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The Implementation Entrepreneurship Orientation, Market Orientation and Business Performance Model for Food Category of Micro and Small Enterprises

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Abstract: This Study aim to analyze how implementation model of entrepreneurial orientation, market orientation and business performance on Micro and Small Entreorises for food category in City Jambi. Study this is qualitative research. The approach used in this research is a case study of the research object, Micro and Small Enterprises in term of food and beverage enterprises. The determination of informants in this research, it was carried out using a *purposive sampling technique* where selection was carried out deliberately based on predetermined criteria and set based on objectives study. Informant study This is: Manager/owner Business Micro and Small category Food in Jambi. The research results show that food business owners have an entrepreneurial orientation and understand market desires (market orientation). MSEs understand that the more market-oriented and entrepreneurial they are, the better their business performance will be. The use of technology in the form of social media as a means of promotion has been carried out, but the courage to take risks is still low.

Keyword: Entrepreneurship, Performance Business, Orientation Entrepreneurship, Orientation Market, MSE.

INTRODUCTION

The development of Micro and Small Enterprises (UMK) in Jambi City shows an upward trend in the number and employment of the workforce. Data taken online from BPS Jambi Province in February 2022 shows that there were 3,506 small business units in 2019 and this number remains the same in 2021. Meanwhile the number of micro businesses tends to increase, in 2019 from 7,257 to 44,506 business units in 2021. (<https://jambi.bps.go.id/indikator/35/840/1/usaha-micro-small-dan-menengah.html>), the proportion of micro businesses is higher than small and medium businesses. However, the data shows that the number of medium-sized businesses in 2019 and 2021 is 0 (zero). This data provides information that in Jambi City there has been no increase in industrial groups or movement of business groups from small business groups to medium business groups for the

2018-2021 period. Even the increase from micro businesses to small businesses shows a less significant and relatively constant amount. Furthermore, if we look at the number of companies and workers in the MSE sector, it can be seen that the largest number of micro and small group businesses is in the food classification, namely 10,333 business units (36.69%). This shows that the food category is a business that is of interest to MSEs compared to other categories. Several government programs to increase the number of micro businesses to small businesses, then small businesses to medium businesses, continue to be implemented.

Apart from mentoring and coaching programs for MSEs from the Ministry, State-Owned Enterprises, Banking and Regional Government, universities have even carried out research and community service for MSEs through the Tridharma of Higher Education. However, MSEs are still experiencing difficulties in developing. According to the Indonesian Chamber of Commerce and Industry, the factors that make it difficult for MSEs to develop are poor capital, minimal access to permits, poor market access, poor management capacity and poor access to information technology. These various problems are very important to find solutions for and are a priority to be resolved, however this research will focus on inhibiting factors in the form of poor market access and access to information technology which are linked to the business performance of Micro and Small Enterprises (MSEs) in accordance with the researcher's field of expertise. According to (Gupta & Govindarajan, 1984) the absolute performance of a business entity depends not only on the effectiveness of its internal organization in implementing the chosen strategy, but also on the characteristics of the industry and the choice of strategy itself.

(Pisicchio & Toaldo, 2021) (Civelek et al., 2021) stated that the role of integrated marketing communications is needed in increasing innovation orientation and marketing performance. In the era of digitalization, several studies have found that e-commerce has a correlation with the performance of MSMEs. (Jahanshahi et al., 2013; Ramanathan et al., 2012; Santarelli & Altri, n.d.; Shemi & Procter, 2018; Vrontis et al., 2022). Entrepreneurial orientation is an intervening factor in the relationship between market orientation and marketing performance (Cho & Lee, 2018; Mahrous & Genedy, 2019; Montiel-Campos, 2018; Nasser, 2021; Setiawan et al., 2022). Entrepreneurial orientation is an antecedent of creativity (Hoang & Bui Thanh, 2021). These previous studies provide a positive contribution in that the entrepreneurial orientation-market orientation-business performance model can be implemented. the entrepreneurial orientation-market orientation-business performance model can be implemented.

Research conducted in 2020 has discovered a model of market orientation and marketing performance of MSEs (Octavia et al., 2020). This model is an empirical model found through testing on Jambi batik MSEs. The resulting findings are that there is a significant positive relationship between market orientation and MSE marketing performance. Similar research results have been conducted by previous researchers and found a significant relationship between market orientation and marketing performance or business performance (Hanaysha & Al-Shaikh, 2022) (Habib et al., 2020; Hasan et al., 2020; Hoang & Bui Thanh, 2021; Mahrous & Genedy, 2019). The following year, research was carried out by including the variables of women's entrepreneurship and environmentally friendly entrepreneurship. It was found that these variables were antecedents of market orientation and had an influence on marketing performance (Octavia et al., 2023).

The empirical model that was previously discovered was obtained through testing inter-relationships using quantitative methods. One of the weaknesses of the quantitative model found is that it cannot fully describe the phenomena behind the relationship between variables. Meanwhile, to get implementable recommendations, a more in-depth analysis needs to be carried out by looking at how the model can be applied in society. The author is interested in conducting further research in 2023 with the object of MSEs in Jambi City which based on data shows that they have not been able to improve business performance or

business performance. Based on the research background above, the problem in this research is how to implement the entrepreneurial orientation model - market orientation - use of e-commerce - business performance in MSEs in the food category in Jambi City?

METHOD

Performance is a description of the level of achievement in implementing an activity or program or policy in realizing the goals, objectives, mission and vision of an organization as stated in an organization's strategic planning. Business success is the main goal in running a business. One step to measure this is by conducting a performance assessment (Miftakhuljanah, 2016). Performance assessment is very important because apart from being used as a measure of success, it can also be an input for improving or increasing the performance of an organization. Performance can be known only if the individual or group of individuals has predetermined success criteria. Analyzing SME business performance is very difficult because owners and management are reluctant to reveal the business results they have achieved. Business performance assessments are highly correlated with objective performance measures (Moric Milovanovic & Wittine, 2014). Business performance was conceptualized by (Gupta & Govindarajan, 1984) where respondents were asked to assess the extent to which financial factors and non-financial factors were important indicators for the business and to assess the level of satisfaction with the performance achieved by these indicators. A company's innovative activities and competitive actions are enhanced by an entrepreneurial sensibility. This can have a positive impact on the company's business performance (Saarikko et al. 2014; Fatoki and Oni, 2015). Business performance has become a core concept used by academics and professional managers in all areas of business research, especially in strategic management studies. Business performance is generally conceptualized in two different dimensions: financial and operational (Campos et al., 2022). Performance includes accounting operations and financial measures. Operational performance, a concept more closely related to our research objectives, is related to efficiency, that is, technological capabilities in managing a company's products and human assets.

RESULTS AND DISCUSSION

Results

Implementation of E-Commerce

Electronic commerce (e-commerce) plays a unique role in micro, small and medium scale businesses. With the advancement of e-commerce, people use the internet for purchases and consumers no longer need to be physically present when transactions occur. E-commerce has created major changes in the retail and service Industry. Today, customers can purchase products from their homes or offices. They can also view goods and products on their computer monitors and see information about how the products were produced (Jahanshahi et al., 2013). The current period is called the era of the "whole electronic phenomenon", as it has seen E-commerce, due to its diverse applications, have different definitions. According to (Jahanshahi et al., 2013) E-commerce is usually associated with buying and selling via the internet or carrying out any transaction that involves the transfer of ownership or rights to use goods or services via a computer-mediated network.

Electronic commerce (e-commerce) expands the concept of business from a simple transactional approach to a broader and more complex concept of inter-company cooperation (Awiagah et al., 2016). Amidst the globalization of markets, growing interpenetration of national economies and increasing interdependence of national economies, e-commerce adoption remains an important but complex and difficult to understand phenomenon, with very little known about it. Turban et al (2008) define e-commerce as the process of selling, purchasing, transferring or exchanging products, services and/or information via the Internet. adopting e-commerce in MSEs is seen as a process of change in terms of learning, helping

MSEs to change the process of negotiating, purchasing, selling, investing and banking via email, internet, website applications. Such processes can be influenced by various business actions and actors, structures and roles, culture and managerial tendencies (Shemi & Procter, 2018).

Orientation Entrepreneurship

From the emergence of this concept until now, entrepreneurial orientation has received a lot of attention. An entrepreneurial orientation allows many parties to better understand not only the driving factors behind the strategy and development of a particular organization but also to understand the relationships between variables from different organizational environments. Entrepreneurial orientation is (Kreiser & Davis, 2010) activities that use product innovation, take risks and try to proactively innovate with the aim of defeating competitors by implementing Islamic principles. Entrepreneurial orientation is operationalized using five variables: namely innovation, proactiveness, risk taking, autonomy and competitive aggressiveness. The term entrepreneurial orientation means how the owner of a business has an entrepreneurial spirit and culture. Several studies have found that the higher the level of entrepreneurial orientation, the higher the business performance that will be achieved (Kreiser & Davis, 2010) (Octavia & Ali, 2017). Therefore entrepreneurial orientation and performance are key factors for economic growth that must be considered by all stakeholders. From research (Adesanya et al., 2018), it has been determined that entrepreneurial innovation must be encouraged and enhanced by increasing domestic and foreign technological networks for more competitive innovation. It was also found that work entrepreneurial orientation is better when all features are used as a whole rather than as individuals, to have a greater impact on company performance. The entrepreneurial orientation and practical training that have been integrated must be improved and promoted further to entrepreneurs. This needs to be done in order to create resilience in pro-activity, increase the risk-taking tendency and innovation needed by entrepreneurs to survive in a turbulent socio-economic environment. Although much research has been carried out on this topic, global technological changes in the economic and social fields require new findings regarding these changes. The complexity and interdependence of factors that shape the modern business environment influence the emergence of the creation of new variables that change existing relationships (Moric Milovanovic & Wittine, 2014).

Market Orientation

Referring to Kohli and Bernand (1990) market orientation is the organization's broad generation of market intelligence or information about customer needs for the present and the future. The starting point of market orientation is market intelligence. Market intelligence is a broader concept of customer needs and preferences including analysis of exogenous influencing factors beyond that. This market orientation provides market-based information about customers, competitors, and other important things such as stakeholders and market trends in strategic decision making. Simply put, information about the market becomes like a beacon to guide companies through the strategy-making process. According to (Slater et al., 2010) by sharing an understanding of values and markets, companies can create strong knowledge-based competencies that enable companies to gain profits. Companies that act on intelligence today practice responsive markets.

Small and medium enterprises (SMEs) are required to develop the concept of market orientation in the organization so that it is in sync with changes in the business environment. According to Narver and Slater, (1990) market orientation is a group of behaviors and processes or culture to create superior customer value. Some experts argue that listening to current customers can stifle innovation, limiting ideas to customers. Companies with a responsive market orientation may have a tendency to focus specifically on solving existing

customer needs with current technologies. Companies that focus too much on their established customers may be constrained in the strategy and technology they choose..

Business Performance

Performance is a description of the level of achievement in implementing an activity or program or policy in realizing the goals, objectives, mission and vision of an organization as stated in an organization's strategic planning. Business success is the main goal in running a business. One step to measure this is by conducting a performance assessment (Miftakuljanah, 2016). Performance assessment is very important because apart from being used as a measure of success, it can also be an input for improving or increasing the performance of an organization. Performance can be known only if the individual or group of individuals has predetermined success criteria.

Analyzing SME business performance is very difficult because owners and management are reluctant to reveal the business results they have achieved. Business performance assessments are highly correlated with objective performance measures (Moric Milovanovic & Wittine, 2014). Business performance was conceptualized by (Gupta & Govindarajan, 1984) where respondents were asked to assess the extent to which financial factors and non-financial factors were important indicators for the business and to assess the level of satisfaction with the performance achieved by these indicators. A company's innovative activities and competitive actions are enhanced by an entrepreneurial sensibility. This can have a positive impact on the company's business performance (Saarikko et al. 2014; Fatoki and Oni, 2015). Business performance has become a core concept used by academics and professional managers in all areas of business research, especially in strategic management studies. Business performance is generally conceptualized in two different dimensions: financial and operational (Campos et al., 2022). Performance includes accounting operations and financial measures. Operational performance, a concept more closely related to our research objectives, is related to efficiency, that is, technological capabilities in managing a company's products and human assets

Discussion

Business actors have innovated the products they offer. The goal is to make the product different in the minds of consumers. Several innovations were made not only in terms of taste and variants. However, business actors are also innovating in terms of prices. In terms of variants, innovation is carried out by providing flavors that are unique to certain regions. This is not only expected to provide new flavors and introduce different flavors to Jambi consumers, but also as an effort to attract consumer interest in making purchases. Apart from that, this business also provides flavors that are not offered by other business actors. From the aspect of appropriate technology, nothing has been implemented to produce product innovation. However, information technology innovations have been used, namely using mobile and internet-based devices. Digital media used include WhatsApp and Instagram. A company's innovative activities and competitive actions are enhanced by an entrepreneurial sensibility. This can have a positive impact on the company's business performance (Saarikko et al. 2014; Fatoki and Oni, 2015). Most participants are often the first initiates who are then joined by competitors. sometimes being the first company to introduce new products/services, processes, technology and administration. The main principle of MSEs is to provide number one service. But not all participants were the first. On average, the innovations carried out have also been carried out by other competitors. Most participants tried to be at the forefront in introducing new products or ideas but were considered to still have similarities with competitors' products. All participants had the same preference for the question of strong preferences for running projects that have high risks. Most choose not to run a business that has big risks. Worried about the amount of capital that must be spent and

choose to do safe business. Participants understand that the ability to take risks greatly influences the effective achievement of business goals. The courage to take risks can also advance your business quickly. Participants also understand that the greater the risk faced in making decisions, the greater the profits they will gain in doing business. However, MSEs prefer to sell products with small risks, are safe and are quite satisfied with the profits currently obtained. . Several studies have found that the higher the level of entrepreneurial orientation, the higher the business performance that will be achieved (Kreiser & Davis, 2010) (Octavia & Ali, 2017).

Participants have carried out the process of selling products online but consider it more profitable to sell in person. The media used are Facebook and WhatsApp. There are benefits from using social media, including: making it known to the public, helping sales to become busier, making the market wider and making it known to outsiders. The use of social media is considered to make it easier for them to run their business, but has not been optimal in improving business performance. By ordering online, exchanging products is quite difficult because MSEs have to deliver them directly to consumers, so sometimes they are not on time. Such processes can be influenced by various business actions and actors, structures and roles, culture and managerial tendencies (Shemi & Procter, 2018).

All participants understand that online product exchange can improve business performance. Online product exchange is safer and more timely. Communication via the internet can also make running a business easier. However, it is quite difficult for MSEs to implement it when faced with "requested" consumers or consumers who order products and then cancel them when they are delivered. It was understood by some participants that information via the internet could reach consumers more quickly because when they posted or promoted their business it was directly seen by consumers. However, other participants stated that they preferred it if customers went directly to the seller's location because it was easier and they didn't have to check their cell phone (WA or Facebook) all the time. All participants agreed that product information via the internet can improve business performance. Participants have routine activities or steps they take to serve customers. These activities are: being friendly to consumers, asking consumers what they want to buy, offering the latest products, asking consumers for orders, saying thank you, promoting products, smiling, being polite, serving quickly and precisely, providing comfort and maintaining cleanliness. Product development is carried out based on one's own ideas, not based on customer needs. All participants did not ask customers about their needs and then plan product development based on that information. All participants develop products by looking for their own ideas. So it shows that they are not yet market oriented. Participants are more oriented towards products and promotions. According to Kohli and Bernand (1990) market orientation is the organization's broad generation of market intelligence or information about current and future customer needs. Thus, participants do not yet have a market-oriented culture.

Table 1. Mapping of Market Orientation Data

Focus	Exploration improves access market through culture Which oriented market.
Customer Orientation	The routine activity of most participants is to serve customers in a friendly and fast manner. All participants develop products based on their own ideas, not based on customer needs. Participants perceive they have more customers than competitors. Some participants stated that the product was not the best
Competitor Orientation	Some participants stated that their products were not better than competitors. All participants gave positive responses if competitors followed their innovations. All participants stated that business competition must be carried out in a healthy way.

Inter-Functional Coordination	Interact with each other in developing products and creating value for customers . By looking at competitors we can create more value for customers maximum. Competitors can come up with new innovation ideas to create value for customers. Information on customer needs is obtained from social media, friends, it comes directly to competitors
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Source: Processed Primary Data, 2023.

Some participants have developed better quality products and services than competitors. Some said they have not. The product quality is better than competitors, including a wider variety of contents, which are difficult to find in Jambi. All participants gave positive responses if competitors followed their innovations and gave positive responses if they competed healthily and explored new, better ideas from competitors. Not all participants have permanent employees. Work is carried out together with friends and family members (children, younger siblings). Participants interact with each other to develop value for customers, such as a friendly smile, good service, and providing affordable prices. This value development is obtained based on what competitors are doing, looking at social media, from events or promotions, asking consumers directly, based on consumer requests. The resulting findings are that there is a significant positive relationship between market orientation and MSE marketing performance. Similar research results have been conducted by previous researchers and found a significant relationship between market orientation and marketing performance or business performance (Hanaysha & Al-Shaikh, 2022) (Habib et al., 2020; Hasan et al., 2020; Hoang & Bui Thanh , 2021; Mahrous & Genedy, 2019). All participants gave positive responses that regular product and service development could increase sales growth. Business turnover always increases after developing products and services. There has been an increase in business growth every year but it has not met expectations. All participants gave a positive opinion that the profits obtained were in accordance with the strategy implemented.

Based on mapping carried out on micro and small business actors, empirical information was obtained that to improve business performance, factors are needed: entrepreneurial orientation, market orientation and optimal use of e-commerce. These factors can be seen in table 2.

Table 2. Business Performance Mapping Data

Focus	Exploration of factors Which required perpetrator business micro And small For increase orientation culture market so that it can increase performance business
Factors that can improve business performance	Regular product and service development according to customer needs. Being the first and foremost in introducing new products or ideas to customers. Seeking information from competitors in order to come up with new innovation ideas to create the best value for customers Set sales achievement targets Using appropriate marketing strategies based on market conditions (consumer tastes, competitors' actions, current conditions, use of social media). Interact with each other internally (owners and employees) in developing products and creating the best value for customers

Source: Processed Primary Data, 2023.

CONCLUSION

The entrepreneurial orientation-market orientation and business performance model by adding the dimension of e-commerce utilization has been applied to Micro and Small Food Enterprises in Jambi City. This model can be used to measure the business performance of Micro and Small Enterprises. Suggestions for further research are to modify the model, by

adding other dimensions such as gender, entrepreneurial motivation and other variables. Next, retesting of the validity and reliability of the indicators used is required. for policy makers such as the government, these results indicate that the failure of Micro and Small Enterprises in the marketing aspect is caused by business actors not producing products based on market needs and market desires (not market oriented). So it is difficult to penetrate the market and business performance is low. Training and assistance is needed for business actors to understand market needs, training to produce products according to market needs and choose the right promotional media according to the target market.

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