ABSTRACT
The purpose of this paper is to analyze the entrepreneurship orientation and environment factors that influence to improve the marketing performance of traditional batik. Through verification method can be the result of causal relationships between variables. The survey was conducted on 124 Batik’s medium small industries in Yogyakarta by using PLS analysis. The study results that entrepreneurship orientations and environment factors can improve the marketing performance of Batik’s medium small industries in Yogyakarta. Environment factors as opportunities and resources used well so that it can directly affect the marketing performance. A prominent entrepreneurship orientation is innovative and proactive. Innovation did only limit to the promotion of while medium small industries are known as a source of innovative products because it has adequate resources and finds the uniqueness than other product.

KEYWORDS: entrepreneurial orientation, environmental factor, marketing performance.

JEL CLASSIFICATION: M3.

1. INTRODUCTION

The relationship among entrepreneurship orientation and business performance depend on environment characteristic. But the current of research is the testing relation of the environment still and business performance and generate a clear result in the environment wasn’t effected directly to business but using the resources and information entrepreneur involvement in the strategic activity. Marketing performance increases with the existence of the support from entrepreneurial orientation.

Determine of entrepreneurial activities are divided into three categories that are socio-cultural and economic. These factors are related to the environment in entrepreneurial activities, such as cultural values as part of society (Hofstede, 2001), social structures developed within the organizational climate to economic growth (Schumpeter, 1934)). It should be noted that

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environment affects performance because businesses using the opportunities and resources in the environment to improve business performance. Through the process of exchange between companies and the environment, resources are transformed into products and services. Many research stated that external environment influenced strategy and performance (Ward & Lewandowska, 2008) by macro and micro environment analysis, but the research only testing external environment to strategy and performance overall. According Shane (2003; 423) the environment influence the entrepreneur tends to entrepreneurship activity. On the contrary entrepreneurship orientation as a strategic attitude influenced business performance. It can be an indication that the performance of an industry which is viewed from one of the marketing performance can be triggered by entrepreneurship orientation and environment promotion and marketing (Hall, 2009). The government has rule and policy to business to be used as the threat and law if not obedient. External factors played the vital role to success small business (Sajilan & Tehseen, 2015) because in the environment and there is environment turbulence that reflected from uncertainty factors to support entrepreneurship activity. The same thing is expressed by Wiklund & Sheperd (2005: 73) that the strong relationship of entrepreneurship orientations and performance depends on the characteristics of the environment. The environment factor in small-scale industries that seems to have close proximity is the government that can shape the economic climate for industries, can help to provide infrastructure and learning for business actors, can create environment rules in which businesses operate and take an active role in the environment.

2. CONCEPTUAL FRAMEWORK

Entrepreneurship reflects the priority that firms identify and take advantage of environment factors - politics, economics, social, technologic, environment and legal factors that all play a role in explaining individual decisions to take advantage of opportunities. It can be used as a hint that factors affecting industry performance one of them is entrepreneurship orientation triggered by environmental factors surrounding to support entrepreneurial activities. It implies that the firms need to pay attention to environmental factors that exist.

2.1 Marketing Performance

Assessing the marketing performance of a company needs to view marketing as an activity consisting of three stages: input process, business process and activity result. Marketing performance refers to improve the organization's status in the market (market share), increasing customer perceptions of the organization and products, and customer loyalty to the organization (San Martin & Camero, 2005). O'Sullivan and Abela (2007: 79) argues that marketing performance can also measure company performance, in the sense that the ability to assess marketing performance can create measurements for the performance of the company. Marketing performance is a result of a company in a given period with reference to the established standard (Bruce, 2001: 387). This opinion emphasizes that marketing performance is the result of company performance. Sirgy and Lee (2008: 388) argued that marketing performance focuses on financial achievement and behavior (consumers). This opinion is actually the same as the previous opinions in the marketing performance there are: profit sales and market share. Based on the above theoretical studies can be conclusion that marketing performance is the result of company performance measured through financial and non-financial.
2.2 Entrepreneurship orientation

Entrepreneurship is more than creating a business, looking at opportunities, taking risks and having the power to drive ideas to entrepreneurs (Ronstadt, 1987). Another opinion of Melebana (2014: 709), entrepreneurship is a field of study to explain how, by whom and by what creates goods and services that have been made, evaluated and utilized. From some opinions on the concept of entrepreneurship has a similarity can be taken from the essence of a behavior in the process of adding value to a number of businesses and risks to obtain results. In its development, entrepreneurship orientation is defined more broadly as a company's strategic process as stated by Rauch (2009: 5) that the entrepreneurship orientation reflects the policies and practices that form the basis for entrepreneurship decisions and actions. Therefore, entrepreneurship orientation can be viewed as a process of creating an entrepreneurship strategy used by decision makers in achieving company goals, sustaining business and creating competitive advantage. Meanwhile, according to Frank et al., (2010: 177) entrepreneurship orientation in general is a strategic orientation of companies that understand aspects of decision-making, styles, methods and practices. Another point in the Lan and Wu study (2010: 54) stating that the entrepreneurship orientation reflects particular styles and methods of strategic guidance, decision making and running a business. The entrepreneurship orientation as a strategy for a business brings a positive influence on business performance.

Regarding the relationship between entrepreneurship orientation and company performance, Wiklund and Shepherd (2005) finds that entrepreneurial orientation has a positive influence on company performance. Other empirical studies also support the positive influence of entrepreneurship orientation on marketing performance (Zaini et al., 2014; Pardi et al., 2014). Other empirical studies also support the positive influence of entrepreneurship orientation on company performance (Zahra, 1999; Wiklund & Sheperd, 2005). Furthermore, in the study of Lumpkin and Dess (2001) finds that the dimension of entrepreneurship orientation varies independently in fact their testing shows that positive pro-activeness to performance but competing for aggressiveness does not influence company performance. The entrepreneurial orientation reflects innovation, proactivity and quality of courage in taking risks that are critical to growth and performance of small and medium enterprises (Fairoz et al., 2010: 35). Morris (1998) illustrates that entrepreneurship orientation is significantly important not only for the survival and the growth of a company, but also for the economic prosperity of a nation. Cho & Jung's research (2014) examines the relationship between metacognition entrepreneur, entrepreneurship orientation and company performance. The result of this empirical study is that metacognition has a positive impact on entrepreneurship orientation and entrepreneurship orientation impacts to their business performance. The red line is taken in Cho & Jung's research is a company, but here, the company performance focuses on marketing performance considering in company performance, there is a similarity between its size with marketing performance, it is sales volume. Another similar research was the research result of Urban & Mothusiwa (2014), which analyzes the importance of entrepreneurship orientation on company performance that empirically tests the relationship between planning flexibility, entrepreneurship orientation and company performance. Li, Huang & Tsai (2009) also examines entrepreneurship orientation, creation value and company performance. The study was distributed to 165 entrepreneurs by using the processing data. The study result certainly supports the current research in which company performance increases with the support of entrepreneurship orientation and value creation. the research of Zahra, (1991); Wiklund, 1999, Li, Huang and Tsai (2009), Urban and Mothusiwa (2014), Cho and Jung (2014) have similar
result that entrepreneurship orientation has an impact on marketing performance. In addition there is learning orientation and competitive advantage that form marketing performance. Zainol and Ayudarai (2011) also emphasizes that personality traits have an impact on entrepreneurial Orientation, and entrepreneurship orientation also has an impact on the creation of firm performance. In the research Zainol and Ayudarai (2011) states that entrepreneurship orientation is an important factor for the growth and profit of a company. Growth as company behavior is through innovativeness, pro-activeness and risk taking. There is a similar opinion with the research of Hafeez (2012). Sales growth is driven by increasing the demand for company service or products because in the company orientation, it involves innovation in creating products and services. In the research of Rauch et al. (2009) there is a relationship between entrepreneurial orientation and growth and the relationship between entrepreneurial orientation and profit. From some previous research, it appears that the relationship of entrepreneurship orientation with marketing performance is closely related, in addition to with company performance. The results of the five types of research who are mentioned above can be utilized in the current research, so the relationship between entrepreneurship orientation and marketing performance in the research that will be done has a basis of previous theory so that can be made a hypothesis:

H1: Entrepreneurial orientation has positive influence on marketing performance.

2.3 Environment factors

The definition about industry environment is the set of factors that directly influence a firm and its competitive responses; the threat of new entrants, the power of supplier, the power of buyer, the threat of product substitutes and the intensity of rivalry among competitors” (Hint & Ireland 2012). The definition implies the critical environment analyze using strengtheners in the firm competitiveness. The opinion proposed Gomezel and Kusce (2013) define that environment factors such financial support, government, education and training, business facility, domestic market openness, access to physical facility, social and culture. Environment factor has a rational approach in the process to start up and influence to performance. It can be seen that Hint and Ireland (2012) focus on firm competitiveness and other opinion stated that environment factors are a set of factors can influence the firm to initiative, innovated and entrepreneurship. Its come from government support, organization and individual.

The term of environment as a factor to support the entrepreneurship activity according to Ogundele (2007) that environment is the condition influenced organization development. Gnyawali and Fogel (1994) to divide entrepreneurship environment between the program and government policy, entrepreneurship skill, economic and social from support financial and non financial. The research applies in small business for innovation as a one of dimension entrepreneurship orientation suggest that local government as a big influencer. The result shows that an innovator focusing to the environment have regulatory climate factor with sub factor are the rule of government and industry standard. The environment factor can be influenced to the firm are a shareholder, government, special interest group, supplier, customer, competitor, trade association and a labor union (Crnogaj & Gomezelj, 2013; Urban & Monthusiwa, 2014). That define how to make the decision to opportunity exploration.

In addition to entrepreneurship orientation, environment factors also have an impact on marketing performance. This is based on a review of Giovanni’s (2010) research, in which Giovanni tests internal and external factor on economic performance (Company) in general through environmental and social performance. Nevertheless, in the present research, external factors or environment factors which are referred to not only lead to the social but also to the
support from the government (public support). Green et al. (2011) convey theoretically there is an influence of environment factors and organizational performance. While Alkali and Isa (2012) find there is a relationship of capital access and government support on business performance within a company which means that government support or environment factors (in current research) have a relationship with business performance (business performance or company performance). The same opinion is also given Gomezelj and Kusce (2012) in which one of the environment factors that trigger the company performance is government support. The same thing is explained again by Dragnic (2014), in the research it is said that there is an impact of internal and external factors on market performance (marketing performance).

The study results from several previous studies confirm the existence of a very strong relationship between environmental factors with marketing performance so that it can be made a hypothesis.

H2: Environmental factors have positive influence on marketing performance.

From the two proposed hypotheses (H1 and H2), the research framework is presented in Figure 1.

![Figure 1. Conceptual Model](source: authors)

3. METHODOLOGY

The respondents determined in this study are the owner of Medium Small Industry of traditional batiks in Yogyakarta. According to Mac Callum et al. (1996: 138) regarding hypothesis testing, the most appropriate sample size technique is power analysis technique. The requirement sample of this research is 124. The construct is measured by the likert scale of 1-5 with the answers "strongly disagree" to “strongly agree”. Using the Partial Least Square Path Modeling to analyze model structural equations by involving higher structural equations. Entrepreneurship orientation consist of four dimensions, they are innovation (inv) measured from designing unique product, considering competitor’s idea, encouraging creativity, increasing the number by products which are offered, and introducing new products regularly, proactive (pro) measured by superior effort from competitors, efforts to meet customer demands, efforts to get product information, efforts to seek opportunities, efforts to take initiative), risk-taking (risk) measured by access to capital resources, courage at high risk projects with high profits, willingness to provide large portion of assets for profit, efforts to experiment and testing and autonomy (otn) measured by working ability is more efficient, the worker has job responsibilities, freedom of worker in doing the job, worker's ability to get information for an idea, worker's ability to take initiative and try with a different
method. Environment factor consists of three dimensions, they are social culture (sc) measured by ability of cultural influence on product, local resources, competence of entrepreneurial tradition), government support (gov) measured by support of promotion program, efforts to product protection, support to standardization training of production cost, support to entrepreneurship training and technology (tekh) measured by use of electrical equipment, use of internet in marketing product, effort to get information using internet. Marketing performance consists of two dimensions, they are sales volume (sv) measured by Two-year sales growth and sales volume growth and market share (ms) measured by Increased market share and growth and market share.

The inner model test is done by using second order because to see how big ability dimension in describing variable.

4. EMPIRICAL RESULT

Based on the criteria by Hair (2014) that an indicator to be significant if the value of the loading factor value is between 0.4 – 0.7. If the item if released influences AVE and composite reliability the indicator whose between 0.4- 0.7 still using in the calculation. If it does not affect so it does not need to be excluded from the calculation. Based on that opinion it can be concluded that almost all indicators used in each dimension are significant except on 3 indicators due to loading factor below 0.4.

<table>
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<th>No</th>
<th>Consideration</th>
<th>Inov</th>
<th>Pro</th>
<th>Risk</th>
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<th>Sc</th>
<th>gov</th>
<th>tekh</th>
<th>Sv</th>
<th>Ms</th>
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<td>1</td>
<td>Cronbach alpha coefficient</td>
<td>0.810</td>
<td>0.834</td>
<td>0.681</td>
<td>0.762</td>
<td>0.612</td>
<td>0.755</td>
<td>0.600</td>
<td>0.911</td>
<td>0.971</td>
</tr>
<tr>
<td>2</td>
<td>Composite reliability</td>
<td>0.875</td>
<td>0.890</td>
<td>0.824</td>
<td>0.863</td>
<td>0.682</td>
<td>0.859</td>
<td>0.832</td>
<td>0.957</td>
<td>0.986</td>
</tr>
<tr>
<td>3</td>
<td>Average variance extracted</td>
<td>0.875</td>
<td>0.890</td>
<td>0.824</td>
<td>0.863</td>
<td>0.682</td>
<td>0.859</td>
<td>0.832</td>
<td>0.957</td>
<td>0.986</td>
</tr>
<tr>
<td>4</td>
<td>Outer Loading</td>
<td>0.894</td>
<td>0.814</td>
<td>0.890</td>
<td>0.691</td>
<td>0.546</td>
<td>0.721</td>
<td>0.760</td>
<td>0.471</td>
<td>0.857</td>
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Source: Compiled by authors

5. HYPOTETIS TESTING

The validity and reliability of the multi item scale were determined before proceeding with hypotheses testing. Criteria are accepted by hypothesis when t test ≥ 1.66. the result can be seen at table below:
The analysis show that there are positive significant relationship between entrepreneurship orientation and marketing performance (EO $\rightarrow$ MP p value 0.0). Environment factor have positive significant to marketing performance (EF $\leftarrow$ MP p value 0.0). The figure 2 shows that 41.8% of marketing performance is influenced by entrepreneurial orientation and environmental factors and 58.2% is influenced by other variables beyond entrepreneurial orientation and environmental factors. This explains that entrepreneurship orientation and environment factors have partially significant influence.

The influence of entrepreneurship orientation on marketing performance is greater than the influence of environment factors on marketing performance. This can be seen from the path coefficient.

![Figure 2. The Findings Of Research Model](source: authors)

6. DISCUSSION

This condition explains that medium and small industries of traditional batiks to improve marketing performance in the form of sales volume and market share, have to increase entrepreneurship orientation and adaptation the averall environmental factors. This is in accordance with the research of Zaini et al., 2014; Pardi et al., 2014; Cho and Jung (2014) and Li et al (2009) which supports the positive effect of entrepreneurship orientation on marketing performance. Facts show that entrepreneurship is triggered not only by economic problems (profit) but also by the desire to innovate and create new products in addition to the phenomenon can be seen that entrepreneurship comes from a culture that emphasizes individualism, motivation, achievement, rules of entrepreneurship, rationality etc.

Similar to environmental factors that influence marketing performance, it is similar to Giovanni’s (2010) research that tests internal and external Factors on economic performance (Company) in general through environmental and social performance. While Alkali and Isa (2012) find that there is a relationship of capital access and government support on business performance within a company. Facts in the field show that environmental factors influence on marketing performance because of the similarity of SMEs characteristics with previous research, government policy that supports the business and has adopted supporting technology
which is one of a factor that can push industrial growth. SMEs owners of Batik Tulis can utilize technology to produce innovations that have an impact on marketing performance.

7. CONCLUSION

Entrepreneurship orientation and environment factors have a positive effect on marketing performance. The hypotheses which states that entrepreneurship orientation is implemented on innovative and proactive have big contribution to construct entrepreneurship orientation. Innovation that is well done by the promotion of the newest products, while medium small industries are known as a source of innovative products because the product has adequate resources to sell product on the market and invent the uniqueness compared to other. The interview results show that innovation is in the potential of wealth as it is seen from the aspect of religious spiritual meaning, aspects of social history and creative history in which it comes into contact with the economic aspects. Medium small industries (MSI) have characteristics as a simple organizational structure, it is better to use internal communication, focus on production, quick decisions. It is considered to be an advantage to implement innovation. In addition to innovation, interview results find that the proactive effort medium small industries are still lacking. Opportunities to compete but less attention that can improve competitiveness such as updating the motives to give expectation the customers.

The hypothesis which states that environmental factors have a positive influence on marketing performance is proved significant with 95% confidence. Based on the results that the direct positive influence of environment factors on marketing performance due to the of government support as indicators measured define that entrepreneurial training as a program from the government, efforts to protect traditional batik from modern one and standardized production training.

In the context of environment factors effect on marketing performance is driven from such as social culture, government support and technology. From interviews, it is seen that traditional batiks MSI pay more attention to government support to improve marketing performance such as entrepreneurship training which held by the government. While technology is seen little contribute to marketing performance because many traditional batik IMS choose not to use the internet both to market products and information sources. Participate in government programs such as training programs, promotions and others are the numbers of government programs and information requiring technology because of the wide variety of MSI activities and the widespread of MSI locations. More of MSI have not optimally adopted supporting technology, whereas technology is one of the factors that can encourage the growth of the creative industry. Can utilize technology to produce innovations has a socio-economic impact (State Minister of Research and Technology, 2011) Sales growth is driven by the increase in demand or service products because business makes innovation in creating products and services. Proactive efforts as a opportunities to improve competitiveness. Environment factors leading to the support from the government (public support). Government policies that support the business and optimally in adopting supporting technology can encourage the growth of creative industry.

REFERENCES


