ENTREPRENEURIAL MARKETING IN IMPROVING MARKETING PERFORMANCE BENGKALIS REGENCY WOVEN FABRIC MSMES

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ABSTRACT

This research aims to measure entrepreneurial marketing in improving the marketing performance of woven fabric MSMEs in the Bengkalis district. This research uses a quantitative descriptive approach. Primary data was collected through a survey of 78 respondents with a census sample and Partial Least Square (PLS) statistical techniques to process data and test hypotheses. The research results show that proactive innovation has a direct and significant effect on marketing performance, calculated risk-taking has no direct effect on marketing performance, innovativeness has no direct effect on marketing performance, value creation has no direct effect on marketing performance, opportunity focus has no direct effect on marketing performance, resource Leveraging has a direct and significant effect on marketing performance and customer intensity does not have a direct effect on the marketing performance of Bengkalis Regency Woven Fabric MSMEs.

Keywords: Entrepreneurial Marketing, Marketing Performance, MSMEs

INTRODUCTION

According to Law Number 20 of 2008, MSMEs or Micro, Small and Medium Enterprises are defined as Micro Enterprises, namely productive businesses owned by individuals and individual business entities that meet the criteria for micro-businesses as regulated in the Law. A Small Business, namely a productive economic business that stands alone, which is carried out by an individual or business entity that is not a subsidiary or branch of a company that is owned, controlled, or is part, either directly or indirectly, of a Medium Business or Large Business that meets Small Business criteria as intended in the Law. A Medium Business, namely a productive economic business that stands alone, which is carried out by an individual or business entity that is not a subsidiary or branch of a company that is owned, controlled, or part of either directly or indirectly with a Small Business or Large Business with total net assets or annual sales proceeds as regulated in the Law.

Most of the MSMEs in Indonesia are household business activities that can absorb a lot of labour. Based on data from the Ministry of Cooperatives and SMEs, in Indonesia in 2019, there were 65.4 million MSMEs. With several business units of up to 65.4 million, it can absorb 123.3 thousand workers. This proves that the impact and contribution of MSMEs are huge in reducing the unemployment rate in Indonesia. Increasing the involvement of workers in MSMEs will help reduce the number of unemployed in this country. MSMEs are in a positive trend, with their numbers increasing yearly. This positive trend will have a good impact on the Indonesian economy. Based on data from the Ministry of Cooperatives and SMEs, the contribution of MSMEs to National GDP is 60.5%. This shows that MSMEs in Indonesia have great potential to be developed to contribute even more to the economy.

As a state administrator, the Government can help MSMEs develop further. The Government of the Republic of Indonesia has helped MSMEs by providing People's Business Credit (KUR). Based on data

from the Ministry of Cooperatives and SMEs, KUR growth was IDR 178.07 trillion or approximately 16.25% in 2020 and IDR 1.92.59 trillion or about 8.16% in 2021. This also proves that the perpetrators of MSMEs need an injection of funds to develop their businesses.The Government has also provided credit to micro-business actors at the lowest level, which has yet to be facilitated by People's Business Credit (KUR) or non-banking. Based on data from the Public Service Agency (BLU) Government Investment Center (PIP), Micro Business Distribution (UMi) from 2017 to 2022 has reached IDR 26.2 trillion to 7.4 million debtors. This proves that many micro-business actors still need to be facilitated by KUR from banks.

The Indonesian Government should take sides and focus on MSME actors so that it is easy to obtain MSME empowerment activities in terms of capital and developing business capacity. The MSME sector, which has been proven to absorb many workers, is also a solution to reducing the number of unemployed. This positive trend needs to continue to maintain its growth so that the MSME sector, on a large scale, can overcome the unemployment problem in Indonesia. The Preamble to the 1945 Constitution of the Republic of Indonesia states that the Indonesian Government aims to protect the entire Indonesian nation and all of Indonesia's blood, promote general welfare, educate the life of the nation and participate in implementing world order based on freedom, eternal peace and social justice. If we link the empowerment of MSMEs with the state's goals, there is a very close correlation with how the state tries to advance general welfare through empowering MSMEs (https://djpb.kemenkeu.go.id).

Micro, Small and Medium Enterprises (MSMEs) are one of the main driving elements of the Indonesian economy (Gustiana & Islamuddin, 2022). This is what makes the Minister of Cooperatives and Micro, Small and Medium Enterprises (Kalil & Aenurohman, 2020) assess that this sector will be the most received attention by the government. (Saputri et al., 2021) Said that MSMEs are the mainstay sector of a nation because small and medium businesses can still operate during times of crisis. Based on 2017 BPS data, it shows that MSMEs contribute significantly in providing employment opportunities of 97.22% to the formation of GDP of 61%. MSMEs also contributed to increasing the country's foreign exchange in the form of export receipts of 27,700 billion and created a role of 4.86% of total exports. The development of MSMEs in Indonesia has been recorded very rapidly until 2021 when the number of MSMEs was recorded at 59.8 million units (BPS, 2018). However, its development is concentrated in several provinces, such as Riau province. Riau Province is also rich in income from MSMEs. This can be seen in the table below:

Table 1. Development of MSMEs in Riau Province

Indicator	Year		
	2019	**2020**	**2021**
Micro Business	4.302	3.841	3.278
Small Business	3.482	2.401	2.622
Medium Business	231	438	450

Source : BPS, 2021

Based on the data above, it can be seen that the increase occurred in certain years. Furthermore, from the above, it can be seen that MSME data is getting better for micro-businesses, small businesses and

medium businesses. There are various types of MSMEs, including types of food and drinks, types of woven fabric, types of furniture and so on. MSMEs are attractive to research because MSMEs are reliable drivers in the Indonesian economic process. MSMEs have a significant role and contribution to increasing economic growth in a country or region. However, there are still several challenges and problems that MSMEs must face, both internally and externally. Internally, the existence of MSMEs experiences more limitations in terms of capital, production process techniques, mapping market segmentation, management and utilizing technological developments, weak decision making and financial supervision. Meanwhile, externally, we face more problems, such as problems with permits, raw materials, marketing locations, difficulty in getting bank credit, an unconducive business climate, public concern, and a lack of guidance, and this has an impact on the low performance of MSMEs.

Literature Review

Entrepreneurial Marketing

Entrepreneurial marketing (EM) it is an alternative marketing management approach under the particular conditions that describe SMEs (Becherer et al., 2008) (Kraus et al., 2010) (Hacioglu et al., 2012) (Cacciolatti & Lee, 2015). This approach is gaining momentum academically, especially in contrast to larger business marketing practices (Harrigan et al., 2012) (Hallbäck & Gabrielsson, 2013) (Cacciolatti & Lee, 2015). Therefore, EM plays a determining role in the performance of SMEs, is more professional and more complex, and has an essential position in improving their performance (Chaston, 2000). Entrepreneurial marketing is a function within organizations and is a series of processes in creating and communicating and delivering value to customers to manage customer relationships in the most profitable way for the organization and its stakeholders, and that is evidenced by innovation and risk. According to (Morris et al., 2002) defines EM as the active identification and exploitation of opportunities to reach and retain profitable customers through innovative approaches to risk management, leveraging resources and creating value. According to Fillis and Rentschler (2006), EM can generate competitive advantages by using creative thinking as a strategic weapon. (Morris et al., 2002) describes seven dimensions of EM which are defined below:

1. Focus on innovation. Innovation is a company's orientation to pursue new ideas and creative processes (Lumpkin and Dess, 1996), which can result in new products, new services, or new technological processes (Li et al., 2008).
2. Proactive. Proactivity reflects how companies act opportunistically and how companies respond to market demands or create new demands (Lumpkin and Dess, 1996). It also contains reconsidering external conditions to reduce uncertainty and reduce vulnerability (Becherer et al., 2012).
3. Driven by opportunities. This dimension requires identifying and tracking opportunities that are important for the success of SMEs (Becherer et al., 2012). EM is informal, opportunistic, intuitive (Collinson and Shaw, 2001; Gilmore, 2011) and beneficial for SMEs trying to survive (Gilmore, 2011).
4. Calculated risk taking. Risk taking indicates a company's tendency to engage in risky projects through large loans, investments in unproven technologies or introducing new products into new markets (Lumpkin and Dess, 1996). SMEs must have the ability to take calculated action to reduce the risks inherent in pursuing opportunities (Becherer et al., 2012).
5. Customer intensity. Many studies state that customer awareness and their needs and demands should be the main pillar of marketing activities (Grönroos, 1989; Narver and Slater, 1990; Jaworski and Kohli, 1993; Matsuno and Mentzer, 2015). This dimension is based on the belief

that a customer-centered orientation should be the main driving force of marketing in organizations (Becherer et al., 2012).

6. Resource utilization. Resource utilization is not only spending limited resources effectively but also finding resources that are not visible to others (Becherer et al., 2012). Resources as one of the foundations of EM are needed to create customer value and are usually obtained through collaboration with partners (Bjerke and Hultman, 2004).

7. Value creation. The main foundation of EM is innovative value creation. Value creation is necessary for relationships and transactions. The company's ongoing task is to prospect each element of the marketing mix to find new sources of customer value (Morris et al., 2002).

Marketing Performance

A concept or component known as marketing performance is often used to assess the effectiveness of company plans (Munir et al., 2019). Different corporate cultures and leadership philosophies impact a company's perception of the effectiveness of ongoing marketing initiatives, highlighting the need to assess marketing. (Chang et al., 2010) defines market performance as referring to the process of evaluating a company's sales, customers, revenue and profit growth to assess its quality level. Sales growth, market share, and sales to current customers are some examples of metrics that can be used to measure marketing performance. According to (Chang et al., 2010), market share and sales growth (Varriale et al., 2022), acquiring new customers and increasing sales to existing customers (Krush et al., 2013), more substantial growth in revenue sales, better ability to acquire new customers, more significant market share and increased sales to existing customers (Merrilees et al., 2011), brand market share, brand sales growth (O'Cass & Weerawardena, 2010) and market share (Wu, 2013). According to the findings of the current study, the main objective of company performance is to create value that can help with profit rate, profit percentage, sales growth, and customer growth. Marketing performance is a marketing approach where the success of a campaign is measured based on specific, measurable performance. In performance marketing, the main goal is to achieve measurable results and maximize return on investment (ROI). Market Performance is part of marketing performance. This concept shows the effectiveness, presentation, or market appeal of a company's product. The current concept of market performance has three weaknesses. First, the variable measure used must be return on sales, not return on investment. Second, measuring the level of market performance should be carried out on each variable separately, rather than measuring them as a whole total market performance standards. Third, measuring the increase or decrease in variable values is subjective, depending on the opinion of each manager or marketing manager director of the company

Relationships Between Concepts

The Influence of Entrepreneurial Marketing on Marketing Performance

Entrepreneurial marketing is a function within organizations and is a series of processes in creating, communicating, and providing value to customers to manage customer relationships in the most profitable way for the organization and its stakeholders, and that is evidenced by innovation and risk. EM has become an influential factor in creating the best value in the market by using innovation as a tool to create products, processes and strategies that respond to customer and stakeholder needs and improvements with better business performance (Hills et al., 2005). (Morris et al., 2002) define EM as the active identification and exploitation of opportunities to reach and retain profitable customers through innovative approaches to risk management, leveraging resources and creating value. Results of empirical studies (Hidayatullah et al., A. 2019), (Zahara et al., 2023), (Muafa et al.; R., 2019), (Vita et al. Wiet Aryantoe, 2021) (Fabian et al., 2020) that Entrepreneurial marketing (EM) is considered as a marketing concept for companies that strive to carry out entrepreneurial, market-driving and at the same

time customer-focused marketing programs that work very well under resource constraints, so the results show that EM has a positive effect on marketing performance company. Based on the description above, the hypothesis in this research can be formulated as follows:

H1: Proactive innovation has a direct and significant effect on marketing performance
H2: Calculated risk-taking has no direct effect on marketing performance
H3: Innovativeness has no direct effect on marketing performance
H4: Value creation has no direct effect on marketing performance
H5: Opportunity focus has no direct effect on marketing performance
H6: Resource leveraging has a direct and significant effect on marketing performance
H7: Customer intensity has no direct effect on marketing performance

METHOD, DATA, AND ANALYSIS

This research uses explanatory research modelling, namely to test a theory or hypothesis in order to strengthen or even reject a theory or hypothesis resulting from existing research or to determine the size of the influence between the independent variable and the dependent variable. The research method used in this research is descriptive. Namely, research is carried out to determine the value of independent variables, either one or more variables (independent), without making comparisons or connecting one variable with another variable (Sugiyono, 2013). Apart from that, the researcher used a descriptive method with a quantitative approach, which is defined as a research method based on the philosophy of positivism, used to research specific populations or samples. Data collection uses research instruments and quantitative or statistical data analysis with the aim of testing predetermined hypotheses (Sugiyono, 2017).

This research aims to find out and analyze whether entrepreneurial marketing directly influences the marketing performance of woven fabric MSMEs in Bengkalis Regency. Business actors or stakeholders of woven fabric MSMEs in Bengkalis Regency are the subjects of this research. According to Arikunto (2010), If the population is less than or equal to 100, the entire sample must be taken. If the population is more significant than 100, then a sample of 10% - 15% or 20% - 25% of the population must be taken. The sample taken was 78 respondents, using census techniques. Primary data was collected through a questionnaire-based survey, which was distributed using a questionnaire used to obtain data from consumer responses, which were distributed using closed questions, namely questions with answer choices provided by the researcher. The advantage of using a questionnaire is that respondents can understand the contents of the statement and are classified as business people who are enthusiastic and take the initiative to improve or maintain the competitive advantage of the MSME sector business. The data is then processed in Partial Least Square (PLS) with a component or variant-based Structural Equation Modeling (SEM) model.

RESULT AND DISCUSSION

Outer Model

Evaluation of the outer model in PLS-SEM is carried out to assess the validity and reliability of the model (Ghozali, 2021). By using valid and reliable instruments in data collection, it is hoped that the research results will be valid and reliable (Sugiyono, 2017). The hypothesis model in the initial stage of evaluation uses an external model or measurement model. Then, process and estimate primary data in the form of respondents' answer scores using the Smart PLS3 application. This stage involves selecting a good research model that will be applied to analyze the hypothesis. The following are the findings for construct indicator estimates using SmartPLS in the initial model:
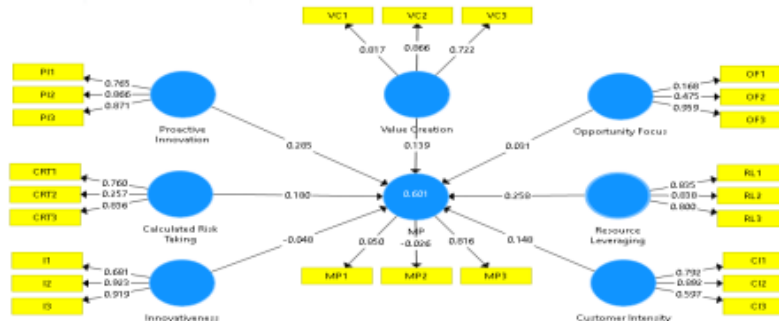

Figure 1. PLS Algorithm Results (First Order)

In the outer model, we know the Loading Factor. The factor loading value shows the correlation between the indicator and the construct. An indicator with a low loading value indicates that the indicator does not work in the measurement model. Expected loading value > 0.7 (Ghozali et al., 2015). From the PLS Algorithm results above, there are still loading factor values below 0.7, namely CRT2, I1, OF1, OF2, CI3 and MP2, so a second PLS Algorithm will be carried out by removing loading factors that are still below 0.7 as in the picture below:
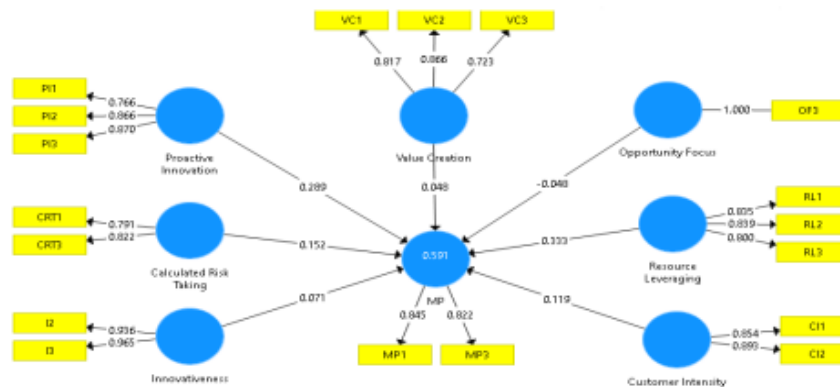

Figure 2. PLS Algorithm Results (First Order)

Table 2. Fornell-Lacker Criterion

Discriminant Validity

Fornell-Larcker Criterion	Cross Loadings	Heterotrait-Monotrait Ratio (HT...	Heterotrait-Monotrait Ratio (HT...	Copy to Clipboard:	Excel Format

	Calculated Ris...	Customer Inte...	Innovativeness	MP	Opportunity F...	Proactive Inno...	Resource Lever...	Value Creation_
Calculated Risk Taki...	0.807							
Customer Intensity	0.464	0.874						
Innovativeness	0.287	0.318	0.951					
MP	0.529	0.609	0.420	0.833				
Opportunity Focus	0.291	0.411	0.336	0.487	1.000			
Proactive Innovation	0.596	0.631	0.410	0.671	0.572	0.805		
Resource Leveraging	0.395	0.653	0.377	0.660	0.722	0.612	0.825	
Value Creation_	0.229	0.399	0.931	0.378	0.283	0.226	0.434	0.804

There are 3 Discriminant Validity values analyzed, namely the Fornell-Lacker Criterion, Crossloading and HeterotraitMonotrait Ratio. Fornell-Larcker criterion is an approach to assessing discriminant validity. It compares the square root of the AVE value with the latent variable correlation. Specifically, the square root of each AVE construct must be greater than the highest correlation with other constructs. An alternative approach to evaluating Fornell-Larcker criterion results is to determine whether the AVE is greater than the squared correlation with the other construct. The logic of the Fornell-Larcker method is based on the idea that constructs share more variance with related indicators than with other constructs. The Fornell-Lacker Criterion value is the value that is on the diagonal and compared with the correlation value of the construct below it. This value must be above the construct correlation value.

Table 3. Value Crossloading

	Customer Intensity	Calculated Risk Taking	Innovativeness	MP	Opportunity Focus	Proactive Innovation	Resource Leveraging	Value Creation
CI1	**0,352**	0,854	0,298	0,491	0,318	0,577	0,508	0,212
CI2	**0,453**	0,893	0,262	0,568	0,396	0,530	0,627	0,369
CRT1	0,791	**0,301**	0,227	0,411	0,061	0,311	0,196	0,249
CRT3	0,822	**0,443**	0,236	0,442	0,381	0,640	0,432	0,125
I2	0,160	0,271	**0,936**	0,333	0,317	0,363	0,291	0,694
I3	0,358	0,326	**0,965**	0,450	0,321	0,410	0,410	0,864
MP1	0,519	0,518	0,393	**0,845**	0,382	0,489	0,592	0,408
MP3	0,358	0,496	0,303	**0,822**	0,430	0,635	0,506	0,216
OF3	0,281	0,411	0,336	0,487	**1,000**	0,572	0,722	0,283
PI1	0,273	0,488	0,267	0,505	0,415	**0,766**	0,453	0,064
PI2	0,528	0,443	0,372	0,465	0,506	**0,866**	0,427	0,172
PI3	0,649	0,617	0,379	0,671	0,506	**0,870**	0,614	0,295
RL1	0,343	0,377	0,365	0,493	0,824	0,511	**0,835**	0,398
RL2	0,209	0,472	0,400	0,562	0,557	0,475	**0,839**	0,358
RL3	0,424	0,743	0,176	0,570	0,436	0,527	**0,800**	0,322

VC1	0,159	0,240	0,780	0,306	0,191	0,262	0,279	**0,817**
VC2	0,235	0,347	0,739	0,367	0,249	0,232	0,389	**0,866**
VC3	0,140	0,202	0,416	0,205	0,258	-0,016	0,404	**0,723**

After the Fornel-Lacker Criterion value is checked, the next check is the Crossloading value. This Crossloading examination is to check that an indicator is on a particular variable by looking at the highest value. Namely, the test at this stage is likely good if the correlation between variables and each indicator of the latent variable is more significant than the value of each indicator of the latent variable next to it. However, the cross-loading value of indicators CI1 and CI2 on the CI construct is smaller than the cross-loading value of the construct next to it.

Table 4. Heterotrait-Monotrait Ratio

(Henseler et al., 2015) Suggests a threshold value of 0.90 if the path model includes constructs that are conceptually very similar. In other words, HTMT values above 0.90 indicate a lack of discriminant validity. When the constructs in a path model are conceptually more distinct, lower and more conservative threshold values appear necessary (Henseler et al., 2015). In addition, HTMT can serve as the basis of statistical discriminant validity tests. HTMT with a threshold value smaller than 0.90 or to make it easier to see if the HTMT value is green. The value obtained from HTMT turns out to be a value that is above the threshold value, namely 1.031 for MP and CRT, MP and CI for 0.971, PI and CRT for 0.947, PI and MP for 0.991, RL and MP for 1.000, VC and I for 0.970 which has conceptual differences.

Table 5. Outer Loading

	Calculated Risk Taking	Customer Intensity	Innovativeness	MP	Opportunity Focus	Proactive Innovation	Resource Leveraging	Value Creation
CI1		**0,854**						
CI2		**0,893**						
CRT 1	**0,791**							

CRT3	0,822							
I2			0,936					
I3			0,965					
MP1				0,845				
MP3				0,822				
OF3					1,000			
PI1						0,766		
PI2						0,866		
PI3						0,870		
RL1							0,835	

RL2	0,839						
RL3					0,800		
VC1						0,817	
VC2						0,866	
VC3						0,723	

To make it easier to see Crossloading, we run Outer Loading by only displaying the highest Crossloading values or a table that shows the magnitude of the correlation between indicators and latent variables. We can see that based on Outer Loading, the Crossloading value has been arranged consistently, meaning the value is above 0.7.

Table 6. Matrik Cronbah Alpha, rho_A dan Composite Reliability

Construct Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Calculated Risk Taking	0.463	0.465	0.788	0.650
Customer Intensity	0.692	0.703	0.866	0.764
Innovativeness	0.896	0.955	0.949	0.904
MP	0.561	0.562	0.820	0.695
Opportunity Focus	1.000	1.000	1.000	1.000
Proactive Innovation	0.785	0.812	0.873	0.698
Resource Leveraging	0.765	0.767	0.864	0.680
Value Creation_	0.733	0.778	0.845	0.647

The next inspection is the Construct Reliability and Validity inspection. Reliability checks are represented by 3 values, namely Cronbach's Alpha, rho_A and Composite Reliability. The Rule of Tumbs value is above 0.7. This can be seen in the Risk Perception value where in Cronbach's alpha 3, the value is below 0.7 (CRT, CI and MP), for rho_A, there are 2 values below 0.7, namely (CRT and MP) and the composite reliability value does not have a value below 0.7. To make it easier to read the interpretation results, the values in green are reliable.

Table 7. Matrik Average Variance Extracted (AVE)

Construct Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Calculated Risk Taking	0.463	0.465	0.788	0.650
Customer Intensity	0.692	0.703	0.866	0.764
Innovativeness	0.896	0.955	0.949	0.904
MP	0.561	0.562	0.820	0.695
Opportunity Focus	1.000	1.000	1.000	1.000
Proactive Innovation	0.785	0.812	0.873	0.698
Resource Leveraging	0.765	0.767	0.864	0.680
Value Creation_	0.733	0.778	0.845	0.647

The AVE value from the Rule of Thumbs is above 0.5, which makes it easier for us to see the green colour in the AVE results. This value illustrates adequate convergent validity and means that one latent variable is able to explain more than half of the variance of its indicators on average (Ghozali, 2016).

Inner Model

Table 8. R-Square

R Square

	R Square	R Square Adjusted
MP	0.591	0.549

The MP R-Square value is 0.591, according to the table above. This shows that the variables CRT, CI, I, OP, PI, RL and VC have an effect of 59.1% on the MP variable. Meanwhile, additional factors outside this research amounted to 40.9%.

Table 9. Effect Size f2

f Square

	Calculated Ris...	Customer Inte...	Innovativeness	MP	Opportunity F...	Proactive Inno...	Resource Lever...	Value Creation_
Calculated Risk...				0.035				
Customer Inte...				**0.015**				
Innovativeness				**0.003**				
MP								
Opportunity Fo...				**0.002**				
Proactive Inno...				0.064				
Resource Lever...				0.077				
Value Creation_				**0.001**				

Other measures describe the effect size f2 of each variable. The limit value (Rule of Thumbs) is 0.02 in the small category, 0.15 in the medium category and 0.35 in the large category. From the f2 results, three variables fall into the small category, namely the CRT variable of 0.035, PI of 0.064 and RL of 0.077.

Table 10. Q2 Predictive Relevance

Construct Crossvalidated Redundancy

	SSO	SSE	Q^2 (=1-SSE/SSO)
Calculated Risk Taking	154.000	154.000	
Customer Intensity	154.000	154.000	
Innovativeness	154.000	154.000	
MP	154.000	104.251	0.323
Opportunity Focus	77.000	77.000	
Proactive Innovation	231.000	231.000	
Resource Leveraging	231.000	231.000	
Value Creation_	231.000	231.000	

Calculating the predictive relevance of Q-square or Q2 (Blindfolding) can also be done to determine how effective the model is in research. If the Q2 value is greater than 0, it means the model is predictively relevant, and if the Q2 value is less than 0, it means the model lacks predictive relevance (Chin, 1998). From the calculation results above, the Q2 Risk Perception value is 0.323 > 0, indicating that the model has predictive relevance.

Table 11. Fit Models Index

Model_Fit

	Saturated Model	Estimated Mo...
SRMR	0.107	0.107
d_ULS	1.953	1.953
d_G	1.226	1.226
Chi-Square	487.445	487.445
NFI	0.517	0.517

To find out whether a model fits the data, a model fit test is carried out. The model is said to be ideal if the SRMR value is more than or equal to 0.08 when the model suitability test can be seen from the SRMR value (Hu & Bentler, 1999). Meanwhile, a good NFI score, according to (Bentler and Bonnet, 1980), must be 0.90 or more. To validate the overall structural model, Goodness of Fit (GoF) is used. The GoF index is a single measure to validate the combined performance of the measurement model and the structural model. This GoF value is obtained from the square root of the average communalities index multiplied by the average R2 model value. The GoF value ranges between 0 and 1 with the interpretation of the values 0.1 (small GoF), 0.25 (moderate GoF), and 0.36 (large GoF). The Standardized Root Mean Square Residual (SRMR) value for the Estimated Model obtained a value of 0.107. The recommended value, according to the Rule of Thumbs, is smaller than 0.08, so it can be concluded that the model created is a marginal fit. Judging from the Normed Fit Index (NFI), which is 0.517, the recommended value according to the Rule of Thumbs is more significant than 0.90, and it can be concluded that the model created is GoF moderate fit.

Table 12. Fit Models rms Theta

Model_Fit

	Fit Summary		rms Theta	
rms Theta			0.255	

The Root Means Square rms. Theta index measure is a measure of goodness of fit that is only useful for assessing purely reflective models because the residuals of the outer model for the formative measurement model are not meaningful. Theta rms value assesses the extent to which the outer model residuals are correlated. The measure should be close to zero to indicate good model fit, as this implies that the correlation between the outer models is minimal (close to zero), namely 0.255.

Figure 3. Output Bootstrapping
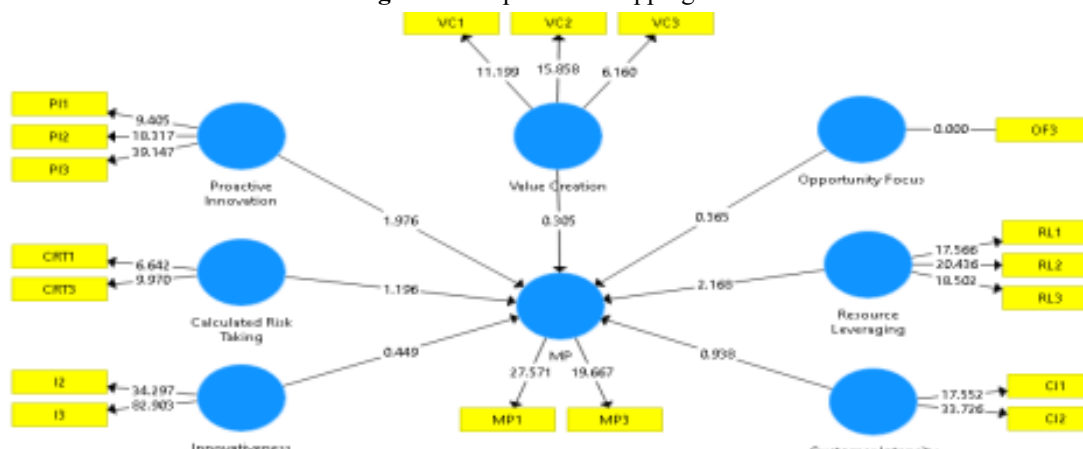
Hypothesis

Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Calculated Risk Taking -> MP	0.152	0.151	0.127	1.196	0.232
Customer Intensity -> MP	0.119	0.109	0.126	0.938	0.349
Innovativeness -> MP	0.071	0.027	0.158	0.449	0.653
Opportunity Focus -> MP	-0.048	-0.047	0.132	0.365	0.715
Proactive Innovation -> MP	0.289	0.322	0.146	1.976	0.049
Resource Leveraging -> MP	0.333	0.330	0.154	2.168	0.031
Value Creation_ -> MP	0.048	0.083	0.156	0.305	0.760

The explanation of the test results in the table above is as follows:

1. The CRT variable has no positive and significant effect on MP (t-count < t-table) = 1.196 < 1.967, p-value 0.232 > 0.05. (Hypothesis rejected)
2. The CI variable has no positive and significant effect on MP (t-count < t-table) = 0.938 < 1.967, p-value 0.349 > 0.05. (Hypothesis rejected)
3. Variable I has no positive and significant effect on MP (t-count < t-table) = 0.449 < 1.967, p-value 0.653 > 0.05. (Hypothesis rejected)
4. The OF variable has no positive and significant effect on MP (t-count < t-table) = 0.365 < 1.967, p-value 0.715 > 0.05. (Hypothesis rejected)
5. The PI variable has a positive and significant effect on MP (t-count > t-table) = 1.976 > 1.967, p-value 0.049 < 0.05. (Hypothesis accepted)
6. The RL variable has a positive and significant effect on MP (t-count > t-table) = 2.168 > 1.967, p-value 0.031 < 0.05. (Hypothesis accepted)
7. The VC variable has no positive and significant effect on MP (t-count < t-table) = 0.305 < 1.967, p-value 0.760 > 0.05. (Hypothesis rejected)

CONCLUSION

Proactive innovation has a direct and significant effect on the marketing performance of Bengkalis Regency Woven Fabric MSMEs. Calculated risk-taking does not have a direct effect on the marketing performance of Bengkalis Regency Woven Fabric MSMEs. Innovativeness has no direct effect on the marketing performance of Bengkalis Regency Woven Fabric MSMEs. Value creation has no direct effect on the marketing performance of Bengkalis Regency Woven Fabric MSMEs. Opportunity focus has a minimal effect on the marketing performance of Bengkalis Regency Woven Fabric MSMEs. Resource leveraging has a direct and significant effect on the marketing performance of Bengkalis Regency Woven Fabric MSMEs. Customer intensity has no direct effect on the marketing performance of Bengkalis Regency Woven Fabric MSMEs.

They have calculated risk-taking, or risk-taking shows a company's tendency to engage in risky projects through large loans, investment in unproven technology or introducing new products to new markets (Lumpkin & Dess, 1996). MSMEs must have the ability to take calculated actions to reduce the inherent or closely related risks of pursuing opportunities (Becherer et al., 2012). Innovation-focused or innovativeness is a company's orientation to pursue new ideas and creative processes (Lumpkin & Dess, 1996), which can lead to new products, new services, or new technological processes (Li et al., 2008). Value creation, or the main foundation of EM, is innovative value creation. Value creation is necessary for relationships and transactions. A company's ongoing task is to prospect each element of the marketing

mix to discover new sources of customer value (Morris et al., 2002). Opportunity focus this dimension requires identifying and following opportunities that are important for the success of MSMEs (Becherer et al., 2012). EM is informal, opportunistic, intuitive (Collinson & Shaw, 2001; Gilmore, 2011) and beneficial for MSMEs trying to survive (Gilmore, 2011). Customer intensity many studies state that awareness of customers and their needs and demands should be the central pillar of marketing activities (Grönroos, 1989; Narver & Slater, 1990; Jaworski & Kohli, 1993; Matsuno & Mentzer, 2015). This dimension is based on the belief that customer-centric orientation must be the central driving force of marketing in organizations (Becherer et al., 2012).

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