

The Relationship Between Entrepreneurial Marketing Application and Perceived Customer Value in The Retail Business from The Perspective of Co-Creation Experience

(A Study on Shopping Centers at Malang City, East Java, Indonesia)

^{1*}Syukur Nuralam, ²M. S. Idrus, ³Margono Setiawan, ⁴Ubud Salim

¹Director, PT. Indotan Lombok Barat Bangkit (ILBB), West Lombok Regency, Nusa Tenggara Barat Province, Indonesia

^{2, 3, 4}Faculty of Economics and Business, University of Brawijaya

ABSTRACT

The aim of this study is to clarify and to extend the conceptualization of entrepreneurial marketing application and its relationship with perceived customer value in the retail business from the perspective of co-creation experience. The approach of the study applies *embedded mixed methods-correlation model* where qualitative data add to deeply understand the interpretation of quantitative data. Quantitative data are obtained by questionnaires. There are totally 270 respondents participating in this study. Structural Equation Modeling (SEM) is used to analyse the data. Twelve hypotheses are established and tested. Meanwhile, qualitative data are obtained by in-depth interviews. The results of this study indicate that a definite causal relationship between entrepreneurial marketing application and perceived customer value in the retail business from the perspective of co-creation experience does exist. The increase of entrepreneurial marketing application as well as the increases of the applications of the 5(five) dimensions of entrepreneurial marketing result in the increase of perceived customer value; meanwhile, the increases of the applications of the other 2(two) dimensions of entrepreneurial marketing in fact do not result in the increase of perceived customer value. On the other side, the increase of perceived customer value as well as the increases of the 3(three) dimensions of perceived customer value also result in the increase of entrepreneurial marketing application.

KEYWORDS: entrepreneurial marketing application, dimensions of entrepreneurial marketing, perceived customer value, dimensions of customer value, causal relationship, co-creation experience

INTRODUCTION

In the midst of the development of increasingly demanding, more intelligent, increasing purchasing power of customers, and coupled with the increasing intensity of global competition today the company is continuously working to find new marketing strategy in order to gain an advantage and sustainable business success. Previously, some companies did lots of management efforts internally to improve and to enhance the performance of the companies such as reengineering, down-sizing, restructuring, and other efforts. However, the above efforts tend to only be able to improve current business process and can only affect the success of the company in short-term or short-term survival and instantaneous progress or present market leadership [1]. What the company should do in the future in order to gain business advantage is more emphasis on superior customer value [2] [3] [4] [5]). Indeed, competition in the 21st century is the competition in the delivery of superior customer value [6][3] [4] [7] [8] [9] [10] [6][4]. Woodruff [4] even adds and expresses confidence, reminding academics and practitioners, that the customer value is the primary resource to gain competitive advantage in the future. The importance of customer value began to surface in the 1990s [11], and has been attracting much attention from academics and marketing practitioners. The ability of the company to provide superior customer value is considered as one of the important strategies to gain competitive advantage and an important aspect in most models of business strategy [12], where the concept of customer value is an important factor in attracting and retaining customers. Furthermore, Woodruff [4]; Fernandez and Iniesto-Bonillo [13] say that customer value is one of several important factors in the success or failure of an organization and is declared as one of the critical resources to create competitive advantage.

Based on the literatures, the terms of customer value and consumer value are inconsistent in use. In some cases the terms of customer value and consumer value show the same sense [13]. Fernandez and Iniesto-Bonillo [13] further assert that what is important is the basic idea that the value is perceived by the consumer/customer. Other experts such as Sinha and De Sarbo [14] and Ralston [15] say that customer value and consumer value or between customer value and perceived customer value are the same. The differences and the complexity of opinions about customer value result that the constructs and operational definitions for measuring customer value become ambiguous [16] [8] and customer value depends a lot on some terms such as utility, worth, benefits, and the quality that are often not clearly defined [16]. Smith and Colgate [17] realize

*Corresponding Author: Syukur Nuralam, Director on PT Indotan Lombok Barat Bangkit (ILBB), West Lombok Regency, Nusa Tenggara Barat Province of Indonesia. Email: syukurnuralam@yahoo.com

that the differences in the definition, concept, framework, and the typology of customer value result in that no single construct of customer value is mutually agreed and suitable for all businesses. One thing is clear that customer value is determined by the customer's perception, is not determined by the company. Entrepreneurial marketing, a discipline that consists of two management disciplines namely entrepreneurship and marketing, in recent decades, has been present in the realm of marketing and it is believed as an effort to build competitive advantage. Covin and Miles [18], Barney [19] as well as Miles and Darroch [20] suggest that by the entrepreneurial approach, marketing holds a pro-active innovation and manages the entire process for creating, communicating, and delivering superior customer value compared to competitors. Distinct character of entrepreneurial marketing is a pro-active stance against any changes in the market and the ability to anticipate any changes in demand [21] instead of reactive response to the external environment. Entrepreneurial marketing, therefore, can be understood as a dynamic process of the company to create and deliver superior customer value to meet current and changing demand. Based on entrepreneurial approach, marketing is committed to understand, anticipate and respond to market changes. Therefore, interactions, feedbacks, and networking relationships between company and customer in a dynamic and sustainable relationship are absolutely important. If not, then the duty of the company to provide the right values to the right customers may result in a hazardous game [22]. In this context, the customer and the company should not be viewed as the two parties who have separated roles in creating customer value. Marketing variables are not only as variables that can affect the customer value but also as variables that can be affected by the customer value. Furthermore, Prahalad and Ramaswamy [9] say that the company and the customer are convergence that two sides are getting closer and then become joint efforts to create customer value in the form of co-creation through multiple points of interactions derived from the shopping experience. In the retail business, especially in the shopping center the interaction between the customers and the company can be viewed in real shopping experience.

Morris *et al.* [23] warn that marketing is context dependent, but the context is continually changing. This statement implies that a marketing theory which is built in a particular context needs to be deduced in different contexts. Morris *et al.* [23] as well as Miles and Darroch [20] add that the concept of entrepreneurial marketing is dynamic, flexible and multidimensional so that it needs further deepening in various phenomena. On the other hand, customer value itself is a dynamic concept [16] and contains multiple meanings [13]. This study, therefore, is to empirically confirm the causal relationship between entrepreneurial marketing application and perceived customer value in retail business from the perspective of co-creation experience.

MATERIALS AND METHODS

The model of this study is a synthesis of the concept of Morris *et al.* [23] as well as Miles and Darroch [20] and the idea of Rintamaki *et al.* [22] which model is the causal relationship between entrepreneurial marketing application and perceived customer value in the retail business from the perspective of co-creation experience, as Figure 1 below. Entrepreneurial marketing variables are divided into 7(seven) dimensions as those are presented by Morris *et al.* [23] as well as raised by Miles and Darroch [20], namely: innovativeness, calculated risk-taking, pro-activeness, opportunity-driven, resource leveraging, customer intensity, and value creation. The indicators used to measure the dimensions of entrepreneurial marketing application are based on entrepreneurial marketing application proposed by Webster [24] where entrepreneurial marketing as culture, as a strategy, and as a tactic. As a culture, marketing is a set of basic values and beliefs that puts the importance of the customer in determining the direction of the organization. As a strategy, marketing drives how an organization can keep creating superior customer value in the business world. As a tactic, marketing is responsible for the application of marketing concepts and programs that are already established to build, maintain, and develop intimate relationships with profitable customers.

On the other hand, the perceived customer value has been decomposed by Rintamaki *et al.* [22] into 3(three) dimensions: utilitarian value (consisting of money savings and convenience), social value (consisting of status and self-esteem), and hedonic value (consisting of entertainment and exploration). Indicators to measure the dimensions of perceived customer value are the indicators that have been used by Rintamaki *et al.* [22]. The model is described as Figure 1 below.

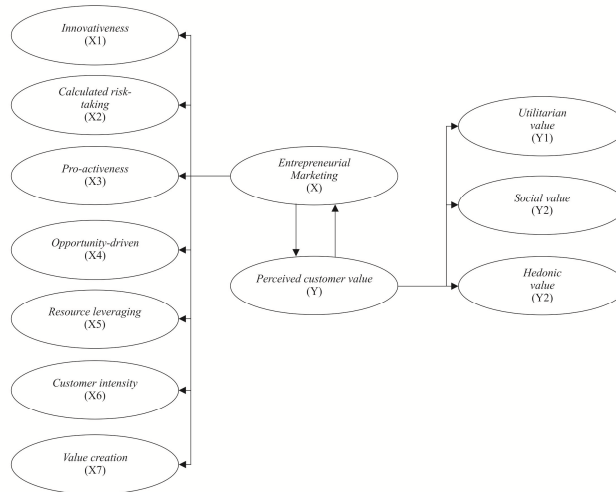


Figure 1. Research Model: the Causal relationship between Entrepreneurial Marketing Application and Perceived Customer Value

Hypothesis

From the perspective of co-creation experience between the company and the customer on the retail business, entrepreneurial marketing application and perceived customer value are suspected to have a dynamic and sustainable causal relationship. Based on this understanding, there are hypothesis:

H1: The Increase of entrepreneurial marketing application will increase the perceived customer value.

H2: The increase of perceived customer value will increase the entrepreneurial marketing application.

In order to be able to establish and maintain a competitive advantage, entrepreneurial marketing must be able to deliver superior customer value by the efforts to innovate processes and marketing strategies to meet the latent and future demands [25], to lead the customer rather than to react to or to follow them [23], and to create new markets [21] rather than to serve existing markets only. Based on this understanding, there is a hypothesis:

H3a: The increase of innovativeness dimension of entrepreneurial marketing application will enhance the perceived customer value.

In an uncertain competition, entrepreneurial marketing will estimate the risks that may arise. Risks associate with resource management policies such as the choice of products, the determination process, service, or targeted market [26]. Furthermore, these resources will be managed in such a way to produce a high return where costs and risks are taken into account. Based on this understanding, there is a hypothesis:

H3b: The increase of calculated risk-taking dimension of entrepreneurial marketing application will increase the perceived customer value.

Under the conventional approach, the marketing function is reactive and responsive to the current demand and trend of the demand changes and then makes recommendations so that companies are able to utilize the conditions. Therefore, there is a tendency that a company is not able to develop new products to satisfy unclear, unidentified, and suddenly emerging demands [1]. This is where a pro-active approach of entrepreneurial marketing application is required in order to satisfy perceived customer values that are needed now and may come later where they were not previously articulated by customers. Based on this understanding, there is a hypothesis:

H3c: The increase of pro-activeness dimension of entrepreneurial marketing application will increase the perceived customer value.

Entrepreneurial management approach prioritizes the use of opportunities regardless of the resources owned by the company. Marketers must be able to develop the opportunities that lie far beyond the horizon of what is imposed by the customer and be able to escape from the tyranny of the served market [1]. Based on this understanding, there is a hypothesis:

H3d: The increase of opportunity-driven dimension of entrepreneurial marketing application will increase the perceived customer value.

Miles and Darroch [20] say that in a free and open market, the process of entrepreneurial marketing is a very strategic move to create superior value to customers and shareholders. The tasks of marketers therefore are trying to find resources that have not been used to create superior customer value. Based on this understanding, there is a hypothesis:

H3e: The increase of resource leveraging dimension of entrepreneurial marketing application will increase the perceived customer value.

Morris *et al.* [23] say that superior performance will appear on the company that has customer-based organization culture. This is where the importance of marketing research, especially with an emphasis on customer value, along with the ability to learn customer needs and any changes. Based on this understanding, there is a hypothesis:

H3f: The increase of customer intensity dimension of entrepreneurial marketing application will increase the perceived customer value.

The essence of entrepreneurial marketing is innovative value creation [20][21 [27]) where the value creation is a fundamental requirement prior to the exchange and relationship. In a dynamic market, the value creation should be continuously defined [28]. Based on this understanding, there is a hypothesis:

H3g: The increase of value creation dimension of entrepreneurial marketing application will increase the perceived customer value.

Furthermore, to measure and to analyse deeply about the relationship between the increase of perceived customer value and the increase of entrepreneurial marketing application as it appears in H2 above, then the relationships between the increases of perceived customer value dimensions: utilitarian value, social value, and hedonic value as well as the increase of entrepreneurial marketing application also need to be measured and analysed in more detail, as follows.

Utilitarian value dimension is obtained based on rational economic considerations, namely: money savings and convenience. As money savings, customers are rational, so the emphasis is on the functions of the products provided by the company. Furthermore, the convenience refers to the ratio between inputs and outputs where time, money, and the other efforts that the customer spends are inputs and the company's efforts to let customers enjoy the retail experience from the drive-in to check out are the outputs. Based on this understanding, there is a hypothesis:

H4a: The increase of utilitarian value dimension of perceived customer value will increase the entrepreneurial marketing application.

Social value is symbolic benefit where customers can express their personal status or value through a shopping experience that is to improve the status and self-esteem. For customers, shopping is an activity of sightseeing where customers want to gaze and are gazed upon [22]. Based on this understanding, there is a hypothesis:

H4b: The increase of social value dimension of perceived customer value will increase the entrepreneurial marketing application.

Hedonic value is perceived customer value derived from pleasurable experience. Hedonic value reflects the emotional or psychological value coming from the shopping experience that contains entertainment and exploration. Entertainment is feeling of comfort for the activities provided by companies such as: show, live music, or a shopping mood. Exploration is shopping adventure such as window shopping, browsing, bargain hunting, and the like [22]. Based on this understanding, there is a hypothesis:

H4c: The increase of hedonic value dimension of perceived customer value will increase the entrepreneurial marketing application.

Next, causal relationship between entrepreneurial marketing application and perceived customer value needs to be measured and analysed in detail.

The approach of the study applies *embedded mixed methods-correlation model* which combines positivist approach (quantitative) and naturalistic approach (qualitative) [29]. The research was conducted on 9(nine) shopping centers at Malang city from October 2011 till December 2011 on Friday, Saturday and Sunday at the crowded shopping center customers.

The population to examine the entrepreneurial marketing application variables are managers of the shopping centers; while the population to examine the perceived customer value variables are customers; while sampling is based on non-probability sampling. There are 135 samples (9 shopping centers, 15 samples each) to measure entrepreneurial marketing application and 135 samples (9 shopping centers, 15 samples each) to measure perceived customer value. Quantitative data are obtained by cross-sectional questionnaires with Likert

scales (5-point) which indicates the level of "very low" to "very high" to measure entrepreneurial marketing, and the level of "strongly disagree" to the level of "strongly agree" to measure the perceived customer value. Furthermore, Structural Equation Modeling (SEM) assisted by AMOS Version 16 is used to analyse the quantitative data. Meanwhile, qualitative data are obtained by in-depth interviews.

RESULTS & DISCUSSION

Descriptive data of customers. The data about entrepreneurial marketing application show that the highest percentage of 34.81% of the respondents are low level managers. Furthermore, the data about perceived customer value explain that the highest percentage of each group of respondents, as follows: 72.59% (female), 61.52% (high school and higher), 33.33% (housewives), 40% (the age of 25-40 years), and 40% (monthly salary of US 250 and more, but less than US 750), 54.07% (coming from Malang city), and 57.78% (visiting less than 6 times a year).

Research Hypothesis Testing Results and Discussion

The causal relationship between entrepreneurial marketing application and perceived customer value in the retail business from the perspective of co-creation experience, H1 and H2, shows in Figure 2 below.

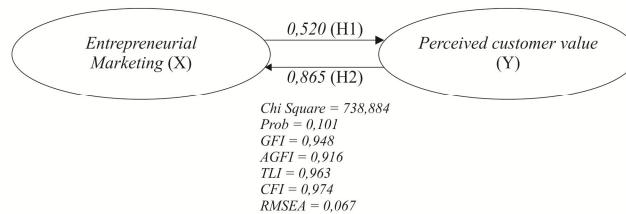


Figure 2. Structural Equation Modeling (SEM): Causal Relationship between Entrepreneurial Marketing Application and Perceived Customer Value
Sources: Appendix Figure 2 (data processed), 2011

According to Hair *et al.* [30], there are 7(seven) criteria that must be considered when using SEM specified as the following Table 1.

Tabel 4.2 Goodness of Fit Index

Goodness of-fit Index	Criteria
X Chi-Square	Expected small
Significant Probability	≥ 0,05
RMSEA	≤ 0,08
GFI	≥ 0,90
AGFI	≥ 0,90
TLI	≥ 0,95
CFI	≥ 0,95

Source: Hair, *et al.* [30].

Goodness of Fit Index, the model of causal relationship between entrepreneurial marketing application and perceived customer value (Figure 2 above) shows that the Chi-square = 738.884 (hopefully small) probability = 0.101 (>0.05), RMSEA = .067 (<0,08), GFI = 0.948 (>0.90), AGFI = 0.916 (>0.90), TLI = 0.963 (>0.95), and CFI=0.974 (>0.95), and all the criteria are in the limit threshold recommended by AMOS [30]. Thus, the model is feasible. The results of SEM analysis show that there is a causal relationship between entrepreneurial marketing application and perceived customer value from the perspective of co-creation experience. The effect of the increase of entrepreneurial marketing application towards perceived customer value, (H1), is 0.520 with a critical ratio 2.314>1.96. This means that the increase of entrepreneurial marketing application made by the shopping centers which is a dynamic process undertaken to create and deliver superior customer value is able to provide shopping experience in such a way to enhance the customer's perception of value significantly. Thus, H1 is accepted. On the other hand, the effect of the increase of perceived customer value towards entrepreneurial marketing application, H2, is 0.865 with a critical ratio 3.227>1.96. This means that increasing customer's perception of the value on shopping experience is able to improve the application of entrepreneurial marketing significantly. Thus, H2 is accepted. These findings are in line with the notion of Gummesson [31] and Temporal and Trott [7] asserting that the marketing should be seen as relationships, networks and interactions between companies and customers, mutually satisfying exchange relationships and produce win- win value

exchanges [32]; and relationships in which companies and customers are better-off [31]. Thus, the marketing variables are not only the variables that can affect the perceived customer value but also variables that can be affected by perceived customer value

Furthermore, the effects of entrepreneurial marketing application dimensions: innovativeness, calculated risk-taking, pro-activeness, opportunity-driven, resource leveraging, customer intensity, and value creation toward perceived customer value (H3a, H3b, H3c, H3d, H3e, H3f, H3g) are shown in Figure 3 below.

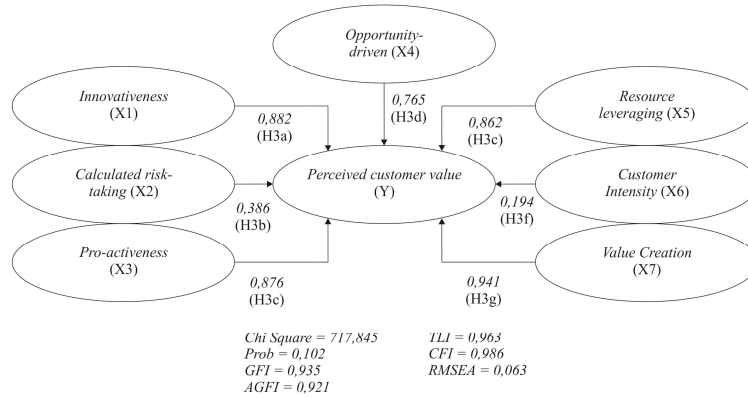


Figure 3 Effects of Entrepreneurial Marketing Application Dimensions towards Perceived Customer Value
Sources: Appendix Figure 3 (data processed), 2011

Goodness of Fit Index, a model of how the application of the entrepreneurial marketing dimensions affect the perception of customer value (Figure 3 above) shows that the Chi-square =717.845 (hopefully small), probability= 0.102 (>0.05), RMSEA = 0.063 (<0.08), GFI = 0.935 (>0.90), AGFI = 0.921 (>0.90), TLI =0.963 (>0.95), and CFI = 0.986 (>0.95). All the criteria are in the threshold recommended by AMOS (Hair *et al.* 1998). Thus, the model is feasible. Next, the results of testing hypotheses (H3a, H3b, H3c, H3d, H3e, H3f, H3g) can be detailed as follows.

The results of SEM analysis show that of 7(seven) dimensions of entrepreneurial marketing [23][20]) that are the basis of this study, researcher finds that only 5(five) dimensions: innovativeness, pro-activeness, opportunity-driven, resource leveraging and value creation affect the perceived customer value significantly; while 2(two) other dimensions: calculated risk-taking and customer intensity do not affect the perceived customer value significantly. The results of hypothesis testing in detail are as follows.

The effect of innovativeness dimension of entrepreneurial marketing (X1) towards perceived customer value (Y) is 0.882 with a critical ratio 2.802>1.96. This means that the increase efforts of innovativeness that are the ability of the company to maintain the appearance of new ideas and then translate them into processes, products and application technology, marketing, and service in fact are able to enhance the customer's perception of value significantly. Thus, H3a is accepted. The findings of this study are in line and at the same time support the earlier expert opinions that the shopping centers must continually push innovation into all levels of the organization to develop and articulate value proposition to the market [24][23].

The effect of calculated risk-taking dimension of entrepreneurial marketing (X2) towards perceived customer value (Y) is 0.386 with a critical ratio 1.868<1.96. This means that the increasing efforts of calculated risk-taking that are the efforts of the company to accurately calculate the risk factor and then reduce the likelihood of this risk are not able to improve the perception of customer value significantly. Thus, H3b is rejected. The findings of this study are not in line with the notion of Shane and Venkataraman [26] that in conjunction with the search of opportunities in uncertain environment marketers will make an estimate of the risks that may arise. Companies that apply entrepreneurial marketing are not gamblers but risk acceptors they are willing to accept the risks that may arise and have been calculated previously in the context of long-term business [20].

The results of in-depth interviews with informants of Gajah Mada Plaza shopping center (one of nine shopping centers) provide information that the company is too strict in issuing budget although it was felt that the activities to be financed may have positive impacts on shopping convenience. Even if there are spendings, they are only minor maintenance expenditures that may not bring major advantages for the customers. From this information it is understood that the actual shopping awareness about the application of calculated risk-taking dimension is already there but not maximized.

The effect of pro-activeness dimension of entrepreneurial marketing (X3) towards perceived customer value (Y) is 0.874 with a critical ratio 2.527>1.96. This means that the increasing efforts of pro-activeness that

are the attitudes of the company to look for ways pro-actively to create competitive advantage through improvements in production, marketing, and service expenditures are able to increase the customer's perception of value significantly. Thus, H3c is accepted. The results of this study support the notion of Gima and KO [33] that pro-active attitude looks at the environment as an horizon. Marketers, therefore, always try to look at the environment in such a way so that they can reduce the uncertainties and the company's dependence on hazardous conditions and more over take advantage of them. That breakthrough is needed to deal with market pressures and thus the company can control, not be controlled by the customer.

The effect of opportunity-driven dimension of entrepreneurial marketing (X4) towards perceived customer value (Y) is 0.765 with a critical ratio 2.288>1.96. This means that the increase efforts of opportunity-driven approach where the management is always looking for new opportunities regardless of the resources currently owned by the company are able to increase the customer's perception of value significantly. Thus, H3d is accepted. This finding is in line with the notion of Hamel and Prahalad [1] saying that marketers should be able to develop the opportunities that lie in the horizon far beyond what is imposed by the customer. Marketers need to learn and to adapt the concept of innovation significantly in order to utilize significant opportunities.

The effect of resource leveraging dimension of entrepreneurial marketing (X5) towards perceived customer value (Y) is 0.862 with a critical ratio 2.333>1.96. This means that the increase efforts of resource leveraging that are the utilization of resources from within and from outside of the company in an efficient and effective way are able to increase the customer's perception of value significantly. Thus, H3e is accepted. These resource leveraging efforts of shopping centers are in line with what was stated by Collinson and Shaw [21] that companies utilize outside resources such as rent, profit sharing, or outsourcing to increase the performance. Entrepreneurial marketing is not much dependent on the current resources but it is also able to leverage other resources in many ways.

The effect of customer intensity dimension of entrepreneurial marketing (X6) towards perceived customer value (Y) is 0.194 with a critical ratio 1.732<1.96. This means that the increasing efforts of customer intensity that are the efforts of the company to continuously observe each demand growth now and in the future are not able to increase the customer's perception of value significantly. Thus, H3f is rejected. Entrepreneurial marketing combines the needs for creative approaches with the activities of building, developing, and retaining customers. The basic concept of intimate relationship with customers produces a dynamic knowledge about the changing customer conditions and needs [16][34].

The results of in-depth interviews with informants of Sarinah shopping center (one of nine shopping centers) provide information that actually Sarinah shopping center is always trying to get closer to the customer but the creative efforts are often hampered by restrictive budget. From this information it is understood that the awareness of shopping center about the application of customer intensity dimension of entrepreneurial marketing is already there but sometimes it faces budget problems.

The effect of value creation dimension of entrepreneurial marketing (X7) towards perceived customer value (Y) is 0.941 with a critical ratio 3.393>1.96. This means that the increasing value creation efforts that are the efforts of the company to always look at any changes in customer value and then translate them into the production and marketing are able to increase the customer's perception of value significantly. Thus, H3g is accepted. The efforts that shopping center makes to apply value creation dimension are in line with the notion of Miles and Darroch [20] and Collinson and Shaw [21].

On the other hand, the effects of perceived customer value dimensions towards entrepreneurial marketing (H4a, H4b, H4c) are shown in Figure 4 below.

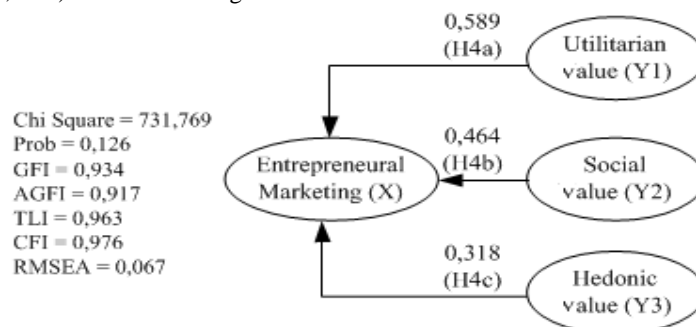


Figure 4. Effects of Perceived Customer Value Dimensions towards Entrepreneurial Marketing
 Sources: Appendix Figure 4 (data processed), 2011

Goodness of Fit Index, the model of the effects of perceived customers value dimension towards entrepreneurial marketing (Figure 4 above) indicates that the Chi square =731.769 (hopefully small), probability = 0.126 (>0.05), RMSEA = 0.067 (<0.08), GFI = 0.934 (>0.90), AGFI = 0.917 (>0.90), TLI = 0.963 (>0.95),

and CFI = 0.976 (>0.95), and all the criteria are in the threshold recommended by AMOS [30]. Thus, the model is feasible. Next, the results of testing hypotheses (H4a, H4b, H4c) can be detailed as follows.

The results of SEM analysis show that all 3(three) dimensions of perceived customer value: utilitarian value, social value, and hedonic value as presented by Rintamaki *et al.* [22] affect entrepreneurial marketing application significantly.

The effect of utilitarian value dimension (Y1) towards the entrepreneurial marketing application (X) is 0.589 with a critical ratio $3.226 > 1.96$. This means that the increasing customer perception towards the utilitarian value dimension that is customer value based on rational and economic considerations, namely: money savings and convenience is able to increase the entrepreneurial marketing application significantly. Thus, H4a is accepted. The results of this study indicate that the shopping centers try to focus on how to respond to the real needs of the customers that are economically very rational. It is very important to keep in mind the notion of Rintamaki *et al.* [22] that for the customers who prioritize utilitarian value, the search for the most advantageous price is more important than being a loyal customer.

The effect of social value dimension (Y2) towards the entrepreneurial marketing application (X) is 0.464 with a critical ratio $2.752 > 1.96$. This means that the increasing customer perception towards the social value dimension of perceived customer value is able to increase the entrepreneurial marketing application significantly. Thus, H4b is accepted. Customers of shopping centers at Malang city do not entirely shop with the motivation to obtain goods and services. Swinyard [35] says that customers of shopping centers have the motivation to acquire goods or services as well as to obtain satisfaction of things that have nothing to do with the goods or services but rising social status.

The effect of hedonic value dimension (Y3) towards entrepreneurial marketing application (X) is 0.318 with a critical value $2.237 > 1.96$. This means that the increasing customer perception of hedonic value dimension that is the customer value that emphasizes on the pleasurable experience is able to increase entrepreneurial marketing application significantly. Thus, H4c is accepted.

Furthermore, the results of hypothesis testing show that utilitarian value dimension (Y1), compared to social value dimension (Y2) and hedonic value dimension (Y3), has the greatest effect towards the increase of entrepreneurial marketing application (X) that is 0.589. These results indicate that the customer perception of the utilitarian value dimension has the most dominant effect on the application of entrepreneurial marketing.

Research Contribution

The findings of this study provide theoretical contributions to the development of marketing disciplines, particularly to the consumer behaviour. The causal relationship between of entrepreneurial marketing application and the perceived customer value implies that the company and its customers are no longer seen as the two parties that have separated roles in creating value. Company and the customer are converging that the two sides are closer together to create customer value in the form of co-creation experience through the experience of shopping. Furthermore, this study provides a practical contribution that the task of managing a company or shopping center is to know in detail about the customer's perception of the value and apply entrepreneurial marketing policies in the field of merchandizing, accessibility, services, atmosphere, entertainment, and security at shopping center. The main purpose is to create enjoyable shopping experience that can increase the perception of customer value.

Limitations of Research

This study was conducted at large-scale and modern shopping centers at Malang city. Therefore, the findings of this study are less representing the small-scale and traditional shopping centers both at Malang city or other areas. Likewise, the samples to measure and to analyse the entrepreneurial marketing application are managers of shopping centers in the retail business. Therefore, the findings of this study, particularly the effects of the application of entrepreneurial marketing towards perceived customer value do not represent non-retail business.

CONCLUSION

There is a causal relationship between entrepreneurial marketing application and perceived customer value in the form of co-creation experience gained through the shopping experience. However, the effects of entrepreneurial marketing applications toward perceived customer value are not totally valid. Of 7(seven) dimensions of entrepreneurial marketing, 5(five) dimensions: innovativeness, pro-activeness, opportunity-driven, resource leveraging, and value creation can increase the perceived customer value significantly; while, the other 2(two) dimensions: calculated risk-taking and customer intensity are not able to increase the perceived customer value significantly. On the other hand, the increase of perceived customer value as well as the increase of its 3(three) dimensions such as utilitarian value, social value, and hedonic value, in fact can increase entrepreneurial marketing application significantly.

RECOMMENDATION

Recommendation, it is interesting to explore further about the perceived customer value when customers are segmented by demographics, such as: Javanese, Maduranese, Chinese, and Arabs. This information will be very useful for shopping centers to evaluate and build strategy, focus, and priorities of marketing with an entrepreneurial spirit.

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