



**THE EFFECT OF MARKET ORIENTATION AND ENTREPRENEURIAL ORIENTATION ON SME'S BUSINESS PERFORMANCE (STUDY AT CREATIVE INDUSTRY IN WEST NUSA TENGGARA)**

Syafuruddin<sup>1</sup> (email: [syafuruddinmuhtartahir@gmail.com](mailto:syafuruddinmuhtartahir@gmail.com))  
Muhammad Asdar<sup>2</sup>, Dian AS Parawansa<sup>3</sup>, Mursalim Nohong<sup>4</sup>  
<sup>1</sup>STIE Bajiminasa Makassar  
<sup>2,3,4</sup>Universitas Hasanuddin

**Abstract.** The purpose of this study were to know (1) the effect of market orientation and entrepreneurial orientation on SME's business performance simultaneously, (2) the effect of market orientation and entrepreneurial orientation on SME's business performance partially, (3) the dominant variable that influence SME's business performance at creative industry in West Nusa Tenggara. This study was explanatory research. Population in this study was all SMEs in West Nusa Tenggara numbering to 627 firms and the samples were obtained by purposive sampling of 70 firms. Data collection methods used were questionnaire and documentation from primary and secondary data. The analysis method used was multiple linear regression. The study results show that (1) there is positive and significant influence of market orientation and entrepreneurial orientation on SME's business performance simultaneously, (2) there is positive and significant influence of market orientation and entrepreneurial orientation on SME's business performance partially, and (3) the market orientation was the dominant variable that influence SME's business performance in West Nusa Tenggara.

**Keywords:** Market orientation, entrepreneurial orientation, business performance, creative industry.

## INTRODUCTION

Globalization offers economic opportunities that can be utilized for economic development (Bappenas 2019), namely: (1) A very open market for export products; (2) Ease of access to capital and technology / knowledge originating from abroad; (3) Ease of obtaining goods needed by the community and cannot be produced in Indonesia; and (4) Increasing tourism activities at the same time creating job opportunities and also becoming a promotion platform for Indonesian products. One of the real forms of economic globalization is a very competitive free market. Increasing regional competitiveness is imperative to anticipate and participate in global competition.

In 2015, Ernst and Young (EY) conducted a mapping of the global creative economy for the first time in the world and noted that the Creative and Cultural Industry or CCI was valued at US \$ 2.3 trillion (US \$ 2.3 trillion or 30,654 trillion rupiah) , and equals

3% of total GDP worldwide. In line with the prospect of Indonesia's economy which will become one of the countries with the highest income in the world by 2030 (Munaf and Pesik, 2019). The Creative Economy in Indonesia is also targeted to become one of the strengths of the world's creative industry. The hope of Indonesia's Creative Economy to become a new force for the national economy in the future is starting to show a positive picture given that the contribution of the Creative Economy GDP (Gross Domestic Product) to the national GDP continues to show an increase every year. In Indonesia, the progress of the creative economy has been recorded since the Indonesian Cultural Products Week was first held in 2007. In 2009, the Indonesian Government issued Presidential Instruction No. creative on the stage of the national economy.

Creativity in utilizing and integrating economic and cultural resources also encourages the development of creative economic activities. Based on data from (Bappenas 2019), several indicators include the growth in value added of the creative economy which reached 4.9 percent in 2016, with export contributions reaching USD 19.9 billion or 13.8 percent of total exports. The number of workers absorbed in the creative economy sector also increased from 15.5 million people in 2014 to 17.4 million people in 2017. The export and creative economy workforce achievements have exceeded the targets in the National Medium-Term Development Plan ( RPJMN) 2015-2019. In line with the development of the digital economy, various economic resources can now be utilized with increasingly better distribution speeds and quality. Digital economic penetrations that are taking place quickly and dynamically have shaped the landscape of the digital economy in Indonesia today, including not only on demand services, e-commerce and financial technology (Fintech), but also internet of things (IoT) service providers. The projection of digital economy development in Indonesia is shown by the growth in the value of e-commerce transactions by 1,625 percent to USD 130 billion in the 2013-2020 period.

The creative industry is often associated with small and micro-scale industries or SMEs because creative industry businesses take more advantage of the creativity and innovation of limited numbers of human resources. The creative industry is also widely associated with SMEs because many creative industry entrepreneurs are in the form of start-up businesses, namely entrepreneurs who have just started a business. The development of the creative industry in Indonesia has contributed significantly to the economy and employment, and has an important role in empowering human resources. Based on statistical data from the Ministry of Tourism and Creative Economy (Kemenparekraf, 2014) during 2010-2013, the contribution of the creative industry to GDP is estimated at 7.1%, and to the overall export value of 6.1%, as well as to employment of 10, 7%, the growth of the creative industry is 5.6% with the craft, fashion and culinary sector having the highest growth rate compared to other sectors (Bank Indonesia, 2015).

Creative industries are often associated with small and micro scale industries. Creative economy SMEs in the handicraft sector are selected to be analyzed in more depth in this study, because the handicraft industry sector is considered to have a significant contribution in terms of its contribution to the economy, employment, and empowerment of natural resources. local and Indonesian culture more optimally. The field survey was conducted in Indonesia in March-May 2014 by (Bank Indonesia, 2015) by taking samples from 6 provinces as provinces that have high enough competitiveness and strong value chains, and have the largest number of creative craft industry entrepreneurs, both for micro and small as well as medium and large businesses. The six provinces selected are: Central Java, DI Yogyakarta, Bali, West Nusa Tenggara, South Sulawesi, and West Sumatra.

The creative industry is often associated with small and micro scale industries. The focus of this research is the performance of the SME economy business in West Nusa Tenggara (NTB). NTB has a great opportunity to develop in the creative industry where NTB is also a tourism area. The development of tourism which has a very positive impact on the growth of small handicraft businesses due to the factor of tourists who usually want to get something that is characteristic of the area they visit as a souvenir. This is where the contribution of creative business products from small handicraft businesses is needed. Therefore, the creative and handicraft industry in NTB has considerable potential to be developed. Based on data (BPS West Nusa Tenggara, 2020), the majority of industries in West Nusa Tenggara Province are small industries and household crafts. The largest number of formal industrial SMEs is in Central Lombok, East Lombok, West Lombok, Bima and Mataram City districts.

There is still a lack of creativity for the creative industry in West Nusa Tenggara Province and one of the things that has slowed the development of the creative industry in NTB is the courage to innovate products, "NTB has the opportunity to develop in the creative industry where NTB is also a tourism area. . The development of tourism has a very positive impact on the growth of small handicraft businesses due to the factor of tourists who usually want to get something that is characterized by the area they visit as a souvenir. This is where the contribution of creative business products from small handicraft businesses is needed. Therefore, the creative and handicraft industry in NTB has considerable potential to be developed. For this reason, it is necessary to strengthen performance to determine the right strategy to be able to excel and win the competition (Syukriah and Hamdani, 2015). Many parties believe that the product innovation factor will determine the success of strengthening regional competitiveness. For this reason, SMEs need to improve product innovation and business performance. Business performance is a measure of the success of a business (Westerberg and Wincent, 2008). Improving SME business performance through profit growth, sales growth, and customer growth can become benchmarks for staying ahead of the competition.

The research conceptual framework is based on empirical problems so that the grand theory in this study is: the Resource-based View (RBV) which explains that valuable, scarce, difficult to imitate and irreplaceable resources can be a source of superior performance, and can enable companies to achieve a sustainable competitive advantage (Barney, 1991). This research also refers to the theory view of dynamic managerial capabilities. The understanding of dynamic managerial capabilities is defined as the company's ability to use existing resources, especially in the process of integration, acquire, reconfigure, and release resources that allow companies to respond quickly to new opportunities, even if possible to create market changes with innovation as one. a means of adjustment to changes in the external environment (Johnston, et. al, 2012) and (Hess, 2008).

The theoretical view of knowledge based view also underlies this research, Knowledge based view (KBV) is a new extension of the company's resources based view (RBV) and provides strong theoretical support for intellectual capital through learning orientation. The role of Knowledge Based View is to build human capital involvement so that it allows companies to adapt to various problems more effectively and efficiently (Chen, et al. 2010). This makes human resource development more dominant and structured. Efficient. This study also refers to the Market Based View (MBV) theory based on the concept developed by Porter, namely the competitive force model. (Porter, 1985) states that in order to be able to have a competitive advantage in its business environment, companies need to pay attention to five external driving factors, including: the threat of new players, competition between companies in the industry, the threat of substituted

products, the power of suppliers and the power of buyers. Market Based View), seeing a viewpoint that has an orientation to market conditions to formulate strategies and always innovates to be able to create a company's competitive advantage in an industry.

Market orientation is important to study and research in relation to business performance because market orientation is an important element that affects competitive advantage and achieves high profitability (Narver & Slater, 1990). Market orientation is a business perspective that makes consumers the focus of attention in all company activities. Previous research related to market orientation and business performance was conducted by Zahid Yousaf, et al. (2018), Hardeep et al, (2016), Mike (2010), Zhang et al (2017), Ra'ed, et al, (2018) and Tina and Katharina, (2015), Aliyu and Rosli, (2014) , Rojas-Me´ndez and Michel Rod, (2012), Miguel et al, (2019), Wahyudiono, (2006), Justin Beneke et al, (2016), Soheil et al, (2016), Wassim, (2018), Lita and Ranny, (2018) and (Ho et al. 2017).

Entrepreneurial orientation is creative and innovative abilities that are used as a basis, and resources to find opportunities for success. Some management literature provides three basic organizational dimensions for the entrepreneurial management process, namely innovation ability, risk-taking ability, and proactive nature (Weerawardena, 2013). Previous research related to entrepreneurial orientation and business performance was conducted by Bereket, (2017), Jafar Rezaei, (2018), Krishna, (2012), Ra'ed Masa'deh, et al, (2018), Gordon Liu et al. (2018), Muslim Amin, (2016), Tina and Katharina, (2015), Saumyaranjan, (2017), Orlando et al, (2018), Ngoma, et al. (2017), Izabela Kowalik, (2017) and Kee, Daisy et. al (2017).

This study seeks to answer the controversy over previous research and based on field phenomena and inconsistent empirical facts, it becomes an opportunity for researchers to conduct further research. Therefore, researchers are interested in conducting research "The influence of market orientation and entrepreneurial orientation on the creative economy SME business performance in the handicraft sub-sector in West Nusa Tenggara".

This research was conducted on the basis of this gap phenomenon and based on research gaps from several previous research results related to this research, namely: the research results of Zahid Yousaf, et al. (2018), Hardeep et al, (2016), Zhang et al (2017), Ra'ed, et al, (2018) and Tina and Katharina, (2015) Aliyu and Rosli, (2014), Rojas-Me´ndez and Michel Rod, (2012), Miguel et al, (2019), Wahyudiono, (2006), Justin Beneke et al, (2016), Soheil et al, (2016), Wassim, (2018), Lita and Ranny, ( 2018), proving that market orientation contributes significantly to business performance, however, Mike's research (2010) found that market orientation on US and Taiwanese SMEs does not have a significant relationship with their company performance. Likewise, the findings (Ho et al., 2017) show that there is no significant relationship between market orientation and performance.

Research results Bereket, (2017), Jafar Rezaei, (2018), Krishna, (2012), Ra'ed Masa'deh, et al, (2018), Gordon Liu et al (2018), Muslim Amin, (2016), Tina and Katharina, (2015), Saumyaranjan, (2017), Ngoma, et al. (2017), Izabela Kowalik, (2017), Kee, Daisy et. al (2017) shows a significant relationship between entrepreneurial orientation and firm performance. In contrast to the research results of Orlando et al. (2018), it shows that entrepreneurial orientation does not have a positive and significant effect on performance.

This study measures business performance through measuring indicators developed from the results of research (Voss and Voss, 2000) and (Limaj & Bernroider, 2019) which consist of indicators of profit and sales growth, increase in assets, market share and ability to survive in all situations, while In the study (Yohan et al., 2013) looked at two dimensions of business performance, namely: marketing performance and human resource performance, regardless of financial performance and operational performance. The two

dimensions of marketing performance are examined using indicators of determining product classification in the market, pricing, giving discounts, how to do promotions, distribution and distribution area coverage. Meanwhile, the performance of human resources will be translated into indicators of the number of permanent employees, the number of non-permanent employees, and the amount of wages per month and (Song and Parry, 2007) measure business performance based on indicators of competitive advantage, where the advantages possessed by the company can be used to defeat competitor.

This research has also previously been carried out in Indonesia, such as in Java, Sulawesi, Kalimantan and Sumatra as well as other countries such as Turkey, Saudi Arabia, China, and other European states as well as research that has been mostly carried out in Indonesia which has a lot of research related to creative economy types of fashion, food and beverage products and other economic sub-sectors. Meanwhile, this research focuses on the location of research in West Nusa Tenggara Province on Small and Medium Enterprises, the creative economy of the craft sub-sector by selecting districts that are considered representative, namely West Lombok Regency, Central Lombok Regency, East Lombok Regency, Bima Regency, and Mataram Municipality. This is done because the area is the largest Creative Economy UKM handicraft center in West Nusa Tenggara Province. The results of this study are expected to be able to improve the performance of the creative economy SME business in the craft sub-sector in West Nusa Tenggara, if this potential can be developed and enhanced with the support of a number of factors such as innovation, use of technology, application of effectiveness and production efficiency, the handicraft industry sector in NTB Province will excel in the competition going forward.

The objectives of this study were (1) To determine the effect of market orientation and entrepreneurial orientation simultaneously on the performance of the creative economy SME business in the handicraft sub-sector of NTB, (2) To determine the effect of market orientation partially on the business performance of the creative economy SME business in the handicraft sub-sector of NTB. , and (3) to determine the effect of entrepreneurial orientation partially on the performance of the creative economy SME business in the handicraft sub-sector of NTB.

## **LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT**

### **A. The Concept of Market Orientation**

A market-oriented company is a company that makes customers the focus for the company to run its business. The definition of market orientation popularized by (Jaworski & Kohli, 1990) states that market orientation is the collection of market intelligence to meet current and future customer needs, the dissemination of market intelligence to various divisions and functions within the company and how the company responds to it. The dissemination of market information to all components of the market organization is expected to result in customer orientation, competitor orientation and coordination between functions that lead to two decision criteria, namely long-term focus and profitability (Wahyono, 2012).

Market orientation is a pattern of values and beliefs that helps individuals to understand organizational functions based on certain norms. According to (Narver & Slater, 1990), market orientation is defined as a corporate culture that is effective and efficient in creating the behavior necessary to create superior value for customers. Meanwhile, according to (Esteban, et al. 2002), market orientation not only makes reference choices tangible but also makes customers potential. Market orientation is divided into three dimensions, namely customer orientation, market information sharing and coordination between functions within the company, whose decisions will lead to a long-term focus and increased profits.

Unles, (2000) defines market orientation as a process and activity related to customer creation and satisfaction by continuously assessing customer needs and wants. The application of market orientation will bring increased performance for the company. (Narver & Slater, 1990) stated that market orientation consists of 3 behavioral components, namely customer orientation, competitor orientation and interfunctional coordination.

## **B. The Concept of Entrepreneurial Orientation**

Developments in the field of strategic management have experienced a shift in the entrepreneurial process, in which the methods, practices, and decision-making styles of managers use entrepreneurial measures (Lumpkin & Dess, 1996). Previously, Stevenson and Jarillo (1990) analogized that entrepreneurial orientation studies were the concept of entrepreneurial management, reflecting the processes, methods and organizational styles of acting in an entrepreneurial manner. Therefore, Dess and Lumpkin (2005) state that companies wishing to increase the success of corporate entrepreneurship (corporate entrepreneurship) must be entrepreneurial oriented. (Wardi, et al, 2017)

According to Rauch et al. (2009) stated that businesses that adopt an entrepreneurial orientation have better performance than businesses that do not adopt an entrepreneurial orientation. Many studies regarding entrepreneurial orientation with business performance have been linked and have had positive results (Covin & Slevin, 1991).

Entrepreneurial orientation is a characteristic at the company level because it reflects corporate behavior (Miller, 1983). Miller (1983) introduced a specific dimension of entrepreneurial orientation on three dimensions, namely, innovativeness, proactiveness, and risk taking. First, innovativeness is the willingness to introduce new features (newness) and something new (novelty) through a process of experimentation and creativity aimed at developing new products and services as well as new processes (Dess and Lumpkin, 2005). Second, proactiveness is a forward-looking characteristic that has a foresight to look for opportunities to anticipate future demands (Dess and Lumpkin, 2005). Finally, risky courage is the company's willingness to decide and act without a definite knowledge of possible earnings and may speculate on personal, financial and business risks (Dess and Lumpkin, 2005).

According to Jambulingan, et al. (2005) argue that entrepreneurial orientation is a process in decision-making activities that leads to the development and creation of innovative new products that can differentiate from other organizations in the market. Entrepreneurial orientation as a method, practice, decision-making managers in entrepreneurship and as a strategic orientation for companies to compete.

Micro, Small and Medium Enterprises (MSMEs) with a strong entrepreneurial orientation, will develop new product or service concepts that address the needs of existing customers. The implication of this result is the need to further cultivate an entrepreneurial spirit and spirit, so that there is always a spirit to develop new products or services according to customer needs and desires (Halim, et al., 2012).

## **C. The Concept of Business Performance**

Performance refers to the level of achievement or achievement of the company in a certain period of time. Company performance is a very determining factor in company development. The company's goal to exist, earn profit, and grow (growth) can be achieved if the company has a good performance. Company performance can be seen from the level of sales, the level of profit, the rate of return on capital, the rate of turnover and the market share achieved (Jauch and Glueck, 1998).

An organization carries out its activities to achieve predetermined goals. The driving force of this organization is a group of people who play an active role in achieving

goals. If the individual performance is good, it is expected that the organizational performance will be good too. In this definition, Byars & Rue, (1997) defines performance as an action (verb), not as an event (noun). Performance is an action that consists of several elements and is not an instant result. Performance is seen as a process. Managing performance is a continuous process that involves human resources to achieve the desired results.

Company performance in general and competitive advantage is a measure of the success rate and development of a small company. Measurement of return on investment, growth, volume, profit and labor in general companies is carried out to observe company performance (Wiklund & Dean, 2005). Company performance is a description of the company's success in achieving its goals and can be measured based on objectives and perceptions (Wang, 2008).

Li et al. (2007) used 3 indicators for measuring business performance, namely; efficiency, growth, and profit. Company performance is a multi-aspect phenomenon that is difficult to measure (Aragon and Sanchez, 2005). Meanwhile, qualitative measurement or often called performance indicators, is a performance measurement using a certain scale approach to performance variables such as business knowledge and experience, the ability to offer quality products and services, the capacity to develop new processes and products, the ability to manage and work in groups, labor productivity, and corporate responsibility for the environment.

In the study (Yohan et al., 2013) looked at two dimensions of business performance, namely: marketing performance and human resource performance, regardless of financial performance and operational performance.

Street and Cameron (2007) state that the success of business performance is determined by several factors, namely; (1) individual characteristics, (2) organizational characteristics, (3) relationship and environmental characteristics, (4) strategic development and planning, and (5) organizational development. Boohene et al. (2008) stated that business performance is determined by the personal value of the owner or manager, and strategy, where personal value will influence the strategy chosen by the owner or manager. Kotey and Meredith (1997) state that the owner or manager of personal values, business strategy, and enterprise performance is empirically related.

The research hypotheses proposed are: (1) Market orientation has a significant effect on the creative economy SME business performance of the NTB craft sub-sector, (2) Entrepreneurial orientation has a significant effect on SME business performance in the creative industry in NTB, and (3) Market orientation is the dominant variable. .

## **RESEARCH METHODS**

This study uses a quantitative approach with survey research methods, namely research that takes a sample from a population and uses a questionnaire as the main data collection tool.

The population of this study were all creative economy SMEs in the handicraft sub-sector of NTB with a total population and a sample of 70 people using purposive sampling method.

The data required in this study were collected through a questionnaire distributed to respondents, while secondary data was obtained from related sources.

Before the data obtained is analyzed further, first the question instruments in the questionnaire are tested, namely the validity test and the reliability test.

The analysis method used to test the hypothesis is multiple linear regression analysis, which includes the F test, T test, correlation test and the coefficient of determination test.

The operational definition of the variables studied is (1) market orientation (X1) is the organizational culture that is most effective in creating behaviors essential for the creation of superior value for buyers and performance in business. The indicators used are customer orientation, competitor orientation, and coordination between functions ; (2) Entrepreneurial orientation (X2) is the ability to be proactive, innovative and take risks as the basis, and resources to look for opportunities for success. The indicators used are proactive, innovative and risk-taking attitudes ; (3) SME business performance (Y) is a success in realizing the strategic goals that have been previously set. The indicators used are the number of workers, sales growth, profit, increase in assets, market share, and the ability to survive in all situations.

## **RESULTS AND DISCUSSION**

### **Research result**

#### **a. Validity and Reliability Test**

Validity and reliability tests on questionnaires or research instruments are intended to test the psychometric feasibility of a questionnaire. A valid and reliable questionnaire will ensure that the data obtained does not experience significant bias.

#### **Validity Test**

The validity test was carried out on each statement item in the questionnaire. The method used in this research is the product moment correlation method between the item score and the total score (instrument score). If an item has a significant item-total correlation ( $r_{yx} > r_{\text{table}}$ ), then the statement item is valid. In this validity test, 70 respondents were used, so that at the 5% significance level of the table r, the value of r table = 0.235 was obtained.

Based on the results of the validity test, it is known that all question items in this study are valid, which is indicated by the value of each question item having a positive Pearson Correlation value and greater than the r table value (0.235).

#### **Reliability Test**

The reliability test of the research questionnaire was conducted using the Cronbach's Alpha method. According to Zeithaml et al, 1996) "An instrument is said to be reliable if the Cronbach's Alpha value is greater than or equal to 0.6, then the questionnaire is declared reliable. The reliability value of market orientation variables is 0.812, entrepreneurial orientation is 0.835, and SME business performance is 0.721. This figure shows that the research instrument used is reliable (reliable).

### **4. Multiple Linear Regression Analysis**

To determine the effect of market orientation and entrepreneurial orientation on the performance of creative economy SME businesses in the NTB handicraft sub-sector, multiple linear regression analysis is used, where the independent variable is market



orientation (X1) and entrepreneurial orientation (X2) and the dependent variable is SME business performance (Y). Following are the results of the regression test conducted.

Tabel 1. Hasil Uji Regresi Linier Berganda

Variabel	Koefisien Regresi (B)	Koefisien Beta	T hitung	Nilai P	Keterangan
Konstanta	0,629	-	3,152	0,002	Signifikan
Orientasi Pasar (X1)	0,531	0,563	6,509	0,000	Signifikan
Orientasi Kewirausahaan (X2)	0,365	0,392	4,532	0,000	Signifikan

F hitung = 164,792, P = 0,000  
F tabel = 3,134, t tabel = 1,995  
R = 0,912, R<sup>2</sup> = 0,831

Sumber: data primer diolah, 2020

From the results of the multiple regression test carried out in table 1, the following equation can be made:

$$Y = 0,629 + 0,531X1 + 0,365X2$$

From the equation formed above, the interpretation can be explained as follows:

b0 (constant) = 0.629 means that if the variables of market orientation and entrepreneurial orientation are constant, then the performance of the SME business is 0.629 units.

b1 = 0.531, meaning that if the market orientation variable (X1) increases by 1 unit, the SME business performance (Y) will increase by 0.531 units.

b2 = 0.365, meaning that if the entrepreneurial orientation variable (X2) increases by 1 unit, then the SME business performance (Y) will increase by 0.365 units.

#### a. F Test (Simultaneous Test)

The F test was conducted to determine the effect of market orientation and entrepreneurial orientation on the performance of the creative economy SME business in the handicraft sub-sector of NTB simultaneously (together). The F test is done by comparing the calculated F value with the F table. If F count > F table, then it is said the effect is significant, and if F count < F table, then it is said the effect is not significant. From the table above, it is obtained that F count is greater than F table, namely 164.792 > 3.134. Thus, the variables of market orientation and entrepreneurial orientation have a positive and significant effect on SME business performance simultaneously.

#### b. T Test (Partial Test)

The t test was conducted to determine the effect of market orientation and entrepreneurial orientation on the performance of the creative economy SME business in the handicraft sub-sector of NTB partially (individually). The t test is done by comparing the t value with the t table. If t count > t table, it is said that the effect is significant, and if t count < t table, then it is said the effect is not significant. From the table above, the t count for the market orientation variable (X1) is greater than the t table, namely 6,509 > 1,995 and the significance value is smaller than 0.05, namely 0.000. So, the market orientation variable has a partially positive and significant effect on SME business performance (Y).

Furthermore, T for the entrepreneurial orientation variable (X2) is greater than the t table, namely  $4,532 > 1,995$  and the significance value is smaller than 0.05, namely 0.000. So, the entrepreneurial orientation variable has a partially positive and significant effect on SME business performance (Y).

### **c. Correlation Test**

To determine the closeness of the relationship between market orientation and entrepreneurial orientation variables with SME business performance, a correlation test was performed. From the results of the correlation test conducted, it was found that the correlation value (R) was 0.912 which was significant at  $\alpha = 0.05$ . This shows that there is a very strong and significant relationship between market orientation and entrepreneurial orientation variables with SME business performance.

### **d. Coefficient of Determination**

The coefficient of determination (R<sup>2</sup>) is used to determine how much the contribution of the independent variables in explaining the variation in the dependent variable. From the table above, the coefficient of determination (R<sup>2</sup>) is 0.831 (83.1%). This means that the variation in the dependent variable of SME business performance can be explained by the variables of market orientation and entrepreneurial orientation of 83.1%, while the remaining 16.9% is explained by other variables outside the variables studied.

## **Discussion**

This chapter discusses the findings in response to research questions or research problem formulations and discusses the theoretical basis or previous findings as an implication of the research results.

### **1. The influence of market orientation on SME business performance**

Based on the results of the calculation of multiple linear regression analysis with partial testing, it is known that the market orientation variable has a coefficient value of 0.531, t-count is 6.509 and a significance value of 0.000 which means that if the market orientation variable increases by 1 unit it will improve SME business performance in the creative economy of the craft sub-sector. NTB of 0.531 units. In other words, an improved market orientation will improve the SME business performance of the creative economy in the handicraft sub-sector of NTB.

Market orientation is an organizational culture that most effectively creates added value to customers and is able to improve business performance. A market-oriented company is a company that makes customers a mecca for the company to run its business.

Market orientation is a pattern of values and beliefs that helps individuals to understand organizational functions based on certain norms. According to (Narver & Slater, 1990), market orientation is defined as a corporate culture that is effective and efficient in creating the behavior necessary to create superior value for customers. Meanwhile, according to (Esteban, et al. 2002), market orientation not only makes reference choices tangible but also makes customers potential. Market orientation is divided into three dimensions, namely customer orientation, market information sharing and coordination

between functions within the company, whose decisions will lead to a long-term focus and increased profits.

This study is in line with research conducted by Zahid Yousaf, et al. (2018) show that strategic performance in marketing orientation generally depends on e-marketing orientation and e-trust. Likewise, Hardeep et al, (2016), prove that market orientation contributes significantly to business performance. The research findings of Zhang et al (2017) provide empirical support for three dimensions of market orientation among Chinese SMEs. Ra'ed, et al, (2018) and Tina and Katharina, (2015) also show that market-oriented strategies have a positive performance influence on developing markets. Aliyu and Rosli, (2014) show a positive and significant relationship between market orientation and SME business performance.

## **2. The influence of entrepreneurial orientation on SME business performance**

Based on the results of the calculation of multiple linear regression analysis with partial testing, it is known that the entrepreneurial orientation variable has a coefficient value of 0.365, t-count is 4.532 and a significance value of 0.000, which means that if the entrepreneurial orientation variable increases by 1 unit it will improve SME business performance in the creative economy of the craft sub-sector. NTB of 0.365 units. In other words, an improved entrepreneurial orientation will improve the performance of the creative economy SME business in the NTB handicraft sub-sector.

Dess and Lumpkin (2005) state that companies wishing to increase the success of corporate entrepreneurship (corporate entrepreneurship) must be entrepreneurial oriented. (Wardi, et al, 2017)

According to Rauch et al. (2009) stated that businesses that adopt an entrepreneurial orientation have better performance than businesses that do not adopt an entrepreneurial orientation. Many studies regarding entrepreneurial orientation with business performance have been linked and have had positive results (Covin & Slevin, 1991).

Micro, Small and Medium Enterprises (MSMEs) with a strong entrepreneurial orientation, will develop new product or service concepts that address the needs of existing customers. The implication of this result is the need to further cultivate an entrepreneurial spirit and spirit, so that there is always a spirit to develop new products or services according to customer needs and desires (Halim, et al., 2012).

This research is in line with research conducted by Kee, Daisy et. al (2017), Akin et al, (2017), Izabela Kowalik, (2017), and Wassim, (2018) where the company's ability to use existing resources, especially in the integration process, acquire, reconfigure, and release resources that are enabling firms to respond quickly to new opportunities expressed in the dynamic managerial capabilities theory approach (Johnston, et. al., 2012) and (Hess, 2008). The results of research by Kee, Daisy et. al (2017) show that all EO dimensions have a direct impact on innovation.

Akin et al, (2017) state that entrepreneurial orientation affects performance directly and indirectly through incremental and radical innovations. Izabela Kowalik's research results (2017) show that there is a strong correlation between the elements of entrepreneurial orientation and performance. Regression analysis proves that new product introduction, and experience affect the performance of Polish New International Enterprises (INV).

The results of Wassim's (2018) research show the importance of strategic orientations in improving the performance of Saudi Arabian industrial companies and

emphasize the mediating role of entrepreneurial orientation in the relationship between market orientation and technology orientation on the performance of new product development and company performance.

### **3. The influence of market orientation and entrepreneurial orientation on SME business performance**

Based on the results of the calculation of multiple linear regression analysis with simultaneous testing, it is known that the variables of market orientation and entrepreneurial orientation simultaneously have a positive and significant effect on the performance of the SME business with market orientation and entrepreneurial orientation simultaneously, with a calculated F value greater than the F table value. ( $164,792 > 3,134$ ) and a P value that is smaller than  $\alpha$  ( $0,000 < 0.05$ ).

This means that the market orientation and entrepreneurial orientation variables have a positive and significant effect together on SME business performance. The combination of a good market orientation and entrepreneurial orientation will improve the performance of the creative economy SME business in the handicraft sub-sector of NTB.

The results of Bereket's research (2017) show that integrating market orientation and entrepreneurial orientation into SME operations contributes to superior performance which further enables SMEs to survive in an institutionally complex and economically volatile environment, except for consumers who are very concerned about product category issues. not bothering about the issue of price, looking for good quality, good models and well-known brands, showing that every dimension of entrepreneurial orientation has a positive influence on the performance of small businesses. The results of Jafar Rezaei's (2018) study show that the dimensions of entrepreneurial orientation are significantly related in different ways to the performance of functions in a company.

## **CONCLUSION**

Based on the results of research and discussion, the following conclusions can be drawn:

1. There is a positive and significant effect of market orientation and entrepreneurial orientation simultaneously on the business performance of the creative economy SME business in the handicraft sub-sector of NTB. This means that if the market orientation and entrepreneurial orientation improve together, it will increase the performance of the SME business, and vice versa if the market orientation and entrepreneurial orientation are jointly deteriorating, it will decrease the performance of the SME business.
2. There is a positive and significant effect of market orientation partially on the performance of the creative economy SME business in the handicraft sub-sector of NTB. This means that if the market orientation gets better, it will improve the performance of the SME business, and vice versa if the market orientation gets worse, it will decrease the performance of the SME business.
3. There is a positive and significant effect of entrepreneurial orientation variables partially on the performance of the creative economy SME business in the handicraft sub-sector of NTB. This means that if the entrepreneurial orientation gets better, it will improve the

performance of the SME business, and vice versa if the entrepreneurial orientation gets worse, it will decrease the performance of the SME business.

4. Market orientation has a dominant influence on the performance of the creative economy SME business in the handicraft sub-sector of NTB.

## REFERENCE

- Abiodun, Tope, S., & Kida, M. I. (2015). The impact of strategic learning orientation, entrepreneurial orientation and reconfiguring capabilities on export performance of SMEs in Nigeria. *International Journal of Management Science and Business Administration*, 1(10), 70–78. <https://doi.org/10.18775/ijmsba.1849>.
- Abdolmaleki, K., & Ahmadian, S. (2016). The Relationship between Product Characteristics, Customer and Supplier Involvement and New Product Development. *Procedia Economics and Finance*, 36(16), 147–156. [https://doi.org/10.1016/S2212-5671\(16\)30026-0](https://doi.org/10.1016/S2212-5671(16)30026-0).
- Adeniran, Tejumade V. & Johnston, Kevin A. March 2012. Investigating the dynamic capabilities and competitive advantage of South African SMEs. *African Journal of Business Management* Vol. 6(11), pp. 4088-4099.
- Adeniran, Tejumade V. & Johnston, Kevin A. 2012. "Investigating the Dynamic Capabilities and Competitive Advantage of South African SMEs." *African Journal of Business Management* 6(11): 4088–99.
- Agustina, Titien, Wida Gerhana, and , Sulaiman. 2020. "The Effect of Locus of Control, Learning, and Adversity Quotient towards Micro Business Success (Study on Entrepreneurship under Foster Group of the Banjarmasin Regional Government)." *Journal of Wetlands Environmental Management*.
- Artarina, Dewi & Samoedra, Asri, (2019). *Pengaruh Pembelajaran Organisasi Dan Orientasi Kewirausahaan terhadap Keunggulan Bersaing Serta Implikasinya Terhadap Kinerja UMKM : Studi pada UMKM Jasa Boga di Kota Bandung*. S3 thesis, Universitas Pendidikan Indonesia.
- Agustina, Titien, Wida Gerhana, and , Sulaiman. 2020. "The Effect of Locus of Control, Learning, and Adversity Quotient towards Micro Business Success (Study on Entrepreneurship under Foster Group of the Banjarmasin Regional Government)." *Journal of Wetlands Environmental Management*.
- Alpkan, L. ütfiha., Şanal, M., & Ayden, Y. ükse. (2012). Market Orientation, Ambidexterity and Performance Outcomes. *Procedia - Social and Behavioral Sciences*, 41, 461–468. <https://doi.org/10.1016/j.sbspro.2012.04.056>.
- Altindag, E. Zehir, C. & Acar, A.Z. (2010). Strategic Orientations and Their Effects on Firm Performance in Turkish Family Owned Firms, *Journal Eurasian Business Review*, Vol. 1, p. 18-36.
- Aloulou, W. J. (2019). Impacts of strategic orientations on new product development and firm performances: Insights from Saudi industrial firms. *European Journal of Innovation Management*, 22(2), 257–280. <https://doi.org/10.1108/EJIM-05-2018-0092>.
- Ahmed, Pervaiz K, & Shepherd, Charles D. (2010). *Innovation Management*. New. Jersey: Pearson Education, Inc

- Altindag, E. Zehir, C. & Acar, A.Z. (2010). Strategic Orientations and Their Effects on Firm Performance in Turkish Family Owned Firms, *Journal Eurasian Business Review*, Vol. 1. p. 18-36.
- Aragon-Sanchez, Antonio dan Gregorio Sanchez-Marin. 2005. Strategic Orientation, Management Characteristic, and Performance: A Study of Spanish SMEs. *Journal of Business Management* 43(3); pp. 287-308
- Byars dan Rue, (1997). *Human Resource Management*. 5th Edition. Chicag: McGraw-Hill Companies, Inc.
- Bappenas. (2019). "Rancangan Teknokratik Rencana Pembangunan Jangka Menengah Nasional 2020 - 2024 : Indonesia Berpenghasilan Menengah - Tinggi Yang Sejahtera, Adil, Dan Berkesinambungan." *Kementerian PPN/ Bappenas*.
- Barat, Nusa Tenggara, and Province I N Figures. 2020. "Provinsi Nusa Tenggara Barat Dalam Angka."
- Barney, Jay, Mike Wright, and David J. Ketchen. 2001. "The Resource-Based View of the Firm: Ten Years after 1991." *Journal of Management* 27(6): 625–41.
- Batra, S., Sharma, S., Dixit, M.R., Vohra, N. and Gupta, V.K. 2015. "Performance Implications of Industry Appropriability for Manufacturing SMEs: The Role of Technology Orientation." *Journal of Manufacturing Technology Management* Vol. 26(No.5): 660–77.
- Barney, J.1991.Firm Resources and Sustained Competitive Advantage. *Journal of Management*, Vol. 17 No. 1, pp. 99 – 120.
- Baker, W.E. & Sinkula, J.M. (2009). The complementary effects of market orientation and entrepreneurial orientation on profitability in small businesses, *Journal of Small Business Management*, Vol. 47. p. 443-464
- Bereket Mamo Buli. (2017). Entrepreneurial orientation, market orientation and performance of SMEs in the manufacturing industry: evidence from Ethiopian enterprises Bereket. *Management Research Review*, 40(3).
- Boso, N., Cadogan, J. W., & Story, V. M. (2013). Entrepreneurial orientation and market orientation as drivers of product innovation success: A study of exporters from a developing economy. *International Small Business Journal*, 31(1), 57–81. <https://doi.org/10.1177/0266242611400469>.
- Brownhilder Ngeek Neneh. (2017). Article information : Customer orientation and SME performance : the role of networking ties. *African Journal of Economic and Management Studies*.
- Cheng, M., Lin, J., Hsiao, T., and Lin, T. W. (2010). Invested Resource, Competitive Intellectual Capital, and Corporate Performance. *Journal of Intellectual Capital*, 11(4), 433-450.
- Chatzoglou, Prodromos, Dimitrios Chatzoudes, Lazaros Sarigiannidis, and Georgios Theriou. 2018. "The Role of Firm-Specific Factors in the Strategy-Performance Relationship: Revisiting the Resource-Based View of the Firm and the VRIO Framework." *Management Research Review*.
- Choi, Sangmi. (2014). Learning orientation and market orientation as catalysts for innovation in nonprofit organizations. *Nonprofit and Voluntary Sector Quarterly*, 43(2), 393–413.

- Chen Ho Chao, M., & Spillan, J. E. (2010). The journey from market orientation to firm performance: A comparative study of US and Taiwanese SMEs. *Management Research Review*, 33(5), 472–483. <https://doi.org/10.1108/01409171011041901>
- Ching-Huai Peng, D. T. K. C. L. (2008). The innovativeness effect of market orientation and learning orientation on business performance, *International Journal of Manpower*, Vol. 29 Issue: 8, pp.752-772. *Ship Technology Research*, 55(4), 186–192. <https://doi.org/10.1179/str.2008.55.4.007>.
- Chin, W.C. dan Todd, Peter.A. 1995. On the Use, Usefulness and Ease of Use of Structural Equation Modelling in MIS Research: A Note of Caution. *MIS Quarterly*, Vol. 19 No. 2, pp. 237-46.
- Cuevas-Vargas, H., Parga-Montoya, N., & Fernández-Escobedo, R. (2019). *Effects of Entrepreneurial Orientation on Business Performance: The Mediating Role of Customer Satisfaction—A Formative–Reflective Model Analysis*. *SAGE Open*, 9(2), 215824401985908. doi:10.1177/2158244019859088.
- Child, J. (1972). Organizational structure, environment and performance: The role of strategic choice. *Sociology*, 6: 1-22.
- Covin, J. G., Slevin, D. P.,(1991). A conceptual model of entrepreneurship as firm behavior. *Entrepreneurship: Theory and Practice*. 16(1): 7-24.
- Dess, G.G. & Lumpkin, G.T. (2005). The role of entrepreneurial orientation in Stimulating effective corporate Entrepreneurship. *Academy of Management Executive*, 19 (1): 147-156
- Daghfous, N., Petrof, J., & Pons, F. 1999. Value and Adoption of Innovations: A Cross–Cultural Study. *The Journal Consumer Marketing*, 16 (4): 314–331.
- Darroch, J. (2005). Knowledge Management, Innovation and Firms Performance, *Journal of Knowledge Management*, Vol. 9, p. 101-115
- Davis B Gordon ,1993, *Kerangka Dasar Sistem Informasi Manajemen Bagian I*, Jakarta; Pustaka Binaman Presindo
- Dholakia, N. 2009. 'Global E-Organization', in G. Salvendy and W. Karwowski (eds) *Introduction to Service Engineering*, New York: Wiley (forthcoming).
- Drnevich, Paul L. and Croson, David C.2013. Information technology and business-level Strategy: toward an integrated Theoretical perspective. *MIS Quarterly Vol. 37 No. 2, pp. 483-509*
- Dowling, Michael J., and, Jeffrey E. McGee.1994. Business and technology strategies and new venture performance: a study of the telecommunication equipment industry. *Management Science*, Vol.40, No.12,p.1663-1677
- D'Angelo, A., & Presutti, M. (2019). SMEs international growth: The moderating role of experience on entrepreneurial and learning orientations. *International Business Review*, 28(3), 613–624. <https://doi.org/10.1016/j.ibusrev.2018.12.006>.
- Deutscher, F., Zapkau, F. B., Schwens, C., Baum, M., & Kabst, R. (2016). Strategic orientations and performance: A configurational perspective. *Journal of Business Research*, 69(2), 849–861. <https://doi.org/10.1016/j.jbusres.2015.07.005>.
- Dutta, D. K., Gupta, V. K., & Chen, X. (2016). A Tale of Three Strategic Orientations: A Moderated-Mediation Framework of the Impact of Entrepreneurial Orientation,

- Market Orientation, and Learning Orientation on Firm Performance. *Journal of Enterprising Culture*, 24(3), 313–348. <https://doi.org/10.1142/s0218495816500126>.
- Eris, E. D., Neczan, O., & Ozmen, T. (2012). The Effect of Market Orientation, Learning Orientation and Innovativeness on Firm Performance: A Research from Turkish Logistics Sector. *International Journal of Economic Sciences and Applied Research*, V(1), 77–108.
- Esteban A, Millan A, Molina A, Consuegra D.M, 2002, " Market Orientation in service", *European Journal of Marketing*, vol. 36, p. 1003-1021.
- Faisal, A., Hermawan, A., & Arafah, W. (2018). The Influence of Strategic Orientation on Firm Performance Mediated By Social Media Orientation at MSMEs. *International Journal of Science and Engineering Invention*, 4(8), 22–31. <https://doi.org/10.23958/ijsei/vol04-i08/03>.
- Freeman. 2004. Stakeholder Theory and the Corporate Objective Revisited". *Organization Science*. Vo. 15 No.3.
- Fojt, M. (1995). Marketing Intelligence & Planning. *Marketing Intelligence & Planning*, 13(8), 1–48. <https://doi.org/10.1108/02634503199500003>.
- Gatignon, H & Jean – Marc X. 1997. "Strategic Orientation of The Firm and new Product Performance". *Journal of Marketing Research*. Pp.77-79.
- Garvin, David A, 1993, "Building A Learning Organization", *Harvard Bussiness Review*, p. 78-91.
- Genc, E., Dayan, M., & Genc, O. F. (2019). The impact of SME internationalization on innovation: The mediating role of market and entrepreneurial orientation. *Industrial Marketing Management*, 82(January), 253–264. <https://doi.org/10.1016/j.indmarman.2019.01.008>.
- Grant, R. M. (1996). Prospering in dynamically-competitive environments: organizational capability as knowledge integration. *Organization science*, 7(4), 375–387.
- Grant, R. M. 1996. *Toward a knowledge-based theory of the firm*. *Strategic Management Journal*, 17(S2), 109–122. doi:10.1002/smj.4250171110
- Grawe.S.J, (2009., *The Relationship Between Strategic Orientation, Service Innovation, And Performance* , Emerald Group Publishing Limited.
- Hakala, H. (2011). Strategic Orientations in Management Literature: Three Approaches to Understanding the Interaction between Market, Technology, Entrepreneurial and Learning Orientations. *International Journal of Management Reviews*, 13(2), 199–217. <https://doi.org/10.1111/j.1468-2370.2010.00292.x>.
- Halim, Djumilah Hadiwidjojo, Solimun dan Djumahir. 2012. "Kapabilitas Pemasaran Sebagai Mediasi Pengaruh Orientasi Pasar Orientasi Pembelajaran Dan Orientasi Kewirausahaan Terhadap Kinerja Pemasaran (Studi Pada Usaha Menengah Di Sulawesi Tenggara)." *Jurnal Aplikasi Manajemen*.
- Handrimurtjahjo, Agustinus Dedy, and Engkos Achmad Kuncoro. 2012. "Peran Daya Saing Kultural Dan Kapabilitas Dinamik Dalam Meningkatkan Kinerja Organisasional." *Binus Business Review*.
- Hoppermann , Jost; Hamerman,Paul D; Lawrie, George.2013.The 10 Most Important Technology Trends in Business Application Architecture Today Url:



[http://www.progress.com/~media/Progress/Documents/Pacific/Whitepaper/The\\_10\\_Most\\_Important\\_Tec.pdf](http://www.progress.com/~media/Progress/Documents/Pacific/Whitepaper/The_10_Most_Important_Tec.pdf)

- Hudson, Mel, Andi Smart, and Mike Bourne. 2001. "Theory and Practice in SME Performance Measurement Systems." *International Journal of Operations and Production Management* 21(8): 1096–1115.
- Hess, Andrew M. 2008. *Essays on Dynamic Capabilities : the role of intellectual human capital in firm innovation*. Georgia Institute of Technology.
- Hudson, M., Smart, A., & Bourne, M. 2001. Theory and practice in SME performance measurement systems. *International Journal of Operations and Production Management*, 21(8), 1096–1115. <https://doi.org/10.1108/EUM0000000005587>.
- Ho, K. L. P., Nguyen, C. N., Adhikari, R., Miles, M. P., & Bonney, L. (2017). Exploring market orientation, innovation, and financial performance in agricultural value chains in emerging economies. *Journal of Innovation & Knowledge*, 3(3), 154–163. <https://doi.org/10.1016/j.jik.2017.03.008>.
- Hudson, Mel, Andi Smart, and Mike Bourne. 2001. "Theory and Practice in SME Performance Measurement Systems." *International Journal of Operations and Production Management* 21(8): 1096–1115.
- Hernández-Espallardo, M., & Delgado-Ballester, E. (2009). Product innovation in small manufacturers, market orientation and the industry's five competitive forces. *European Journal of Innovation Management*, 12(4), 470–491. <https://doi.org/10.1108/14601060910996927>
- Hyland, & Gieskes, J. (2004). Journal of Manufacturing Technology Management: Guest editorial. *Journal of Manufacturing Technology Management*, 15(4), 313–314.
- Indonesia, Bank. 2015. "Peningkatan Akses Pembiayaan Bagi Industri Kreatif Di Indonesia Peningkatan Akses Pembiayaan Bagi Industri Kreatif Di Indonesia." (2): 3.
- Johnston, Kevin A dan Adeniran, Tejumade V. 2012. Investigating the dynamic capabilities and competitive advantage of South African SMEs. *African Journal of Business Management* Vol. 6(11), pp. 4088-4099.
- Jantunen, A., Puumalainen, K., Saarenketo, S., Kyläheiko, K. 2015. "Entrepreneurial Orientation, Dynamic Capabilities and International Performance." *Journal of International Entrepreneurship*, 1(3): 223–43.
- Jaworski, B.J., & Kohli, A.K., 1993, Market orientation: antecedents and consequences. *Journal of Marketing*, 57 (3), July, 53-70.
- Jambulingam, T., Kathuria, R., and Doucette, W. (2005). Entrepreneurial Orientation as a Basis for Classification within a Service Industry : The Case of Retail Pharmacy Industry. *Journal of Operations Management* . 23(1) : 23-42
- Jauch, Lawrence R. dan William F. Glueck, (1998), "Manajemen Strategis dan Kebijakan Perusahaan", Edisi ketiga, Erlangga, Jakarta.
- Kaplan, R. S, David P. N. (2006). *Alignment*. USA : Harvard Business School Press.
- Keeh, Hean Tat, Mai Nguyen & Ping. 2007. "The Effects of Entrepreneurial Orientation and Marketing Information on the Performance of SMEs", *Journal of Business Venturing*, page: 592-611.

- Kohli, Ajay K., Tasaddug A. Shervani, dan Goutam N. Challagalla. 1998. "Learning and Performance orientation of Salespeople: The Role of Supervisors". *Journal of Marketing Research*. Vol. xxxv. May. P. 263 -273
- Kogut, B., & Zander, U. 1992. *Knowledge of the Firm, Combinative Capabilities, and the Replication of Technology*. *Organization Science*, 3(3), 383–397. doi:10.1287/orsc.3.3.383
- Kumar, K.1995.*From Post-Industrial to Post-Modern Society*. Oxford, England: Blackwell Publishers.
- Kazemian, S., Abdul Rahman, R., Mohd Sanusi, Z., & Adewale, A. A. (2016). Role of market orientation in sustainable performance: The case of a leading microfinance provider. *Humanomics*, 32(3), 352–375. <https://doi.org/10.1108/H-03-2016-0028>
- Kee, Daisy, 2017. "Entrepreneurial Orientation, Innovation and SME Performance: A Study of SME in Malaysia Using PLS-SEM". School of Management University Sains, Malaysia. 29th to 30th March, 2017 | Aseania Resort & Spa Langkawi, Malaysia.
- Kocak, A., Carsrud, A., & Oflazoglu, S. (2017). Market, entrepreneurial, and technology orientations: impact on innovation and firm performance. *Management Decision*, 55(2), 248–270. <https://doi.org/10.1108/MD-04-2015-0146>
- Kozielski, R. (2019). Determinants of SMEs business success – emerging market perspective. *International Journal of Organizational Analysis*, 27(2), 322–336. <https://doi.org/10.1108/IJOA-02-2018-1343>
- Kropp, F., Lindsay, N. J., & Shoham, A. (2006). Entrepreneurial, market, and learning orientations and international entrepreneurial business venture performance in South African firms. *International Marketing Review*, 23(5), 504–523. <https://doi.org/10.1108/02651330610703427>
- Leng, Z., Liu, Z., Tan, M., & Pang, J. (2015). Speed leaders and quality champions: Analyzing the effect of market orientation and technology orientation alignment on new product innovation. *Management Decision*, 53(6), 1247–1267. <https://doi.org/10.1108/MD-07-2013-0367>
- Lita, R. P., & Faisal, R. F. (2018). Sme's Performance Of Creative Industries Supporting Tourism In Indonesia: Market Orientation, Learning Orientation And Organizational Innovativeness As Determinants. *Academy of Marketing Studies Journal*, 22(1).
- Lukas, B.A & O.C Ferrell (2000.. The Effect of Market Orientation on Product Innovation, *Journal of Academy of Marketing Science*, Vol.28, p. 239-247.
- Long, H. C. (2013). The Relationship Among Learning Orientation, Market Orientation, Entrepreneurial Orientation, and Firm Performance of Vietnam Marketing Communications Firms. *Philippine Management Review*, 20, 37–46.
- Larsen, P. & A. Lewis. 2007. "How Award Winning SMEs Manage the Barriers to Innovation", *Journal Creativity and Innovation Manage-ment*, page: 141-151.
- Lee D.J., Singhapakdi A. & Sirgy, M. J. (2007). Further Validation of a Need-based Quality of Work Life (QWL) Measure: Evidence From Marketing Practitioners. *Applied Research Quality of Life*, 2, 273-287.
- Lumpkin, G.T., & Dess, G.G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review*, 97(1): 135-72.

- Liu, H., Ke, W., Wei, K.K. and Hua, Z. 2013. "The impact of IT capabilities on firm performance: The mediating roles of absorptive capacity and supply chain agility", *Decision Support System*, Vol. 54, No. 3, pp. 1452-1462.
- Mason, E. S. (1939). Price and production policies of large scale enterprises. *The American Economic Review*, 29: 61-74.
- Mahmoud, M. A., Blankson, C., Owusu-Frimpong, N., Nwankwo, S., & Trang, T. P. (2016). Market orientation, learning orientation and business performance: The mediating role of innovation. *International Journal of Bank Marketing*, 34(5), 623–648. <https://doi.org/10.1108/IJBM-04-2015-0057>
- Masa'deh, R., Al-Henzab, J., Tarhini, A., & Obeidat, B. Y. (2018). The associations among market orientation, technology orientation, entrepreneurial orientation and organizational performance. *Benchmarking*, 25(8), 3117–3142. <https://doi.org/10.1108/BIJ-02-2017-0024>
- Majid, Abdul & Yasir, Muhammad. 2012. "Enhancing Managerial Capabilities for Environmental Analysis: Framework for Entrepreneurial Development in Pakistan." *Interdisciplinary journal of Contemporary Research in Business* 4(6): 238 243.
- Mavondo, Felix, T. Chimhanzi, Jacqueline, Stewart & Jillian. (2003). Learning Orientation and Market Orientation : Relationship With Invitation, Human Resource Practices and Performance, *European Journal of Marketing*, Vol. 39, p. 1235-1263.
- McKeown, Patrick G., (2001). *Information Technology and The Networked Economy*, Harcourt: Orlando.
- McLeod Jr, Raymond, George P Schell. (2007). *Management Information Systems*. (10th Edition). USA: Pearson Prentice Hall
- Miller, D. (1983). The correlates of entrepreneurship in three types of firms. *Management Science*, 29(7): 770–791.
- Mustikowati, Rita Indah, and Irma Tysari. 2015. "Orientasi Kewirausahaan, Inovasi, Dan Strategi Bisnis Untuk Meningkatkan Kinerja Perusahaan (Studi Pada Ukm Sentra Kabupaten Malang)." *Jurnal Ekonomi Modernisasi*.
- Mirzaei, O., Micheels, E. T., & Boecker, A. (2016). Product and marketing innovation in farm-based businesses: The role of entrepreneurial orientation and market orientation. *International Food and Agribusiness Management Review*, 19(2), 99–130. <https://doi.org/10.22004/ag.econ.234958>
- Montiel-Campos, H. (2018). Entrepreneurial orientation and market orientation: Systematic literature review and future research. *Journal of Research in Marketing and Entrepreneurship*, 20(2), 292–322. <https://doi.org/10.1108/JRME-09-2017-0040>
- Munaf, Triawan, and Ricky Joseph Pesik. 2019. "Ekonomi Kreatif Outlook 2019." *Badan Ekonomi Kreatif*. 23–24.
- Narver, J. and Slater, S. F. 1990. "Customer-Led and Market-Oriented: Let's Not Confuse The Two." *Strategic Management Journal* 58(1):46-: 1001–6.
- Nelson, Richard R. and Winter, Sidney G. (1982). *An Evolutionary Theory of Economic Change*. Cambridge: Belknap Press of Harvard University Press.
- Ndiaye, N., Abdul Razak, L., Nagayev, R., & Ng, A. (2018). Demystifying small and medium enterprises' (SMEs) performance in emerging and developing economies. *Borsa Istanbul Review*, 18(4), 269–281. <https://doi.org/10.1016/j.bir.2018.04.003>

- Ngoma, M., Ernest, A., Nangoli, S., & Christopher, K. (2017). Internationalisation of SMEs: does entrepreneurial orientation matter? *World Journal of Entrepreneurship, Management and Sustainable Development*, 13(2), 96–113. <https://doi.org/10.1108/wjemsd-08-2016-0039>.
- Oktemgil, Mehmet & Greenley, Gordon. 1997. "Consequences of High and Low Adaptive Capability in UK Companies." *European Journal of Marketing* 31(7): 445–66.
- Occhiodoro, T., Hopwood, J. J., Phillip Morris, C., & Anson, D. S. (1992). Correction of  $\alpha$ -L-fucosidase deficiency in fucosidosis fibroblasts by retroviral vector-mediated gene transfer. *Human Gene Therapy*, 3(4), 365–369. <https://doi.org/10.1089/hum.1992.3.4-365>.
- Pamela, Isabel. M. B, dan Roberto, F. 2019. Strategic orientation, innovation performance and the moderating influence of marketing management. *Elsavier Journal of Business Research*. Volume 97, April 2019, Pages 129-140. <https://doi.org/10.1016/j.ibusres.2018.12.071>.
- Preble, John F. & Hoffman, Richard C. 1994. "Competitive Advantage through Specialty Franchising." *Journal of Services Marketing*, 8(2): 5–18.
- Penrose, E. T. (1959). *The Theory of the Growth of the Firm*. Oxford University Press.
- Porter, M. (1985). *Competitive advantage: Creating and sustaining superior performance*. New York: The Free Press
- Popa, S., Soto-Acosta, P., & Martinez-Conesa, I. (2017). Antecedents, moderators, and outcomes of innovation climate and open innovation: An empirical study in SMEs. *Technological Forecasting and Social Change*, 118, 134–142. <https://doi.org/10.1016/j.techfore.2017.02.014>
- Prahalad, C.K. & Hamel, G. 1990. *The Core Competence of the Corporation*. Harvard Business Review, Vol. 68, Issue 3, p.79-91. doi:10.1007/3-540-30763-x\_14
- Pieska, Sakari. 2012. "Enhancing Innovation Capability and Business Opportunities : Cases of SME-Oriented Applied Research. University of Jyväskylä.
- Rentz, Joseph O., C. David Sheherd, Armen Tashchian, Pratibha A. Dabholkar dan Robert T. Ladd. 2002. "A Measure of Selling Skill : Scale Development and Validation". *Journal of Personal Selling & Sales Management*. Volume XXII. Number 1. Winter. p. 13-21.
- Risto, Rajala dan Mika, Westerlund. 2012. The Effects of Service Orientation, Technology Orientation and Open Innovation on the Performance of Software-intensive Service Businesses. **Publisher:** IEEE, **DOI:** [10.1109/HICSS.2012.563](https://doi.org/10.1109/HICSS.2012.563). Print ISSN: 1530-1605. Electronic ISSN: 1530-1605.
- Real, J. C., Roldán, J. L., & Leal, A. (2014). From entrepreneurial orientation and learning orientation to business performance: Analysing the mediating role of organizational learning and the moderating effects of organizational size. *British Journal of Management*, 25(2), 186–208. <https://doi.org/10.1111/j.1467-8551.2012.00848.x>.
- Rezaei, J., & Ortt, R. (2018). Entrepreneurial orientation and firm performance: the mediating role of functional performances. *Management Research Review*, 41(7), 878–900. <https://doi.org/10.1108/MRR-03-2017-0092>.
- Rhee, J., Park, T., & Lee, D. H. (2010). Drivers of innovativeness and performance for

- innovative SMEs in South Korea: Mediation of learning orientation. *Technovation*, 30(1), 65–75. <https://doi.org/10.1016/j.technovation.2009.04.008>
- Rauch, A., Wiklund, J., Lumpkin, G. T., (2009). Entrepreneurial orientation and business performance: An assessment of past research and suggestions for the future. *Entrepreneurship Theory and Practice*. 761-787.
- Rua, O., França, A., & Fernández Ortiz, R. (2018). Key drivers of SMEs export performance: the mediating effect of competitive advantage. *Journal of Knowledge Management*, 22(2), 257–279. <https://doi.org/10.1108/JKM-07-2017-0267>
- Sáez-Martínez, F. J., Díaz-García, C., & González-Moreno, A. (2014). Environmental orientation as a determinant of innovation performance in young SMEs. *International Journal of Environmental Research*, 8(3), 635–642. <https://doi.org/10.22059/ijer.2014.758>
- Sanchez-Hernandez, M. I., & Miranda, F. J. (2011). Linking internal market orientation and new service performance. *European Journal of Innovation Management*, 14(2), 207–226. <https://doi.org/10.1108/14601061111124894>
- Santos, Georgina, Hannah Behrendt, and Alexander Teytelboym. 2010. “Part II: Policy Instruments for Sustainable Road Transport.” *Research in Transportation Economics*.
- Sarker, S., & Palit, M. (2015). Strategic orientation and performance of small and medium enterprises in Bangladesh. *International Journal of Entrepreneurship and Small Business*, 24(4), 572–586. <https://doi.org/10.1504/IJESB.2015.068643>.
- Samson Waibe Bature and Cheng Wei Hin, 2017. Entrepreneurial Orientation, Learning Orientation, Technology Orientation, Access to Debt Finance and Firm Performance: A Proposed Research Framework. *International Business Management*, 11: 444-453.
- Scherer, F. M. (1980). *Industrial market structure and economic performance*. Chicago: Rand McNally College Publishing.
- Stevenson, H.H., & Jarillo, J.C. (1990). A paradigm of entrepreneurship: Entrepreneurial management. *Strategic Management Journal*. (special issue) 11:17-27.
- Slater, S. F., dan Narver, J.C. 1995. “Market Orientation and the Learning Organization.” *Journal of Marketing* 59: 63–74.
- Sirén, C., Hakala, H., Wincent, J., & Grichnik, D. (2017). Breaking the routines: Entrepreneurial orientation, strategic learning, firm size, and age. *Long Range Planning*, 50(2), 145–167. doi:10.1016/j.lrp.2016.09.005
- Seo, Y. W., & Chae, S. W. (2016). Market Dynamics and Innovation Management on Performance in SMEs: Multi-agent Simulation Approach. *Procedia Computer Science*, 91(Itqm), 707–714. <https://doi.org/10.1016/j.procs.2016.07.060>.
- Shehu, A., & Mahmood, R. (2014). Market orientation and Organizational culture's impact on SME Performance: A SEM Approach. *International Affairs and Global Strategy*, 24(2009), 1–10. <http://iiste.org/Journals/index.php/IAGS/article/view/15044>.
- Syukriah, Ana dan Hamdani, Imam. 2015. “Peningkatan Eksistensi UMKM Di, Comparative Advantage Dalam Rangka Menghadapi MEA 2015 Temanggung.” *Economic Development Analysis Journal*. Vol.2,(No.2.).

- Szogs, Astrid & Chaminade, Cristina & Azatyan, Ruzana. 2008. Research and Competence in the Learning Economy (CIRCLE) *Building Absorptive Capacity in Less Developed Countries The Case of Tanzania*. Lund University.
- Sugiono, Arif. 2018. Resource Based View in The Strategic Management Model Framework. *Jurnal Pemikiran dan Penelitian Administrasi Bisnis dan Kewirausahaan* Vol.3,No. 3, Desember 2018, DOI : <https://doi.org/10.24198/adbispreneur.v3i3.19226>, hal.195-205
- Simon, H. A. 1947. *Administrative Behavior*. New York: Machmillan.
- Spanos, Y. E., & Lioukas, S. (2001). An examination into the causal logic of rent generation: Contrasting Porter's competitive strategy framework and the resource-based perspective. *Strategic Management Journal*, 22: 907-934.
- Sinkula, J. M., Baker, W.E., Noordewier, T., (1997), "A Framework for Market Based Organizational Learning : Linking Values, Knowledge and Behavior", *Journal of the Academy Marketing Science*, Vol. 25, p. 305- 318.
- Swan, J., Newel, H., Scarbrought, & Hislop. 1999. Knowledge Management and Innovations: Networks and Networking. *Journal of Know-ledge Management*, 3(4): 262–275.
- Stata, Ray, 1989, "Organizational Learning - The Key to Management Innovation", *Sloan Management Review*, p.63- 74.
- Tambunan, T. H. Tulus (2002), *Usaha Kecil dan Menengah di Indonesia, Beberapa Isu Penting*, Penerbit salemba Empat, Jakarta
- Teece, D. J. 2009. *Dynamic Capabilities and Strategic Management*. First edit. Oxford University Press.
- Thomas, Tijo., & Johnson, Johny. (2017). The Impact of Celebrity Expertise on Advertising Effectiveness: The Mediating Role of Celebrity Brand Fit. *Vision*, 21(4), 367–374. <https://doi.org/10.1177/0972262917733174>
- Urata, S. (2000). Policy Recommendation for SME Promotion In The Republic of Indonesia, JICA Senior Advisor to Coordination Minister of Economy, Finance and Industry. Jakarta.
- Verhess, F. & Meulenberg M.T.G. (2004). Market Orientation, Innovativeness, Product Innovation, and Performance In Small Firms. *Journal Of Small Business Management*, Vol.42, p.134-154.
- Wahyudiono, (2006) *Pengaruh Orientasi Pasar Dan Orientasi Teknologi Terhadap Inovasi Berkelanjutan Dan Kinerja Perusahaan Consumer Goods Di Surabaya*. Disertasi, Universitas Airlangga.
- Wardi, Yunia, Perengki Susanto, and Nor Liza Abdullah. 2017. "Orientasi Kewirausahaan Pada Kinerja Usaha Kecil Dan Menengah (UKM) Sumatera Barat: Analisis Peran Moderasi Dari Intensitas Persaingan, Turbulensi Pasar Dan Teknologi." *Jurnal Manajemen Teknologi*.
- Wang, G, Richard G. Netemeyer. 2002. "The Effects of Job Autonomy, Customer Demandingness, and Trait Competiveness on Salesperson Learning, Self-Efficacy, and Performance". *Journal of The Academy of Marketing Science*. Vol30. NO. 3. P. 217 – 228.

- Wang, C. L. & Ahmed, P. K. 2007. Dynamic capabilities: a review and research Agenda. *The International Journal of Management Reviews*, 9(1), pp. 31-51.
- Wang, Ying., Ramudu Bhanugopan., & Pamela Lockhart. (2015). Examining the quantitative determinants of organizational performance: evidence from China. *Measuring Business Excellence*, Vol. 19 Issue: 2, pp.23-41.
- Weerawardena, Jay. 2013. "Exploring The Role of Market Learning Capability in Competitive Strategy." *European Journal of Marketing* 37: 407–29.
- Westerberg, Mats & Joakin Wincent. 2008. "Entrepreneur Characteristics and Management Control: Contingency Influences on Business Performance." *Journal of Business and Entrepreneurship* Vol.20(No.1).
- Wahyono, 2012, Orientasi Pasar dan Inovasinya: Pengaruhnya Terhadap Kinerja Pemasaran, *Jurnal Sains Pemasaran Indonesia*, Vol.1 NO.1. Hal 23-40
- Wind, Jerry., & Vijay Mahajan. (1997). Issues and Opportunities in New Product Development: An Introduction to the Special Issue, *Journal of Marketing Research*, vol 34, pp 1-12
- Wibowo, Amin, 2008, "The Impact Of Organisational Culture And Internal Corporate Governance On Organisational Performance In Indonesian Companies", Ph. D. Curtin University of Technology, Graduate School of Business
- Whittaker, James, 1993. *The Government Performance Result Act*, Educational Services Institute.
- Wiklund, J., & Dean Shepherd, 2005, "Entrepreneurial Orientation And Small Business Performance: A Configurational Approach", *Journal of Business Venturing*, Vol.20, No.1
- Xiao, H., Wang, Y., Li, W., & Ma, Z. (2017). Intellectual structure of research in business ethics: A citation and co-citation analysis on *Business Ethics Quarterly*. *Nankai Business Review International*, 8(1), 100–120. <https://doi.org/10.1108/NBRI-10-2016-0035>
- Yahya, Al-Ansari, Altalib, M, Sardoh, M. 2013. Technology Orientation, Innovation and Business Performance: A Study of Dubai SMEs. *The International Technology Management Review*, Vol. 3, No. 1, 1-11. Southern Cross Business School, Southern Cross University, Australia
- Yohan Hadi Wijaya dan Dhyah Harjanti. 2013. "Enterpreurial Leadership Dan Hubungannya Dengan Kinerja Bisnis Pada Usaha Mikro Kecil Di Wilayah Jawa Timur." *Agora* 1(3): 1–3.
- Yousaf, Z., Sahar, N., Majid, A., & Rafiq, A. (2018). The effects of e-marketing orientation on strategic business performance. *World Journal of Entrepreneurship, Management and Sustainable Development*, 14(3), 309–320. <https://doi.org/10.1108/wjemsd-12-2017-0109>.
- Zayed Nawal Abeer, A. (2017). The relationship between market , learning orientation , innovation and business performance of Egyptian sme ' s. *The Business and Management Review*, 8(5), 150–162.
- Zehir, C., Köle, M., & Yıldız, H. (2015). The Mediating Role of Innovation Capability on Market Orientation and Export Performance: An Implementation on SMEs in Turkey. *Procedia - Social and Behavioral Sciences*, 207, 700–708.

<https://doi.org/10.1016/j.sbspro.2015.10.141>.

Zhou, K. Z., Kin, C., Yim, B., & Tse, D. K. (2015). The effects of strategic orientations on technology-and market-based innovations breakthrough. *Journal of Marketing*, 69(2), 42–60.

Zortea-Johnston, E., Darroch, J., & Matear, S. (2012). Business orientations and innovation in small and medium sized enterprises. *International Entrepreneurship and Management Journal*, 8(2), 145–164. <https://doi.org/10.1007/s11365-011-0170-7>.

Zahra, S.A., dan S. R. Das (1993), Innovation Strategy and Financial Performance in manufacturing companies: An empirical Study. *Production and Operations Management* 2 (I) (Winter) : 15-37

Zahra, A. S. 2008. "Being Entrepreneurial and Market Driven: Implications for Company Performance." *Journal of Strategic and Management* 1(2): 125–42.

