

Analysis of the Influence of Entrepreneurial Orientation on Internasional Business Networking and Competitive Advantage, and Its Impact on the Marketing Performance of SMEs (A Study on SMEs in Kampung Embong Arab, Malang City)

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ABSTRACT

This study aims to analyze the influence of entrepreneurial orientation on business networking and Competitive Advantage and its impact on the export-import performance of Micro, Small, and Medium Enterprises (MSMEs) in the Arab Embong Village, Malang City. A survey method was employed to collect data from MSMEs operating in the village. Hypothesis testing was conducted using multiple regression analysis. The results show that entrepreneurial orientation has a significant influence on the formation of business networks. Furthermore, it was found that business networking has a positive and significant impact on the export-import performance of MSMEs. The implications of these findings underscore the importance of developing entrepreneurial orientation and fostering business networking for MSMEs to enhance their export-import performance. Therefore, it is recommended that the government and relevant institutions provide support and guidance to MSMEs in developing entrepreneurial skills and expanding their business networks.

INTRODUCTION

Indonesia was one of the countries that experienced positive economic growth when the global economic crisis hit the world in the second semester of 2008. The Indonesian economy during the economic recovery period continued to grow, but it was worrying, because the growth was driven more by the consumption sector and not the production sector. The low levels of investment and productivity, as well as the low growth of new businesses in Indonesia, especially those related to the role of SMEs as support for the economy, need serious attention in the future in order to create quality economic growth.

International trade has become a hot issue in the economic field in the last decades. International trade occurs due to several factors such as advanced production systems, transportation, communication technology, and a country's political system. In a global economy, sooner or later the business world is faced with competition at the international level. Apart from that, international trade plays an important role in a country's economy because it can increase the country's foreign exchange and overcome the trade balance deficit and balance of payments deficit. Economic channels reach almost every corner of the world, international trade is now not only carried out by giant companies, but also carried out by Small and Medium Enterprises (SMEs). Empowerment of Small and Medium Enterprises (SMEs) is an integral part of national development which aims to create a prosperous society.

SMEs have been proven to survive the economic crisis, as well as being the savior of the Indonesian economy in particular, because they are still able to contribute to Gross Domestic Income (GDP) and reduce unemployment. The contribution level of SMEs to GDP is 61.9% or 8.6 trillion rupiah. In addition, in non-oil and gas exports, Indonesian SMEs contributed 15.69% in 2021. The role of SMEs in these exports is proof of the ability and competitiveness of SME products in the free competitive market, as well as a potential that needs to be continuously maintained to maintain the continuity of international trade and achieve bigger foreign exchange. By looking at the opportunities and contributions as well as the existing realities regarding the role of SMEs in the Indonesian economy, it is deemed necessary to have a grand strategy for development through SME empowerment. With the hope that SMEs will be able to become a new source of growth for the Indonesian economy in terms of improving the welfare of society, opening up employment opportunities, a means of equitable development, a medium for reducing urbanization, generating foreign exchange, and increasing national income.

The large potential of SMEs in economic growth in Indonesia cannot be separated from various problems and obstacles. Based on the monitoring results of the UKM Potential Study Team (2011), the obstacles faced by UKM include the fundamental and mental readiness of UKM which is not yet optimal. Most MSMEs still run their businesses conventionally and have not implemented good corporate governance (good corporate governance). Apart from that, the managerial mindset of managers/owners of SME companies still tends to be conservative and does not prioritize aspects of information disclosure to the public. The majority of MSMEs do not carry out professional

business management and do not have long-term business planning, so there is no certainty regarding the sustainability of their business (sustainability).

Successful performance cannot be separated from the role of an entrepreneur in carrying out his business activities (Lestari, 2010). To become a successful entrepreneur, you are required to have prestigious attitudes and behavior as well as a strong sense of independence (As'ad, 2012). According to As'ad (2012) an entrepreneur is someone who applies his abilities to organize, control the means of production and produce results which are then sold or exchanged and obtain income from his business. An entrepreneur is someone who moves the community's economy forward. So an entrepreneur is someone who dares to take risks, coordinates managing investment or production facilities, someone who introduces new functions of production factors, or someone who has a creative and innovative response.

An entrepreneurial orientation approach to decision making is critical to organizational success. The decision-making process, referring to the implementation of an "entrepreneurial orientation" as stated by Lumpkin and Dess (2013). An entrepreneurially oriented company is a company that tries to be the first in product innovation on the market, dares to take risks and takes proactive actions to beat competitors.

Increased business performance caused by entrepreneurial orientation needs to be supported by business networks. As Bessant and Tidd (2007) states that successful entrepreneurs realize the importance of networks in the process of starting a new company. Business networks are useful for enabling business growth and survival. The existence of a business network helps entrepreneurs to gather the necessary information and advice and subsequently has an impact on improving business performance.

Lukiastuti (2012) stated that innovation is one of the three dimensions of entrepreneurial orientation (entrepreneurial orientation). Relation to the network (networks) shows that people who have high levels of innovative behavior are more likely to seek advice compared to people who have lower levels of innovative behavior. Furthermore, there is empirical evidence that if entrepreneurs read more literature, they will be more likely to become members of some professional organizations and entrepreneurs will gain a larger external network than people who do not. This indicates that innovation-oriented people can have strong external networks.

Table 1. Realization of imports according to country of origin in Malang City

Country of Import Origin	Import Realization According to Country of Origin in Malang City	
	Volume (kg)	Value (USD)
	2020	2020
Perancis	355.57	22973.00
Jerman	26138.50	857478.07
Singapura	42673.54	1661623.95
Hungaria	12060.00	94467.80
China	245625.00	1978835.90
Jepang	6336.50	103224.80
Italia	1542.48	49388.37
Turki	481.40	1425.34
Arab Saudi	75784.00	105109.16
Korea Selatan	217.27	1668.91
Hongkong	20661.96	62228.45
Amerika Serikat	36428.73	676122.80
Malaysia	1342.82	12171.02
TOTAL	469647.77	5626717.57

Source : Department of Cooperatives, Industry and Trade of Malang City

The preliminary survey results showed that MSMEs encountered many obstacles in running their businesses. Interviews conducted on March 3 2024 with a number of MSMEs in Embong Arab village, Malang City, currently there are problems with limited capital and difficulties in marketing products as well as difficulties regarding land rental. Land rental prices increase every year and the increase is unrealistic. Several businesses eventually had to close down, unable to continue business due to soaring land rental prices. The results of interviews with 10 traders showed that the number of sales had increased, interest in the food and soft drink products being sold was decreasing, resulting in reduced sales of offline products. Based on the differences in research results and phenomena that exist in the performance of MSMEs, research will therefore be carried out to improve company performance in Micro, Small and Medium Enterprises (MSMEs) in Embong Arab village, Malang City.



Figure 1. Typical Arabic souvenirs at Kampung Embong Arab



Figure 2. Export product from Kampung Embong Arab

The Arab Muslim community of Malang City is descended from Yemen, namely from the Tarim and Hadramaut areas. The emergence of this Arab community apart from spreading Islam, they also carried out trade and spread the word of Islam through trade. The Arab community formed a settlement before 1900. The settlement they formed was a village settlement (Handinoto, 1996). Village settlements are settlements that have a traditional Indonesian environment, which is characterized by life that is very closely intertwined in family ties (Suryandari, 2007), namely belonging to the *gemeinschaft* type of society. Arab villages are one of the typologies forming Muslim villages in Malang and are adjacent to Kauman village which has an Arab race so it is called an Arab village. This village has traditions that are dominated by Arab traditions in its daily behavior. Arab Village is located on JL. Syarif Al Qadri No.20, Embong Arab, Kasin, Kec. Klojen, Malang City, East Java.

Based on research problems originating from the results of previous research and business phenomena that exist in Micro, Small and Medium Enterprises (MSMEs), the main problem in this research can be formulated as: how is the process of improving the marketing performance of MSMEs in Ngesrep Village, Banyumanik District Semarang. The aim of this research is to determine the influence of entrepreneurial orientation, imaging capability, competitive advantage on marketing performance, to determine the influence of

imaging capability on business networks and to determine the influence of business networks on competitive advantage

LITERATURE REVIEW

Entrepreneurial Orientation and Business Networking

Entrepreneurship is a key factor in determining company capability development activities. The entrepreneurial orientation of a company will encourage the company's competitive orientation (Suryanita 2006). Entrepreneurship is also a key element in gaining competitive advantage which of course will also have a positive impact on financial performance. Companies with high entrepreneurial ability will pay great attention to innovation, initiating change, and high response speed to continue to change flexibly. Entrepreneurial orientation in this research is a form of behavior in which or how a company shows its innovation, creativity and courage to take risks in the strategic decisions of entrepreneurs.

The relationship between entrepreneurial orientation and business networks, as in Lukiastuti's (2012) research, states that people who have a high level of innovative behavior are more likely to seek advice compared to people who have a lower level of innovative behavior. Furthermore, there is empirical evidence that if entrepreneurs read more literature, they will be more likely to become members of several professional organizations and entrepreneurs will gain greater external networks than people who do not. This indicates that innovation-oriented people can have strong external networks. Based on the theory stated above, the hypothesis proposed in this research is:

Hypothesis 1: the higher the entrepreneurial orientation, the wider the business network

Business Networks and Competitive Advantage

The performance of entrepreneurial companies can increase by expanding business networks. According to Hong, P., & Kim, S. C. (2012), the benefits of creating business networks for the development of the business world are believed to be very large, even very dominant. The reality in several Asian countries which have now entered the category of industrial countries, such as Japan and Taiwan, is able to prove the enormous benefits of creating business networks, especially small and medium industrial business networks.

Expanding business networks by establishing cooperation between small and medium industries with large industries, apart from providing various opportunities to smaller business units such as marketing, helping with capital, mastering more advanced technology, large industries also help share various kinds of information related to business development. By creating coordinated relationships and being able to create a climate of linkage between large and small industries, this is considered very strategic in terms of the role of business networks. This relationship provides opportunities such as the obligation to help solve various obstacles in relation to the marketing of small and medium scale industrial production. Apart from helping in the marketing sector, large industries also help with capital, production technology, raw materials and management. In other words, the strategic role arises because of the existence of

this interconnected relationship so that competitiveness can be increased, in the sense that the actors can; (1) specializing so that it is more efficient, (2) reducing transaction costs, (3) increasing flexibility due to the presence of trusted partners.

Company involvement in a business network will provide greater opportunities to enter new markets, jointly bid for large projects or contracts, create new products and services, or build the company's presence in international markets, at lower individual costs. Even more than that, companies involved in a business network will have more open opportunities to coordinate their products, both new and existing on the market, and have access or important information and knowledge about business, have the opportunity to reduce production costs and marketing goods, improving production process technology, being able to form an effective and efficient marketing and distribution network and providing alternative solutions to problems Hong, P., & Kim, S. C. (2012).

The relationship between business networks and competitive advantage can be explained by the fact that the breadth of business networks can make it easier to create more effective competitive advantages in marketing. The wider the business network, the easier it is to create unique values that are not easily imitated by competing companies due to the ease of obtaining information about prices and products that customers prefer or dislike. According to Porter (1994), competitive advantage basically grows from the values or benefits created by the company for customers. Customers prefer to buy products that have more value than they want or expect. The added value that customers want can be in the form of ease in getting products, with a wider marketing network, products are easier to market.

The wider business network shows that it is easier to organize strategies in developing competitive advantage concepts (competitive advantage). According to Day, G. S., & Wensley, R. (1988), competitive advantage is defined as competition that differs in superiority of expertise and resources. A wider business network can increase the superiority of expertise and resources because the wider the business network, the more business actors will collaborate with professional services such as management consultants. So the better you are at managing your business network strategy, the easier it will be to create a competitive advantage. Based on this theory, the hypothesis proposed in this research is:

H2: The wider the business network, the higher the competitive advantage.

Competitive Advantage and Company Marketing Performance

Company Marketing performance can increase by creating a competitive advantage for the company. Ferdinand (2019) states that company performance is expressed in five indicators, namely increasing net profits, profit growth, increasing sales, sales growth and increasing business capital. The research results of Ismail, T. (2012) succeeded in finding a positive influence between competitive advantage and performance as measured through sales volume, profit level, market share, and return on investment.

Competitive advantage can be obtained from a company's ability to manage and utilize the resources and capital it has. Companies that are able to create competitive advantages will have the strength to compete with other companies because their products will remain in demand by customers. Competitive advantage has a positive influence on improving the company's marketing performance. So the higher the company's competitive advantage, the higher the company's performance (Anwar et al, 2018). Based on this theory, the hypothesis proposed in this research is:

H3: The higher the competitive advantage, the higher the company's Marketing performance.

METHODOLOGY

Data Types and Data Sources

In this research, primary data was obtained from distributing questionnaires to respondents who in this case were micro, small and medium scale business owners in Embong Arab Village. Secondary data for this research was obtained from: literature, marketing journals, document data originating from the Department of Industry and Trade (Disperindag) of Malang City, and the Central Statistics Agency regarding the development of micro, small and medium scale businesses in Kauman Village, Malang City .

Population and Sample

The population in this research is MSME actors in the Embong Arab village who live in Malang City. The sampling technique used in this research is method purposive sampling, where the researcher selects a sample based on an assessment of several characteristics of the sample members which are adjusted to the research objectives (Kuncoro, 2003). Respondents must be people who really understand and comprehend the ins and outs of the business they run in relation to business networks and marketing performance. Therefore, the subjects used as respondents in this research were the owners of companies or MSME businesses in the Embong Arab village 127 respondent

Research Variables and Operational Definitions

Research variable

The variables examined in this research include exogenous constructs and endogenous constructs. The exogenous construct consists of attitudes towards entrepreneurial orientation. Meanwhile, the endogenous constructs in this research are marketing performance and company performance. The instruments or measurements used in this research were adapted from instruments that have been used by previous researchers and adapted to the conditions of entrepreneurs.

Entrepreneurial Orientation

Entrepreneurial orientation is the company's overall radical innovation, proactive strategic actions which are realized in the form of support for projects related to these dimensions. Entrepreneurial orientation is related to the search for opportunities, the courage to take risks and the decision to act by

organizational leaders (Knight, 2000: 14). Entrepreneurial orientation is a company value system that will determine the company's direction or strategy. Entrepreneurial orientation is divided into five dimensions (Lumpkin and Dess, 1996: 140-149): 1. innovativeness, innovativeness is the tendency to engage in creativity and experimentation through the introduction of new products or services as well as technological leadership through research and development in new processes. 2. risk taking, Risk taking is taking decisive action by exploring the unknown, borrowing large amounts, and/or allocating significant resources for business in an uncertain environment. 3. proactiveness, Activeness is a search for opportunities, a forward-looking perspective characterized by introducing new products or new services ahead of competition and acting in anticipation of future demand. 4. competitive aggressiveness, competitive aggressiveness is the intensity of a company's efforts to outperform competitors and is characterized by an offensive or aggressive attitude or response to competitors' actions. 5. Autonomy, Autonomy is working independently, making decisions and taking actions aimed at advancing a business concept and bringing it to completion.

Competitive Advantage

Competitive advantage is defined as a benefit strategy from companies that collaborate to create a more effective competitive advantage in their market. Competitive advantage is a profit strategy from companies that collaborate to compete more effectively in the market. The designed strategy aims to achieve continuous competitive advantage so that the company can continue to be a market leader (Prakosa, 2005: 53). Companies experience competitive advantage when actions in an industry or market create economic value and when several competing companies engage in similar actions (Barney, 2010: 9). Competitive advantage is considered an advantage over competitors that is obtained by offering more value to consumers than competitors offer (Kotler et al., 2005: 461). Competitive advantage is expected to be able to achieve profits according to plan, increase market share, increase customer satisfaction, and continue the survival of a business (Saiman, 2014: 128).

Business Network

Business networking is the act of making contact with other people or organizations/institutions related to business activities. Business networks refer to the connections and relationships a company forms with other organizations, including suppliers, customers, competitors, and other stakeholders. These networks facilitate the exchange of resources, knowledge, and information, creating opportunities for collaboration, learning, and mutual benefit (Elikwu et al., 2022; Hussain et al., 2021; Mu, 2013; Subrahmanyam, 2019; Zafar et al., 2012). Business networks can be formal, such as strategic alliances and joint ventures, or informal, such as industry associations and networking events. By participating in business networks, companies can access valuable resources,

expand their market reach, improve their competitive position, and gain knowledge about market dynamics and emerging opportunities.

Marketing Performance

Marketing performance is a measure of the achievements obtained by a company, after the company has carried out various marketing process activities as a whole. Marketing performance is a factor that is often used to measure the impact of a company's strategy as product market performance, where every company has an interest in knowing the market performance of its products (Ferdinand, 2019: 3). Measuring performance improvement using a single criterion will not be able to provide a comprehensive understanding of the actual performance of a company. Good marketing performance is expressed in three main quantities, namely sales value which is shown by the profit value of money or units, sales growth which is shown by an increase in product sales, and market portion which is shown by the contribution of the product in controlling the product market compared to competitors which ultimately leads to company profits (Ferdinand, 2019: 3).

Method of Collecting Data

In this research, data collection was carried out using a questionnaire, namely a data collection method by providing or distributing lists questions to respondents. Key assumptions in using this method is that the research subjects are the people who know best about himself and the subject statements given are true and can be trusted.

Data collection is done using 2 types questionnaire namely:

- Questionnaire with open questions, namely questionnaires consisting of questions that used to obtain information about the characteristics of respondents.
- Questionnaire with closed questions, namely questionnaires used to obtain data about entrepreneurial orientation, social networks, business reputation, business networks and company performance.

Questionnaires are used as an aid in the collection of data arranged in such a way using a previously prepared form. Deep question closed questionnaire using a Likert scale.

Analysis Techniques

An overview of the research variables is presented in the form of theoretical range, actual range, theoretical average value and actual average value. Data analysis to answer the research hypothesis using SEM AMOS.

RESEARCH RESULT

The discussion in this chapter is the result of a field study to obtain data using a questionnaire to measure the 4 main variables in this research, namely entrepreneurial orientation., business networks, competitive advantage, and marketing performance. Data analysis was carried out with a general description of respondents, data quality testing, variable descriptions, overall

path analysis, normality analysis, hypothesis testing and discussion of hypothesis test results.

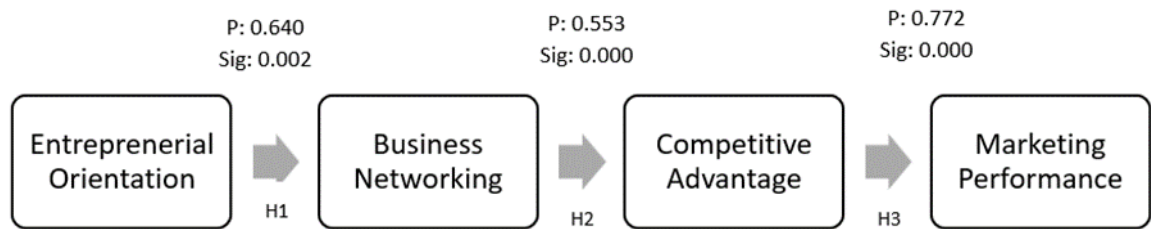


Figure 3. Path Analysis Result

Table 2. Summary of Hypothesis Testing Decisions H1, H2 and H3

Hypothesis	Probability & Significancy	Results
The Influence of Entrepreneurial Orientation on Business Networking (H1)	P: 0.640 with Sig: 0.002	Accepted
The Influence of Business Networking on Competitive Advantage (H2)	P: 0.553 with Sig: 0.000	Accepted
The Influence of Competitive Advantage on Marketing Performance (H3)	P: 0.772 with Sig: 0.000	Accepted

DISCUSSION

Testing of the 3 hypotheses tested in this research has succeeded in accepting all hypotheses. The following discussion aims to explain theoretically and empirically support the results of hypothesis testing and influence analysis, which will be discussed as follows.

The Influence of Entrepreneurial Orientation on Business Networks

Based on the results of hypothesis testing, it shows that entrepreneurial orientation influences business networks. So the level of entrepreneurial orientation has an impact on the breadth of the business network. Entrepreneurship is a key factor in determining company capability development activities. The entrepreneurial orientation of a company will encourage the company's competitive orientation (Suryanita 2006). Entrepreneurship is also a key element in gaining competitive advantage which of course will also have a positive impact on financial performance. Companies with high entrepreneurial ability will pay great attention to innovation, initiating change, and high response speed to continue to change flexibly. Entrepreneurial orientation in this research is a form of behavior in which or how a company shows its innovation, creativity and courage to take risks in the strategic decisions of entrepreneurs. Descriptive results found that entrepreneurial orientation was in the high category as reflected in indicators regarding business actors' confidence in their ability to work independently.

Business actors who believe in their ability to work independently are expected to expand their business network. This research supports research by Lukiastuti (2012) which states that people who have a high level of innovative behavior are more likely to seek advice compared to people who have a lower level of innovative behavior. Furthermore, there is empirical evidence that if entrepreneurs read more literature, they will be more likely to become members of several professional organizations and entrepreneurs will gain greater external networks than people who do not. This indicates that innovation-oriented people can have strong external networks.

The Influence of Business Networks on Competitive Advantage

Based on the results of hypothesis testing, business networks have a positive influence on competitive advantage. This shows that the wider the business network, the higher the competitive advantage, conversely, the narrower the network, the lower the competitive advantage. Descriptive results found that business networks were in the low category, reflected in the answers to indicators regarding collaboration between MSMEs and professional services such as management consultants. So in this research, MSMEs have not yet established good collaboration with professional services such as management consultants. Statistical results show that the wider the business network, the higher the competitive advantage, conversely, the narrower the business network, the worse the competitive advantage. According to Hong, P., & Kim, S. C. (2012), the benefits of creating business networks for the development of the business world are very large, even very dominant. The reality in several Asian countries which have now entered the category of industrial countries, such as Japan and Taiwan, is able to prove the enormous benefits of creating business networks, especially small and medium industrial business networks.

Expanding business networks by establishing cooperation between small and medium industries with large industries, apart from providing various opportunities to smaller business units such as marketing, helping with capital, mastering more advanced technology, large industries also help share various kinds of information related to business development. By creating coordinated relationships and being able to create a climate of linkage between large and small industries, this is considered very strategic in terms of the role of business networks. This relationship provides opportunities such as the obligation to help solve various obstacles in relation to the marketing of small and medium scale industrial production. Apart from helping in the marketing sector, large industries also help with capital, production technology, raw materials and management. In other words, the strategic role arises because of the existence of this interconnected relationship so that competitiveness can be increased, in the sense that the actors can; (1) specializing so that it is more efficient, (2) reducing transaction costs, (3) increasing flexibility due to the presence of trusted partners.

Company involvement in a business network will provide greater opportunities to enter new markets, jointly bid for large projects or contracts, create new products and services, or build the company's presence in

international markets, at lower individual costs. Even more than that, companies involved in a business network will have more open opportunities to coordinate their products, both new and existing on the market, and have access or important information and knowledge about business, have the opportunity to reduce production costs and marketing goods, improving production process technology, being able to form an effective and efficient marketing and distribution network and providing alternative solutions to problems (Hong, P., & Kim, S. C. , 2012).

The relationship between business networks and competitive advantage can be explained by the fact that the breadth of business networks can make it easier to create more effective competitive advantages in marketing. The wider the business network, the easier it is to create unique values that are not easily imitated by competing companies due to the ease of obtaining information about prices and products that customers prefer or dislike. According to Porter (1994), competitive advantage basically grows from the values or benefits created by the company for customers. Customers prefer to buy products that have more value than they want or expect. The added value that customers want can be in the form of ease in getting products, with a wider marketing network, products are easier to market. The wider business network shows that it is easier to organize strategies in developing the concept of competitive advantage. According to Day and Wensley (1988), competitive advantage is defined as competition that differs in superiority of expertise and resources. A wider business network can increase the superiority of expertise and resources because the wider the business network, the more business actors will collaborate with professional services such as management consultants. So the better you are at managing your business network strategy, the easier it will be to create a competitive advantage.

The Effect of Competitive Advantage on Marketing Performance

Based on the results of hypothesis testing using Path Analysis, competitive advantage has a positive influence on marketing performance. This shows that the higher the competitive advantage, the higher the marketing performance, conversely the lower the competitive advantage, the lower the marketing performance. Descriptive results found that competitive advantage is in the high category, reflected in the indicator answers regarding MSMEs which provide lower product price standards but product quality is much better than competing companies' products. Statistical results prove that the better the competitive advantage, the higher the marketing performance.

Competitive advantage can be obtained from a company's ability to manage and utilize the resources and capital it has. Companies that are able to create competitive advantages will have the strength to compete with other companies because their products will remain in demand by customers. Competitive advantage has a positive influence on improving the company's marketing performance. So the higher the company's competitive advantage, the higher the company's performance (Supranoto, 2009). The results of this research are in line with the results of research by Li (2000) which found a

positive influence between competitive advantage and performance as measured through sales volume, profit level, market share, and return on investment.

CONCLUSIONS AND RECOMMENDATIONS

Based on discussion that has been put forward in the previous chapter, then in this chapter it will be the conclusions from the results of the research discussion, limitations and suggestions are outlined.

Conclusion

Based on analysis data and hypothesis testing, the following conclusions can be drawn:

1. Entrepreneurial orientation influence on business networks. So the level of entrepreneurial orientation has a high and low impact on the expansion of the business network.
2. Business networks have a positive influence on competitive advantage. This shows the wider the business network, the higher the competitive advantage, vice versa. The narrower the network, the lower the competitive advantage.
3. Competitive advantage has a positive influence on import-export marketing performance. This shows the higher the competitive advantage, the higher the marketing performance, conversely, the lower the competitive advantage, the lower the performance marketing.

In this study, the research agenda will be provided by researchers to several parties, including:

- Further research can expand the area survey, not only in one location, namely Kampung Embong Arabic, but for MSMEs with the same type of business throughout the Malang area so that it will be more representative of the population as a whole.
- Research to become, it is hoped that we can add other variables that are considered to be possible factors causing increased competitive advantage so that it will have an impact on marketing performance, for example market orientation and innovation.

ADVANCED RESEARCH

Evaluation of results

This study should consider several possible limitations influence research results, including:

- The results of this study cannot be generalized to companies with certain types of business, because the object of this research is companies with various types of business.
- This research only focuses on small and medium scale companies. Thus there is a possibility of getting different results if the research is carried out on a large scale.
- In answer the problem of how to create competitive advantage for improving marketing performance, researchers only focus on three

factors, namely entrepreneurial orientation through networking business. There are still other factors that may influence superiority.

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