



The Efforts to Improve Marketing Performance in Small and Medium Industries of Tofu

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Abstract

Small and Medium Industries have become the largest industry in Indonesia that has an important role in the Indonesian economy due to its ability to encourage economic growth and create new sources of entrepreneurship. Small and Medium Industries are expected to be more creative and prepared in marketing strategies to deal with an increasingly complex business environment. This study aims to examine the effect of marketing knowledge competence and entrepreneurial orientation on marketing performance through marketing capabilities. The population in this study was the Small and Medium Industries of Tofu in Magelang City. The number of samples used was 94 respondents. The sampling technique uses saturated samples. The data were analyzed using the method of descriptive analysis, regression analysis, and path analysis using IBM SPSS version 22. The results of the study show that marketing knowledge competency and entrepreneurial orientation have a positive and significant effect on marketing performance. Marketing capability could mediate the influence of marketing knowledge competencies and entrepreneurial orientation on marketing performance. The advice given is that the Small and Medium Industries of Tofu practitioners should innovate more in tofu products, conduct promotions, provide the best service to customers, and be able to maintain the quality of tofu. The next researcher is expected to add references related to marketing knowledge competence and expand the scope of the object.

INTRODUCTION

Small and Medium Industries have become the largest industries in Indonesia that can improve the Indonesian economy (Usvita, 2014). Small and Medium Industries have also been recognized as a driving force for economic growth and are able to create jobs (Pratono & Mahmood, 2015). According to Widiastuti, Awang, Prayitno and Warsito (2011) characteristics of Small and Medium Industries, among others, are micro-scale, spread throughout Indonesia, labor-intensive, relatively small investment and produce high added value, low entry barrier (using simple technology to intermediate, and do not require high capability), a source of entrepreneurial creation new, has a high degree of flexibility in anticipating the dynamics of market changes and

is resistant to the turmoil of the economic crisis. Currently, Small and Medium Industries (SME) in Indonesia are facing a difficult situation amid changes in an increasingly complex business environment (Aristiyo & Murwatningsih, 2015).

Small and medium industries experience several problems such as the quality of human resources (HR), weak organization and management, weak financial control, failure to develop strategic planning, poor inventory control, and the inability to make an entrepreneurial transition (Andriani, 2012).

Therefore, SMIs are required to be more creative and prepared in marketing strategies to face changes in an increasingly complex business environment and increasingly dynamic market conditions (Sari, 2013). The purpose of establishing a company is to get the maximum profit.

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Therefore, there is a need for fluency in marketing. (Ragil, 2013). The impact of the strategy implemented by SMIs can be measured using the SMIs marketing performance. Thus, Small and Medium Industries must understand the marketing performance of their businesses to continue to develop (Charir et al., 2017). Marketing performance is an important element of company performance in general since the performance of a company can be seen from the marketing performance that has been done so far.

Marketing performance is a concept to measure a company's marketing achievements. Every company must concern about knowing its achievements as a mirror of the success of its business (Winata, 2010). Every business actor must manage the company with systematic efforts to place profits from good marketing performance (Halim, Hadiwidjojo, Solimun and Djumahir, 2012). Measurement of marketing performance needs to be done because business goals besides creating customers are also able to get profit (Hatta, 2015).

According to Wahyono (2002) marketing performance is a concept to measure the market achievement of a product. Performance measurement is an effort to map strategies into actions to achieve certain targets, not only the final target that needs to be done in performance measurement but also related to the competencies and processes that have been implemented (Handayani, 2011). Besides, marketing performance in general is also used to measure the impact of the company's strategy (Tanoko, 2010). The measurement of company performance is also assessed by how the turnover of the total assets (Soejono & Heriyanto, 2018).

In carrying out its performance, small and medium industries will surely encounter a barrier. According to (Charir et al., 2017) business actors will also experience other obstacles including low quality of human resources, increased access and weak market development, weak capital structure, weak organization and management, and limited business networks and cooperation with other business actors, inadequate access to economic facilities and infrastructure, unfair competition resulting from a less conducive business climate.

The strategy that can be used to improve marketing performance is increasing marketing capabilities precisely and accurately to be able to influence the company's competitive ability (Yao & Qin, 2016). Marketing capability is a collection of skills and accumulation of knowledge, and the ability to coordinate marketing activities. Thus,

the success of marketing capabilities to improve marketing performance is strongly influenced by the competency factors of marketing knowledge and entrepreneurial orientation (Charir et al., 2017).

Some previous studies mentioned that there is a relationship between marketing knowledge and entrepreneurial orientation on marketing performance through marketing capabilities in the fisheries business in Malang City (Charir et al., 2017).

Research conducted by Sugiyarti (2015) titled Creation marketing capabilities as antecedents for success marketing performance states that marketing capabilities have a significant effect on marketing performance. While research conducted by Wahyu (2013) states that the different results are that marketing capabilities do not affect the marketing performance of Small and Medium Enterprises (SME) in Malang.

Marketing knowledge itself is a knowledge related to the marketing process of an organization, marketing activities, and knowledge about the use of assets and capabilities related to marketing. Companies that have no ability about market knowledge, competitors, consumers, environmental trends, and technology will experience difficulties in running their business, which means they are unable to survive and compete which will then affect the company's profits (Ulfa & Murwatinginsih, 2019). Marketing knowledge can be in the form of market conditions, trends, consumer preferences, and others. Thus, if a company has good marketing knowledge, it surely can improve marketing performance (Reza & Amini, 2016). Competency of marketing knowledge is important for company performance (Andriani, 2012).

The correlation between marketing knowledge competency variables and marketing performance is proven by research conducted by Reza and Amini (2016) which states that marketing knowledge competence has a positive and significant effect on marketing performance. However, there are other studies regarding the relation of marketing knowledge competencies that have different results, namely the research of Mawu et al. (2016) which states that marketing knowledge competency has no significant effect on marketing performance.

Entrepreneurial orientation is seen as having the ability to improve the performance of a company (Hatta, 2015). Entrepreneurial orientation can contribute to the performance and endurance of superior business and is seen as having the ability to improve the performance of a com-

pany (Hidayat & Murwatiningsih, 2018). This is evidenced by research conducted by Al-swidi (2016) which states that entrepreneurial orientation has a positive and significant effect on marketing performance. But the results of the study are not in accordance with research conducted by Halim (2012) which states that entrepreneurial orientation has no significant effect on marketing performance.

The purpose of this study was to determine the effect of marketing knowledge competence and entrepreneurial orientation on marketing performance through marketing capabilities in the SMEs of Tofu in the City of Magelang.

Hypothesis Development

Competency of marketing knowledge has a direct effect on performance, while the development of competencies and company-specific factors that are not appropriate could harm the company (Andriani, 2011). An increase in marketing knowledge competencies will improve marketing performance (Charir, 2017). This is evidenced by research conducted by Reza and Amini (2016) which states that marketing knowledge has a positive and significant effect on marketing performance. Based on the description above, it can be seen that with good marketing knowledge competencies possessed, it can improve the company's marketing performance. Therefore, the research hypothesis was developed as follows:

H1: Marketing knowledge competence has a positive and significant effect on marketing performance.

Entrepreneurial orientation is the entrepreneurial ability possessed by business owners to create a creative and innovative work environment amid increasingly fierce competition (Hajar and Sukaatmadja, 2016). Murwatiningsih et al (2016) states that business development based on entrepreneurship has the potential as a basis for increasing national economic growth in the era of free trade.

Achievement of marketing capabilities and performance is also supported by strong entrepreneurial orientation capabilities (Ulm & Palupiningdyah, 2020). The relation between entrepreneurial orientation on marketing performance has been shown to have positive and significant results. There are positive and significant results between entrepreneurial orientation towards marketing performance in research conducted by (Mawu et al., 2016). The research is also supported by research conducted by Charir et al. (2017) that business actors who have high ent-

repreneurial orientation capabilities will provide increased marketing performance. Therefore, the research hypothesis was developed as follows:

H2: Entrepreneurial orientation has a positive and significant effect on marketing performance.

Hatta (2015) states that one of the strategies that can improve marketing performance is to increase marketing capabilities. This means that every company is forced to be ready to face consumers who are increasingly critical in choosing products (Wulandari, 2012). Research conducted by Sugiyarti (2015) states that marketing capabilities have a significant effect on marketing performance. Agree with the results of research by Farida (2016) that marketing capabilities have a positive effect on marketing performance, marketing capabilities are intervening, and marketing performance variables are the dependent variable. Marketing knowledge competency and entrepreneurial orientation become independent variables. Therefore, the research hypothesis was developed as follows:

H3: Marketing capability has a positive and significant effect on marketing performance.

Research by Sugiyarti (2015) states that marketing capabilities can mediate the influence of marketing knowledge competencies on marketing performance. From the description, it can be seen that marketing capabilities can mediate marketing knowledge competencies in improving and achieving marketing performance. Therefore, the research hypothesis was developed as follows:

H4: Marketing knowledge competence has a positive and significant effect on marketing performance through marketing capabilities.

The good entrepreneurial orientation carried out will achieve marketing capabilities and good marketing performance as well. Innovative activities, act proactively, dare to take risks, and autonomy are actualized for the achievement of optimal capabilities and performance (Hatta, 2015). A good entrepreneurial orientation will also improve the quality of marketing capabilities and improve marketing performance. This is supported by research conducted by Pratono and Mahmood (2015) that marketing capabilities can perfectly mediate the effect of entrepreneurial orientation on marketing performance. Based on the description above, it can be seen that marketing capabilities can be used as a mediating effect of entrepreneurial orientation on marketing performance. Therefore, the research hypothesis was

developed as follows:

H5: Entrepreneurial orientation has a positive and significant effect on marketing performance through marketing capabilities.

METHODS

The object of this research is SMIs of Tofu in Magelang City, with a population of 94 SMIs of Tofu. The population size is relatively small, allowing members of the population to be studied. The number of samples in this study were 94 SMIs of Tofu.

The study uses saturated samples, it is said to be saturated because the sample members are taken by making all populations become samples. Therefore, researchers can generalize with very small errors.

The independent variable is a variable that affects changes in the dependent variable and has a positive or negative relation for the dependent variable (Kuncoro, 2013). The independent variables in this study are marketing knowledge competency and entrepreneurial orientation. While the intervening variable is a factor that theoretically affects the phenomena of a remain observing, cannot be seen, measured, or manipulated, but the impact can be concluded based on the impact of independent and moderating variables on the observed phenomenon (Kuncoro, 2013). The intervening variable in this study is marketing capability that links marketing knowledge competence and entrepreneurial orientation to marketing performance. Data collection methods in this study were questionnaire and documentation.

In this study, the questionnaire was addressed to the SMIs of Tofu in the City of Magelang. To measure the value of the variables in this questionnaire using a Likert scale. Likert scale is used to measure the attitudes, opinions, and perceptions of a person and a group of people about social phenomena hereinafter referred to as research variables. The answers to each instrument item that uses a Likert scale have gradations from very positive to very negative.

RESULT AND DISCUSSION

Validity and Reliability Test

Validity and reliability tests are used to test research instruments. The results of the validity test show that as many as 41 questions are valid with Sig count > Sig table (0.05). While the reliability test results show that all research variables are declared reliable because the Cronbach's Alpha value is > 0.70.

Classic Assumption Test

In this study, the classical assumption test included normality tests, multicollinearity, and heteroscedasticity.

Normality Test

The normality test in this study uses the P-Plot graph and the non-parametric statistical test of Kolmogorov-Smirnov (K-S). The results of the P-Plot graph show that the spread of data (points) on the diagonal axis of the normal probability plot (P-P plot) forms a pattern that follows the direction of the diagonal line. This shows that the data have a normal distribution and the regression model meets the assumptions of normality.

Table 1. Normality Test Results using Kolmogorov-Smirnov

Unstandardized Residual		
N		94
Normal Parameters ^a	Mean	0.0000000
	Std. Deviation	1.95563146
Most Extreme Differences	Absolute	0.066
	Positive	0.044
	Negative	-0.66
Kolmogorov-Smirnov Z		0.066
Asymp. Sig. (2-tailed)		0.200

Based on table 1, the value obtained from the normality test using the Kolmogorov-Smirnov (K-S) non-parametric statistical test is 0.066 and Asymp. Sig. (2-tailed) is 0.200. Because of the value of Asymp. Sig. (2-tailed) > 0.05, then the residual data is declared to be normally distributed.

Multicollinearity Test

The results of the multicollinearity test in table 2 below show that the values obtained by each variable have exceeded 0.1 for tolerance value and less than 10 for VIF value. Therefore, these results can be interpreted that there is no multicollinearity between independent variables in this regression model.

Heteroscedasticity Test

The heteroscedasticity test in this study uses two ways, namely the Scatterplot graph analysis and the Glejser test. The Scatterplot chart shows that the graph does not have a specific pattern and the points are spread unevenly above or below the number of 0 on the Y-axis. Therefore, it can be

concluded that there is no heteroscedasticity in the regression model used in this study.

While the results of the regression test shown in table 3 below show that the significance value obtained by each independent variable has exceeded the specified significance value of 0.05. Therefore, these results can be interpreted that there is no heteroscedasticity in this regression model.

Hypothesis Testing

To test the truth of the hypothesis that has been proposed in this study, the researcher conducted two methods of analysis, namely the partial significance test (t-test) and path analysis.

Partial Signification Test (T Test)

The tests are carried out using a value of 0.05 significance ($\alpha = 5\%$). The decision-making criterion used in testing the hypothesis is if the probability number is > 0.05 , the regression coefficient is not significant, which means the hypothesis is rejected. This shows that partially the independent variable does not have a significant effect on the dependent variable. Conversely, if the probability of significance is < 0.05 , then the regression coefficient is significant which means the hypothesis is accepted. This shows that partially the independent variable has a significant influence on the dependent variable.

The direct effect of marketing knowledge competence on marketing performance

According to the results of the partial statistical test (t-test) of the marketing knowledge competence variable on marketing performance, it is obtained 0.003 of significant value. As the significant value is less than the specified alpha (α) which is 0.05, then H1 which states "Marketing knowledge competence has a positive and significant effect on marketing performance" is accepted.

Table 2. Multicollinearity Test Results

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Marketing knowledge competence	0.944	1.059
Entrepreneurial orientation	0.925	1.082
Marketing capabilities	0.881	1.135

Table 3. Glejser Test Results

Model	t	Sig.
(Constant)	0.764	0.447
Marketing knowledge	0.232	0.817
Entrepreneurial orientation	1.470	0.145
Marketing capabilities	1.347	0.181

Table 4. T-test Results

Model	T	Sig.
(Constant)	0.076	0.939
Marketing knowledge competence	3.002	0.003
Entrepreneurial orientation	2.300	0.024
Marketing capabilities	3.540	0.001

The direct effect of entrepreneurial orientation on marketing performance

According to the results of the partial statistical test (t-test) of the entrepreneurial orientation variable on marketing performance, the obtained significant value is 0.024. As the significant value is less than the specified alpha (α) which is 0.05, then H2 which states "Entrepreneurial orientation has a positive and significant effect on marketing performance" is accepted.

The direct influence of marketing capabilities on marketing performance

According to the results of the partial statistical test (t-test) of the marketing capabilities on marketing performance, the obtained significant value is 0.001. As the significant value is more than the specified alpha (α) which is 0.05, then H3 which states "Marketing capability has a positive and significant effect on marketing performance" is accepted.

Path Analysis

The influence of marketing knowledge competence and entrepreneurial orientation on marketing capabilities (Model 1).

The following is the calculation of the path coefficient of the independent variable and the intervening variable used in the model 1 equation:

Table 5. R Square Calculated Value in Model 1.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.345a	0.119	0.110	3.353

Table 5 and 6 show the value of path coefficient of independent variables and dependent variables which can be arranged in the regression equation model 1 as follows:

$$Y_1 = 0.227X_1 + 0.267 X_2 + e_1$$

To find out the residual value (e) of the regression model 1, then the formula $e_1 = \sqrt{(1-R^2)}$ is used which obtains a residual value of $e_1 = \sqrt{(1-0.119)} = \sqrt{0.881} = 0.938$. The influence of marketing knowledge competence, entrepreneurial orientation, and marketing capabilities on marketing performance (Model 2). The following is the calculation of the path coefficient of the independent variable and the intervening variable used in the model equation.

Table 6. Calculation of The effects of marketing knowledge competence and entrepreneurial orientation on marketing capabilities in Model 1.

Model	Coefficients ^a			T	Sig.
	Unstandardized Coef- ficient		Standardized Coefficient		
	B	Std. Error	Beta		
(Constant)	19.232	9.364		2.054	0.043
Marketing knowledge competence	0.386	0.168	0.227	2.305	0.023
Entrepreneurial orientation	0.583	0.215	0.267	2.709	0.008

Table 8. Calculating The effect of marketing knowledge competence, entrepreneurial orientation and marketing capabilities on marketing performance in Model 2

Model	Unstandardized Coef- ficient		Standardized Coefficient	T	Sig
	B	Std. Error	Beta		
(Constant)	0.434	5.680		0.076	0.939
Marketing knowledge	0.307	0.102	0.272	3.002	0.003
Entrepreneurial orientation	0.305	0.133	0.211	2.300	0.024
Marketing capabilities	0.220	0.062	0.332	3.540	0.001

Table 7. R Square Calculated Value in Model 2

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.549a	0.302	0.278	1.988

The indirect effect of marketing knowledge competency variables on marketing performance can be known by multiplying the regression coefficient of marketing knowledge competency variables on marketing capability variables with the regression coefficient of marketing performance variables ($\beta_4 \times \beta_3$) that is equal to $0.227 \times 0.332 = 0.075364$. The total influence of the path coefficient on marketing knowledge competency variables is calculated by adding up the direct effect and the indirect effect, namely $(\beta_1) + (\beta_4 \times \beta_3) = 0.272 + 0.075364 = 0.347364$.

Table 7 and 8 show the value of path coefficients of independent variables and dependent variables which can be arranged in model 2 of the regression equation as follows:

$$Y_2 = 0.272X_1 + 0.211 X_2 + 0.332 Y_1 + e_2$$

To find out the residual value (e) of the model 2 of regression equation, the formula $e_2 = \sqrt{(1-R_2)}$ is used which then obtains a residual value of $e_2 = \sqrt{(1-0.302)} = \sqrt{0.698} = 0.835$. Based on the calculation of model 1 and model 2 regression equations, it can be concluded that the regression from this study is as follows:

$$Y_1 = 0.227X_1 + 0.267 X_2 + e_1$$

$$Y_2 = 0.272X_1 + 0.211 X_2 + 0.332 Y_1 + e_2$$

The indirect effect of entrepreneurial orientation variables on marketing performance through marketing capabilities can be determined by multiplying the regression coefficient of entrepreneurial orientation variables on marketing capability variables with the regression coefficient of marketing performance variables ($\beta_5 \times \beta_3$) that is equal to $0.267 \times 0.332 = 0.088644$.

The total effect of the path coefficient on entrepreneurial orientation variables is calculated by adding up the direct effect and the indirect effect, namely $(\beta_2) + (\beta_5 \times \beta_3) = 0.211 + 0.088644 = 0.299644$. The following is a full structural image model of the path analysis of this study based on the results of calculations that have been done:

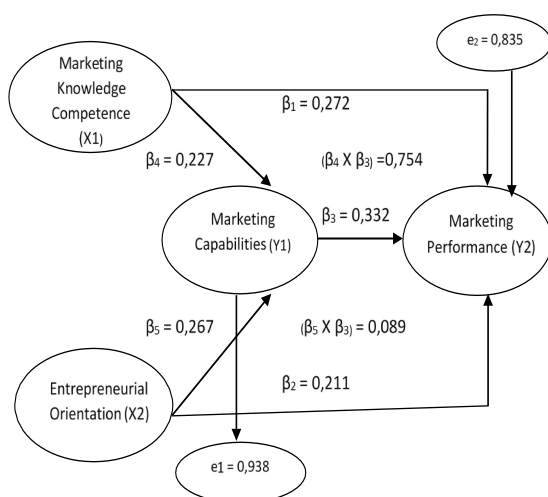


Figure 1. Full Model of Path Analysis

The Effect of Marketing knowledge competence on Marketing Performance

Based on the results of processing and ana-

lysis of data that has been done, it can be seen that the competence of marketing knowledge has a positive and significant effect on marketing performance. The results of this study indicate that marketing knowledge competencies consisting of obtaining marketing knowledge, disseminating marketing knowledge, and responding to knowledge have a positive influence in efforts to improve marketing performance. That is, the higher or increase the competency of marketing knowledge will increase marketing performance.

This research is supported by Sugiyarti (2015) which states that marketing knowledge competence has a positive and significant effect on marketing performance. Other research that supports is the result of research by Reza and Amini (2016) which states that marketing knowledge competence has a positive and significant effect on marketing performance, which means that marketing knowledge competency variables can improve marketing performance. By having good marketing knowledge, such as often obtaining marketing knowledge, disseminating marketing knowledge, and responding well to the acquired marketing knowledge, will make positive contribution that will improve the marketing performance of the SMIs of Tofu in the City of Magelang.

The Effect of Entrepreneurial Orientation on Marketing Performance

The results of this study indicate that entrepreneurial orientation has a positive and significant effect on marketing performance. This means that the better entrepreneurial orientation that is applied to the object of research will be able to improve marketing performance. Conversely, the lower the entrepreneurial orientation on the object will reduce marketing performance

The results of this study are supported by research by Charupongson and Puriwat (2017) which also states that entrepreneurial orientation has a positive and significant effect on marketing performance. Research conducted by Al-swidi (2016) also states that entrepreneurial orientation has a positive and significant effect on marketing performance. With an entrepreneurial orientation that is owned and well-controlled by being more willing to take risks with the products being sold and being more proactive in preparing strategies to face future problems, more innovative about the tofu products sold will make the marketing performance of SMIs of Tofu in Magelang City getting better and better.

The Effect of Marketing Capability on Marketing Performance

The results of this study indicate that marketing capabilities have a positive and significant effect on marketing performance. That is, the better the marketing capabilities that are applied the better the marketing performance will be. Conversely, the lower the marketing capabilities carried out, the lower the marketing performance.

These results are consistent with research conducted by Sugiyarti (2015) which states that marketing capabilities have a positive and significant effect on marketing performance. Research Halim (2012) also states that marketing capabilities have a positive and significant effect on marketing performance. The results of these studies indicate that to improve marketing performance is to increase marketing capabilities or marketing capabilities. The high level of marketing ability of the Tofu SMI practitioners will have a positive effect and improve the marketing performance of the SMIs of Tofu practitioners in the City of Magelang.

The Effect of Marketing Knowledge Competence on Marketing Performance through Marketing Capabilities

Based on the results of data analysis tests that have been done, it can be seen that the competence of marketing knowledge has a positive and significant effect on marketing performance through marketing capabilities. This is known through the path coefficient analysis of the direct influence of marketing knowledge competencies on marketing performance is smaller than the total indirect effect of marketing knowledge competencies on marketing performance through marketing capabilities. That is, the higher the competency of marketing knowledge for capabilities will improve marketing performance. Conversely, the lower the competency of marketing knowledge on marketing capabilities, the lower the marketing performance.

The results of this study are in accordance with research conducted by Azizah Nur et al. (2017) which states that there is a positive and significant relationship between marketing knowledge competencies and marketing performance through marketing capabilities. Another study belonging to Mawu et al. (2016) also states the same thing that there is a positive and significant relation between marketing knowledge competencies and marketing performance through marketing capabilities. By having high marketing knowledge, it will be able to encourage marketing capabilities or marketing capabilities. By gaining marke-

ting knowledge capabilities, marketing planning will be better so that it will improve good marketing performance. Marketing knowledge competence is able to contribute to creating marketing capabilities, thereby affecting the marketing performance of SMIs of Tofu for the better.

The Effect of Entrepreneurial Orientation on Marketing Performance through Marketing Capabilities

The results of this study indicate that marketing capability is proven to be an intervening variable with relatively high mediation coefficient values between entrepreneurial orientation towards marketing performance. This is known through the path coefficient analysis of the direct effect of entrepreneurial orientation on marketing performance is smaller than the total indirect effect of entrepreneurial orientation on marketing performance through marketing capabilities. That is, the higher the entrepreneurial orientation towards marketing capabilities will improve marketing performance. Conversely, the lower the entrepreneurial orientation towards marketing capabilities will reduce marketing performance.

The results of this study are consistent with previous research conducted by Pratono and Mahmood (2015) which states that marketing capabilities mediate the effect of entrepreneurial orientation on marketing performance. Research Halim et al, (2012) also states that marketing capabilities as a variable that perfectly mediates the effect of entrepreneurial orientation on marketing performance. Having a good entrepreneurial orientation will make the SMIs of Tofu participants more innovative for their products which will improve the marketing capabilities or marketing capabilities of The SMIs of Tofu practitioners, thereby affecting the marketing performance of The SMIs of Tofu to be better.

CONCLUSIONS AND RECOMMENDATIONS

The competence of marketing knowledge has a positive and significant effect on marketing performance. Marketing knowledge competence has a positive and significant effect on marketing performance through marketing capabilities on the SMIs of Tofu in the City of Magelang. Entrepreneurial orientation has a positive and significant effect on marketing performance. Entrepreneurial orientation has a positive and significant effect on marketing performance through marketing capabilities on the SMIs of Tofu in the City of Magelang. Marketing capability has a positive and significant effect on marketing performance.

The SMIs of Tofu practitioners in Magelang City are expected to be able to increase the competency of marketing knowledge by expanding their marketing knowledge such as by conducting comparative studies to the SMIs of Tofu in other Cities, attending marketing seminars, reading and learning from the internet or marketing books about how marketing strategies are good and respond well to marketing knowledge that has been obtained so that the SMIs of Tofu in the City of Magelang has extensive knowledge of marketing competence to improve the marketing performance of its products.

The SMIs of Tofu practitioners in Magelang City are expected to be able to improve their entrepreneurial orientation by being more innovative on their products such as utilizing leftovers such as tofu dregs to be made into tofu crackers and utilizing leftover soybeans to be made into tofu chips with a spicy, sweet taste and so on as well as making round tofu from the pulp tofu or the rest of the part in red tofu. Therefore, sales will be increased because of innovation. The SMIs of Tofu practitioners are also expected to be more innovative in tofu production methods such as replacing manual tofu cutters with automatic tofu cutters so that the products produced can be more quickly produced to improve the marketing performance of Tofu SMIs in the City of Magelang.

The SMIs of Tofu practitioners in Magelang City are expected to be able to further enhance their marketing capabilities by increasing marketing communications such as increasing their annual product promotions by opening a stand at the Bazaar and giving discounts on their annual products. The SMIs of Tofu in the City of Magelang is also expected to further improve marketing communication by marketing word of mouth to increase product sales.

The weakness of this research is the lack of references regarding the competence of marketing knowledge. Therefore, researchers are expected to be able to study more sources and references related to marketing knowledge competencies in order to get results that can be better and more complete.

The next researcher is expected to be able to use different analysis such as SEM analysis to find out how the relationship between variables and also be able to find out how the formation of these variables.

The next researcher is expected to be able to conduct research on a wider scope of objects and add research samples, for example, The SMIs of Tofu in Magelang including cities and districts,

or even The SMIs of Tofu in Central Java.

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