



Enhancing Marketing Performance Through Competitive Advantage Based on Entrepreneurial Orientation and Market Orientation (A Study on the Footwear Industry in Banten Province)

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ABSTRACT

This study aims to analyze and verify the impact of entrepreneurial orientation and market orientation on competitive advantage and its subsequent effect on marketing performance in the footwear industry in Banten Province. The research design employed a causal approach. The population consisted of all entrepreneurs in the footwear industry within Banten Province, with a sample size of 140 respondents. Data analysis was conducted using Structural Equation Modeling-Partial Least Squares (SEM-PLS). The research findings indicate that, in the footwear industry in Banten Province, entrepreneurial orientation has a positive and significant impact on competitive advantage, market orientation has a positive and significant impact on competitive advantage, competitive advantage has a positive and significant impact on marketing performance, entrepreneurial orientation greatly and positively influences marketing performance, market orientation does not significantly improve marketing performance, and entrepreneurial orientation greatly and positively influences marketing performance through competitive advantage.

INTRODUCTION

Global competition compels every entrepreneur to remain competitive and produce output efficiently to ensure sustainability. This has spurred the rise of creative industries, which are increasingly appealing to various sectors. The business potential in the creative industries remains vast and promising for Indonesian entrepreneurs. Moreover, the creative industry contributes significantly to economic improvement through increased export value, substantial job creation, and its role as a contributor to the gross domestic product (GDP).

In the fourth industrial era, also known as the creative economy era, Indonesia has greater export opportunities. With a large population, Indonesia possesses a valuable asset for sustainable exports. The signing of numerous free trade agreements, which permit the creation of supply chains and ease export-import operations with non-ASEAN nations, further supports these potentials.

The footwear industry is a strategic sector and a priority for continuous development due to its significant contribution to the national economy and employment absorption. Evidence of this can be seen in the GDP growth of 13.12% (year-on-year) in the second quarter of 2022, as illustrated in Figure 1.



Source: Badan Pusat Statistik (BPS) (2022)

Figure 1
GDP of Leather, Leather Goods and Footwear Industry
(Q2/2020 - Q2/2022)

The footwear industry in Banten Province has experienced significant growth in recent years and plays a crucial role in employment absorption in the region (Asegar, 2022). Competition within the footwear industry in Banten Province has become increasingly intense due to the presence of various foreign and local brands. This competition requires every company to be competitive by producing high-quality and appealing products for consumers. The footwear industry ranks sixth in investment absorption within the manufacturing sub-sector in Banten Province, amounting to IDR 873,345.67 million. Although not the top investment sector, the leather and footwear industry remains a vital labor-intensive industry in Banten (Asegar, 2022).

Marketing performance is a key element of overall company performance, as the success of a company can often be assessed by its marketing achievements. According to Fadhillah et al. (2021), marketing performance is a concept used to measure a company's achievement in the market for a specific product. Kotler

and Armstrong (2018) identified three primary metrics of good marketing performance: (1) Sales growth, (2) Customer growth, and (3) Product success.

The researcher conducted observations on the Micro Footwear Industry in Banten Province, resulting in the following sales data:

Tabel 1
Production Volume in Micro-Business Footwear Industry
in Banten Province 2018 - 2023

Year	Annual Production (Pair)
2018	5.122.456
2019	4.354.621
2020	4.210.400
2021	3.536.535
2022	3.225.123
2023	1.971.580

Source: DPMPTSP Provinsi Banten (2024)

Table 1 illustrates that since 2019, the production output of the Micro Footwear Industry in Banten Province has been declining. Changes in consumer preferences for particular shoe types or brands are thought to be the cause of this reduction in market demand. Additionally, the market share of indigenous items in Banten has decreased due to the availability of imported footwear, which is either less expensive or thought to be of greater quality.

Footwear, like other fashion items, is heavily influenced by trends. If the products being produced are no longer relevant or fail to follow current trends, consumer interest diminishes. Furthermore, insufficient efforts in product promotion and marketing can lead to low consumer awareness of the locally produced footwear in Banten.

Tabel 2
Micro-Business Footwear Industry Revenue Data
in Banten Province 2018 - 2023

Year	Revenue (Rp)
2018	725.413.637.611
2019	624.052.987.772
2020	524.061.794.057
2021	522.168.062.907
2022	415.032.476.102
2023	213.124.327.865

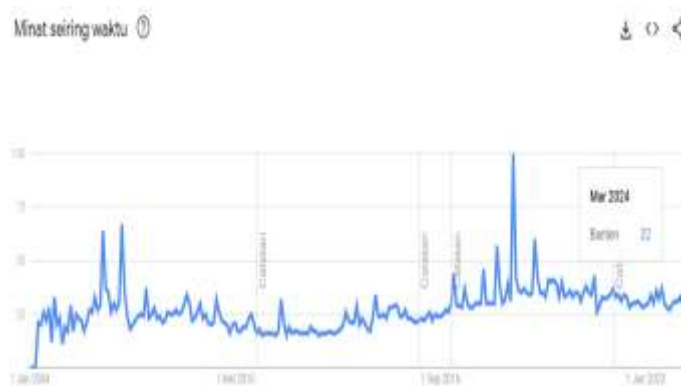
Source: DPMPTSP Provinsi Banten (2024)

Based on Table 2, the revenue data for Micro, Small, and Medium Enterprises (MSMEs) in the Footwear Industry in Banten Province has shown fluctuations. In 2018, the revenue was IDR 725,413,637,611. In 2019, it decreased to IDR 624,052,987,772. By 2020, the revenue further declined to IDR 524,061,794,057. In 2021, it slightly dropped again to IDR 522,168,062,907. The downward trend continued in 2022, with revenue recorded at IDR 415,032,476,102, and it further decreased in 2023 to IDR 213,124,327,865.

Structural weaknesses faced by small and medium enterprises include challenges in their marketing performance (Tribun, 2018).

The consistent decline in sales highlights a tendency for suboptimal marketing performance, which is the company's frontline in revenue generation. This decline is attributed to several factors, including the inefficiency of business owners or marketing staff in conducting market surveys, leading to limited market insights. There is also a persistent failure among business owners to leverage technology for pricing strategies and competitor market information. Furthermore, many marketers struggle to set competitive market prices, resulting in market price instability (Wulaningtyas & Widiartanto, 2018).

The level of interest in local footwear in Banten Province can be considered moderate, as indicated by Google Trends data on footwear searches in the region over the past several years.



Source: Google Trends (2024)

Figure 2

Data on Trends in Public Interest in Banten Province for Local Shoes

One of the factors contributing to the decline in marketing performance in the footwear industry in Banten Province is the lack of competitive capabilities. Limited adoption of technology and innovation in the production process and product design can hinder the industry's competitiveness in an increasingly competitive market. According to Afiyati et al. (2019), competitive advantage is essential for a company or product to achieve performance and product success. Competitive advantage is seen as a benefit over competitors, obtained by offering greater value to consumers compared to competitors' offerings (Kotler & Keller, 2018:461). From previous studies on related topics, the authors identified several influencing factors. However, market orientation and entrepreneurial orientation are considered the most influential (Wulaningtyas & Widiartanto, 2018), especially in research settings with similar characteristics, such as the footwear industry.

To maintain competitive advantage, various aspects must be addressed, including the entrepreneurial orientation that an entrepreneur must possess. Entrepreneurial orientation is perceived to enhance company performance, indicating that the stronger the entrepreneurial orientation of business actors, the better their ability to market their products (Hossain et al., 2023). According to Jayaningrum (2018), entrepreneurial attitudes can be demonstrated through

entrepreneurial orientation, which includes indicators such as innovation, proactivity, risk-taking, competitiveness, and autonomy.

Besides entrepreneurial orientation, another factor influencing competitive advantage is market orientation. Market orientation is defined as crucial for a company's sustainability, aligning with increasing global competition and evolving customer needs. Companies must understand market conditions by studying their customers (understanding their wants and needs) and competitors (understanding strengths and weaknesses) to enhance customer commitment, value creation, and goal alignment (Aulia et al., 2019).

Several studies related to marketing performance indicate that changes in marketing performance can be influenced by factors often used to measure the impact of company strategies. When managed well, businesses with a market orientation reap various benefits, one of which is explaining the differences in performance achieved by companies (Bahren et al., 2018). Other studies also affirm that marketing performance is significantly influenced by the market orientation of business actors (Hussein, 2019; Ali et al., 2020; Aulia et al., 2019; Herman et al., 2018; Hidayat & Murwatiningsih, 2018; Ikramuddin et al., 2021; Manahera et al., 2018; Masa'deh et al., 2018). Conversely, some research suggests that market orientation does not significantly impact marketing performance (Amin et al., 2019; Harjadi & Gunawan, 2020; Mujahidah & Wiwoho, 2021).

Similarly, several studies have stated that marketing performance is significantly influenced by entrepreneurial orientation (Amin et al., 2019; Maaodhah et al., 2021; Manahera et al., 2018; Masa'deh et al., 2018; Medhika et al., 2018; Mujahidah & Wiwoho, 2021; Musawa & Ahmad, 2018). However, other studies argue that marketing performance is not influenced by entrepreneurial orientation (Harjadi & Gunawan, 2020; Ul Huda et al., 2020).

In addition to the local contextual gap, this study also addresses a research gap based on limitations in previous studies. Although these studies exhibit variations in their research models, the researcher suspects that the constructed models fail to provide a comprehensive (holistic) and interconnected (integrated) perspective on marketing performance. Furthermore, previous studies were predominantly conducted in large-scale industries with dynamic market conditions. However, some researchers have directed future research toward sectors with different characteristics. Therefore, this study applies the model to the footwear industry.

THEORETICAL REVIEW

Marketing Performance

Kotler and Armstrong (2018) argue that marketing performance is a concept for measuring the marketing achievements of a product. Correia, Teixeira, and Dias (2022) state that marketing performance is an assessment of the overall activities within the marketing process, reflecting a business's success in facing competition amidst growing market conditions. Marketing performance refers to "a company's success relative to its competitors in acquiring new customers, retaining current customers, and achieving customer satisfaction." Marketing performance is measured by three key indicators: (1)

success in competition, (2) acquiring new customers, and (3) retaining existing customers (Laukkanen et al., 2013).

Competitive Advantage

Liu et al. (2023) explain that competitive advantage is the ability derived from a company's characteristics and resources to achieve higher performance compared to other companies in the same industry or market. According to John William, Suresh, and Subramanian (2023), competitive advantage is the value a company gains from implementing strategies that provide superior value compared to competitors. Pratonno et al. (2019) define competitive advantage as a company's ability to create competitive edges that allow it to excel in the marketplace.

Entrepreneurial Orientation

According to Chen, Arnold, Liu, and Huang (2023), entrepreneurial orientation reflects the inherent traits and characteristics of entrepreneurs who are determined to realize their ideas and thoughts. Hossain et al. (2023) describe entrepreneurial orientation as engagement in creating and being proactive in surpassing competitors. Li, Ming, and Song (2024) explain entrepreneurial orientation as a tendency to be proactive in the market, identify opportunities, tolerate risks, and adapt to changes.

Market Orientation

Falahat, Soto-Acosta, and Ramayah (2022) define market orientation as a behavioral and activity measure reflecting the implementation of marketing concepts. Market orientation is described as the most effective organizational culture for fostering behaviors necessary to create superior value for buyers and business performance. Masa'deh et al. (2018) regard market orientation as an organizational culture that effectively fosters critical behaviors to create superior value for buyers and achieve business performance. Silalahi and Simanjuntak (2021) describe market orientation as processes and activities related to creating and fulfilling customer satisfaction by exploring customer desires and needs.

Influence of Entrepreneurial Orientation on Competitive Advantage

To assess the influence of entrepreneurial orientation on competitive advantage, an analysis was conducted on the relationship between entrepreneurial orientation dimensions and competitive advantage. The analysis of the innovation capability dimension and the product uniqueness dimension indicates a significant relationship between innovation capability and product uniqueness. This is supported by studies by Smith (2018), Wang & Zhou (2019), Patel (2020), Rahman (2021), and Johnson & Lee (2022), which found a positive and significant relationship between innovation capability and product uniqueness. Similarly, the relationship between the risk-taking dimension and product uniqueness demonstrates a significant positive relationship, supported by studies by Kim & Lee (2017), Brown & Wilson (2020), Davis (2021), Anderson (2018), and Zhang & Zhao (2019).

H1: Entrepreneurial orientation has a direct influence on competitive advantage.

Influence of Market Orientation on Competitive Advantage

To determine the influence of market orientation on competitive advantage, an analysis was performed on the relationship between market orientation dimensions and competitive advantage. The analysis of the customer orientation dimension and the product uniqueness dimension reveals a significant relationship between these dimensions. This finding aligns with studies by Kumar & Gupta (2017), Lee & Park (2018), Smith & Jones (2019), Patel & Sharma (2020), and Chen & Yang (2021). Similarly, the relationship between the competitor orientation dimension and product uniqueness indicates a positive and significant relationship, supported by studies by Miller & Friesen (2017), Zhang & Liu (2018), Johnson & Lee (2019), Patel & Sharma (2020), and Green & Brown (2021).

H2: Market orientation has a direct influence on competitive advantage.

Influence of Competitive Advantage on Marketing Performance

To assess the influence of competitive advantage on marketing performance, the relationships between competitive advantage dimensions and marketing performance dimensions were analyzed. The analysis indicates a significant relationship between the product uniqueness dimension and sales growth. Studies by Johnson & Lee (2017), Patel & Smith (2018), Chen & Wang (2019), Lee & Zhang (2020), and Green & Davis (2021) support this finding. Additionally, the relationship between the competitive pricing dimension and success in competition demonstrates a strong and significant relationship, supported by studies by Johnson & Green (2017), Patel & Lee (2018), Chen & Zhang (2019), Smith & Wang (2020), and Lee & Davis (2021).

H3: Competitive advantage has a direct influence on marketing performance.

Influence of Entrepreneurial Orientation on Marketing Performance

To examine the influence of entrepreneurial orientation on marketing performance, the relationship between entrepreneurial orientation dimensions and marketing performance was analyzed. The analysis reveals a significant relationship between the innovation capability dimension and success in competition. This finding aligns with studies by Garcia & Calantone (2019), Smith & Liu (2020), Kim & Kim (2021), Li & Zhang (2022), and Ahmed & Rahman (2023).

H4: Entrepreneurial orientation has a direct influence on marketing performance.

Influence of Market Orientation on Marketing Performance

To determine the influence of market orientation on marketing performance, an analysis was performed on the relationship between market orientation dimensions and marketing performance. The analysis indicates a significant relationship between customer orientation and success in competition, supported by studies by Chen & Zhang (2019), Lee & Kim (2020), Smith & Gupta (2021), Patel & Sharma (2022), and Turner & Nguyen (2023). Additionally, the competitor orientation dimension demonstrates a significant relationship with success in competition, as found in studies by Miller & Davis

(2019), Brown & Johnson (2020), Wang & Chen (2021), Kumar & Singh (2022), and Patel & Gupta (2023).

H5: Market orientation has a direct influence on marketing performance.

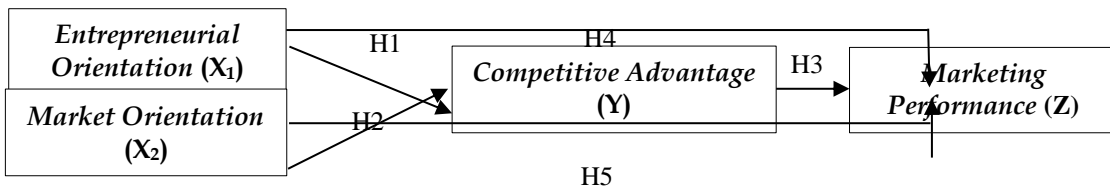


Figure 3. Research Paradigm

METHODOLOGY

This study employs a quantitative approach. According to Sugiyono (2017), quantitative research heavily relies on numerical data, from data collection, interpretation, to the presentation of results. The research design used in this study is a causal design. Sugiyono (2017) defines causal research as a study focusing on cause-and-effect relationships. This causal approach is utilized because the study aims to understand the causal relationships between independent and dependent variables. The population for this study consists of all entrepreneurs in the footwear industry in Banten Province. The sample size used in this study includes 140 respondents.

The type and source of data used in this study are primary data, which is data obtained directly from individuals through questionnaire responses. The primary data collection method employed in this study is a survey to gather individual opinions using a research instrument in the form of a questionnaire. The data collection was conducted using Google Forms. The data analysis technique utilized in this study is Partial Least Square (PLS), a variance-based Structural Equation Modeling (SEM) method designed to address specific data-related challenges in multiple regression (Ghozali & Latan, 2017).

RESULTS AND DISCUSSION

Outer Model

The construction indicators were calculated using the Partial Least Square (PLS) method. According to Ghozali (2017), an indicator is considered to have good validity if its value exceeds 0.70, while a loading factor value between 0.50 and 0.60 is deemed acceptable.

Construct Validity of the Entrepreneurial Orientation Variable

Dimensions	Indicators	Loading Factor	Test Results
Ability to Innovate	X1.1	0.981	Valid
	X1.2	0.980	Valid
Dare to Take Risks	X1.3	0.970	Valid
	X1.4	0.968	Valid
Proactive	X1.5	0.948	Valid
	X1.6	0.956	Valid

Source: Processed by researchers with Smart PLS 3.0

From the table above, it can be said that the indicators in each dimension of Entrepreneurial Orientation have good validity in measuring the dimensions of the Entrepreneurial Orientation construct.

Reliability of Entrepreneurial Orientation Variable Construct

Dimensions	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Ability to Innovate	0.960	0.960	0.980	0.961
Dare to Take Risks	0.935	0.936	0.969	0.939
Proactive	0.897	0.901	0.951	0.906

Source: Processed by researchers with Smart PLS 3.0

The results of the reliability test of the Entrepreneurial Orientation variable construct in the table show that the construct has met good construct reliability, namely Cronbach's Alpha > 0.7, composite reliability > 0.7 and AVE > 0.5.

Construct Validity of Market Orientation Variable

Dimensions	Indicators	Loading Factor	Test Results
Customer Orientation	X2.1	0.956	Valid
	X2.2	0.954	Valid
Competitor Orientation	X2.3	0.945	Valid
	X2.4	0.939	Valid
Coordination between functions	X2.5	0.955	Valid
	X2.6	0.952	Valid

Source: Processed by researchers with Smart PLS 3.0

Based on the table, in the first order CFA, all indicators in each dimension (sub-construct) have a loading factor (SLF) value greater than 0.70 (SLF > 0.70), so it can be said that the indicators in each dimension of Market Orientation have good validity in measuring the dimensions of the Market Orientation construct.

Reliability of Market Orientation Variable Construct

Dimensions	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Customer Orientation	0.903	0.904	0.954	0.912
Competitor Orientation	0.873	0.875	0.940	0.888
Coordination between functions	0.900	0.900	0.952	0.909

Source: Processed by researchers with Smart PLS 3.0

The results of the reliability test of the Market Orientation variable construct in the table show that the construct has met good construct reliability, namely Cronbach's Alpha > 0.7, composite reliability > 0.7 and AVE > 0.5.

Construct Validity of Competitive Advantage Variables

Dimensions	Indicators	Loading Factor	Test Result
Product Uniqueness	Y1	0.918	Valid
	Y2	0.924	Valid
Competitive price	Y3	0.906	Valid
	Y4	0.902	Valid
Not easy to imitate	Y5	0.883	Valid
	Y6	0.908	Valid

Source: Processed by researchers with Smart PLS 3.0

Based on the Table, in the first order CFA, all indicators in each dimension (sub-construct) have a loading factor (SLF) value greater than 0.70 (SLF > 0.70), so it can be said that the indicators in each dimension of Competitive Advantage have good validity in measuring the dimensions of the Competitive Advantage construct.

Reliability of Competitive Advantage Variable Construct

Dimensions	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Product Uniqueness	0.822	0.823	0.918	0.849
Competitive price	0.777	0.777	0.900	0.817
Not easy to imitate	0.754	0.760	0.890	0.802

Source: Processed by researchers with Smart PLS 3.0

The results of the reliability test of the Competitive Advantage variable construct in the table show that the construct has met good construct reliability, namely Cronbach's Alpha > 0.7, composite reliability > 0.7 and AVE > 0.5.

Construct Validity of Marketing Performance Variables

Dimensions	Indicators	Loading Factor	Test Result
Success In Competition	Z1	0.904	Valid
	Z2	0.914	Valid
Getting New Customers	Z3	0.935	Valid
	Z4	0.942	Valid
Retaining existing customers	Z5	0.955	Valid
	Z6	0.954	Valid

Source: Processed by researchers with Smart PLS 3.0

Based on the Table, in the first order CFA, all indicators in each dimension (sub-construct) have a loading factor (SLF) value greater than 0.70 (SLF > 0.70), so it can be said that the indicators in each dimension of Marketing Performance have good validity in measuring the dimensions of the Marketing Performance construct.

Reliability of Marketing Performance Variable Construct

Dimensions	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Success In Competition	0.790	0.791	0.905	0.826
Getting New Customers	0.865	0.867	0.937	0.881
Retaining existing customers	0.902	0.902	0.953	0.911

Source: Processed by researchers with Smart PLS 3.0

The results of the reliability test of the Marketing Performance variable construct in the table show that the construct has met good construct reliability, namely Cronbach's Alpha > 0.7, composite reliability > 0.7 and AVE > 0.5.

Structural Model Evaluation (Inner Model)

R2 Value of Endogenous Variables

Endogenous Variables	R Square	Information
Competitive Advantage	0,459	Average
Marketing Performance	0,568	Average

Source: PLS 3.0 Data Processing Results (2024)

The influence model of latent independent variables (Market Orientation and Entrepreneurial Orientation) on Competitive Advantage has an R-squared value of 0.459, which falls into the moderate category. This suggests that the Entrepreneurial Orientation and Market Orientation constructions' variability accounts for 45.9% of the Competitive Advantage construct's variability, with other variables not included in the study accounting for the remaining 54.1%.

Meanwhile, the influence model of latent independent variables (Entrepreneurial Orientation, Market Orientation, and Competitive Advantage) on Marketing Performance produces an R-square value of 0.568, which also falls into the moderate category. This indicates that the variability of Entrepreneurial Orientation, Market Orientation, and Competitive Advantage accounts for 56.8% of the variability in the Marketing Performance construct, with another 43.2% coming from components not included in the study.

Hypothesis Test Results

Construct	Original Sampel	T Statistics	P Values	Conclusion
Entrepreneurial Orientation -> Competitive Advantage	0.373	3.952	0.000	Accepted
Market Orientation -> Competitive Advantage	0.375	3.844	0.000	Accepted
Competitive Advantage -> Marketing Performance	0.370	2.916	0.004	Accepted
Entrepreneurial Orientation -> Marketing Performance	0.248	2.103	0.036	Accepted

Market Orientation -> Marketing Performance	0.268	1.836	0.067	Not Accepted
Entrepreneurial Orientation -> Competitive Advantage -> Marketing Performance	0.138	2.062	0.040	Accepted
Market Orientation -> Competitive Advantage -> Marketing Performance	0.139	2.561	0.011	Accepted

Source: Data processing results (2024)

For the path coefficient of X1 to Y = 0.373, the T-statistic value is 3.952, which is greater than the critical value (t-table) of 1.96. Thus, H0 is rejected, indicating a significant influence of Entrepreneurial Orientation on Competitive Advantage. For the path coefficient of X2 to Y = 0.375, the T-statistic value is 3.844, also greater than 1.96. This leads to the rejection of H0, meaning Market Orientation significantly affects Competitive Advantage. For the path coefficient of Y to Z = 0.370, the T-statistic value is 2.916, exceeding 1.96. This means H0 is rejected, indicating that Competitive Advantage significantly influences Marketing Performance. For the path coefficient of Z to X1 = 0.248, the T-statistic value is 2.103, greater than 1.96. Thus, H0 is rejected, showing that Entrepreneurial Orientation significantly influences Marketing Performance. For the path coefficient of Z to X2 = 0.268, the T-statistic value is 1.836, which is less than 1.96. In this case, H0 is accepted, indicating that Market Orientation does not significantly influence Marketing Performance. For the indirect path coefficient of Z to X1 through Y = 0.138, the T-statistic value is 2.062, exceeding 1.96. Therefore, H0 is rejected, indicating a significant influence of Competitive advantage mediates the relationship between entrepreneurial orientation and marketing performance. For the indirect path coefficient of Z to X2 through Y = 0.139, the T-statistic value is 2.561, which is greater than 1.96. This leads to the rejection of H0, meaning Market Orientation significantly influences Marketing Performance through Competitive Advantage.

DISCUSSION

The Influence of Entrepreneurial Orientation on Competitive Advantage

Based on the first hypothesis test (H1) in this study, the path coefficient of X1 to Y was found to be 0.373, with a T-statistic value of 3.952, which is greater than the critical value (t-table) of 1.96. Therefore, H0 is rejected, indicating that Entrepreneurial Orientation has a significant positive effect on Competitive Advantage with a magnitude of 0.373. This means that each increase in Entrepreneurial Orientation results in an increase in Competitive Advantage by 0.373 units. Thus, entrepreneurial orientation can enhance competitive advantage. The results of this study are consistent with research conducted by Fitriani et al. (2020), which concluded that entrepreneurial orientation has a positive and significant impact on competitive advantage. Research by Galbreath et al. (2020) also found a positive and significant relationship between entrepreneurial orientation and competitive advantage. Furthermore, a study by

Hajar & Sukaatmadja (2016) similarly demonstrated that entrepreneurial orientation positively and significantly influences competitive advantage.

The Influence of Market Orientation on Competitive Advantage

Based on the second hypothesis test (H2) in this study, the path coefficient of X2 to Y was found to be 0.375, with a T-statistic value of 3.844, which is greater than the critical value (t-table) of 1.96. Thus, H0 is rejected, indicating that Market Orientation has a significant positive effect on Competitive Advantage with a magnitude of 0.375. This implies that each increase in Market Orientation results in an increase in Competitive Advantage by 0.375 units. Therefore, market orientation can enhance competitive advantage. The findings of this study align with research conducted by Anjaningrum & Sidi (2018:41), which revealed that market orientation significantly influences competitive advantage. Similarly, a study by Hermayanti et al. (2024) confirmed that market orientation has a significant impact on competitive advantage in MSMEs within the M. Said area.

The Influence of Competitive Advantage on Marketing Performance

Based on the third hypothesis test (H3) in this study, the path coefficient of Y to Z was found to be 0.370, with a T-statistic value of 2.916, which is greater than the critical value (t-table) of 1.96. Thus, H0 is rejected, indicating that Competitive Advantage has a significant positive effect on Marketing Performance with a magnitude of 0.370. This means that each increase in Competitive Advantage results in an increase in Marketing Performance by 0.370 units. Therefore, competitive advantage can enhance marketing performance. These findings align with research conducted by Jayaningrum (2018), which concluded that competitive advantage positively and significantly impacts marketing performance. Similarly, Maaodhah et al. (2021) found that marketing performance is significantly and favorably impacted by competitive advantage. Furthermore, Tirtayasa (2022) demonstrated a positive and significant influence of competitive advantage on the performance of MSMEs.

The Influence of Entrepreneurial Orientation on Marketing Performance

Based on the fourth hypothesis test (H4) in this study, the path coefficient of Z to X1 was found to be 0.248, with a T-statistic value of 2.103, which is greater than the critical value (t-table) of 1.96. Thus, H0 is rejected, indicating that Entrepreneurial Orientation has a significant positive effect on Marketing Performance with a magnitude of 0.248. This implies that each increase in Entrepreneurial Orientation leads to an improvement in Marketing Performance by 0.248 units. Therefore, entrepreneurial orientation can enhance marketing performance. The findings of this study are supported by research conducted by Manahera et al. (2018), which found a positive and significant relationship between entrepreneurial orientation and marketing performance. Similarly, Medhika et al. (2018) concluded that entrepreneurial orientation has a positive and significant impact on marketing performance. Additionally, Tirtayasa (2022) affirmed in his study that entrepreneurial orientation positively and significantly affects the performance of MSMEs.

The Influence of Market Orientation on Marketing Performance

Based on the fifth hypothesis test (H5) in this study, the path coefficient of Z to X2 was found to be 0.268, with a T-statistic value of 1.836, which is less than the critical value (t-table) of 1.96. Thus, H0 is accepted, indicating that Market Orientation does not have a significant direct effect on Marketing Performance, even though its magnitude is 0.268. This implies that while an increase in Market Orientation could potentially improve Marketing Performance by 0.268 units, the effect is not statistically significant. This finding suggests that the market orientation implemented by the company does not directly impact the achieved marketing performance. The results align with research by Amin et al. (2019), which also concluded that market orientation does not have a positive and significant effect on marketing performance. Similarly, a study by Ade & Thamrin (2021) supports this finding, arguing that market orientation does not significantly impact marketing performance. This may be because outlets do not pay much attention to competitor products, are not competitor-oriented, and do not monitor or consider competitor offerings. Instead, each outlet believes in its unique opportunities, assuming that sales will not be impacted even if similar products are sold.

The Influence of Entrepreneurial Orientation on Marketing Performance through Competitive Advantage

Based on the sixth hypothesis test (H6) in this study, the indirect path coefficient of Z to X1 through Y was found to be 0.138, with a T-statistic value of 2.062, which is greater than the critical value (t-table) of 1.96. Thus, H0 is rejected, indicating that Entrepreneurial Orientation has a significant positive effect on Marketing Performance through Competitive Advantage with a magnitude of 0.138. This implies that each increase in Entrepreneurial Orientation results in an improvement in Marketing Performance through Competitive Advantage by 0.138 units. In essence, the entrepreneurial orientation possessed by a company can enhance marketing performance; however, this influence is realized through achieving a higher level of competitive advantage. Conceptually, this indicates that Competitive Advantage acts as a mediator, strengthening the relationship between Entrepreneurial Orientation and Marketing Performance. These findings align with research conducted by Hajar & Sukaatmaja (2016), which demonstrated that competitive advantage mediates the influence of entrepreneurial orientation on marketing performance. Similarly, a study by Kusuma & Rastini (2017) confirmed that competitive advantage serves as a full mediator in the relationship between entrepreneurial orientation and marketing performance.

The Influence of Market Orientation on Marketing Performance through Competitive Advantage

Based on the seventh hypothesis test (H7) in this study, the indirect path coefficient of Z to X2 through Y was found to be 0.139, with a T-statistic value of 2.561, which is greater than the critical value (t-table) of 1.96. Thus, H0H_0H0 is rejected, indicating that Market Orientation has a significant positive effect on Marketing Performance through Competitive Advantage with a magnitude of

0.139. This means that each increase in Market Orientation leads to an improvement in Marketing Performance through Competitive Advantage by 0.139 units. In other words, a strong market orientation not only directly impacts marketing performance but also exerts its influence through the achievement of competitive advantage by the company. Conceptually, this demonstrates that The relationship between market orientation and marketing performance is strengthened by competitive advantage, which acts as a mediator. These findings are consistent with research conducted by Kamboj & Rahman (2017), which revealed a positive and significant relationship between market orientation and marketing performance mediated by competitive advantage. Similarly, a study by Amin (2016) confirmed that there is a positive and significant relationship between market orientation and marketing performance through competitive advantage.

CONCLUSIONS AND RECOMMENDATION

Based on the results of the research presented in the previous chapters, the following conclusions can be drawn: Entrepreneurial Orientation has a positive and significant influence on competitive advantage, with the innovation capability dimension being the most dominant in relation to the competitive pricing dimension. Market Orientation has a positive and significant influence on competitive advantage, with the customer orientation dimension being the most dominant in relation to the competitive pricing dimension. Competitive Advantage has a positive and significant influence on marketing performance, with the competitive pricing dimension being the most dominant in relation to the dimension of retaining existing customers. Entrepreneurial Orientation has a positive and significant influence on marketing performance, with the proactivity dimension being the most dominant in relation to the dimension of retaining existing customers. Market Orientation does not have a positive and significant influence on marketing performance, with the inter-functional coordination dimension being the most dominant in relation to the dimension of retaining existing customers. Entrepreneurial Orientation has a positive and significant influence on marketing performance through competitive advantage, with the proactivity dimension being the most dominant in relation to the dimension of retaining existing customers through the competitive pricing dimension. Market Orientation has a positive and significant influence on marketing performance through competitive advantage, with the inter-functional coordination dimension being the most dominant in relation to the dimension of retaining existing customers through the competitive pricing dimension.

FURTHER STUDY

To gain a deeper understanding of this topic, readers are encouraged to look into supplemental materials such as books, academic journals, and trustworthy online sites. Participating in webinars, online courses, or seminars can provide valuable insights and real-world experience. Networking opportunities and a range of perspectives can also be obtained by taking part in forums, discussion groups, or professional communities. You can also learn more and stay

current on new developments by reading pertinent case studies and publications, attending conferences, or following the updates of industry experts.

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