



Factors Affecting the Performance Marketing of Indonesian Farms Business in Entrepreneur Orientation

Dimas Dipa Pratama*¹, Adi Santoso², Dwi Warni Wahyuningsih³

Universitas Muhammadiyah Ponorogo, Indonesia*¹²³

dimasdipapratama@gmail.com*¹, adisantoso@umpo.ac.id², dwiwarni@umpo.ac.id³

Abstract: Therefore, businesses person in the livestock sector, must be able to adapt to changes that exist with the application of social media in marketing the products they sell. This study aims to determine the effect of entrepreneurial competence, market orientation, and social media marketing on the marketing performance of livestock businesses. The population of this research is livestock business actors in East Java. The number of samples used was 300 livestock business actors taken randomly using a simple random sampling technique. The data that has been collected is then entered into the AMOS 24 software using the Structural Equation Modeling (SEM) analysis method to be used later to test the measurement model and the research hypothesis. The results of this study indicate that only entrepreneur competency affects marketing performance, while market orientation and social media marketing do not affect marketing performance in the livestock business.

Keywords: Entrepreneur Competency; Market Orientation; Marketing Performance Social Media Marketing

INTRODUCTION

Small and medium enterprises are a driving force for increasing the economy of the wider community and have a key role in developing the global economy with the development of good human resources (Nabiswa & Mukwa, 2017). In Indonesia, small and medium enterprises (SMEs) have very fast growth (Hutahayan & Yufra, 2019). The SME sector in Indonesia dominates by 99% and as much as 1% in large businesses, opening up many jobs which has a positive impact on employment which is quite significant, namely as much as 97% (Sasongko et al., 2020). SMEs can be grouped into several sectors, namely the agricultural sector, the livestock sector, and the creative business unit sector. In the livestock sector, it can take the form of goat farms, cattle farms, chicken farms, and duck farms (Ilhamy & Pratiwi, 2018).

Indonesia is a country that has a high diversity of livestock species, the livestock sector is one of the business sectors that has an important role in the country, this sub-sector is a driver of the economy, especially in rural areas which directly contributes to advancing national development. Therefore, there must be an integrated effort so that the livestock sector is truly able to function in increasing the rate of economic growth to prosper the people through providing jobs and equitable development (Costanza et al., 2014). High economic growth is a definite target to be achieved by a country, the achievement of good economic growth is marked by an increase in income per capita which continues to increase. To address this, every business person must have good business performance and marketing performance (Lestari et al., 2020).

The business performance of a company can be seen from the success of its marketing performance, marketing performance measurements carried out are a positive reference to see how far the business performance of a company is (Maduwinarti & Andayani, 2021). Every company has a goal to maintain continuity and realize long-term business growth. In the era of global competition, companies are required to have the ability to set strategies in the field of marketing management so that they can survive and compete with changes in the business environment that occur. Several factors are a challenge from the marketing side, the first is that the marketing

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strategy is still not effective, many business people still use simple word of mouth in marketing their products because they have not yet applied social media as a marketing tool (Elwisam & Lestari, 2019), both the low level of entrepreneurial competence among livestock business actors (Dewi et al., 2022), as well as market orientation skills which are also not optimally mastered by every livestock business actor (Novitasari & Faristiana, 2022).

Entrepreneurial competence is defined as the ability of business people to utilize existing resources to improve the performance of their businesses. Mardikaningsih et al. (2022) State that entrepreneurial competence is considered to be an important capital in running a business because it can be the key for business people to create and maintain economic profits for a company. Emphasizes that it is very important for an entrepreneur to continue learning to improve certain competencies that can be used to facilitate the performance of a company. Entrepreneurial competence can also improve company performance, economic development, and the growth of a business. As is the case with the livestock business, a business person must have reliable entrepreneurial competence for the business being run. Therefore it is important to understand the key factors that influence entrepreneurial competency on marketing performance, on the other hand, it is required to have a good market orientation analysis (Al Mamun et al., 2019). Research conducted by Wahyuni & Sara (2020) found that entrepreneurial competence can significantly improve marketing performance in business.

Market orientation is a derivative of the marketing concept within a company, this term is often referred to as a business philosophy that is based on consumer orientation, and market need orientation, and can provide the satisfaction desired by every consumer (Ayimey, 2021). Market-oriented companies is a company that makes customers a mecca for companies in running their business, this activity aims to make the company able to continue to meet customer needs. Based on research through analysis of Italian and Spanish SMEs, Ferreras-Méndez et al. (2015) state that market orientation is a managerial attitude that can increase sales when a manager makes efforts to learn and innovate within a company. Market orientation has a significant influence on the competitive advantage which will indirectly increase sales performance, such as in the livestock business a business actor must have a good market orientation analysis so that marketing goals can be achieved. Research conducted by Ikramuddin et al. (2021) found that market orientation can significantly improve marketing performance in business.

The use of technology can be used by SME business people in Indonesia, namely by utilizing marketing strategies through social media (digital marketing), social media platforms that are currently developing, namely Facebook, Instagram, TikTtok, WhatsApp, YouTube, etc. (Nurhayati & Ardianingsih, 2021). Social media is a gathering place for consumers and a repository of useful information for consumers and acts as a means of disseminating information that has an impact on marketing performance. Due to its interactive nature, social media is currently experiencing developments that play a significant role in the sales performance of every SME. Therefore, as a business person in the livestock sector, they must be able to adapt to changes that exist with the application of social media in marketing the products they sell. Research conducted by Alraja et al. (2020) found that social media marketing can significantly improve marketing performance in business.

Several previous studies on similar research themes, such as by Ali Qalati et al. (2020) examined what influences the performance of Micro and Medium Enterprises. Then research by Khan et al. (2021) examines the factors that influence women's performance in Micro, Small, and Medium Enterprises. The difference between this research is that this research uses 3 independent variables, namely entrepreneur



competency, market orientation, and social media marketing, and a different analysis, namely using SEM AMOS. The purpose of this research specifically aims to determine the influence of entrepreneurial competency, market orientation, and social media marketing on marketing performance.

METHODS

This research is quantitative descriptive research. The population of this research is livestock business people in East Java. Determination of the number of samples used in this study uses the Isaac table so that a total sample of 300 respondents is obtained. The data used are primary. The data collection method used the distribution of questionnaires in print and online using the Google form with a total of 14 questions and using a Likert scale with intervals of 1 to 4 with information 1 = strongly disagree to 4 = strongly agree. The sampling technique was carried out by simple random sampling, where the sample was taken randomly with a total of 300 farms or livestock SMEs owners in the East Java Province.

Methods of data analysis using multiple linear regression. The data that has been collected from as many as 300 samples are then entered into the AMOS 24 software using the Structural Equation Modeling (SEM) analysis method to be used later to test the measurement model and the research hypothesis. This technique is a method used to test statistical models in the form of causal models of the variables used (Forza & Filippini, 2019). Many articles published in well-known journals use the SEM analysis method in their research. As is the case in this study processing data from questionnaire results using AMOS 24 software with the Structural Equation Modeling (SEM) analysis method. Variables and indicators in this study are shown in table 1:

Table 1. Research Statement Instrument

No	Variable Name	Dimensions
1.	Marketing Performance	1. Livestock business has good sales growth 2. The livestock business has good customer growth 3. Livestock business has good new market growth.
2.	Entrepreneur Competency	1. I have the power to focus on opportunities and the values of innovation in business. 2. I can focus on effective management and planning in business. 3. I have technical competence in science and innovation for consumer orientation in business.
3.	Market Orientation	1. I can analyze consumer orientation well 2. I can analyze competitor orientation well 3. I can analyze profit orientation well 4. I can coordinate between functions well.
4.	Social Media Marketing	1. In the livestock business it's easy to find online communities 2. In the livestock business it is very easy to build interactions 3. I often share content with fellow breeders 4. The livestock business has easy market access.

Source: Modification by researchers (2023)



RESULTS AND DISCUSSION

Table 2. Profile of Respondents

Element	Frequency	(%)
Age		
a. 20 s/d 25 years	21 respondents	7 %
b. 26 s/d 30 years	69 respondents	23 %
c. 31 s/d 35 years	120 respondents	40 %
d. 36 years and over	90 respondents	30 %
Length of Business		
a. 1 to 5 years	113 respondents	37,7 %
b. 6 to 10 years	86 respondents	28,6 %
c. 11 years and over	101 respondents	33,7 %
Business Location		
a. Ponorogo	149	49,6 %
b. Pacitan	61	20,3 %
c. Madiun	50	16,7 %
d. Trenggalek	13	4,4 %
e. Tulungagung	11	3,7 %
f. Magetan	8	2,7 %
g. Madura	4	1,4 %
h. Surabaya	2	0,6 %
i. Ngawi	2	0,6 %

Note: Number of responses (n= 300)

Source: Data processed (2023)

From Table 2 above, we get data from respondents who match our criteria. The data includes 1. Respondents' age of 40% has an age range between 31 to 35 years. This shows that the majority of livestock business actors are still of productive age and are already married so business people are expected to have a good work ethic compared to unproductive business actors who are over 64 years old, and with the family status, it is expected that business people have more responsibility in doing business can determine decisions well compared to business people who are still teenagers. 2. The respondent's business length of 37.7% is dominated by businesses that are still 1-5 years old, this shows that the average respondent is still not too old to run the livestock business, therefore a business person needs to have a level of competence good entrepreneurship in running the business. 3. Business locations were taken from 9 regencies spread across the East Java region and 49.6% of the respondents were from the Ponorogo Regency area, this shows that most of the respondents were dominated by the research area. It is also hoped that by taking samples from these 9 districts, the research will become research with good results.

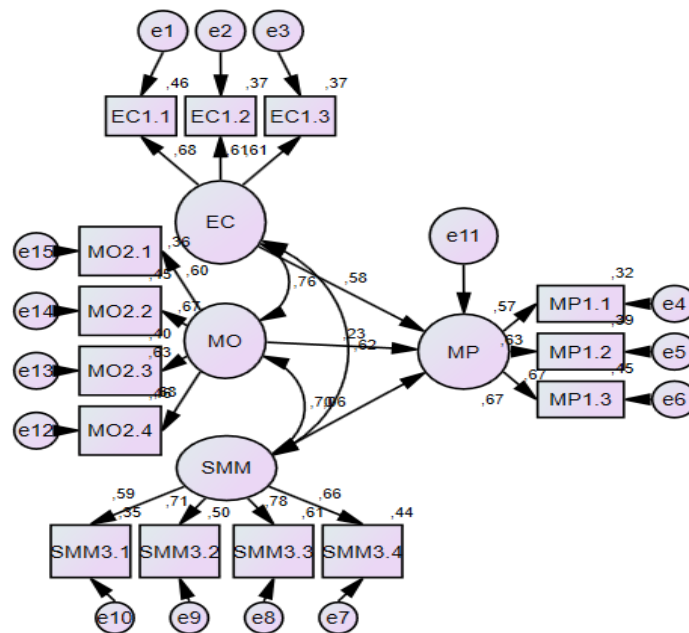


Figure 1. The Structural Model Tests the Theoretical Framework
 Source: Data processed by research (2023)

Model Fit Feasibility Test

Figure 1 shows the structural model of the proposed theoretical framework. This model is by the specified criteria. According to Hair et al. (2017), some of the criteria in the due diligence test are CMIN/DF value < 2, Adjusted GFI (AGFI) value > 0.9, Goodness of Fit Index (GFI) value > 0.9, CFI value > 0.9, TLI value > 0.9, RMSEA < 0.5, and NFI value > 0.9.

Table 3. The Goodness of Fit Test

The Goodness of Fit Index	Result	Decision
Chi-Square	118,002	Good Fit
Cmin/df	1,662	Good Fit
Root Mean Square Error of Approximation (RMSEA)	0,47	Good Fit
Goodness Of Fit (GFI)	0,946	Good Fit
Adjusted Goodness of Fit (AGFI)	0,920	Good Fit
Comparative Fit Index (CFI)	0,961	Good Fit
Tucker Mean Index (TLI)	0,961	Good Fit
Normed Fit Index (NFI)	0,908	Good Fit

Source: Data processed (2023)

The CMIN/DF value was 1.662 <2, the RMSEA value was 0.47 <0.5, the GFI value was 0.946 > 0.9, the Adjusted GFI (AGFI) value was 0.920 > 0.9, the CFI value was 0.961 > 0.9, the TLI value was 0.961 > 0.9, and the NFI value was 0.908 > 0.9. This means that the model as a whole is fit and appropriate, and we don't need to modify the model.



Multiple Linear Regression Analysis

Table 4. Multiple Regression Analysis

	Sig
Entrepreneur Competency	0.000
Market Orientation	0.179
Social Media Marketing	0.579

Source: Data processed (2023)

Based on Table 4, it is known that entrepreneurial competency has a significant influence on marketing performance. Meanwhile, market orientation and social media marketing do not have a significant influence on marketing performance.

Hypothesis testing

Table 5, shows the results of hypothesis testing. In total, there are three hypotheses tested. However, there is only one hypothesis that is accepted, namely H1 with a C.R value of 3.493. Meanwhile, the other two hypotheses including H2 and H3 were rejected with C.R values of 1.343 and 0.555 respectively. Both hypotheses were rejected because their C.R. value was less than 1.98.

Table 5. Hypothesis Test Results

Hypothesis	Track		C.R.	P	Results	
<i>H₁</i>	<i>Entrepreneur Competency</i>	→	<i>Marketing Performance</i>	3,493	***	Accepted
<i>H₂</i>	<i>Market Orientation</i>	→	<i>Marketing Performance</i>	1,343	0,179	Rejected
<i>H₃</i>	<i>Social Media Marketing</i>	→	<i>Marketing Performance</i>	0,555	0,579	Rejected

Source: Data processed (2023)

Entrepreneur Competency in Performance Marketing

The results of this study indicate that there is a positive and significant influence of entrepreneur competency on the marketing performance of the livestock business. This means that the higher the entrepreneurial competence possessed by business people, the higher the marketing performance of the livestock business. An entrepreneur who has good entrepreneurial competence will influence the success of the business because a business actor who has high competence tends to apply the knowledge and expertise they have to the livestock business management activities that are managed. entrepreneurial competence is needed in managing a business (Pranowo, et al., 2020). Therefore, in this livestock business, a business person must have extensive knowledge of the business being run, in this case, skills in taking advantage of opportunities, persistence in running a business, and skills in organizing from existing concepts. Company performance can be improved through the use of good entrepreneurial resources and competencies. One of the steps that can be taken to improve the marketing performance of the livestock business in the East Java region is that business people must continue to learn about entrepreneurial competencies so that they can improve managerial competence and the ability to better manage the livestock business.

This is in line with the concept of Resource Based Theory (RBT) which explains the importance of conceptual excellence as the main capital in business competition (Soewarno & Ramadhan, 2020). Just as in the livestock business, it is the competency



of the business actor that is the differentiator and will create a competitive advantage for a business, to win this competitive advantage, business actors must have capabilities that can exceed their competitors. It is this competence that is expected to always support company performance and economic growth in the livestock business. The same results in research conducted by Chatterjee & Kar (2020) found that entrepreneurial competence can significantly improve marketing performance in business. This research also contradicts the results of research conducted by Aulia (2020) which revealed that entrepreneurial competency does not have a significant effect on marketing performance in business.

Market Orientation to Performance Marketing

The findings in this study indicate that market orientation does not affect the performance of the livestock business because most livestock business actors in East Java still do not understand the existing animal market conditions, they only focus on developing the business they manage. Most of them only focus on raising livestock and later at harvest time all livestock will be taken by collectors or wholesalers they already know, so these breeders do not understand market conditions. There are still many business people who stay in their comfort zone and are reluctant to get out of the zone to study markets that are outside. This is what makes business people not understand aspects of market orientation so the second hypothesis put forward in this study is that market orientation does not affect the marketing performance of the livestock business.

The results of this study are different from the results of previous studies by Riswanto et al. (2020) which found market orientation had a significant effect on marketing performance. One of the differences in the results of this study was caused by differences in the research object where the researcher used animal husbandry objects whose characteristics were different from the objects used by previous studies. However, the results of this study are similar to studies conducted by Khamaluddin et al. (2022) which found that market orientation was not able to improve marketing performance in business. They state that market orientation is not significant enough to improve marketing in business because business success is heavily influenced by other factors.

Social Media Marketing to Performance Marketing

The results of this study indicate that there is no effect of social media marketing on marketing performance in the livestock business. Even though at this time social media marketing has an extraordinary impact on the development of SME businesses, in the livestock business in the East Java region, social media marketing has not become the main choice for business people in the livestock marketing system. It turns out that this marketing system has not been widely used by livestock business actors, there are still many business people who do not understand this marketing system, and they still choose to use the old marketing system by selling their livestock to animal markets or to collectors or wholesalers who come straight to their house. For business people, this marketing system is still considered unimportant because they are still comfortable with the old marketing system they use and don't want to learn to apply social media in marketing their livestock. This is why social media marketing in this study does not have a significant effect on the marketing performance of livestock in the East Java region. This finding is similar to research conducted by Setianingtyas & Nurlaili (2020) which states that social media marketing has no significant effect on marketing performance in business. In contrast, research conducted by Saura et al. (2021) states that social media marketing has a very important role in driving marketing performance.



CONCLUSION

The results of research and observations on the marketing performance of livestock businesses in East Java province show that marketing performance in livestock businesses is not influenced by market knowledge orientation or the use of social marketing media, but marketing performance is influenced by the level of entrepreneurial competence possessed by each livestock business actor. Meanwhile, market orientation variables and social marketing media do not have a significant influence on marketing performance, because most business people still have not implemented social marketing media in their product marketing activities, they are still comfortable with the old system and the relationships they have. Likewise, with market orientation, business actors do not yet understand the existing market conditions because they still rely on relationships with collectors or wholesalers who work with them. This is what every livestock business actor must pay more attention to so that he does not get trapped in a comfort zone, he must be more open to changes in the existing business system so that he can further develop his business development goals in the long term.

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