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The Influence of Market Orientation, Technology Orientation and Entrepreneurial Orientation on Business Performance

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ABSTRACT

The economic growth of the creative industry in the coffee beverage sector has expanded due to Indonesia's rapid expansion of the food and beverage sector, particularly coffee outlets, however one coffee shop, specifically one in the Tangerang region, has dropped. This phenomena may be understood in terms of business performance, market orientation, technology orientation, and entrepreneurial orientation. This study's goal was to identify and evaluate how market orientation, technological orientation, and entrepreneurial orientation affect business performance. An online survey using a quantitative methodology is used in this study. A questionnaire that has previously undergone validity and reliability testing before being deemed valid was employed in the data gathering procedure. 120 respondents who were selected for the study's sample utilizing the non-probability sampling technique and judgmental sampling approach. In this work, multiple linear regression tests were used as the analytical method. According to the findings, Market Orientation, Technology Orientation, and Entrepreneurial Orientation all have a partial and simultaneous beneficial impact on Business Performance

INTRODUCTION

Coffee is no longer just a sedative; it is now associated with the modern lifestyle and has grown popular among young people in this day and age. Coffee is a popular beverage among enthusiasts from all walks of life and has a unique flavor. After Brazil, Vietnam, and Colombia, Indonesia produces the fourth-largest amount of coffee. Given Indonesia's potential for having a sizable population of coffee enthusiasts, there are many opportunities for the growth of the coffee outlet industry. Based on information from the Ministry of Industry, it is known that the community in Indonesia consumes more coffee drinks each year, demonstrating the enormous potential of the country's coffee-loving populace. The development of coffee brands with a variety of innovations and creativity in the market is evidence that the availability of several opportunities in this industry has boosted the economic growth of the creative industry in the coffee beverage sector. Nowadays, coffee shops may be located on the highway, in malls, and in city centers (Adiguzel & Cakir, 2022).

The impacts of the pandemic that hit Indonesia, according to statistics from the Ministry of Finance of the Republic of Indonesia, made it impossible for MSMEs to reach their intended goals, which left them unable to survive in their line of work. According to research by Istiqomah and Andriyanto, certain MSMEs continue to have external limitations, such as the inability to adjust to the strategic environment, a lack of agility in spotting business possibilities, and a lack of innovative ideas when up against numerous rivals. Additionally, MSMEs continue to have internal issues related to a lack of business capital, technology, and expertise (Magdalena & Wirawan, 2023). This, however, runs counter to information from Kontan.co.id's official page, which notes that the coffee shop industry is still developing and promising due to the rise of new coffee brands in the food and beverage industry. Low business performance in MSMEs is a result of both external and internal issues, which frequently results in short firm lifespans. One of the Tangerang City coffee businesses that was experiencing a slump had this happen to it (Danny & Utama, 2020).

A company's performance is crucial to its success, thus it's critical to implement any measures that can raise performance. Business performance is the degree to which a company is successful in

carrying out its operations with a variety of specified options and hitting predetermined goals (Dliyaul Haq, 2023). Because there are numerous options available to customers as alternatives to meeting their wants for coffee beverages, high competition will cause a coffee outlet's market share to fall. In order to increase their position in the competition and maintain their ability to operate in the industry, actors in the coffee industry are required by this phenomena to apply an orientation plan (Fitriaingsih & Handayani, 2019).

According to studies by Masa'deh et al., entrepreneurship, market orientation, and technology orientation may all be used to improve business success. Market orientation is how a corporation responds to understanding current and future customer demands in order to produce goods that appeal to those needs in the commercial market. Businesspeople must be able to understand what consumers want from a product in order to design it with the intended market or consumer in mind (Masa'deh et al., 2018). It will be simpler for businesspeople to approach clients and grasp the strengths and weaknesses of rivals in the market so they may provide a variety of choices accessible to outperform the competition when they are aware of market circumstances and consumer needs (Hidayat, 2023).

According to studies by Masa'deh et al., entrepreneurship, market orientation, and technology orientation may all be used to improve business success. Market orientation is how a corporation responds to understanding current and future customer demands in order to produce goods that appeal to those needs in the commercial market (Masa'deh, 2018). Businesspeople must be able to understand what consumers want from a product in order to design it with the intended market or consumer in mind. It will be simpler for businesspeople to approach clients and grasp the strengths and weaknesses of rivals in the market so they may provide a variety of choices accessible to outperform the competition when they are aware of market circumstances and consumer needs (Hidayat, 2023).

Because an organization's direction reflects the qualities of entrepreneurship, it plays a significant role in improving a business's success. An entrepreneur is able to succeed in business because they are persistent and flexible. A business person is

said to be entrepreneurially oriented if they have a mindset that encourages creativity, initiative, and risk-taking in their line of work (Prasetyo & Wijaya, 2019). This mindset is thought to help business professionals compete more successfully in markets that are comparable to their own. Andika's research indicates that entrepreneurial approach significantly affects corporate success, according to the findings of his study. His research, on the other hand, differs from that of Putriasih and Giantari in that it found no connection between an entrepreneurial approach and firm performance (Syafuruddin et al., 2020). There are still disagreements on the impact of entrepreneurial attitude on business success, which prevents the author from fully understanding this element. The purpose of this research is to identify and evaluate how market orientation, technological orientation, and entrepreneurial orientation affect firm success.

METHODS

This research was conducted at one of the Coffee Shops in Tangerang city. This research uses a survey with a quantitative approach. The data collection technique used a questionnaire with a Likert scale which was previously tested for validity and reliability so that the questionnaire or item was declared valid and reliable. The Non Probability Sampling Technique and the Judgmental Sampling approach were used to collect samples from the 120 consumer respondents. The testing device makes use of IBM SPSS 26. Additionally, the validity, reliability, conventional assumptions, multiple linear regression, and t and f tests are examined using this data.

RESULTS AND DISCUSSION

Based on the validity test results, it is obtained that overall all points show the results of R Count which is greater than R Table, which is 0.361. Thus it can be concluded that all points or statements in the Market Orientation, Technology Orientation, Entrepreneurial Orientation, and Business Performance variables are declared valid because they have met the requirements and are able to measure research appropriately. Based on the reliability test results, it is obtained that Cronbach's Alpha on the Market Orientation variable is 0.835, Technology Orientation is 0.731, Entrepreneurial Orientation is 0.909, and Business Performance is 0.907. It can be seen that the overall value is greater

than the predetermined value of 0.70. It can be interpreted that the Market Orientation, Technology Orientation, Entrepreneurial Orientation, and Business Performance variables are reliable.

Based on the results of the Normality test that has been carried out using the SPSS application, which has a significance level of 0.17 so that it meets the applicable requirements, namely a significant value > 0.05 . From these results, it can be said that the existing variables have a normal distribution. From the results of heteroscedasticity, it can be seen that Sig from the heteroscedasticity test on X1 is 0.701, X2 is 0.708, X3 is 0.556 so that according to the above calculations the variable test results > 0.05 which means that in this regression model there is no heteroscedasticity. Based on the results of multicollinearity, it is found that the three variables, namely Market Orientation, Technology Orientation, and Entrepreneurial Orientation, can be said not to display multicollinearity because the tolerance value that appears is > 0.10 and the VIF value is < 10 with a tolerance value of Market Orientation of 0.929, Technology Orientation of 0.908, and Entrepreneurial Orientation of 0.965. As for the VIF value of Market Orientation of 1,076, Technology Orientation of 1,101, and Entrepreneurial Orientation of 1,037.

The results of multiple linear regression tests in this study resulted in the equation $Y = 1.279 + 0.310 (X1) + 0.385 (X2) + 0.200 (X3) + 4.516$

The constant value based on the table above is 1.279. So it can be said that if there is an increase in the independent variables, namely Market Orientation, Technology Orientation, and Entrepreneurial Orientation, it will increase the dependent variable, namely Business Performance by 1,279. The X1 value in the table above shows the independent variable Market Orientation which has a value of 0.310. Thus, if there is an increase in the Market Orientation variable, it will increase the Business Performance variable by 0.310.

The value of X2 in the table above shows the independent variable Technology Orientation which has a value of 0.385. Thus, if there is an increase in the Technology Orientation variable, it will increase the Business Performance variable by 0.385. The value of X3 in the table above shows the independent variable Entrepreneurial Orientation which has a value of 0.200. So, if there is an increase in the

Entrepreneurial Orientation variable, it will increase the Business Performance variable by 0.200.

Table

T count and T table are needed in order to show the effect of the independent variable on the dependent variable. In this study, there were 120 respondents, so the T table is 1.98063 ($df = n - k = 120 - 4 = 116$) with a significance level of 0.05. Based on the test results, the t test results obtained on Market Orientation show that the significance value is $0.010 < 0.05$ and $t \text{ count } 2.632 > 1.980$ so it can be concluded that there is a positive influence between Market Orientation on Business Performance or in other words H1 is accepted and H0 is rejected.

Based on the results of the t test on Tecnology Orientation, it shows that the significance value is $0.005 < 0.05$ and $t \text{ count } 2.832 > 1.980$ so it can be concluded that there is a positive influence between Technology Orientation on Business Performance or in other words H1 is accepted and H0 is rejected. Then on Entrepreneurial, it shows that the significance value is $0.028 < 0.05$ and $t \text{ count } 2.225 > 1.980$, in other words, H1 is accepted and H0 is denied, indicating that there is a positive relationship between entrepreneurial orientation and business performance.

Based on the results of the F test with Anova calculation, it is found that the results of the F test data processing show the calculated F value of 8,960, which means the results show that $F \text{ count} > F \text{ table}$, namely $8,960 > 2,68$. It can be interpreted that the regression model between the independent variables can explain a clear value or can simultaneously affect the dependent variable. Then based on the coefficient of determination test, the coefficient of determination (R²) is 0.167 or equal to 16.7% so that it can be interpreted that the dependent variable Business Performance can be influenced by the independent variable Market Orientation, Technology Orientation, Entrepreneurial Orientation by 16.7%. The remaining value of 83.3% can be influenced by other independent variables outside of this study.

In this study, researchers found that there is a positive effect of Market Orientation on Business Performance. This can be seen based on the results of the t statistical test which shows the $t \text{ value} >$ from the t table, which is $2.632 > 1.980$ and the results of the significance value ≤ 0.05 , namely 0.010. Based on this value, researchers can conclude that there is a

positive influence of Market Orientation between on Business Performance. The explanation of the research results is also reinforced by the results of the average indicator value of 4.10 which researchers can conclude that Market Orientation is included in the agree category. Therefore, it can be concluded that Market Orientation has an important role in improving Business Performance for the Bijie Kopie business. The results of this study are in line with research conducted by Wahyono and Hutayanan, where their research shows the effect of Market Orientation on Business Performance. Supported by other research conducted by Schulze et al, who in their research reported the influence of Market Orientation on Business Performance.

The object in this study applies Market Orientation by providing the best service to customers and offering quality products to meet customer satisfaction. In addition, Market Orientation can also strengthen business readiness against threats coming from competitors by making competitors a reference in managing the business, so it is not surprising that business actors can consider what alternatives will be used to fight the advantages of these competitors, for example, such as adjusting if there are new products from competitors. As for Market Orientation, it strengthens coordination between functions within the scope of the coffee shop between waiters, staff and owners together to maintain a balance of functions and do their respective tasks properly, then the sharing of information sharing between fellow employees and owners will strengthen and improve business performance more optimally with customer-oriented.

Business actors apply Technology Orientation with the help of using technology such as social media which can accelerate the innovation process and increase productivity. Technology Orientation can support Bijie Kopie's business operations by conducting promotional activities with interesting and effective content. In addition, Technology Orientation can facilitate interaction with consumers by always providing up-to-date information and explaining information well through social media content. Then Technology Orientation can also facilitate access to cooperation in introducing its products by building interactive communication with consumers and trying to build good judgment in the eyes of consumers.

In this study, researchers found that there is a positive effect of Entrepreneurial Orientation on Business Performance. This can be seen based on the results of the t statistical test which shows the value of $t_{count} > t_{table}$, which is $2.225 > 1.980$ and the results of the significance value ≤ 0.05 , namely 0.028. Based on this value, researchers can conclude that there is a positive influence of Entrepreneurial Orientation between on Business Performance. The explanation of the research results is also reinforced by the results of the average indicator value of 4.02 which researchers can conclude that Entrepreneurial Orientation is included in the agreed category. Therefore, it can be concluded that Entrepreneurial Orientation has an important role in improving Business Performance. The findings of this study are consistent with those of Han and Zhang, who found that an entrepreneurial perspective had an impact on business success. Additionally, a study by Danny and Utama discovered a link between an entrepreneurial mindset and successful business operations.

Implementing Entrepreneurial Orientation means that entrepreneurs take risks, are proactive and innovative, which will encourage increased business performance. Through Entrepreneurial Orientation, new ideas and ideas that arise will be positively responded to and then considered for realization, an entrepreneurial attitude that dares to take risks and is active in the realization of creativity will support product advantages in the eyes of consumers and create advantages that ultimately improve the business performance of the business.

CONCLUSION

Based on the results of data analysis of 120 respondents in this study to test market orientation, technology orientation, entrepreneurial orientation to business performance. Then the author can get the following conclusions; there is a positive influence of Market Orientation on Business Performance. There is a positive influence of Technology Orientation on Business Performance. There is a positive influence of Entrepreneurial Orientation on Business Performance. Market Orientation, Technology Orientation, and Entrepreneurial Orientation simultaneously have an influence on Business Performance.

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