

ABSTRACT

Increasingly tight competition among new businesses and changes that occur in business competition create changes in customer needs as well as product management and market share. For this reason, the owner or manager of an MSME business must determine what changes will be made and who is related to the business, including employees and targeted consumers. This research is motivated by the existence of the center of attention (research gap) and the inconsistency of the relationship between entrepreneurial orientation and marketing performance.

This study aims to explore a new contextual model, which explains how a strategy to improve marketing performance uses a relevant theoretical approach. Based on the problems identified and described, the relevant theories and used as a basis for explaining and solving the problems in this study are the theory of Service Dominant Logic and the theory of Marketing Strategy. The synthesis of the two theories is very relevant and can be used as a basis for explaining the reasons why various business actors can have the attractiveness and strength of the products they produce, so that they can better explain research tensions. The novelty in this study is a contextual model construction, namely product design of special regional values as an intervention variable to overcome research gaps in explaining the effect of entrepreneurial orientation on marketing performance.

This research involved 221 batik MSME entrepreneurs in Yogyakarta, Pekalongan, and Surakarta (Solo). The data analysis process to test the hypotheses in this study used the SPSS program and the SEM AMOS version 24 Structural Equation Model. Acceptance of the hypotheses proposed in this study shows the importance of orientation orientation, idiosyncratic regional value product design, market sensing capabilities, product design expertise, and market penetration power in driving marketing performance. Idiosyncratic regional value product design as a proposed new construct proved convincing as a mediating variable that played an important role in filling the research appeal, by clarifying the relationship between entrepreneurial orientation and marketing performance. This research framework was developed and synthesized from relevant marketing concepts, so that this study contributes both theoretically and managerially.

Keywords: *entrepreneurial orientation, idiosyncratic regional value product design, market sensing capability, product design expertise, market penetration strength, marketing performance*