Factors Affecting the Improvement of Marketing Performance of Indonesian MSMEs Products

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Abstract

This study aims to explain and analyze the effect of entrepreneurial orientation and product excellence on marketing performance. The population in this study were customers of Indonesian MSMEs in Saudi Arabia, totaling 371,784 customer respondents in 8 countries including Indonesia, Malaysia, Pakistan, India, Iraq, Egypt, Iran and Yemen. The sample used in this study, namely 250 respondents. by using probability sampling techniques or multistage random sampling or determining cluster sampling based on the division of a region / region in stages. The analytical technique used for hypothesis testing is Structural Equation Modeling (SEM) Amos Ver.-2022. The results showed that market orientation has a direct effect on marketing performance. Product excellence has a direct effect on marketing performance. Some of the recommendations given are in terms of entrepreneurial orientation by having the ability to innovate because by innovating, the products marketed can be accepted in the international market. In terms of the superiority of Indonesian MSME products with product quality because with the quality of a product that has been recognized in the international market, consumers will continue to use these products which are proven together to improve the marketing performance of Indonesian MSME products abroad, especially in Saudi Arabia.

Keywords: Entrepreneurial Orientation, Competitive Advantage and Marketing Performance

I. Introduction

In a product marketing is said to be successful if it is able to serve the wishes of customers through quality products that can be used in the long term. In a marketing performance study that raised the effect of market orientation, entrepreneurial orientation on competitive advantage and marketing performance on kucingan /angkringan stalls in the city of Semarang where market orientation and entrepreneurial orientation greatly impact competitive advantage which in turn has a direct impact on marketing performance, especially in looking at market segments and entrepreneurship for the sake of competitive advantage food stalls in the city of Semarang can compete with existing food stalls, especially in capturing the market share of restaurant customers (Fatmawat, Pradhanawati & Ngatno, 2016). As in the research conducted by Pattipeilohy (2018) Study on the Yellow rice business in Batu Meja Village, Ambon City where innovation and excellence influence each other's marketing performance, which means that in providing products or food and beverages that are felt by customers it is important to see the performance that occurs in the marketing strategy implemented in order to get results from the extent of the success rate of a product or food and beverage sold. Another research study also revealed a significant relationship between entrepreneurial orientation and marketing performance in food and beverage MSMEs in Maros Regency where the food and beverage market segment is very popular, especially in the success of MSME marketing performance in Maros Regency (Wahyudi, Rakib & Romansyah 2021). The following is data on sales of Indonesian MSME products in Saudi Arabia for the last 5 years, namely 2018 to 2022.

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Table 1. Marketing Performance of Indonesian MSME Products in Saudi Arabia

No.	Year	Indonesian MSME Product Unit	Percentage (%) Descrease From Previous Year	Sales Results Of Indonesian MSME Product	Percentage (%)
1	2018	20	-	Rp 960,881,980	12
2	2019	23	24	Rp 1,467,020,100	19
3	2020	15	15	Rp 150,000,133	2
4	2021	17	18	Rp 1,890,677,000	24
5	2022	22	23	Rp 3,450,977,200	44

Source: *Indonesian MSME Product Industry in Saudi Arabia, 2023*

Table 1 above shows from 2018 to 2022 the number of Indonesian MSME products in Saudi Arabia in 2020 marked by the outbreak of viruases disease 19 (Covid-19) which hit the world there was a significant decline where only 15 units of various Indonesian MSME products or a decrease of 15% were sold with a total of Rp 150,000,133, - or 2% growth. Furthermore, in 2021, which began the return of the trade process and the rise of MSME entrepreneurs where 17 units of various Indonesian MSME products increased by 18% with a sales revenue value of 1,890,677,000, - or 24% growth. Then in 2022 the normal buying and selling process marked by the acquisition of the covid-19 vaccine rose to 22 various Indonesian MSME products or an increase of 23% with sales revenue of Rp. 3,450,977,200, - or 44% growth.

Based on several world studies that link the relationship of entrepreneurial orientation to marketing performance by Keh, Nguyen & Ng (2007) which shows that entrepreneurial orientation plays an influential role on the acquisition and utilization of marketing information, and also has a direct effect on firm performance. Research focuses on how budget hotel entrepreneurs in Bali, Indonesia, manage entrepreneurial orientation to support marketing performance by proposing market sensing variables, organizational learning, and flexibility of marketing resources by (Santra, 2018). Followed by research on the relationship between product excellence and marketing performance where in order to improve the performance of SMEs, efforts must be made to develop marketing strategies, such as paying attention to market orientation, focusing on customer orientation, competitor orientation, and coordination between functions, as well as developing or innovating new products by (Puspaningrum, 2020). Then the research aims to describe efforts to create competitive advantage through marketing performance based on product innovation and promotion in Troso weaving SMEs in Jepara Regency (Arumsari & Marka, 2018).

II. Literature Review

a) Entrepreneurial Orientation
Entrepreneurial orientation is a construct that integrates entrepreneurship and strategic management. Strategic management requires that companies have and exploit competitive advantages in the context of a particular environment, at the same time, entrepreneurship actively seeks competitive advantages through product, process and market innovation (Kuratko and Audretsch, 2009). According to Risnawati and Noermijati (2008), entrepreneurial orientation is the orientation of the company's strategy in entrepreneurship to gain a competitive advantage with indicators: decision making, practices and methods. According to Ginsberg in Isa (2011), the definition of entrepreneurial orientation as an individual's tendency to innovate, be proactive and willing to take risks to start or manage a business. According to Morris and Paul in Fayolle (2007, p.129), entrepreneurial orientation is the tendency of top management to take calculated risks, be innovative and to show proactivity. According to Morris & Paul (1987) entrepreneurial orientation is the tendency of top management to take a calculated risk, be innovative and to show proactivity.

b) Product Advantage
According to Henard and Szimanski (2001) product competitive advantage is superiority and or higher differentiation compared to competitor offers. The elements of product excellence, such as uniqueness, value and benefits offered by the company must be seen from a customer perspective, which is based on an understanding of customer needs and desires, as well as their subjective factors (likes and dislikes). A service product that has quality and diversity that can be shown to the customer so that it can be adjusted to the wishes and desires of the customer. Tjiptono (2008: 255) suggests that service quality is

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a control and level of excellence that can be felt by the customer. Then Parasuraman and Zeithaml (2005) state that service quality is a relationship between perceptions and expectations which is closely related to customer attitudes. In several studies, a conclusion can be obtained that product quality determines customer satisfaction, so that customers can feel that the quality of the products offered by the company.

c) Marketing Performance

Marketing performance is a measure of the company's success in marketing its products in the market. Marketing performance is a concept used to measure the company's performance in marketing its products (Arbawa & Wardoyo, 2020). Marketing performance describes the results of implementing company strategies such as customer satisfaction, new product success, sales growth, and profitability. Therefore, measuring a company's marketing performance uses units such as sales, customer growth, and customer turnover to better describe marketing performance and competition (Puspitasari, 2015).

Marketing performance is an index used to measure the success of a company's strategy used to market its products in the market. Evaluation of marketing performance can be measured from data on the level of sales, increase in revenue, number of customers, or other data that shows the company's success in selling products or services (Mulyani & Mudiantono, 2015).

Hypothesis

### Entrepreneurial Orientation on Marketing Performance

Entrepreneurial orientation obtained significant and influential results. This shows that the direct effect of entrepreneurial orientation variables plays an influential role in the acquisition and utilization of marketing information, and also has a direct effect on company performance. Utilization of information regarding marketing mix decisions (specifically Promotion and Place elements) positively affects firm performance, and partially mediates the relationship between entrepreneurial orientation and firm performance in line with entrepreneurial orientation has a significant effect on marketing performance by (Keh, Nguyen, & Ng, 2007). Furthermore. This study focuses on how budget hotel entrepreneurs in Bali, Indonesia, manage entrepreneurial orientation to support marketing performance by proposing the variables of market sensing, organizational learning, and marketing resource flexibility. The hypothesized research model predicts that the positive interaction between market orientation and marketing subunit influence has a weaker effect on firm performance under conditions of high entrepreneurial orientation (Merlo & Auh, 2009). As well as the effect of market orientation and entrepreneurial orientation on marketing performance through the variable competitive advantage of food and beverage MSMEs in Maros Regency (Wahyudi, Rakib & Romansyah, 2021).

H.1 : Entrepreneurial orientation affects marketing performance

Product Excellence on Marketing Performance

This study aims to analyze competitive advantage as a variable that mediates the effect of market orientation on marketing performance. In order to improve the performance of SMEs, efforts must be made to develop marketing strategies, such as paying attention to market orientation, focusing on customer orientation, competitor orientation, and inter-functional coordination, as well as developing or innovating new products (Puspaningrum, 2020). Furthermore, there is a direct influence relationship between product innovation, competitive advantage and digital marketing relationships with SMI marketing performance, then digital marketing is able to strengthen product innovation relationships in improving the marketing performance of SMIs in Bali. In order for the relationship between product innovation to be real and stronger in marketing performance, the role of competitive advantage and digital marketing is important (Pramuki & Kusumawati, 2021). And research aims to describe efforts to create competitive advantage through marketing performance based on product innovation and promotion in Troso weaving SMEs in Jepara Regency (Arumsari & Marka, 2018).

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### H.2 : Product excellence affects marketing performance
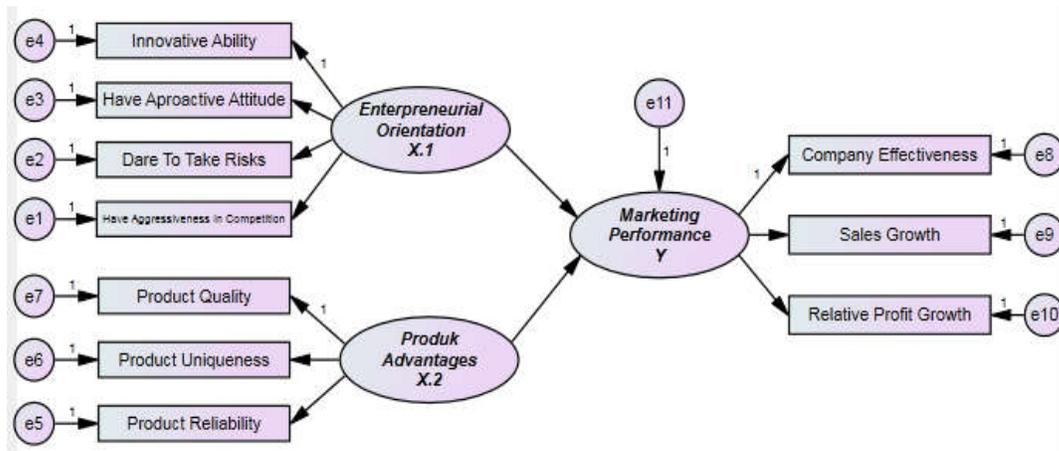
Source: *Data processed by SEM Program AMOS Ver, -2023*
Figure 1. Conceptual Framework of Relationship between Variables and Indicators

III. Research Methods

This research was conducted at Indonesian MSMEs in Saudi Arabia. This location was chosen because Indonesian MSME products in Saudi Arabia have their own characteristics that are favored by several countries in the world. The research objects in this study are customers of Indonesian MSMEs in Saudi Arabia in 8 countries including Indonesia, Malaysia, Pakistan, India, Iraq, Egypt, Iran and Yemen with a focus on marketing performance, entrepreneurial orientation and product excellence. The population in this study is the total number of analyzes whose characteristics can be estimated. In this study, only Indonesian MSME customers in Saudi Arabia in 8 countries including Indonesia, Malaysia, Pakistan, India, Iraq, Egypt, Iran and which amounted to 371,784 people. The sampling technique was carried out with . The sampling technique is carried out by Probability Sampling, namely multistage random sampling or determination of cluster sampling based on the division of an area / region in stages, then randomly taken for each region, the goal is that each sample in an area has the same opportunity to be used as a respondent. That is, any consumer who happens to meet the researcher can be used as a sample. As for determining the number of samples used by researchers using the Slovin Formula in (Sugiyono, 2013).
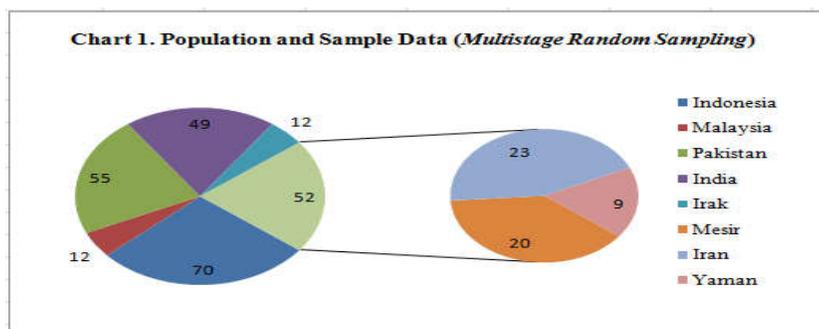

Source: *Respondent Data Processed 8 Countries (N = 250), 2023*

From chart 1 above based on multistage random sampling, the population in 8 countries including Indonesia, Malaysia, Pakistan, India, Iraq, Egypt, Iran and Yemen is 371,784 consumers while the sample size is 250 consumers in 8 countries. Data collection The method used in this study is through distributing questionnaires to consumers of Indonesian MSME products in Saudi Arabia in 8 countries including Indonesia, Malaysia, Pakistan, India, Iraq, Egypt, Iran and Yemen. Data collection in this study used a questionnaire method. Respondents' answers were measured using a 5-point Likert scale. The data analysis technique used is structural equation modeling Structure Equation Modeling (SEM) Amos.

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IV. Results and Discussion

The respondents used in this study have different characteristics or identities according to Chart, including
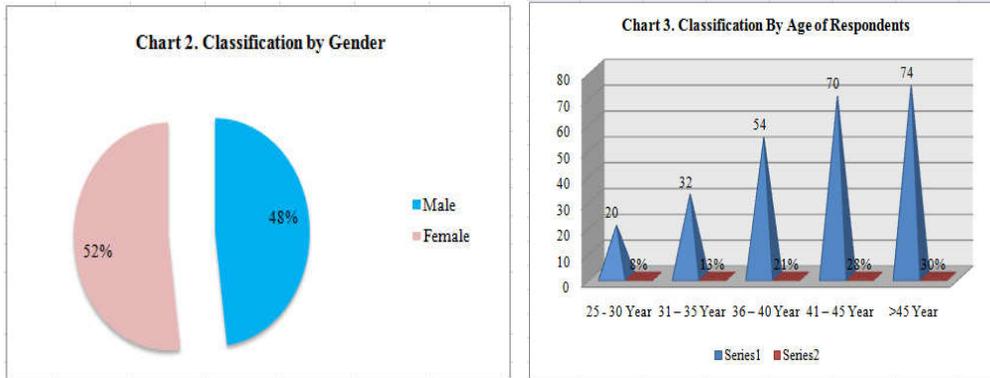
Source: *Data Processed, Respondents of MSME products (N = 250), 2023*

From chart 2, most of the respondents were female as many as 130 or 52% and 120 or 48% were male. Chart 3 above is based on age, 25 to 30 years old by 20 or 8%, 31 to 35 years old by 32 or 13%, 36 to 40 years old by 54 or 21%, 41 to 45 years old by 70 or 28% and over 45 years old by 74 or 30%.
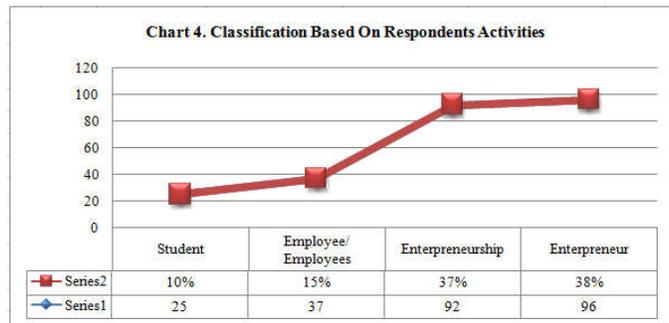
Source: *Data Processed, Respondents of MSME products (N = 250), 2023*

From chart 4, the classification based on respondents' activities is school activities as many as 25 or 10% of respondents, employees and employees as many as 37 or 15% of respondents, entrepreneurs as many as 92 or 37% of respondents and entrepreneurs as many as 96 or 38% of respondents.

Validation Test

Table 2. Validity Test

Correlations

		Enterpreneurial Orientation	Produk Advantages	Marketing Performance
Enterpreneurial Orientation	Pearson Correlation	1	.803**	.767**
	Sig. (2-tailed)		.000	.000
	N	250	250	250
Produk Advantages	Pearson Correlation	.803**	1	.905**
	Sig. (2-tailed)	.000		.000
	N	250	250	250
Marketing Performance	Pearson Correlation	.767**	.905**	1
	Sig. (2-tailed)	.000	.000	
	N	250	250	250

**. Correlation is significant at the 0.01 level (2-tailed).

Source: *Data Processed SPSS Program, Ver, -, 2023 (N = 250)*

Table 2 of the validity test above shows that all question items/statements to measure entrepreneurial orientation variables (X.1), product excellence (X.2) and marketing performance (Y) in this study have a correlation coefficient greater than t-table = 0.650 (t-table value for n = 250). So, it can be concluded that all items in the question/statement indicators of the entrepreneurial orientation variable (X.1), product excellence (X.2) and marketing performance (Y) are valid.

Table 3. Reliability Test

Reliability Statistics

Cronbach's Alpha	N of Items
.925	3

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Enterpreneurial Orientation	66.4160	78.011	.803	.947
Produk Advantages	77.7800	94.678	.903	.862
Marketing Performance	77.7560	88.209	.870	.874

Source: *Data Processed SPSS Program, Ver, -, 2023 (N = 250)*

Table 3 of the reliability test above shows that the questions/statements for the variable item value of entrepreneurial orientation, product excellence and marketing performance have a Cronbach's Alpha value above 0.7 and above the rtable value of 0.103 (r-table value for n = 250) and so it can be argued that the question/statement items for the question/statement variables for the entrepreneurial orientation technology variable, product excellence and marketing performance are suitable for use as data collection tools and as measuring instruments.

Classical Assumption Test

Table 4. Normality Test

One-Sample Kolmogorov-Smirnov Test

		Enterpreneurial Orientation	Produk Advantages	Marketing Performance
N		250	250	250
Normal Parameters[a]	Mean	44.5600	33.1960	33.2200
	Std. Deviation	5.59030	4.29317	4.75711
Most Extreme Differences	Absolute	.095	.090	.107
	Positive	.094	.090	.079
	Negative	-.095	-.066	-.107
Kolmogorov-Smirnov Z		1.510	1.426	1.689
Asymp. Sig. (2-tailed)		.021	.034	.007

a. Test distribution is Normal.

Source: *Data Processed SPSS Program, Ver,-, 2023 (N=250)*

The results in table 6, show that the autocorrelation test above produces a Durbin-Watson value of 1.819. This value is not less than -2 and not more than 2 so it can be concluded that there is no autocorrelation in this study.

Table 7. Determination Coefficient Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.907[a]	.823	.822	2.00933

a. Predictors: (Constant), Produk Advantages, Enterpreneurial Orientation

b. Dependent Variable: Marketing Performance

Source: *Data Processed SPSS Program, Ver, -, 2023 (N = 250)*

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The results of table 7 test the coefficient of determination (R2) and the error variable (e) In calculating the total coefficient of determination obtained of 0.907, it is concluded that 90.7% of the marketing performance variables of Indonesian MSME products in Saudi Arabia in 8 countries including Indonesia, Malaysia, Pakistan, India, Iraq, Egypt, Iran and Yemen are influenced by entrepreneurial orientation and product excellence, while the remaining 9.3% is influenced by other factors not included in the research model or outside the research model.

Table 8. F-Simultaneous Test

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4637.661	2	2318.830	574.337	.000^a
	Residual	997.239	247	4.037		
	Total	5634.900	249			

a. Predictors: (Constant), Produk Advantages, Enterpreneurial Orientation

b. Dependent Variable: Marketing Performance

Source: *Data Processed SPSS Program, Ver, -, 2023 (N = 250)*

Based on table 8 above, simultaneous testing together shows a regression value of 4637.661, residual 997.239, df 2, mean square 2318.830. f value of 574.337 and sig .000 which means that directly together entrepreneurial orientation and product excellence have a significant effect on marketing performance.

Table 9. Partial t-test

Coefficients^a

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
1	(Constant)	-1.021	1.062		-.962	.337		
	Enterpreneurial Orientation	.698	.048	.515	12.566	.004	.356	2.811
	Produk Advantages	.900	.050	.812	18.098	.000	.356	2.811

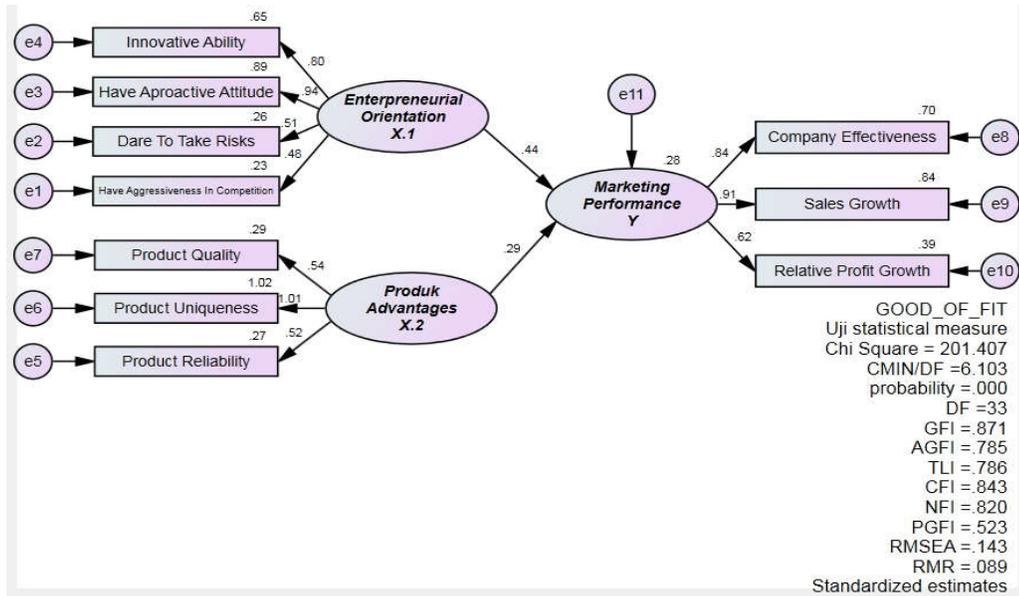a. Dependent Variable: Marketing Performance

Source: *Data Processed SPSS Program, Ver,-, 2023 (N = 250)*

Y1 = 0.515 X1 + 0.812 X2 e1
(1) The entrepreneurial orientation variable has a coefficient of 0.512, which means that entrepreneurial orientation has a significant effect on marketing performance, meaning that if entrepreneurial orientation increases, the impact on marketing performance increases.
(2) The product excellence variable has a coefficient value of 0.812, which means that product excellence has a significant effect on marketing performance, meaning that the more product excellence increases, the marketing performance will increase.

Confirmatory Factor Analysis (CFA) model that has been carried out with the Program (AMOS) obtained the following values

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Covered in Scopedatabase- https://sdbindex.com/Sourceid/00000432, google scholar, etc.
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Source: *Data processed by SEM Program AMOS Ver, -2023*
Figure 2. Initial CFA Exogenous and Endogenous Good of Fit Analysis

In Figure 2, the magnitude of the effect of entrepreneurial orientation and product excellence on marketing performance, each value of the magnitude of influence is obtained from the standard Beta coefficient and the value of each error variable from each structural equation. Based on the path diagram in Figure 2, it can be summarized the calculation of the Goodness of Fit test results of the Structural Model which will be presented in Table 8. below.

Table 10. Initial Stage Structural Model Goodness of Fit Test Results

Goodness Of Fit Index	Cut-Off Value	Result Of Model	Information
Chi square	Expected smaller	201,407	Good
Probability	$\geq 0,05$	0,000	Good
GFI	$\leq 0,90$	0,871	Marginal
AGFI	$\geq 0,90$	0,785	Marginal
CFI	$\geq 0,95$	0,843	Marginal
TLI	$\geq 0,95$	0,786	Marginal
RMSEA	$\geq 0,08$	0,143	Marginal

Source: *SEM Calculation Results AMOS Ver, 2022 (N=250), 2023*

Table 10. shows the summary results of the Goodness of Fit test value of the initial Structural Model which has not found the best model. To achieve the maximum level of Goodness of Fit from Confirmatory Factory Analysis (CFA) from the GFI, AGFI, TLI, CFI, NFI, PGFI and RMSEA values, it is necessary to modify the structural model including: correlation between variables and indicators and elimination of indicators to improve the suitability of the Good of Fit (GoF) model, Confirmatory Factor Anlysis (CFA) Structure Equation Modeling (SEM) (Latan & Temalagi, 2013).
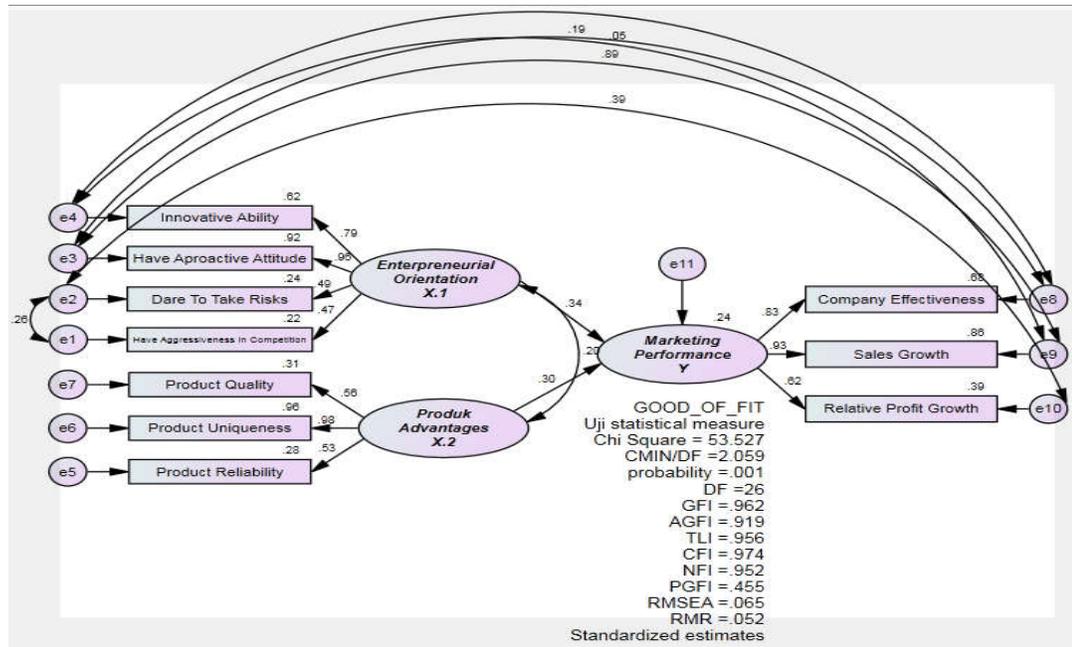
Source: *Data processed by SEM Program AMOS Ver, -2023*

Figure 4. CFA Final Analysis of Good of Fit Exogenous and Endogenous Analysis

Table 11. Goodness of Fit Test Results of the Initial Stage Structural Model

Goodness Of Fit Index	Cut-Off Value	Result Of Model	Information
Chi square	Expected smaller	53,527	Very Good
Probability	≤ 0,005	0,001	Good
GFI	≥ 0,90	0,962	Very Good
AGFI	≥ 0,90	0,919	Very Good
CFI	≥ 0,95	0,974	Very Good
TLI	≥ 0,95	0,956	Very Good
RMSEA	≤ 0,08	0,065	Very Good

Source: *SEM Calculation Results AMOS Ver, 2022 (N = 250), 2023*

Based on Table 11, the chi square value is 53.527 with a probability of $0.001 ≤ 0.005$, the RMSEA value is $0.065 ≤ 0.08$, the TLI value is $0.965 < 0.95$, the CFI value is $0.974 > 0.95$, the GFI value is $0.962 > 0.90$ and AGFI is $0.919 > 0.90$ and the loading factors are all above 0.5. Thus indicating that this model fit test results in a good acceptance where all suggested model fit parameters have been met (Hair, Anderson, Tatham & Black, 2018). Thus, the model is firmly stated that the covariance or correlation matrix of the analyzed data sample is in accordance with the population covariance or correlation matrix estimated in the proposed model.

Table 12. Regression Analysis

Path	Estimate	S.E	C.R	P	Label
Y ← X.1	.354	.089	3,992	***	Par-8
Y ← X.2	.448	.109	4,128	***	Par-9

Source: *SEM Calculation Results AMOS Ver,- (N=382), 2023*

Hypothesis Test
Hypothesis 1
Based on hypothesis testing, it is evidenced by the t-value of 3.992> 1.96 with a significance P-Value of $0.000 <0.05$ (5%), this shows that entrepreneurial orientation has a significant effect on marketing performance, which means that the first hypothesis is accepted.

Hypothesis 2
Based on hypothesis testing, it is evidenced by a t-value of 4.128> 1.96 with a significance P-Value of 0.000 <0.05 (5%), this indicates that product excellence has a significant effect on marketing performance, which means that the second hypothesis is accepted.

Discussion
Entrepreneurial Orientation Affects Marketing Performance
The results showed that entrepreneurial orientation directly (direct effect) affects the marketing performance of Indonesian MSME products in Saudi Arabia with a loading factor value of 0.335 with a path coefficient of 0.354 with a t-value of 3.992> 1.96 with a p-value <0.005. This means that if entrepreneurial orientation will be functioned, it will affect marketing performance. The achievement of marketing performance is inseparable from how entrepreneurial orientation is carried out by entrepreneurs of Indonesian MSME products in Saudi Arabia. Where entrepreneurial orientation through innovative abilities, having a proactive attitude, taking risks and having aggressiveness in competing Indonesian MSME product entrepreneurs in Saudi Arabia. If you look at the research results which show that entrepreneurial orientation affects marketing performance, then entrepreneurs of Indonesian MSME products in Saudi Arabia by improving marketing performance through company effectiveness, sales growth and relative profit growth.

The initial Confirmatory Factor Analysis (CFA) results of entrepreneurial orientation variables consist of indicators of innovative ability, having a proactive attitude, taking risks and having aggressiveness in competition. Marketing performance variables consist of indicators of company effectiveness, sales growth and relative profit growth. In line with research conducted by Keh, Nguyen & Ng. (2007) The results show that entrepreneurial orientation plays an influential role in the acquisition and utilization of marketing information, and also has a direct effect on firm performance. Utilization of information regarding marketing mix decisions (particularly Promotion and Place elements) positively affects firm performance, and partially mediates the relationship between entrepreneurial orientation and firm performance. Implications and future research directions are discussed.

The final Confirmatory Factor Analysis (CFA) results and hypothesis results of entrepreneurial orientation variables consist of indicators of innovative ability, having a proactive attitude, taking risks and having aggressiveness in competition and marketing performance variables with indicators of firm effectiveness, sales growth and relative profit growth. This confirms that in improving the marketing performance of an Indonesian MSME product in Saudi Arabia, it is necessary to look at the entrepreneurial orientation variable with its inherent indicators. In line with the findings show that entrepreneurial orientation mediated by market sensing can certainly be applied in tourism-based SMEs. In addition, marketing resource flexibility and organizational learning have a significant influence on market sensing and marketing performance by (Santra, 2018). Furthermore, how does organizational entrepreneurial orientation moderate the interaction between market orientation and marketing subunit influence on firm performance. The hypothesized model predicts that the positive interaction between market orientation and marketing subunit influence has a weaker effect on firm performance under conditions of high entrepreneurial orientation by (Merlo & Auh, 2009). As well as the influence of market orientation and entrepreneurial orientation on marketing performance so that the variable of competitive advantage is added to bridge the gap. The results showed that entrepreneurial orientation has a significant effect on competitive advantage. Market orientation has a significant effect on marketing performance. Entrepreneurial orientation has a significant effect on marketing performance. Competitive advantage has a significant effect on marketing performance by (Wahyudi, Rakib & Romansyah, 2021).

Product Excellence Affects Marketing Performance
The results showed that product excellence directly (direct effect) had an effect on the marketing performance of Indonesian MSME products in Saudi Arabia with a loading factor value of 0.303 with a path coefficient of 0.448 with a t-value of 4.128> 1.96 with a p-value <0.005. This means that if product excellence will be functioned, it will affect marketing performance. The achievement of marketing performance is inseparable from how the product excellence of Indonesian MSMEs through product quality, product uniqueness and product reliability of Indonesian MSMEs in Saudi Arabia. If you look at the research results which show that product excellence affects marketing performance, then Indonesian MSME products in Saudi Arabia by improving marketing performance through company effectiveness, sales growth and relative profit growth.

The initial Confirmatory Factor Analysis (CFA) results of product excellence variables consist of indicators of product quality, product uniqueness and product reliability. Marketing performance variables consist of indicators of company effectiveness, sales growth and relative profit growth. In line with research conducted by Puspaningrum. (2020) where the results showed that the performance of SMEs will increase

if they can carry out processes and activities related to creating and satisfying customer needs. In addition, market-oriented SMEs contribute to competitive advantage by creating product uniqueness, product quality, and competitive prices, which ultimately affect SME performance. In order to improve the performance of SMEs, efforts must be made to develop marketing strategies, such as paying attention to market orientation, focusing on customer orientation, competitor orientation, and inter-functional coordination, as well as developing or innovating new products.

The final Confirmatory Factor Analysis (CFA) results and hypothesis results of product excellence variables consist of indicators of product quality, product uniqueness and product reliability and marketing performance variables with indicators of company effectiveness, sales growth and relative profit growth. This confirms that in improving the marketing performance of an Indonesian MSME product in Saudi Arabia, it is necessary to look at the variable selling value of product excellence abroad, especially in Saudi Arabia with all the indicators inherent in it. In line with the research that there is a direct influence relationship between product innovation, competitive advantage and digital marketing relationship with SME marketing performance, then digital marketing is able to strengthen the relationship of product innovation in improving the marketing performance of SMEs in Bali. In order for the relationship between product innovation to be real and stronger in marketing performance, the role of competitive advantage and digital marketing is important by (Pramuki & Kusumawati, 2021). Then research on competitive advantage through marketing performance based on product innovation and promotion in Troso weaving SMEs in Jepara Regency. The results showed that product innovation as measured by three indicators including product lines, new products, and imitation products had a positive and significant effect on marketing performance. Promotion as measured by six indicators including advertising, personal selling, sales promotion and publicity proved to have a positive and significant effect on marketing performance. Marketing performance as measured by three indicators including profit targets, customer growth, and sales turnover has a positive and significant impact on competitive advantage by (Arumsari & Marka, 2018).

V. Conclusions And Suggestions

Conclusion

Based on the test results and discussion above, the conclusion of this study is that entrepreneurial orientation directly (direct effect) has a significant effect on the marketing performance of Indonesian MSME products in Saudi Arabia, entrepreneurial orientation variables with indicators of innovative ability, have a proactive attitude, dare to take risks and have aggressiveness in competing are proven both in questionnaires and in the field conducted on Indonesian MSME entrepreneurs in Saudi Arabia. Product excellence directly (direct effect) has a significant effect on the marketing performance of Indonesian MSME products in Saudi Arabia, product excellence variables with indicators of product quality, product uniqueness and product reliability. It is concluded that the variables of entrepreneurial orientation and product excellence are proven to improve marketing performance with good company effectiveness, increased sales growth and relative profit growth running continuously for Indonesian MSME products in Saudi Arabia.

Suggestion

Based on the research results and conclusions that have been described, there are several suggestions in terms of entrepreneurial orientation with indicators of taking risks that need special attention so that entrepreneurs of Indonesian MSME products are quick and precise in making decisions regarding products that will be marketed abroad and indicators of having aggressiveness in competing, especially Indonesian MSME products in winning product competition abroad. In terms of product excellence with product quality indicators, it needs to be maintained or at least further improved, indicators of product uniqueness need to be re-evaluated so that the copyright ownership of typical products from the Indonesian state is preserved and its uniqueness is further enhanced which encourages increased sales abroad, as well as indicators of the reliability of Indonesian products need to be maintained so that their product durability is not quickly damaged when used or used.

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excellence which can directly contribute to the marketing performance of Indonesian MSME products abroad.

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