

Increasing Marketing Performance Based On Entrepreneurial Market Orientation With Mediation Role Of Exploitative Innovation And Marketing Capabilities (Study On Sme Brackishwater Fish Cultivation In Sumatera)

Ratih Amelia

Faculty of Economics and Business, Universitas Brawijaya, Malang, Indonesia

Email: ratihamelia@student.ub.ac.id

Abstract

The purpose of this study was to determine the increase in marketing performance based on entrepreneurial market orientation with the mediating role of exploitative innovation and marketing capabilities carried out in brackishwater fish farming SMEs in Sumatra. The research approach used in this research is quantitative. This research includes basic research (pure research). The research will be carried out in Small and Medium Enterprises in the cultivation of brackish water shrimp in shrimp ponds on the island of Sumatra. The sampling technique in this study used purposive sampling. All shrimp farming businesses that have the criteria for this research are 151 ponds. Data collection techniques in this study were using a questionnaire and literature study. The research instrument used in this study was a questionnaire given to respondents using 5 Likert scales. The results of this study are Entrepreneurial market orientation is proven to be effective in exploiting innovation according to future market needs, Entrepreneurial market orientation is proven to be effective in exploiting marketing capabilities to achieve market positioning. Exploitative Innovation is proven to be effective in motivating entrepreneurs to improve marketing performance. Marketing Capabilities are also proven to be effective in motivating entrepreneurs to improve marketing performance. Entrepreneurial market orientation is proven to be effective in improving marketing performance. Entrepreneurial market orientation is proven to be effective when mediated by exploitative innovativeness to improve marketing performance.

Keywords: Marketing Performancer, Entrepreneurial Market Orientation, Exploitative Innovation, Marketing Capabilities, Small and Medium Enterprises.

INTRODUCTION

Marine and Coastal Resources Indonesia is the largest archipelagic country in the world, shown from the Indonesian sea, stretching from Sabang to Merauke. There are 17,499 islands in Indonesia with a total area of 7.81 million km² of which part of the territory is sea of 3.25 million km² and the Exclusive Economic Zone of 2.55 million km² (BPS Kabupaten Kepulauan Seribu, 2020).

Indonesia produces various fishery resources. One of the targets of the current government is to make Indonesia as the world's

maritime axis. The background of the government's target is because Indonesia has a large sea power. Indonesia has a strategic location, which is between the Pacific Ocean and the Indian Ocean and between the continents of Asia and Australia with abundant fishery resources in it. This strategic location encourages Indonesia to become one of the fish producers to meet the needs of fish protein in the world.

Fisheries are one of the sectors that are relied upon for national development. Based on the Marine in Figures Book of the Directorate

General of Marine Spatial Management, in 2019, the export value of Indonesian fishery products reached Rp73,681,883,000, as an increase of 10.1% from exports in 2018. Marine products such as shrimp, tuna, squid, octopus, crabs and seaweed are commodities that are sought after.

Various countries have realized that Small and Medium Enterprise (SME) is currently a sector that has the potential to support economic strength through innovation and creativity. Other research says that the customer is the key to success in achieving business performance as measured by revenue and customer repeat orders (re-purchases) (Sofyan Assauri, 2013). Katua, (2014) reinforces market-oriented innovation and creativity must become a culture in global economic activities. The development of information and communication technology opens wide, easy, and inexpensive access as a medium to promote comparative advantage so that it has competitiveness in the market (Kajalo and Lindblom, 2015). Companies in the current era of hyper competition compete to increase competitive advantage through innovation to produce competitive advantages for products so that they are able to seize market position. Some companies that have a competitive advantage can improve their marketing performance (Hormiga et al., 2017). Especially in the current era of digitalization, several Small and Medium-Enterprises (SMEs) have utilized information technology to improve their marketing performance. These activities in the marketing literature have explained that customers and competitors in digital information sector have a significant influence on marketing decision making (Lekmat et al., 2018).

Small Medium Enterprise especially in the field of brackish water fish cultivation has begun to develop; thus, the level of competition between small and medium enterprises is getting higher. How shrimp ponds can survive in high competition is to improve marketing performance. Shrimp farms have to start changing their mindset that they have to start

focusing on marketing that can improve marketing performance. It means that entrepreneurship has a positive relationship on SMEs performance. Marketing-based entrepreneurship Entrepreneur Marketing (EM) is a tool used as a company's work function in improving its marketing performance. EM is one part of the conceptual framework of the resource advantage theory of competitiveness (Hunt, 1976, 2015).

Academics and practitioners agree that EM has become one of the disciplines that develops in concepts and mechanisms and does not deviate from the source literature, entrepreneurship concept, and marketing (EM concept) that have been recognized as having a significant relationship and able to improve performance (Sole, 2013). In the past, the advantages of EM strategies have been found in SMEs in the midst of the economic crisis (Amin et al., 2016; Eggers et al., 2012). Based on the entrepreneurial literature, it has been explained that there are two concepts of marketing strategy, namely entrepreneurial marketing (EM) and entrepreneurial market orientation (EMO). The two concepts (EM and EMO) are operational functions, where implementation in the marketing mix, ME is a functional strategy that is embodied in innovation and creativity activities in building the company's comparative advantage; while EMO is used as a company policy strategy that determines marketing targets to improve performance. However, several previous studies have explained that the concept of entrepreneurship is built with different strategies, namely entrepreneurial orientation (EO) and market orientation (MO), both of which are company resources to improve performance (Covin & Lumpkin, 2011; Wiklund & Shepherd, 2005).

The research explains that EO and MO are both strategic synergies that aim to improve marketing performance. It is based on the findings which describe that EO is the interaction and action of companies pursuing new market creation opportunities by continuing to explore existing marketing operations; while MO is the application of the

marketing concept with the philosophy of always wanting to satisfy current customers when looking at the latent needs of customers in the future and serving as the company's goals in the future. The two concepts are formulated by becoming a new concept called EMO defined as the interaction and action of the company in seeing opportunities to create new markets when adding value for customers to meet their needs.

Based on several previous studies, researchers agree that EMO is defined as the company's ability to create memorable value for customers to improve marketing performance (Kajalo & Lindblom, 2015; Yu et al., 2016). In simple terms, it can be explained that the level of success of marketing performance depends on the cooperation support of all company resources in the implementation of the EMO strategy as long as EM also shows positive results.

However, in research found different in results, EM has no effect on improving marketing performance for small-scale companies (MSMEs), because small-scale companies are not brave to innovate and take risks, especially in situations of market turbulence and global economic recession. Therefore, in this research, new steps are needed to improve marketing strategies that are more resilient to changes in the global economic environment. Several studies have also not been able to confirm the effect of EM on the performance of Halal Food companies (Hendijani Fard & Seyyed Amiri, 2018).

Research involving the most interesting aspects of EMO development is to produce a competitive advantage for the company (Boso et al., 2012); (Morgan et al., 2015); (Pehrsson, 2016)). This still needs to be re-synthesized in line with the progress of science that continues to develop (Martens et al., 2016). Wales (2016) explains that innovations made in the Indonesian creative industry sector have a significant effect on their business performance. EMO is an innovation-based strategic decision-making practice process that leads to the creation of new market

share by creating new products/systems that are strengthened by proactiveness, innovativeness, and risk-taking. In addition, competitive advantage is an action taken by the company so that the resulting product looks different and cannot be duplicated by its competitors. Meanwhile, Pehrsson (2016) believes that the measurement of the company's performance can objectively compare with the results of achieving the performance of its competitors.

Research gaps submitted by Mahrous et al. (2020) and Eggers et al. (2012) define that the EM strategy has no effect on marketing performance because Small Medium Enterprises do not dare to innovate as the limited resources. In addition, Kollmann & Stockmann (2014) fill potential gaps in the relationship between Entrepreneurial Orientation (EO) by applying the concepts of exploratory innovation and exploitative innovation. March (1991) conducted pioneering research on exploratory and exploitative innovation as variables that dominate the analysis of technological innovation, organizational adaptation, and progress (Gupta et al., 2006). March (1991) also defines that exploratory innovation as search, variety, risk taking, experimentation, play, flexibility, discovery and innovation. Meanwhile, exploitative innovation is described as improvement, choice, production, efficiency, selection, implementation, and execution. Exploratory innovation and exploitative innovation comes from a resource perspective. Exploitative innovation refers to improving an existing resource, whereas exploratory innovation involves the creation of a whole new set of resources.

Based on the results of previous studies, the appropriate mediating variable for SMEs is exploitative innovation because it is related to existing resources. SMEs have limited resources, in contrast to large companies that can use exploratory innovation because of their ability to buy and create new resources.

De Villiers (2017) demonstrates the importance of developing marketing

capabilities to achieve superior marketing performance. Marketing Capabilities (MP) have been proven in various studies to have a positive effect on improving marketing performance (Lekmat et al., 2018). MC is seen as one of the company's capabilities in controlling market share for a number of similar product areas to bring positive changes to marketing performance. This answers are more complete to understand why some SMEs grow and others do not (Anderson et al. (2015) and Mehrabi et al. (2019).

In the research gap findings above and previous research studies, in an effort to improve marketing performance (MP) consistently and sustainably (sustainability performance), researchers include Entrepreneurial Innovation (EI) and Marketing Capabilities (MC) as mediating the effect of the EMO strategy on MP, so that the results of this study are expected to be valuable input and inspiration for interested parties.

LITERATURE REVIEW

Entrepreneurial Theory

Currently, marketing theory cannot be separated from the concept of entrepreneurship. For more than 30 years, researchers have focused on entrepreneurship and along with the development of the entrepreneurship literature. This concept cannot be separated from the marketing concept into the concept of entrepreneurial marketing (EM) (Hills et al., 2008); (Kraus et al., 2010). Then, many researchers continue to develop this EM concept by complementing innovations in the field of innovation marketing. The concept of EM has long been used in various ways, but is often confusing. It has piqued the curiosity of researchers because each term has been interpreted differently. All is caused by the various relationships that researchers build differently from time to time. They combine marketing concepts with entrepreneurship such as new ventures marketing, innovative marketing, imed at growth and innovation,

In the marketing concept, it is interpreted as an effective organizational culture to create behavior that provides superior value for buyers and companies. Marketing has three indicators which are (1) competitor orientation is the ability and willingness to identify, analyze, and respond to competitors' actions and identify their competitive advantages in quality or specific functions, (2) customer orientation is further defined as an understanding of the target customer with the aim of creating superior value for customers on an ongoing basis, and (3) interfunctional coordination is the coordinated use of company resources to create superior value for target customers.

Entrepreneurial Market Orientation (EMO)

Miller (1983) has explained in entrepreneurial theory that entrepreneurship cannot be separated from the concept of product innovation, the risk of business collaboration, and being proactive. Meanwhile, marketing according to the American Marketing Association in Keefe (2004), is defined as an organizational function that manages and builds communication to deliver value to customers to maintain good relations for the benefit of the organization and stakeholders.

Entrepreneurial Market Orientation (EMO) is formed from the intersection of the dimensions of Entrepreneurial Orientation (EO) which has three indicators, such as innovation, being proactive, and daring to take risks (Kollmann & Stockmann, 2014). Previous research has more researched the effect of EO on Marketing Performance.

Exploitative Innovation (EI)

The classification of innovation is divided into 2 (two) categories, namely: first, innovations carried out with a technology, product, and service approach; second, innovation with an approach based on customer/market segments. This research is developed into Exploitative innovation (EI), an innovation concept carried out radically by designing something that suits

the needs of new customers or the market. They develop knowledge and skills to improve the design of existing products and services and increase distribution cost efficiency. The increasing intensity of market competition makes all companies spend all their best resources in the form of innovation to survive and improve their performance (Gibson & Birkinshaw, 2004); (Rothaermel & Deeds, 2004).

March (1991) defines exploitative innovation as improvement, choice, production,

efficiency, selection, implementation, and execution. Exploitative innovations are incremental innovations and are designed to meet the needs of an existing customer or market. They expand existing knowledge and skills, improve existing designs, expand existing products and services, and increase the efficiency of existing distribution channels. Exploitative innovation is innovation that builds on existing knowledge and strengthens existing skills, processes and structures.

Table 1. Dimensions, Indicators, and Items of Exploitative Innovation Variables

Dimension	Indicator	Source
Optimization of existing resources	Able to optimize existing resources	Justine et.al (2006)
Improved efficiency of resource provision	Able to optimize existing resources so that there is no need to provide new resources	Justine et.al (2006)
Ability to adapt to existing resources	Able to optimize existing resources to support new company programs	Justine et.al (2006)

Marketing Capabilities (MC)

According to Daniels (2002), marketing capabilities are an integrative progress designed to be implemented in an effort to gather company knowledge, skills, and resources related to the market and business needs to enable companies to get added value for goods and services to meet market demands. Day (1990) also identifies the development of marketing capabilities as one of the main avenues for achieving competitive advantage.

Good development of marketing skills is important to carry out basic marketing activities such as gathering information about market needs and selecting target market segmentation, development of new services to meet the needs of the targeted segment, the price of services/products, and the benefits of communication services offered to the target market. This activity can be achieved through advertising/promotion or personal selling (Vorhies et al., 2011).

Marketing Performance

According to Gupta et al. 2006), marketing performance is part of quality performance that is useful as a positive step in spurring the performance of the business itself. Marketing performance measurement can be done at three levels, namely at the process level, output level, and outcome level. Kargar & Parnell (1970) suggest that organizations in effective planning will result in higher performance. Other than that, Stephen et al. (2019) argue that there is actually a relationship between marketing strategy and marketing performance. This relationship can help organizational leaders to understand and predict how the choice of marketing strategy will affect marketing performance in the context of organizational development. Organizational performance is the result of the planning management process as outlined in the company's strategy.

According to Limaj & Bernroider (2019), the factors that underlie marketing performance are satisfaction with profit, relative profit, repeat business, and customer retention. Marketing performance is a concept

to measure the company's achievement in the market for a product; every company has an interest in knowing its achievements as a reflection of the success of its business in market competition.

METHOD

The research approach used in this research is quantitative; if viewed from its nature, it includes causality research because it has the aim of testing the relationship between one variable and another. The relationship tested in this study is the relationship between entrepreneurial orientation and business performance, entrepreneurial orientation and market orientation, and entrepreneurial orientation and absorption capacity. This research, when viewed from its use, includes basic research (pure research), namely research that aims to increase scientific knowledge or to find new research fields. It means that the results of the research cannot be directly applied in the short term but are beneficial for the long term (Sciascia et al., 2014).

The research is carried out in Small and Medium Enterprises in the cultivation of brackish water shrimp in shrimp ponds on the island of Sumatra. Shrimp farmers on the island of Sumatra have enormous potential to improve their marketing performance. The sampling

technique in this study used purposive sampling. Purposive sampling technique is a sampling technique by determining certain criteria (quantitative, qualitative, and R&D research methods, 2016). All shrimp farming businesses that have the criteria for this research are 151 ponds. Data collection techniques in this study are using a questionnaire and literature study. The research instrument test is conducted to determine whether the research instrument is able to measure quickly, accurately, and consistently. The research instrument used in this study is a questionnaire given to respondents using 5 Likert scales through five alternative answers.

RESULT AND DISCUSSION

Pilot Study

Pilot study is conducted to test the measuring instrument used in this study. Before the questionnaires are distributed to the entire sample of 151 respondents, a pilot study first conducted on 30 respondents. This test is conducted to determine whether all the instruments used at the time of data collection had met the criteria, namely valid and reliable. The results of the validity and reliability tests of research instruments are presented in Table 2 below.

Table 2. Variable Validity Test Results

VARIABLE	EO	MO	EI	MC	MP
EO_1.1	0.602				
EO_1.2	0.377				
EO_1.3	0.601				
EO_2.1	0.414				
EO_2.2	0.504				
EO_3.1	0.615				
EO_3.2	0.831				
EO_4.1	0.250				
MO_1.1		0.730			
MO_1.2		0.529			
MO_1.3		0.363			
MO_2.1		0.435			
MO_2.2		0.480			
MO_2.3		0.539			

MO_3.1		0.516			
MO_3.2		0.480			
MO_3.3		0.414			
MO_3.4		0.422			
MC_1.1			0.380		
MC_1.2			0.500		
MC_1.3			0.354		
MC_1.4			0.009		
MC_1.5			0.694		
MC_2.1			0.686		
MC_2.2			0.516		
MC_2.3			0.691		
MC_3.1			0.300		
MC_3.2			0.626		
MC_3.3			0.704		
EI_1.1				0.798	
EI_2.1				0.851	
MP_1.1					0.826
MP_2.1					0.834
MP_3.1					0.690

Source: processed by SPSS 24.2021

Information:

EO = Entrepreneurial Orientation

MO = Market Orientation

MC = Marketing Capabilities

EI = Exploitative Innovation

MP = Marketing Performance

$r\text{-count} < r\text{-table} = \text{invalid}$

$r\text{-table} = N = 30 = 0.361$

Based on the results of the validity test above, it shows that the statement of EO_4.1 (0.250); MC_1.4 (0.009); MC_3.1 (0.300) are below $r\text{-table}$ (0.361), which is declared invalid and not used in the instrument test of all respondents.

Decision Making Basis:

$r\text{-count} > r\text{-table} = \text{valid}$

Table 3. Reliability Coefficient Index Criteria

No.	Interval	Criteria
1.	<0.200	Very low
2.	0.200-0.399	Low
3.	0.400-0.599	Enough
4.	0.600-0.799	Tall
5.	0.800-1.00	Very high

Source: Reliability Coefficient (Ghozali, 2017)

Table 4. Reliability Test Results

Variable	Construct Reliability (Cronbach Alpha)	Information
Entrepreneurial Orientation (EO)	0.638	Tall
Market Orientation (MO)	0.638	Tall

Exploitative Innovation (EI)	0.635	Tall
Marketing Capabilities (MC)	0.574	Enough
Marketing Performance (MP)	0.675	Tall

Source: SPSS 24 data processing, 2021

Decision Making Basis:

Objective: To know the consistency of the questionnaire

Alpha > 0.5 = Consistent/Reliable

Alpha < 0.5 = Inconsistent/Unreliable

Based on the results of the reliability test EO_3.2 (0.476); MP_2.1 (0.411) is below 0.5; then, the statement is declared unreliable.

Table 5. Reliability Test Results

VARIABLE	EO	MO	EI	MC	MP
EO_1.1	0.581				
EO_1.2	0.639				
EO_1.3	0.582				
EO_2.1	0.629				
EO_2.2	0.608				
EO_3.1	0.596				
EO_3.2	0.476				
EO_4.1	0.689				
MO_1.1		0.543			
MO_1.2		0.599			
MO_1.3		0.657			
MO_2.1		0.620			
MO_2.2		0.637			
MO_2.3		0.608			
MO_3.1		0.603			
MO_3.2		0.609			
MO_3.3		0.624			
MO_3.4		0.620			
MC_1.1			0.630		
MC_1.2			0.601		
MC_1.3			0.631		
MC_1.4			0.768		
MC_1.5			0.566		
MC_2.1			0.565		
MC_2.2			0.598		
MC_2.3			0.552		
MC_3.1			0.634		
MC_3.2			0.572		
MC_3.3			0.547		
EI_1.1				0.574.	
EI_2.1				0.574.	
MP_1.1					0.600

MP_2.1					0.411
MP_3.1					0.711

Source: SPSS 24 data processing, 2021

Information:

EO = Entrepreneurial Orientation

MO = Market Orientation

MC = Marketing Capabilities

EI = Exploitative Innovation

MP = Marketing Performance

Description of Entrepreneurial Orientation Variables

The results of the analysis of the description of the EO variable are in Table 6 show the following results.

Table 6. Description of Entrepreneurial Orientation Variables

Indicator	Frequency					Percentage	Average
	1	2	3	4	5		
1. 1. Innovativeness	0	0	0	65	86	91.4%	4.57
2. Risk Taking	0	0	15	44	92	90.2%	4.51
3. Proactiveness	0	0	15	72	64	86.6%	4.33
Average						89.4%	4.47

Source: Primary Data, 2021

The results of respondents' perceptions obtained an average value of 4.47 or 89.4%, meaning that most of the respondents gave a good response value to the EO variable. Although there are some respondents who do not agree with the three indicators, most of them agree that EO must be owned by the industry/company as a marketing competitive power for the products produced.

Based on respondents' perceptions of the "innovativeness" indicator of the EO variable, the dominant value reached 4.57 or 91.4%. It shows that respondents' perceptions of this indicator are important. The courage to innovate for an entrepreneur in capturing and becoming the first market entry in providing market needs with the right marketing strategy and the products offered are special for consumers. It can maintain the existence of market positioning and remain at the forefront. It is followed by risk taking as a logical

consequence of the innovation activities carried out by the company, reaching an average value of 4.51 or 90.2% reflecting the perception of respondents which is also considered important to increase market competitiveness.

Furthermore, indicators of Proactiveness or proactive attitude, in exploring the potential needed by the market through consumers and information intelligence on customer needs, occupy an average value of 4.33 or 86.6%. Respondents' perception is that products that are difficult to imitate symbolize high quality/premium products and it can only be achieved through innovation.

Description of Market Orientation Variables

In the MO variable, the results of respondents' perceptions recorded at the Likert scale level in garment marketing so far are arranged in Table 7 as follows.

Table 7. Description of Market Orientation Variables

Indicator	Frequency					Percentage	Average
	1	2	3	4	5		
1. Customer Orientation	0	0	3	58	90	91.4%	4.57
2. Competitor Orientation	0	0	0	69	82	90.7%	4.54

3. Interfunctional Coordination	0	0	14	78	59	85.8%	4.29
Average						89.4%	4.47

Source: Primary Data, Year 2021

Based on the indicators of the MO variable, the mean value is 4.47 or 89.4%, meaning that most respondents view the importance of MO indicators that the company must have. In addition, it can be concluded that the perception of the majority of respondents at a good level of MO. These results illustrate the importance of MO that management must have in maintaining product marketing strategies.

Respondents' perception of the customer orientation indicator has a dominant value of 4.57 or 91.4%, meaning that respondents consider this indicator to be an important and major part of management's commitment to always look at the customer side. This can encourage market expansion for the company for business growth.

Furthermore, competitor orientation of 4.54 or 90.7% indicates that according to

respondents' perceptions, this indicator is considered important information for companies in implementing marketing strategies to maintain/improve market positioning.

Then the Interfunctional coordination indicator is 4.29 or 85.8%, which means that this indicator is seen by respondents as business fundamentals in maintaining its marketing strategy, namely support from solid team work between functions in management from HRD, planning, production, R&D, logistics. and finance.

Variable Description Exploitative Innovation

In the EI variable, the results of respondents' perceptions are arranged in Table 8 as follows.

Table 8. Variable Description of Exploitative Innovation

Indicator	Frequency					Percentage	Average
	1	2	3	4	5		
1. Improving the Efficiency of Provision of Resources	0	0	0	85	66	89.2%	4.46
2. Optimization of Existing Resources	0	0	0	84	67	89%	4.45
3. Adaptability to Resources	0	0	12	71	68	87.4%	4.37
Average						88.4%	4.42

Source: Primary Data, 2021

The description results of the EI variable described in Table 4.8 show the mean value of 4.42 or 88.4%. It means that the perception of the EI variable in the mediator's position is considered important and is expected to positively increase the related variables. It means that the existence of EI is a driving factor that is prepared by the company to improve MP for better.

Respondents' perceptions of indicators of increasing efficiency in the provision of resources have a dominant mean value of 4.46 or 89.2%, meaning that respondents consider

this indicator to be excessively needed at this time by management to be able to survive during the Covid-19 pandemic and not reduce employees in the midst of weakening people's purchasing power.

The other scheme is a supporting method to optimize existing resources and adaptability of company resources, which is expected to get maximum innovation output. According to respondents' perceptions, this strategy is an effort to increase competitiveness in the face of increasingly fierce market competition.

Description of Variable Marketing Capabilities

The description of the MC variable in Table 9 can be explained as follows.

Table 9. Description of Variable Marketing Capabilities

Indicator	Frequency					percentage	Average
	1	2	3	4	5		
1. Product Pricing	0	0	0	70	81	90.6%	4.53
2. Product Development	0	0	0	67	84	91.1%	4.56
3. Promotion	0	0	0	69	82	90.8%	4.54
Average						90.8%	4.54

Source: Primary Data, Year 2021

Based on the results of the respondent's perception test, the mean value is 4.54 or 90.8%, indicating that the MC variable as a mediator is considered important in giving a positive influence on the related variables. It means that MC as an intellectual asset is a company resource that must be continuously developed to improve MP. The product development indicator has a dominant perception average of 4.56 or 91.1%, meaning that respondents perceive that the indicator is a

dominant factor and has a large contribution in forming MC. It is followed by promotion indicators of 4.54 or 90.8% and product pricing of 4.53 or 90.6% which are seen as very helpful for the success of sales transactions.

Description of Marketing Performance Variables

The description of the MP variable described in Table 10 is as follows:

Table 10. Description of Marketing Performance Variables

Indicator	Frequency					Percentage	Average
	1	2	3	4	5		
1. Count Of Customers	0	0	12	74	65	86.6%	4.33
2. Market Share	0	0	15	73	63	86.4%	4.32
3. Sales Volume	0	0	12	73	66	87.4%	4.37
Average						86.8%	4.34

Source: Primary Data, Year 2021

The results of the description of the MP variable described in Table 5.6 show the average value of respondents' perceptions of 4.34 or 86.8%. This means that the company's MP variable is an internal management factor that must be considered, because MP is an assessment that determines the company's existence.

Based on indicators sales volume, this indicator has a dominant perception value of 4.37 or 87.4%, meaning that respondents perceive that this indicator has a major

contribution in increasing the company's MP because of ability sales volume is the company's competitive strength.

Next is the indicator of customer of 4.33 or 86.6%. It is seen by respondents as the lifeblood of the company's survival in facing market competition. Due to the occurrence of repeat orders, one of the important factors is the achievement of customer satisfaction. If the level of sales cannot be increased, the company's survival will be difficult to maintain. Then the market share indicator by 4.32 or

86.4% is an indicator that shows the benefits of product value that have been felt by customers.

Test Results Correlation Analysis of Relationships between Variables

First Order

The first order conceptual model in this reflective test is to prove that the roles of EO and MO are dimensions of the latent variable EMO which is shown in Figure 1 below:

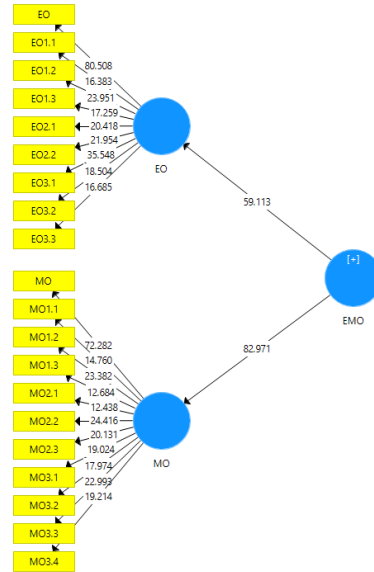


Figure 1. First Order Model

The results of this first order test to see the relationship between EO and MO variables in forming the latent variable EMO are described in Table 11 following:

Table 11. Test results Reflective Analysis of EO and MO Variables

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
EMO -> EO	0.935	0.934	0.016	59,113	0.000
EMO -> MO	0.958	0.957	0.012	82,971	0.000

Source: Processed SmartPLS

Based on the results of the second order reflective test above, it can be explained that the EO and MO variables have a significant effect in forming the EMO latent variable.

Second Order Construct

The second order test in path analysis aims to prove the hypothesis of the related variables in the study can be seen in the model construct which shown in Figure 2.

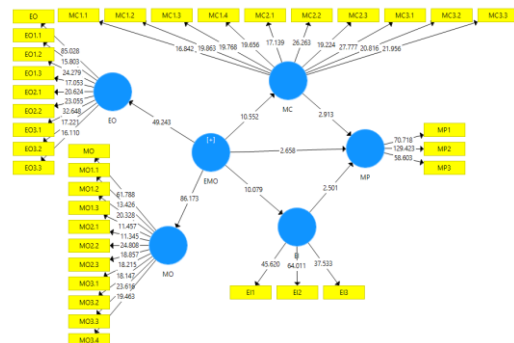


Figure 2. Test Result Model Correlation Analysis with Mediation Variables

Based on the test results above, it can be explained that the direct relationship between variables and the role of mediating variables can be seen in Table 12 below:

Table 12. Test results Direct Effect Analysis between Variables

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
EI -> MP	0.256	0.248	0.103	2,501	0.013
EMO -> EI	0.667	0.661	0.066	10,079	0.000
EMO -> EO	0.932	0.930	0.019	49,243	0.000
EMO -> MC	0.699	0.696	0.066	10,552	0.000
EMO -> MO	0.960	0.959	0.011	86,173	0.000
EMO -> MP	0.238	0.245	0.090	2,658	0.008
MC -> MP	0.328	0.325	0.112	2,913	0.004

Based on the results of the correlation test, the direct relationship between variables can be explained that EMO has a significant direct relationship to EI, MC and MP. Likewise, EI and MC as mediating variables have a significant effect on MP.

Furthermore, the test results of the indirect relationship path analysis and the role of the mediating variable can be seen in Table 13 below.

Table 13. Indirect Effect Test Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
EMO -> EI -> MP	0.171	0.164	0.070	2,431	0.015
EMO -> MC -> MP	0.229	0.225	0.079	2,908	0.004

In the test results of the indirect relationship of the effect of EMO through the mediating variables EI and MC on MP, it can be explained that the mediating variables EI and MC have a significant effect on mediating EMO on MP.

Analysis Result of Relationship between Variables

Entrepreneurial Orientation (EO) is a dimension of Entrepreneurial Market Orientation (EMO)

Based on the results of empirical research from the hypothesis that EO is a dimension of EMO, it can be accepted by being statistically proven in the research above. EO is an important element in a business competition activity. An entrepreneur is said to be market-oriented, when the resulting product can be accepted and become a special value for his

consumers and can provide high multi-effect orders, resulting in long/sustainable business continuity. Entrepreneurs with their creativity develop special product variants and offer competitive prices to their customers. Based on this method, entrepreneurs are considered to have used effective marketing strategies in understanding changes in the structure of the target market, so that they can outperform in the competition. The strength of the competitiveness of domestic products in foreign markets is an integrated component in the overall assessment value of a country's competitiveness. These results can prove that EMO is an entrepreneur strategy formed from EO to answer market needs (Vorhies et al., 2011). This finding indicates that the courage to take risks to innovate for an entrepreneur is considered an early success and becomes the

main force in making products that have a high level of difficulty and are difficult to imitate by competitors.

Market Orientation (MO) is a dimension of Entrepreneurial Market Orientation (EMO).

The results of empirical data research from the hypothesis that MO is a dimension of EMO can be accepted by being statistically proven in the research above. The result of this study indicates that EMO in a shrimp farming business must have a marketing concept (MO). Meanwhile, the company continues to develop in terms of product development, service, and selling price as a comparison (Parnell et al., 2012). Thus, the products marketed are oriented to the customer (competitor oriented). Meanwhile, management continues to improve internal coordination relationships (interfunctional coordination) to strengthen team work in facing market competition. This condition is in accordance with the results of research on MSMEs in Bangladesh.

Entrepreneurial Market Orientation (EMO) has an effect on Exploitative Innovation (EI)

The test results prove that EMO has an effect on EI. That is, a number of company marketing strategies are very influential on the progress of innovation. However, the exploitation of innovation has consequences for capital, access to marketing, distribution, quality standards, and high competition in developing local and international market shares (Morgan et al., 2015),

Entrepreneurial Market Orientation (EMO) has an effect on Marketing Capabilities (MC)

Based on the test results, it proves that EMO has an effect on MC. Therefore, a company's marketing concept is very relevant to the ability to build market share. This is in line with previous research in an effort to grow the economy in Sub-Saharan Africa, for two decades by carrying out Export Promotion

Programs (EPPs) which have an impact on domestic economic stability. Thailand also conducts market information gathering, sales promotion campaigns around the world, and currency exchange rates determination.

Exploitative Innovation (EI) has an effect on Marketing Performance (MP)

The test results further state that the mediating variable EI has an effect on MP. Therefore, EI is an innovation concept that requires movers and actors to execute the innovation concept, so that it independently has a large influence on MP.

Marketing Capabilities (MC) has an effect on Marketing Performance (MP)

The following test results state that the mediating variable MC has an effect on MP. That is, MC is also a marketing concept that requires movers and actors to execute the concept, so that it independently has a large influence on MP.

Entrepreneurial Market Orientation (EMO) has an effect on Marketing Performance (MP)

Based on the test results, it proves that EMO has an effect on MP. Therefore, the company's marketing strategy is very influential on the company's marketing performance. This is in line with previous research by Sole (2013) and Hussien (2019).

Exploitative Innovation (EI) has a significant effect in mediating Entrepreneurial Market Orientation (EMO) on Marketing Performance (MP).

In the results of the next test, there is an indirect relationship between EMO through the mediating variable EI on MP which states that EMO has an effect mediated by EI on MP. It means that EI is a very necessary concept and must be included in the company's innovation strategy series so that EI is an integral part of EMO in the company's strategy to improve marketing performance.

Marketing Capabilities (MC) has significant effect in mediating Entrepreneurial Market Orientation (EMO) on Marketing Performance (MP)

The results of the indirect relationship of the effect of EMO through the mediating variable MC on MP states that EMO has an effect mediated by MC on MP. It can be understood because MC is the company's ability in a series of marketing concept activities; thus, MC is an inseparable variable with EMO in the implementation of marketing strategies.

CONCLUSION

The results of data analysis and discussion related to EO, MO, EI, MC, and MP in shrimp aquaculture in Lampung can be concluded as follows: 1) The entrepreneurial orientation strategy is one of the dimensions that make up the entrepreneurial market orientation and is applied by entrepreneurs in accordance with established theories. This is proven by the improvement in integrated marketing performance. This concept emphasizes entrepreneurs to answer what the market needs (what is the market needs) supported by the courage to take risks, a responsive attitude to customer responses, and continue to innovate through research on future market needs in order to be able to present special products for customers, but keep at competitive prices; 2) Market orientation also is one of the dimensions that make up entrepreneurial market orientation, a concept that focuses activities on market orientation to build positioning in the competition (how to make market position). In this study, the EMO concept is proven to be able to improve marketing performance by implementing a marketing program strategy to answer customer needs. In line with that, the company continues to observe the resources and activities carried out by competitors as a motivation for healthy rivalry. Internally, the company also continues to improve the solidity between functions in management so that it can be well coordinated to become internal resource

strength capable of facing global competition; 3) Entrepreneurial market orientation is proven effective in exploiting innovation according to future market needs; 4) Entrepreneurial market orientation is proven effective in exploiting marketing capabilities to achieve market positioning; 5) Exploitative Innovation is proven to be effective in motivating entrepreneurs to improve marketing performance; 6) Marketing Capabilities is also proven effective in motivating entrepreneurs to improve marketing performance; 7) Entrepreneurial market orientation is proven effective in improving marketing performance; 8) Entrepreneurial market orientation is proven effective when mediated with exploitative innovativeness to improve marketing performance; and 9) Entrepreneurial market orientation is proven effective when mediated with marketing capability to improve marketing performance.

REFERENCES

1. Amin, M., Thurasamy, R., Aldakhil, A. M., & Kaswuri, A. H. B. (2016). The effect of market orientation as a mediating variable in the relationship between entrepreneurial orientation and SMEs performance. *Nankai Business Review International*. <https://doi.org/10.1108/NBRI-08-2015-0019>
2. Anderson, B. S., Kreiser, P. M., Kuratko, D. F., Hornsby, J. S., & Eshima, Y. (2015). Reconceptualizing entrepreneurial orientation. *Strategic Management Journal*. <https://doi.org/10.1002/smj.2298>
3. Boso, N., Cadogan, J. W., & Story, V. M. (2012). Complementary effect of entrepreneurial and market orientations on export new product success under differing levels of competitive intensity and financial capital. *International Business Review*. <https://doi.org/10.1016/j.ibusrev.2011.07.009>

4. Thousand Islands Regency BPS. (2020). Thousand Islands Regency in Figures 2020. BPS Thousand Islands Regency.
5. Covin, J. G., & Lumpkin, G. T. (2011). Entrepreneurial orientation theory and research: Reflections on a needed construct. *Entrepreneurship: Theory and Practice*. <https://doi.org/10.1111/j.1540-6520.20110.00482.x>
6. Danneels, E. (2002). The dynamics of product innovation and firm competences. *Strategic Management Journal*. <https://doi.org/10.1002/smj.275>
7. De Villiers, P. G. (2017). Reading Revelation from the top or the underside. *STJ | Stellenbosch Theological Journal*. <https://doi.org/10.17570/stj.2017.v3n2.a16>
8. Eggers, F., Hansen, D. J., & Davis, A. E. (2012). Examining the relationship between customer and entrepreneurial orientation on nascent firms' marketing strategy. *International Entrepreneurship and Management Journal*. <https://doi.org/10.1007/s11365-011-0173-4>
9. Gibson, C. B., & Birkinshaw, J. (2004). The antecedents, consequences, and mediating role of organizational ambidexterity. *Academy of Management Journal*. <https://doi.org/10.2307/20159573>
10. Gupta, A. K., Smith, K. G., & Shalley, C. E. (2006). The interplay between exploration and exploitation. *Academy of Management Journal*. <https://doi.org/10.5465/AMJ.2006.22083026>
11. Hendijani, F. M., & Seyyed, A. N. (2018). The effect of entrepreneurial marketing on halal food SMEs performance. *Journal of Islamic Marketing*. <https://doi.org/10.1108/JIMA-12-2016-0097>
12. Hills, G. E., Hultman, C. M., & Miles, M. P. (2008). The evolution and development of entrepreneurial marketing. *Journal of Small Business Management*. <https://doi.org/10.1111/j.1540-627X.2007.00234.x>
13. Hormiga, E., de Saá-Pérez, P., Díaz-Díaz, NL, Ballesteros-Rodríguez, JL, & Aguiar-Díaz, I. (2017). The influence of entrepreneurial orientation on the performance of academic research groups: the mediating role of knowledge sharing. *Journal of Technology Transfer*. <https://doi.org/10.1007/s10961-015-9463-2>
14. Hunt, S. D. (1976). The Nature and Scope of Marketing. *Journal of Marketing*. <https://doi.org/10.1177/002224297604000304>
15. Hunt, S. D. (2015). The theoretical foundations of strategic marketing and marketing strategy: foundational premises, RA theory, three fundamental strategies, and societal welfare. *AMS Review*. <https://doi.org/10.1007/s13162-015-0069-5>
16. Kajalo, S., & Lindblom, A. (2015). Market orientation, entrepreneurial orientation and business performance among small retailers. *International Journal of Retail and Distribution Management*. <https://doi.org/10.1108/IJRDM-04-2014-0044>
17. Kargar, J., & Parnell, J. (1970). Strategic Planning Emphasis and Planning Satisfaction in Small Firms: An Empirical Investigation. *Journal of Business Strategies*. <https://doi.org/10.54155/jbs.13.1.1-20>
18. Katua, N. T. (2014). The Role of SMEs in Employment Creation and

- Economic Growth in Selected Countries. *International Journal of Education and Research*.
19. Keefe, L. M. (2004). What is the Meaning of "Marketing"? AMA's Marketing News.
 20. Kollmann, T., & Stöckmann, C. (2014). Filling the entrepreneurial orientation-performance gap: The mediating effects of exploratory and exploitative innovations. *Entrepreneurship: Theory and Practice*. <https://doi.org/10.1111/j.1540-6520.20120.00530.x>
 21. Kraus, S., Harms, R., & Fink, M. (2010). Entrepreneurial marketing: Moving beyond marketing in new ventures. *International Journal of Entrepreneurship and Innovation Management*. <https://doi.org/10.1504/IJEIM.2010.029766>
 22. Lekmat, L., Selvarajah, C., & Hewege, C. (2018). Relationship between Market Orientation, Entrepreneurial Orientation, and Firm Performance in Thai SMEs: The Mediating Role of Marketing Capabilities. *International Journal of Business and Economics*.
 23. Limaj, E., & Bernroider, E. W. N. (2019). The roles of absorptive capacity and cultural balance for exploratory and exploitative innovation in SMEs. *Journal of Business Research*. <https://doi.org/10.1016/j.jbusres.2017.10.052>
 24. Mahrous, A., Genedy, M. A., & Kalliny, M. (2020). The impact of characteristics of intra-organizational environment on entrepreneurial marketing intensity and performance in Egypt. *Journal of Entrepreneurship in Emerging Economies*. <https://doi.org/10.1108/JEEE-08-2019-0115>
 25. March, J. G. (1991). Exploration and Exploitation in Organizational Learning. *Organization Science*. <https://doi.org/10.1287/orsc.2.1.71>
 26. Martens, C. D. P., Lacerda, F. M., Belfort, A. C., & Freitas, H. M. R. (2016). Research on entrepreneurial orientation: current status and future agenda. *International Journal of Entrepreneurial Behavior and Research*. <https://doi.org/10.1108/IJEER-08-2015-0183>
 27. Mehrabi, H., Coviello, N., & Ranaweera, C. (2019). Ambidextrous marketing capabilities and performance: How and when entrepreneurial orientation makes a difference. *Industrial Marketing Management*. <https://doi.org/10.1016/j.indmarman.2018.11.014>
 28. Miller, D. (1983). The Correlates of Entrepreneurship in Three Types of Firms. *Management Science*. <https://doi.org/10.1287/mnsc.29.7.770>
 29. Morgan, T., Anokhin, S., Kretinin, A., & Frishammar, J. (2015). The dark side of the entrepreneurial orientation and market orientation interplay: A new product development perspective. *International Small Business Journal: Research Entrepreneurship*. <https://doi.org/10.1177/0266242614521054>
 30. Parnell, J. A., Lester, D. L., Long, Z., & Köseoglu, M. A. (2012). How environmental uncertainty affects the link between business strategy and performance in SMEs: Evidence from China, Turkey, and the USA. *Management Decisions*. <https://doi.org/10.1108/00251741211220129>
 31. Pehrsson, A. (2016). Firm's strategic orientation, market context, and performance: Literature review and opportunities for international strategy research. In *European Business Review*.

- 11-2015-0142
32. Rothaermel, F. T., & Deeds, D. L. (2004). Exploration and exploitation alliances in biotechnology: A system of new product development. *Strategic Management Journal*. <https://doi.org/10.1002/smj.376>
33. Sciascia, S., D'Oria, L., Bruni, M., & Larrañeta, B. (2014). Entrepreneurial Orientation in low- and medium-tech industries: The need for Absorptive Capacity to increase performance. *European Management Journal*. <https://doi.org/10.1016/j.emj.2013.12.007>
34. Sofyan, A. (2013). Marketing Management. In PT Raja Grafindo Persada.
35. Solé, M. (2013). Entrepreneurial marketing: Conceptual exploration and links to performance. *Journal of Research in Marketing and Entrepreneurship*. <https://doi.org/10.1108/JRME-07-2012-0020>
36. Stephen, O. U., Irenaeus, N., & Moses, OC (2019). Entrepreneurial marketing practices and competitive advantage of small and medium size enterprises in Nigeria. *European Journal of Business and Innovation Research*.
37. Vorhies, D. W., Orr, L. M., & Bush, V. D. (2011). Improving customer-focused marketing capabilities and firm financial performance via marketing exploration and exploitation. *Journal of the Academy of Marketing Science*.
38. Wales, W. J. (2016). Entrepreneurial orientation: A review and synthesis of promising research directions. *International Small Business Journal: Research Entrepreneurship*. <https://doi.org/10.1177/0266242615613840>
39. Wiklund, J., & Shepherd, D. (2005). Entrepreneurial orientation and small business performance: A configurational approach. *Journal of Business Ventures*. <https://doi.org/10.1016/j.jbusvent.2004.01.001>
40. Yu, X., Nguyen, B., & Chen, Y. (2016). Internet of things capability and alliance: Entrepreneurial orientation, market orientation and product and process innovation. *Internet Research*. <https://doi.org/10.1108/IntR-10-2014-0265>