

Analysis of Marketing Performance of Batik Businesses in Pekalongan Through Entrepreneurial Orientation, Market Orientation, Product Innovation and E-Commerce

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ARTICLE INFO	ABSTRACT
<p>Article history:</p> <p>Received Sep 30, 2023 Revised Oct 02, 2023 Accepted Oct 20, 2023</p>	<p>This research aims to analyze the Marketing Performance Analysis of batik businesses in Pekalongan through Entrepreneurship Orientation, Market Orientation, Product Innovation and E-commerce (Case Study of Batik Traders at the Setono Wholesale Market and IBC Pekalongan) with a total of 158 respondents with a sampling technique using the Stratified technique Random Sampling. The data analysis method used is Multiple Linear Regression using the SPSS ver.22 for Windows program. The results of the tests carried out show that entrepreneurial orientation (X1) has a significant positive effect on marketing performance. Market orientation (X2) has a positive and significant effect on Marketing Performance (Y) with a sig value of 0.007. Product Innovation (X3) has a positive and significant effect on Marketing Performance (Y) with a sig value of 0.000. E-Commerce (X4) has a positive and significant effect on Marketing Performance (Y) with a sig value of 0.042.</p> <p><i>This is an open access article under the CC BY-NC license.</i></p>
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1. INTRODUCTION

With increasingly advanced conditions in technology and science, it has a big effect on the survival of Batik entrepreneurs. The emergence of competition in the business world is something that must be faced, with intense competition, Batik traders are faced with various opportunities and threats which can come from within or from abroad. Not only that, Batik traders are also required to pay attention to things such as retaining existing customers and increasing the number of new potential customers. With such demands, every Batik trader is required to always understand and understand what is happening in the market and what is needed by customers, as well as business competitors in their business environment so that they are able to assess and compete with other Batik traders.

Batik entrepreneurs should try to reduce the effects of their weaknesses and be able to make the most of their strengths in a well-planned and well-planned manner. Thus, batik entrepreneurs are required to be able to choose and determine strategies that can be utilized to face all obstacles and business competition.

With increasingly tight business competition, batik entrepreneurs must understand what and how to manage the various resources they have effectively and efficiently. Effective and efficient strategies created by companies or traders are directed at producing performance, especially Marketing Performance. In a company, marketing performance is very important to be achieved

because marketing performance is the result of the achievements obtained by the company in achieving sales targets in the market with certain strategies, not only sales but market portion also needs to be considered. Ferdinand (2000) said that marketing performance can be said to be good, including three main measures, namely sales value, sales growth and market share, which ultimately can increase company profits.

The long-term success and success in business that a company hopes for is when the business within a company can provide beneficial value to its customers on an ongoing basis. Providing sustainable benefit value means maintaining the company's marketing performance in a sustainable manner (Astrid, 2010). The company's long-term focus and outlook is carried out gradually and consistently to produce marketing performance and efforts to increase the company's competitiveness can be carried out by focusing on market needs and demands.

However, market conditions will always change, meaning that marketing dynamics have an impact on changes in consumer tastes. Market changes like this require companies and traders to innovate their products in order to maintain survival and gain company profits (Tjiptono, 2008). Entrepreneurial orientation is an internal factor of a company that can influence a company's performance, therefore entrepreneurial orientation very necessary in supporting the success of a company.

Entrepreneurship is a creative and innovative ability that is used as the basis and resource for seeking opportunities for success. Entrepreneurial competence is needed in implementing marketing strategies in order to obtain a good competitive advantage through the value of responsiveness to customer needs. According to Mucholifah (2005:55), entrepreneurial orientation is an organizational capability that contributes to the creation of unique organizational resources, positional advantages that influence performance. Entrepreneurial orientation is a company's strategic orientation in entrepreneurship to obtain a competitive advantage with indicators: decision making, practices and methods. Entrepreneurial orientation is an individual's tendency to innovate, be proactive, and be willing to take risks to start or manage a business. The tendency of top management to take calculated risks, to be innovative, and to demonstrate proactivity. Company orientation is defined as the company's strategic orientation, one of which specifically includes entrepreneurial aspects in decision-making style, methods and implementation. Product innovation also aims to meet market demand so that product innovation is one that can be used as a competitive advantage for companies (Han et al., 1998, p. 35). Consumers and customers in general want innovative products according to their wishes. Innovation in products must be carried out continuously or consistently, for a company its success in carrying out product innovation means that the company is one step ahead compared to other competitors. This requires the intelligence of companies and traders in recognizing the desires and tastes of their customers so that the innovation carried out in the end is in accordance with customer desires. Efforts to innovate products are an important function of the management of a company because product innovation can determine good and quality marketing performance. Innovation will become increasingly important as a tool for survival, not only growth but also in increasingly intense competition and environmental uncertainty (Wahyono, 2002).

Apart from Product Innovation, Market Orientation can also be used as one of the things that needs to be considered to improve Marketing Performance. According to Kohli and Jaworski (1990, p. 1-18), market orientation is a company culture that can lead to increased marketing performance. Narver and Slater (1990, p. 34) define market orientation as the most effective and efficient organizational culture for creating the behaviors needed to create superior value for buyers and produce superior performance for the company. In continuation, Narver and Slater (1995, p. 134) explain that companies that have made market orientation their organizational culture will focus on external market needs, market desires and demands as a basis for formulating strategies for each business unit in the organization, and determining needs of the Company's success. Then, there is something that can play an important role today, namely technology. Internet technology is becoming increasingly common and is starting to be used by traders and business organizations. Business world activities using internet technology are an innovative way of carrying out company activities to enter markets in cyberspace which are referred to as electronic business (e-business) and electronic business (e-commerce) (Tamimi, Sebastianelli & Rajan, 2005). By utilizing internet technology,

business people can carry out various business activities electronically, such as business transactions, lots of various information with consumers and suppliers to maintain relationships before, during and after the purchasing process. Marketing at the beginning of the 21st century has begun to experience significant changes, generated by the increasing development of technology. The way of delivering or communicating in marketing has also been modernized or improved, which started from person-to-person (person to person) marketing communication to word-of-mouth which is now directed at computer mediated communication with new wave technology, namely communication based on on technology that makes it easy for users to express themselves and collaborate with other users. That is the basis for the formation of social media which is now being used by users, especially in Indonesia.

Social media such as Facebook, Twitter, Instagram, Whatsapp and marketplace sites which are currently widely used by business organizations for marketing are recognized as being able to disseminate information quickly and effectively with a larger reach. As is the case in this country, based on data collected by CupoNation from Statista as of June 25 2019, the number of Facebook users in Indonesia beats Mexico, the Philippines, Vietnam and Thailand. With total users reaching 120 million or 44.94% of the total population. Social media can be said to be a phenomenon that has changed the way the business environment operates. Through social media, businesses gain access to resources that would otherwise be unavailable to business owners. It also helps companies to improve their viability, cultivate strategic partnerships and improve their contacts with customers and suppliers. It will be important for business owners and marketers to understand how social media works as a communication and marketing tool and how they can significantly grow their business (Ambrose Jagongo and Catherine Kinyua, 2013). Meanwhile, Entrepreneurship Orientation, Market Orientation, Product Innovation and E-Commerce must really be planned using good strategies and carried out carefully.

The large number of small and medium businesses currently causes business continuity to experience a high level of competition, especially industries that produce the same goods. In general, small and medium industry is one of the alternatives that the government hopes to solve economic problems, because it is considered to survive and anticipate economic downturns. Likewise for batik entrepreneurs in Pekalongan, which has become a source of income for the people of Pekalongan and its surroundings, this can or may be used as an economic booster, especially for the people of Pekalongan. Based on the background above, the aim of this research is to analyze the marketing performance of Batik businesses in Pekalongan through entrepreneurial orientation, market orientation, product innovation and e-commerce (case study of batik traders in the Setono wholesale market and IBC Pekalongan).

2. RESEARCH METHOD

Types of research

This type of research uses a descriptive approach and a correlational approach. The aim of the descriptive approach is to systematically describe the facts and characteristics of the object or subject to be studied accurately. Meanwhile the aim of the correlational approach is to determine the relationship between two or more variables. In this research, it is explained that batik entrepreneurs in Pekalongan are in accordance with what researchers want regarding problems related to Marketing Performance and to determine the relationship between the variables of entrepreneurial orientation, market orientation, product innovation variables, and E-commerce.

Object of research

The objects of this research are batik entrepreneurs in the Setono Wholesale Market, Pekalongan City and the International Batik Center, Pekalongan Regency.

Population

Population is a generalized area consisting of objects or subjects that have certain qualities and characteristics that are determined by the researcher to be studied and then draw conclusions (Sugiyono, 2003: 115). The population can consist of people, institutional bodies, institutions, regions, groups, and so on which will be used as sources of information in the research to be

conducted (Abdullah, 2015). The population in this study were all Batik traders in the Setono Wholesale Market, Pekalongan City, a total of 498 batik stalls and 304 batik stalls at IBC.

Sample

According to Sugiyono (2010:62), the sample is part of the number and characteristics of the population. The sampling technique used is non-probability. Ferdinand (2011:220) explains, in non-probability samples, population elements are selected on the basis of their availability (for example, that they volunteer to be respondents) or because of the researcher's personal consideration that they can represent the population. The sample selection method in this research is stratified random sampling. Stratified random sampling, this technique is used because the population elements are not homogeneous, so it is necessary to create groupings or strata where members of each stratum/class are more homogeneous. The distribution of representative samples from each group/strata is determined proportionally, and samples are then taken from each stratum randomly, so that each stratum or population group is represented by a proportional sample. Then, the criteria for the sample that will be used are, 1) Batik traders who are still actively trading at the Setono Wholesale Market and IBC Pekalongan. 2) Batik traders who have been selling batik for more than 2 years at the Setono Wholesale Market and IBC Pekalongan. The population to be studied is known for certain, namely 498 and 304 kiosks, so this research uses the Slovin formula. By using the formula, it can be seen that the number of samples needed to be used as respondents is 83 stalls at Setono wholesalers and 75 stalls at batik traders at the International Batik Center (IBC) Pekalongan.

Types and Methods of Data Collection

The type of data used in this research is primary data. Primary data is a source of research data obtained directly from respondents at the research location. The data collection method in this research is by using questionnaires.

Analysis Techniques

This research uses multiple linear regression analysis and t test. Multiple linear regression analysis functions to test the influence of the independent variables, namely market orientation, product innovation and e-commerce on the dependent variable, namely the marketing performance of batik businesses at Wholesale Setono and IBC Pekalongan.

3. RESULTS AND DISCUSSIONS (10 PT)

Classic assumption test

Normality test

This test is intended to determine whether the data obtained is normal or not. One way to check normality is based on the following normality test table:

**Table 1. Normality Test Table
One-Sample Kolmogorov-Smirnov Test**

		Standardized Residuals
N		158
Normal Parameters, b	Mean	,0000000
	Std. Deviation	,977375555
Most Extreme Differences	Absolute	,063
	Positive	,063
	Negative	-,062
Statistical Tests		,063
Asymp. Sig. (2-tailed)		,200c

a. Test distribution is Normal.

b. Calculated from data.

a. Lilliefors Significance Correction.

The table above shows that the data is normally distributed, this can be seen from the Kolmogorov Smirnov test with a result of 0.200. This means that the significance value is more than 0.05, the data distribution is normal.

Multicollinearity Test

Multicollinearity detection is often used in SPSS by looking at the Variance Inflation Factor (VIF) and tolerance. If the tolerance number is above 0.1 and $VIF < 10$, it is said that there are no symptoms of multicollinearity. If the tolerance figure is below 0.1 and $VIF > 10$ then it is said that there is a symptom of multicollinearity.

Table 2. Multicollinearity Test Table
Coefficients^a

Model	Collinearity Statistics	
	Tolerance	VIF
1 Entrepreneurial orientation (X1)	,867	1,154
Market Orientation (X2)	,506	1,975
Product Innovation (X3)	,966	1,035
E-Commerce(X4)	,550	1,819

a. Dependent Variable: TOTAL.Y

From the data results above, the Entrepreneurial Orientation variable (X1) has a tolerance of 0.506 and a VIF of 1.975, Market Orientation (X2) has a tolerance of 0.966 and a VIF of 1.035, the Product Innovation variable (X3) has a tolerance of 0.550 and a VIF of 1.819, and the E-Commerce variable (X4) has a tolerance of 0.867 and a VIF of 1.154. So it can be concluded that these three variables have a tolerance above 0.1 and $VIF < 10$, meaning that there are no symptoms of multicollinearity between the independent variables in the regression model.

Heteroscedasticity Test

An indication of the occurrence of heteroscedasticity is usually shown by the significance value. If the significance value of the independent variable is smaller than the specified significance value of 5% or 0.05, it means heteroscedasticity has occurred. However, if the significance of the independent variable is greater than the specified significance value of 5% or 0.05, it means that heteroscedasticity does not occur.

Table 3. Heteroscedasticity Test Table
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-3,600	2,946		-1,222	,224
Entrepreneurial orientation (X1)	-,016	,043	-,058	-,373	,711
Market Orientation (X2)	,028	,047	,063	,595	,553
Product Innovation (X3)	,017	,058	,022	,289	,773
E-Commerce(X4)	-,128	,068	-,191	-1,888	,061

a. Dependent Variable: ABRESID

Based on this table, it can be seen that the significance values of the variables Entrepreneurship Orientation (X1), Market Orientation (X2), Product Innovation (X3), E-Commerce (X4) and Marketing Performance (Y) are above the level of significance of 5% or 0.05 which means there is no element of heteroscedasticity.

Model Fit Test

Table 4. Model fit table
ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1385,109	4	346,277	41,405	,000b
	Residual	1279,581	153	8,363		
	Total	2664,690	157			

a. Dependent Variable: TOTAL.Y

b. Predictors: (Constant), TOTAL.X4, TOTAL.X2, TOTAL.X3, TOTAL.X1

The model suitability test can be measured from the F statistical value which shows whether all the independent variables included in the model have a joint influence on the dependent variable. Based on the table above, it can be seen that there is an influence of the variables entrepreneurial orientation, market orientation, product innovation, and e-commerce whether they are compatible or not on marketing performance. From this table, the calculated F value is 41.405 and the significance is 0.000, so it can be seen that the significance value is smaller than 0.05. This shows that the Multiple Linear Regression model is suitable for testing the variables of entrepreneurial orientation, market orientation, product innovation, and e-commerce whether they are suitable or not for marketing performance.

Multiple Linear Regression Analysis

Multiple linear regression analysis was used to determine the influence of the Entrepreneurial Orientation (X1), Market Orientation (X2), Product Innovation (X3), E-Commerce (X4) variables with the Marketing Performance Variable (Y) on Batik Traders in the Setono Wholesale Market, Pekalongan City. Before carrying out multiple linear regression analysis, a regression calculation preparation table is first presented.

Based on the results of multiple linear regression analysis calculations using the SPSS for Windows Ver.22.00 program. The following results were obtained:

Table 5. Multiple Linear Regression Results Table
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	15,378	4,858		3,166	,002
	Entrepreneurial orientation (X1)	,165	,070	-,141	2,347	,020
	Market Orientation (X2)	,320	,077	,327	4,147	,000
	Product Innovation (X3)	,236	,096	,140	2,465	,015
	E-Commerce(X4)	,526	,111	,357	4,723	,000

a. Dependent Variable: TOTAL.Y

Based on the results of the calculations in the table above, the following equation is obtained:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

$$Y = 15.378 + 0.165$$

From the regression equation above it can be interpreted as follows:

- The constant of 15.378 states that if Entrepreneurial Orientation (X1), Market Orientation (X2), and Product Innovation (X3), E-Commerce (X4) have a value of 0, then Marketing Performance (Y) has a value of 15.378.
- The regression coefficient
- The regression coefficient
- The regression coefficient

- e. The regression coefficient X4 (E-Commerce) is 0.526, meaning that for every 1% addition of E-Commerce, the E-Commerce factor will increase Marketing Performance by 0.526 or 526%.

t test

- a) The influence of entrepreneurial orientation on marketing performance
In the coefficient table above (table 5.12), the calculated value is 2.347, while for the t table value with a significance level of 0.05, the value is 1.975092. Comparison of the two results in a calculated t that is greater than the t table, namely $2.347 > 1.975092$. Thus H1 is accepted. Therefore, it can be concluded that the entrepreneurial orientation variable has a positive and significant influence on increasing marketing performance at Setono wholesalers and IBC.
- b) The influence of market orientation on marketing performance
In the coefficient table above (table 5.12), the calculated value is 4.147, while for the t table value with a significance level of 0.05, the value is 1.975092. Comparison of the two results in a calculated t that is greater than the t table, namely $4.147 > 1.975092$. Thus H2 is accepted. Therefore, it can be concluded that the market orientation variable has a positive and significant influence on increasing marketing performance at Setono wholesalers and IBC.
- c) The influence of product innovation on marketing performance
In the coefficient table above (table 5.12), the calculated value is 2.465, while for the t table value with a significance level of 0.05, the value is 1.975092. Comparison of the two results in a calculated t that is greater than the t table, namely $2.465 > 1.975092$. Thus H3 is accepted. Therefore, it can be concluded that the product innovation variable has a positive and significant influence on increasing marketing performance at Setono wholesalers and IBC.
- d) The influence of e-commerce on marketing performance
In the coefficient table above (table 5.12), the calculated value is 4.723, while for the t table value with a significance level of 0.05, the value is 1.975092. A comparison of the two results in a calculated t that is greater than the t table, namely $4.723 > 1.975092$. Thus H4 is accepted. Therefore, it can be concluded that the e-commerce variable has a positive and significant influence on increasing marketing performance at Setono wholesalers and IBC.

4. CONCLUSION

Based on the results of data analysis and discussion, the following conclusions can be drawn: Entrepreneurial orientation has a positive and significant effect on the marketing performance of Batik traders at the Setono Wholesale Market and IBC Pekalongan City. This is proven by the results of the t test which obtained a t value of 2.347 which was accepted with a significance level of 5% ($p < 0.05$). This means that the better the Market Orientation implemented, the better the level of Marketing Performance for Batik traders at the Setono Wholesale Market and IBC Pekalongan City. Market orientation has a positive and significant effect on the marketing performance of Batik traders at the Setono Wholesale Market and IBC Pekalongan City. This is proven by the results of the t test which obtained a t-value of 4.147 accepted with a significance level of 5% ($p < 0.05$). This means that the better the Market Orientation implemented, the better the level of Marketing Performance for Batik traders at the Setono Wholesale Market, Pekalongan City.

Product innovation has a positive and significant effect on the marketing performance of Batik traders at the Setono Wholesale Market and IBC Pekalongan City. This is proven by the results of the t test which obtained a calculated t value of 2.465, accepted with a significance level of 5% ($p < 0.05$). This means that the better the product innovation implemented, the better the level of marketing performance for Batik traders at the Setono Wholesale Market, Pekalongan City. *E-Commerce* has a positive and significant effect on the marketing performance of Batik traders at the Setono Wholesale Market and IBC Pekalongan City. This is proven by the results of the t test which obtained a t value of 4.723, accepted with a significance level of 5% ($p < 0.05$). This means that the better the E-Commerce strategy implemented, the better the level of Marketing Performance for Batik traders at the Setono Wholesale Market, Pekalongan City. .

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