

14th ISCA 2024

The Divergent Effects of Market Orientation: Uncovering the Links to Entrepreneurial Orientation in Indonesian SMEs

**Nandang Bekti Karnowati^{1*}, Lusi Suwandari², and Agus Suroso³,
Larisa Pradisti⁴, Sari Budayanti⁵**

^{1*}Doctoral Student, Management Department, University of Jenderal Soedirman, Indonesia.

²Faculty of Economics and Business, University of Jenderal Soedirman, Indonesia.

³Faculty of Economics and Business, University of Jenderal Soedirman, Indonesia.

⁴Faculty of Economics and Business, University of Jenderal Soedirman, Indonesia.

⁵University of Jenderal Soedirman, Indonesia.

ABSTRACT

This study explores the complex relationship of market orientation and its impact on marketing performance, product quality, and entrepreneurial orientation within Indonesian MSMEs. While market orientation is traditionally perceived as a critical driver of marketing success, our findings reveal a more nuanced picture. Through an analysis of 111 MSMEs in, Indonesia, this research uncovers that market orientation does not affect to marketing performance or product quality. However, it plays a crucial role in enhancing entrepreneurial orientation, suggesting that a strong market focus may foster a more innovative and proactive business approach. These results challenge conventional assumptions and highlight the need for MSMEs to reconsider how market orientation is integrated into their strategic frameworks. By emphasizing the divergent effects of market orientation, this study provides valuable insights for practitioners and scholars seeking to understand the pathways through which market knowledge influences business outcomes in emerging economies.

Keywords: Market Orientation; Marketing Performance; Entrepreneurial Orientation; Product Quality; Small and Medium Enterprise.

1. Introduction

In today's rapidly evolving market landscape, SMEs are increasingly recognized as pivotal drivers of economic growth, especially in emerging economies like Indonesia (Karnowati & Handayani, 2022). Among these, MSMEs play a crucial role in sustaining local economies and providing employment (Tambunan, 2008). However, the volatile nature of consumer demands, coupled with intensifying competition, poses significant challenges to these enterprises,

particularly in their efforts to achieve sustainable marketing performance (MP) and product quality (Shamma & Hassan, 2013).

Market orientation (MO) has long been heralded as a key strategic asset that enables firms to understand and respond to market demands effectively (Morgan et al., 2010). Traditionally, it is assumed that a strong MO directly correlates with enhanced MP (Narver & Slater, 1990); (Zhou et al., 2008); (Acikdilli et al., 2020) and superior product quality (Na et al., 2019). However, recent debates have emerged questioning the universality of this assumption (Uzkurt & Kimzan, 2017); (Han et al., 1998), particularly within the context of SMEs operating in developing economies (Rahman et al., 2021); (Karnowati, Sudarto, et al., 2023). Previous studies have shown that MO and EO can individually increase MP (Karnowati, Sudarto, et al., 2023); (Martin & Javalgi, 2016); (Kusa et al., 2021). However, research (Rahman et al., 2021) shows a negative effect of MO on the performance of MSME marketers and (Uzkurt & Kimzan, 2017); (Karnowati, Najmudin, et al., 2023) research found that MO had no effect on (MP).

This study seeks to delve deeper into these debates by examining the nuanced effects of MO on Indonesian MSMEs. Specifically, it investigates the direct and indirect influences of MO on MP, product quality (PQ), and entrepreneurial orientation (EO) an area that has received limited attention in existing literature (Yang & Ju, 2017). Interestingly, while MO is commonly linked to improved business outcomes, this research reveals that its impact may not be as straightforward as previously believed.

Our findings indicate that while MO does not significantly affect MP or PQ, it plays a crucial role in fostering EO among MSMEs. This unexpected result suggests that MO may influence these enterprises more by shaping their strategic behaviour than by directly enhancing their market outcomes. By uncovering these divergent effects, this research contributes to a nuanced understanding of market orientation's role in SME success and offers new perspectives for both practitioners and scholars. As we navigate the complex dynamics of MO in the context of MSMEs, this research underscores the importance of reconsidering established strategic frameworks and encourages a re-evaluation of how market knowledge is utilized to drive business growth in emerging markets.

2. Literature Review

2.1 RBV Theory

The RBV theory explains how competitive advantage can be created from a company's ability to leverage its unique capabilities and resources (Warnerfelt, 1984);(Barney, 1991). Within the context of Indonesian MSMEs, MO, EO, and PQ are viewed as critical intangible resources that can enhance MP when effectively utilized. MO, as a strategic resource, enables firms to acquire and apply market knowledge, thereby fostering an EO that encourages innovation and proactive market behavior (Varadarajan, 2020). Similarly, PQ, shaped by the firm's capabilities, serves as a key resource that differentiates the firm in the marketplace.

2.2 Concept of Market Orientation

MO is widely recognized as a fundamental business philosophy that prioritizes understanding and satisfying customer needs to achieve long-term success. According to (Narver & Slater, 1990), MO is an organizational culture that puts overall customer value first and distributes market-related information across the company's business functions. Kohli and Jaworski (1990) further define MO as the ability of a company to collect, disseminate, and respond to market information effectively. Research shows that companies with strong MO tend to be more responsive to customer needs, more adaptive to environmental changes, and ultimately achieve better MP (Han et al., 1998). It involves the systematic collection, dissemination, and responsiveness to market intelligence, encompassing three core components (Narver & Slater, 1990): customer orientation (focusing on understanding and meeting customer needs), competitor orientation (understanding competitors' strategies and actions), and interfunctional coordination (aligning various departments within the firm to deliver superior value to customers)

2.3 The Role of MO in MP

The relationship between MO and business performance has been extensively studied, with a general consensus that market-oriented firms are better positioned to achieve superior marketing outcomes, customer satisfaction, and competitive advantage (Gligor et al., 2019). By staying attuned to market changes, such firms can more effectively tailor their products, services, and marketing strategies to meet customer demands, leading to enhanced performance (Wilson et al., 2014). Some research evidence on the positive impact of MO on MP (D. M. Gligor et al., 2021); (Frösén et al., 2016); (Atilgan, 2019); (Lee et al., 2015). However, the impact of MO may vary based on the firm's context. For large firms, the resources available allow for comprehensive market research and implementation of insights. In contrast, smaller firms, such as MSMEs, may face challenges in fully capitalizing on MO due to resource constraints, potentially leading to inconsistent effects on performance (Acosta, et al., 2018).

In the context of Indonesian MSMEs, MO remains a critical, yet challenging, strategy (Karnowati, Sudarto, et al., 2023). These enterprises often operate with minimal resources, which can hinder their ability to gather and act on market intelligence (Tambunan, 2022). Despite these limitations, MO can provide a competitive edge by leveraging the MSMEs' inherent flexibility and closer proximity to customers (Karnowati et al., 2022). However, the practical application of MO in this context may differ significantly from larger firms, necessitating a more tailored approach. Several previous studies on MSMEs in developing countries showed positive results of MO on MP (Afsharghasemi et al., 2013); (Dubihlela et al., 2015); (Udriyah et al., 2019);

H1a: MO has an impact on MP

2.4 MO, EO and MP

The relationship between MO and EO is particularly relevant for MSMEs. MO can serve as a catalyst for entrepreneurial behavior by providing the necessary market insights that drive innovation and proactive market engagement (Susanto et al., 2023). Firms that are attuned to market needs and trends are more likely to pursue new opportunities, innovate their offerings, and take calculated risks, all of which are key components of EO (Montoya, 2017). According to

(Narver & Slater, 1990) research, EO is a crucial supplement to MO since businesses need to integrate and apply both orientations in order to generate high operating profits. Companies need to use both MO and EO, which are distinct methodologies, to increase performance. The positive impact of MO on EO is supported by several research, including (Acosta, Crespo and Agudo, 2018);(Singh & Chakraborty, 2022); (Montoya, 2017).

H1b: MO has an impact on EO

H1c: EO has an impact on MP

H1d: EO mediates MO to MP relationship

H1e: EO mediates .MO's relationship to PQ

2.4 The Relationship MO, EO and PQ

Attention to MO today is more intense because of its important impact on product innovation. Product quality is the main key to the company because of its influence on satisfaction and loyalty. It is important for companies to provide the best quality of their products in an effort to improve marketing performance. According to (Alzoubi et al., 2022), PQ covers various dimensions, including durability, reliability, aesthetics, and product performance. High PQ is considered important because it can increase the value perceived by customers, which ultimately affects purchasing decisions and brand loyalty (Zhou et al., 2008). Research (Yang & Ju, 2017) shows that superior product quality can provide significant competitive advantage, especially in highly competitive industries. PQ as a mediating variable in the relationship between MO and MP, as well as between EO and MP (Zhou et al., 2008).

H2a: MO has an impact on PQ

H2b: EO has an impact on PQ

H2c: PQ has an impact on MP

H2d: PQ mediates EO to MP relationship

H2e: PQ mediates MO to MP relationship

The findings and studies from my previous research were used by the researcher as the basis for developing a model for improving MP through PQ, EO and MO, which is presented in Figure1.

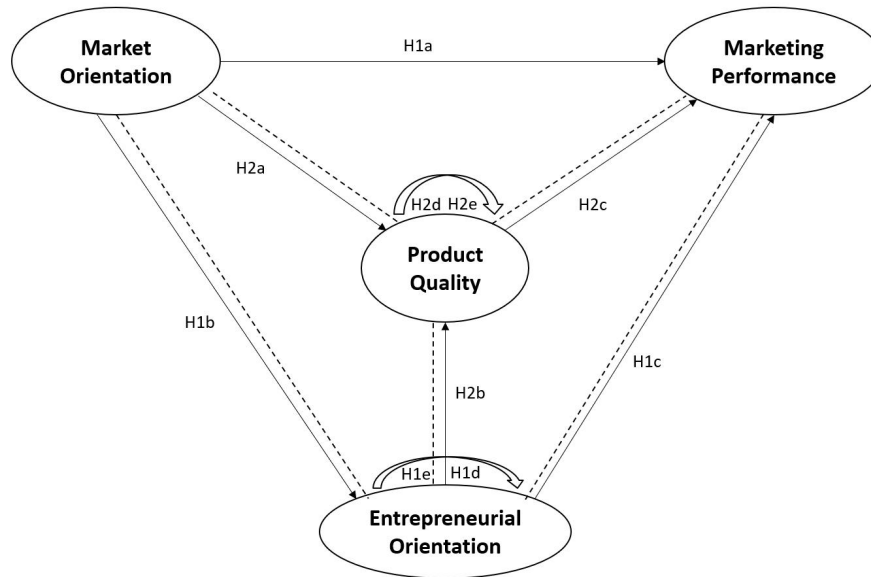


Figure 1. Research Framework

3. Research Methodology

3.1 Research Design

Researchers conducted a cross-sectional survey, which is more efficient and allows for comprehensive statistical analysis (Suliyanto, 2011). Quantitative research is used to explore the relationship between MO, EO, PQ, and MP in Indonesian culinary sector MSMEs. The research aims to assess these relationships using PLS-SEM.

3.2. Sample

Study population consists of culinary MSMEs operating in Cilacap, Indonesia. A total of 111 MSMEs were used as research samples. The sample was drawn using purposive sampling, targeting businesses that are actively involved in the culinary sector and possess a basic understanding of market orientation and entrepreneurial strategies. Data collection was conducted using a questionnaire, to capture respondents' perceptions of MO, EO, PQ, and MP within their businesses. The questionnaire was distributed to managers of the MSMEs, as they are typically the decision-makers with a comprehensive understanding of the firm's strategic orientations and performance outcomes.

3.3. Measurement Instruments

The constructs were measured using validated scales from previous studies. MO was assessed using items related to competitor orientation, interfunctional coordination, and customer orientation (Narver & Slater, 1990). EO was measured using indicators of innovativeness, risk-taking, and proactiveness (Lumpkin & Dess, 2001). PQ was evaluated based on respondents' perceptions of the quality and reliability of their products (Alzoubi et al., 2022). MP was measured using items that capture the firm's market share, sales growth, and customer

satisfaction (Ferdinand, 2000). measurements using the Likert scale ranging from 5 (strongly agree) to 1 (strongly disagree)

3.4. Analysis Technique

The PLS-SEM device is used to analyze data because it is able to cope with complex models (Hair et al., 2014). PLS-SEM is particularly advantageous when dealing with small sample sizes and non-normal data (Hair et al., 2021) making it an appropriate choice for this study.

The analysis was performed in two stages, Measurement Model Assessment, this step involved evaluating validity and reliability. Reliability was measured using Cronbach's alpha and composite reliability. Convergent validity analysis using average variance extraction and Fornell-Larcker criterion was used to examine discriminant validity (Fornell & Larcker, 1981). Structural Model Assessment, at this stage, analyzes the relationship by testing the hypothesis. The t value, and p value are used to determine the significance of the relationship. The predictive relevance of the model is evaluated using the Stone-Geisser Q² statistic.

4. Results

Gender, age and education were analyzed as characteristics of business actors where the majority of business actors in the food sector are 73% women. The age of business actors 40.5% is a productive age which shows that culinary businesses are of interest to young people and are able to reduce poverty. The education of business actors is mostly high school 41.4%, but there are also quite a few 22.5% college graduates who become owners of this culinary business.

Tabel 1. Respondent Data

Variable	Classification	Total	Percentage
Gender	Male	30	27%
	female	81	73%
Age	20-29	45	40,5%
	30-39	34	30,6%
	40-50	25	22,5%
	> 50	7	6,3%
Education	Elementary school	8	7,2%
	Junior high school	17	15,3%
	Senior high school	46	41,4%
	Diploma	15	13,5%
	Bachelor	25	22,5%
Length of Business	1-5	81	73%
	6-10	17	15,3%
	10-15	6	5,4%
	>15	7	6,3%
Venture Capital (Rupiah)	< 5 million	75	67,6%
	5-10 million	18	16,2%
	11-20 miliion	8	7,2%
	21-30 million	3	2,7%

Variable	Classification	Total	Percentage
	>30 million	7	6,3%
Capital sources	Owner's equity	101	91%
	Loan	10	9%

Length of business, business permit and capital are interpreted as business characteristics where 73% have run a culinary business for 1-5 years. The majority (67.6%) started a business with small capital <5 million and 91% are personal capital. This gives the impression that starting a culinary business does not require large capital, which can be obtained from the personal capital of the entrepreneur.

Tabel 2. Convergent Validity

<i>Variables</i>	<i>Indicators</i>	<i>Running 1. Loading Factors</i>	<i>Running 2. Loading Factors</i>	<i>Cronbach's Alpha.</i>	<i>AVE</i>	<i>Composite. Reliability</i>
<i>MO-Market Orientation</i>	MO.1	0.634	0.624	0.723	0.565	0.795
	MO.2	0.717	0.792			
	MO.3	0.285	Rejected			
	MO.4	0.444	Rejected			
	MO.5	0.809	0.741			
	MO.6	0.648	0.636			
<i>EO-Entrepreneurial Orientation</i>	EO.1	0.772	0.775	0.834	0.548	0.878
	EO.2	0.820	0.817			
	EO.3	0.746	0.743			
	EO.4	0.682	0.679			
	EO.5	0.602	0.609			
	EO.6	0.797	0.798			
<i>PQ-Product Quality</i>	PQ.1	0.753	0.758	0.729	0.572	0.841
	PQ.2	0.697	0.712			
	PQ.3	0.851	0.866			
	PQ.4	0.674	0.673			
	PQ.5	0.447	Rejected			
<i>MP-Marketing Performance</i>	MP.1	0.842	0.846	0.861	0.775	0.912
	MP.2	0.908	0.911			
	MP.3	0.889	0.884			

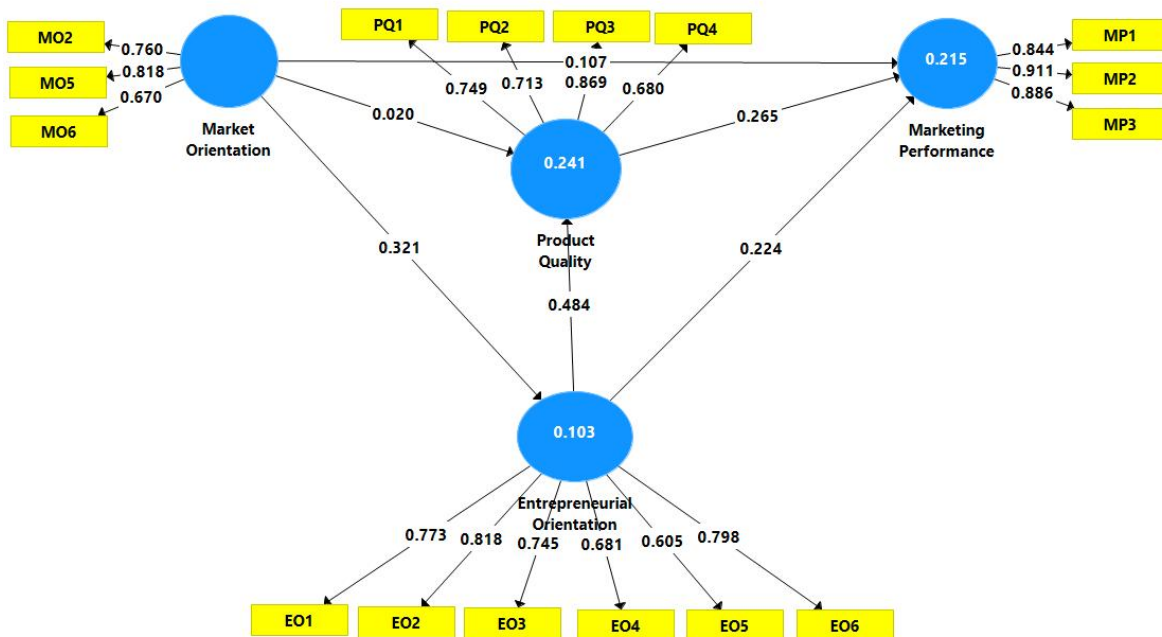
The results in Table 2 present the initial action (running 1) there are indicators that have a correlation value <0.6 MO3, MO4 and PQ5 are removed from the model. Then in running 2, all indicators have a value >0.6, Croncabch alpha value >0.7, AVE value >0.5 so that all and reliability and validity measurements are met and can be continued to the hypothesis testing stage.

Tabel 3. R.Square Result

<i>Variable.</i>	<i>R.Square</i>	<i>Adjusted R.Square</i>
<i>Marketing Performance</i>	0.215	0.191
<i>Entrepreneurial orientation</i>	0.103	0.094
<i>Product Quality</i>	0.241	0.225

Table 3. Shows the R-square value, where according to Chin (1998), the R-square value that is considered strong is 0.67, a value of 0.33 is considered moderate and a value of 0.19 is considered weak. The MO, EO and PQ variables can explain their contribution to MP by 21.5% (moderate category). The PQ variable can be explained by MO and EO by 24.1% (moderate category). The EO variable is explained by MO by 10.3% (weak category).

Figure 2 Structural Equation Model



Tabel 4. Inner Model Result

<i>Hypothesis</i>	<i>Relationships</i>	<i>Original Sampel</i>	<i>T-Statistic</i>	<i>P-Value</i>	<i>Result</i>
H1a	MO→MP	0.107	0.896	0.370	<i>Unsupported</i>
H1b	MO→EO	0.321	3.778	0.000	<i>Supported</i>
H1c	EO→ MP	0.224	2.157	0.031	<i>Supported</i>
H1d	MO→ EO→MP	0.072	1.629	0.104	<i>Unsupported</i>
H1e	MO→ EO → PQ	0.156	3.080	0.002	<i>Supported</i>
H2a	MO→PQ	0.020	0.170	0.031	<i>Unsupported</i>

<i>Hypothesis</i>	<i>Relationships</i>	<i>Original Sampel</i>	<i>T-Statistic</i>	<i>P-Value</i>	<i>Result</i>
H2b	EO → PQ	0.484	6.006	0.000	Supported
H2c	PQ→MP	0.265	3.095	0.002	Supported
H2d	EO→PQ→ MP.	0.218	2.347	0.019	Supported
H2f	MO → PQ →MP	0.005	0.154	0.877	<i>Unsupported</i>

The results of the study indicate that H1b, H1e, H2b, H2c and H2d support the hypothesis, while H1a, H1c, H1d, H2a and H2f do not support the hypothesis. The PQ variable is unable to mediate the relationship between MO and MP, but successfully mediates the relationship between EO and MP.

5. Discussion

The findings of this study offer a nuanced understanding of the role of MO in the performance dynamics of Indonesian MSMEs. Contrary to the traditional view that MO directly enhances MP and PQ, our research reveals a more complex relationship that warrants deeper exploration.

5.1 Reevaluating the Direct Impact of Market Orientation

Finding (H1a) which shows that MO has no effect on MP in MSMEs shows that dynamic changes, customer preferences can change rapidly and MSMEs are not yet responsive enough to these changes. Market information collected by MSMEs can become outdated before it can be applied (Karnowati et al., 2022).

Finding (H2a) shows that MO has no effect on PQ in MSMEs explaining that MO without effective innovation may not produce the expected results. If the company only focuses on current needs and does not anticipate future needs or is not innovative enough in responding to market changes, the MO may not improve PQ or the innovated product may not meet customer expectations (Uzkurt & Kimzan, 2017);(Yang & Ju, 2017). Innovation is the key to maximizing market information, and without innovation, MO may not be strong enough to improve the quality of MSME products (Fakhreddin & Foroudi, 2022).

The absence of a significant relationship between MO and MP, as well as product quality, challenges established assumptions within the field. This result is supported by previous studies that obtained different results from hypothesis (Uzkurt & Kimzan, 2017);(Karnowati, Sudarto, et al., 2023). This suggests that for Indonesian MSMEs, simply being MO may not be sufficient to drive superior performance outcomes (Fakhreddin,Ghahroudi, 2020). One possible explanation for this finding lies in the resource constraints faced by these small enterprises. Unlike larger firms, MSMEs may struggle to effectively translate market insights into actionable strategies due to limited financial, technological, and human resources (Tambunan, 2022). As a result, the benefits of market orientation may be diluted, leading to its limited impact on performance metrics traditionally associated with larger, resource-rich firms.

5.2 Market Orientation as a Driver of Entrepreneurial Orientation

The findings (H1b) show that MO has a positive effect on EO, indicating that market information is a trigger for entrepreneurial behavior, where companies are encouraged to explore and pursue new opportunities through product innovation, new services, or expansion into untapped markets (Mathafena & Msimango-Galawe, 2023). In other words, MO provides insights that encourage MSMEs to act proactively and innovatively, which is the core of EO.

Interestingly, while MO does not directly enhance MP or PQ, it plays a crucial role in fostering EO within these firms. This finding aligns with the RBV theory, which suggests that MO can serve as a valuable intangible resource that shapes the firm's strategic behaviours (Gueler & Schneider, 2021). By fostering a deep understanding of market dynamics, market-oriented MSMEs may be more inclined to proactive and innovative approaches, which are the hallmarks of EO (Mansouri et al., 2022).

The positive effect between MO and EO highlights an important pathway through which market knowledge influences business outcomes in the context of MSMEs. Rather than directly improving product offerings or marketing efforts, MO may contribute to a more entrepreneurial mindset, encouraging MSMEs to experiment with new ideas, embrace innovation, and seize emerging opportunities (Ipek et al., 2023). This EO, in turn, may have long-term implications for the firm's ability to adapt and thrive in a competitive market environment.

5.3 The Role of Entrepreneurship Orientation and Product Quality

The findings (H1c) show that EO has a positive effect on MP, showing that MSMEs with strong EO have the ability to recognize and exploit market opportunities faster than competitors. MSMEs tend to be proactive in finding and exploiting gaps in the market that have not been tapped or in responding quickly to changes in market trends (Arabeche et al., 2022). Rapid response to market opportunities allows MSMEs to enter new markets more quickly, introduce new products, or adjust marketing strategies according to the latest trends (Susanto et al., 2023). This provides a competitive advantage that can increase sales and market share.

The findings (H2b) show that EO has a positive effect on PQ explaining that the entrepreneurial attitudes and behaviors of MSMEs, such as proactivity, innovation, and the courage to take risks, encourage MSMEs to continue to develop and improve their products. Entrepreneurship-oriented MSMEs tend to focus more on creating added value through improving product features, design, and reliability to meet or exceed customer expectations (Kalinic & Brouthers, 2022). This continuous innovation helps improve PQ, so that MSMEs can be more competitive in the market.

The findings (H2c) of PQ have a significant effect on MP explaining that high-quality MSME products tend to be more satisfying to customers and increase loyalty (Tirtayasa, 2022). Products that meet or exceed customer expectations will create a positive image of MSME products, increase trust, and encourage repeat purchases (Alzoubi et al., 2022). Thus, good PQ helps MSMEs attract more customers, expand market share, and increase sales results, which overall improves MP.

This study places PQ as a mediation of MO and EO against MP. The findings show that PQ becomes the intervening variable of EO and MP, but did not succeed in mediating the relationship between the MO and the MP. EO drives innovation and product improvement, which directly affects PQ. High-quality products then improve MP through customer satisfaction and loyalty. However, PQ may not be successful in mediating the relationship between MO and MP because MO is more focused on understanding and responding to market needs, which may not always have a direct impact on PQ. MO tends to influence MP through other strategies, such as pricing, distribution, and promotion, so PQ may not be the main determining factor in this relationship

5.4 Implications for Practice and Policy

Important implications of research for practitioners and policymakers. For MSMEs, the results suggest that while MO remains a valuable strategic asset, its effectiveness may be contingent on the firm's ability to pair it with entrepreneurial activities. MSMEs should therefore focus not only on understanding market trends but also on cultivating an organizational culture that encourages innovation and risk-taking.

For policymakers, these insights underscore the need to support MSMEs in building both market orientation and entrepreneurial capabilities. This could be achieved through targeted training programs, financial incentives for innovation, and the development of support networks that facilitate the exchange of market and entrepreneurial knowledge among MSMEs.

5.5 Theoretical Contributions

This study contributes to the ongoing debate about the role of MO in small businesses by highlighting its differential effects on various performance outcomes. While market orientation's direct impact on MP and PQ may be limited in the context of MSMEs, its influence on EO suggests a more indirect pathway to business success that merits further exploration.

6. Conclusion

This study provides a fresh perspective on the role of MO within Indonesian MSMEs, revealing that its effects are more nuanced than traditionally believed. While MO is often associated with improved MP and PQ, our findings challenge this assumption by showing that, within the context of Indonesian MSMEs, MO does not significantly impact these outcomes. However, the research uncovers that MO plays a pivotal role in enhancing EO, suggesting that its primary value in this setting may lie in fostering an innovative and proactive business culture.

The divergent effects observed in this study underscore the importance of understanding the unique context in which MO operates, particularly within small and resource-constrained enterprises. For Indonesian MSMEs, it appears that the capacity to translate market knowledge into direct performance gains may be limited. Instead, the value of MO may be more indirect, serving as a catalyst for entrepreneurial behaviors that, over time, could lead to sustained competitive advantage.

Future research should examine how external factors, such as market volatility, competitive intensity, and industry-specific dynamics, can moderate MO and performance in MSMEs. Understanding these conditions could provide clearer insights into when and how MO can be most effectively leveraged. To capture the long-term effects of MO on MSME performance, longitudinal research designs could be employed. Such studies would help assess whether the EO fostered by MO eventually translates into tangible performance improvements over time. Conducting comparative studies across different regions or industries within the MSME sector could reveal whether the findings observed in this study are specific to Indonesian MSMEs or if they hold true in other contexts as well. This could help in generalizing the results and refining the theoretical implications. Future research could also explore how MO interacts with innovation or learning orientation, to influence MSME performance. This could provide a more holistic understanding of the strategic configurations that drive success in small enterprises.

References

- Acikdilli, G., Mintu-wimsatt, A., Kara, A., Spillan, J. E., Acikdilli, G., Mintu-wimsatt, A., Kara, A., & Spillan, J. E. (2020). Export market orientation , marketing capabilities and export performance of SMEs in an emerging market : a resource-based approach. *Journal of Marketing Theory and Practice*, 00(00), 1–16. <https://doi.org/10.1080/10696679.2020.1809461>
- Afsharghasemi, A., Zain, M., Sambasivan, M., & Ng Siew Imm, S. (2013). Market Orientation, Government Regulation, Competitive Advantage and Internationalization of SMEs: A Study in Malaysia. *Journal of Business Administration Research*, 2(2), 13–22. <https://doi.org/10.5430/jbar.v2n2p13>
- Alzoubi, H., Gouher, A., & Alshurideh, M. (2022). An empirical investigation into the impact of product quality dimensions on improving the order-winners and customer satisfaction. *International Journal of Productivity and Quality Management*, 169–186. <https://doi.org/https://doi.org/10.1504/IJPM.2022.124711>
- Arabeche, Z., Soudani, A., Brahmi, M., Aldieri, L., Vinci, C. P., El, M., & Abdelli, A. (2022). *Entrepreneurial Orientation , Organizational Culture and Business Performance in SMEs : Evidence from Emerging Economy*. 1–20.
- Atilgan, Ö. (2019). The role of market orientation and organizational capabilities of family businesses on competitive advantage. In *Competitiveness, Organizational Management, and Governance in Family Firms* (pp. 45–66). <https://doi.org/10.4018/978-1-7998-1655-3.ch002>
- Barney, J. B. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, 17, 99–120.
- Dubihlela, J., Mandela, N., & Africa, S. (2015). *Determinants Of, And Barriers To, Market Orientation And The Relationship With Business Performance Among SMEs*. 31(5), 1667–1678.
- Fakhreddin, F., & Foroudi, P. (2022). The impact of market orientation on new product performance through product launch quality: A resource-based view. *Cogent Business & Management*, 9(1), 2108220. <https://doi.org/10.1080/23311975.2022.2108220>
- Fakhreddin, F., Foroudi, P., & Rasouli Ghahroudi, M. (2020). The bidirectional complementarity between market orientation and launch proficiency affecting new product performance. *Journal of Product and Brand Management*, 30(6), 916–936. <https://doi.org/10.1108/JPBM-03-2020-2824>
- Ferdinand, A. (2000). Marketing Management: Strategic Approach. *Research Paper Series , Magister*

Management, Diponegoro University Publisher., 1.

- Fornell, C., & Larcker, D. (1981). Evaluating Structural Equation Models with Unobservable Variables and Measurement Error. *Journal of Marketing Research*, XVIII(February), 39–50. <https://doi.org/http://dx.doi.org/10.2307/3151312>
- Frösén, J., Luoma, J., Jaakkola, M., Tel, U. K., Tikkanen, H., Aspara, J., Fr, J., Luoma, J., Jaakkola, M., Kingdom, U., Tikkanen, H., Aspara, J., Fr, J., Stewart, D., Iyer, G., Falk, T., & Laukkanen, M. (2016). What Counts Vs. What Can Be Counted: the Complex Interplay of Market Orientation and Marketing Performance Measurement in Organizational Configurations. *Journal of Marketing*, 1–60.
- Gligor, D., Gligor, N., & Maloni, M. (2019). The impact of the supplier's market orientation on the customer market orientation-performance relationship. *International Journal of Production Economics*, 216, 81–93. <https://doi.org/https://doi.org/10.1016/j.ijpe.2019.04.022>
- Gligor, D. M., Gölgeci, I., Newman, C., & Bozkurt, S. (2021). Performance implications of the buyer-supplier market orientation fit. *Industrial Marketing Management*, 93(November 2019), 161–173. <https://doi.org/10.1016/j.indmarman.2021.01.010>
- Gueler, M. S., & Schneider, S. (2021). The resource-based view in business ecosystems: A perspective on the determinants of a valuable resource and capability. *Journal of Business Research*, 133(April), 158–169. <https://doi.org/10.1016/j.jbusres.2021.04.061>
- Hair, J. F., Sarstedt, M., Hopkins, L., & Kuppelwieser, V. G. (2014). Partial least squares structural equation modeling (PLS-SEM): An emerging tool in business research. *European Business Review*, 26(2), 106–121. <https://doi.org/10.1108/EBR-10-2013-0128>
- Hair, J., Hult, G. T. M., Christian, M. R., Sarstedt, M., Ray, S., & Danks, N. (2021). *Partial Least Squares Structural Equation Modeling (PLS-SEM) Using R*. Springer Nature. <https://doi.org/https://doi.org/10.1007/978-3-030-80519-7>
- Han, J. K., Kim, N., & Srivastava, R. K. (1998). Market Orientation and Organizational Performance: Is Innovation a Missing Link? *Journal of Marketing*, 62(4), 30–45. <https://doi.org/10.1177/002224299806200403>
- Ipek, I., Peynirci, N. B., & Hizarci, A. K. (2023). A meta-analytic synthesis of how market and entrepreneurial orientation contribute to export performance: Do home country institutions matter? *Industrial Marketing Management*, 108, 1–22. <https://doi.org/https://doi.org/10.1016/j.indmarman.2022.11.001>
- Kalinic, I., & Brouthers, K. D. (2022). Entrepreneurial orientation, export channel selection, and export performance of SMEs. *International Business Review*, 31(1), 101901. <https://doi.org/https://doi.org/10.1016/j.ibusrev.2021.101901>
- Karnowati, N. B., & Handayani, E. (2022). Mediation role of business performance on entrepreneurship orientation and market orientation to create MSME competitiveness in pandemic times. *Research in Business & Social Science*, 11(6), 138–147. <https://doi.org/https://doi.org/10.20525/ijrbs.v11i6.1980>
- Karnowati, N. B., Najmudin, Suwandari, L., Prakoso, F. A., & Apriandi, D. W. (2023). *Moderating Competitive Advantage On Factors Affecting MSMEs Business Performance In The Time Of Covid-19*. 4(3), 611–622.
- Karnowati, N. B., Prakoso, F. A., Berniz, Y. M., & Barros, A. (2022). *Competitive Advantage and Entrepreneurial Orientation as Intervening Variables Influence of Market Orientation on Business Performance*. 126–135.

- Karnowati, N. B., Sudarto, S., Suwandari, L., Prakoso, F. A., & Apriandi, D. W. (2023). Achieving Marketing Performance through Orientation Innovation and Entrepreneurial Orientation. *Jurnal Manajemen Bisnis*, 14(2), 417–435. <https://doi.org/10.18196/mb.v14i2.19086>
- Kohli, A. K., & Jaworski, B. J. (1990). Market Orientation: The Construct, Research Propositions, and Managerial Implications. *Journal of Marketing*, 54(2), 1. <https://doi.org/10.2307/1251866>
- Lee, Y. K., Kim, S. H., Seo, M. K., & Hight, S. K. (2015). Market orientation and business performance: Evidence from franchising industry. *International Journal of Hospitality Management*, 44, 28–37. <https://doi.org/10.1016/j.ijhm.2014.09.008>
- Lumpkin, G. ., & Dess, G. (2001). Linking Two Dimensions Of Entrepreneurial Orientation To Firm Performance: The Moderating Role Of Environment And Industri Life Cycle. *Journal of Business Venturing*, 16(5), 429–451. [https://doi.org/https://doi.org/10.1016/S0883-9026\(00\)00048-3](https://doi.org/https://doi.org/10.1016/S0883-9026(00)00048-3)
- Mansouri, H., Sadeghi Boroujerdi, S., Polonsky, M., Husin, M. M., & Seydi, M. (2022). Investigating the mediating role of market orientation between internal marketing and the development of entrepreneurial orientation within private sports clubs. *New England Journal of Entrepreneurship*, 25(2), 103–120. <https://doi.org/10.1108/NEJE-12-2020-0055>
- Mathafena, R. B., & Msimango-Galawe, J. (2023). Entrepreneurial orientation, market orientation and opportunity exploitation in driving business performance: moderating effect of interfunctional coordination. *Journal of Entrepreneurship in Emerging Economies*, 15(3), 538–565. <https://doi.org/10.1108/JEEE-03-2021-0114>
- Montoya, R. A. C. (2017). Entrepreneurial orientation, assessment and management of projects and impact in corporate entrepreneurship: Intention to action. *Cuadernos de Gestion*, 17(2), 37–60. <https://doi.org/10.5295/cdg.140511rc>
- Morgan, R. E., Katsikeas, C. S., Appiah-, K., Morgan, R. E., & Constantine, S. (2010). *Market Orientation and Organizational Learning Capabilities Katsikeas and Kwaku Appiah- Adu Market Orientation and Organizational Learning Capabilities*. October 2014, 37–41. <https://doi.org/10.1362/026725798784959444>
- Na, Y., Kang, S., & Jeong, H. (2019). The effect of market orientation on performance of sharing economy business: Focusing on marketing innovation and sustainable competitive advantage. *Sustainability (Switzerland)*, 11(3). <https://doi.org/10.3390/su11030729>
- Narver, J. C., & Slater, S. F. (1990). The Effect of a Market Orientation on Business Profitability. *Journal of Marketing*, 54(4), 20. <https://doi.org/10.2307/1251757>
- Rahman, S., Budiyanto, B., & Suwitho, S. (2021). The Negative Effect of Market Orientation on SMEs ' Marketing Performance in The Creative Economy Sector , and How Innovation Mediating it. *International Journal of Economics Development Research*, 2(2), 78–91.
- Shamma, H., & Hassan, S. (2013). Customer-driven benchmarking A strategic approach toward a sustainable marketing performance. *Benchmarking: An International Journal*, 20(3), 377–395. <https://doi.org/10.1108/14635771311318144>
- Singh, S., & Chakraborty, A. (2022). Construing the Relationship Between Entrepreneurial Adversity and Mental Well-being of Small Business Owners During COVID-19 Outbreak: The Mediating Role of Entrepreneurial Resilience. *FIIIB Business Review*. <https://doi.org/10.1177/23197145221133971>
- Solano Acosta, A., Herrero Crespo, Á., & Collado Agudo, J. (2018). Effect of market orientation, network capability and entrepreneurial orientation on international performance of small and medium enterprises (SMEs). *International Business Review*, 27(6), 1128–1140.

<https://doi.org/10.1016/j.ibusrev.2018.04.004>

- Suliyanto. (2011). *Suliyanto (2011). Panduan Praktikum Analisis Statistik. Universitas Jenderal Soedirman: Purwokerto. Jenderal Soedirman University.*
- Susanto, P., Hoque, M. E., Shah, N. U., Candra, A. H., Hashim, N. M. H. N., & Abdullah, N. L. (2023). Entrepreneurial orientation and performance of SMEs: the roles of marketing capabilities and social media usage. *Journal of Entrepreneurship in Emerging Economies*, 15(2), 379–403. <https://doi.org/10.1108/JEEE-03-2021-0090>
- Tambunan, T. (2008). SME development, economic growth, and government intervention in a developing country: The Indonesian story. *Journal of International Entrepreneurship*, 6(4), 147–167. <https://doi.org/10.1007/s10843-008-0025-7>
- Tambunan, T. (2022). Recent Development of Micro, Small and Medium Enterprises in Indonesia. *International Journal of Social Sciences and Management Review*, 06(01), 193–214. <https://doi.org/10.37602/ijssmr.2022.6112>
- Tirtayasa, S. (2022). The Effect Of Product Quality, Price, And Innovation On Marketing Performance Moderated Consumer Purchasing Power In UMKM Of Boba Drinks In Deli Serdang. *International Journal of Science, Technology and Management*, 3(6). <https://doi.org/https://doi.org/10.46729/ijstm.v3i6.642>
- Udriyah, Tham, J., & Azam, S. M. F. (2019). The effects of market orientation and innovation on competitive advantage and business performance of Textile SMEs. *Management Science Letters*, 9, 1419–1428. <https://doi.org/10.5267/j.msl.2019.5.009>
- Uzkurt, C., & Kimzan, H. S. (2017). A Case Study of the Mediating Role of Innovation on the Relationship Between Environmental Uncertainty, Market Orientation, and Firm Performance. *International Journal of Innovation and Technology Management V*, 14(1), 1–21. <https://doi.org/10.1142/S0219877017500031>
- Varadarajan, R. (2020). Customer information resources advantage, marketing strategy and business performance: A market resources based view. *Industrial Marketing Management*, 89(January), 89–97. <https://doi.org/10.1016/j.indmarman.2020.03.003>
- Warnerfelt, B. (1984). The re-source-based view of the firm. *Strategic Management Journal*, 5, 171–180. <https://doi.org/10.1177/1056492611436225>
- Wilson, G. A., Perepelkin, J., Zhang, D. Di, & Vachon, M. A. (2014). Market orientation, alliance orientation, and business performance in the biotechnology industry. *Journal of Commercial Biotechnology*, 20(2), 32–40. <https://doi.org/10.5912/jcb645>
- Yang, Y., & Ju, X. F. (2017). Entrepreneurial Orientation and Firm Performance: Is Product Quality a Missing Link? *Entrepreneurship Research Journal*. <https://doi.org/https://doi.org/10.1515/erj-2017-0091>
- Zhou, K. Z., Li, J. J., Zhou, N. A. N., & Su, C. (2008). *Market Orientation, Job Satisfaction , Product Quality , And Firm Performance : Evidence From China. 1000(March), 985–1000.* <https://doi.org/10.1002/smj>