

## ANALYZING ENTREPRENEURIAL MARKETING ON INNOVATIVE PERFORMANCE

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**Abstract.** Resource Based Theory (RBT) is used to identify problems faced by SMEs. Based on the results of SWOT analysis, it can be seen that SMEs have six problems. These problems include: limited human resources, lack of advanced technology, not having enough knowledge about the target market, not having a good enough SMES management systems, competitor competition, and price from suppliers that fluctuate. The purpose of this study is to determine the effect of Entrepreneurial Marketing on Innovative Performance. This study uses questionnaire as a research instrument for 35 respondents, SMEs who sell snacks in Surabaya city. The results of this study indicated that Entrepreneurial Marketing, consisting of Market Orientation and Entrepreneurial Orientation, has a positive and significant influence on Innovative Performance of SMEs. This shows that the SMES business unit that implements Entrepreneurial Marketing will experience an increase in the performance of the business unit.

**Keywords.** market orientation, entrepreneurial orientation, innovative performance, resource-based view, entrepreneur, entrepreneurial marketing, small medium enterprise.

**Abstrak.** Resource Based Theory (RBT) digunakan untuk mengidentifikasi masalah yang dihadapi oleh UMKM. Berdasarkan hasil analisis SWOT, dapat dilihat bahwa UMKM memiliki enam masalah. Masalah-masalah ini meliputi: sumber daya manusia yang terbatas, kurangnya teknologi canggih, tidak memiliki pengetahuan yang cukup tentang target pasar, tidak memiliki sistem manajemen UMKM yang cukup baik, persaingan pesaing, dan harga dari pemasok yang berfluktuasi. Tujuan dari penelitian ini adalah untuk mengetahui pengaruh Pemasaran Wirausaha terhadap Kinerja Inovatif. Penelitian ini menggunakan kuesioner sebagai instrumen penelitian untuk 35 responden, UMKM yang menjual makanan ringan di kota Surabaya. Hasil penelitian ini menunjukkan bahwa Pemasaran Wirausaha, yang terdiri dari Orientasi Pasar dan Orientasi Wirausaha, memiliki pengaruh positif dan signifikan terhadap Kinerja Inovatif UMKM. Ini menunjukkan bahwa unit bisnis UMKM yang menerapkan Pemasaran Wirausaha akan mengalami peningkatan kinerja unit bisnis.

**Kata kunci:** Orientasi Pasar, Orientasi Wirausaha, Kinerja Inovatif, Resource Based View, Wirausaha, UMKM

### INTRODUCTION

The problems that exist in SMEs will be explored using a theory of Resource Based Theory. Shidqi and Tricahyono (2017) interpret Resource Based Theory as a strategy of design process to create competitive advantage by analyzing the strength of the organization and focusing on managing resources and the ability of each resource to create and to sustain organization's competitive advantage (sustainable competitive advantage). The organization can understand its strength by conducting a SWOT analysis. Primyastanto (2016) says that SWOT analysis is a way to identify various factors in the organization to formulate certain competitive strategies. Primyastanto

(2016) divides SWOT into four parts, namely strengths, weaknesses, opportunities, and threats. The theory shows that if the author knows ways to apply SWOT on SMEs, the author will be able to formulate the right competitive strategy and can obtain competitive advantage.

Regarding competitive advantage, the authors found that Entrepreneurial Marketing have a role in creating a sustainable competitive advantage. Said's research (2016) shows that companies that implement Entrepreneurial Orientation, which is part of Entrepreneurial Marketing, can create a sustainable competitive advantage for the organization. The Concluding Research (2016) shows that market orientation and entrepreneurial orientation can produce competitive advantages that can improve the business performance of SMES tapioca flour in Pati Regency. Hoque and Awang (2016) state that there are seven dimensions of Entrepreneurial Marketing namely Proactiveness, Risk Taking, Opportunity Focus, Innovation, Resource Leveraging, Customer Orientation, and Value Creation.

Based on the findings from previous studies, SMEs have internal and external problems that are discussed through the RBT. In order to further understand the internal and external problems, the author will analyze the organization using SWOT. The SWOT analysis can indicate the presence of internal and external problems that must be resolved. In related to the existing problems, the author wants to see how Entrepreneurial Marketing can provide solutions to the existing problems. The problem with SMEs from the perspective of the RBT can be solved using Entrepreneurial Marketing. As researchers have pointed out, Entrepreneurial Marketing creates Innovative Performance. Hence, it is expected that if SMEs carry out an Entrepreneurial Marketing strategy, SMEs will be able to achieve Innovative Performance in the organization. Innovative Performance is the intention, promotion, and realization of ideas related to work that aim to gain profits from a organization (Putri & Latrini, 2013). Research by Fard and Amiri (2018) shows that Innovative Performance of a organization can be achieved using Entrepreneurial Marketing. However, most of the SME's are not risk takers, most of them usually are a risk averse (Kraus, Harms, & Fink, 2010), where the SME's have some limitations, especially in terms of capital. so they must think carefully how to manage their financial condition. Nevertheless, we still prioritize the concept of entrepreneurial marketing, this is because even though the scope of their business is still SME's, it still starts with a business idea that has been successfully implemented in practice. so that the context of entrepreneurial marketing remains relevant to use. Based on the explanation related to the problem with SMEs, the researcher thinks that Entrepreneurial Marketing is a solution to existing problems, achieved by utilizing good internal and external analysis to improve the performance of SMEs (Kraus et al., 2010; Sullivan Mort, Weerawardena, & Liesch, 2012) in order to identified and exploit the opportunities for acquiring and retaining profitable customers through innovative approaches. Furthermore, this research contribution is to elaborate more about the entrepreneurial orientation and entrepreneurial marketing for SME's especially Indonesia SME's, since they have a lot of limitations, so that this discussion is expected to see the main focus of SME's found in East Java, especially Surabaya

Therefore, the author wants to conduct a study entitled effect of entrepreneurial marketing on innovative performance

## LITERATURE REVIEW

The first study is coming from Fard and Amiri (2018) who aims to determine the effect of Entrepreneurial Marketing on the performance of SME halal food in Iran. This research is motivated by the needs of SMEs for specific marketing strategies given the limited resources of SMEs and capabilities. The research is using quantitative method and have 384 respondents. The results show that Entrepreneurial Marketing has a positive and significant impact on the performance of SME

halal food in Iran. The research also shows that as the business unit's performance increases, their financial performance also increases.

In line with the first study, the second study also shows that Entrepreneurial Marketing can improve organization performance. The second study came from Buli (2016) which aims to assess the influence of Market Orientation and Entrepreneurial Orientation on the superior performance of SMEs in Ethiopia. This research is motivated by the phenomenon that SMEs occupy 99 percent of all existing businesses and the development of SMEs becomes important as it will improve the economy of a country. This study uses a quantitative method with a number of respondents as many as 171. Data analysis was completed using multiple and linear multiple regression. The results of the study indicate that the integration of market orientation and entrepreneurial orientation can contribute to outstanding corporate performance. All dimensions of market orientation and entrepreneurial orientation have a positive and significant impact on the performance of SMEs in Ethiopia.

The first and second studies have discussed ways to improve organization performance. The upcoming research will discuss the impact of improving organization performance. The third study is obtained from Becherer and Helms (2016) who aim to determine the effect of Entrepreneurial Marketing on the SMES market share in the face of business competition. This research is motivated by fact that majority of businesses will face uncertain competitive condition. Many business units have limited resources. This reinforce entrepreneurs to think of innovative ways to survive in the midst of business competition. The number of respondents in this study were 240 respondents. This study uses linear regression as a way to analyze data. The results show that by using Entrepreneurial Marketing, companies were able to increase their market share. Every dimension of Entrepreneurial Marketing contributes to the increase in market share of the organization.

**Resource Based View.** The theory of Resource Base Theory (RBT) in organizations focus on internal factors that influence organizational performance in order to achieve competitive advantage (Sutrisno, 2019), according to Barney (1991), we need to develops as a set of resources that add positive value, is unique, difficult to imitate, and irreplaceable (assets, capabilities, competencies, organizational processes, information, and knowledge). Resource Based Theory can also help companies capture opportunities and neutralize threats. Shidqi and Tricahyono (2017: 1489) interpret Resource Based Theory as a strategy design process to create competitive advantage by analyzing the strength of the organization and focusing on managing resources and the ability of each resource so that the organization's competitive advantage can be sustained (sustainable competitive advantage). Based on the author's explanation, it can be seen that the RBT focuses on the strengths and weaknesses of both internal and external companies. Thus, SWOT analysis is the right way to dissect the strengths, weaknesses, opportunities, and threats of the organization.

**Entrepreneurial Marketing.** Entrepreneurial Marketing is a concrete result of competitive advantage. Irmawati (2015) explains that marketing is the process of planning and implementing concepts, pricing, promotion, and distribution of goods, ideas, and services to create mutually beneficial exchanges with each other. The purpose of marketing is to let the organization share their value to the customers and to let customers create a value of the organization. Suryani (2017) adds that marketing is an activity to create and communicate valuable offers to customers, clients, partners, and society on a broad scale.

Zebua (2017) defines entrepreneurship as the ability to think creatively and innovatively, and will be used as the basis, resources, driving force, goals, and processes in facing life's challenges. Zebua (2017) says that there are six essential aspects of entrepreneurship, namely (1) Entrepreneurship is the value manifested in behavior that is used as the foundation of resources,

driving force, goals, tactics, tips, processes and business results, (2) Entrepreneurship is the ability to create something different, (3) Entrepreneurship is the process of applying creativity and innovation in solving problems, (4) Entrepreneurship is a value needed to start a business and develop a business, (5) Entrepreneurship is an effort to create something new and beneficial to many people, (6) Entrepreneurship is an effort to create added value by combining existing resources.

Kilenthong (2016) says that the concept of integration of marketing and entrepreneurship produces a new concept called Entrepreneurial Marketing. Kilenthong (2016: 3) adds that Entrepreneurial Marketing is a concept that focuses on marketing activities in small companies, young companies, and entrepreneurial operational activities. Webb, et. al. in Hoque and Awang (2016) further explain that Entrepreneurial Marketing is a marketing activity that uses the entire ability of the organization to take advantage of opportunities to meet customer needs. Stokes in Arfanly, Sarma, and Syamsun (2016) explains that Entrepreneurial Marketing is a more suitable approach to deal with problems experienced by SMEs. Purnomo, Karneli, and Febrian (2017) further added that Entrepreneurial Marketing is a combination of marketing and entrepreneurship. This proves that Entrepreneurial Marketing has two elements, namely Market Orientation and Entrepreneurial Orientation.

**Market Orientation.** Purnamasari (2017) defines companies with market orientation are companies that always make decisions based on the value gained from its customers. According to Varadarajan and Jayachandran in Haryono and Marniyati (2017), market orientation is a way for companies to maintain variations in market demand and supply amid changes. Gorica and Buhaljoti (2016) explain that Market Orientation is divided into three dimensions:

**Customer Orientation.** The organization emphasizes the relationship between companies and consumers. The main objective is to use an innovative approach to build long-term and sustainable relationships with consumers. A good organization must be able to build strong relationships between consumers and the organization. Becherer and Helms (2016) say customer orientation is a marketing action that uses innovative approaches to build long-term relationships with their consumers. Limanto and Dharmayanti (2015) explain that customer orientation is the organization's strategy to see and respond to customer's needs. Hoque and Awang (2016) say there are six indicators of customer orientation, namely (1) Companies prioritize customer satisfaction, (2) Employees prioritize customer satisfaction, (3) Companies want to always please consumers, (4) Good after sales service, (5) Commit to provide the best to consumers, (6) Always improve service to consumers.

**Resource Leveraging.** The organization emphasizes on expanding resources and using unusual ways to create more value for consumers. Some ways to expand organization resources are by bartering, borrowing, hiring, outsourcing, and others. Hoque and Awang (2016) add that resource leveraging is a way for companies to use all organization resources optimally, make the system work well, and control all organization resources. Becherer and Helms (2016) say that resource leveraging demands the use of creative resources and synergizes all available resources to support the goals of a organization. According to Hoque and Awan (2016), indicators of resource leveraging are: (1) Maximum use of resources, (2) Reliable employees, (3) Delegation of corporate tasks properly, (4) Expertise in completing work, (5) Broad networking.

**Value Creation.** The organization always try to find certain values that are appreciated by consumers and/ or create these values so that consumers appreciate the organization's performance. Fard and Amiri (2018) say that value creation is a key aspect of marketing. Value creation is the process of

building a positive organization value so that it can be accepted by the society. Becherer and Helms (2016) say that an entrepreneur is said to be successful when they are able to create a new value for the organization. Value creation aims to create relationships between organizations and consumers (Teofilus, Sutrisno, & Gomuljo, 2019), while Hoque and Awang (2016) add that the indicators of value creation are: (1) Companies serve consumers well, (2) Prices offered to consumers are in accordance with the value obtained by consumers, (3) Prices offered are similar to competitors' prices, (4) Organization employees serve consumers well, (5) Prioritize quality, (6) Quality is the main thing for the organization.

**Entrepreneurial Orientation.** Besides Market Orientation, Entrepreneurial Marketing also has another element, namely Entrepreneurial Orientation. Maharsa and Iqbal (2017) explain that entrepreneurial orientation is a decision-making action in organizations where the decision is considered as the best decision to be carry out in their entrepreneurial activities. Entrepreneurial Marketing is also will benefits the organization by improving the course of entrepreneurial processes in SMEs and can foster entrepreneurial behavior patterns to maintain SMEs (Maharsa & Iqbal, 2017). Meanwhile Puspasari and Raharjo (2017) added that entrepreneurial orientation supports innovation in organizations and that innovation encourages new entry. This is a concept that can always be associated with improving organization performance. Gorica and Buhaljoti (2016) explain that Entrepreneurial Orientation is divided into four dimensions:

**Proactiveness.** Proactiveness is related to the environmental conditions of the organization. Proactive companies must be able to influence their business environment and then use the environment to gain a competitive advantage. Becherer and Helms (2016) added that proactiveness is a character of companies that are always willing to take steps to influence the organization's environment. Hoque and Awang (2016) say that the indicators of proactiveness are: (1) Searching for new ways of working, (2) Searching for better ways to work, (3) Liking new ideas, (4) Looking at problems as opportunities, ( 5) Able to see the opportunities that exist, (6) Liking productive activities, (7) Liking to see ideas that are realized.

**Risk Taking.** Companies tend to participate in risky activities. This also means that the organization is willing to take a risk to make a new breakthrough for the organization. Buli (2016) said that risk taking is an act of courage to enter a new market amid uncertain environmental conditions. Becherer and Helms (2016) say that risk taking is also not just the willingness to take chances, but also the organization's ability to minimize risks that may occur. Hoque and Awang (2016) say that indicators of risk taking includes: (1) The desire to take risks, (2) understand that behind the risk there is always profit, (3) take risks differently from gambling activities, (4) the work results determine the risks faced, (5) the good name of the organization determines the risks to be faced.

**Innovation.** It is a marketing activity that is supported by new ideas, experiences, and processes to create a service, product, or even technological excellence that can lead the organization into a new market. Puspasari and Rahardjo (2017) say that innovation is an understanding of entrepreneurship which is believed to provide competitive advantage in the market at hand. According to Becherer and Helms (2016), innovation can occur when companies concentrate on making the business master new markets, new products, and new processes. Hoque and Awang (2016) say that indicators of innovation are: (1) Companies are concerned with innovation, (2) The organization's desire to be superior compare to their competitors, (3) The ability to innovate in the workplace, (4) Innovations are acceptable to the market, (5) Technology helps companies to innovate.

**Opportunity Focus.** In this aspect, the organization emphasizes on their ability to see opportunities when there are opportunities before the competitors take the opportunity. This makes us able to open new markets or become a market leader in the industrial area. Purnomo, et. al. (2017) adds that Entrepreneurial Marketing teaches companies to pursue new opportunities, regardless of organization's limited resource. Therefore, companies that want to implement Entrepreneurial Marketing must continue to improvise and actively seek for new opportunities. Becherer and Helms (2016) say that opportunity focus is the ability of companies to recognize and take opportunities by performing certain actions to make the business successful. According to Hoque and Awang (2016), the indicators of the opportunity focus includes: (1) The organization transforms consumer criticism as an opportunity to develop their business, (2) The organization makes consumer advice as an opportunity to develop their business, (3) Able to see opportunities from market conditions at present, (4) Sensitive to open opportunities, (5) Always trying to find new opportunities, (6) Efforts to get new opportunities.

**Innovative Performance.** Sustainable implementation of Entrepreneurial Marketing will create Innovative Performance for the organization. Zizlavsky (2016) explains that innovative performance is the ability to convert innovative inputs into innovative outputs that can be implemented in the market. Putri and Latrini (2013) define innovative performance as the intention, promotion, and realization of ideas related to work rules, work groups, or organizations that aim to achieve profits from a organization. Maharsa and Iqbal (2017) say that business owners must have a proactive attitude to deal with problems from the existing environment. Alzuod, Isa, and Othman (2017) say that the focus of innovative performance is the novelty of a product and service that is implemented with the presence of products or services that are enhanced and adapted from the environmental conditions. Zizlavsky (2016) says that the indicators of innovative performance include: (1) Prioritizing competitive advantage, (2) Creating new products that can be accepted by the community, (3) Developing innovations in the field of technology, (4) Forming simple organizational structure, and (5) Having a more effective administration system.

**Relationship Between Variables.** Gorica and Buhaljoti (2016) say that Entrepreneurial Marketing has two aspects namely Market Orientation and Entrepreneurial Orientation, both aspects are able to determine the performance of an organization. Another research that conducted by Purnomo, Karneli, and Febrian (2017) said that Entrepreneurial Marketing is combination of marketing and entrepreneurship, besides Hacıoglu, Eren, and Eren (2012) supports the previous statements that Entrepreneurial Marketing is an amalgamation of Market Orientation and Entrepreneurial Orientation, therefore we can conclude that Entrepreneurial Marketing were combination from those two dimension.

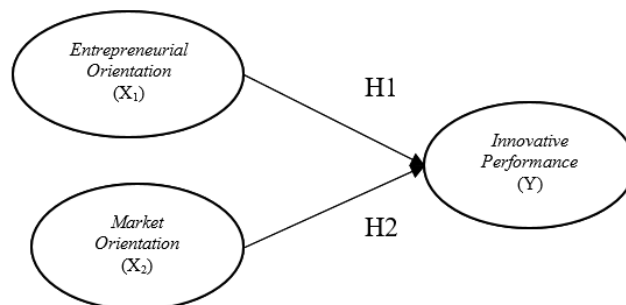
Research that was conducted by Sinaga, Mangunwiharjo, and Sugiarto (2016) prove that Entrepreneurial Orientation has a positive and significant influence on organization performance, this statement were supported by Mustikowati and Tysari (2014), found that Entrepreneurial Orientation has a positive effect on organization performance meanwhile according to Gorica and Buhaljoti (2016: 48), Entrepreneurial Orientation consists of four elements such as: pro activeness, risk taking, innovation, and opportunity focus. Through previous research can be seen Entrepreneurial Consistency Orientation in influencing organization performance can be concluded that Entrepreneurial Orientation can influence organization performance positively. Thus we are trying to propose hypotheses as follows:

***H1: Entrepreneurial Orientation has a positive influence to Innovative Performance***

Research that conducted by Utaminingsih (2016) shows that Market Orientation has a positive influence on marketing performance at SMESs in Jepara. While research by Rodriguez and Morant (2016) shows that Market Orientation has a positive influence on SMES performance in Spain. Gorica and Buhajjoti (2016: 48) said that the market orientation consists of resource leveraging, customer's orientation, and value creation. Based on these three previous studies, it can be seen that market orientation is consistently able to influence performance organization. Every element of the market orientation also influences performance organization. This certainly can make the organization more advanced. Finally, research by Fard and Amiri (2018) shows that Entrepreneurial Marketing has a positive influence on Innovative Performance. Through all of the previous research available, it can be concluded that Entrepreneurial Marketing consisting of Market Orientation and Entrepreneurial Orientation has a positive influence on Innovative Performance. Thus we are trying to propose hypothesis as follow:

***H2: Market Orientation has a positive influence to Innovative Performance***

Hence we are trying to propose our conceptual paper as follow:



**Figure 1.** Conceptual proposed model

## METHOD

In this study, the researcher chooses to use quantitative method, which focus on regression analysis. Bahri and Zamzam (2015) describe quantitative research as a research that is based on positivism philosophy used to examine a particular sample or population, the subjects used in this study were MSME managers. In total, there were 35 respondents used in this study. The subject is selected based on two criteria, namely understanding the problems that exist in the business unit that they run and still actively dealing with the business unit.

Regression analysis in this study will be started with collection of the data. Data's will be collected by distributing questionnaires. Hamdi and Bahrudin (2014) stated that the questionnaire is a technique that is widely used to obtain the desired information. Questionnaires can be presented in form of questions or statements. To give a clear assessment, the author will use a Likert scale as a means of assessment, Sekaran and Bougie (2016: 215) say that a good Likert scale uses a five-point scale. In addition, there will be no difference in using five-point scale or seven or nine-point scale. Therefore, a Likert scale with five points is the most effective one and will be used in this study. Meanwhile, the validity test will be performed by comparing the Pearson correlation value and the R value from the statistical table. Instrument declared valid if the Pearson correlation value is above the R value in the statistical table. Conversely, if the Pearson correlation value is below the R value in the statistical table, then the item statement is declared invalid. According to Riadi (2016: 427), the value of R in the statistical table for this test is 0.334. This test checks each statement one by one. If there is an invalid statement, then the statement must be deleted from further testing.

Testing for the consistency are performed in two ways, namely Cronbach's alpha and corrected item - total correlation. Cronbach's alpha is used to assess the consistency of each variable, while corrected item - total correlation is used to assess the consistency of each question. According to Sekaran and Bougie (2016: 290), the minimum Cronbach's alpha value should be 0.6 in order to declare the validity of the variables. Whereas according to Hair (2014: 123), the question item is valid if it has a corrected item value - the total correlation is equal to and greater than 0.5.

## RESULTS AND DISCUSSION

**Validity and Reliability Test.** The result of the validity and reliability test were as follows:

**Table 1.** Validity and Reliability Test

<i>Instrument</i>	<i>Pearson Value</i>	<i>Correlation</i>	<i>Corrected Item Correlation</i>	<i>Total</i>	<i>Cronbach Alpha</i>
X <sub>1.3</sub>		0,618		0,524	0,855
X <sub>1.6</sub>		0,574		0,530	
X <sub>1.7</sub>		0,564		0,517	
X <sub>1.8</sub>		0,654		0,532	
X <sub>1.9</sub>		0,579		0,545	
X <sub>1.10</sub>		0,647		0,598	
X <sub>1.11</sub>		0,696		0,619	
X <sub>1.12</sub>		0,588		0,539	
X <sub>1.13</sub>		0,609		0,538	
X <sub>1.15</sub>		0,663		0,548	
X <sub>2.1</sub>		0,636		0,570	0,921
X <sub>2.2</sub>		0,634		0,562	
X <sub>2.4</sub>		0,704		0,670	
X <sub>2.5</sub>		0,709		0,643	
X <sub>2.8</sub>		0,583		0,521	
X <sub>2.9</sub>		0,686		0,656	
X <sub>2.10</sub>		0,692		0,642	
X <sub>2.11</sub>		0,633		0,583	
X <sub>2.12</sub>		0,623		0,580	
X <sub>2.13</sub>		0,630		0,576	
X <sub>2.15</sub>		0,638		0,615	
X <sub>2.16</sub>		0,653		0,653	
X <sub>2.17</sub>		0,651		0,637	
X <sub>2.18</sub>		0,605		0,559	
X <sub>2.19</sub>		0,639		0,573	
X <sub>2.20</sub>		0,596		0,541	
X <sub>2.21</sub>		0,594		0,562	
X <sub>2.22</sub>		0,643		0,573	
X <sub>2.23</sub>		0,642		0,603	
Y <sub>1.1</sub>		0,775		0,647	0,841
Y <sub>1.2</sub>		0,811		0,682	
Y <sub>1.3</sub>		0,716		0,563	
Y <sub>1.4</sub>		0,781		0,643	
Y <sub>1.5</sub>		0,824		0,696	

Source: Data Processed



The calculated r-value in each instrument owned by the variable entrepreneurial orientation, market orientation, and innovative performance are greater than the calculation of r table which is 0.334 that we can conclude all the statement items are declared valid.

Testing for consistency in this study are using a Cronbach alpha measuring instrument and corrected items total correlation. Based on data on the results of the measurement of reliability for entrepreneurial orientation, market orientation, and innovative performance, it can be seen that all variables have Cronbach Alpha above 0.6. Judging from the corrected item-to-total correlation, it exceeds the value of 0.50. So, from the results of Cronbach alpha and corrected item-to-total correlation calculations, all variables in this study were declared consistent and reliable in this study.

The classical assumption test result for this research were as follows:

**Table 2. Classical Assumption Test**

<i>Test for Multicollinearities</i>		
Model	Tolerance	VIF
(Constant)		
Market Orientation	0,564	1,774
Entrepreneurial Orientation	0,564	1,774
<i>Test for Heteroscedasticity</i>		
Model	Sig	
(Constant)	0,140	
Market Orientation	0,002	
Entrepreneurial Orientation	0,000	
<i>Test for Normality</i>		
	Unstandardized Residual	
N	35	
Asymp. Sig. (2-tailed)	0,960	

Source: Data Processed

Based on the value of the classical assumption test, we have approved that all the value was significant and the data can be analysing further using the multiple regression analysis, and the results were as follows:

**Table 3. Multiple Regression Analysis**

<i>Goodness of Fit Test</i>		
Model	F	Sig
Regression	48,798	0,000
Residual		
Total		
<i>Test for Coefficient and Determination Coefficient</i>		
Model	R	r Square
1	0,868	0,753
<i>Testing for Hypothesis</i>		
Model	t	Sig
(Constant)	-1,515	0,140
Market Orientation	3,289	0,002
Entrepreneurial Orientation	4,820	0,000

Source: Data Processed

Based on Table 4.3, it can be seen that the Sig on the Test of F value is 0,000. This value is smaller than 0.05, this shows that the market orientation and entrepreneurial orientation variables have a tendency to influence the variable innovative performance. Beside the F-value we can also see the correlation coefficient in this study is 0.868, meaning that the strength of this research relationship is strong positive correlation because it has a value above 0.5 and below 1, while the r-square value is 0.753, which means that the independent variable is able to affect the dependent variable by 75.3 percent. Finally, Sig. value of the market orientation variable is 0.002 and the Sig. of Entrepreneurial Orientation variable value is 0,000. The two Sig values are below 0.05. This indicates that market orientation and entrepreneurial orientation partially influence innovative performance. This explains that market orientation and entrepreneurial orientation individually have a tendency to influence innovative performance.

## CONCLUSION

**Discussion.** The findings of this study are showing that entrepreneurial orientation has a positive and significant influence on the institution (Sinaga et.al, 2016; Silviasih et.al, 2016; Buli, 2016; Jogaratnam, 2017; Mustikowati & Tysari, 2014), according the research that has been done it is shown that shows that studies from 2014 until now have consistently shows that Entrepreneurial Orientation has a positive influence on Innovative Performance, especially for Indonesia SME's. Also the research that shown that market orientation also has a positive and significant influence toward the institution (Prakosa, 2005; Jogaratnam, 2017; Becherer & Helms, 2016; Rodriguez & Moran, 2016; Fard & Amiri, 2018). It is believed that entrepreneurial marketing can consistently affect the performance of SME's. this is in accordance with the theory previously stated. although there are differences in units of analysis and geographical conditions from previous studies. entrepreneurial marketing still has consistent result, therefore we can assure that if an institution, especially SME's want to survive should emphasize on creating the entrepreneurial and market orientation perspectives.

**Suggestion.** There is still something that can be improved in future research. Therefore, the authors have suggested that future research to not only view Entrepreneurial Marketing from RBT perspective, but also from another perspective, for example the differences of entrepreneurial marketing perception between small enterprises and medium enterprises, or we can elaborate more with dynamic capabilities perspectives to see how the institution change, such as from the capabilities of the internal factors to adapt with environmental change.

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