

ABSTRACT

Traditional Clothing or Batik MSMEs play a strategic role in preserving local culture and strengthening regional identity. By prioritizing entrepreneurial orientation, these MSMEs can transform cultural uniqueness into a foundation for innovation, create added value, and differentiate their products in the market. Their proactive attitude, risk-taking, and focus on innovation not only preserve cultural heritage but also open up new market opportunities, improve competitiveness, and drive sustainable business growth. However, the inconsistency of research results regarding the effect of entrepreneurial orientation on business performance is a challenge that needs to be overcome through the right approach.

The novel concept in this study is cultural value differentiation, adopted from Service-Dominant Logic (SDL), which is expected to answer the inconsistent relationship between entrepreneurial orientation and business performance. SDL emphasizes that value is created through customer interaction and experience. In this context, SDL is implemented through cultural value differentiation, where local cultural values are used as the basis for building unique and meaningful interactions with customers. By utilizing social media and aggressive marketing strategies, traditional/batik fashion MSMEs can strengthen customer engagement, create personalized service experiences, and build deeper relationships. This not only expands market reach but also increases customer loyalty through authentic cultural value differentiation. This research focuses on traditional clothing/boutique MSMEs in Central Java, chosen for its diverse society and rich and unique cultural values.

The study involved 387 samples consisting of owners or managers of traditional/batik fashion MSMEs in Central Java. The data were analyzed by Structural Equation Model (SEM) procedure using SPSS and AMOS 23 analytical tools. The results of the analysis showed that all proposed hypotheses were accepted. This finding indicates that entrepreneurs who apply entrepreneurial orientation can more effectively offer cultural value differentiation than relying solely on the use of social media. If cultural value differentiation is developed consistently, it can strengthen aggressive marketing strategies, which in turn contribute significantly to improving business performance.

Keyword : entrepreneurial orientation, cultural value differentiation , service-dominant logic, social media usage, aggressive marketing strategy, business performance

FEB UNDIP