International Conference of Organizational Innovation 2025
Proceedings

ICOI
2025

e-ISSN: 3064-6030
FMI, Vol 2
15-17 July 2025

The Effect of Product Development Capability and Customer Response Capability on Marketing Performance of Local Wisdom-Based Food Processing MSMEs in Central Java

Bernadeta Irmawati[1], Berta Bekti Retnawati[1], Christiana Retnaningsih[2] & Okti Ruenda[3]

[1] Program of Management, Faculty of Economics and Business, Soegijapranata Catholic University

[2]Program of Food Technology, Faculty of Agricultural Technology, Soegijapranata Catholic University

[3]Program of Food Technology, Faculty of Industrial Technology, Institut Teknologi Sumatera

Email: irmawati_b@unika.ac.id

Abstract

Central Java has quite a large business potential for processed food based on local wisdom. Areas in Central Java that have the potential for processed food based on local wisdom are spread across the districts of Semarang, Banyumas, Sragen, Grobogan and Wonosobo. The resource-based view theory approach states that competitive advantage is a strength in facing competition. A strategy that utilizes resources as unique skills and assets to become capital to build competitive advantage. Competitive advantage cannot be separated from product development capabilities and customer response capability as an effort to meet consumer needs preferences. The aim of this study is to determine the influence of Product Development Capability and Customer Response Capability on the Marketing Performance of food processed MSMEs in Central Java. There were 150 respondents in this study, the data collection method used a questionnaire. The research results show that product development capability, customer response capability and marketing performance have value index high. The hypothesis that product development capability has significant effect on marketing performance is accepted, also hypothesis that customer response capability has significant effect on marketing performance is accepted

Keywords: competitive advantage, product development capability, customer response capability, marketing performance, local food

1. Introduction

Sustainable competitive advantage can be said to be a framework that takes full advantage of existing business opportunities for a company's capital while exploiting other resources to ensure the sustainability and replicability of their competitive position for the future (Hossain et al., 2022). Competitive advantage becomes a strength to achieve market targets (Solano Acosta et al., 2018). Implementation of strategies that utilize resources as unique skills and assets to become capital to build competitive advantage (Martelo et al., 2013; Martin et al., 2013). Competitive advantage requires innovation and product development capabilities as an effort to create differentiation and

e-ISSN: 3064-6030
FMI, Vol 2
15-17 July 2025

meet consumer needs preferences (Cass & Sok, 2013; Krueger et al., 2000). This requires four conditions, namely that it is valuable, rarely owned by companies both now and potential competitors, cannot be imitated perfectly and is strategically irreplaceable (Lumpkin & Dess, 1996a). Achieving superior performance requires the capability to manage sustainable environmental dynamics (Kearney & Abdul-Nour, 2004; Retnaningsih, 2020).

Product development capability is resource-based optimization by focusing on company resources as the main source of competitive advantage (Klewitz & Hansen, 2013; Retnawati & Irmawati, 2016). There are five dimensions, namely quality, cost, development time, development costs and product development capabilities (Retnawati & Irmawati, 2016). Product development capability is the company's ability to carry out a series of activities starting from the perception of market opportunities and ending with production, sales and product delivery (Orth & Malkewitz, 2012). Entrepreneurial actions capabilities are important for business actors to develop new products, new processes, new organizations through modifying or reconfiguring resources, as well as coping with the speed of market change (Alpay et al., 2012; Leong & Murniati, 2016). Previous empirical research still shows contradictory results of product development capabilities on marketing performance, some are significantly positive (Banerjee & Soberman, 2013; Covin & Miller, 2014; Eng & Spickett- Tian et al., 2010), but some are significantly negative (Ramaswami et al., 2009; Soba & Aydin, 2013; Tooksoon & Mohamad, 2016)

In addition to product development capabilities, customer response capabilities also affect marketing performance. Responding to the market is an important part of the company. Organizations must be proactive in responding to environmental dynamics (Luu, 2017). Responding to the market means the ability of a company to react to its customers more than competitors do (Lee et al., 2013). Companies must always utilize every ability to respond to changes in market demand (Garrett et al., 2009). Companies that are able to design their responsiveness will be able to understand various customer demands (Chhetri et al., 2017). The company's ability to respond to customer needs will make the company have a competitive advantage (Jayachandran et al., 2004). Companies that are able to respond to the market reflect the ability and tendency to act on internal and external market information (Homburg et al., 2007; Kohli et al., 1993; Neill et al., 2007), have the ability to see opportunities and threats (Wei et al., 2014; White et al., 2003), and are able to adjust offerings, both services, products, production efficiency, and technology (Wei et al., 2014). The results of a study conducted by Homburg et al. (2007) explained that responding to customers and competitors both have a positive impact on performance. Hendar et al. (2017), Pehrsson (2011) and Pehrsson (2014) explained that responding to customers will be able to improve marketing performance. Several experts explain that

e-ISSN: 3064-6030
FMI, Vol 2
15-17 July 2025

responding to the market has a positive impact on performance (Asree et al., 2010; DeGroote & Marx, 2013; Kim & Lee, 2010; Mandal, 2015)

Basically, Indonesia has a variety of rich biodiversity and plays an important role in providing abundant local food. Main and additional foods that are developed according to regional capabilities are called local foods. Local culture often has a close relationship with regional food. Local food products are generally produced with local understanding, raw materials from the local area, and the application of appropriate technology, so that they have a close relationship with the culture of the area.

Central Java boasts the opportunity for processed culinary products rooted in regional wisdom, scattered throughout the areas of Semarang, Banyumas, Sragen, Grobogan, and Wonosobo (BPS Central Java, 2021). Local cuisine refers to foods that are crafted and nurtured in alignment with the capabilities and resources unique to the region, as well as its cultural heritage. Various conditions, beyond just natural resources, are closely related to the socioeconomic and cultural dynamics of local populations (Imelda et al., 2017; Retnaningsih, 2010). The Agricultural Ministry has established the local food diversification initiative as the second strategy (CB2) within the program aimed at enhancing food availability during the new normal period. Micro and small-scale food processing businesses that draw on local wisdom encounter several challenges, such as instilling confidence in consumers regarding product quality, managing diversification, feeling restricted in accessing market growth and promotional channels, and navigating disorganized market networks.

Micro, Small, and Medium Enterprises (MSMEs) are the main foundation of the community's economic sector that encourages the ability to be independent in the economic sector. MSMEs create jobs, encourage inclusive economic growth, and improve community welfare. The role of MSMEs is very large for Indonesia's economic growth, with the number reaching 99% of all business units. In 2023, MSME business actors will reach around 66 million. The contribution of MSMEs reaches 61% of Indonesia's Gross Domestic Product (GDP), equivalent to IDR 9,580 trillion. MSMEs absorb around 117 million workers (97%) of the total workforce. MSMEs need competitive advantages in order to compete with others through product development capabilities and customer response capabilities.

2. Literature Review

Pursuing sustainable business practices leads to the capability to adapt to transformations and offers distinctive, valuable products that competitors cannot replicate or replace (Lumpkin & Dess, 1996b). To attain commercial success, there are two essential elements: core competency and the ability to shape industry structure (Slater & Narver, 2000). The first element represents

e-ISSN: 3064-6030
FMI, Vol 2
15-17 July 2025

fundamental assets, while the second reflects the foresight to recognize dynamic changes that may influence a business. Traditional and regional factors are vital characteristics for food items derived from their place of origin (food origin).

Company performance in functional management can be described in human resource performance, production performance, marketing performance, and financial performance. There are two groups in performance measurement, namely financial performance measurement and non-financial performance measurement. Some of the things that can be measured from the marketing performance of medium and small businesses can be seen from sales value, sales volume, increase in the number of customers, and growth in market area

According to Bauer et al., (2020) product development has attracted researchers due to its importance and relevance in marketing settings. In general, products refer to goods and services simultaneously. The marketing capability of product development seems to have attracted the attention of the research community, especially in terms of marketing mix capabilities (Eisenhardt and Martin, 2000). Product development capability is part of the marketing mix strategy and is very important because it can be considered as the basis for further marketing activities: the starting point of innovation or marketing processes results in successful product development which represents the main capability that the company must achieve (Brown and Eisenhardt, 1995; Krasnikov and Jayachandran, 2008) and has a positive impact on performance, especially marketing performance (Zhang et al., 2013), but some are significantly negative (Ramaswami et al., 2009; Soba & Aydin, 2013; Tooksoon & Mohamad, 2016). Based on this, the first hypothesis is

H1: there is a significant influence of product development capabilities on marketing performance.

Following changes in customer desires requires the ability to sense and respond to them. Market sensing is the ability to scan, interpret, and respond as an active action of the company .This process requires reciprocal interaction of information searches and customer actions to assist in decision making. Luu (2017) stated that responding to customers is something that must be done by companies so that companies need to do it proactively. Conveyed by Lee et al., (2013) that companies that respond to the market mean they have more capabilities than competitors do, companies that are able to design their responsiveness to customers will be able to understand various customer requests (Garrett et al., 2009; Chhetri et al., 2017). With customer response capabilities, companies will adjust product or service offerings, make production efficiencies and develop technology (Wei et al., 2014). Several studies conducted by Hendar et al., (2017), Pehrsson (2011) and Pehrsson (2014) show that companies that respond to customers are able to improve

e-ISSN: 3064-6030
FMI, Vol 2
15-17 July 2025

marketing performance, as well as SMEs that respond to their customers will improve their marketing performance. Based on this, the second hypothesis can be stated, namely

H2: Customer Response Capability has a significant effect on marketing performance.

3. Research Method

The research subjects were Micro and Small Medium Business Actors in local wisdom-based food processing. The research location was in Central Java, which includes five regions, namely Semarang, Banyumas, Sragen, Grobogan, Wonosobo districts. The location was chosen because the potential for small and medium businesses in local wisdom-based food processing businesses is quite high and the number of entrepreneurs in it is quite large.

The population of this study includes MSME entrepreneurs engaged in local wisdom-based food processing in five regions in Central Java, because official data on the population of these MSME entrepreneurs is not available, samples were taken to represent each district, totaling 30 entrepreneurs per district, so that the number of samples was 150. The sampling technique was purposive sampling, namely MSME entrepreneurs in local wisdom-based food processing who already had at least one year of experience as an effort to obtain quality information according to the needs of the research variable indicators.

The data needed is primary data, namely product development capability data, customer response capability, and marketing performance. This data is obtained by distributing questionnaires and to local wisdom-based food processing entrepreneurs.

There are two analyses conducted, namely descriptive analysis and hypothesis testing. In describing research data, index numbers are used to determine the degree of respondent's perception of the variables studied. The respondent's answer numbers used start from 1-10, so the resulting index starts from 1 to 10 with a range of 90, without the number 0. This analysis uses the three-box method criteria with a range of 90 divided by three to produce a range of 30 and will used as a basis for interpreting index values, namely as follows:

10.00 – 40.00 : Low

40.01 – 70.00 : Medium

70.01 – 100.00 : High

The formula for calculating the index value is as follows:

e-ISSN: 3064-6030
FMI, Vol 2
15-17 July 2025

$$\text{Index Value} = \frac{((\%F1x1)+(\%Fx2)+\cdots+(\%F10x10))}{10}$$

Information:

F is the frequency of respondents' answers

(Ferdinand, 2012).

4. Finding and Discussion

Respondents in this study were local processed food UMKM located in Semarang, Banyumas, Sragen, Purwodadi and Wonosobo Regencies. The processed food they produce is tempeh chips, banana chips, ongklok noodles, coffee, potatoes chips, vegetable chips, carica, spices , tc. the number of respondents is 150. The following is a description of the respondents

Table 1. Respondents Description

	Category	Amount	Percentage
Respondent Position	Owner	138	92
	Manager	8	5,33
	others	4	2,67
Business category	Micro	107	71,34
	Small	38	25,33
	Medium	5	3,33
Level of education	SD	13	8,67
	SMP	22	14,67
	SMA	79	52,67
	D3	1	0,66
	Sarjana	24	16
	Pasca	1	0,66
	Etc	10	6,67

The table above describes the characteristics of respondents based on job position, education level, and business category. The majority of respondents are owners (business owners) with a percentage of 92% (138 respondents). This shows that most of those who answered the survey are owners of the businesses they run. Only 5.33% (8 respondents) are managers, which shows that a

e-ISSN: 3064-6030
FMI, Vol 2
15-17 July 2025

small portion of businesses have managers involved in day-to-day management. The other 2.67% (4 respondents) are in positions that are not included in the owner or manager category.

In terms of education level, the majority of respondents have a high school education with 52.67% (79 respondents), indicating that most business actors have a high school education background. Bachelor's degree education ranks second with 16% (24 respondents), followed by junior high school with 14.67% (22 respondents), and elementary school with 8.67% (13 respondents). As many as 6.67% (10 respondents) come from other educational backgrounds, and only a few have D3 and Postgraduate education, each 0.66% (1 respondent).

In addition, the majority of businesses owned are micro businesses, with 71.34% (107 businesses). This reflects that the majority of respondents run very small-scale businesses. The small business category is represented by 25.33% (38 businesses), while medium businesses only cover 3.33% (5 businesses), indicating that larger businesses are relatively rare among respondents. Overall, the majority of respondents in this study were micro business owners who had a high school education (SMA).

The following is a descriptive analysis of the Product Development Capability

Table 2. Respondents' Perceptions Regarding Product Development Capabilities

Item	Percentage Frequency of Respondents' Answers										Index Value	Category
	1	2	3	4	5	6	7	8	9	10		
PDC1	0.00	1.33	2.00	0.00	30.00	28.00	140.00	208.00	150.00	253.33	81.27	High
PDC2	0.00	2.67	2.00	8.00	23.33	32.00	140.00	277.33	132.00	166.67	78.40	High
PDC3	0.00	1.33	0.00	0.00	13.33	8.00	70.00	197.33	192.00	393.33	87.53	High
PDC4	0.00	2.67	0.00	2.67	0.00	12.00	65.33	229.33	216.00	340.00	86.80	High
	Average										83.50	High

Based on the table above, it is known that the average index value is 83.50 and is included in the high category, which means that respondents have the ability to make various kinds of processed food from local ingredients (PDC1), have the ability to modify food preparations (PDC2), have believe that the products made are original (PDC3) and always trying to brand products that have

e-ISSN: 3064-6030
FMI, Vol 2
15-17 July 2025

been. The highest index value is PDC 3, which means that respondents strongly believe that the products made are original.

The following are respondents' perceptions regarding Customer Response Capability.

Table 3. Respondents' Perceptions Regarding Customer Response Capability

Item	Percentage Frequency of Respondents' Answers										Index Value	Category
	1	2	3	4	5	6	7	8	9	10		
CRC1	0.00	0.00	0.00	2.67	3.33	24.00	121.33	240.00	150.00	306.67	84.80	High
CRC2	0.67	8.00	2.00	5.33	16.67	32.00	144.67	261.33	120.00	180.00	77.07	High
CRC3	0.00	0.00	2.00	0.00	10.00	12.00	107.33	261.33	156.00	300.00	84.87	High
CRC4	0.00	0.00	0.00	0.00	16.67	36.00	149.33	176.00	192.00	260.00	83.00	High
	Average										82.43	High

Based on the table above, it is known that the average Customer Response Capability Index value is 82.43 and is included in the high category, meaning that respondents have the ability to respond to customers (CRC1), have the ability to customize products according to each existing customer (CRC2), have the ability to build relationships with customers (CRC3) and have the speed to provide feedback to customers (CRC4). The highest Index value is CRC3, which is having the ability to build relationships with customers.

The following are respondents' perceptions regarding Marketing Performance.

Table 4. Respondents' Perceptions Regarding Marketing Performance

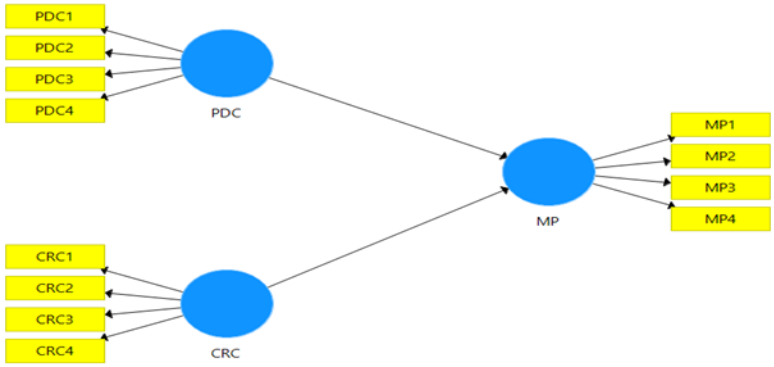
Item	Percentage Frequency of Respondents' Answers										Index Value	Category
	1	2	3	4	5	6	7	8	9	10		
MP1		0.00	4.00	13.33	36.67	48.00	200.67	192.00	102.00	153.33	75.00	High
MP2	0.67	0.00	2.00	10.67	26.67	48.00	172.67	181.33	198.00	133.33	77.33	High
MP3	0.00	2.67	2.00	13.33	26.67	84.00	163.33	160.00	138.00	166.67	75.67	High

e-ISSN: 3064-6030
FMI, Vol 2
15-17 July 2025

MP4	0.00	0.00	4.00	13.33	36.67	96.00	172.67	240.00	72.00	93.33	72.80	High
	Average										75.20	High

Based on the table above, it is known that the average value of the marketing performance index is 75.20 which is included in the high category, meaning that the respondent's business has a high sales growth rate (MP1), the respondent's business has a high new customer growth rate (MP2), the respondent's business has a large market coverage (MP3) and the respondent's business has a fairly high level of sales profit (MP4). The highest Index value is in item MP2, namely the respondent's business has a high growth rate. Hypothesis testing using SMART PLS, Here is the model of this research.

Figure 1. Research Model



Description:

PDC: Product Development Capability

CRC: Customer Response Capability

MP : Marketing Performance

The first step in the analysis is to test the convergent and discriminant validity. The convergent validity test by considering the outer loading is said to be valid if the value is > 0.7. The following are the results of the outer loading.

e-ISSN: 3064-6030
FMI, Vol 2
15-17 July 2025

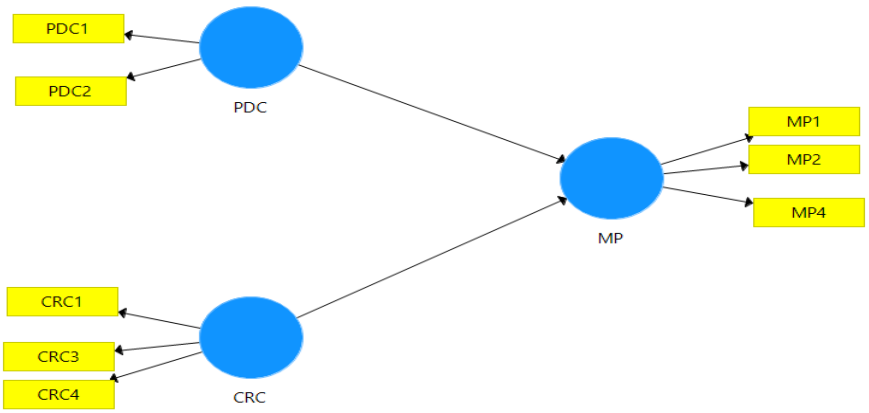
Table 5. Outer Loading

	CRC	MP	PDC
CRC1	0.855		
CRC2	0.402		
CRC3	0.842		
CRC4	0.832		
MP1		0.789	
MP2		0.809	
MP3		0.640	
MP4		0.830	
PDC1			0.843
PDC2			0.800
PDC3			0.580
PDC4			0.631

Based on the table above, there are two Product Development Capability (PDC) items whose outer loading values are below 0.7, namely PDC3 (0.580) and PDC4 (0.631). In the Customer Response Capability (CRC) variable, there is 1 item, namely CRC2, whose outer loading value is below 0.7, and in the Marketing Performance variable, there is also one item whose value is below 0.7, namely MP3, which is 0.640. Because there are still variable items whose values are below 0.7, a retest is needed, the following is a picture of the research model as below.

e-ISSN: 3064-6030
FMI, Vol 2
15-17 July 2025

Figure 2. Research Model Updated



The following is the outer loading value after the invalid items have been reduced, here are the results

Tabel 6. Outer Loading Updated

	CRC	MP	PDC
CRC1	0.861		
CRC3	0.848		
CRC4	0.851		
MP1		0.796	
MP2		0.866	
MP4		0.860	
PDC1			0.913
PDC2			0.890

Based on the results of the re-estimation of the loading factor in the table above, the item values generated by the Customer Response Capability (CRC), Product Development Capability (PDC) and Marketing Performance (MP) constructs have met the convergent validity standard value because all factors are worth more than 0.7. Thus, it can be concluded that all constructs are valid.

e-ISSN: 3064-6030
FMI, Vol 2
15-17 July 2025

A construct is said to be valid by comparing the root value of AVE (Fornell-Larcker Criterion) with the correlation value between latent variables. The root value of AVE must be greater than the correlation between latent variables. If the square root value of AVE for each construct is greater than the correlation value between constructs with other constructs in the model, then the model is said to have a good discriminant validity value.

Table 7. Fornell–Larcker

	CRC	MP	PDC
CRC	0.853		
MP	0.431	0.841	
PDC	0.354	0.367	0.902

Based on the results, it shows that the CRC correlation value of 0.853 is greater than MP 0.431 and PDC 0.354. Likewise for other variables. The results show that the variable construct above has good discriminant validity.

Table 8. CrossLoading value

	CRC	MP	PDC
CRC1	0.861	0.378	0.271
CRC3	0.848	0.346	0.308
CRC4	0.851	0.376	0.328
MP1	0.241	0.796	0.143
MP2	0.424	0.866	0.327
MP4	0.373	0.860	0.385
PDC1	0.386	0.349	0.913
PDC2	0.245	0.311	0.890

With the standard value for each construct must be greater than 0.7. then based on the Table above the cross loading value on each construct has a value of more than 0.7. this shows that the manifest variables in this study have correctly explained the latent variables and prove that all items are valid. Reliability Test in Smart PLS is seen from the Composite Reliabiliy Value and Cronbach alpha, the results can be seen below.

e-ISSN: 3064-6030
FMI, Vol 2
15-17 July 2025

Table 8. Cronbach Alpha dan Composite Reliability

	Cronbach's Alpha	rho_A	Composite Reliability
CRC	0.813	0.815	0.889
MP	0.801	0.843	0.879
PDC	0.771	0.778	0.897

Based on the table above, it is known that the composite reliability and cronbach alpha values are above 0.7 and the three variables above Product Development Capability (PDC) Customer Response Capability (CRC) and Marketing Performance are stated to be reliable. The results of the hypothesis testing can be seen in the table below by looking at the T statistic and p value. If the t statistic value> 1.96 and p value <0.05 then the hypothesis is accepted. Here are the results:

Table 9. Statistics Result

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
CRC -> MP	0.344	0.349	0.065	5.328	0.000
PDC -> MP	0.245	0.253	0.060	4.081	0.000

Based on the table above, the first hypothesis stating that Product Development Capability (PDC) has a significant effect on Marketing Performance (MP) is accepted because the t-statistics value is > 0.96 and the p value is 0.000 which is < 0.05. Meanwhile, the second hypothesis which states that Customer Response Capability (CRC) has a significant effect on Marketing Performance (MP) can be accepted with a t-statistics value greater than 1.96 and p values of 0.000 less than 0.05. Based on the descriptive analysis and testing above, the first hypothesis stating that Product Development Capability (PDC) has a significant effect on Marketing Performance (MP) is accepted, this is supported by the descriptive analysis that the Value Index for Product Development Capability (PDC) and Marketing Performance (MP) is high or the data says that the respondents of local food UMKM business actors have Product Development Capability and have an effect on their marketing performance. This study supports previous studies such as Banerjee & Soberman (2013), Covin & Miller (2014), Eng & Spickett (2009),Tian et al., (2010) and Zhang et al., (2013).

e-ISSN: 3064-6030
FMI, Vol 2
15-17 July 2025

Based on the descriptive analysis and testing above, the second hypothesis stating that Customer Response Capability (CRC) has a significant effect on Marketing Performance (MP) is accepted, this is supported by the descriptive analysis that the Value Index for Customer Response Capability (CRC) and Marketing Performance (MP) is high or the data says that the Respondents of local food UMKM business actors Customer Response Capability and have an effect on their marketing performance. This study supports previous studies such as Hendar et al., (2017), Pehrsson (2011) and Pehrsson (2014)

5. Conclusion

Based on the analysis above, the conclusion is (1) The Value Index value for Product Development Capability (PDC), Customer Response Capability (CRC) and Marketing Performance (MP) is high. (2) The hypothesis stating that Product Development Capability (PDC) has a significant effect on Marketing Performance (MP) is accepted. (3) The hypothesis stating that Customer Response Capability (CRC) has a significant effect on Marketing Performance (MP) is accepted

Acknowledgement. Thanks to the Ministry of Education, Culture, Research and Technology for funding our research project under the regular fundamental research scheme for the 2024 fiscal year

References

Alpay, G., Bodur, M., Yilmaz, C., & Büyükbalci, P. 2012. How does innovativeness yield superior firm performance? The role of marketing effectiveness. Innovation: *Management, Policy and Practice*, 14(1), 107–128. https://doi.org/10.5172/impp.2012.14.1.107

Banerjee, S., & Soberman, D. A. 2013. Product development capability and marketing strategy for new durable products. *International Journal of Research in Marketing*, 30(3), 276–291. https://doi.org/10.1016/j.ijresmar.2013.01.003

Bauer, K., Krinner, S.,Helm, R., Raabe,K., 2020. Product Development Capabilities: Exploring Mediating and Moderating Links Between International Product Adaptation and Industrial Manufacturers'Business Performance. *International Journal of Innovation Management*, DOI: 10.1142/S136391962050084X

Brown, SL and KM Eisenhardt, 1995. Product development: Past research, present findings, and future directions. *The Academy of Management Review*, 20, 343–378

Cass, A. O., & Sok, P. 2013. Exploring innovation driven value creation in B2B service fi rms : The roles of the manager , employees , and customers in value creation. *Journal of Business Research*. 66(8), 1074–1084. https://doi.org/10.1016/j.jbusres.2012.03.004

e-ISSN: 3064-6030
FMI, Vol 2
15-17 July 2025

Chhetri, P., Kam, B., Lau, K. H., Corbitt, B., & Cheong, F. 2017. Improving service responsiveness and delivery efficiency of retail networks: a case study of Melbourne. *International Journal of Retail & Distribution Management*. 45(3), 271-291

Covin, J. G., & Miller, D. 2014. International Entrepreneurial Orientation: Conceptual Considerations, Research Themes, Measurement Issues, and Future Research Directions. *Entrepreneurship: Theory and Practice*. 38(1), 11–44. https://doi.org/10.1111/etap.12027

Eisenhardt, KM and JA Martin, 2000. Dynamic capabilities: What are they? *Strategic Management Journal*, 21, 1105–1121

Eng, T. Y., & Spickett-Jones, J. G. 2009. An investigation of marketing capabilities and upgrading performance of manufacturers in mainland China and Hong Kong. *Journal of World Business*, 44(4), 463–475. https://doi.org/10.1016/j.jwb.2009.01.002

Ferdinand, A., 2012, Metode Penelitian Manajemen, Badan Penerbit Universitas Diponegoro. Semarang.

Garrett, R. P., Covin, J. G., & Slevin, D. P. 2009. Market responsiveness, top management risk taking, and the role of strategic learning as determinants of market pioneering. *Journal of Business Research*, 62(8), 782-788

Hadi, S., & Supardi. 2020. Revitalization Strategy for Small and Medium Enterprises after Corona Virus Disease Pandemic (Covid-19) in Yogyakarta. April. https://doi.org/10.37896/JXAT12.04/1149

Hendar, H., Ferdinand, A. T., & Nurhayati, T. (2017). Introducing the religio-centric positional advantage to Indonesian small businesses. *Management and Marketing*, 12(1), 78-102.

Hult, G. T. M., Hurley, R. F., & Knight, G. A. 2004 Innovativeness: Its antecedents and impact on business performance.*IndustrialMarketingManagement*,33(5),429–438. https://doi.org/10.1016/j.indmarman.2003.08.015

Imelda, I., Kusrini, N., & Hidayat, R. 2017. Development Strategy 0f Local Food Diversification. Jejak, 10(1), 62–79. https://doi.org/10.15294/jejak.v10i1.9127

Kearney, S., & Abdul-Nour, G. 2004. SME and quality performance in networking environment. *Computers and Industrial Engineering*, 46(4 SPEC. ISS.), 905–909. https://doi.org/10.1016/j.cie.2004.05.023

Klewitz, J., & Hansen, E. G. (2013). Sustainability-oriented innovation of SMEs : a systematic review. *Journal of Cleaner Production*. https://doi.org/10.1016/j.jclepro.2013.07.017

e-ISSN: 3064-6030
FMI, Vol 2
15-17 July 2025

Krasnikov, A and S Jayachandran .2008. The relative impact of marketing, research-anddevelopment, and operations capabilities on firm performance. *Journal of Marketing*,72, 1–11

Kreiser, P. M., & Davis, J. 2010. Entrepreneurial Orientation and Firm Performance: The Unique Impact of Innovativeness, Proactiveness, and Risk-taking. *Journal of Small Business and Entrepreneurship*, 23(1), 39–51. https://doi.org/10.1080/08276331.2010.10593472

Krueger, N. F., Reilly, M. D., & Carsrud, A. L. 2000. Competing models of entrepreneurial intentions. *Journal of Business Venturing*, 15(5), 411–432. https://doi.org/10.1016/S0883-9026(98)00033-0

Lee, R. P., Tang, X., & Guo, X. 2013. Enhancing market responsiveness through knowledge transferand knowledge codification: Evidence from foreign subsidiaries in China. *InternationalMarketing in Rapidly Changing Environments*, 24, 3-23.

Leong, H., & Murniati, C. T. 2016. Pemanfaatan Teknologi Informasi Dalam Gerakan Pemberdayaan Kelompok Buruh Tani dan Nelayan.

Lumpkin, G. T., & Dess, G. G. 1996a. Linking Two Dimensions Of Enrepreneurial Orientation To Firm Performance: The Moderating Role Of Environment And Industry Life Cycle. 9026(00), 429–451.

Lumpkin, G. T., & Dess, G. G. (1996b). the Entrepreneurial Clarifying It Construct and Linking Orientation. *Academy of Management Review*, 21(1), 135–172.

Luu, T. T. 2017. Market responsiveness: antecedents and the moderating role of external supplychain integration. *Journal of Business & Industrial Marketing*, 32(1), 30-45.

Martelo, S., Barroso, C., & Cepeda, G. 2013. The use of organizational capabilities to increase customer value *Journal of Business Research*. https://doi.org/10.1016/j.jbusres.2013.02.030

Martin, B. C., Mcnally, J. J., & Kay, M. J. 2013. Journal of Business Venturing Examining the formation of human capital in entrepreneurship : A meta-analysis of entrepreneurship education outcomes. *Journal of Business Venturing*, 28(2), 211–224. https://doi.org/10.1016/j.jbusvent.2012.03.002

Orth, U. R., & Malkewitz, K. 2012. The Accuracy of Design-based Judgments : A Constructivist Approach. *Journal of Retailing*, 88(3), 421–436. https://doi.org/10.1016/j.jretai.2011.11.004

Pehrsson, A. 2011. Firms' customer responsiveness: relationships with competition, market growth, and performance. *Journal of Strategic and Management*, 4(4), 347-364. doi:10.1108/17554251111181007

e-ISSN: 3064-6030
FMI, Vol 2
15-17 July 2025

Pehrsson, A. 2014. Firms' customer responsiveness and performance: the moderating roles of dyadic competition and firm's age. *Journal of Business & Industrial Marketing*, 29(1), 34-44. doi:10.1108/JBIM-01-2011-0004

Pratiwi, R., & Retnaningsih, C. 2004. Penggalian dan Penentuan Nilai Gizi Makanan Tradisional Berbasis Umbi di Kota Semarang

Ramaswami, S. N., Srivastava, R. K., & Bhargava, M. 2009. Market-based capabilities and financial performance of firms: Insights into marketing's contribution to firm value. *Journal of the Academy of Marketing Science*, 37(2), 97–116. https://doi.org/10.1007/s11747-008-0120-2

Retnaningsih. 2020. Adaptasi Usaha Mikro , Kecil , dan Menengah (UMKM) Bandeng Presto Selama Masa Pandemi Covid-19 : Studi Kasus di Kota Semarang. Percetakan Universitas Sriwijaya, 1099–1107.

Retnaningsih, C. 2010. Koro: Pengolahan dan Keterlibatan Petani dalam Proses Pengolahan.

Retnawati, B., & Irmawati, B. 2016. Orientasi Entrepreneur: Anteceden dan Implikasinya pada Speed Market Response Capability dan Kinerja Perusahaan Industri Jamu sebagai Produk Pewaris Budaya Indonesia. November

Retnawati, B. B., Retnaningsih, C., & Id, N. A. 2021. Kondisi Eksisting Dan Kenormalan Baru Usaha Mikro Dan Kecil Olahan Ikan Kabupaten Demak Hadapi Pandemi . *Benefit: Jurnal Manajemen Dan Bisnis*, 6(1), 41–53.

Retnawati, B. B., Retnaningsih, C., & Ruenda, O. 2019. Geliat Usaha Mikro dan Kecil Olahan Pangan Hasil Laut Kabupaten Pekalongan. Unika Press.

Retnawati, B. B., Retnaningsih, C., & Ruenda, O. 2021. Kapabilitas Penetrasi Pasar dan Digitalisasi Pemasaran UMKM Olahan Pangan Hasil Laut di Jawa Tengah. Unika Press.

Soba, M., & Aydin, M. 2013. Product Placement Efficiency in Marketing Communication Strategy. *International Journal of Business and Management*, 8(12), 111–116. https://doi.org/10.5539/ijbm.v8n12p111

Solano Acosta, A., Herrero Crespo, Á., & Collado Agudo, J. 2018. Effect of market orientation, network capability and entrepreneurial orientation on international performance of small and medium enterprises (SMEs). *International Business Review*, 27(6), 1128–1140. https://doi.org/10.1016/j.ibusrev.2018.04.004

e-ISSN: 3064-6030
FMI, Vol 2
15-17 July 2025

Slater, S. F., & Narver, J. C. 2000. The Positive Effect of a Market Orientation on Business Profitability: A Balanced Replication. *Journal of Business Research*, 48(1), 69–73. https://doi.org/10.1016/S0148-2963(98)00077-0

Tian, J., Wang, K., Chen, Y., & Johansson, B. 2010. From IT deployment capabilities to competitive advantage: An exploratory study in China. *Information Systems Frontiers*, 12(3), 239–255. https://doi.org/10.1007/s10796-009-9182-z

Tooksoon, P., & Mohamad, O. 2016. Marketing Capability and Export Performance: the Moderating Effect of Export Dependence. *The South East Asian Journal of Management*, 4(1). https://doi.org/10.21002/seam.v4i1.5630

Wei, Y., Samiee, S., & Lee, R. P. 2014. The influence of organic organization cultures, market responsiveness, and product strategy on firm performance in an emerging market. *Journal of the Academy of Marketing Science*, 42(1), 49-70

Zhang, JA, S Garrett-Jones and R Szeto, 2013. Innovation capability and market performance: The moderating effect of industry dynamism. *International Journal of Innovation Management*, 17(2), 1–35. https://doi.org/10.1142/S1363919613500047135000 4

Copyrights

Copyright for this article is retained by the author(s), with first publication rights granted to the journal.

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (http://creativecommons.org/licenses/by/4.0/)