THE INFLUENCE OF MARKET ORIENTATION AND ENTREPRENEURSHIP ORIENTATION ON MODERATED COFFEE SHOP PERFORMANCE (M) SOCIAL MEDIA IN COFFEE SHOP IN JAMBI CITY

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Abstract

This research aims to analyze the influence of Market Orientation and Entrepreneurship Orientation on Coffee Shop Performance, with Social Media as a moderating variable. This research was conducted at 49 Coffee Shops in Jambi City, using a questionnaire to collect data. The analysis tool used is SmartPLS. The research results show that Market Orientation has no significant effect on Coffee Shop Performance, with a T-statistics value of 0.059 and a P-value of 0.477. On the other hand, Entrepreneurial Orientation positively and significantly influences Coffee Shop Performance, with a T-statistics value of 1.797 and a P-value of 0.036. Social Media has also been proven to positively and significantly influence Coffee Shop Performance, with a T-statistics value of 2,276 and a P-value of 0.011. In addition, this research found that Social Media does not moderate the influence of Market Orientation on Coffee Shop Performance, with a T-statistics value of 0.039 and a P-value of 0.484. However, Social Media moderates the influence of Entrepreneurial Orientation on Coffee Shop Performance, with a T-statistics value of 2.019 and a P-value of 0.022. These findings indicate that Entrepreneurial Orientation and the use of Social Media are important in improving Coffee Shop Performance. Therefore, Coffee Shop owners are expected to increase their entrepreneurial orientation and utilize social media more effectively to achieve better performance

Keywords: Market Orientation, Entrepreneurship Orientation

Introduction

New cultural phenomena are also developing and inventive and creative products emerge. People gather in one place to spend time in their free time. Today's teenagers have adopted this culture, preferring to spend their free time socializing with their surroundings and gathering with friends to share stories and have fun to relieve fatigue.

However, as the business world develops, coffee shops have now become a favorite place to gather. And also coffee shops have become a lifestyle for coffee lovers. The lifestyle of enjoying a cup of coffee in a cafe is now not only liked by teenagers but now also older people. They are willing to spend more money to get a cup of coffee plus the concept and atmosphere of a comfortable cafe and supporting facilities.

According to the international coffee organization (2023), it is stated that currently coffee development in Indonesia has increased compared to last year and eggplant has experienced quite significant progress. Several regions in Indonesia are known as the world's best coffee producers. Therefore, Indonesia is one of the largest coffee producers in the world.

Indonesia is ranked second in Asia in producing coffee. This high production creates an opportunity for business actors to produce coffee-based drinks because coffee drinks have become a lifestyle habit for several groups. This large coffee consumption has resulted in the rise of coffee shops.

The number of coffee shops in Indonesia has tripled, and this trend is expected to continue. Based on the number of locations currently owned, Toffin projects that Indonesian coffee shops will generate total revenue of IDR 4.8 trillion. Technological advances have had a significant impact on the culinary sector, one of which is coffee. Moreover, society's increasingly modern and fast-paced life is an opportunity for coffee business people to take advantage of this moment (Arfadia Agency, 2023).

There are more than 48 coffee shops in Jambi City, both with franchise and self-ownership status and business permits, but only 48 of them are officially registered, according to data from the Jambi City Department of Manpower, Cooperatives and Small and Medium Enterprises in 2022. The rest are coffee shops not yet included in the data collection of the Jambi City Tourism and Culture Office.

This phenomenon is determined by the number of successful businesses in entrepreneurship. In recent decades, the relationship between entrepreneurial orientation and firm performance has become an interesting area of study. Product innovation, risk taking, and proactive innovation are part of an entrepreneurial mindset that aims to surpass competitors (Octavia et al., 2019).

Literature Review

According to Hasanah, (2015) entrepreneurship is the ability to think creatively and behave innovatively which is used as a basis, resource, driving force, goals, strategies, tips and processes in facing life's challenges. Entrepreneurial behavior is not only found in the business context, but also in all organizations and professions, both franchise and non-profit such as education, health, research, law, architecture,

engineering, social work and distribution. Meanwhile, according to Ataei et al., (2024), entrepreneurship is the process of recognizing entrepreneurial opportunities consisting of five sub-processes, including Knowledge, Competitive, Proactive, Innovative Behavior and Collective Action. Where Knowledge is related to the collection of information about customers, technology, products, finance, etc., and its conversion into company knowledge.

Market Orientation

According to Kevin et al., (2020), Market Orientation helps customer satisfaction scores. This is in line with the marketing concept which sees it as integrating value exploration with the aim of building long-term, mutually satisfying relationships and the foundation is strong customer relationships. Meanwhile, according to Gani et al., (2023), market orientation is manifested in situations and investigates variables that might influence the company's ability to carry out long-term survival.

According to Ngo, (2023) said that market orientation has 3 dimensions, namely, consumer orientation, competitor orientation, and inter-functional coordination. Therefore, to better understand market orientation, this research aims to find out whether market orientation has an effect on performance. Therefore, the following hypothesis is formulated:

Entrepreneurial Orientation

According to Kraus et al., (2023), entrepreneurial behavior is a person's ability to think, analyze and conclude something based on a certain point of view. So entrepreneurial orientation is the ability of an organization to respond to every challenge and take advantage of opportunities very effectively with the individual's entrepreneurial orientation being strong or vice versa.

Entrepreneurial orientation may be similar to market orientation, but most entrepreneurial orientations are driven by untapped market opportunities while other orientations emphasize customers and competitors. A proactive entrepreneur actively seeks new opportunities, techniques, products, or services to beat competition and anticipate changes in the business environment in the future (Yacob et al., 2021).

According to Cho & Lee, (2018) there are 3 dimensions of Entrepreneurial Orientation, namely, Proactivity, Innovation, and Risk Taking. Therefore, to better understand entrepreneurial orientation, this research aims to determine whether entrepreneurial orientation influences performance. Therefore, the following hypothesis is formulated:

Social Media

Social media is a reputation economy. Whether planning a campaign that will be implemented entirely on social media or a campaign in which social media is one component of an integrated marketing communications campaign, understanding the needs, beliefs and behavior of the target market is key (Tuten et al., 2022).

Social media strategy is "a set of principles and objectives that direct and influence a company's activities on social media to improve performance" (Dutot, 2016). Chris Heuer stated that there are four approaches to using social media, namely, Context, Communication, Collaborations, and Connection.

Market Performance

Business performance is basically the process of identifying and optimizing business elements that enable increased business performance. The idea here is to continually improve business processes and enable proactive management to ensure that we meet business measurement needs and objectives (Wasim et al., 2024).

Market Performance is the achievement of organizational goals that can be seen from its business performance. And business performance is seen from the company's effectiveness in terms of time costs, quality and quantity. This can be measured through profitability, one of which is that innovation influences business performance (Wahyono & Hutahayan, 2021)

According to (Tuan et al., 2016) stated that there are 3 indicators supporting market performance, namely, production performance, market performance, and financial performance.
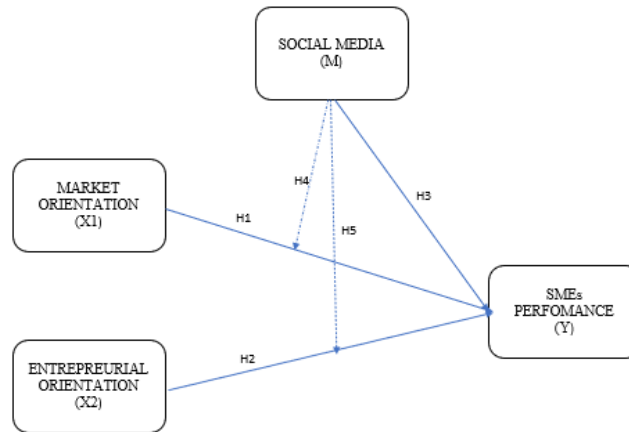
Figure 1 . Proposed Conceptual Framework

Methods

According to Sekaran, (2022) that population is a group of elements that can later be claimed by researchers. A sampling strategy in which relevant characteristics of the population under study and their overall presence in the population are identified. According to Sekaran, (2022) there are two sampling techniques, namely probability sampling and non-probability sampling. Where Probability Sampling is a sampling dependent on probability theory and involves the use of any strategy in which the sample is selected in such a way that each element in the population has a known, non-zero chance of being selected.

The characteristics of respondents in this research are the influence of market orientation and entrepreneurial orientation on coffee shop performance in Jambi City. The number of questionnaires distributed was 49 questionnaires. Of all the questionnaires distributed by researchers, the number that was returned. The high return rate (of respondents) of 100% was due to the questionnaire being distributed directly to respondents by directly visiting the Coffee Shop in Jambi City. The number of questionnaires that can be processed is 49 questionnaires.

The primary data collection tool in survey research is a questionnaire. Questionnaires are the main data collection tool in survey research. Questionnaires are also referred to as survey instruments. Creating and delivering questionnaires to respondents is a very complicated process, and is discussed in detail. Data is collected directly for further analysis to find solutions to the problems studied (Patricia Leavy 2022).

According to Hair et al., (2020) Partial Least Squares (PLS) is a statistical procedure for estimating a system of equations simultaneously which is known as Structural Equation Modeling (SEM). This estimation procedure allows researchers to capture the "complex multivariate world" in a system of equations that makes research possible. reciprocal relationship between one or more dependent variables and several independent variables.

Once the data from the questionnaire was collected, it was analyzed using Structural Equation Modelling (SEM) with the assistance of SMARTPLS 4 software. Furthermore, the author employed descriptive analysis by providing a methodical description to elucida te the overall impact of green marketing on the intention to make environmentally conscious purchases of Love Beauty and Planet products. The verification approach was also employed to examine the correlations among the aforementioned variables

Result and Discusssion
Demographics

Respondent characteristics refer to the diverse backgrounds that respondents have. This research focuses on collecting information about the respondent's background, including type of address, length of existence, and monthly income. The results obtained are displayed in Table 1.

**Table. 1** Respondent characteristics

Details	Frequency	Percentage (%)
Long time the Coffee Shop has been established :		
a) 1 - 5 years	35	71 %
b) 6 – 10 years	12	25 %
c) ≥ 10 years	2	4 %
Amount	49	100 %
Number of employees		
a) 1 – 5 people	17	35 %
b) 5 – 10 people	23	47 %
c) ≥ 10 people	9	18 %

Amount	49	100 %
Monthly turnover		
	10	20 %
a) 20 – 30 million	22	45 %
b) 30 – 40 million	17	35 %
c) ≥ 40 million		
Amount	49	100 %

There were 35 respondents who had established coffee shops for less than 5 years with a percentage of 71%. Meanwhile, there are 12 Coffee Shops that have been established for 6 to 10 years with a percentage of 25%. And then there are 2 Coffee Shops that have been established for ≥ 10 years with a percentage of 4%. Based on the number of employees, namely less than 5 people, there are 17 Coffee Shops with a percentage of 35%. Meanwhile, there are 23 Coffee Shops with 5-10 employees with a percentage of 47%. And then the small number of employees, namely more than ≥ 10 people, totals 9 Coffee Shops with a percentage of 18%. Based on the monthly turnover, that is the monthly turnover from IDR 20,000,00 to IDR 30,000,000,- totaling 10 Coffee Shops with a percentage of 20 %. Meanwhile, Coffee Shops with an annual turnover of IDR 30,000,000 to IDR 40,000,000 total 22 Coffee Shops with a percentage of 45%. And then the annual turnover is ≥ IDR 40,000,000,- amounting to 17 Coffee Shops with a percentage of 35%.

Measurement Model Assessment

Based on the results of data processing using SmartPLS 4.O, the results for validity testing are based on 3 references, namely Convergent Validity, Average Variance Extracted (AVE) and Discriminant Validity. The results of the analysis using SmartPLS are presented in the following figure 2:
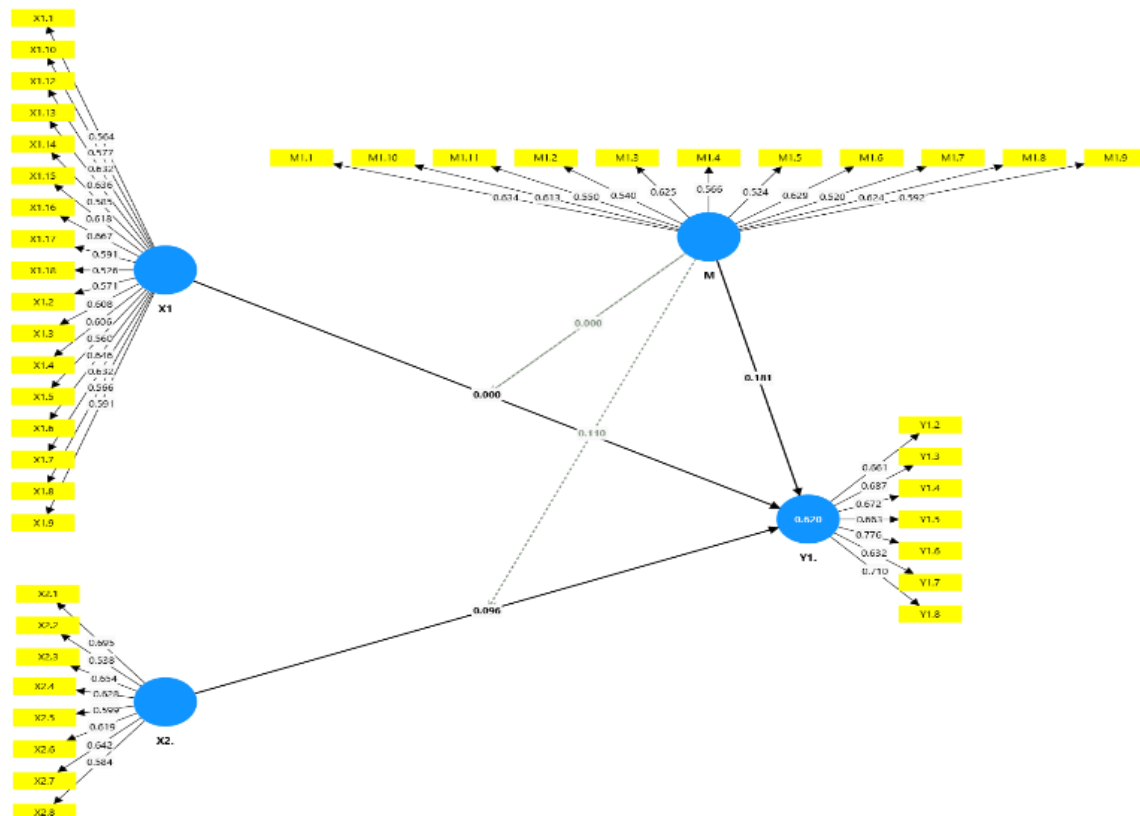
Figure 2. Outer Model (Convergent Validity Test Results)

Table 2 . Average Variance Extracted and Discriminant Validity

Variable	AVE	*Discriminant Validity*
Social Media	0,642	0,851
Market Orientation	0,760	0,905
Entrepreneurial Orientation	0,686	0,834
SME Performance	0,673	0,862

The figures for Average Variance Extracted (AVE) which are used to determine the average variation in indicators in each homogeneous variable in the research show above 0.50. Even though there is one variable that is at this threshold, it can be said to have met the requirements. In other words, the data collected meets

the requirements of being homogeneous. Based on the table above, it is known that the Descriminant Validity figure is above 0.50 so that all variables are declared valid.

Result of Structural Model

The evaluation process primarily centers around analyzing the structure path of path coefficients, which represent the relationships between variables, and determining their statistical significance. Prior to conducting the evaluation, a research model is developed and displayed in figure 1. The calculation is conducted with bootstrapping method with 5000 subsamples and 0.05 significance level.
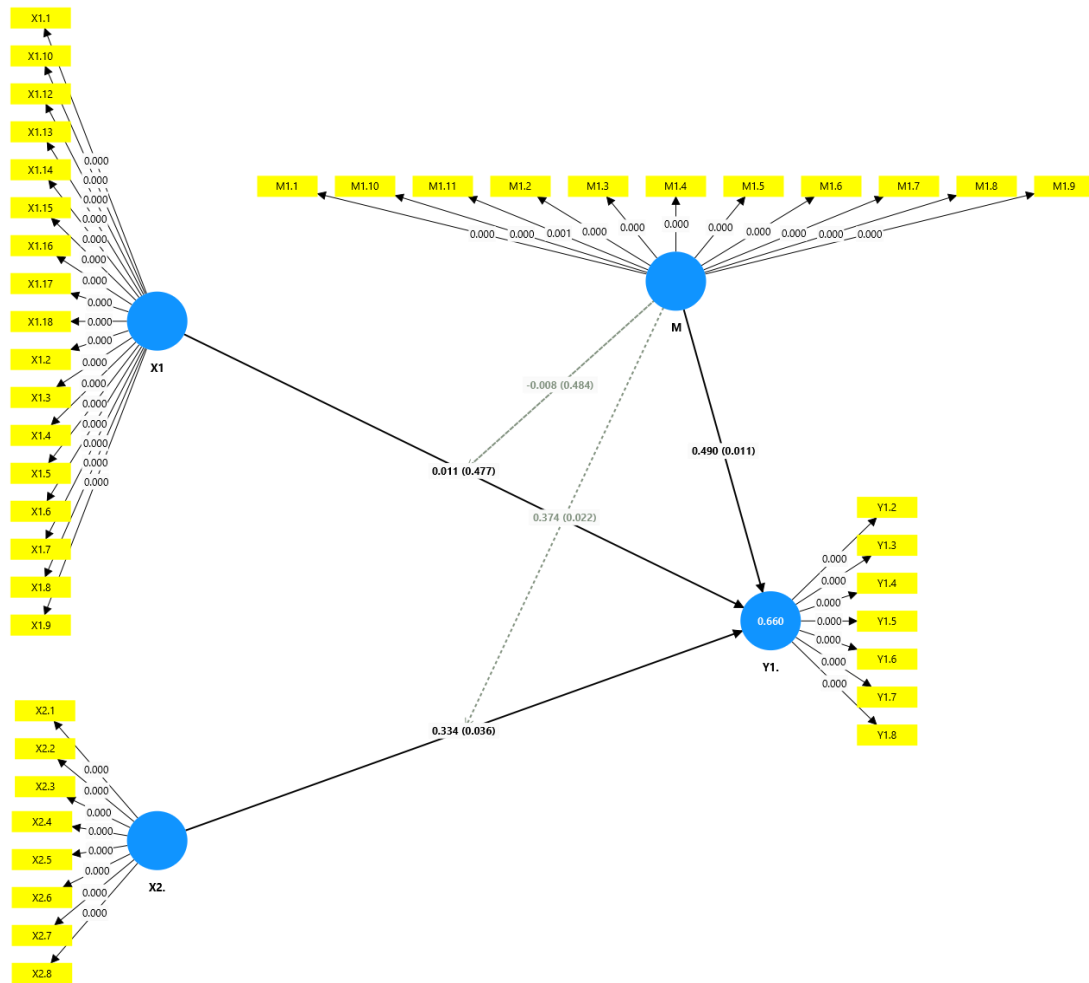

Figure 3. bootstrapping

The Market Orientation variable obtained a T-statistic value of 0.059, a P value of 0.477 and an original sample value of 0.011. The research results identified that the first hypothesis, namely Market Orientation on Coffee Shop Performance, had positive and insignificant results, thus the first hypothesis was rejected. The Entrepreneurial Orientation variable obtained a T-statistic value of 1.797, a P value of 0.036, and an original sample value of 0.334. The research results identified that the second hypothesis, namely the influence of entrepreneurial orientation on Coffee Shop Performance, had positive and significant results, so the second hypothesis was accepted. The Social Media variable obtained a T-statistic value of 2.276, a P value of 0.011, and an original sample value of 0.490. The research results identified that the third hypothesis, namely the influence of Social Media on Coffee Shop Performance, had positive and significant results, so the third hypothesis was accepted. The Market Orientation variable moderated by Social Media obtained a T-statistic value of 0.039, a P value of 0.484, and the original sample value is -0.008. The research results identified that the fourth hypothesis, namely the influence of market orientation on coffee shop performance which is moderated by social media, does not have a significant role, so the fourth hypothesis was rejected. The entrepreneurial orientation variable which was moderated by social media obtained a T-statistic value of 2.019, P value. value is 0.022, and the original sample value is 0.374. The research results identified that the fifth hypothesis, namely the influence of Entrepreneurial Orientation on Coffee Shop Performance which is Moderated by Social Media, had positive and significant results, thus the fifth hypothesis was accepted.

Table 3. Bootsrapping and Hyopothesis Test Result

Hypothesis	Original Sample	Sample mean	Standard Deviation	T Statistics	95% Confidence Interval of Path Coefficient		P Values	Info.
					lower limit	Upper limit		
Social Media (M) > SME Performance (Y)	0,490	0.501	0.215	2.276	0.140	0.850	0.011	Accepted
Market Orientation (X1) > SME Performance (Y)	0,011	0.026	0.186	0.059	-0.285	0.316	0.477	Rejected
Entrepreneurial Orientation (X2) > SME Performance (M)	0,334	0.501	0.186	1.797	0.033	0.644	0.036	Accepted
Market Orientation (X1) > Social Media (M) > SME Performance Y)	-0,008	0.000	0.216	0.039	-0.350	0.353	0.484	Rejected
Entrepreneurial Orientation (X2) > Social Media (M) > SME Performance (M)	0,374	0.350	0.185	2.019	0.050	0.662	0.022	Accepted

Discussion

The results of the research show that market orientation does not have a significant influence on coffee shop performance. This may be due to a lack of effective adaptation to market changes or limitations in understanding customer needs. These results are the same as previous research conducted by (Mutiara et al., 2023) examining the influence of product innovation in moderating the influence of market orientation on SME performance with the research object of craft SMEs in Bali, with research results showing that the influence of positive market orientation is not significant on SME Performance. Entrepreneurial orientation shows a positive and significant influence on coffee shop performance. This shows that innovation, proactivity and high risk taking can improve business performance. This proves that there is an influence on Entrepreneurial Orientation on Coffee Shop Performance in Jambi City. This result is supported by Octavia et al., (2019) who says that entrepreneurial behavior is a person's ability to think, analyze and conclude something based on a certain point of view.

Social media has a positive and significant influence on coffee shop performance. This emphasizes the importance of using social media as an effective marketing and communication tool.

This proves that there is an influence on Social Media on the Performance of Coffee Shops in Jambi City. These results are supported by Dutot, (2016) Social media strategy is "a set of principles and goals that direct and influence a company's activities on social media to improve performance. Social media orientation is a concept and goal that aims to improve describing the strategic focus of business on social media (Yacob et al., 2021).

However, social media does not moderate the influence of market orientation, but moderates the influence of entrepreneurial orientation on coffee shop performance. This suggests that social media can strengthen the relationship between entrepreneurship and business performance.

Conclusion

This research aims to examine the influence of market orientation and entrepreneurial orientation on coffee shop performance with social media as a moderating variable. Based on data analysis carried out using SmartPLS, several important findings were obtained as follows: Influence of Market Orientation on Coffee Shop Performance: Market orientation does not have a significant influence on coffee shop performance. This is shown by the T-statistics value of 0.059 and the P-value of 0.477. This shows that although market orientation is important, in the context of coffee shops in Indonesia, this variable does not directly improve business performance. The Influence of Entrepreneurial Orientation on Coffee Shop Performance: Entrepreneurial orientation has a positive and significant influence on coffee shop performance. The T-statistics value obtained was 1.797 with a P-value of 0.036. These findings indicate that innovation, proactivity and risk taking which are part of entrepreneurial orientation can improve coffee shop performance.

Influence of Social Media on Coffee Shop Performance: Social media also shows a positive and significant influence on coffee shop performance with a T-statistics value of 2.276 and a P-value of 0.011. This emphasizes the importance of using social media in coffee shop marketing and communication

strategies. Moderation of Social Media on the Effect of Market Orientation on Coffee Shop Performance: Social media does not moderate the influence of market orientation on coffee shop performance. This is shown by the T-statistics value of 0.039 and the P-value of 0.484. Social Media Moderation on the Influence of Entrepreneurial Orientation on Coffee Shop Performance: Social media moderates the influence of entrepreneurial orientation on coffee shop performance with a T-statistics value of 2.019 and a P-value of 0.022. This suggests that social media can strengthen the relationship between entrepreneurial orientation and business performance.E-WOM (Electronic Word of Mouth) does not have a positive and significant effect on Intention to Visit which is mediated by Destination Image. This means that E-WOM (Electronic Word of Mouth) regarding Visiting Intentions mediated by Destination Image (especially the Rawa Bento Tourist Attraction) has not been able to attract tourists' interest in visiting. A good destination image will be a strength for a destination to get visits from tourists.

Limitations and further research

Suggestions Based on research findings, there are several suggestions that can be given. Theoretical Suggestions Theory Development: This research adds to understanding of how entrepreneurial orientation and social media can influence coffee shop performance. Future researchers could explore other variables that might moderate this relationship, such as technological innovation or service quality. Practical Implications: The results of this research can be used by academics and practitioners to understand the importance of entrepreneurial orientation and social media in improving coffee shop business performance. Practical Advice for Coffee Shop Owners: Coffee shop owners are advised to increase entrepreneurial orientation in their operations, including increasing innovation, proactivity and risk taking. Apart from that, the use of social media must be optimized as an effective marketing and communication tool.

For Investors: Investors may consider investing in coffee shops that have a strong entrepreneurial orientation and actively use social media, as these factors are proven to improve business performance.

For the Culinary Industry: The culinary industry as a whole can benefit from the results of this research by encouraging entrepreneurial practices and the use of social media to increase competitiveness and business performance. Suggestions for the Culinary Industry to Increase Innovation: The culinary industry, including coffee shops, needs to continue to innovate in products and services to attract and retain customers.

Digital Marketing Strategy: Leveraging social media should be an integral part of the marketing strategy to reach a wider audience and build a loyal customer community.

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