


# The Influence of Entrepreneurial Capabilities on Marketing Performance Moderated by Market Penetration Strategy (Study on MSMEs in Semarang)

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Article Info	ABSTRACT
<b>Keywords:</b> Customers Digital marketing capabilities, Marketing performance, MSMEs	This study uses digital marketing tools to ascertain how entrepreneurial marketing affects marketing performance in Semarang, Indonesia. The research population The Area Sampling approach and the Stratified Random Sampling Technique were the two steps of the sampling approach used in this investigation. Path analysis using Smart-PLS software was the method of hypothesis testing adopted. The findings demonstrated that entrepreneurial marketing significantly and favorably affects marketing performance and digital marketing skills. Additionally, digital marketing skills positively and significantly impact marketing performance. Nonetheless, there is less chance that digital marketing will mediate the connection between marketing performance and entrepreneurial marketing. Practically speaking, to sustain marketing performance, SMEs must keep enhancing their skills and honing the application of entrepreneurial marketing strategies. Only then can they make the most of their resources to identify opportunities and add value for clients.
This is an open access article under the <a href="https://creativecommons.org/licenses/by-nc/4.0/">CC BY-NC</a> license 	<b>Corresponding Author:</b> Cicik Harini Pandanan University, Semarang, Jawa Tengah, Indonesia <a href="mailto:cicikharini15@gmail.com">cicikharini15@gmail.com</a>

## INTRODUCTION

MSMEs must develop new strategies to market their products in response to changing priorities, lifestyles, preferences, and new ways of making decisions (Damayanty et al., 2023). Business actors in the food and beverage industry are among the MSMEs that have difficulty marketing their products because customers are reluctant to pay them directly but are also very picky about product quality and price. On the other hand, buyers want to know everything they need about their products, including quality details, brand, packaging, price, promotions, service procedures, and comparisons with similar products. Provided by other SMEs before customers make purchasing choices. According to (Sanistasya et al., 2019) to deal with unpredictable conditions such as those that occur during the current pandemic and post-pandemic recovery, SMEs must be able to make strategic decisions like those made by entrepreneurs. The strategic choices considered are plans to create new possibilities or adapt to post-pandemic recovery conditions by developing creative ideas or

new approaches that provide competitive advantages for SMEs. Based on several previous studies, the term "corporate marketing" or "Entrepreneurial Marketing" is used to characterize the marketing strategies used by businesses to pursue possibilities in unpredictable market conditions, sometimes with minimal resources. To market and introduce a product or service to the public, one must combine the entrepreneurial spirit, which is synonymous with enthusiasm, risk-taking, and proactiveness in finding opportunities, with marketing (Septiani & Wuryani, 2020). All business actors are now experiencing post-pandemic recovery, which highlights the need to utilize digital resources to ensure that marketing plans function correctly and can increase marketing effectiveness. According to Wang (2020), marketing entrepreneurs must have the capacity to utilize digital technology, or Digital Marketing Capability, to improve marketing effectiveness.

In post-pandemic recovery, digital technology is developing quite rapidly. Dynamic technological advances require MSMEs' adaptability. In addition, it helps business actors obtain revenue data and market potential according to customer needs when customers want it, and what price they wish according to customer ability (Banjarnahor et al., 2025). According to (Umkm et al., 2021) digital marketing skills facilitate generating creative ideas for new product development. Digital marketing skills (DMC) are used to support entrepreneurial marketing strategies. The best way for food and beverage MSMEs to generate and restore their marketing performance in post-pandemic recovery is estimated through increasing market share, customer satisfaction, and sales growth. Marketing performance indicates business development and a measure of success achieved during an organization's marketing initiatives (Krismadayanti et al., 2023). According to (Cici Winarti, 2021) strong MSME performance increases company growth.

## METHOD

A questionnaire on food and beverage MSMEs was distributed as part of this study in Semarang, Indonesia. Since the wrong MSMEs have worse marketing success due to the impact of the pandemic, the researcher chose to focus on culinary MSMEs. Area random sampling and stratification sampling techniques are two steps of the sampling approach used in this study. The Yamane and Isaac method was used in this study to determine the number of samples whose population is known. A representative sample is a sample that has been taken (Sugiyono, 2018). There were twenty thousand people in the survey, and individual questionnaires were given to 200 respondents. In addition, 10 surveys could not be processed further based on partial response selection exploring the relationship between marketing effectiveness and entrepreneurial attitudes. The overall efficacy of a business's marketing efforts is referred to as performance marketing. Metrics that measure sales revenue, market share, customer happiness, and brand recognition are used. By finding untapped markets, developing distinctive products and services, and cultivating lasting client relationships, entrepreneurial marketing seeks to improve marketing performance. Entrepreneurial Capability evaluates how well F&B SMEs can create value for their customers by assessing risks, measuring consumer intensity, maximizing their business resources, and providing added value to clients. Seven dimensions based on marketing

entrepreneurship are used in this study. Specifically, proactive orientation measures risk-taking, innovation, opportunity focus, resource utilization, customer intensity, and value creation (Morris et al., 2002; Sadiku Dushi et al., 2019). Through the five (5) dimensions of DMC (Wang, 2020), SMEs' proficiency in using digital technology is measured through the DMC variable. These dimensions include customer-connecting digital Capability, market-sensing digital Capability, channel-binding digital Capability, and the capacity to use digital marketing to retain customers.

## RESULTS AND DISCUSSION

Participant attributes were used in this study. Respondents' answers showed that 60% of respondents were female and 40% were male. This shows how vital the role of women is in the growth of SMEs. It also implies that women are tough, strong, and patient entrepreneurs. The length of time respondents have run their businesses is the length of time in question. Although 60 SMEs have been operating for over five years, the remaining respondents have only been running their businesses for two years or less. This shows that SMEs have passed various tests. Based on educational background, 100 respondents have graduated from high school. Meanwhile, 7% are bachelor's degree holders and 1% are graduates have previous academic experience. Although 200 respondents have diverse backgrounds, high school education is the most common. As a result, improving the quality of human resources to increase capacity and support the business world becomes difficult. Based on age characteristics, most respondents or 20% of the sample are between 31 and 40 years old and 41 to 50. As many as 36% of respondents are between 51 and 60, while 6.6% are over 60. As many as 20% of SMEs will experience increased leverage, impacting their digital technology skills (or digital marketing skills). SME marketing performance will increase along with increasing digital marketing capabilities. The indications of each variable, including digital marketing, entrepreneurial marketing, marketing skills, and marketing performance, have findings with a loading factor value greater than 0.5. Each indication passes the validity test. In addition, it can be seen that the Cronbach's Alpha value of each variable is greater than 0.7. Therefore, all articles are considered credible. Compared to the cross-loading values on other variables, I found that each indicator in the research variable has the most considerable cross-loading value on the variables it produces. In addition, the extent to which external factors influence endogenous variables is measured using the coefficient of determination (R-Square). According to (Sugiyono, 2022) the endogenous latent variable of the structural model with an R<sup>2</sup> value of 0.65 or more indicates that the influence of exogenous factors that influence the endogenous variables that are influenced is included in the extraordinary category.

Meanwhile, according to (Ghozali, 2021) 0.20–0.35 and 0.35–0.65 are included in the weak and moderate categories. The outer model scheme explains why these values are included in the low group. The findings of the R-square test of the marketing performance variable (MP) which considers the variables of entrepreneurial ability and digital marketing (DMC) are 0.30. This finding indicates that 30% of the variance in the marketing performance variable (MP) is likely caused by entrepreneurial competence and digital

marketing, while different factors explain the other 70%. The digital marketing skills variable explained by entrepreneurial ability produces an R Square test value of 0.15. This finding indicates that other factors contribute 85% to the explanation of digital marketing, which is explained by 15% of entrepreneurial talent.

In addition, this study uses Q2 Stone-Geisser. A metric called Q2 Stone-Geisser is used in Partial Least Squares (PLS) Regression to assess the predictive ability of a model. This metric indicates the percentage of variance in the dependent variable that the independent variables in the model can explain. A Q2 score of one indicates a perfect estimate, while a zero value indicates that the model has no predictive ability. A Q2 value greater than 0.5 is considered a good fit for the route coefficient findings for four hypotheses, three focusing on direct and indirect impacts. With a value of 0.50, the first hypothesis has the highest route coefficient. The results are classified as moderate. The first hypothesis was tested, and the findings showed that entrepreneurial quality significantly and favorably affects marketing performance, with a p-value (of 0.000). The P-value is less than 0.050. This indicates that entrepreneurial skills have a significant impact on marketing effectiveness. As a result, the first hypothesis was approved. The findings of this study support the statement made by Adel et al. (2020) that the success of a company's business is greatly influenced by its entrepreneurial talent. The second hypothesis was tested, and the findings showed that entrepreneurial qualities significantly and favorably affect digital marketing skills, with a p-value of (0.000). The p-value is considered positive and significant if it is less than 0.050. The third hypothesis was tested, and the findings showed that, with a p-value of (0.05), digital marketing skills significantly and favorably affect marketing performance. There is a p-value of less than 0.050. The results are considered substantial and valuable. As a result, the third hypothesis—which states that digital marketing

## CONCLUSION

The findings show that entrepreneurial characteristics positively and significantly influence the marketing performance of MSMEs in Semarang. Digital marketing competency is positively and significantly influenced by entrepreneurial quality. Digital marketing skills positively and significantly influence marketing performance. However, the results show that using digital marketing skills for entrepreneurial marketing has a beneficial but small impact on marketing performance. Therefore, to utilize their resources and identify opportunities to provide added value to clients, MSMEs must continue to hone their skills and use entrepreneurial marketing methods to maintain marketing success in an environmentally friendly way. By focusing on customer happiness and using creative approaches to build customer relationships, businesses hope to increase consumer intensity and increase marketing success. To support post-pandemic recovery, MSMEs in Semarang must better utilize their resources optimally. MSMEs can improve their resource management capabilities to improve these competencies. They are also expected to be more knowledgeable about digital technology and information. Through utilizing resources and customer intensity, MSMEs must be able to improve the process of creating value for customers, thereby increasing the likelihood that this business will be able to utilize digital

technology. From a managerial perspective, these results highlight the importance of helping Semarang's MSMEs become more digitally capable of mitigating market volatility. To mitigate financial risk during turmoil and maintain business sustainability, managers should take a more proactive approach to digitalization and online marketing by building organizational capabilities and identifying consumers. Businesses should also invest in having a strong online presence and ensuring that their social media pages and websites are user-friendly and search engine optimized. They will be able to reach a wider audience and improve customer experience, both essential for attracting new business and retaining existing clients. Overall, these results highlight the importance of Semarang's MSMEs embracing digital transformation and leveraging technology and online marketing to adapt to changing market conditions, continue to operate their businesses, and maintain their competitiveness over time.

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