The Effect of Entrepreneurial Marketing on Business Performance Moderated by Environmental Turbulence on MSMEs in Indonesia

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Abstract

The purpose of this study is to investigate the effect of entrepreneurial marketing which consists of innovation-focused, proactiveness, opportunity, calculated risk-taking, customer intensity, resource leveraging, and value creation on business performance moderated by environmental turbulence in SMEs. The approach used is a quantitative approach and data collection is done by distributing online questionnaires. The population of this research is MSMEs in Batam City which are registered with the Online Database System (ODS) as many as 81,575. This research uses the purposive sampling method. The sampling technique used in the study was purposive sampling based on the following criteria: The duration of active micro, small and medium enterprises (MSMEs) in Batam City has been operating for at least 3 years, the business sector is engaged in: trading, manufacturing/fabrication, and services. The samples collected and used in this study were 421 respondents. The results show that proactiveness, opportunity, value creation, and environmental turbulence have a direct effect on business performance, while innovation-focused, calculated risk-taking, customer intensity, and resource leveraging have no significant effect on business performance, while the overall environmental turbulence variable does not moderate the relationship. between entrepreneurial marketing and business performance.

Keyword
Entrepreneurial marketing, business performance, environmental turbulence, MSMEs

1. Introduction

In Indonesia, MSMEs are one of Indonesia's economic strengths. The Ministry of Cooperatives and Small and Medium Enterprises stated that the number of MSMEs in Indonesia reached nearly 63 million. With this number of MSMEs, MSMEs can contribute to Indonesia's GDP by as much as 60% or equivalent to Rp. 4,800 trillion (Rahayu, 2019). MSMEs are a role in the community by generating sources of income and can create jobs (Febriyantoro et al., 2019). It can be seen from the data from the Central Statistics Agency (BPS) 2020 that recorded the development of the number of MSMEs in Indonesia from 2010-to 2018. Based on data the number of MSMEs in Indonesia in 2010 amounted to 52.8 million and has increased every year until in 2018 the number of MSMEs in Indonesia recorded 64.2 million.

Indonesia's MSMEs are currently grappling with several difficult new challenges. This is mainly in the form of rapid technological developments and regional economic integration which have shadowed them for years but have come into sharp focus with the inception of the ASEAN Economic Community (AEC). However, with the Indonesian government now more determined to encourage the growth of MSMEs, the sector could be in a position to turn this challenge into an attractive opportunity (GBG indoIndonesia16). Indonesian MSMEs are very important to the economy in terms of sustainable growth and employment. They are now facing a new reality being challenged at their home through the MEA and thus the requirements to be more competitive and innovative to survive. This new paradigm is an opportunity for international investors to take advantage and start looking for partners with small companies to access the sectors provided for this form of cooperation. In addition, the idea of digitization will bring opportunities to work with MSMEs on the development of new platforms as well as consulting in areas such as branding and advertising in Indonesia

According to Herman et al. (2018) the better the performance of a company, the stronger the company will excel in competition and vice versa. The role of Micro, Small, and Medium Enterprises (MSMEs) in the economy in Indonesia is designated by its population as the largest business actor. Its contribution to employment, the formation of gross domestic product (GDP) as well as the creation of fixed capital and exports is also large. Based on data quoted (Indrawan 2019), the performance of Micro, Small, and Medium Enterprises (MSMEs) is quite varied from year to year. The contribution of MSMEs to the formation of gross domestic product (GDP) decreased slightly from 61.41% in 2015 to 60.00% in 2017. In addition, the contribution of MSMEs in the value of exports and imports of non-oil and gas also decreased from 15.73 % in 2015 to 14.17% in 2017.

The rapid development of MSMEs in Batam City will trigger very tight competition in market share and of course affect the performance of MSMEs. One of the efforts that must be made by MSME business actors in facing competition is to maintain business continuity. To maintain business continuity in this intense competition, MSMEs must have a competitive advantage (Supranoto 2009). The most important factor for a business to face intense competition in the market is to create a competitive advantage to maintain the existence of the business (Paramita, 2015). Competitive advantage and business performance are two components that cannot be separated and have a complementary relationship. A good competitive advantage will improve the performance of a business or vice versa (Herman & Hady 2018). According to Wibowo (2008) performance comes from the notion of performance. The understanding of performance as the result of work or work performance. However, actual performance has a broad meaning, not only the results of work but how the work process takes place. The company's competitive advantage is enhanced through the company's unique resources and capabilities so that it can be expected to demand management to produce superior performance. Therefore, competitive advantage and business performance are important keys for a business to survive in intense business competition (Pereira-moliner et al. 2015).

The concept of entrepreneurial marketing (EM) was introduced as a solution to problems related to marketing faced by SMEs. Collinson and Shaw (Prambaudy et al. 2017) state that the concept of EM is most appropriate when implemented in small businesses which generally have limited resources thus focusing on integrating entrepreneurship and marketing. The EM concept is intended as an approach to effective marketing strategy in the environment of business full of turbulence, and competition, on the one hand external. On the internal side, marketers face resource constraints and performance pressures. The context of EM is in an environment of uncertainty where business owners must be able to act as an entrepreneur who is also an innovator or change agent. It is empirically proven that entrepreneurial action is very relevant in a rapidly changing environment (Morris et al. 2002).

Entrepreneurial marketing helps companies identify, evaluate, seize opportunities and achieve and maintain competitive advantage (Morris et al. 2002). Entrepreneurial marketing is applied in value innovation, co-creation marketing,d low-cost marketing. Multinational and international companies encourage co-creation marketing and innovation, while small companies apply low-cost marketing strategies to strengthen the competitive advantage of small companies with limited resources (Yang and Gabrielsson 2017).

Given the increasingly modern and evolving business environment, several researchers have demonstrated a moderating effect of environmental turbulence between innovation and business performance (Tsai & Yang 2014). The environmental turmoil affects the company's innovation on business performance. Rapid changes in the environment make today's products and services obsolete. Companies need to introduce new products and services to overcome various threats from obsolete products and services, thereby increasing competitiveness and business performance. Companies that have innovation capabilities can cope with market changes by using new ways and changing rapidly according to market demands (Tsai and Yang 2014).. However., some researchers regard environmental turbulence as an antecedent innovation (R. P. Lee & Tang, 2018). In particular, Lee and Tang (2018) argue that technology turbulence leads companies to pursue innovations that focus on better performance outcomes. This is a gap in the literature in this study. There is no empirical confirmation about the impact of other types of environmental turbulence or environmental turbulence in general on the relationship between entrepreneurial marketing and business performance. Therefore, the main objective of this study was to examine whether environmental turbulence has a moderate role in the relationship between entrepreneurial marketing and business performance.

1.1 Objectives

Based on the explanation that has been described in the introduction regarding the problems that exist in MSMEs in Indonesia and the explanation of the research gap in this study. The purpose of the research is to examine the effect of entrepreneurial marketing which consists of innovation-focused, proactive, opportunity, calculated risk-taking, customer intensity, resource leveraging, and value creation on business performance moderated by environmental turbulence on MSMEs in Batam City, Indonesia.

2. Literature Review

2.1 Entrepreneurial Marketing

Entrepreneurial marketing is a combination of entrepreneurship and marketing and proactively identifying opportunities through creative, risk-taking, and visionary marketing actions. (Morris et al. 2002). The use of entrepreneurial marketing strategies aims to create value and equity for customers and increase competitive value for the company (Miles and Darroch 2004). Entrepreneurial marketing is the answer for companies to overcome the challenges of an increasingly uncertain economy. Entrepreneurial marketing is often considered as marketing with an entrepreneurial mindset, an organization in carrying out its marketing strategy takes into account innovation, risk-taking, acting proactively, and taking advantage of opportunities by taking into account the readiness of current resources (Kraus et al. 2010). Entrepreneurial marketing requires skilled and entrepreneurial-oriented marketers (Eggers et al. 2012). The success of entrepreneurial marketing in building value for customers through several marketing approaches that are creative, innovative, network-building and promote flexibility (Hills et al. 2010). One of the advantages of applying the entrepreneurial marketing approach is that this approach emphasizes community-based marketing networks, the company considers involving the community related to confirmation in designing marketing strategies and tactics (Boyle 2004), in producing a product and strengthening the brand image of the entrepreneurial marketing approach. uses the community to support its marketing strategy (Bhatli et al. 2012).

2.2 Business performance

Business performance is a measurement of the level of achievement of an organization based on specified targets. In Lee et al research, (2015) it is explained that business performance in the organization is used as a benchmark in various aspects. For business people, business performance is usually used as a benchmark to assess whether the designed business goals have been met achieved or not. For investors, business performance is used as a reference to see financial health and profit growth. For the management of business performance, it is used as a measure to improve future business performance. The study also explained that in the past, a business prioritizes financial performance to see how growing the business is. However, now with the rapid development of the market, non-financial performance (market share, product quality, and customer satisfaction) are also the main benchmarks in assessing business performance because non-financial performance provides feedback that is faster than financial performance so that business people can find out quickly if their business performance is declining. According to Islami et al. (2017) performance measurement is a financial and non-financial performance appraisal measure. Performance measurement in a large company cannot be used to measure the performance of SMEs. This is according to Islami et al. (2017) MSMEs and large companies have different business characteristics in terms of resources human resources, market, and business structure so it is not appropriate if the performance of MSMEs is measured by measuring the performance of large companies.

2.3 Environmental Turbulence

A turbulent environment is a dynamic environment with uncertainty and disorder (Calantone et al. 2002) which is a concern so that environmental changes that are threats can be controlled so as not to reduce organizational performance. Environmental turbulence is increasing uncertainty and difficulty in predicting the future (Glazer & Weiss 1993). According to Jaworski and Kohli (1993) in their research on market orientation, the relationship between market orientation and performance seems to be strong in the context of environmental turbulence, which is characterized by market turbulence, technology turbulence and competition intensity. Turbulence is characterized by the occurrence of rapid technological changes in which general conditions and uncertainties are unpredictable and often result in high levels of customer preference, technological developments ,and market conditions play a role. Five factors are very influential in environmental turbulence (Liao et al. 2008), including market turbulence, technology turbulence, competition turbulence, supplier turbulence and regulatory, turbulence. Some of the causes of environmental turbulence are: (1)fast-changing technology and market changes (Nuñez & Lynn 2012); (2) service convergence in the media and communications industry (Chakravarthy 1997); (3) an increase in the availability of services with the ease of availability of information (D'Aveni and Gunther 2007). Turbulence is a great opportunity

for advancement and this often occurs using transformation (Harrington et al. 2005), leadership carried out in this condition must be quick to react, and creative to take opportunities from competitors.

2.4 Research Framework

Environmental turbulence moderates the relationship between Entrepreneurial Marketing and Business Performance, companies have realized market changes and decision making that focuses on industry changes as well as complex customer demands (Abiodun & Mahmood 2015). The ability to overcome market turmoil is a strategy needed to overcome the uncertainty between the market and company resources with superior capabilities and ability to adapt quickly to consumer changes (Devezer et al. 2014). Environmental turbulence has a negative impact on business performance, especially for small companies. Intense environmental turbulence occurs, so companies need to allocate more resources and adopt the latest technology, which is considered a risk factor for poor performance. Companies that use a marketing approach may have set a stance during inappropriate situations (Wales et al. 2013). The negative impact of environmental turbulence on business performance can come from unexpected environmental turbulence (Wang & Fang 2012). Intense environmental turbulence can impact a company by misestimating customer trends. Therefore, we consider the following hypotheses for our empirical research (figure 1):

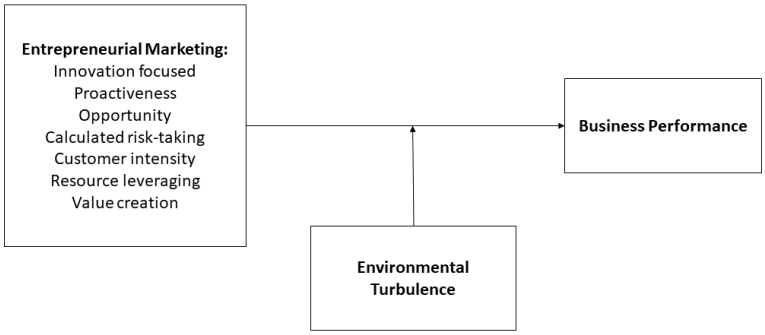

Figure 1. Research Framework

Hypothesis:
H1a,b,c,d,e,f,g: Effect of Entrepreneurial Marketing (Innovation focused, proactiveness, opportunity, calculated risk-taking, customer intensity, resource leveraging, value creation) on Business Performance
H2a,b,c,d,e,f,g: Environmental Turbulence moderates the relationship between Entrepreneurial Marketing and Business Performance

3. Methods

Data analysis in this study is quantitative to test the established hypothesis. The data analysis technique used by the researcher is using the Structure Equation Model (SEM) method. This study uses PLS (Partial Least Square) for statistical analysis and hypothesis testing. Hair et al. (2017) argue that PLS-SEM is still relevant for dealing with reflective and formative measures without identification problems. This approach focuses on predictions with resampling procedures and non-parametric evaluation criteria to analyze the adequacy of the partial model structure. According to Henseler et al. (2009), the popularity of PLS-SEM arises from several characteristics, including this approach allows the calculation of structural equation models without being limited by reflective and formative measurements. Furthermore, small sample sizes can still be accepted without estimation errors even with fairly complex models, PLS can overcome highly skewed data distributions (Hair et al. 2017a).

3.1 Outer Model

The outer model is a model that defines how each indicator block relates to its latent variable. Evaluation of the outer model is carried out to assess the validity and reliability of the model. In this study, the indicators used are reflective indicators, so that the outer model is evaluated through the convergent and discriminant validity of the latent construct forming indicators and composite reliability for the indicator block, the evaluation of convergent validity is carried out by measuring the loading factor and the Average Variance Extracted (AVE) value. The loading factor value shows

the correlation of the indicator score with the construct where the validity value is good when the loading factor value is more than 0.7 for confirmatory research and the loading factor value is 0.6-0.7 for exploratory research. The recommended AVE value must be greater than 0.5 which means that 50% or more of the variance of the indicator can be explained. Evaluation of discriminant validity was assessed by comparing the square root of the average variance extracted for each construct with the correlation of the construct with other constructs in the model. The model has sufficient discriminant validity if the AVE root for each construct is greater than the correlation between the construct and the other constructs. The reliability test was carried out by looking at the composite reliability value where the reliability was said to be good if the composite reliability value was greater than 0.7 for confirmatory research and a value of 0.6-0.7 was still acceptable for exploratory research. (Imam Ghozali and Hengky Latan 2015).

3.2 Inner Model

Inner model test Evaluation of the inner model is an analysis that describes the relationship between variables, whether there is a positive or negative influence. In the inner model, testing is carried out on 2 criteria, namely: R-square from the endogenous latent variable and the estimated path coefficient (Imam Ghozali & Hengky Latan 2015). Observation R-square of the endogenous latent variable was carried out to see how much the variability of the endogenous constructs could be explained by the variability of the exogenous constructs. After evaluating R-square, then the evaluation of the model is carried out by testing the estimated path coefficient to determine the effect between variables through the bootstrapping technique. In this test, a variable is said to affect other variables if the t-statistic is greater than the t-table at 5% alpha. In other words, entrepreneurial marketing variables will affect marketing performance if they have a t-statistic value exceeding 1.96 (Imam Ghozali & Hengky Latan 2015).

4. Data Collection

A total of 450 questionnaires were distributed online and filled in directly to MSMEs in Batam City who met the purposive sampling criteria in this study to obtain the required data. However, only 421 the questionnaire was returned, and from a total of 29 questionnaires were rejected because they were incompletely filled only 421 questionnaires were used in this study. Therefore, it has been classified as a response of 93.56%. In this study, based on the theory of Hair et al (2017), the appropriate sample size in a study is between 30 to 500 samples, so the number of respondents 421 samples used were very good in this study.

5. Results and Discussion

The total respondents in this study were 421 respondents with a profile of respondents based on gender as many as 196 or 46.6 percent of respondents were men while as many as 225 respondents or 53.4 percent were women. While the profile of respondents based on the type of business as many as 287 or 68.2 percent are MSMEs engaged in trade, while 82 respondents or 19.5 percent are MSMEs engaged in services while the remaining 52 respondents or 12.4 percent are MSMEs engaged in business. in the field of production. For the length of business run by MSMEs as many as 266 respondents or 63.2 percent, MSMEs have been running their business for 3-5 years, while 53 respondents or 12.6 percent of MSMEs have run their business for 6-8 years and as many as 102 respondents or 24.2 percent of MSMEs run their business for more than 9 years (Table 1).

Table 1. Respondent Profile

Respondent Characteristics	Description	Total	Percentage
Gender	Man	196	46,6%
	Woman	225	53,4%
Type of Business	Trading	287	68,2%
	Service	82	19,5%
	Manufacture / Production	52	12,4%
Length of Business	3-5 years	266	63,2%
	6-8 years	53	12,6%
	More than 9 years	102	24,2%

Based on the results of the respondent's profile, it can be seen that the majority of respondents in this study are women, while from the type of business the majority of respondents are engaged in trade because in general MSMEs in Batam are engaged in trade with the change in the focus of Batam city which was originally an industrial city and is now a city. tourism, so that this is used by MSMEs to sell knick-knacks or souvenirs typical of Batam. As for the length of business, the majority of MSMEs have been running their business for 3-5 years, this indicates that MSMEs are starting to see the development of tourism in Batam City, there are new tourist attractions and several shopping centers are also starting to grow in Batam City so this is a good prospect for MSME actors.

5.1 Outer Model (Measurement)

Convergent validity is related to the principle that the measuring indicators of a construct are interconnected or highly correlated (Ghozali & Latan 2015). The indicator is said to be valid if the loading factor value with the latent variable> 0.6 (Ghozali & Hengky Latan 2015). In the environmental turbulence variable, the AVE value is below 0.5 so it is necessary to remove the indicator. From the ET variable, the smallest outer loading value is found in ET9 with a value of 0.610, therefore the indicator on ET9 is removed. The following are the results of convergent validity consisting of outer loading and AVE, as well as reliability which can be seen from the composite reliability and Cronbach's alpha values (Table 2).

Table 2. Measurement Model Result

Variable/Indicator	Outer Loading	AVE	Composite Reliability	Cronbach's Alpha
Innovation focused		0.702	0.904	0.858
Inn1	0.842			
Inn2	0.848			
Inn3	0.803			
Inn4	0.858			
Proactiveness		0.557	0.882	0.840
Pro1	0.782			
Pro2	0.783			
Pro3	0.789			
Pro4	0.778			
Pro5	0.720			
Pro6	0.608			
Opportunity		0.742	0.920	0.884
Opp1	0.833			
Opp2	0.841			
Opp3	0.885			
Opp4	0.886			
Calculated risk-taking		0.780	0.914	0.819
Cal1	0.883			
Cal2	0.898			
Cal3	0.869			
Customer intensity		0.641	0.915	0.888
Cust1	0.787			
Cust2	0.797			
Cust3	0.807			
Cust4	0.780			
Cust5	0.834			
Cust6	0.799			
Resource leveraging		0.596	0.898	0.864
Res1	0.739			
Res2	0.732			

Res3	0.773			
Res4	0.818			
Res5	0.749			
Res6	0.817			
Value creation		0.684	0.915	0.884
Val1	0.871			
Val2	0.830			
Val3	0.849			
Val4	0.834			
Val5	0.746			
Business Performance		0.622	0.908	0.877
BP1	0.848			
BP2	0.851			
BP3	0.710			
BP4	0.819			
BP5	0.791			
BP6	0.698			
Environmental Turbulence		0.507	0.935	0.925
ET1	0.725			
ET2	0.746			
ET3	0.674			
ET4	0.728			
ET5	0.737			
ET6	0.754			
ET7	0.721			
ET8	0.756			
ET10	0.644			
ET11	0.678			
ET12	0.689			
ET13	0.727			
ET14	0.645			
ET15	0.731			

Based on the processed results using Smart PLS version 3.2.9, the convergent validity test is seen from the outer loading and AVE values. The highest outer loading value on the innovation focused variable is Inn4 with 0.858 while the lowest is Inn3 0.803, while the proactiveness variable has the highest outer loading value on Pro3 with 0.789 and the lowest on Pro6 0.608. In the opportunity variable, the highest outer loading value is on the Opp4 indicator with 0.886 and the lowest is on Opp1 with 0.833. In the calculated risk-taking variable, the highest outer loading value is on the Cal2 indicator with a value of 0.898 and the lowest is on Cal3 with 0.869. While on the customer intensity variable, the Cust5 indicator has the highest value with 0.834 and the lowest on Cust4 with 0.780. In the resource leveraging variable, the highest outer loading value is in res4 with 0.818 and the lowest is in Res5 with 0.749. In the value creation variable, the highest outer loading value is in Val1 with a value of 0.871 and the lowest is in Val5 with a value of 0.746. The business performance variable has the highest outer loading value at BP2 with a value of 0.851 and the lowest is B6 0.698 and the next variable is environmental turbulence, the highest value is on ET8 with 0.758 and the lowest is 0.644 on ET10. Overall, the outer loading value has met the criteria with an outer value above 0.6 based on the theory of Ghazali and Latan (2015).

Furthermore, the AVE measurement is used to assess the convergent validity of the construct. The AVE value of the construct was valid and passed the value suggested by Fornell & Larcker (1981) which was 0.50. Reliability analysis was carried out by testing Composite Reliability and Cronbach Alpha. A construct is declared reliable if it has a composite reliability value and Cronbach's alpha above 0.70 (Ghozali & Hengky Latan 2015). Table 2 shows that all constructs have high values and are above 0.7 and have met the criteria of composite reliability and cronbach alpha.

Discriminant Validity is used to measure the level of differentiation of an indicator in measuring instrument constructs. In this study, the cross loading on the construct has a good discriminant validity because the cross loading of each indicator of a latent variable has the greatest loading value compared to the loading value of other variables (Hair et al. 2017b), and the constructs in this model have met the criteria of the Fornell-Larcker model, namely the AVE square root value for each construct is greater than the correlation value between constructs in the model (Fornell & Larcker 1981).

5.2 Inner Model (Structural Model)

Structural model is analysis which is done on the inner model which explain the relationship between variables latent. In the structural model carried out hypothesis testing by analyzing determinant coefficient (R2) and through bootstrapping process with levels significant 5%. From the processing results, the R-square value is 0.652, this value indicates that the independent latent variables include innovation focused, proactiveness, opportunity, calculated risk-taking, customer intensity, resource leveraging, value creation and environmental turbulence able to measure and explain well on independent variable, this can be seen from the value of 0.652 or 65.2 percent of exogenous variables that affect endogenous variables and the remaining 34.8 percent is influenced by other variables not tested in this study (Table 3).

Table 3. Structural Model Result

	Path Coefficient	**97,5% Confidence Interval**	***t* value**	***p* value**	**Significance (p < 0.05)**
INN -> BP	0.017	(-0.084, 0.135)	0.317	0.752	Not significant
PRO -> BP	0.227	(0.116, 0.343)	3.622	<0.001	Significant
OPP -> BP	0.193	(0.076, 0.325)	3.07	0.002	Significant
CAL -> BP	-0.036	(-0.140, 0.061)	0.715	0.745	Not significant
CUST -> BP	0.114	(-0,027, 0.235)	1.788	0.074	Not significant
RES -> BP	0.112	(0.004, 0.242)	1.827	0.068	Not significant
VAL -> BP	0.158	(0.020, 0.277)	2.034	0.022	Significant
ET -> BP	0.161	(0.067, 0.252)	3.248	0.001	Significant
INN_BP*ET	0.063	(-0.046, 0.150)	1.253	0.211	Not significant
PRO_BP*ET	-0.038	(-0.162, 0.073)	0.642	0.521	Not significant
OPP_BP*ET	0.000	(-0.131, 0.147)	0.002	0.999	Not significant
CAL_BP*ET	0.099	(-0.005, 0.199)	1.870	0.062	Not significant
CUST_BP*ET	0.040	(-0.082, 0.156)	0.666	0.560	Not significant
RES_BP*ET	-0.108	(-0.233, 0.013)	1.727	0.085	Not significant
VAL_BP*ET	0.044	(-0.104, 0.184)	0.617	0.537	Not significant

The significance value between constructs is carried out through the bootstrapping procedure by looking at the p-value, and path coefficient (Hair et al. 2017). Assuming a significance level of 5%, the p-value must be less than 0.05 to conclude that the relationship considered is significant at the 5% level (Hair et al. 2017). The path coefficient value is used to test the strength of direct and indirect relationships between variables. The path coefficient value categories are 0.05-0.09 weak, 0.10-0.29 moderate and >0.30 strong (Figure 2).

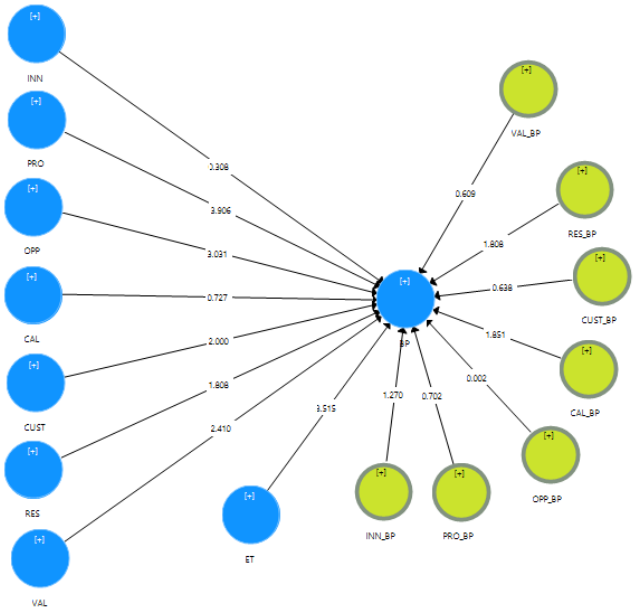

Figure 2. Bootstrapping result

Bootstrapping results from table 3. show that innovation focused on business performance has a path coefficient value of 0.017 or below that recommended by Chin (1998) which is 0.20 and a t value of 0.317 or less than 1.96 and a p value greater than 0.05 then the relationship between innovation focused and business performance have no significant effect. While the proactiveness variable has a path coefficient value of 0.227 or greater than the value recommended by Chin (1998) which is 0.02 and a t value above 1.96 with 3.622 and a p value of <0.001 it can be stated that proactiveness has a positive effect on business performance. Furthermore, a significant influence is also seen in the opportunity variable where the path coefficient value is 0.193, the t value is 3.07 or greater than 1.96 and the p value is 0.002, then the opportunity has a positive effect on business performance. Calculated risk taking has a path coefficient value of -0.036, it can be stated that every one unit increase in the calculated risk-taking variable will reduce the business performance of MSMEs, the t value is 0.715 and the p value is 0.745 or greater than 0.05, then the variable calculated risk-taking has no significant effect on business performance. Furthermore, on the customer intensity variable, the path coefficient value is 0.114 or below 0.20 and the *t* value is 1.788 or less than 1.96 and the p value is 0.074 or more than a significance value of 0.05, then the customer intensity variable does not directly affect business performance. The results are the same for the resource leveraging variable where the path coefficient value is 0.112 and the t value is 1.827 and p value is 0.068, this shows that the resource leveraging variable has no effect on business performance. On the other hand, the value creation variable has a significant effect on business performance with a path coefficient value of 0.158 and a t value of 2.034 or greater than 1.96 and a p value of 0.022 or less than 0.05. Environmental turbulence directly affects business performance as seen from the path coefficient value of 0.161 and t value of 3.248 and p value of 0.001 or less than 0.05. However, the environmental turbulence variable cannot moderate the relationship between entrepreneurial marketing which consists of innovation focused, proactiveness, opportunity, calculated risk-taking, customer intensity, resort leveraging and value creation on business performance as seen from the overall results of the t value which is less than 1.96 and p the value of all moderating variables is more than 0.05. It can be stated that environmental turbulence is not able to moderate the relationship between entrepreneurial marketing and business performance.

The results of the overall dimensions of entrepreneurial marketing that affect business performance are only three variables, namely proactiveness, opportunity and other variables that do not affect business performance with the research of Becherer et al. (2012)where only six variables affect business performance because each country and scope research efforts have different results. Seeing this result, MSME actors are more likely to be proactive in seeing

existing changes and take advantage of opportunities and create the right value for customers so that this can improve the business performance of MSME actors. Meanwhile, the environmental turbulence variable is not able to moderate the relationship between entrepreneurial marketing and business performance because the influence of environmental turbulence does not really affect being proactive, taking advantage of every return and creating value for customers. This is in line with Pratono & Mahmood (2015) which states that only companies that have high entrepreneurial autonomy can be affected by technological turbulence.

6. Conclusion

Based on the exposure of the results of hypothesis testing, the results can be obtained. The variables that directly affect business performance are proactiveness, opportunity and value creation, while the other four variables, such as innovation focused, calculated risk taking, customer intensity and resource leveraging, have no significant effect on business performance. Meanwhile, for the overall moderation test, the environmental turbulence variable is not able to moderate the relationship between entrepreneurial marketing and business performance.

For other researchers who want to continue this research, that is by doing second-order testing so that more in-depth results on entrepreneurial marketing can be obtained and can also combine mix research methods which can confirm quantitative results using qualitative methods with interviews and observations.

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