

## The Influence of Entrepreneurship Motivation, Online Marketing, and Success of Product Innovation of Micro Small Craft Industries Hand in Padang

Husin sah<sup>1</sup>, Susi Evanita<sup>2\*</sup>

<sup>1</sup>Universitas Negeri Padang, Padang, Indonesia, ✉ Husinsah94@gmail.com

<sup>2</sup>Universitas Negeri Padang, Padang, Indonesia, ✉ SusiEvanita@gmail.com

\*Corresponding Author

### Abstract

This study aimed to analyze the Influence of Motivation of Entrepreneurship, Online Marketing and Product Innovation to a Business Success In Small Micro Industries Crafts in Padang. This type of research is descriptive Associative with a population of micro, small craft industry amounted to 174 businesses. Sampling using random sampling techniques. The results of this sampling technique selected 121 attempts. The analysis used is multiple linear regression analysis, using SPSS 16.0 software. The results of the analysis can be concluded that: (1) Motivation entrepreneurship significantly influence business success. (2) Online Marketing significantly influences business success. (3) Product Innovation significantly influences business success

**Keywords:** Motivation of entrepreneurship, online marketing, product innovation, and business success

The development of micro, small and medium enterprises (SMEs) in Indonesia has become one of the priorities for developing the national economy. SMEs is the establishment that was built on its own initiative the small and medium business community. The role of micro, small and medium enterprises (SMEs) is one of the driving forces in economic development. Micro, small and medium enterprises (SMEs) also have an important role in terms of the problems of economic and social encountered in the country, such as the high unemployment rate.

(Benedicta Concerned Dwi, 2003) Said the presence and development of Micro, Small and Medium Enterprises (SMEs) are expected to contribute to the development of the national economy and create jobs. Desert city government pays special attention to improving the community or populist economy namely the development of small and medium industries in accordance with the potential and power available hoarse

Small micro enterprises in the desert city proved to be a driving force in the economy of the desert city, and acted as one source of public revenue desert city, handicraft businesses is one of the most business businesses in Padang. However, there are some problems faced by the small micro business that caused in part the micro small and medium have not been able to increase its revenues to a level more appropriate to meet the needs and business his life. This relates to the common problems experienced entrepreneurs over the years. Those problems among other things; local resources, small scale business activities, production processes still fairly traditional.

The purpose of small micro enterprises is to achieve the business success that can be seen with increased production, increased sales volumes and an increase in operating profit.

Based on Table 1 above it can be seen that the amount of effort Micro, Small and crafts in the city of Padang in 2015 as many as 158 units, and increased in 2016 with a total of 182 units, but decreased in 2017 by the number of 174 units, as well as with volume sales increased in 2016 amounting to 19% and decrease in 2017 is 28%, the decline in growth in the number of SMEs and a decrease in sales volume was influenced by several factors.

**Table 1 Performance small micro enterprises**

Year	Unit	The sales volume of UMK	(%)
2015	158	683 820 000	

<b>2016</b>	182	942 470 000	19.6
<b>2017</b>	174	643 504 400	28.5

Source: Department of Cooperatives and SMEs Padang

According to (Benedicta Concerned Dwi, 2003) Successful entrepreneurs have a clever idea, the creative, which keep up with technology and to implement proactive and have abundant energy and motivation and ability assertive.

Entrepreneurial success cannot be separated from the influence and support of both internal and external. According to (Moon, 2010) Various determinants of success of small businesses is a reflection of the capacity of employers such as knowledge, attitudes and skills, relevant experience, motivation and knowledge level of a businessman.

Motivation is one of the drivers of business growth entrepreneurial spirit of a person because of dissatisfaction of employment and self-actualization needs (Moreira, Loiola, Maria, & Gondim, 2017) A person's success is often accompanied with strong motivations to run every effort fro, According to (Leon, 2008) is the driving force or the driving motivation of individuals who direct the actions of a person to achieve his goal, with the encouragement that someone will be focused and take action support these goals. According to (Oblivia et al., 2013) Entrepreneurship Motivation is something that becomes the driving or driving in a person who raises the spirit in the work see the opportunities that exist, willing to take risks in an action, doing innovative work in creating business success.

Technological developments had a positive impact entrepreneur in doing business with ease Constructing the online marketplace for employers and consumers. (Indoworo, 2016) explained that the internet (online) is a network used by the public which connects various kinds and interest users from one place to another broad as information providers, online marketing is done through computer systems interactive, which will connect sellers and buyers electronically, or process trading through the electronic system by using the website, blog or social media. According to (Kotler and Armstrong, 2008: 237) Online Marketing is the company's efforts to market products and services and building customer relationships through the Internet. Internet marketing requires mastery of the creative aspects and technical aspects of the Internet together, including design, development, advertising, and sales.

According to (Siswanto, 2015) said most SMEs choose social media such as facebook, twitter, blogs, forums, and websites because it is more popular to attract customers because it can perform direct intakes and available on a mobile telephone and easily operated. But social media also have limitations in presenting information in the show. For the more optimal use of blogs or websites that paid in marketing products. Because it will increase consumer confidence in a product. According to (Barhatov, Campa, and Pletnev, 2018) Online marketing brings many benefits for employers with the creation of a faster intraksi between employers and consumers. So as to increase sales, online marketing also reduces the supply chain of products, make the effort faster and easier for customers and businessmen.

One that is particularly needed in entrepreneurship is the ability to innovate. According to (Bratti & Felice, 2018) product innovation can be done in response to consumer preferences, either directly through market research or indirectly through intermediaries, (Ramadani, Hisrich, Abazi-Alili, Dana, and Panthi, 2018) define the product innovation as the introduction of new goods or services to meet the needs of external markets or user needs.

According to (Beugelsdijk & Jindra, 2018) Product innovation is a key strategy for entrepreneurs to generate sustainable competitive advantages, product development is an ongoing process cumulatively gradual adjustments are made and improvements based on the times (Kuncoro & Suriani, 2017) stated that innovation in products is very important and should be in an effort to maintain market share and business success.

Innovation efforts can not last long. This is because of their needs, desires, fascination, and customer demand changes. Furthermore, (Hendro 2011) states that innovation is one of the main pillars supporting the growth of the market and maintain market order of business survive (survive), but also innovation begins with an idea to advance the efforts and the spirit of a enterpreneur who would not venture into the astounding efforts ordinary

From the above background, researchers interested in conducting research on "The Effects of Entrepreneurship Motivation, Online Marketing and Product Innovation to Business Success on the small of Micro Craft Industries in Padang".

## Methods

This study uses quantitative research, the kind of research that emphasize testing theories through measurements of these variables requires a study with numbers and statistical data analysis procedures. This study measuring instrument in the form of a questionnaire, the data obtained in the form of the small micro answer to the question posed.

This research was conducted on the micro small handicraft industry in the city of Padang, West Sumatra. The population in this study are all micro, small handicrafts industry in the city of Padang in 2018 that the population as much as 174 businesses, with a sample of 121 businesses,

In this study, the authors used data collection techniques by using a questionnaire or questionnaires for the free variable. According to (Arikunto, 2006: 128) questionnaires are a number of written questions that are used to obtain information from respondents. In this study, the authors distribute a questionnaire about motivation influence entrepreneurship, online marketing and product innovation to business success. The questionnaire or questionnaire used in this study is prepared using a Likert scale. Where respondents only choose one of the five alternative answers provided.

Based on the analysis of the trial data to 30 businesses, has gained validity and reliability grain item entrepreneurship motivation, online marketing, product innovation, and business success, as many as 49 items. These results were obtained by using SPSS version 16.0 using value calculation Corrected Item-Total Correlation for validity and Cronbach Alpha Coefficient for measuring reliability, all items that are not valid (under 0,349) discarded.

## Results and Discussion

### Research result

Presentation of data each variable in the form of a frequency distribution, wherein each of the respondents provides an assessment in accordance with the opinion of each.

### Entrepreneurship Motivation

Data obtained through the entrepreneurship motivation questionnaire consisting of five indicators and 17 items were used statement, event an employee discipline indicator variable in this study is the need of the Physical Security Needs, Social Needs, Pengakuan Needs, Self Actualization Needs. Description of entrepreneurship motivation variables are as follows:

**Table 2 Variable Frequency Distribution of Entrepreneurship Motivation**

Num.	Indicator	Average	(%)	Criteria
1	Physical needs	4.19	83.19	Well
2	Security Needs	4.02	80.49	Well
3	Social needs	4.17	83.47	Well
4	Affirmation needs	3.83	79.47	Pretty good
5	Self-Actualization Needs	4.21	84.24	Well
<b>Total</b>		<b>4.13</b>	<b>82.53</b>	<b>Well</b>

Source: *Primary Data Processing 2018*

Based on Table 2 above it can be seen that the motivation of entrepreneurship has an average score of 4.13 with an 82% level of achievement respondents were included in the category of Good. This suggests that entrepreneurship motivation micro businesses owned small craft industries in Padang is still in good category and need to be improved.

## Online Marketing

Online Marketing indicator variable in this study bwere Ease, Information, Flirt, and persuasion fewer.

**Table 3 Variable Frequency Distribution Online Marketing**

<b>Num.</b>	<b>Indicator</b>	<b>Average</b>	<b>(%)</b>	<b>Criteria</b>
1	Ease.	3.15	77.93	Pretty good
2	Status Update	3.45	78.28	Pretty good
3	Content	4.07	81.40	Well
<b>Total</b>		<b>3.50</b>	<b>78.3</b>	<b>Pretty good</b>

*Source: Primary Data Processing 2018*

Based on Table 3 above it can be seen that online marketing has an average score of 3.50 with a 78% level of achievement and respondents included in the category quite well. This shows that online marketing by small micro handicraft industries in the city of Padang is still in the moderate category and need to be improved.

## Product innovation

Product innovation indicators in this study are the expansion of products, imitation products, and new products.

**Table 4 Variable Frequency Distribution Product Innovation**

<b>Num.</b>	<b>Indicator</b>	<b>Average</b>	<b>(%)</b>	<b>Criteria</b>
1	Product expansion	3.96	79.29	Well
2	impersonation Products	3.92	78.45	Pretty good
3	New product	4.08	81.61	Well
<b>Total</b>		<b>3.96</b>	<b>79.39</b>	<b>Well</b>

*Source: Primary Data Processing 2018*

Based on Table 4 above it can be seen that the variable product innovations have the level of achievement of respondents 79.3% with an average of 3.96 so categorized Good. This shows that the innovation of products made by small micro industry crafts in Padang is still in being categorized and needs to be improved further. By considering and looking at exposure to research in the previous section, can the writer suggested the discussion of the study as follows:

### **The effect of Entrepreneurship Motivation on the success of small micro-enterprises in the handicraft industry in Padang.**

Based on the results of research on entrepreneurship motivation to know that significant and positive impact on the success of small micro-enterprises in handicraft industries in Padang with a coefficient of 0.014. Hypothesis test showed that entrepreneurship motivation and positive significant effect on business success. Could mean that the level of motivation entrepreneurship determines the level of business success on micro small handicraft industries in the city of Padang. The higher the entrepreneurship motivation, the higher the success rate of small micro-enterprises in the handicraft industry in the city of Padang, this proves that entrepreneurship motivation to be one factor in business success.

Description of the analysis found that entrepreneurship is considered good motivation, it can be seen from The mean value of 4.13 with 82.53 categorized TCR well. Therefore an entrepreneur to increase their business success needs to further improve entrepreneurship motivation both physical needs compliance, security, social, need for recognition and self-actualization needs.

### **The Effect of Online Marketing on the success of small micro-enterprises in the handicraft industry in Padang.**

Based on the results of research in the know that online marketing is a significant and positive impact on the success of small micro-enterprises in handicraft industries in Padang with a coefficient of 0.010. Hypothesis test showed that online marketing is a significant and positive impact on business success. This means that online marketing is one of the factors that influence the success of small micro-enterprises in handicraft industry in the city of Padang, where increasing online marketing is done by small micro business, the higher the level of business success achieved.

Based on the description of the analysis found that online marketing is categorized quite good this can be seen from the average value of TCR of 3.90 to the achievement of 78.3%, which means that online marketing has not been implemented fully by micro, small handicraft industry in the city of Padang, therefore, if businesses want to increase business success it is necessary to conduct online marketing as a means of sales and purchases consumers demand today.

### **The Effect of Product Innovation on the success of small micro-enterprises in the handicraft industry in Padang.**

Based on the results of research to know that the product innovation significant and positive impact on the success of small micro-enterprises in handicraft industries in Padang with a coefficient of 0.003. Sinovasi hypothesis test indicates that a significant and positive impact product to business success. This means, product innovation is one of the factors that influence the success of small micro-enterprises in handicraft industry in the city of Padang, where the higher the innovation of products made by the small micro business, the higher the level of business success achieved.

Based on the description of the analysis found that the innovation of products categorized good enough it can be seen from the average value of 3.96 with the achievements of TCR 79.3%, Which means that product innovation has not been implemented fully by micro, small handicraft industry in the city of Padang. Innovation is the ability of businesses to create and update them continuously to see the times to suit the tastes and can demand to consume so as to increase business success.

## **Conclusions**

Based on the analysis and discussion of this research resulted in the following conclusions:

1. Entrepreneurship Motivation has a significant influence on the success of small micro-enterprises in the handicraft industry in the city of Padang. Forms of entrepreneurship motivation variable influence on the success of the business are positive. This means that the higher the entrepreneurship motivation, the higher a person's success on micro small businesses handicraft industry in the city of Padang.
  2. Online marketing has a significant influence on the success of small micro-enterprises in the handicraft industry in the city of Padang. Forms of online marketing variables influence the success of the business is positive. This means that the higher the implementation of online marketing by small micro business, the higher the success of small micro-enterprises in the handicraft industry in the city of Padang
  3. Product innovation has a significant influence on the success of small micro-enterprises in the handicraft industry in the city of Padang. A form of variables influences the success of product innovation effort is positive. This means that the higher the implementation of product innovation by small micro business, the higher the success of small micro-enterprises in the handicraft industry in the city of Padang.
- Based on the analysis and conclusions in this study, to improve the success of small micro-enterprises in the handicraft industry in the city of Padang, following the suggestions proposed by the researchers:

1. For the micro small handicraft industries in a way.  
Increase sales through online marketing by means of to update the status of the new products as well as existing from the business, provide accurate information about the products produced and adding images and videos in the promotion and sale of the product to make it more attractive. Improve product innovation by adding innovative variations on products produced, doing observe imitate product modifications on products being sold in the market and maintaining the quality of the product.
2. for the Government

Increase the success of small micro enterprises by mentoring in small micro-enterprises in order to maintain interest in entrepreneurship, make training to supplement an understanding of MSE on online marketing and product innovation and make Clinic SMEs as a consultancy for small and micro businesses solving the problems faced.

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