

THE EFFECT OF ENTREPRENEURIAL MARKETING PERCEPTIONS ON MSMEs BUSINESS PERFORMANCE DURING COVID-19 PANDEMIC IN BOGOR CITY

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Abstract: This study aims to analyze the factors that affect the business performance of Micro, Small and Medium Enterprises (MSMEs) during the COVID-19 pandemic in Bogor City. The research was carried out during January-February 2021 on 150 MSME respondents with the criteria of a food processing business, a minimum business age of 2 years or have opened a business before the pandemic period. The data processing method employed in the form of quantitative descriptive analysis, cross-tabulation and using the SEM-PLS. The results showed that the characteristics of the business doers described by gender, age, educational background, reasons for pursuing a business, initial work before starting a business, the beginning of running a business, length of business which reflected by age and education level had a correlation with production techniques on internal environmental factors. External environmental factors have a significant positive effect on entrepreneurial marketing and performance which are explained by government policy aspect, socio-cultural and economic aspect, role of related institutions aspect and aspect of competitors, from these indicator variables, socio-cultural and economic aspects most reflect the external environment from the business doers. Internal environmental factors have a positive and significant effect on entrepreneurial marketing, but on the contrary, the higher the internal environmental factors, the lower the business performance. Entrepreneurial marketing shows a significant and positive influence on the business performance of MSMEs in Bogor City with a proactive indicator that can reflect entrepreneurial marketing, while business performance is reflected by the customer growth indicator.

Keywords: business performance, business environment, COVID-19 pandemic, entrepreneurial marketing, MSMEs

Abstrak: Penelitian ini bertujuan menganalisis faktor-faktor yang memengaruhi kinerja usaha UMKM selama pandemi COVID-19 di Kota Bogor. Penelitian dilaksanakan selama bulan Januari-Februari 2021 terhadap 150 responden UMKM dengan kriteria yaitu usaha pengolahan pangan, usia usaha minimal 2 tahun atau telah membuka usaha sebelum masa pandemi. Metode pengolahan data yang digunakan berupa analisis deskriptif kuantitatif, tabulasi silang dan SEM-PLS. Hasil penelitian menunjukkan karakteristik pelaku yang dijelaskan dengan jenis kelamin, usia, latar belakang pendidikan, alasan menekuni usaha, pekerjaan awal sebelum memulai usaha, awal mula menjalankan usaha, lama usaha direfleksikan oleh usia dan tingkat pendidikan memiliki hubungan korelasi dengan teknis produksi pada faktor lingkungan internal. Faktor lingkungan eksternal secara signifikan berpengaruh positif terhadap pemasaran kewirausahaan dan kinerja yang didalamnya dijelaskan oleh aspek kebijakan pemerintah, aspek sosial, budaya dan ekonomi, aspek peranan lembaga terkait dan aspek pesaing, dari variabel indikator tersebut, aspek sosial, budaya dan ekonomi paling merefleksikan lingkungan eksternal dari pelaku usaha. Faktor lingkungan internal berpengaruh positif dan signifikan terhadap pemasaran kewirausahaan namun sebaliknya semakin tinggi faktor lingkungan internal maka akan menurunkan kinerja usaha. Pada pemasaran kewirausahaan menunjukkan pengaruh signifikan dan positif terhadap kinerja usaha UMKM di Kota Bogor dengan indikator proaktif yang dapat merefleksikan pemasaran kewirausahaan, sedangkan kinerja usaha direfleksikan oleh indikator pertumbuhan pelanggan.

Kata kunci: kinerja bisnis, lingkungan bisnis, pandemi COVID-19, kewirausahaan pemasaran, UMKM

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INTRODUCTION

The ongoing COVID-19 pandemic has a significant impact on various sectors of life particularly in the economic aspect (Fernandes, 2020). From the survey of the International Monetary Fund (2020), several institutions have even predicted a world economy weakening and gave a projection to global economic growth which will be minus 3% rate. According to Thaha (2020), the Micro, Small and Medium Enterprises (MSMEs) are the front guard sectors which experiencing instability as the effect of the COVID-19 pandemic and its survey showed that more than 50% of MSMEs are indicated to suffer significant losses. The losses due to the COVID-19 pandemic in the MSMEs sector have a great contribution to Indonesia's economic development where business doer felt the direct impact in a form of decreasing sales rate due to the low demand of customer goods. Therefore MSMEs sector must come up with strategies to survive and to adapt to any condition that occurs in their way.

During the COVID-19 pandemic situation, there were 37,000 MSMEs reported statements of detrimental losses where it estimated 56% of MSMEs experienced a sales decline, 22% reported problems in the financial aspect, 15% reported problems related to goods distribution, and 4% as the rest experienced difficulty in getting raw materials (<http://kemenkopukm.go.id>, 2020).

The economy becomes unstable which is not only felt by individuals and households but also companies, MSMEs, and even on a larger scale such as the economy of countries around the world (Cepni, 2020). The consumption patterns of people who live in countries experiencing the impact of the pandemic are changing (Chetty et al. 2020). The intense level of competition, many products (brands) and their private shops are unregistered, low competitive power in price bargaining, limited information and lack of insight about the preferred market are some problems faced by many MSMEs during this pandemic time. Solving these described problems then requires methods and strategies to find solutions which right on target where one of the approaches currently developing in the marketing application for MSMEs actors is an entrepreneurial marketing strategy.

The purposes of this study are to analyze the characteristics of MSMEs business doers during the COVID-19 pandemic in Bogor City, analyze the external and internal environmental factors, also the entrepreneurial marketing strategy in influencing MSMEs performance during the COVID-19 pandemic in Bogor City.

This research is focused on several aspects, such as for research respondents are selected from the business owner of MSMEs in food processing type in Bogor City, the business is already running at least within two years, and is still open during the COVID-19 pandemic and this study was conducted for assessing the business performance within a limited scope in terms of analyzing factors which come from external and internal environments and also the entrepreneurial marketing strategies during the COVID-19 pandemic. The researchers intentionally choose a business owner to be the main actor in a successful MSMEs business performance in Bogor City. As for the research data are primary data obtained from results of questionnaires, secondary data from previous researches, books, and journals related to this study and equipped with in-depth interview methods.

Entrepreneurial marketing is often associated with marketing activities in small companies which only have limited resources, therefore, must rely heavily on suitable creative and strategic selection. Sarma (2013) describes entrepreneurial marketing as a new science in marketing research that plays as a reflection of the proactive attitude of business doers in identifying and exploiting many opportunities to get and retain their customers through various innovative approaches, high ability in managing business risk, maximize resources, create added value also skill in maintaining the relationships with their stakeholders through various concepts of entrepreneurial characteristics.

METHODS

The data applied in this research consist of primary and secondary data. The primary data are qualitative data using interview method to MSMEs business actors which obtained by distributing limited questionnaires to 150 food processing MSMEs in Bogor City. The questionnaires were given online through the Google form application and distributed via social media (WhatsApp) along with a direct observation method to MSMEs entrepreneurs as the respondents.

While secondary data were supporting data from primary data which was obtained through literature studies from various sources, both official publications such as journals, books, research results or limited publications from data archives of institutions or agencies related to this research. In the questionnaire form, the researchers used a Likert scale based on the level of respondents' agreement on every indicator with a Likert scale value range from one (1) to seven (7), namely 1 (strongly disagree), 2 (disagree), 3 (somewhat disagree), 4 (neutral/either agree or disagree), 5 (somewhat agree), 6 (agree), 7 (strongly agree). The Likert scale was used to measure the observed variables on the research questionnaire. In this research, the usage of the Likert scale is divided into seven scales or scores. The usage of the seven Likert scales has good validity, reliability, discrimination and stability indices (Budiaji, 2013).

The weights will be grouped according to each variable used (Budiaji, 2013). After the next value of weighted result is obtained, the average value from each variable will be determined, and it will be interpreted according to a predetermined rating scale to find the distribution of respondents' answers from the questionnaire results as displayed in Table 1.

$$RS = (Rt - Rr) / K$$

Where: RS (scale range); Rt (highest value); Rr (lowest value); k (category amount). According to the above equation, the scale range value can be determined as:

$$RS = (7 - 1) / 5 = 1.20$$

The population of this research according to the Central Bureau of Statistics (2020) (*Badan Pusat Statistik//BPS*) were 2.875 food processing MSMEs in Bogor City where 150 MSMEs of the total population were employed as respondents and spread over six sub-districts with each sub-district is divided into several villages. A total of 5 MSMEs that can represent MSMEs from this sub-district were taken from each village, with respondents' criteria being MSMEs with a minimum of two years of business time and continuing to operate or produce during the COVID-19 pandemic (March-December 2020). The non-probability sampling technique selected for this research is purposive sampling as one sampling technique based on certain considerations where its selected sample has the relevant condition for the research. An application of the Chi-Square test

in this research is intended to examine the relationship between characteristics of respondents to the factors that influence the performance of MSMEs during the COVID-19 pandemic in Bogor City which is the relationship between gender, age, education level, reasons to pursue a business, the previous work before their current business, the beginning story of running their businesses and the length of business time to the internal environmental factors.

The Chi-Square hypothesis for this research is:

H_0 : There is no relationship between the characteristics of respondents to internal environmental factors (LI)

H_1 : There is a relationship between the characteristics of respondents to internal environmental factors (LI)

While the basis for Chi-Square decision making is:

The calculated chi-square value > chi-square table or the chi-square significance value < (5%), then H_0 is rejected.

The calculated chi-square value < chi-square table or the chi-square significance value > (5%), then H_0 is accepted.

SEM-PLS path modelling in Figure 2. The hypotheses was constructed based on these descriptions and from Figure 1 that have been delivered which can be arranged as follows:

- a. H_{01} : The external environmental factors have no significant and no positive effects on internal environmental factors in MSMEs in Bogor city.
 H_{a1} : The external environmental factors have a significant and positive effect on internal environmental factors in MSMEs in Bogor city.
- b. H_{02} : The external environmental factors have no significant and no positive effects on entrepreneurial marketing in MSMEs of Bogor city.
 H_{a2} : The external environmental factors have a significant and positive effect on the marketing of MSME entrepreneurship of Bogor city.

Table 2. The scale range and respondents' category

Scale Range	Category
$5.80 < x \leq 7.00$	Very High
$4.60 < x \leq 5.80$	High
$3.40 < x \leq 4.60$	Average
$2.20 < x \leq 3.40$	Low
$1.00 < x \leq 2.20$	Very Low

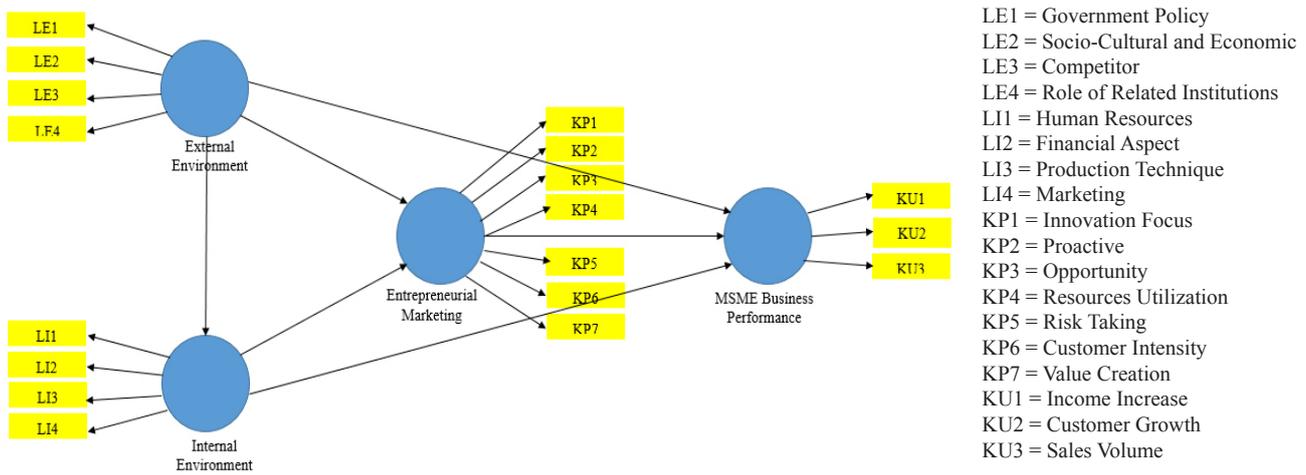


Figure 1. SEM-PLS path modelling

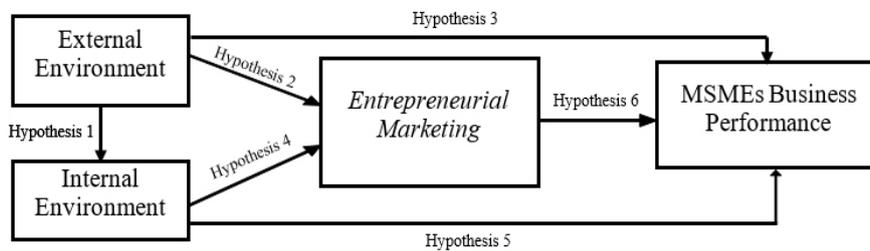


Figure 2. Research framework

c. H_{03} : The external environmental factors have no significant and no positive effects on MSME business performance during the COVID-19 pandemic in Bogor city.

H_{03} : The external environmental factors have no significant and no positive effects on MSME business performance during the COVID-19 pandemic in Bogor city.

d. H_{04} : The internal environmental factors have no significant and no positive effects on the marketing of SME entrepreneurship in Bogor city.

H_{a4} : Internal environmental factors have a significant and positive effect on the marketing of SME entrepreneurship in Bogor city.

e. H_{05} : The internal environmental factors have no significant and no positive effects on business performance of MSMEs during the COVID-19 pandemic in Bogor city.

H_{a5} : The internal environmental factors have a significant and positive effect on the business performance of MSMEs during the COVID-19 pandemic in Bogor city.

f. H_{06} : The entrepreneurial marketing factors have no significant and no positive effects on MSMEs business performance during the COVID-19 pandemic in Bogor city.

H_{a6} : The entrepreneurial marketing factors have a significant and positive effect on MSMEs business performance during the COVID-19 pandemic in Bogor city.

RESULTS

Characteristics of Respondents

In this research from Table 3, out of 150 respondents (as total population) of food processing MSMEs business doers, 110 respondents answered questionnaires online and 40 respondents filled the questionnaires in the paper (manual way) due to the limited use of technology and also by direct visits from the researchers to their business places. Meanwhile, 127 respondents are the business doers or the business owners while 23 respondents are the employees or assistants from the business owners that can't be present at that time because of ill or out of town.

Table 3. Characteristics of respondents

Respondent Profile	Business Scale	
	Frequency (N=150)	Percentage (%)
Gender		
Male	46	30.7
Female	104	69.3
Age (years old)		
<30	18	12
30-40	101	67.3
>40-50	28	18.7
>50	3	2
Education		
SMA/SMK/MA	74	49.3
College (Diploma/Bachelor)	69	46
Business Reasons		
Following parents	29	19.3
Have no choice	36	24
Business is considered profitable	61	40.7
Work		
Employees/Private Employees	83	55.3
PNS/BUMN/BUMD	24	16
No/Not yet working	43	28.7
Beginning running a business		
Family business	31	20.7
Own initiative	119	79.3
Length		
2 years	24	16
2-3 years	31	20.7
>3 years	95	63.7

Chi-Square Test

The Chi-Square test was carried out on 150 business doers as the object of this research and according to the cross-tabulation results as displayed in Table 4 is found that not all respondents' characteristics which based on gender, age, education level, reason, previous job, beginning of their businesses, and length of their business time has a relationship with internal environmental factors.

The result from Table 4 can be concluded as even though there are many scores > 0.05 but there are few scores < 0.05 , and the characteristics of age and education level have a correlation (relationship) with technical

production (LI3) because they have a significance-value of 0.001 and 0.049, which means that different age or education level will have a different value of perception on the production technique (LI3).

MSMEs Business Environment Factors

External Environment Factors

The external factors are the factors from a person to choose to work in a particular place. Table 4 shows that the external factor variables have an average value of 4.61, which means that MSMEs external factors have a very high effect on MSMEs business doers in carrying out their business activities. With an average value of 4.67 in the government policy (LE1) then it can be concluded about the regulations issued by the government during the pandemic such as Large-Scale Social Restrictions (*Pembatasan Sosial Skala Besar/ PSBB*) has an impact on MSMEs business activities in Bogor City.

Internal Environment Factors

According to Table 6, internal environmental variables were found in a very high category with an average value of 5.12. This value indicates that the condition of respondents' internal environment is in very good condition. The highest average value of 5.78 is found in the marketing indicator (LI4) and becomes the main factor that supports the MSMEs business run, especially during the COVID-19 pandemic time, and the business doers are asked to market their products online (marketplace, certain websites or social media) and offline activities in getting customer order to maximize the sales.

Entrepreneurship Marketing Indicators

According to Table 7, Entrepreneurial marketing has an average value of 5.54 with a proactive indicator (KP2) average value of 6.09 as putting in a very high category. Then from this result, it can be concluded that business doers are making active participation in marketing their products during the pandemic time, particularly by using technology adoption for online sales.

Table 4. The Chi-Square Test between respondents characteristics on internal environment

Respondents' Characteristics	Human Resources (LI1)	Financial Aspect (LI2)	Production Technique (LI3)	Marketing (LI4)	Conclusion
Gender	0.148	0.825	0.478	0.604	H0 accepted
Age	0.764	0.262	0.001	0.875	H0 accepted
Education Level	0.554	0.980	0.049	0.313	H0 accepted
Reason	0.730	0.130	0.669	0.915	H0 accepted
Previous Job	0.516	0.843	0.188	0.260	H0 accepted
Beginning/how to start the Business	0.377	0.704	0.637	0.209	H0 accepted
Length of Business Time	0.257	0.966	0.690	0.063	H0 accepted

Table 5. The average values of external environmental factor variables

Code	Indicator of External Environmental Factors	Mean/ Average	Category
LE1	Government Policy	4.67	High
LE2	Socio-Cultural and Economic	4.54	Average
LE3	Competitor	4.58	Average
LE4	Role of Related Institutions	4.66	High
Mean Value		4.61	High

Table 6. The average values of internal environmental factor variables

Code	Indicator of External Environmental Factors	Mean/ Average	Category
LI1	Human Resources	4.51	Average
LI2	Financial Aspect	4.51	Average
LI3	Production Technique	5.68	High
LI4	Marketing	5.78	High
Mean Value		5.12	High

Table 7. The Average values of entrepreneurial marketing variables

Code	Entrepreneurial Marketing Indicators	Mean/ Average Value	Category
KP1	Innovation Focus	5.72	High
KP2	Proactive	6.09	Very High
KP3	Opportunity	5.76	High
KP4	Resources Utilization	5.00	High
KP5	Risk-Taking	4.93	High
KP6	Customer Intensity	5.42	High
KP7	Value Creation	5.91	Very High
Mean Value		5.54	High

The value creation is the second indicator that influences entrepreneurial marketing with an average value of 5.91 which followed by opportunity indicator with an average value of 5.76, innovation-focus indicator with an average value of 5.72, customer intensity indicator with an average value of 5.42, resource utilization indicator with an average value of 5.00 and risk-taking indicator with an average value of 4.93. The risk-taking indicator has the lowest value because many business doers did not predict in prior time of COVID-19 happening in early March 2020, therefore many

MSMEs businesses were not prepared to face the risks and get impacted due to the pandemic.

MSMEs Busines Performance Indicator

The business performance indicator in this research has an average value of 5.21 according to Table 8. While the indicator found in a very high category is the increase in income with an average value of 5.32, followed by the sales volume indicator with an average value of 5.19, and the customer growth indicator with

an average value of 5.14. From the tabulation results can be concluded that the rising demand for products comes in online sales, therefore, MSMEs business does try to increase the amount of production compared to the year before the pandemic. As a result sales volume increases and customer growth rates also increase because sales are made online where it can be accessed anywhere by anyone without being hindered by direct (face-to-face purchases) sales, in particular with the help of sales activities from the marketplace or online motorcycle taxi applications (*ojek* online) which have a food ordering feature in their service lists.

Outer Loading

This research is analyzing the external environmental factors, internal environmental factors and entrepreneurship marketing on the MSMEs performance during the COVID-19 pandemic in Bogor City. The result from data processing by employing SEM-PLS (Figure 3) is concluded as the external environmental factors to internal environmental factors found to have

a correlation value of 0.725 by LE2 or socio-cultural and economic indicator of 0.830 and LI3 indicator of 0.769. Hence, from this result can be concluded that one indicator of the external environment, the Socio-cultural and economic indicator have a direct and significant influence on one indicator of internal environmental factors which is the technical production indicator.

The growth rate of COVID-19 cases in Bogor City has certainly had an impact on people's lives since social or physical distancing was implemented, the implementation of strict health protocols and the temporary closure of business premises affected the technical production of MSMEs.

The external environment variable has a correlation value of 0.176 while the internal environmental variable has a correlation value of 0.603 on entrepreneurial marketing with a proactive value (KP2) of 0.847. In other words, it can be concluded that the indicator shows the level of proactiveness in introducing new products or services, especially through online sales.

Table 8. The average value of business performance variables

Code	Entrepreneurial Marketing Indicators	Mean/ Average Value	Category
KU1	Income Increase	5.32	High
KU2	Customer Growth	5.14	High
KU3	Sales Volume	5.19	High
Mean Value		5.21	High

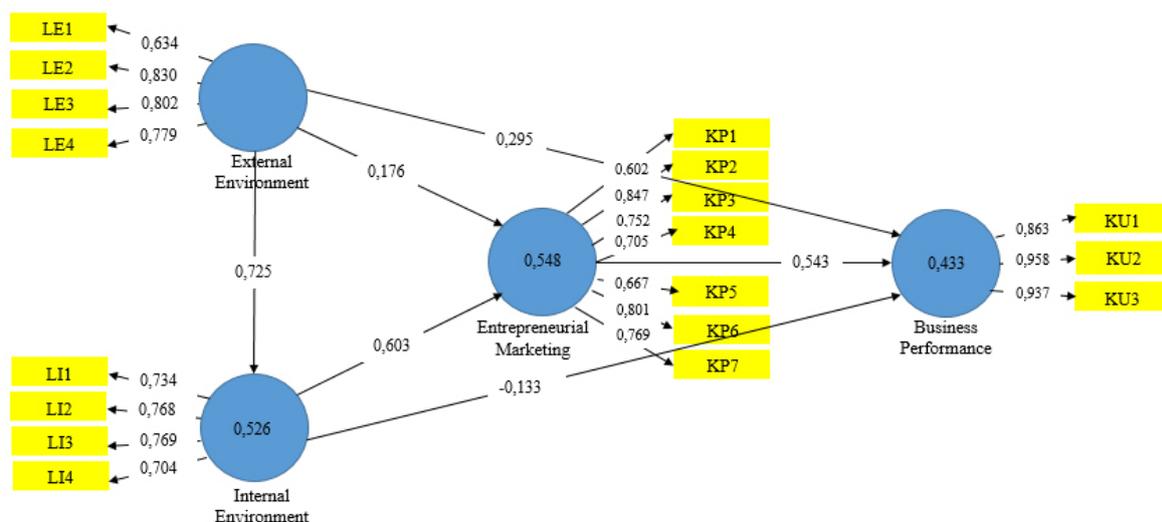


Figure 3. Outer loading

The external environment variable on business performance has a correlation value of 0.295 and the entrepreneurial marketing variable has a correlation value of 0.543 with the customer growth indicator (KU2) having the highest value of 0.958 so it can be concluded that the external environmental variable has an effect (or influence) on the increase in customer growth during the COVID-19 pandemic because many business doers utilize e-commerce application to boost their online sales. While the internal environment variable has a correlation value of -0.133 to the business performance variable due to the internal environmental indicators that have decreased performance especially during the COVID-19 pandemic, or in other words, the higher the internal environment value, the lower the business performance value.

Validity Test

Convergent Validity

After the SEM-PLS calculation process is finished, then the best model for this research is obtained with a loading factor value for each indicator found to be > 0.6. The Smart-PLS 3.0 is employed as a data analysis tool and the SEM is an analytical tool with a regression-based approach to testing the research model by several constructs and measures, while PLS is used for exploratory researches such as the nature of this research

According to Table 9, the calculation results showed the outer loading value > 0.6 hence all indicators are considered as valid or all indicators can give a clear explanation of the latent variables, so there is no need to reduce the indicator numbers.

Outer loading is the value used to determine which variables best contribute to each indicator from LE1 to KU3, and which variables contribute the most to the latent external environment (LE), the internal environment (LI), entrepreneurial marketing (KP) and business performance (KU). The external environment latent (LE) variable (LE) has a socio-cultural and economic indicator (LE2) as the highest value of 0.830 where it can be concluded that the

LE2 indicator is the indicator that has the greatest contribution to the external environment and the latent internal environment (LI) has a marketing indicator (LI4) with an outer loading value of 0.769 which can

be said that LI4 is the indicator that has the greatest contribution to the internal environment.

In the entrepreneurial marketing latent (KP), the proactive indicator (KP2) has the highest outer loading value of 0.847, then KP2 became the indicator that has the greatest contribution to entrepreneurial marketing. In the latent business performance (KU), the customer growth indicator (KU2) with an outer loading value of 0.958 as the highest value became the indicator that gave the greatest contribution to performance.

Discriminant Validity

Discriminant validity result in Table 10 showed the cross loading value of each item against its construct is greater than the loading value with other construct. Based on these results, it can be stated that the indicators used in this study do not have problems and already have a good discriminant validity in compiling their respective variables.

Reliability Test

According to the calculation result displayed in Table 11 then it can be concluded all variables have an AVE value > 0.5, thus it is proven that all indicators employed in this research are variables that have sufficient reliability or those that can measure constructs.

Table 9. The Validity Test

Latent	Indicators	Outer Loading	Conclusion
External Environment	LE1	0.634	Valid
	LE2	0.830	Valid
	LE3	0.802	Valid
	LE4	0.779	Valid
Internal Environment	LI1	0.704	Valid
	LI2	0.734	Valid
	LI3	0.768	Valid
	LI4	0.769	Valid
Entrepreneurship Marketing	KP1	0.602	Valid
	KP2	0.847	Valid
	KP3	0.752	Valid
	KP4	0.705	Valid
	KP5	0.667	Valid
	KP6	0.801	Valid
	KP7	0.769	Valid
Business Performance	KU1	0.863	Valid
	KU2	0.958	Valid
	KU3	0.937	Valid

Table 10. Discriminant validity

Indicators	Internal Environment	Internal Environment	Entrepreneurship Marketing	Business Performance
LE1	0.634	0.330	0.502	0.481
LE2	0.830	0.670	0.454	0.465
LE3	0.802	0.608	0.496	0.346
LE4	0.779	0.576	0.431	0.337
LI1	0.530	0.704	0.354	0.266
LI2	0.652	0.734	0.443	0.150
LI3	0.471	0.768	0.664	0.387
LI4	0.529	0.769	0.650	0.552
KP1	0.283	0.350	0.602	0.246
KP2	0.520	0.567	0.847	0.514
KP3	0.452	0.562	0.752	0.354
KP4	0.494	0.710	0.705	0.447
KP5	0.320	0.387	0.667	0.344
KP6	0.541	0.632	0.801	0.518
KP7	0.468	0.469	0.769	0.686
KU1	0.372	0.373	0.490	0.863
KU2	0.532	0.455	0.645	0.958
KU3	0.540	0.480	0.578	0.937

Table 11. Reliability Test

Latent	AVE	Composite Reliability	Cronbach's Alpha
LI	0.554	0.832	0.735
LE	0.585	0.848	0.759
KP	0.546	0.893	0.860
KU	0.846	0.943	0.909

The goodness of fit Test

The R2 value can use for assessing the influence of independent latent variable on the dependent latent variable in finding out whether it has a substantive effect or not, therefore the higher the value of R², the greater the ability of the independent latent variable able to explain the dependent latent variable (Ghozali, 2015). Moreover, Ghozali added (2015), when the results of the R² value is 0.67 then it indicates the model is categorized as substantial, while 0.33 indicates the model is categorized as moderate, and 0.19 indicates the model is categorized as weak.

The R-Square Table 12 showed to what extent the Y variable able to be explained by the X variable. The R² value of 0.526 in the external environment (LI) indicates the LE variable can explain the external environment (LI) by 52.6% while the remaining 47.4% will be explained by other variables. Based on these calculations then R2 calculation results are categorized as moderate.

The R² value of 0.548 on entrepreneurial marketing (KP) indicates that the external environment (LE) and internal environment (LI) variables can explain the entrepreneurial marketing (KP) of 0.548 or 54.8% while the remaining 45.2% will be explained by other variables. This explanation shows that the R2 value is categorized as moderate. The R² value of 0.433 on business performance (KU) or 43.3% indicates that the external environment (LE), the internal environment (LI), and entrepreneurial marketing (KP) variables can explain business performance (KU) whereas the remaining 56.7% will be explained by other variables, therefore based on the R2 calculation results, it shows the moderate category.

Testing in this research does not look at the R-Square value only because the model is evaluated by observing the relevance predictive. The magnitude of Q2 has a value range between 0 < Q2 <1, where the closer to 1 means the better the model. The magnitude of Q2 is equivalent to the coefficient of total determination

in path analysis. When the value shows $Q^2 > 0$ then the model has predictive relevance, but conversely when the value of $Q^2 < 0$ then it shows the model lacks predictive relevance. Calculation of the total Q^2 value of the MSMEs business performance factor variables is conducted with the following formula:

$$\begin{aligned} Q\text{-Square} &= 1 - [(1-R21) \times (1-R22) \times (1-R23)] \\ &= 1 - [1-0.526) \times (1-0.548) \times (1-0.433)] \\ &= 0.8786 \end{aligned}$$

The value indicates that the available information (87.86%) can be explained by the model, while the rest of 12.14% is explained by other variables that are not yet included in the model also from elements of error.

Table 12. The goodness of fit Test

Latent	R-Square
LE	
LI	0.526
KP	0.548
KU	0.433

Bootstrapping Evaluation

Testing in this research is employed bootstrapping processing from SmartPLS version 3.0. according to Figure 3, the variable model that has a significant positive effect is indicated by condition of $t\text{-value} > t\text{-table} = 1.96$ and $P\text{-value} > 0.05$. Figure 16 shows the results of calculations by employing SEM-PLS which is stated as follows:

- The external environmental factor variable (LE) has a positive and significant relationship to the internal environmental variable (LI). T-test statistical result on the PLS output showed the t-count value (18.357) > T-table (1.96) which means that it rejects H01 and accepts Ha1 in the first hypothesis.
- The external environmental factor variable (LE) has a positive and significant relationship to the entrepreneurial marketing variable (KP). T-test statistical result on the PLS output showed the t-count value (2.604) > T-table (1.96) which means that it rejects H02 and accepts Ha2 in the second hypothesis.
- The external environmental factor variable (LE) has a positive and significant relationship to the MSME performance variable (KU). T-test statistical result on the PLS output showed the t-count value (3.593) > T-table (1.96) which means that it rejects H03 and accepts Ha3 in the third hypothesis.
- The internal environmental factor variable (LI) has a positive and significant relationship to the entrepreneurial marketing variable (KP). T-test statistical result on the PLS output showed the t-count value (8.809) > T-table (1.96) which means that it rejects H04 and accepts Ha4 in the fourth hypothesis.
- The internal environmental factor variable (LI) has a negative relationship to the business performance variable (KU). T-test statistical result on the PLS output showed the t-count value (1.313) < T-table (1.96) which means that it accepts H05 and rejects Ha2 on the fifth hypothesis.

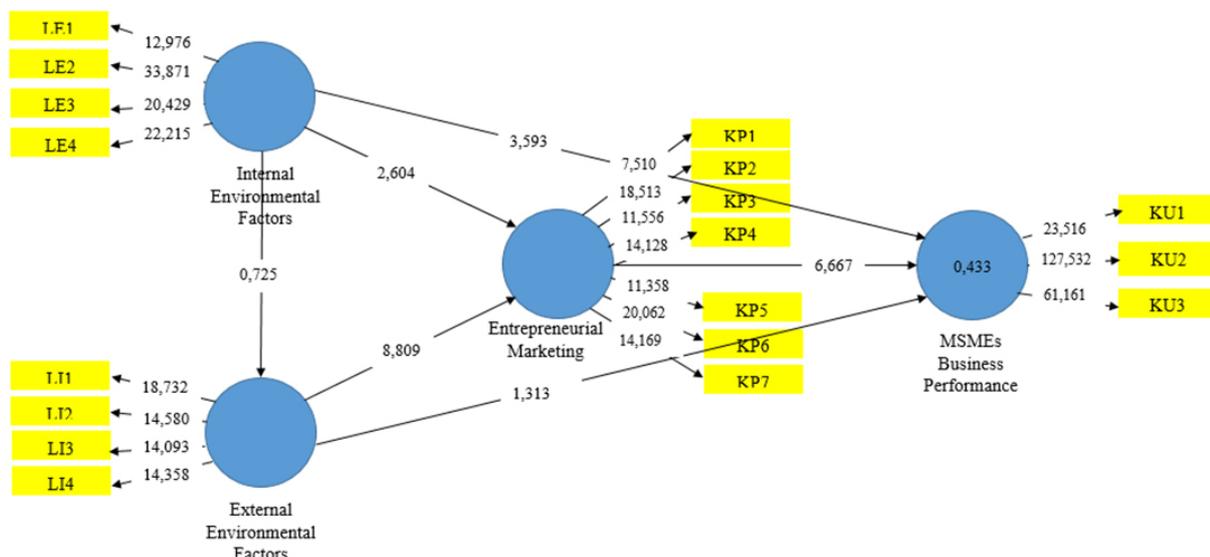


Figure 4. Bootstrapping

f. Entrepreneurial marketing (KP) has a positive and significant relationship to business performance (KU). T-test statistical result on the PLS output showed that the t-count value (6.667) > T-table (1.96) which means that it rejects H06 and accept Ha6 on the sixth hypothesis.

Hypothesis Testing

H_{a1}: The external environmental factor has a significant and positive effect on the internal environmental factor in MSMEs business in Bogor City.

The external environmental factor (LE) and internal environmental factor (LI) variables have a positive and significant relationship with the evidence of outer loading value in a positive value, and the t-value is higher than the t-table value at a 5% significance level, then, the results obtained are t-value > t-table or 18.357 > 1.96, where it can be concluded that hypothesis one (H1) is accepted, meaning that external environmental factor has a positive and significant effect on the internal environment. The positive coefficient value is 0.725 which is interpreted as the higher the external environmental factors, such as government, social, cultural and economic policies, competitors, and the role of the related institution then the higher the value of the internal environmental factor variables for business doers, as it showed in Table 13.

H_{a2}: The external environmental factor (LE) has a positive and significant relationship to the entrepreneurial marketing variable (KP).

The external environmental factor variable (LE) and the entrepreneurial marketing variable (KP) has a positive and significant relationship, this is evident by the positive value on the outer loading and the t-value is higher than the t-table value at a significance level of 5%. Based on the results obtained, the t-value > t-table is 2.604 > 1.96, as shown in Table 16 which shows a positive coefficient value of 0.176. This value means that hypothesis two (H2) is accepted on the consideration that the higher the external environmental factors (government, socio-cultural and economic policies, competitors, and the role of related institutions) the higher the entrepreneurial marketing variable during the COVID-19 pandemic in Bogor City.

H_{a3}: The external environmental factor (LE) has a positive and significant relationship to the MSMEs business performance variable (KU).

According to table 13, the outer loading value from the external environment (LE) on the business performance variable (KU) is positive and has a significant effect because of t-value is higher than the t-table value at a 5% significance level. Where the calculation result obtained is t-value > 1.96 or 3.593 > 1.96 with a positive coefficient value of 0.295, therefore the third hypothesis (H3) is accepted and can be concluded that external environmental factors (LE) have a positive and significant relationship to the MSMEs business performance variable (KU).

H_{a4}: The internal environmental factor (LI) has a positive and significant relationship to the entrepreneurial marketing variable (KP).

Tabel 13. Structural Analysis (inner model)

	Original Sample	Sample Mean	STDEV	T Statistics	P Values
External Environment → Internal Environment	0,725	0,726	0,040	18,357	0.000
External Environment → Entrepreneurial Marketing	0,176	0,165	0,068	2,604	0.009
External Environment → MSME performance	0,295	0,297	0,082	3,593	0.000
Internal Environment → Entrepreneurial Marketing	0,603	0,610	0,068	8,809	0.000
Internal Environment → MSME Performance	-0133	-0,147	0,101	1,313	0.190
Entrepreneurial Marketing → MSME Performance	0,543	0,550	0,081	6,667	0,000

The influence of the internal environmental factor on the entrepreneurial marketing variable can be analyzed based on the t-test results, where the internal environmental factors (LI) and entrepreneurial marketing variable (KP) variable has a positive and significant relationship. This is evidenced by the positive value on the outer loading, and the t-value is greater than the t-table at the significance level of 5%. The results obtained are t-value > t-table or $8.809 > 1.96$ and a coefficient value of 0.603, so hypothesis four (H4) is accepted, meaning that internal environmental factor has a significant positive effect on entrepreneurial marketing for MSMEs business doers during the COVID-19 pandemic in Bogor City.

The internal environment is measured with indicators of human resources, marketing aspect, financial aspect, and production technique aspect. Based on the results of respondents' interviews it is known that good technical production activities, such as the easy access (ease) in obtaining raw materials especially during the pandemic time can motivate MSMEs business doers to improve their business performance.

H_{a5} : Internal environmental factor (LI) has a negative relationship to the business performance variable (KU).

The variable of an internal environmental factor (LI) on business performance (KU) is evidenced by the negative outer loading value and t-value which is lower than the t-table value at the significance level of 5%. The influence of internal environmental factors (LI) on business performance (KU) was analyzed based on the results of the t-test. The results obtained are t-value < t-table which is $1.313 < 1.96$ then hypothesis five (H5) is rejected, meaning that internal environmental factor has no significant effect on business performance (KU). A negative coefficient value of -0.133 can be interpreted as when the internal environmental factor goes higher then it will decrease the business performance.

This research showed that the improvement of the internal environment does not have any effect or significant meaning on MSMEs business doers in Bogor City for improving business performance, therefore, it can be concluded that MSMEs business doers in Bogor City can improve their business performance without considering the internal environmental factor.

H_{a6} : The entrepreneurial marketing factor (KP) has a positive and significant relationship to the business performance variable (KU).

Lanang et al. (2015), stated that the success of the business performance of MSMEs in the Bangli Regency is influenced by some factors in entrepreneurial marketing. The effect of entrepreneurial marketing factors on business performance can be analyzed based on the results of the t-test, while the entrepreneurial marketing factor (KP) and business performance (KU) variables have a positive and significant relationship.

This is evidenced by the positive value on the outer loading, and the t-value is greater than the t-table at the significance level of 5%. The results obtained are t-value > t-table or $6.667 > 1.96$ and a coefficient value of 0.543, then hypothesis six (H6) is accepted, meaning that entrepreneurial marketing factor has a significant positive effect on business performance. Customer growth is one of the indicators in measuring business performance and it can be seen how MSMEs can compete with similar competitors in providing likeable products so that there are still many orders arrived from the customers.

Managerial Implication

The characteristics of the majority of business doers/ owners are dominated by female owners with a productive age ranging from 30-40 years, by these characteristics, it is expected that the business actors keep having the enthusiasm to develop their business and create product innovations to make their products still likeable to customers. The educational background of Senior High School (SMA/SMK/MA) is not a barrier for the business doers to open their businesses, however, the mindset of business doers with a higher education level will influence the better decisions chosen due to the learning process, and experience can provide better decisions and directions to increase their creativity and productivity in developing their business.

Many MSMEs business doers open their businesses based on their initiative, even though at first they were employees or private employees but by the consideration that these businesses seemed profitable and also from their business time which in average has been built for > 3 years, this can be seen in the impact of the pandemic where lots of companies must make many terminations of employment (PHK) which have

caused former employees switching to open a business, but there are many numbers of employees that have opened their businesses as an alternative hobby, also there is an awareness initiative to help the government in creating jobs. Not only that, many MSMEs in Bogor City have been running for > 3 years which identifies that business doers already have businesses before the pandemic hit and these businesses are still operating, while the ability of business doers to maintain their existence in competition becomes an indicator of business success with the most important value is the ability to maintain business resilience despite many challenges ahead.

The external environment, internal environment, and entrepreneurial marketing are factors that contribute to MSMEs business performance. Based on the results of research and discussion, external environmental factors become the supporting factors for MSMEs business activities in the form of government policies and assistance from related institutions which able to facilitate entrepreneurial activities so that business performance will grow better from time to time, with the indicator of socio-cultural and economic aspect having the highest value in reflecting external environmental factors.

While the internal environment with the highest score on the production technique aspect such as the ease of obtaining raw materials and others will motivate business doers to become entrepreneurs or make an improvement on their business performance.

Entrepreneurial marketing has the highest score on the proactive aspect where it reflected how high the activity level of business doers in seeking information about how to develop their business and how to expand their marketing range.

While strategies that can be carried out can utilize the technological advantages such as selling products through the marketplace, website and in collaboration with online motorcycle taxi applications that have a food ordering feature. Business performance is reflected in the aspect of customer growth, wherein this research was found in customer growth during the pandemic increased due to online sales and how business doers promote their products to customers.

As previously stated, the use of technology makes it easier for business doers to communicate with customers directly through social media. although it is still found that business doers are not too proficient in using sales applications on the marketplace, especially for business doers in age > 40 years. Therefore, there is a need to make an approach or continuing training from government or related agencies as a forum for business doers to gain knowledge about online marketing and how to manage business systems during the pandemic time.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

The conclusion obtained from the description of this research is the factors that influence the MSMEs business performance in Bogor City which are the external environmental factors, the internal environmental factor and the entrepreneurial marketing factor. For respondents' characteristics are found two dominant indicators namely age and education background which have a correlation with internal environmental factors.

The external environmental factors which consist of aspects of government policy, socio-cultural and economic and the role of related institutions have a significant and positive effect on internal factors of MSMEs which are reflected by socio-cultural and economic aspects. Whereas for internal environmental factors which consist of aspects of human resources, financial, production technique and marketing and being reflected by the production technique aspect, however, do not have a negative and significant effect on the MSMEs business performance. The entrepreneurial marketing factor which consists of seven aspects, namely focuses on innovation, proactiveness, opportunity, resource utilization, risk-taking, customer intensity, and value creation, is represented by proactive aspects that can reflect marketing factors on MSMEs performance. Finally, the MSMEs business performance consists of three aspects, namely, increased revenue, customer growth and sales volume as three indicators that can be reflected by the customer growth aspect.

Recommendations

For MSMEs business doers/players in Bogor City, their business performance can be improved with the support of local governments in the forms of business assistance, grant funds, training or counselling, while in terms of resource development in the internal or external environment, the MSMEs businesses should be able to evaluate strategies taken from the seven indicators in entrepreneurial marketing to survive and be productive even during the pandemic.

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