Innovation Orientation, Self-Motivation, and Marketing Communication: Their Role in Supporting the Marketing Performance of Women Entrepreneurs in Micro, Small, and Medium Enterprises

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ABSTRACT

Background: The marketing landscape in the context of micro, small, and medium enterprises (MSMEs) has witnessed profound transformations driven by innovation, self-motivation, and marketing communication strategies. Understanding the intricate interplay of these factors is essential to empowering and uplifting women entrepreneurs within this sector, fostering their marketing success and economic contributions. This study aims to examine the relationship between innovation orientation, self-motivation, marketing communication, and marketing performance among women entrepreneurs. Method: The empirical analysis was conducted using a sample of 130 women entrepreneurs in micro, small, and medium enterprises. This study used an online survey for data collection. After passing reliability and validity tests, the data were analyzed with partial least squares structural equation modeling. Results: The research results indicate that innovation orientation has a significant positive direct influence on marketing communication. Innovation orientation also has a significant direct positive influence on marketing performance. Furthermore, self-motivation has a significant positive direct influence on marketing performance. Finally, self-motivation also has a significant positive influence on marketing performance. Conclusion: This study illuminates the pivotal roles of innovation orientation, self-motivation, and marketing communication in bolstering the marketing performance of women entrepreneurs in micro, small, and medium enterprises (MSMEs). The findings underscore the multifaceted nature of these influences, emphasizing the need for tailored strategies and support mechanisms to empower women entrepreneurs in their marketing endeavors, ultimately contributing to the growth and sustainability of MSMEs.

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1. INTRODUCTION

Micro, small, and medium enterprises (MSMEs) constitute a vibrant sector of the global economy, contributing significantly to employment generation and economic growth. Within this sector, women

entrepreneurs are making increasingly substantial contributions, breaking gender barriers, and expanding their presence in various industries. To understand and harness the potential of women entrepreneurs in MSMEs, it is imperative to delve into the factors that propel their marketing performance. There is evidence from developing countries and emerging markets that demonstrates the significant contribution of women entrepreneurs in advancing businesses economically, socially, and ecologically (Ambepitiya, 2016; Basit, Hassan, & Sethumadhavan, 2020).

The combination of innovation orientation and marketing communication is of utmost importance for MSMEs in supporting marketing performance and creating a competitive advantage. This synergy leads to sustainable growth and success in an increasingly competitive business landscape, thus strengthening the role of MSMEs as significant contributors to the broader economy. Innovation orientation and marketing communication are essential elements in determining the marketing performance of MSMEs. Innovation orientation and marketing communications are important elements in determining the marketing performance of MSMEs [3]. Apart from that, self-motivation plays a key role that should not be ignored by female entrepreneurs. In the ever-changing and competitive business world, high levels of motivation not only empower women entrepreneurs to overcome obstacles and achieve their goals but also act as a catalyst to improve the marketing performance of their businesses.

Some findings from previous research have shown that innovation orientation, marketing communication, and self-motivation can enhance the marketing performance of SMEs (Dewi et al., 2023; Afriyie, Du, & Ibn Musah, 2019; Acquaah & Agyapong, 2015). According to Agyapong, Agyapong, & Poku (2017), SME performance is undeniably linked to the innovative abilities of both the company as a whole and the individuals within it. Furthermore, Erlangga, Purwanti, Setiawati, Hindarsah, & Riadi (2023), found that motivation factors play a crucial role in improving marketing performance in terms of revenue growth. However, there are different findings from some prior studies. According to Moen, Heggeseth, & Lome (2016), motivation has a non-significant impact on marketing performance in terms of export revenue growth. Furthermore, Prifti & Alimehmeti (2017), innovation has a non-significant impact on firm performance. Therefore, this study examines the relationship between innovation orientation, marketing communication, self-motivation, and marketing performance to provide further insights into the research area.

2. RESEARCH METHOD

This study employs a quantitative research methodology, where the population encompasses all objects or subjects in a specific area that adhere to the predefined criteria associated with the research issue. Subsequently, conclusions are derived from the entire group of individuals falling within the research's purview [10]. The population in this study were all female entrepreneurs in North Luwu Regency, Indonesia. Given the uncertainty surrounding the complete sampling framework in this research, as well as the difficulty in ascertaining the total number of respondents, the application of probability sampling methods to obtain a random and representative sample is not feasible. Therefore, non-probability sampling techniques were employed to gather data in this study. [11], suggest the use of non-probability samples when the number of respondents is extensive and not counted. The sample size is determined based on the minimum sample size, which is ten times the number of measurement items specified in the research [12]. This study has 12 measurement indicators, so the minimum sample required is 10 x 12 = 120. Thus, the minimum sample size needed for this study is 120 samples. The total number of questionnaires returned in this study is 130 samples, which exceeds the minimum sample size requirement. Quantitative research relies significantly on measurement items and scales, which can significantly influence the research outcomes. This study utilizes measurement items from prior empirical studies (Table 1). For data collection, online questionnaires were distributed to respondents through social media using the snowball sampling method. The twelve items related to innovation orientation, self-motivation, marketing communication and marketing performance use a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Table 1. Measurement Items

Construct	Loadings
Innovation orientation (IO). Adapted from [13] [3]; alpha = 0.814; CR = 0.838; AVE = 0.634	
Research-based innovation (IO1)	0.852
Seeking innovative ideas (IO2)	0.756
Embracing innovation (IO3)	0.777
Self-motivation (SM). Adapted from [14] [15] Sapta dan Rubel; alpha = 0.824; CR = 0.835; AVE = 0.629	
Atmosphere (SM1)	0.715
Rewards (SM2)	0.819
Treatment (SM3)	0.840

Construct	Loadings
Marketing communication (MC). Adapted from [13]; alpha = 0.814; CR = 0.829; AVE = 0.622	
Message consistency (MC1)	0.638
Interactivity (MC2)	0.874
Strategic Focus on the Stakeholders (MC3)	0.832
Marketing performance (MP). Adapted from [13]; alpha = 0.836; CR = 0.855; AVE = 0.663	
Improving customer satisfaction (MP1)	0.843
Cash flow management (MP2)	0.810
Saving and investment (MP3)	0.788

3. RESULT AND DISCUSSIONS

3.1 Respondent Characteristics

Information regarding the demographic characteristics of respondents in this research is presented in Table 2.

Table 2. Description of respondents

Variable	Case (%)	Variable	Case (%)
Age		**Education**	
18 - 23	12 (9.23)	Elementary School	10 (7.69)
24 - 29	24 (18.46)	Junior High School	25 (19.23)
30 - 35	43 (33.08)	Senior High School	52 (40.00)
36 - 41	31 (23.85)	Bachelor of Science	43 (33.08)
> 42	20 (15.38)	**Business Turnover**	
Type of a business		< 500,000 thousand	62 (47.69)
Culinary	58 (44.62)	1,000,000 – 5,000,000 million	37 (28.46)
Manufacture (clothing)	27 (20.77)	6,000,000 – 10,000,000 million	25 (19.23)
Services	24 (18.46)	> 11,000,000 thousand	6 (4.62)
Basic trading	21 (16.15)		

Based on the characteristics of the respondents' information (Table 2), it can be observed that the age group of 30 to 35 years dominates at 33.08%. The dominant type of business is in the culinary sector, accounting for 44.62%. Furthermore, the senior high school education level dominates at 40.00%. Lastly, in terms of business turnover, the range of less than 500,000 thousand is the most dominant at 47.69%, with a total of 62 female entrepreneurs.

3.2 Outer Model

The criteria for assessing the structural model (outer model) using SEM-PLS are as follows: (i) convergent validity, which can be observed from factor loading values and average variance extracted (AVE); (ii) discriminant validity, which can be observed from the square root of AVE and correlations among latent constructs; and (iii) reliability testing, which can be assessed through composite reliability and Cronbach's alpha values.

3.2.1 Assessing the Outer Model with Convergent Validity and Discriminant Validity

Convergent validity is related to the principle that measures (manifest variables) of a construct should have high correlations. Convergent validity is tested by examining the factor loading values and comparing them to the rule of thumb (> 0.60). Additionally, the average variance extracted (AVE) values are considered, and they should surpass the rule of thumb (> 0.50). To test discriminant validity, one looks at the square root of AVE and compares it to the correlations among latent constructs, following the rule of thumb that the square root of AVE should be greater than the correlations among latent constructs [16]. Based on the results of the convergent validity test (Table 1), the factor loading values for each construct are as follows: innovation orientation, consisting of three measurement indicators with values of (IO1 = 0.852; IO2 = 0.756 and IO3 = 0.777); self-motivation (SM1 = 0.751; SM2 = 0.819 and SM3 = 0.840); marketing communication (MC1 = 0.638; MC2 = 0.874; and MC3 = 0.832); and marketing performance construct (MP1 = 0.843; MP2 = 0.810; and MP3 = 0.788), all of which have values greater than the rule of thumb (> 0.60). The average variance extracted (AVE) values for each construct, innovation orientation = 0.634; self-motivation = 0.629; marketing communication = 0.622; and marketing performance = 0.663, are also greater than the rule of thumb (> 0.50).

We employed two criteria to evaluate discriminant validity. First, we applied the [17] criterion, where the square root of the AVE (average variance extracted) for a variable should be higher than its correlation with other variables. Second, we assessed the heterotrait-monotrait ratio (HTMT) of correlations. According to [18], HTMT is more sensitive to the lack of discriminant validity compared to other criteria. To demonstrate discriminant validity, the HTMT between two constructs should be less than 0.90. Both of these criteria support discriminant validity for all our variables (Table 3).

Table 3. Reliability, Convergent and Discriminant Validity

Constructs	1	2	3	4
Innovation orientation (1)	**0.796**	0.224	0.146	0.211
Self-motivation (2)	0.224	**0.793**	0.052	0.328
Marketing communication (3)	0.018	0.079	**0.789**	0.062
Marketing performance (4)	0.046	0.248	0.004	**0.814**

Note: The values on the diagonal in bold are the square root of the Average Variance Extracted (AVE) of each factor. The values below the diagonal are correlations between the factors, and the values above the diagonal are the HTMT ratios
1 Heterotrait-Monotrait; the criteria confidence interval does not include 1; HTMT90 – [18]

3.2.2   Assessing the Outer Model with Reliability
Furthermore, the outer model is evaluated through reliability testing with the aim of demonstrating the accuracy, consistency, and precision of the instruments in measuring constructs. Reliability testing is conducted by examining the values of composite reliability (Table 1) and then comparing them to the rule of thumb (> 0.70) [16]. The results of the reliability testing for the composite reliability values of each construct are as follows: innovation orientation = 0.838; self-motivation = 0.835; marketing communication = 0.829; and marketing performance = 0.855. These values are found to be greater than the rule of thumb (> 0.70), indicating the ability of the measures to produce reliable results.

3.3   Structural Model (Inner Model)
The criteria for evaluating the structural model (inner model) using SEM-PLS include (i) R-square for dependent constructs and (ii) assessing significance values through the bootstrapping procedure (t-value 1.96, significance level = 5%). The results of the evaluation of the structural model (inner model) through the bootstrapping procedure for testing the hypotheses proposed in this study are presented in Table 4.

3.3.1   Evaluation of R Square and Q2 Values
The structural or inner model is evaluated by examining the percentage of variance explained, specifically by looking at the R Square and Q2 values for the latent dependent constructs. According to [16], the rule of thumb values for R square are categorized as follows: 0.75 is considered strong, 0.50 is considered moderate, and 0.25 is considered weak. As for the rule of thumb values for Q2, a value greater than 0 indicates that the model has predictive relevance, while a value less than 0 suggests that the model lacks predictive relevance. From the analysis results (Table 4), the R-squared value for the marketing communication construct is 0.319, indicating that 31.9% of the variability in marketing communication can be explained by the innovation orientation variable in the model, placing it in the category of a weak model. Furthermore, the R-squared value for the marketing performance construct is 0.391, meaning that 39.1% of the variability in marketing performance can be explained by the variables of innovation orientation, self-motivation, and marketing communication in the model, also falling within the weak model category. The Q2 value for the marketing communication construct (0.224 > 0) and the marketing performance construct (0.236 > 0) indicates that the model has predictive relevance.

3.3.2   Evaluation of Significance Values (t-value 1.96, and significance level = 5%)
The evaluation of significance values involves observing the path coefficient values obtained from partial least squares (PLS) testing with bootstrapping calculations (Table 4).

Table 4. Hypothesis testing

Hypotheses	Relationships	Path coefficients	t-Statistic	R2	Q2	p-Values	Decision
Direct effect							
H1	IO - MK	0.224	2.267			0.007	Supported
H2	IO - MP	0.264	2.982			0.019	Supported
H3	SM - MP	0.584	3.563			0.001	Supported

Hypotheses	Relationships	Path coefficients	t-Statistic	R2	Q2	p-Values	Decision
H4	MK - MP	0.313	8.264			0.001	Supported
MK				0.319	0.224		
MP				0.391	0.236		

From the path coefficient results, it can be observed that for (H1), innovation orientation has a significant and positive influence on marketing communication, with a significance value of 0.007 < the 5% alpha level, as indicated by a T-statistic value of 2.267 > 1.96. For (H2), innovation orientation has a significant and direct positive influence on performance, with both significance and T-statistic values being 0.019 < the 5% alpha level and 2.982 > 1.96, respectively. Regarding (H3), self-motivation has a significant and positive influence on motivation, with a significance value of 0.001 < the 5% alpha level, which is also supported by a T-statistic value of 3.563 > 1.96. Furthermore, for (H4), marketing communication has a significant and direct positive influence on performance, with both significance and T-statistic values being 0.001 < the 5% alpha level and 8.264 > 1.96, respectively.

Through a comprehensive survey and data analysis collected from diverse samples of female entrepreneurs, it was found that innovation orientation has a significant impact on marketing communication. The research findings indicate that innovation can be a key factor in enhancing the visibility, sustainability, and success of their businesses. Therefore, it is crucial for female entrepreneurs to encourage an innovation culture within their businesses and integrate it into their marketing communication strategies. The results of this research are consistent with previous research. [3]. Furthermore, the study also reveals that innovation orientation has a significant impact on marketing performance. This is in line with previous research findings [6]. The research findings uncover the potential of innovation to strengthen the marketing performance of female entrepreneurs, enabling them to compete more effectively in an increasingly competitive market. It is essential for female entrepreneurs to incorporate innovation as an integral part of their long-term business and marketing strategies. Additionally, the research shows that self-motivation significantly affects marketing performance. This implies that in business, self-motivation is a key factor in achieving success, especially in marketing, which requires determination, initiative, and resilience. Self-motivation helps female entrepreneurs maintain their enthusiasm and focus when facing various marketing challenges, which, in turn, can positively impact their marketing performance. This finding is consistent with previous research [7]. Finally, the research findings also demonstrate that marketing communication has a significant impact on marketing performance. Essentially, marketing communication is a crucial tool in shaping and influencing how the brand and products of female entrepreneurs are perceived by the market. The effectiveness of marketing communication can help enhance overall marketing performance, including increased sales, business growth, and long-term success. Therefore, it is essential for female entrepreneurs to manage and plan their marketing communications effectively. This research is also consistent with previous research findings [3].

4 CONCLUSION AND RECOMMENDATION

Based on the results of a comprehensive survey and data analysis from various samples of female entrepreneurs, this research finds that innovation has a significant impact on marketing communication and their marketing performance. This emphasizes that innovation is a key factor in enhancing the visibility, sustainability, and success of women entrepreneurs' businesses. Therefore, it is recommended for female entrepreneurs to promote a culture of innovation in their businesses and integrate it into their marketing communication strategies. Additionally, the study also reveals that self-motivation has a significant impact on marketing performance. Self-motivation proves to be a crucial factor in achieving success in marketing, helping female entrepreneurs maintain their enthusiasm and focus when facing various challenges. Thus, female entrepreneurs should understand the importance of nurturing their self-motivation. Finally, the research underscores that marketing communication also has a significant impact on marketing performance. Effective marketing communication can help increase sales, business growth, and long-term success. Therefore, it is essential for female entrepreneurs to plan and manage their marketing communication effectively. There are several weaknesses in this study. First, the R Square and Q2 values are still in the weak category. Hence, an opportunity to study other influential factors, such as digital marketing factor, is opened. Second, the sample size in this study is relatively small, so it is recommended for future research to use a more representative sample size, ideally comprising 200 to 300 samples.

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