especially in creative industry (Becherer et al., 2012; Gyanwali & Walsh, 2019; Mojekeh et al., 2018). The purpose of this study is to describe the levels of marketing performance, product innovation, co-creation, entrepreneurial orientation, and entrepreneurial marketing in culinary creative industries. The effect of entrepreneurial orientation on co-creation in the culinary creative industry. The effect of entrepreneurial orientation on product innovation in the culinary creative industry. The effect of entrepreneurial orientation on marketing performance in the culinary creative industry. The effect of entrepreneurial marketing on co-creation in the culinary creative industry. The effect of entrepreneurial marketing on marketing performance in the culinary creative industry. The effect of co-creation on product innovation in the culinary creative industry. The effect of co-creation on marketing performance in the culinary creative industry. The effect of product innovation on marketing performance in the culinary creative industry.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Marketing Performance

Measuring company performance has an important role in effective and efficient organizational management. Leaders responsible for running a company should elevate company performance through new plans and procedures to renew operations and transactions in the company's cycle (Al-Matari, Al-Swidi, & Fadzil, 2014). Company performance is often seen as the indicators from results and effects from a company (Lumpkin, G.T., & Dess, 2001). Company performance can be measured from marketing performance, financial performance, and human resource performance (Hanfan & Setiawan, 2018). Marketing role in explaining company performance has a significant attention in marketing study. Marketing performance is used to measure how far a company reaches the planned market position. Marketing performance shows how previous processes are exposed through marketing assets reached by the company that then can improve other indicators in the company (Gama, 2013).

Marketing performance is in line with the company's competitive excellence in selling, consumer behavior and prospects on market targets. With this competitive excellence, companies can offer extra value to money consumers that create consumer's preference for the company (Morgan, Vorhies, & Mason, 2009). A study conducted by Tikkanen et al., (2013) shows that marketing performance can be seen from company position if compared to their competitors in the same market. Ambler & Robert (2008) defines marketing as a company's activities to create values, therefore marketing is not only about assessment on performance to marketing divisions, but also marketing performance in general and achievements that are reached through marketing efforts in creating successes (Beukes & Wyk, 2016). Marketing performance is a factor that is often used to measure the impacts of strategies that are done by a company (Ferdinand, 2000). Marketing performance is an achievement measure that is gained from all marketing activities done by a company (Hartanty & Ratnawati, 2013). Marketing performance measures can be used as a mobilizer in achieving strategic visions and missions of a company if the data are correct and efficient (Jaksi et al., 2014).

Product Innovation

Innovation activities involve three main aspects from company operation: knowledge, process and product (Khajeheian, 2014), and individual creative inputs (Balan, Lindsay & O'Connor, 2009). Schumpeter (1934) discusses the importance of innovation in organizational and economic performance (Balan et al., 2009). Balan and Lindsay (2010) state that in the postindustrial era with a more complex and volatile environment, organizations need to focus on increasing innovation level and making sure their continuity and progress (Khajeheian, 2016b). In this focus, numerous new studies have identified a positive relation between innovation and company performance (Slater, Mohr dan Sengupta, 2014; Aravind, Damanpour dan Devece, 2013).

Tung (2012) states that product innovation is introducing new products to market by using a new technology that provides higher benefits to the consumers compared to the products available recently. Research from Tung (2012) aims to test the effect of product innovation on company performance and proves that it has a positive result. Furthermore, Tung (2010) thinks that product innovation enables product differentiation that provides consumers with product choices and ensures the increase of performance through developing all monopoly benefits by satisfying consumers' needs.

Innovation and competitiveness are correlated (Balan dan Lindsay, 2010). However, innovation only is not enough for being competitive and companies need to do continuous innovation processes in seizing opportunities (Menguc et al., 2014). Szeto (2000) defines that innovation is a continuous ability to change knowledge and ideas to be new products, processes, and systems for the needs of companies and stakeholders. Chen and Xu (2009) define innovation as a process in which a company achieves and integrates knowledge to produce creative ideas and new products to satisfy customers. Balan and Lindsay (2010) thinks that innovation ability involves interaction among three main aspects of company operation. There are numerous resources such as knowledge, process, and product or service, external relation of company with market and social change and individual creative input company.

Avlonitis and Salavou (2007) identify product innovation into three dimensions: new product for customers, new products for company, and unique new products. They state that innovation is a condition that is related to entrepreneurship domain, therefore, the ability of a company to successfully create new products should be parallelly considered. Besides, they state that adaptation to change perspective through entrepreneurship and product innovation success are the focus of attention from companies, especially, small, and medium scale business or creative industry sector.

Co-Creation

Paradigm of new product development has started to shift with the appearance of the co-creation paradigm that places customers as the centre of orientation, and customers as main participants in the new product development process (O'Hern & Rindflesich, 2010). Beforehand, traditionally new product development was believed as an internal based activity for a company where customers have a role as buyers who are relatively passive. Co-

creation can play an important role in increasing company performances in terms of; customer satisfaction increase (Lakhani & Wolf, 2005; Shah, 2006), increases of company profitability and improvement by enabling customers to be more active in new product creation (C. K.; Prahalad & Ramaswamy, 2000); von Hippel, 2005); increases of new product creativity, decreases of timing to market and decreases of development budget (Grewal, Lilien & Mallapragada, 2006, Shah, 2006, Von Hippel & Katz, 2002).

Customer involvement in developing products encourages producers to prepare real products in line with consumers' plan, that then they get products or services they want (Von Hippel & Katz, 2002). According to some researchers, consumers traditionally do not have the technical skills or abilities needed for new product development (Christensen, 1997; Cmr, Ulrich & Randall, 2005; Simonson, 2005), but the internet era has enabled fixing the lacks and empowering customers by at least three ways: 1). Internet increases access to knowledge that can increase easiness for customers to be more involved in creative processes, therefore through data sources that are archived electronically, information that was previously uncovered, has been codified and gained interests (Jeppesen & Molin, 2003); 2). The Internet facilitates customers to implement their knowledge by providing access to any online design tools (C. K. Prahalad & Ramaswamy, 2004b). These online design tools are as good as ones available for professional designers (von Hippel, 2005), and research show that the instruments play important roles in encouraging end users to experiment and repair their products (Prugel & Schreier, 2006) that then in many areas more consumers gain skills or abilities that are almost the same with internal new product development team (Leadbeater & Miller, 2004; (C. K. Prahalad & Ramaswamy, 2004a); 3). Internet use can enrich individual creative abilities. These tools can also increase collective co-creation by connecting consumers and producers in ways that enable them actively to participate in co-creation communities (C. K.; Prahalad & Ramaswamy, 2000); Sawhney, Verona & Prandelli, 2005).

These co-creation communities enable consumers to learn from (and teach) other consumers (Prugel & Schreier, 2006) and help develop collective memory and knowledge systems that are beyond information and skills from every individual (Jeppesen & Molin, 2004; Leadbeater & Miller, 2004). Information exchange enables co-creation communities to create offers that are similar or beyond product development activities based on traditional companies in terms of market success, creativity, and development speed (Shah, 2006). Recent trends provide interesting opportunities for practitioners to use co-creation as potential alternatives for new product development paradigms.

Prahalad and Ramaswamy (2004) describes co-creation as "co-creation is about value creation together by companies and customers. Not companies that try to please customers" (C. K. Prahalad & Ramaswamy, 2004b) and "Co-creation is [...] creating experience environments where consumers have active dialogues and develop personal experiences" (C. K. Prahalad & Ramaswamy, 2004b). Co-creation concept was initially explained by Prahalad and Ramaswamy (2000), where they state that changing customers' behaviours fundamentally will change market dynamics. The consequence for companies is that customers

become new competence resources, comprising abilities and skills they possess, willingness to learn and experiment, and abilities to be involved in active dialogues.

To survive and maintain their competitive excellence, companies should interact with consumers to utilize their innovation potentials and together give experiences that are personalized through co-creation (Prahalad & Krishnan, 2008). Co-creation is an interactive dialogue between (a group of) companies and consumer (communities), that can be varied in terms of interaction depth, to together increase offer value for companies and consumers. Relations between the level of which companies are involved in co-creation and the increase in company growth and profitability has largely been discussed (& Gilmore, 1999; (C. K. ; Prahalad & Ramaswamy, 2000; C. K. Prahalad & Ramaswamy, 2004b). There are many case studies that proved this part form the relations (Auh, Bell, McLeod, & Shih, 2007; Kim & Bae, 2008), and some comparative study to this type of relation (Zhang & Chen, 2008). Company performance is how far companies can reach their continuous competitive advantage like the one created by resources that are priceless, rare, cannot be perfectly copied, and does not have strategically similar replacement (Barney, 1991).

Uses and interpretations of co-creation are broadly diverse among writers and different studies (O'Hern & Rindfleisch, 2008; Vargo & Lusch, 2004; C. K. Prahalad & Ramaswamy, 2004b). Co-creation literatures often combine resource-based perspectives with resource dependence theory to make basic arguments about co-creation. Resource dependence theory is used to explain why organizations really depend on customers and state that organizations need to continuously communicate and connect with the customer power to be able to survive. Previous research (Chesbrough, 2003; Mohr & Sarin, 2009; Wind & Rangaswamy, 2001) explain some social changes, such as globalization increase and communication technology use increase, to illustrate the increase of customer power. Co-creation affects innovation and competitive advantage in a company.

Entrepreneurial Orientation

Entrepreneurship is a process to create something new, something with different values by spending time and effort needed, with assumed financial risks, psychology and social within, and accepting rewards from personal and monetary satisfaction (Hisrich, Robert D. Peters, 2017). Company culture in entrepreneurship is mostly influenced by attributes and values from entrepreneurs and encouraged by their positive attitude on innovations and risks that enable flexibility when they explore and utilize interesting opportunities.

Concepts of entrepreneurial orientation are developed by Miller (1983), stating that companies develop entrepreneurship orientation if they consistently show product market innovation, take risks, and have proactive behaviours. Most of the literature in entrepreneurship since then is focused on organization level. In line with this fact, many researchers have used this entrepreneurship orientation conceptualization to focus on combining risk taking, innovation, and proactiveness at the company level (Covin and Slevin 1991; Zahra 1993). Meanwhile entrepreneurship orientation construct is mostly used when studying organizations, many researchers think that the application in individual level can give valuable horizon about their

managerial and organizational functions (Carland, Hoy and Carland 1988; Gartner 1985; Stewart 1996); (Lumpkin, G.T., & Dess, 2001; Renita Helia, Naili Farida, 2015) . Sadler-Smith et al. (2003) note that a number of recent studies have been designed to describe entrepreneurship attributes in terms of managerial personality, attitude and behavior. Completing this idea, Hyrsky (2000) identifies several entrepreneurship dimensions in individual levels including innovation, risk taking, ambition, and achievement. Growing demands for research at individual levels have opened a new way to investigate entrepreneurship orientation construct.

Entrepreneurial Marketing

Entrepreneurial Marketing is an integration between entrepreneurship and marketing (Kraus et al., 2010; Mojekeh et al., 2018; Stokes & Stokes, 2000) and shows proactive identification and opportunity exploration through marketing that is creative, brace to take risks, not planned, not linear, and activity visionary (Morris, Schindehutte, & LaForge, 2002) combined with information management efficiency (Schulte & Eggers, 2009). Entrepreneurial Marketing is practical and this study domain has been increasingly done for the last three decades (Fink, Koller, Gartner, Floh, & Harms, 2018; Hacioglu, Eren, Eren, & Celikkan, 2012; Kraus et al., 2010; Morrish, 2011; Sahid & Habidin, 2018).

Entrepreneurial Marketing aims to create customer values and equity customers, to develop and renew competitive values (Miles & Darroch, 2006), to seek for benefits (Becherer et al, 2006) and to cope with challenges in uncertain economic eras (Kraus et al., 2010). Entrepreneurial Marketing can be understood as marketing with entrepreneurship mindset because it is a function of organization from marketing by considering innovation, risk taking, proactiveness, and opportunity exploration without considering current controlled resources (Kraus et al, 2009). Therefore, Entrepreneurial Marketing requires marketers to display entrepreneurship that base their orientation (Eggers, Hansen, & Davis, 2012). The success of Entrepreneurial Marketing develops customer values “through relations, especially by using innovation, creativity, selling, market immersion, network or flexibility” (Hills, Hultman, Kraus, & Schulte, 2009). Entrepreneurial Marketing as “effective actions” or theory marketing adaptation for small-scale business needs. This is an effective action that is simultaneously coping with many problems: opportunities, innovation, risk, and resource problems. For the creative industry sector, this action is the duty of the company owner (Beverland dan Lockshin, 2004). The same continuous attention on marketing is very important for the business success that has just started and been growing (Hisrich, 1992; Becherer, Halstead & Haynes, 2003; Becherer, Haynes, & Fletcher, 2006). Marketing is the main deciding factor for success in all new companies (Gruber, 2004). Marketing is also regarded as very important by business investors and concludes that entrepreneurial marketing is very appropriate to be applied in small companies of creative industry (Chaston, 1997).

Hypothesis

Entrepreneurial orientation, that is developed in companies can affect co-creation of products (Hamidi & Shams Gharneh, 2017; Zehir et al., 2015), therefore the hypotheses that can be drawn are:

Hypothesis 1: Entrepreneurial Orientation affects co-creation.

Entrepreneurial orientation, that is intensively done by companies can increase product innovation in companies (Tresna & Raharja, 2019; Zehir et al., 2015), therefore the next hypostasis that can be drawn is:

Hypothesis 2: Entrepreneurial Orientation affects product innovation.

Entrepreneurial orientation, has direct and indirect impacts on the marketing performance increase (Charupongsopon & Puriwat, 2017; Davis et al., 2010; Killa, 2014; Lassen, Jacobsen, Wandahl, Poulsen, & Sorensen, 2011; Zehir et al., 2015), therefore the hypothesis that can be drawn is:

Hypothesis 3: Entrepreneurial Orientation affects marketing performance.

Entrepreneurial marketing, that is developed in companies can affect product co-creation (Whalen & Akaka, 2016), therefore the hypothesis that can be drawn is:

Hypothesis 4: Entrepreneurial Marketing affects co creation.

Entrepreneurial marketing, has direct and indirect positive impacts on marketing performance increase (Becherer et al., 2012; Gyanwali & Walsh, 2019; Mojekeh et al., 2018), therefore the hypothesis that can be drawn is:

Hypothesis 5: Entrepreneurial Marketing affects marketing performance.

Co-creation, that is intensively done by companies can increase innovation ability from companies (Hamidi & Shams Gharneh, 2017; Killa, 2014), therefore the hypothesis that can be drawn is:

Hypothesis 6: Co-Creation affects Product innovation.

Co-Creation that has direct and indirect positive impacts on marketing performance (Hamidi & Shams Gharneh, 2017; Killa, 2014; Nuryakin et al., 2018). Therefore, the hypothesis that can be drawn is:

Hypothesis 7: Co-Creation affects marketing performance.

Product innovation, can have a positive effect on marketing performance increase (Cillo et al., 2010; Hamidi & Shams Gharneh, 2017; Suparman & Ruswanti, 2017). Therefore, the hypothesis that can be drawn is:

Hypothesis 8: Product Innovation affects marketing performance.

RESEARCH METHOD

This study is quantitatively designed with surveys as the data collection method. Survey method is done to gain responses in line with research variables based on samples that represent the population. The research object is culinary business in West Java. This object also becomes the unit of analysis. Based on this unit of analysis, there appears an observation unit. As observation units are owners of the business of other management such as leaders, management, or other management teams. The research population is culinary business in West Java in the format of restaurants as one of other 11 forms [see the document for the Ministry of Tourism and Creative Economy, Republic of Indonesia (2015)]. Businesses that are chosen are those that have big contributions to the domestic bruto product development in the national scale or regional scale of West Java that can observe workers in a big number.

In west Java, the restaurant population is 2853 in 15 regencies and 9 cities. To decide the sample that can represent the population, the researchers use Slovin formula with error limit 10%, that is presented in equation (3.1)

$$JS = \frac{JP}{1+JP(bk)^2} \dots\dots\dots (3.1)$$

Based on the formula, the sample number is $\frac{2853}{1+2853(10\%)(10\%)} = \frac{2853}{1+2853(10\%)(10\%)} = \frac{2853}{1+28,53} = \frac{2853}{29,53} = 96,61 \approx 97$. Considering 97 restaurants are spreaded in 17 regencies and 9 cities, the appropriate sampling method is the one that is stratified proportionally and randomly. From each restaurant, one person is chosen to fill in the questionnaire. The person can be the owner or the manager. Therefore, 97 restaurants x 1 person/restaurant – 97 respondents.

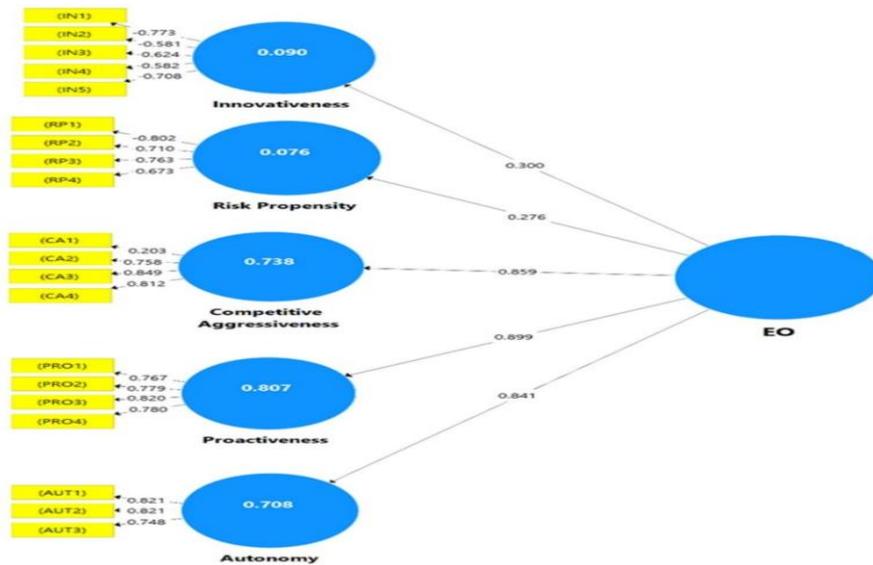
RESULTS AND DISCUSSION

Result

Results of PLS Structural Equation Model Analysis (SEM-PLS)

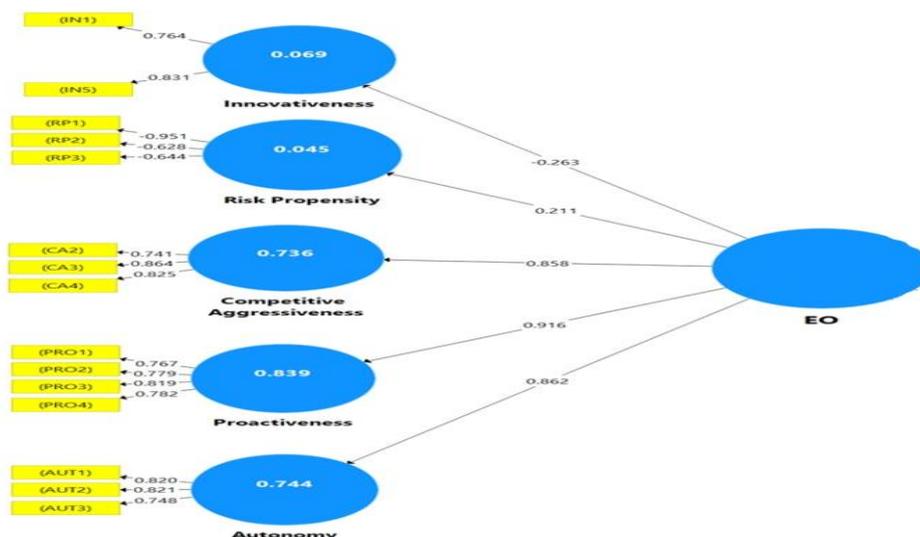
The EO variable measurement model in lower level explains manifest variables that are correlated with dimension construct (outer loading) together with p-value as the level of the significance. Results of measurement models in the higher order level explain the value number of path coefficients between dimension construct and the variable together with p-value as the level of the significance.

Picture 4 14 Initial Measurement Model in Entrepreneurial Orientation Variable



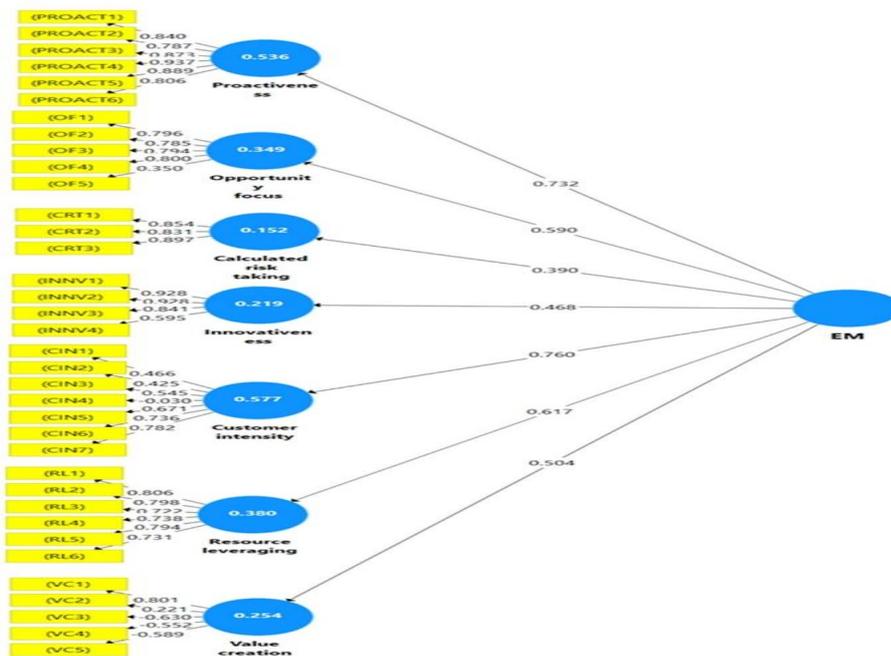
It can be seen that the value of outer loading Indicator CA1 in Competitive Aggressiveness dimension is < 0.6 and the value of AVE is < 0.5 , outer loading Indicator in IN2 and IN4 therefore CA1, IN2 AND IN4 indicators are recorded invalid. In general, the value of AVE in the Competitive Aggressiveness dimension is $0.499 < 0.05$ and the value of AVE in the innovativeness dimension is $0.433 < 0.05$, this is because outer loading values of some manifest variables on the EO variable is < 0.6 (in red). This condition requires revision on EO variable measurement model. CA1, IN2 AND IN4 indicators should be deleted from the measurement model hoping that indicators, dimensions, and EO variables become valid and reliable and can be used in the next measurement.

Revision of Measurement Model in Entrepreneurial Orientation



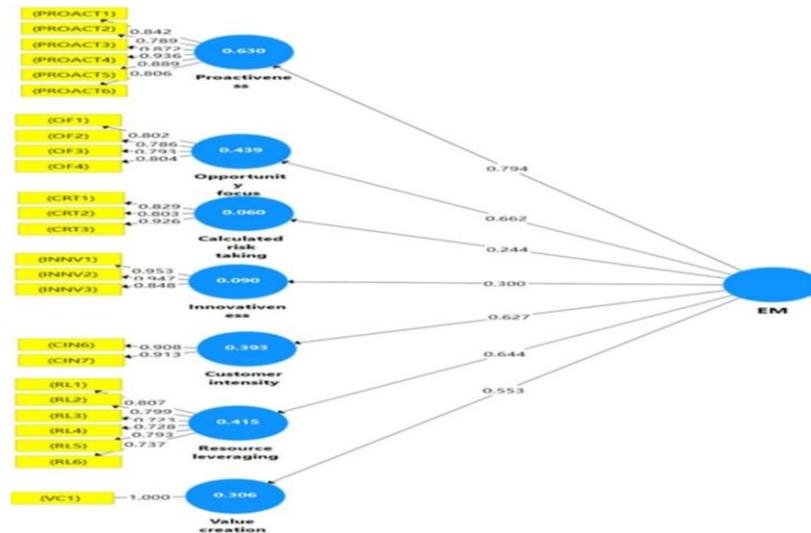
The result of revised measurement model for EC variable can result in reliability and validity parameter values that meet rule of thumb. All the outer loading values in manifest variable on dimension construct, and the dimension construct outer loading value on EO variable is above 0.6. The AVE value produced in every dimension construct and EO variable is also above 0.5, therefore it can be said that convergent validity on the EO variable with its manifest is met.

Initial Measurement Model on Entrepreneurial Marketing Variable



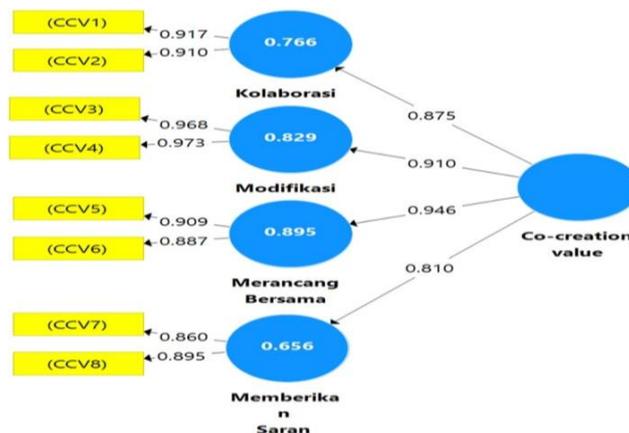
It can be seen that the value of outer loading indicator of OF5, CIN1, CIN2, CIN3 CIN4, VC2, VC4 and VC5 is <0.6 and the value of AVE is <0.5, therefore indicators of OF5, CIN1, CIN2, CIN3 CIN4, VC2, VC4 and VC5 dinyatakan tidak valid. Keadaan ini membutuhkan revisi terhadap model pengukuran variable EM. Indicators of OF5, CIN1, CIN2, CIN3 CIN4, VC2, VC4 and VC5 should be deleted from the measurement model expecting that indicator, dimension, and EM variable become valid and reliable and can be used in the next measurement.

Revised Measurement Model on Entrepreneurial Orientation Variable



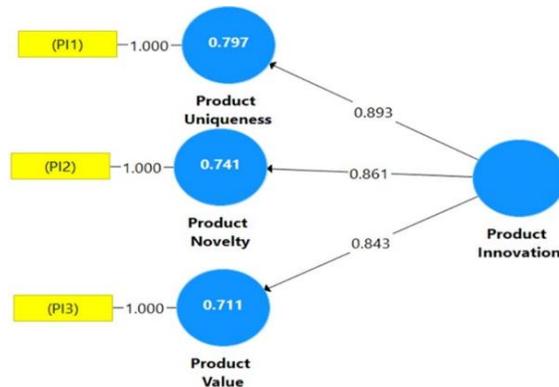
The result of a revised measurement model on EM variables can result in the value of reliability and validity parameters that meet rule of thumb. All the outer loading values in the manifest variable for the dimension construct, and dimension construct outer loading values on the EM variable are above 0.6. The AVE value that is produced in each dimension construct and EM variable is also above 0.5, therefore it can be said that EM variable and convergent validity with its manifest is met.

Initial Measurement Model on Co Creation Value Variable



It can be seen that the outer loading result from the measurement model on CCV variables results in the value of reliability and validity parameters that meet rule of thumb. All outer loading values on manifest variable for dimension construct, and dimension construct outer loading value for CCV variable is above 0.6. The AVE value produced in every dimension construct and CCV variable is also above 0.5, therefore it can be stated that convergent validity for the EO variable with its manifest is met.

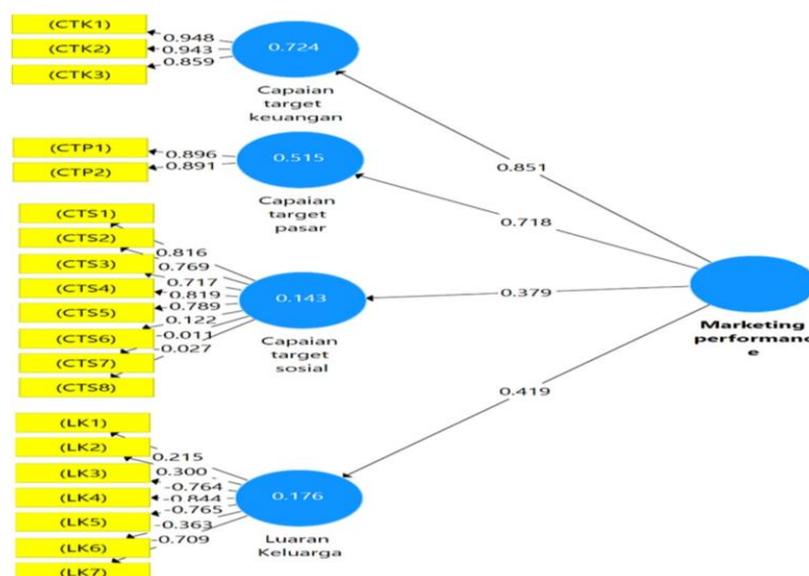
Initial Measurement Model for Product Innovation Variable



Measurement model for the EM variable in lower order explains the manifest variable that is correlated with its dimension construct (outer loading) with p-value as the level of the significance. The measurement result of the higher order explains the value of path coefficients between dimensions construct with its variable and p-value as the level of significance.

It can be seen that the result of the outer loading measurement model for the PI variable can produce reliability and validity parameter values that fulfill the rule of thumb. All outer loading values of manifest variable on dimension construct, and dimension construct outer loading value on PI variable is above 0.6. AVE value produced in every dimension construct and PI variable is also above 0.5, therefore it can be stated that convergent validity on PI variable with manifest is met.

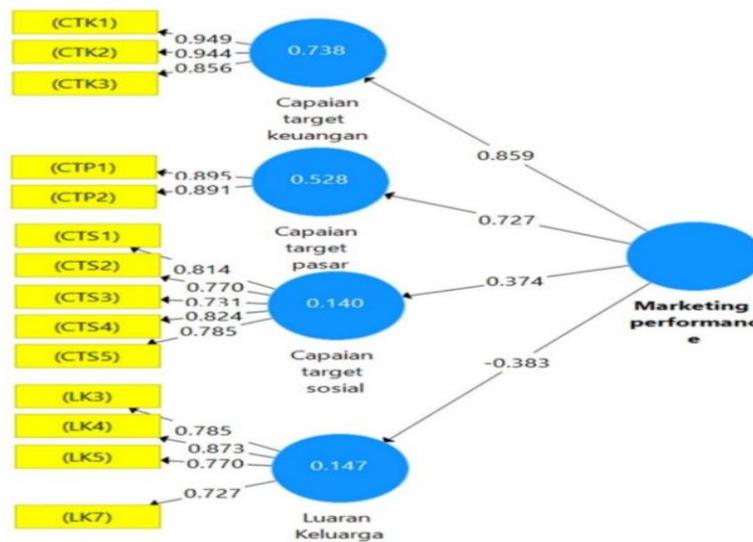
Initial Measurement Model for Marketing Performance Variable



It can be seen that the value of outer loading indicators of CTS6, CTS7, CT8, LK1, LK2 and LK6 is <0.6 and AVE value is <0.5, therefore indicators of CTS6, CTS7, CT8, LK1, LK2 dan

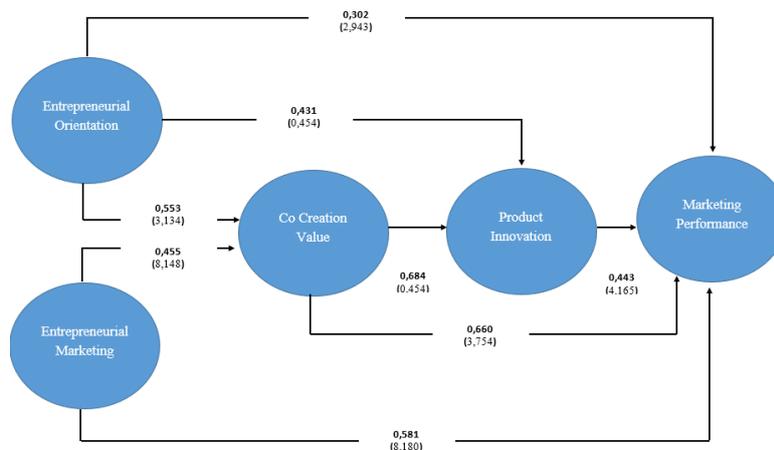
LK6 is regarded invalid. It is because outer loading values of some manifest variables on MP variables is < 0.7 (in red). This condition requires a revision on the MP variable measurement model. Indicators of CTS6, CTS7, CT8, LK1, LK2 and LK6 should be deleted from the measurement model expecting that indicators, dimension, and MP variables become valid and reliable and can be used in the next measurement.

Revised Measurement Model for Marketing Performance Variable



The result of the measurement model on the MP variable can result in reliability and validity parameter values that fulfill the rule of thumb. All the outer loading values of manifest variable on dimension construct and dimension construct outer loading values on MP variable is above 0.6. AVE nilai that is produced in every dimension construct and EO variable is also above 0.5, therefore it can be said that convergent validity of EO variable and its manifest is met.

Results of Structural Model Analysis



Source: Data from the researchers 2022

Picture 4 23 Full Structural Model, Path Coefficient (t-stat)

The following is the result tabulation of structural equation full model elaborated based on the sub-structures:

SS	Exogent	Endogent	Path. Coef	P-Value	T - Stat	R ²	f ²	Remarks
I	EO ->	MP	0,302	0,000	2,943	0,419	0,091	S
	EM ->	MP	0,581	0,000	8,180		0,012	S
II	EO ->	CCV	0,553	0,005	3,134	0,694	0,093	S
III	EO ->	PI	0,431	0,075	0,454	0,342	0,018	TS
IV	EM ->	CCV	0,455	0,001	8,148	0,511	0,041	S
V	CCV ->	MP	0,660	0,000	3,754	0,628	0,031	S
	CCV ->	PI	0,684	0,004	4,454		0,044	S
	PI ->	MP	0,443	0,048	0,165	0,254	0,002	TS

Analysis of Substructure I from Substructure Equation on Full Model

Marketing Performance = 0.302 Entrepreneurial Orientation + 0.581 Entrepreneurial Marketing

With the values:

EO ->MP t- stat =2,943; p-value = 0,000 (sig); f² = 0,091

EM ->MP = t- stat =8,180; p-value = 0,000 (sig); f² = 0,012

R² = 0,419

The above model means that Entrepreneurial Orientation variable has a positive and significant effect on Marketing Performance increase in culinary industry in West Java with the value 30.2% and statistically this result is regarded significant in the real level of 5% because t-stat is 2,943 (greater than 1,96) with p-value 0.0000 (less than 0,05). The testing results state that the higher the entrepreneurship orientation in a business unit, the higher the business marketing performance.

Next, Entrepreneurial Marketing has a positive and significant effect on Marketing Performance improvement in culinary industry in West Java with the value 58.1% and statistically the result is regarded significant on the real level of 5%, because t-stat is 8,180 (greater than 1,96) with p-value 0.000 (less than 0,05). This testing shows that the higher the Entrepreneurial marketing in a business unit, the higher the business marketing performance.

Analysis of Substructure II from Substructure Equation on Full Model

Co Creation Value= 0.302 Entrepreneurial Orientation

With the value:

t- Stat =3,134; p-value = 0,005 (sig); f² = 0,093

R² = 0,394

The above model means that Entrepreneurial Orientation has a positive and significant effect on Co Creation Value increase in culinary industry in West Java with the value 55,3% and statistically is regarded significant with the real level of 5% because t-stat is 3,134 (greater than 1,96) with p-value 0,005 (less than 0,05). This testing result shows that the higher the Entrepreneurial Orientation in a business unit, the higher the Co Creation Value in the business.

Analysis Sub-Structure III from Sub-Structure Equation in Full Model

Product Innovation = 0.431Entrepreneurial Orientation

With the value:

t- Stat =0,454; p-value = 0,075 (not sig); $f^2 = 0,018$

$R^2 = 0,342$

The above model means that Entrepreneurial Orientation variable has a positive but not significant effect in the Product Innovation improvement in culinary industries in West Java with the value 43,1% and statistically the result is regarded not significant in the level real of 5%, because t-stat is 0,454<1,96 (should be bigger than 1,96) with the p-value is 0,0075 (greater than 0.05).

Analysis of Sub-Structure IV from Sub-Structure in Full Model

Co Creation Value= 0.302Entrepreneurial Marketing

With the value:

t- Stat =8,148; p-value = 0,001 (sig); $f^2 = 0,041$

$R^2 = 0,511$

The above model means that Entrepreneurial Marketing variable has a positive and significant effect on the Co Creation Value increase in culinary industries in West Java with the value 45,5% and statistically is regarded significant in the real level of 5%, because t-stat is 8,148 (greater than 1.96) with the p-value is 0,000 (less than 0,05). This testing shows that the higher the Entrepreneurial marketing in a business unit, the higher the Co Creation Value of the business.

Analysis Substructure V from Substructure Equation in Full Model

Marketing Performance = 0.660 Co Creation Value+ 0.581 Product Innovation

With the value:

CCV ->MP t- stat =3,754; p-value = 0,000 (sig); $f^2 = 0,031$

CCV ->PI t- stat =4,454; p-value = 0,004 (sig); $f^2 = 0,044$

$R^2 = 0, 628$

Product Innovation = 0,684 Creation Value

PI ->MP = t- stat =0,165; p-value = 0,048 (not sig); $f^2 = 0,002$

$R^2 = 0,254$

The mathematical model above means that the Co Creation Value variable has a positive and significant effect on the Marketing Performance improvement in culinary industries in West Java with the value 66,6% and statistically the result is rehraded significant in the real level 5%, because t-stat is 3,754 (greater than 1,96) with p-value 0.000 (less than 0.05). This testing result shows that the higher the Co Creation Value in a business unit, the higher the Marketing Performance in the business. Product Innovation variable has a positive but not significant effect on the marketing performance in culinary business in West Java with the value 44,3% and statistically the result is regarded not significant in the real level 5%, because t-stat is 0,165 < 1.65 (greater than 1,96) with p-value 0,048 > 0.05 (less than 0.05). This testing unit shows that the higher the Product Innovation in a business unit, the higher the Marketing Performance in the business. Co Creation Value variable has a positive and significant effect in the Product Innovation improvement in culinary business in West Java with the value 68,4% and statistically is regarded significant in the real level of 5%, because t-stat is 4,454 (greater than 1,96) with P value 0,000 (less than 0,05). This testing result shows that the higher Co Creation Value in a business unit, the higher the Product Innovation in the business.

Hypothesis

Hypothesis 1: Entrepreneurial Orientation affects Co Creaction Value.

H_0 = Entrepreneurial Orientation has no positive effect on Co Creation Value.

H_{a1} = Entrepreneurial Orientation has a positive effect on Co Creation Value

Testing result shows that it is proven that there is a significant positive effect from Entrepreneurial Orientation on Co Creation Value because statistically t-value (t-stat) or C.R. is $3,134 \geq 1,96$ or p-value is $0,005 < 0,05$, hence H_0 is rejected, that means Entrepreneurial Orientation has a positive effect on \rightarrow Co Creation Value based on Co Creation Value. It is also tested that the great effect of Entrepreneurial Orientation \rightarrow Co Creation Value based on coefficient path value **0,553** is proven significant because the p-value 0,000 that is lower than 0,05.

Hypothesis 2: Entrepreneurial Orientation affects product innovation.

H_0 = Entrepreneurial Orientation has no positive effect on product innovation.

H_{a2} = Entrepreneurial Orientation has a positive effect on product innovation.

The testing result shows that it is proven that there is no significant positive effect from Entrepreneurial Orientation on product innovation because statistically the t-value (t-stat) or C.R. is less that t-table in real level of 5%, that is $0,454 < 1,96$ (should be > 1.96) or p-value is $0,075 > 0,05$ (should be greater). It is also tested that the effect of Entrepreneurial

Orientation → product innovation based on coefficient path value **0,431** is proven not significant because p-value 0,0075 is greater than 0,05.

Hypothesis 3: Entrepreneurial Orientation affects Marketing Performance

H₀ = Entrepreneurial Orientation has no positive effect on Marketing Performance

H_{a3} = Entrepreneurial Orientation has a positive effect on Marketing Performance

The testing result shows that it is proven that there is a significant positive effect from Entrepreneurial Orientation on Marketing Performance because statistically the t-value (t-stat) or C.R. is $2,943 \geq 1,96$ or p-value is $0,000 < 0,05$, therefore H₀ is rejected, that means Entrepreneurial Orientation has a significant effect on Marketing Performance. It is also tested that the effect of Entrepreneurial Orientation → Marketing Performance based on coefficient path value **0,302** is proven significant because the p-value 0,000 is less than 0,05.

Hypothesis 4: Entrepreneurial Marketing affects Co Creation Value.

H₀ = Entrepreneurial Marketing has no positive effect on Co Creation Value

H_{a4} = Entrepreneurial Marketing has a positive effect on Co Creation Value.

The testing result shows that it is proven there is a significant positive effect from Entrepreneurial Marketing on Co Creation Value because statistically t-value (t-stat) or C.R. is $8,148 \geq 1,96$ or p-value $0,001 < 0,05$, therefore H₀ is rejected, that means Entrepreneurial Marketing has a significant positive response on Co Creation Value. It is also tested that the great effect of Entrepreneurial Marketing → Co Creation Value based on coefficient path value **0,455** is proven significant because of p-value 0,000 that is less than 0,05.

Hypothesis 5: Entrepreneurial Marketing affects Marketing Performance

H₀ = Entrepreneurial Marketing has no positive effect on Marketing Performance

H_{a5} = Entrepreneurial Marketing has a positive effect on Marketing Performance

The testing result shows that there is a significant positive effect from Entrepreneurial Marketing on Marketing Performance because statistically t-value (t-stat) or C.R. is $8,180 \geq 1,96$ or p-value is $0,000 < 0,05$, therefore H₀ is rejected, that means Entrepreneurial Marketing has a significant positive effect on Marketing Performance. It is also tested that the great effect of Entrepreneurial Marketing → Marketing Performance based on coefficient path value **0,581** is proven significant because of p-value 0,000 that is less than 0,05.

Hypothesis 6: Co Creation Value affects Product innovation

H₀ = Co Creation Value has no positive effect on Product innovation

H_{a6} = Co Creation Value has a positive effect on Product innovation.

The testing result shows that there is a significant positive effect from Co Creation Value on Product innovation because statistically t-value (t-

stat) or C.R. is $4,454 \geq 1,96$ or p-value is $0,004 < 0,05$, therefore H_0 is rejected, that means Co Creation Value has a significant positive effect on Product innovation. It is also tested that the great effect of Co Creation Value \rightarrow Product innovation based on coefficients path value **0,684** is proven significant because of p-value 0,004 that is less than 0,05.

Hypothesis 7: Co Creation Value affects Marketing Performance

H_0 = Co Creation Value has no positive effect on Marketing Performance

H_{a7} = Co Creation Value has a positive effect on Marketing Performance

The testing result shows that there is a significant positive effect from Co Creation Value on Marketing Performance because statistically t-value (t-stat) or C.R. is $3,754 \geq 1,96$ or p-value is $0,000 < 0,05$ therefore H_0 is rejected, that means Co Creation Value has a significant positive effect on Marketing Performance. It is also tested that the great effect of Co Creation Value \rightarrow Marketing Performance based on coefficient path value **0,660** is proven significant because of p-value 0,000 that is less than 0,05.

Hypothesis 8: Product Innovation affects Marketing Performance

H_0 = Product Innovation has no positive effect on Marketing Performance

H_{a8} = Product Innovation has a positive effect on Marketing Performance

The testing result shows that it is proven there is no positive effect from Product Innovation on Marketing Performance because statistically the t-value (t-stat) or C. is less than t-table of the real value 5%, that is $0,165 < 1,96$ (should be $> 1,96$) or p-value is $0,048 > 0,05$ (should be greater). It is also tested that the great effect of Product Innovation \rightarrow Marketing Performance based on coefficient path value is **0,443** is proven not significant because the p-value 0,048 is greater than 0,05.

DISCUSSION

The effect of Entrepreneurial Orientation (EO) on Co Creation Value (CCV)

The result of this research is in line with the results of previous studies that mention "Entrepreneurial Orientation such as courage of companies to invest on qualified human resources, willingness and capability of companies to anticipate changes and challenges in the future, positively can explore companies' asymmetric elements like skills and expertises from workforce (Miller & Miller, 2003)".

Another research also states that Entrepreneurial Orientation can elicit value creation in companies (Jiang et al., 2016); and there is research that mentions that companies that possess Entrepreneurial Orientation for the future not only focus on market and technology development, but also is proven developing creative and strategic resources (Kamprath & Mietzner, 2015). Empirically this is clearly reflected in characteristics of culinary industry business actors in West Java that not only have independent, proactive and aggressive Entrepreneurial Orientation, but also possess high creativity.

The effect of Entrepreneurial Orientation (EO) on Product Innovation (PI)

Empirically Entrepreneurial Orientation can enhance Product Innovation. Empirically, Entrepreneurial creates good environments where companies can develop Product Innovation capability and through this capability companies can have leading performances (Lisboa et al, 2010). Entrepreneurs as innovators are people who create new combinations from factors of raw materials, mental and physical capability, and funds (money) and then introduce them to markets to be possessed by customers (Wickham, 2004). Ma'atofi and Tajeddini (2010) find that Entrepreneurial Orientation has a significant effect on Product Innovation.

Empirically it is clear that Entrepreneurial Orientation can make business managers oriented to Product Innovation, by prioritizing product uniqueness. This can be seen from the dimension value of Product Innovation that is Product Uniqueness dimension becomes the highest dimension with range 4.61 with the best category.

Managers realize that by having products with high uniqueness, consumers will tend to use the new products or brands faster. Besides, managers are aware when creating unique products, they are not afraid to be criticized by others, they tend to create unique choices.

The effect of Entrepreneurial Orientation (EO) on Marketing Performance (MP)

Entrepreneurial Orientation empirically can enhance Marketing Performance. Entrepreneurial Orientation plays an important role in improving business performance. Entrepreneurial Orientation becomes a meaning that is accepted to explain business performance. Entrepreneurial Orientation refers to processes, practices, and decision making that encourage directions of new inputs and have three aspects of entrepreneurship, they are always innovative, proactive action, and courageous to take risks.

Someone's ability is a learning process that involves various aspects, such as knowledge, attitude, and skill. Being innovative refers to an entrepreneurial attitude to be creatively involved in a trial process on new ideas that possibly results in new production methods that then create new products or services, whether for current markets or new ones. Innovation ability is connected to perceptions and activities towards new and unique business activities.

Entrepreneurial Orientation is reflected in attitudes that are full of innovations, proactiveness, and courage in taking risks that are believed to be able to boost business performances. In research by Buli (2016) who states that higher Entrepreneurial Orientation can enhance a company's capability in marketing products for better business performance. Besides, research conducted by Silviasih, et al, (2016) concludes that Entrepreneurial Orientation significantly influences business performance. Moreover, research by Affendy, et al (2015) also states that Entrepreneurial Orientation has an effect on business performance.

The effect of Entrepreneurial Marketing on Co Creation Value (CCV)

Entrepreneurial Marketing can enhance Co Creation Value. Currently, global business competitions rapidly change. Therefore, the creative industry must have a willingness to change, improve resources, manage risks, and create values for customers. This EM indicator will influence Co Creation that is measured with Dialogue, Access, Risk Assessment and

Transparency. This finding is in line with previous studies that show EM has a significant role in Co Creation Value (Whalen & Akaka, 2016; zdemir, 2013).

If creative industries implement Co Creation optimally, product values will be better than that other products have. Therefore, Co Creation has a significant effect on customers' reactions towards products, and Co Creation attributes become a stimulus in developing customers' value and behaviours. Hence, creative industries in West Java, Indonesia, should create variations in a product (handicraft products) that fulfill customers' need that creates satisfaction (Kartajaya, 2009).

Besides, EM approaches indicates that core functions and marketing processes remain the same but following concepts that are encouraged by opportunities of businessman/customer, in turns shapes how creative industries implement Segmentation, Targeting, and Positioning (STP) (Schindehutte & Moris, 2010).

The effect of Entrepreneurial Marketing (EM) on Marketing Performance (MP)

Entrepreneurial Marketing can enhance Marketing Performance. Entrepreneurial Marketing is formed from opportunity focus, proactiveness, customer intensity, risk taking, resource development, value creation, and innovation. The main contribution of Entrepreneurial Marketing development is proactiveness. This is reflected in business behaviour of continuously searching to make sure visions and visions are run and always anticipate problems and can create opportunities from the problems.

Marketing Performance is formed from selling volumes and customer growth, as well as profitability. The main contribution for visiting interents is selling volumes that are reflected in the increase of ticket selling to a tourism object that keeps increasing. Entrepreneurial Marketing has processes or functions such as creating, communicating, and providing values to customers and how to manage good relations with customers that give benefits to organizations or companies, marked by continuous innovations, measures risk taking, and proactive actions.

Marketing literature in UMKM is still in the development stage. Some UMKM managers believe that marketing does not fulfill their business needs and formal marketing approaches are not applicable for UMKM (Simpson et al., 2011, page 1). It is more possible for entrepreneurial businesses to face limited resources and market uncertainty. Besides, food or culinary industries suffer because of lacking innovations in marketing (Abdul-Talib dan Abd-Razak, 2013). EM can provide effective strategies for smaller entrepreneurial companies and with limited resources to cope with challenges with innovations, resource utilization, and networking (Hallbäck and Gabrielsson, 2013).

The effect of Co Creation Value (CCV) on Product Innovation (PI)

Co Creation Value (CCV) can enhance Product Innovation. In previous studies that discuss Value Co-Creation between Manufacturing Companies and Customers, the result shows that continuous development in manufacturing companies has a positive effect on Co Creation Value. Pagani (2013) states that basically value creation contributes to the use of end-product

or end-service. In line with this, Saarijärvi et al., (2013), states that value creation is based on perspectives from companies or customers. Both sides then provide resources to process value creation by integrating their resources by means of co-design, co-development, or co-distribution. Value creation is a concept that describes companies' efforts to provide leading performance for expected customers through innovations.

UMKM should improve interactions and involve customers in the business process to develop value co-creation that will impact on marketing performance increase. Interaction with customers can produce value co-creation that also helps UMKM in creating product innovation. However, product innovations have not significantly influenced marketing performance increase, as in this pandemic era, UMKM is expected to not only improve product innovation but also service innovation to stop virus spread. Enhancing service innovation such as improving cleanliness and monitoring employee health conditions or providing services that make consumers easy to access offered products by UMKM.

The effect of Co Creation Value (CCV) on Marketing Performance (MP)

Co Creation Value empirically can enhance Marketing Performance. Co Creation Value is a tendency from businessmen to use marketing resources and efforts to find and send value sources to customers that have not been used (Fiore et al., 2013). Co Creation Value refers to marketer roles to be able to find sources from customer values that have not been used and create exclusive contributions from the resources to create values (M. H. Schindehutte & LaForge, 2002).

Previous research conducted by Becherer et al. (2012) shows that value creation is proven to have a positive effect on business success in small companies. The finding is supported by findings from Hamali (2015), Rashad (2018), and Sadiku-Dushi et al. (2019) that also proves that Co Creation Value can enhance business performance in small companies. Empirically it is found that from the CCV perspective, to develop products need to prioritize suggestions from consumers to create more optimal market targets.

The effect of Product Innovation (PI) on Marketing Performance (MP)

Product innovation will more optimize and enhance Marketing Performance. The result of this research is in line with studies conducted by Amin, Thurasamy, Aldakhil, and Hafeez (2016). Implications of this study is that product innovation (whether innovation in line expansions, innovation in new products, and innovation in the very new products) is a very important point for UMKM doers for now to enhance their business performance that are reflected in selling growth, customer growth, market share, and profitability.

The existence of pandemic COVID-19 is proven to enhance innovation level from every person in maintaining their business, such as temporary transition of the industrial sector and add to his efforts to make products that are really needed when this pandemic occurs. Product innovation (whether innovation in line expansions, innovation in new products, and innovation in the very new products) can mediate market orientation (both orientation on customers,

orientation on competitors and coordinate interfunctional) and also can improve marketing performance.

The results of this study are in line with previously conducted research by Lekmat et al (2016) and Suharto & Iwan (2018). The existence of product innovation in each UMKM can improve marketing performance, because during COVID-19, actors make changes in product form, changes in packaging, changes in the way of marketing their products so that marketing performance in UMKM can still increase during a pandemic.

When traditional companies are only product-centric and begin to turn to integrating product innovations, the growth of the company will increase (Shelton, 2009). More and more industry leaders are completing their product offerings with service innovations to be able to meet customer needs so as to expand market share (Shelton, 2009).

The effect of Entrepreneurial Orientation (EO) and Entrepreneurial Marketing (EM) on Marketing Performance (MP)

The results of the descriptive analysis show that the application of Entrepreneurial Orientation to culinary UMKM in West Java is very good. This is proved by obtaining an average score of market orientation variables of 4.37. Meanwhile, the marketing performance of MSMEs in the culinary sector in West Java is classified as very good, as proved by obtaining an average marketing performance variable score of 4.49. The results of hypothesis testing related to the effect of Entrepreneurial Orientation on marketing performance found that Entrepreneurial Orientation has a positive effect on marketing performance in culinary UMKM in West Java.

This can be proved by obtaining a regression coefficient of 0.302 and t-stat of 2.943 (>1.98) and a significant 0.009 (<0.05). The value of a positive regression coefficient means that the better the application of Entrepreneurial Orientation, the higher the marketing performance, and vice versa, if the application of Entrepreneurial Orientation is not good, it will result in low marketing performance for culinary arts UMKM in West Java.

Empirically, the results of this study are in line with research conducted by Mardiyono (2018) which shows that Entrepreneurial Orientation has a positive and significant effect on marketing performance. Other results are also supported by research conducted by Sefnedi (2017) which found that Entrepreneurial Orientation has a positive and significant effect on marketing performance. Similarly, research conducted by Aulia et al (2019) obtained the same results, namely Entrepreneurial Orientation has a positive and significant effect on marketing performance.

The results of the descriptive analysis show that the application of entrepreneurial orientation to culinary UMKM in West Java is categorized as very good. This is proved by the average score of the Entrepreneurial Marketing variable of 4.46. This is proved by obtaining a regression coefficient of 0.581 and a count of 8.180 (>1.98) and a significant 0.001 (<0.05). This finding shows that Entrepreneurial Marketing has a positive effect on marketing performance in culinary UMKM in West Java. The positive regression coefficient means that if the implementation of Entrepreneurial Marketing in UMKM is getting better, the marketing

performance will increase, and vice versa, if the implementation of Entrepreneurial Marketing in MSMEs is not good, marketing performance will decrease.

Model of Improving UMKM Marketing Performance based on Entrepreneurial Orientation and Entrepreneurial Marketing in the Culinary Industry in West Java

Based on the results of direct observations, the dissemination of instruments using web-based questionnaire, as well as direct interviews with frontliner employees of culinary business actors throughout West Java, which was then strengthened by statistic proves using PLS 3.1 statistical software, obtained a relationship model between Entrepreneurial Orientation and Entrepreneurial Marketing and improving the marketing performance of culinary business actors in West Java. In the marketing performance improvement model, it can be seen that Entrepreneurial Orientation and Entrepreneurial Marketing are able to positively improve the marketing performance of culinary business actors throughout West Java.

The dimensions of Entrepreneurial Orientation proposed in this dissertation research, use 5 dimensions which are then further divided into several indicators through the operationalization process of Entrepreneurial Orientation variables. Meanwhile, the Entrepreneurial Marketing dimension proposed in this dissertation research uses 7 dimensions which are then further divided into several indicators through the operationalization process. All dimensions of the combination of these two variables are the result of researchers' elaboration from the combination of several main sources on several concepts of Entrepreneurial Orientation and Entrepreneurial Marketing that are carefully researched and studied.

Based on the results of the study, findings were obtained that became the next novelty in this study, namely 12 dimensions of the combination of the two variables that were tested through a measurement model as valid and reliable dimensions to be used as a measuring tool for the concept of Entrepreneurial Orientation and Entrepreneurial Marketing which developed and could improve marketing performance. Next, through testing structural models using the SEM-PLS equation, it was found that the 12 dimensions of Entrepreneurial Orientation and Entrepreneurial Marketing were positively and significantly proven to be able to improve marketing performance.

This research focuses on the study of improving the performance of the creative industry in Indonesia in phase 4 related to the creative development of the industry in each country in the world so that the results of this research still have novelty in the development of industrial creative research. If it is connected with research on the creative industry in the world which began from when the UK government first proposed the concept of creative industry in the world in 1997 until now, so this research is included in the latest research developments, namely phase 4, with an emphasis on the development of the creative industry in each region in the world, so that this research has scientific relevance and novelty in the development of the creative industry.

The uniqueness and novelty in this research was also carried out during the Covid-19 pandemic, which is ongoing until now which greatly affects the marketing performance of the creative industry in Indonesia. Another uniqueness and novelty in this study is the merger of 2 variables

used, namely the entrepreneurial orientation variable and the entrepreneurial marketing variable, which in the previous study were separate in the problem of improving marketing performance, especially for creative culinary-based industries in Indonesia.

As a novelty of the research, researchers succeeded in combining 2 variables used, namely the entrepreneurial orientation variable and the entrepreneurial marketing variable, which in the previous study were separate in the problem of improving marketing performance, especially for creative culinary-based industries in West Java. Indicator indicators in measuring the 2 variables were developed by (Killa, 2014); (Davis, J. L., Greg Bell, R., Tyge Payne, G., & Kreiser, P. M. 2010); (Zehir, C., Can, E., & Karaboga, T. 2015); (Charupongsopon., et al. 2017 Mojekeh et al., 2018); (Becherer, R. C., Helms, M. M., & McDonald, J. P. 2012); (Gyanwali, Shrijan Walsh, John C. 2019).

CONCLUSION

Based on the results of research and discussions conducted on strategies to improve the marketing performance of UMKM based on Entrepreneurial Orientation and Entrepreneurial Marketing in the culinary industry in West Java, it can be concluded that Entrepreneurial Orientation affects Co Creation value, Entrepreneurial Orientation affects product innovation, Entrepreneurial Orientation affects marketing performance, Entrepreneurial Marketing affects Co Creation Value, Entrepreneurial Marketing affects marketing performance, Co Creation Value affects Product innovation, Co Creation Value affects marketing performance, Product Innovation affects marketing performance.

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