

Entrepreneurial And Market Orientation As A Strategy To Build Competitive Advantage And Marketing Performance Of Smes In Indonesia

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Abstract.

The aim of the research is to analyze whether entrepreneurial orientation and market orientation as strategies for building competitive advantage have a positive effect on the marketing performance of Bukit Batu-Bengkalis Small and Medium Enterprises (SMEs). The research method used is the explanatory type, intended to test the research hypothesis. All Bukit Batu Small and Medium Enterprise entrepreneurs were used as the research population, and 36 SMEs were selected as research samples using purposive sampling techniques. The data analysis technique uses Partial Least Squares (PLS). The results of the study indicate that entrepreneurial orientation does not have a direct effect on marketing performance. In contrast, market orientation has a direct positive effect on marketing performance. In addition, competitive advantage also has a direct positive effect on marketing performance. Furthermore, entrepreneurial orientation has a positive effect on marketing performance through the mediation role of competitive advantage, while market orientation also has a positive effect on marketing performance through competitive advantage. The research results prove that entrepreneurial orientation and market orientation as strategies for building competitive advantage have a positive effect on the marketing performance of Bukit Batu-Bengkalis SMEs. It is recommended for Small and Medium Enterprise entrepreneurs to implement entrepreneurial and market-oriented behavior as a company strategy to build competitive advantage, in order to improve the marketing performance of SMEs.

Keywords: Entrepreneurial orientation; market orientation; competitive advantage and marketing performance.

I. INTRODUCTION

The turmoil in global economic development has influenced the development of the world economy and is not limited to economic classes or groups, whether large, medium or small economic groups, especially small entrepreneurs. Apart from facing the era of globalization, the challenges that are and will be faced by small and medium industries (SMEs) are free trade or regional economics. Free trade is characterized by the freedom of goods entering and leaving between countries without any import restrictions, causing the flow of goods to flow like water from upstream to valley, this is how small and medium industrial production (SMEs) will flow from one country to another. Therefore, SMEs must increase their ability to produce various highly competitive products. Products produced by SMEs must be able to compete with domestic and foreign products. The success of SMEs in facing global competition requires the ability to think creatively and innovatively and have the ability to adapt to changes that occur in the business environment in SMEs. This is even more important because it is possible that in the future the government will be limited in favor of small or weak industries. Of the various problems often faced in the development of small and medium industries (SMEs) in Indonesia, an SME development strategy is needed so that SME development in Indonesia runs quickly and well, future threats and challenges can be anticipated effectively, and SME entrepreneurs have a more competitive advantage (Fatikha, et al., 2021). To support the creation of competitive small industrial businesses, a business development strategy is needed that is in accordance with the problems faced by SMEs businesses, so information or input is needed related to the external and internal environmental problems of small industries (Wheelen & Hunger, 2012).

SMEs business entrepreneurs need a competitive advantage to win the competition in order to obtain increased marketing performance, namely an increase in the number of customers, sales and entrepreneur profits (Zhou et al., 2009). In fact, SME marketing performance is more a result of the ability of SMEs entrepreneurs to implement entrepreneurial and market-oriented behavior. Entrepreneurial orientation is the ability of entrepreneurs to apply behavior oriented towards creativity and innovation, proactiveness, risk-taking ability, autonomy and competitive aggressiveness (Lumpkin & Dess, 1996). Cho & Lee (2018) mention entrepreneurship as one of the key elements that will produce successful business performance in

very uncertain business conditions. Baker et al., (1999) dan Liet al., (2009) emphasized that entrepreneurial orientation is a factor that can result in increased company performance. Several previous researchers have proven that entrepreneurial-oriented behavior has a positive effect on marketing performance, meaning that entrepreneurs who are able to implement entrepreneurial-oriented behavior have greater potential to increase sales and business profits compared to other competitors, including; Wiklund (1999); Lechner & Gudmundsson (2014; Lumpkin & Dess (2001; dan Cho & Lee (2018). Courage in taking business risks, proactive behavior, and innovative behavior play an important role in the success of SMEs (Sajjad et al., 2023). Entrepreneurs who implement this behavior Well-oriented entrepreneurship is an entrepreneur who is creative and innovative and dares to take risks in managing his business, so the entrepreneur will be able to produce products that are attractive to consumers and ultimately the number of sales will grow. Entrepreneurs who succeed in increasing consumers and sales are entrepreneurs who have knowledge of entrepreneurial-oriented behavior (Fatikha et al., 2021)

Another factor that influences increased marketing performance, namely market orientation behavior. Lukas & Ferrell (2000), market orientation is related to the behavior of entrepreneurs in collecting and providing market information that aims to create superior value for consumers. Montiel-Campos (2018), market orientation is seen as the culture or activities of an organization that encourage the behaviors necessary for superior performance. Narver & Slater (1990) market orientation as an orientation concept that focuses on creating superior values for consumers and sustainable superior performance for businesses. Baker et al., (1999), market orientation encourages companies to build business networks. From a theoretical study of the thoughts of Montiel-Campos (2018), Lukas; & Ferrell (2000) dan Narver & Slater (1990), can express market orientation as the behavior of entrepreneurs who intend to build good relationships with customers by continuously assessing customer needs and desires. Hinson et al., (2017) also used the market orientation concept from Narver & Slater (1990;p.21-22). Previous researchers have proven the influence of market orientation behavior on marketing performance, including Nasution (2016), Fatikha et al., (2021) dan Elgarhy & Abou-Shouk (2023). Entrepreneurs who are able to implement market-oriented behavior have information related to consumer wants and needs and information about what competitors are doing to attract consumers. From the previous description, various research results have been presented which prove that entrepreneurial orientation and market orientation have a direct positive influence on marketing performance. This research is intended to analyze whether entrepreneurial orientation and market orientation as strategies for building competitive advantage have an impact on the marketing performance of Small and Micro Enterprises (SMEs).

The application of entrepreneurial orientation and market orientation behaviors contributes to increasing marketing performance through the role of competitive advantage variables. Competitive advantage functions as a mediating variable in the relationship between entrepreneurial orientation and market orientation on marketing performance. Several previous research results have proven the influence of competitive advantage on increasing marketing performance. According to Zhou et al. (2009), competitive advantage has a significant positive impact on marketing performance, both in terms of increasing market share, customer satisfaction, and sustainability of relationships with consumers. Pardi et al., (2014) marketing performance in Batik SMEs is positively and significantly influenced by competitive advantage, which reflects the ability of SMEs to create added value, maintain competitiveness, and meet consumer needs and expectations better than competitors in the market. Udriyah et al., (2019) dan Li, Suhong et.al (2006), that higher levels of competitive advantage may lead to improved organizational performance, if competitive advantage increases, then marketing performance will also experience a significant increase. Research results of Arbawa & Wardoyo (2018), found that entrepreneurs who are able to create competitive advantages for SMEs products that are more attractive to consumers can have an influence on improving the marketing performance of SMEs products. To realize SMEs businesses that grow and develop, the local government of Bengkalis Regency has carried out various efforts to improve the marketing performance of SMEs entrepreneurs, especially in Bukit Batu District. Marketing performance is a very strategic factor for realizing SMEs businesses that grow and develop, namely growth in the number of customers, sales and profits (Voss & Voss, 2000).

In order to develop the marketing performance of SME products in Bengkalis, the regional government and related parties PT. Pertamina Sungai Pakning Unit has provided guidance and provided facilities for SMEs business development in Bukit Batu. Even the Bengkalis Regional Government has provided opportunities to improve marketing performance by collaborating with Batam Entrepreneurs (Interview with the Head of Bengkalis Regency Cooperative and SMEs UPT, 2023). However, the facts found still show that the marketing performance of SMEs products managed by Bengkalis SMEs entrepreneurs is less effective, there is a visible decline the number of Small and Micro Industry entrepreneurs in Bengkalis Regency from 2018 to 2020, namely 43.53% in 2019 and 11.9% in 2020 (BPS Provinsi Riau 2018 - 2020).

II. THEORETICAL FRAMEWORK AND EMPIRICAL STUDY

1.1 Entrepreneurial Orientation

Several definitions put forward by several researchers are different, but the substance has the same meaning. Carvalho & Sugano (2016) have stated in the strategic management and entrepreneurship literature that the concept of entrepreneurial orientation is used as a key construct. Entrepreneurial orientation has been used as a concept to measure the level of entrepreneurial behavior of a company. Covin & Slevin (1991) revealed entrepreneurship as a strategic posture dimension represented by a company's tendency to take risks, a tendency to act aggressively competitively, a proactive attitude, and a reliance on frequent and extensive product innovation. Leibenstein (1968), entrepreneurship involves activities to establish and manage companies, especially when markets and production functions are not yet clearly established or identified. From the several definitions of entrepreneurship above, it can be concluded that entrepreneurship is related to the attitudes and behavior that must be possessed in running a business, meaning that an entrepreneur's attitude must be oriented towards the attitude or behavior of an entrepreneur, including attitudes of creativity and innovation, courage to take risks in the face of uncertainty. From Elgarhy & Abou-Shouk's (2023) literature study, it is stated that the concept of entrepreneurial orientation has 3 components, namely innovation, proactiveness and risk taking.

Strictly speaking, it can be said that entrepreneurial-oriented behavior involves the willingness to innovate, take risks, take independent action, and be more proactive and aggressive than competitors in dealing with new market opportunities (Lumpkin & Dess, 1996; Wiklund, J., & Shepherd, 2005). Entrepreneurial orientation is believed to be one of the factors that can improve marketing performance, reflected in innovative, proactive, and risk-taking attitudes. As stated by Wiklund (1999), implementing a higher level of entrepreneurial orientation behavior is considered to be able to improve the marketing performance of a company's products towards better business performance. Cho & Lee (2018) Entrepreneurship is one of the key elements that is able to produce high business performance to face business conditions in the highly uncertain Korean economic system. It was explicitly stated by Covin; & Slevin (1991) dan Wiklund (1999) that companies that implement higher levels of entrepreneurial orientation behavior can improve marketing capabilities or performance and better business performance, compared to those that implement low levels of entrepreneurial behavior. Thus, companies that are able to achieve better performance tend to be innovative, proactive and dare to take risks compared to other companies. The initial construction of the concept of entrepreneurial orientation refers to the work of Miller (1983) who revealed that entrepreneurial orientation can be explained from three dimensions, namely: innovation, proactiveness, and risk taking. Then, Lumpkin & Dess (1996) modified and added two dimensions to the concept of entrepreneurial orientation and added two dimensions, namely: autonomy and competitive aggressiveness.

1.2 Market Orientation (MO)

Lukas & Ferrell (2000), market orientation is said to be the process of producing and providing market-related information and creating superior value for consumers. Montiel-Campos (2018), market orientation is seen as an organizational culture or activity that can encourage the behaviors necessary to achieve superior performance. Narver & Slater (1990) market orientation is a behavioral concept that focuses on creating superior values for consumers and sustainable superior performance for the business world. Market orientation encourages companies to build business networks (Baker et al., 1999). Market orientation describes how a company responds to customer behavior, competitors and coordinates market information so

that the company is able to achieve competitive advantage and superior performance (Hinson et al., 2017). Market-oriented companies need to identify their competitive strengths and weaknesses. Based on this information, the company must develop and implement effective strategies to create competitive advantages and achieve superior performance. From the definitions above, it can be concluded that the use of the market orientation concept focuses more on creating superior value for the company's products on an ongoing basis, to build customer perceptions of excellence, the company is expected to be able to search for information regarding the needs and desires of its customers. As stated by Uncles (2000), market orientation involves the company's efforts to continuously assess customer needs, which in turn can improve the company's performance.

Implementing market orientation (MO) behavior helps companies satisfy customer needs based on market information and changes in the market environment (Jaworski & Kohli, 1993). By implementing market orientation behavior, companies collect information and develop organizational capabilities to understand customer needs (Pelham, 2000). Thanks to market capabilities and information, companies can respond to changes in market conditions quickly and in the end the company is able to produce products that are innovative and unique compared to other competitors (Kirca et al., 2005). In fact, consumers lack knowledge or information about what is offered in the market and what products best meet their needs, meaning that companies that understand the market and their customers well will enjoy a significant competitive advantage over their competitors (Narver & Slater, 1990). Market orientation as a concept encompasses three dimensions of behavior, namely customer orientation, competitor orientation, and coordination between functions within the company. Narver & Slater (1990; p.21-22) explains that the three components of behavior are simultaneously and continuously directed to achieve the goal of market orientation, namely creating "superior value" for customers continuously. The creation of superior value for customers is built on the basis of information related to customers, competitors, and other factors that are considered to have a significant influence on the market (e.g., suppliers and government).

1.3 Competitive Advantage

According to Li et al., (2006) an organization's competitive advantage shows the ability to create a superior position that can be maintained compared to its competitors. This capability allows an organization to differentiate itself from its competitors. Lee & Hsieh (2010), competitive advantage shows that a company can obtain better business performance than its competitors in the same industry. Porter (2008), companies that have the ability to create higher performance in competitive industries and markets is the result of the company's capability to process superior resources. According to Kotler (2005), companies that have a competitive advantage over competitors have the ability to offer greater customer value, namely offering lower prices or providing more benefits by setting higher prices. From several opinions expressed above, competitive advantage is actually more likely to be a company strategy to create competitive advantage, so that business performance is better than its competitors. Bharadwaj et al., (1993, p.84-85), competitive advantage results from implementing strategies that utilize various resources owned by the company.

In more detail, it was emphasized by Grant (1991) that companies are said to have competitive advantages; If in industrial competition, the company has a competitive advantage over other companies when the company gets a level of profit or has the potential to get high profits. Lee & Hsieh (2010), In general, competitive advantage shows that a company is able to utilize assets and/or competencies to produce better business performance than its competitors in the same industry. To ensure long-term business interests, competitive advantage must be sustainable to keep the business superior compared to competitors. According to Porter (1985), companies must be able to create innovative strategies to maintain competitive advantage through improving service quality and introducing new products or services in accordance with customer value. Based on a literature review of the opinions of Stalk, Vesey, Hndfield and Pannesi, Kessler and Chakrabarti and Koufteros regarding competitive advantage, Li et al., (2006) put forward the theoretical conclusion that competitive advantage can be measured using indicators: competitive prices, attractive quality for consumers, delivery/delivery of goods on time, product innovation and timely entry to the market.

1.4 Marketing Performance

Marketing performance is an important element that contributes to company performance and is recognized as a key factor that has led to the growth of the marketing function in organizations (O'Sullivan & Abela, 2007). Marketing performance is a concept that can be used to measure marketing achievements for a company's performance (O'Sullivan & Abela, 2007), the company's success in improving performance, profitability, stock returns, and marketing position is influenced by marketing performance (Ferdinand, 2005), many researchers use the concept of marketing performance to measure the impact of company strategy. In line with that, this research is intended to prove whether entrepreneurial orientation and market orientation strategies have an impact on marketing performance. Rodriguez & Morant (2016). Revealing strategy Companies are always directed at producing good marketing performance and marketing performance is an effort to know and fulfill consumer needs and tastes. Pardi et al., (2014), marketing performance is related to customer growth, namely an increase in the number of customers who make repeat purchases of the products produced.

Ferdinand (2005), good marketing performance is expressed in three main values, namely sales value, sales growth and market portion. Li et al., (2006), to measure marketing performance as an instrument for measuring organizational performance, uses three marketing performance indicators, namely sales growth, market share and market share growth (competitive position). Clark (2007) uses the relationship between marketing activities and business performance as a measure of the marketing performance concept. Narver & Slater (1990), marketing performance is a description of the results of implementing company strategy, including consumer satisfaction, new product success, increased sales and company profitability. Several literature studies conducted on the ideas of McKee, Varadarajan, and Pride and Slater and Narver, concluded by O'Sullivan & Abela (2007) that marketing performance measures can be explained from the balance of profitability and sales growth, market share and cash flow. In more detail, it is explained by Voss & Voss (2000, P.69) that the measurement of marketing performance concepts includes; number of customers, sales volume, profit and sales growth. Research by Nasution (2016) dan Utaminingsih (2016) uses marketing performance concept measurements from Voss & Voss (2000)

1.5 The Influence of Entrepreneurial Orientation on Marketing Performance.

Entrepreneurial orientation is the ability of entrepreneurs to apply behavior oriented towards creativity and innovation, proactiveness, risk-taking ability, autonomy and competitive aggressiveness (Lumpkin & Dess, 1996). According to Cho & Lee (2018), entrepreneurship is one of the key elements that will produce successful business performance in very uncertain business conditions The ability of entrepreneurs to apply an entrepreneurial orientation to manage the business, causes the products offered to consumers to be attractive to consumers, and then can increase sales and consumer profits. As stated by Baker et al., (1999) dan Li et al., (2009) that entrepreneurial orientation is a factor that can result in increased company performance. Previous research has proven that entrepreneurial orientation has a direct influence on marketing performance, including; Wiklund (1999), Lechner & Gudmundsson (2014), Lumpkin & Dess (2001), Cho & Lee (2018) entrepreneurs who are able to implement entrepreneurial-oriented behavior have greater potential to increase sales and business profits. The same study from Adegbuyi et al (2018) dan Nicoletta Faddahas (2018) proven that all dimensions of entrepreneurial orientation have a significant effect on SMEs performance. From the descriptions above, research hypotheses can be formulated, namely;

H1: Entrepreneurial orientation has a positive effect on marketing performance.

1.6 The Influence of Market Orientation on Marketing Performance

An entrepreneur's ability to implement market-oriented behavior will determine the success of improving marketing performance. Entrepreneurs who are able to offer products that suit consumers' needs and desires and understand what competitors are doing to attract consumers to shop are the factors that determine the increase in the number of consumers, the number of sales and profits of entrepreneurs (Jaworski & Kohli, 1993; Narver & Slater, 1990; Protcko & Dornberger, 2014 dan Nursinggih & Farida, 2019) have proven that market-oriented behavior contributes directly to increasing marketing performance. Narver & Slater (1990), continuous assessment of consumer needs and desires can create customer satisfaction and ultimately affect company performance and profits. Jaworski & Kohli (1993) dan Narver & Slater (1990),

revealed that market orientation is a factor that can influence company performance. Baker & Sinkula, (2009), market orientation is significantly directly related to company performance. From several studies conducted, marketing performance is the result of implementing market-oriented behavior, and will ultimately influence increasing company performance.. This is proven by research. From this description a research hypothesis can be formulated, namely;

H2: Market orientation has a positive effect on marketing performance.

1.7 The Influence of Competitive Advantage on Marketing Performance

Previous researchers have proven that competitive advantage as an independent variable has a direct positive effect on marketing performance. According to Zhou et al., (2009), increasing marketing performance is the impact of the competitive advantage possessed by entrepreneurs. Pardi et al., (2014), marketing performance of batik SMEs is significantly influenced by their competitive advantages. Titahena et al., (2012) prove that entrepreneurs who are able to create competitive advantages contribute to marketing performance. If the company is able to increase its competitive advantage, then marketing performance will increase. Fathika dkk (2021), Udriyaha (2019) dan Lakhal, L (2009), believes that entrepreneurs who are able to create competitive advantages for SMEs that are in line with consumer values can make a positive contribution to improving the business performance of SMEs. Na, Youn Kue, et al., (2019) revealed that a company's performance improves over time when competitive advantage is maintained in the market. From the descriptions above, research hypotheses can be formulated as follows:

H3: Competitive advantage has a positive effect on marketing performance.

1.8 The Influence of Entrepreneurial Orientation on Marketing Performance Through the Competitive Advantage of SMEs.

Within the research framework written in this article, the research is intended to analyze whether there is an indirect influence of entrepreneurial orientation on marketing performance through competitive advantage. Several previous studies have proven the existence of a mediating role of competitive advantage variables in the indirect influence of entrepreneurial orientation on marketing performance, including; Pardi et al., (2014), Fatikha et al., (2021), Elgarhy & Abou-Shouk, (2023). If managers are able to increase the competitive advantage of SMEs, then implementing entrepreneurial orientation behavior will have a positive impact on increasing the product marketing performance of SMEs. Pardi et al., (2014) In the context of business management, marketing performance is seen as the result of implementing entrepreneurial-oriented behavior which successfully creates competitive advantages for small and micro industrial businesses (Fatikha et al., 2021; Elgarhy & Abou- Shouk, 2023). From the descriptions above, the research hypothesis can be formulated as following:

H4: Entrepreneurial orientation has a positive effect on marketing performance through the competitive advantage of SMEs.

1.9 The influence of market-oriented behavior on marketing performance through the competitive advantages of SMEs.

Several previous researchers have found a mediating role for competitive advantage variables on the influence of market orientation on marketing performance. Entrepreneurs who understand consumer desires and needs for products from SMEs have the ability to create products that suit consumer desires and needs, so the products marketed by entrepreneurs who apply market orientation are superior to competing entrepreneurs who do not implement market orientation behavior. Superior products are more popular with consumers and will have an impact on increasing marketing performance, namely the number of consumers, sales and profits. Researchers by Kamboj & Rahman (2017) and Afyati et al., (2019) have proven the influence of market orientation behavior on marketing performance through competitive advantage. Companies that understand the market and customers well will gain a greater competitive advantage compared to other competing companies, competitive advantage is a determining factor in company performance. Demikian juga This means that competitive advantage has succeeded in playing a mediating role in the relationship between market-oriented behavior and new product performance (Ghorbani et al., 2013).

From this description, a research hypothesis can be formulated, that is;

H5: Market orientation has a positive effect on marketing performance through the competitive advantage of SMEs.

2.10. The Influence of Entrepreneurial Orientation and Market Orientation on Competitive Advantage

Companies that apply entrepreneurial-oriented behavior (OK) to manage their business have the potential to create and produce products that have advantages compared to other competing entrepreneurs. The creative, innovative and risk-taking attitudes adopted by entrepreneurs are considered capable of producing superior products compared to other competitors. Superior products attract consumers to make purchases compared to products that are not or less superior. Research from Baker and Sinkula (2009) dan Pardi et al., (2014) Entrepreneurial orientation has a significant effect on competitive advantage. This means that entrepreneurs who are able to implement Entrepreneurial Orientation behavior are more likely to offer superior products compared to other competitors, namely being able to market products that are in accordance with consumer desires and needs. Elgarhy & Abou-Shouk (2023), entrepreneurial orientation is the main incentive for building sustainable competitive advantage. Lechner & Gudmundsson (2014), dimensionally, entrepreneurial orientation has a positive influence on the competitive advantage of small companies. From the description above, the following research hypothesis can be formulated;

H6: Entrepreneurial-oriented behavior has a positive effect on competitive advantage.

The importance of market orientation as a source of sustainable competitive advantage amidst increasingly competitive competition has been clearly proven. Research by Pardi et al., (2014) dan Bambang et al., (2021) reveals that market-oriented behavior has a significant contribution to competitive advantage. The research results of Uncles (2000) dan Merakati et al., (2017), market orientation behavior as a process and activity related to the creation and satisfaction of customers by continuously assessing customer needs and desires. Entrepreneurs who implement market-oriented behavior have products that are more in line with consumers' wants and needs than entrepreneurs who implement market-oriented behavior less well (Fatikha et al., 2021). According to Ghorbani et al., (2013) dan Merakati et al., (2017), entrepreneurs who understand the market and consumers well will have a competitive advantage over their competitors, meaning that the higher the degree of implementation of market orientation behavior, the higher the degree of competitive advantage of their business products. . Based on the description above, research hypotheses can be formulated as follows;

H7: Market orientation behavior has a positive influence on competitive advantage.

III. METHODS

This research uses a quantitative approach, aiming to analyze the influence of entrepreneurial orientation and market orientation on marketing performance through the competitive advantages of Bukit Batu SMEs. The methods and techniques used in the quantitative approach are more objective, including data collection methods and data analysis techniques using statistics for hypothesis testing. The research also uses a deductive method which is based on theory and research results that have been proven by previous researchers. In this research, the research population was determined to be all SMEs in Bukit Batu District. The sampling technique uses purposive sampling or a sampling technique with certain considerations. Considering that the research objective focuses more on entrepreneurial behavior in SMEs to create competitive advantages, this research deliberately only took samples from SMEs in the industrial sector, totaling 36 business units. Two types of data were used in this study, namely secondary and primary data.

Primary data is related to respondents' perceptions or attitudes towards entrepreneurial orientation, market orientation, competitive advantage and marketing performance. Secondary data related to the number of SMEs and problems related to SMEs Interpreneurship training in Bukit Batu from the Bengkalis Regency Industrial Service, Association of Small and Medium Enterprises (SMEs) in the Bengkalis area, Bengkalis Central Statistics Agency (BPS). The primary data collection technique uses questionnaires which already have answer categories and are distributed to respondents, because SMEs respondents understand the

contents of the questionnaire, and for respondents who are considered difficult to understand the questionnaire, guided interviews are used.

Table 1. Research Variables and Indicators

NO.	Variable	Indicator	Source
1.	Entrepreneurial Orientation (X1)	X1.1 Creative and Innovative X1.2 Dare to Take Risks X1.3 Proactive X1.4 Competitive Aggressiveness X1.5 Autonom	Miller (1983) Lumpkin & Dess (2001)
2.	Market Orientation (X2)	X2.1 Customer Orientation X2.2 Competitor Orientation X2.3 Market Information	Narver & Slater (1990) Jaworski & Kohli (1993).
3.	Competitive Advantage (Z)	Z1 Competitive price Z2 Product quality Z3 Delivery reliability Z4 Has a unique product Z5 New products quickly enter themarket	Li et al., (2006) Lee & Hsieh, (2010)
4.	Marketing Performance (Y)	Y1 increase in consumers Y2 increase in sales Y3 Profi	O'Sullivan& Abela (2007) Voss & Voss (2000) Nasution (2016) Utaminingsih (2016)

Source: Recap of Previous Research Results, 2023

To analyze quantitative research data using descriptive statistical techniques, namely tabulation of frequencies and averages; and Inferential statistics aims to analyze the influence of the dependent variable on the independent variable through intervening variables (Sugiyono, 2012), namely using PLS (Partial Least Square) via the SmartPLS application version 3.2.8. The statistical analysis carried out included testing research instruments, in the form of validity and reliability tests; structural model testing, in the form of R-Square and F-Square tests; and hypothesis testing using the bootstrapping method.

IV. RESULTS AND DISCUSSION

1.10 Evaluation of Measurement Model (Outer Model) Convergent Validity

Validitas konvergen digunakan untuk mengukur besarnya nilai faktor loading setiap konstruk, pengukurannya menggunakan penilaian indikator reflektif berdasarkan korelasi skor item dengan skor konstruk dengan menggunakan program PLS. For confirmatory research, usually using a Loading Factor value > 0.7 and for exploratory research using a Loading Factor value between $0.6 - 0.7$ is still acceptable. A loading factor value of 0.5 is considered sufficient for the stage of construct development and measurement scale or research instrument development (Hair et al., 2009 and Ghazali, 2017). The results of the analysis of reflective indicators show values that are low or less than the standards above, so the research eliminates these items (indicators) to obtain a fit model for the variables Entrepreneurial Orientation (X1) Market Orientation (X2) Marketing Performance (Y) and Competitive Advantage (Z)

Table 2. Indicator and Value of Loading factor

NO.	Variable Indicator	Entrepreneurial Orientation (X1)	Market Orientation (X2)	Marketing Performance (Y)	Competitive Advantage (Z)
1	X1.1	0.761			
2	X1.2	0.847			

3	X1.3	0.803	
4	X1.5	0.665	
4	X2.1		0.797
5	X2.2		0.792
6	X2.3		0.785
7	Y1		0.828
8	Y2		0.856
9	Y3		0.835
10	Z1		0.656
11	Z3		0.745
12	Z4		0.796
13	Z5		0.784

Source: PLS Data Processing Results, 2023

From table 1 above, it can be seen that the outer loading value is greater than 0.6 for variables and indicators of entrepreneurial orientation (X1), market orientation (X2), competitive advantage (Z) and marketing performance (Y). The indicators displayed in the table above have met convergent validity, after removing variable indicators that have outer loadings below <0.6. It can be concluded that the research variable indicators are considered reliable for measuring research constructs.

Discriminant Validity

The second outer model measurement uses discriminant validity, namely how to measure the outer model based on the cross loading value. Cross loading shows the correlation between indicators of a construct and indicators of other constructs. The measurement model is said to have discriminant validity if the cross loading value of indicators on the research construct is greater than the cross loading value of indicators of other constructs. From data analysis using SmartPLS, cross loading values for each indicator on each research variable were obtained, as shown in the following table.

Tabel 3. Discriminant Validity

	Competitive Advantage	Marketing Performance	Entrepreneurial Orientation	Market Orientation
Z Competitive Advantage	0.815			
Y Marketing Performance	0.633	0.84		
X1 Entrepreneurial Orientation	0.644	0.44	0.821	
X2 Market Orientation	0.559	0.643	0.387	0.792

Source: Processed PLS Data, 2023

From the data in table 3 above, it shows that the cross loading value of the construct has adequate discriminant validity. It can be seen that the correlation of the construct with its indicators shows a higher number than the correlation value of the construct with other indicators. Apart from measuring cross loading values to assess discriminant validity, you can also use the extracted average value (AVE). The conditions for using discriminant validity measurements are good if the AVE value for each construct is > 0.5 (Hair et al., 2009 and Ghazali, 2017). The results of data analysis obtained an AVE value > 0.50 as seen in Table 4, this means that all constructs or latent variables in this research model have good discriminant validity.

Table 4. AVE Value Average Extracted Variance (AVE)

	Average Extracted Variance (AVE)
Z_ Competitive Advantage	Y_0.559
Marketing Performance	X2_Market0.785
Orientation	0.626
X1_Entrepreneurial Orientation	0.560

Source: PLS Processed data, 2023

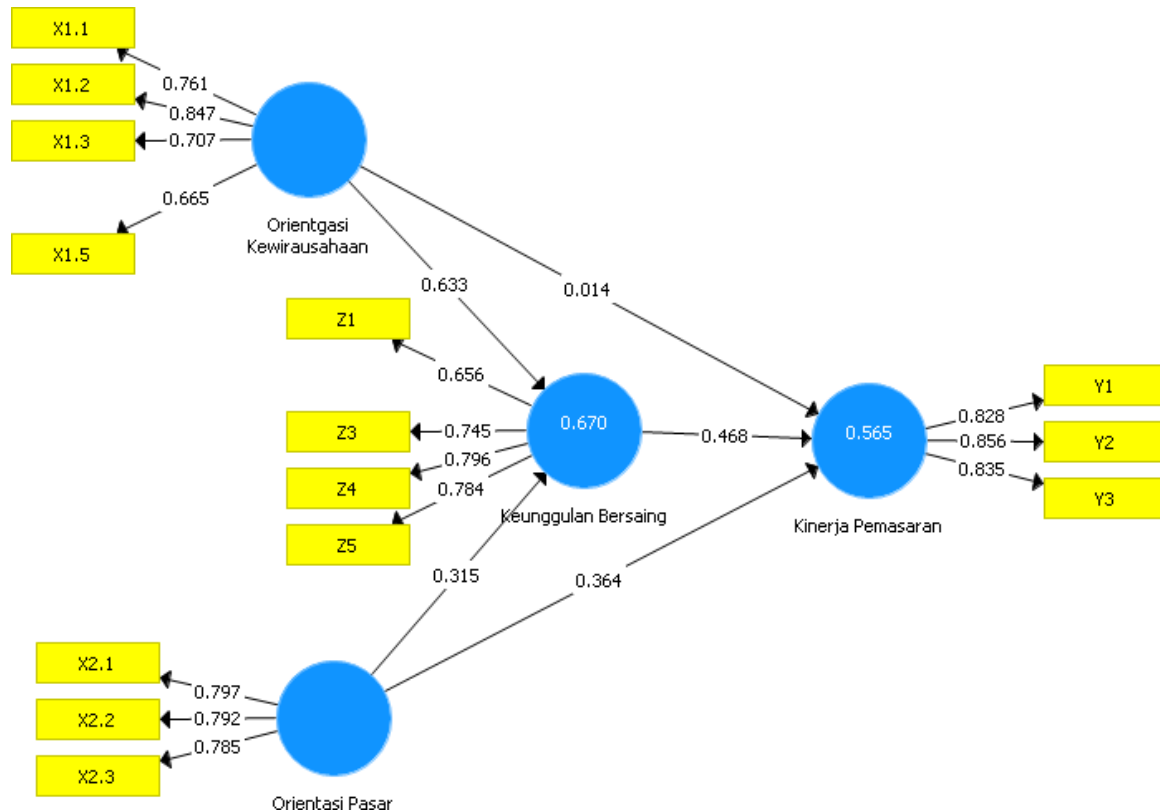
Using smart PLS, the composite reliability value of entrepreneurial orientation, market orientation, competitive advantage and marketing performance variables was obtained > 0.7 and Cronbach's alpha value > 0.6. In conclusion, all variables have a high level of reliability in this research model.

Table 5 . Construct Reliability Value

	Cronbach's Alpha	rho_A	Composite Reliability
Z_ Competitive Advantage	0.736	0.741	0.834
Y_ Marketing Performance	0.791	0.792	0.878
X2_ Market Orientation	0.703	0.703	0.834
X1_ Entrepreneurial Orientation	0.734	0.733	0.835

Source: PLS Processed Data, 2023.

1.11 Evaluation of Inner model (Structural Model)

**Fig 1. SmartPLS Result Model**

1.12 Coefficient of Determination (R2)

The coefficient of determination (R-Square) test is used to calculate the magnitude of the influence of certain exogenous latent variables on endogenous latent variables. The R Squares value indicates the magnitude of the variability of endogenous variables that can be explained by exogenous variables. Chin (1998; in Ghozali, 2017) stated that if the R2 value > 0.67 indicates a strong category of influence of exogenous variables on endogenous variables, if the R2 result is between 0.33-0.67 indicates a moderate influence category and if the result is 0.19-0.33 indicates a weak influence category and if the R2 value is below 0.19 indicates the structural model has no strength.

Table 6. R-Square Value

Structural Model	R-Square	Adjusted R Square
Z_ Competitive Advantage	0.670	0.650
Y_ Marketing Performance	0.565	0.524

Source: PLS Processed Data, 2023.

❖ The results of the path analysis obtained an R-Square (R2) value for the competitive advantage variable of 0.670, meaning that the construct of the competitive advantage variable can be explained by the influence of entrepreneurial orientation and market orientation of 0.670 or the strength of the influence of entrepreneurial orientation and market orientation on competitive advantage is quite strong (medium), namely 67.00% and the remaining 33.00% is influenced by other variables. outside the research model..

❖ From the results of the path analysis, the R² value of the marketing performance variable was obtained as 0.565, meaning that the marketing performance variable can be explained by the influence of the variability of entrepreneurial orientation, market orientation and competitive advantage by 56.50% and the remaining 43.50% is explained by other variables outside the research model.

1.13 Hypothesis test

Several criteria must be met for testing the research hypothesis, namely the original sample, t statistics, and p values. The criteria used to determine whether the hypothesis is accepted or rejected, if the t-statistic > 1.96 or P value < 0.05 means H₀ is rejected then the research hypothesis is accepted and if the t-statistic < 1.96 or P value > 0.05 means H₀ is accepted, the research hypothesis is rejected (Ghozali, 2016). To be able to say that a hypothesis is acceptable, these criteria must be met.

Table 7. Path Coefficeincies – Bootstrap

Hypothesis	Structural Model	Original Sample (O)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Results
Hypothesis 1.	Entrepreneurial Orientation (X1) --> Marketing Performance (Y)	0.014	0.199	0.69	0.094	Hypothesis Rejected
Hypothesis 2.	Market Orientation (X2) -> Marketing Performance (Y)	0.364	0.123	2.962	0.003	Hypothesis accepted
Hypothesis 3.	Competitive Advantage (Z) -> Marketing Performance (Y)	0.468	0.195	2.400	0.017	Hypothesis accepted
	Entrepreneurial Orientation -> Competitive Advantage (Z) *	0.633	0.104	6.097	0.000	Hypothesis accepted
	Market Orientation -> Competitive Advantage (Z) *	0.315	0.115	2.749	0.006	Hypothesis accepted
Hypothesis 4.	Indirect Influence: Entrepreneurial Orientation (X1) --> Marketing Performance (Y) through Competitive Advantage (Z)	0.296	0.147	2.007	0.045	Hypothesis accepted
Hypothesis 5.	Market Orientation (X2) -> Marketing Performance (Y) through Competitive Advantage (Z)	0.147	0.074	1.981	0.048	Hypothesis accepted

Source: PLS Processed Data, 2023

*. This hypothesis is not discussed.

From the table of path analysis test results based on path coefficient values, the following explanation can be given;

- The results of the path analysis of the influence of entrepreneurial orientation (X1) on marketing performance (Y), show a path coefficient value of 0.014 and T-statistic value of 0.069 < 1.96 or a probability value (P value) > 0.05, so H₀ is accepted and the hypothesis 1 (H1) is rejected. These results mean that entrepreneurial orientation does not have a direct and significant effect on the product marketing performance of SMEs in Bukit Batu - Bengkalis. The implementation of entrepreneurial-oriented behavior

by SMEs does not have a significant influence on increasing the number of consumers, sales and profits, the influence is very weak, namely 1.40%. However, the implementation of entrepreneurial orientation behavior has a significant effect on the competitive advantage of SMEs in Bukit Batu, namely 0.633 or 63.30%.

- The results of the path analysis of the direct influence of market orientation (X2) on marketing performance (Y) of Bukit Batu SMEs obtained a path coefficient value of 0.511 and a T-statistic value of $4.388 > 1.96$ or P value < 0.05 , so H_0 is rejected and Hypothesis 2 (H2) is accepted. The results of data analysis show that there is a direct and significant influence of market-oriented behavior on the marketing performance of SMEs in Bukit Batu. The group of entrepreneurs from SMEs who have knowledge about market behavior and are able to apply market-oriented behavior in managing businesses in SMEs have better marketing performance than entrepreneurs who are less able to implement market-oriented behavior.
- The results of the path analysis of the influence of competitive advantage (Z) on the marketing performance (Y) of Bukit Batu SMEs, obtained a path coefficient value of 0.468 and T-statistic value of $2.40 > 1.96$ or P value < 0.05 . These results show that hypothesis 3 (H3) is accepted, meaning that it is proven that there is a direct and significant influence of competitive advantage on product marketing performance in SMEs in Bukit Batu. The group of entrepreneurs from SMEs who have knowledge about market behavior and are able to apply market-oriented behavior in managing SMEs have better marketing performance than entrepreneurs who are less able to implement market-oriented behavior.
- The results of the path analysis of the indirect influence of entrepreneurial orientation on the product marketing performance of SMEs, obtained a path coefficient value of 0.296 and T-statistic value of $1.997 > 1.96$ or P value < 0.05 , meaning H_0 is rejected and H3 is accepted. In conclusion, the application of entrepreneurial-oriented behavior in business management in SMEs can influence marketing performance through creating competitive advantages.
- The results of the path analysis of the indirect influence of market-oriented behavior on improving the marketing performance of Bukit Batu SMEs, obtained a path coefficient value of 0.147 and a T-statistic value of $1.975 > 1.96$ or P value < 0.05 , meaning that H_0 is rejected and H4 is accepted. These results conclude that the application of market-oriented behavior in managing SMEs has an influence on product marketing performance in Bukit Batu SMEs through creating competitive advantage.

1.14 Discussion

The Influence of Entrepreneurial Orientation on Marketing Performance.

Managing SMEs in Bukit Batu, entrepreneurs have knowledge related to entrepreneurial attitudes obtained from training and coaching provided by stakeholders, namely PT. Pertamina Sungai Pakning and the regional government of Bengkalis Regency. This entrepreneurial knowledge is used as a source of knowledge in managing SMEs. This means that the wider the experience or knowledge that entrepreneurs from SMEs have, the greater the opportunity for these entrepreneurs to implement entrepreneurial-oriented behavior, and ultimately entrepreneurs are able to improve the marketing performance of SMEs. *Entrepreneurs who implement entrepreneurial-oriented behavior have a creative attitude in making various changes starting from the taste, shape and packaging of products in accordance with consumer desires, are brave and independent in making decisions regarding public sector business management and are forward-thinking. This attitude is expected to increase the ability of entrepreneurs from SMEs in Bukit Batu to improve the marketing performance of SMEs. The results of the study indicate that the application of entrepreneurial orientation has a direct and insignificant effect on marketing performance, meaning that the application of entrepreneurial orientation does not have an impact on improving marketing performance. This can be seen from the ability of entrepreneurs to increase the number of consumers, sales and profits which are greater than other competitors by only 1.40% influenced by the application of entrepreneurial orientation. Based on information in the field, it was found that some entrepreneurs who have entrepreneurial orientation skills experience difficulties in marketing their products to consumers, because the products they own are considered by consumers to be less attractive than other competitors' products. Likewise, some entrepreneurs who implement an entrepreneurial orientation are considered relatively low, but these entrepreneurs have regular customers, especially sago crackers and woven products.*

The results of this research support previous research, Halim et al., (2012) and Arbaugh et al., (2009) found that entrepreneurial orientation did not have a significant effect on marketing performance. Hatta (2015), the marketing performance of traditional food restaurants is not proven to be directly influenced by entrepreneurial orientation. The application of entrepreneurial orientation is not a significant factor in determining the increase in marketing performance (Heng & Afifah, 2020) The results of this study do not support the research results of Lechner & Gudmundsson (2014) that company performance is proven to be positively influenced by entrepreneurial orientation. Baker & Sinkula (2009), company marketing performance is the result of implementing entrepreneurial-oriented behavior. Rompis et al., (2022), entrepreneurial orientation is a factor that influences the level of marketing performance of wood craftsmen in Tagulandang. The results of this study are also inconsistent with the research results of Elgarhy & Abou-Shouk (2023) The Influence of Market Orientation on Marketing Performance The implementation of market orientation behavior has a direct and significant effect on improving the product marketing performance of SMEs, meaning that the better the market orientation behavior, the higher the product marketing performance of SMEs. The success of entrepreneurs in improving marketing performance cannot be separated from the knowledge and ability of entrepreneurs in implementing market-oriented behavior in managing SMEs. Entrepreneurs who do not implement market-oriented behavior tend to have relatively lower marketing performance than entrepreneurs who implement market orientation.

The relatively low marketing performance of entrepreneurs is due to the fact that many entrepreneurs from SMEs lack knowledge about market-oriented behavior, entrepreneurs are unable to adapt to changes that must be made in accordance with changes in consumer behavior, lack of implementation of competitive business and lack of understanding. developments in the market situation. The research results are in line with research by Zuliasanti et al., (2020) that many entrepreneurs implement market-oriented behavior which has succeeded in improving the marketing performance of SMEs. Inayati, Titik (2018), the business performance of Shoe and Footwear SMEs that implement market-oriented behavior is higher than entrepreneurs who implement low market-oriented behavior. Elgarhy & Abou-Shouk (2023) also found that the marketing performance of travel companies is significantly influenced by the implementation of market orientation behavior. The large contribution of the market orientation variable to marketing performance is because entrepreneurs tend to assess market-oriented behavior as being in the good category, meaning that entrepreneurs are able to understand and truly understand consumer desires and the competitive conditions of SMEs. The results of this research prove that market-oriented behavior plays an important role in business management in SMEs. Market orientation as a process and activity, relates to providing products that suit customer wants and needs. The increase in marketing performance of SME products is determined by the increase in the implementation of market orientation behavior among Bukit Batu SMEs.

The Influence of Competitive Advantage (CA) on Marketing Performance (MP)

The research results also found and proved that there is a positive and significant influence of the competitive advantage of SMEs on the product marketing performance of SMEs in Bukit Batu, Bengkalis. Entrepreneurs who are able to produce products from SMEs according to consumer needs, the products offered have different shapes and packaging from competing products from other SMEs, prices are relatively cheaper than other competitors and the quality of service to consumers is better than competitors' services. Entrepreneurs from SMEs who are able to create a competitive advantage in managing their business, the products sold to consumers have greater appeal in the eyes of consumers than products from SMEs that have weak advantages. The results of this research are in line with research by Merakati et al., (2017) which found that entrepreneurs who are able to create competitive advantages for SMEs that are more attractive to consumers can influence marketing performance. Hajar & Sukaatmadja (2016), competitive advantage has a positive and significant effect on the marketing performance of clothing retail stores in Denpasar City. Research results from Arbawa & Wardoyo (2018) found that the marketing performance of SMEs is influenced by the competitive advantages possessed by entrepreneurs from Kuliner SMEs in Solo. Zou (2009) market orientation has been proven to be able to increase competitive advantage, the greater the company's competitive advantage.

The Influence of Entrepreneurial Orientation (EO) on Marketing Performance (MP) through Competitive Advantage (CA)

The results of this research have proven that the competitive advantage of SMEs in Bukit Baru is influenced by entrepreneurial orientation behavior (EO). The results of this research support previous research, including Widyanti, Sabrina (2020), Arbawa & Wardoyo (2018), Elgarhy & Abou-Shouk (2023) e Bambang et al., (2021) they found that entrepreneurial orientation is a determining factor in creating business competitive advantage. Hajar & Sukaatmadja (2016), retailers who are able to implement entrepreneurial orientation behavior produce better competitive advantages compared to other retail competitors. These results were also revealed in the research of Merakati et al., (2017), Entrepreneurial orientation contributes to creating competitive advantages for products from batik center SMEs. Bambang et al., (2021) that EO behavior contributes to sustainable competitive advantage in General BBM marketing at PT. Pertamina (Persero). Elgarhy & Abou-Shouk (2023), that the competitive advantage of Travel Agent companies is the result of implementing OE behavior by entrepreneurs. The research results prove that the implementation of entrepreneurial oriented behavior (EO) has an indirect and significant effect on the marketing performance of Bukit Batu SMEs through competitive advantage. Entrepreneurs from SMEs who implement entrepreneurial-oriented behavior have a better competitive advantage compared to entrepreneurs who do not implement entrepreneurial-oriented behavior in managing SMEs.

Entrepreneurs from SMEs continue to try to look for opportunities, be innovative and have the courage to make business management decisions regarding changes that occur in the product market in SMEs. EO behavior results in the ability to produce products that have high competitiveness compared to entrepreneurs who are not able to implement EO behavior. Therefore, EO behavior becomes a key incentive for entrepreneurs to build competitive advantages and improve business performance and growth. Entrepreneurs who implement entrepreneurial-oriented behavior experience growth in sales and market share (Altinay et al., 2016). Entrepreneurs from SMEs in Bukit Batu who succeed in building competitive advantages are entrepreneurs who are able to apply EO behavior in managing businesses in SMEs. The research results prove that entrepreneurial orientation (EO) behavior has a significant effect on marketing performance through competitive advantage (CA) of SMEs in Bukit Batu Bengkalis. The ability of SMEs to manage and develop entrepreneurship-oriented resources can create a competitive product advantage for SMEs compared to other competitors. Products that have competitiveness tend to have greater appeal for consumers to shop so that ultimately these advantages can improve product marketing performance. Entrepreneurs from SMEs who are relatively unlikely to implement entrepreneurial oriented (EO) behavior are not able to improve their product marketing performance.

The results of this research support the research of Mahmood & Riaz (2021), competitive advantage (CA) is proven to be a mediating factor between the influence of EO on marketing performance (MP). The results of this research also support research by Hajar & Sukaatmadja (2016) that competitive advantage has a positive and significant mediating influence on the relationship between entrepreneurial orientation and marketing performance. Elgarhy & Abou-Shouk (2023), reveal the mediating role of family planning between EO and MP. This means that EO behavior becomes an indirect predictor of MP through CA. From several explanations related to proving the role of mediation or competitive advantage intervention in the relationship between EO and MP, it can be explained that entrepreneurial oriented behavior (EO) is considered effective as a behavioral strategy for building competitive advantage which can have a positive impact on improving the marketing performance of SMEs in Bukit Batu. Bengkalis.

The Influence of Market Orientation (MO) on Marketing Performance (MP) through Competitive Advantage (CA)

The research results prove that market orientation (MO) has a direct and significant influence on the competitive advantage of Bukit Batu micro, small and medium enterprises (MSMEs). Entrepreneurs who implement market orientation behavior understand the wants and needs of consumers, understand the form and quality of products sold by competitors, and try to find information on market conditions for products from SMEs in Bukit Batu. Entrepreneurs who apply MO behavior in managing SMEs understand and can offer products that are more in line with the tastes and needs of consumers in the market, so that the products

offered have greater appeal than entrepreneurs who do not apply MO behavior. This high consumer appeal shows that products from SMEs have a competitive advantage compared to other competitors. The results of this research are in line with research by Elgarhy & Abou-Shouk (2023) that market orientation has a significant positive effect on the competitive advantage of SMEs. Fatmawati et al., (2016) and Wibisono et al., (2017), entrepreneurs who apply market orientation in managing business tend to have a better competitive advantage compared to other competitors.

This means that changes that occur in daytime advantage are determined by changes that occur in the implementation of market-oriented behavior, but the reverse does not apply. According to Narver & Slater (1990), creating superior value for consumers and business performance requires the implementation of market orientation behavior. The application of market orientation behavior is increasingly necessary in managing SMEs along with the increasing uncertainty and competition of MSME businesses towards changes in customer needs, entrepreneurs should continue to monitor and respond to changes in consumer behavior, meaning that entrepreneurs must always be close to their market. Musrifah & Murwatiningsih (2017), market orientation can improve marketing performance, if entrepreneurs are able to build competitive advantages in the emping melinjo home industry in Ambal District, Kebumen Regency. This means that it has been proven that market orientation has an effect on competitive marketing performance through competitive advantage, it can be seen that the indirect effect is greater than the direct effect, market orientation has a greater effect on marketing performance through competitive advantage. Merakati et al., (2017) research results revealed that market orientation has a direct and indirect effect through competitive advantage on Marketing Performance at the Trusmi batik center SMEs in Cirebon Regency.

Researchers Kamboj & Rahman (2017) and Afiyati et al., (2019) have proven the influence of market orientation behavior on marketing performance through competitive advantage. Companies that understand the market and customers well will gain a greater competitive advantage compared to other competing companies, competitive advantage is a determining factor in company performance. Ghorbani et al., (2013) stated that companies that understand the market and customers well gain a greater competitive advantage over their competitors, and can ultimately improve the performance of new products. Entrepreneurs from SMEs who implement market-oriented behavior are considered to have "more" knowledge about consumer wants and needs and the ability to relate to consumers better. This ability to understand the market will create superiority or higher product competitiveness in the eyes of consumers, and ultimately be able to guarantee that SMEs obtain higher sales and profits compared to other SMEs that do not implement market-oriented behavior.

V. CONCLUSION AND RECOMMENDATION

Conclusion

Directly, the effect of implementing entrepreneurial oriented behavior (EO) is not significant on increasing the marketing performance of Bukit Batu SMEs. Entrepreneurs who implement entrepreneurial-oriented behavior in managing SMEs do not have a significant influence on increasing the number of sales and profits of entrepreneurs in SMEs. There are still some entrepreneurs who are not effective in increasing sales and profits even though they have the ability to implement entrepreneurial-oriented behavior. On the other hand, it was found that several entrepreneurs were still weak in implementing entrepreneurial-oriented behavior but had greater sales and profits than entrepreneurs who had implemented an entrepreneurial orientation, because some entrepreneurs had superior products and regular customers. The research results concluded that the marketing performance of Bukit Batu SMEs was proven to be directly and significantly influenced by the implementation of entrepreneurial-oriented behavior. The success of entrepreneurs in increasing the number of consumers, sales and profits is determined by the entrepreneur's ability to implement behavior that is oriented to consumer wants and needs, the way other competitors attract customers and information on market situations. Entrepreneurs who have the ability to implement market-oriented behavior have the potential to increase sales performance and profits compared to entrepreneurs who are unable to implement market-oriented behavior. The research results prove that there is an indirect influence of implementing entrepreneurial-oriented behavior through the competitive advantages of SMEs on

the marketing performance of SMEs in Bukit Batu.

The success of SMEs in improving product marketing performance is determined by the entrepreneur's ability to implement entrepreneurial-oriented behavior that can produce competitive advantages in products sold to consumers. Entrepreneurs from SMEs who are successful in increasing consumers, sales and business profits are entrepreneurs who already have superior products or have consumer appeal resulting from implementing market-oriented behavior. Entrepreneurial orientation as a strategy to build competitive advantage has a positive impact on increasing product marketing performance in SMEs in Bukit Batu. Research also proves that the behavior of entrepreneurs in managing market-oriented SMEs has a significant influence on product marketing performance in Bukit Batu SMEs through competitive advantage. It is known that many entrepreneurs in SMEs who have successfully implemented market-oriented behavior have succeeded in increasing the number of customers, sales and profits that are greater than other competitors. The market orientation applied in the management of SMEs causes entrepreneurs to be able to produce products that match consumer values, product prices are relatively cheaper, quality meets consumer desires and is even more attractive than competitors' products, products produced are in accordance with consumer desires, have differences (distinctive) with products produced by competitors and are even more ready to offer new products from SMEs to consumers than competitors. This competitive advantage can attract consumers' interest in shopping and ultimately improve the product marketing performance of SMEs. Thus, it is clearly proven that market orientation as a strategy to build competitive advantage has a positive impact on improving the product marketing performance of Bukit Batu SMEs.

Recommendation

Entrepreneurial orientation and market orientation as strategies to build competitive advantage for SMEs have proven effective in improving product marketing performance for Bukit Batu SMEs. It is hoped that SMEs in Bukit Batu, especially Crackers and Sago Weaving, will increase their knowledge about entrepreneurship and markets so that entrepreneurial and market-oriented behavior can be implemented in managing SMEs. The application of entrepreneurial behavior and market orientation is focused on efforts to build competitive advantage in the business environment in SMEs in Bukit Batu. The key to business success in improving the marketing performance of SMEs is determined by competitive advantage factors. To successfully build competitive advantage requires the entrepreneur's ability to implement entrepreneurial and market-oriented behavior.

To stakeholders, especially PT. Pertamina Sungai Pakning and the Regional Government of Bengkalis Regency are expected to continue to provide knowledge and information regarding the application of entrepreneurial behavior and market orientation which aims to build product competitive advantage in Bukit Batu SMEs. And to ensure the competitiveness or competitive advantage of SMEs can improve marketing performance, it is hoped that PT. Pertamina Sungai Pakning as the supervisor of "Small and Medium Enterprises" and the Bengkalis Regency "Cooperative and SME Service" need to increase market provision for products from Bukit Batu SMEs. Future researchers can conduct research on the same objects and places but with different independent variables from this research, so they can find out what factors influence product marketing performance in SMEs. It is also hoped that future research can take a wider or larger sample so that it is more representative or can represent the research population.

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