

Building Competitive Advantage through entrepreneurial Marketing in Order to Improve Marketing Performance of Msmes in Malang City

Astrid Puspaningrum

Faculty of Economics and Business, University of Brawijaya, Malang, East Java of Indonesia

ABSTRACT: Small, Micro and Medium Enterprises are very real economic activities that exist in Indonesia. MSMEs play an important role in the lives of Indonesian people, especially for the development and progress of the Indonesian economy. The purpose of this study is to analyze the improvement of MSME marketing performance through an entrepreneurial orientation mediated by competitive advantage. The population of this study is the population in this study is the owner of MSMEs in the city of Malang amounted to 10,904 with a total sample of 100 MSME owners and sampling using simple random sampling technique. The analytical tool to test the hypothesis used Structural Equation Modeling (SEM) analysis. The results of this study are improving the marketing performance of MSMEs in Malang City through sales growth because of the role of entrepreneurial orientation through proactive courage in running a business which is indicated by marketing new products into new markets and has a high competitive advantage which is shown by being able to create products that have uniqueness. separate from its competitors (has its own characteristics).

KEYWORDS: entrepreneurial orientation, competitive advantage and marketing performance

INTRODUCTION

Small, Micro and Medium Enterprises are very real economic activities in Indonesia, including in Malang City which is known as a city of education and is one of the destinations for students and students from various regions, this is a great potential for MSME actors to develop business. Based on the publication of the City of Malang in Figures (MDA) for 2022, it is known that the value of the Gross Regional Domestic Product (GDP) at Current Prices for the City of Malang has increased from IDR 72.16 trillion (2020) to IDR 76.62 trillion (2021). The wholesale and retail trade sector is still the largest contributor to GRDP, namely 29.09 percent, followed by the manufacturing industry at 26.72 percent and construction at 12.39 percent. This proves that the MSME sector is the largest contributor to the Gross Regional Domestic Product (GRDP).

The magnitude of the contribution of MSMEs to Gross Regional Domestic Product (GRDP), not necessarily in the management of MSMEs there are no obstacles or problems. Doern, (2009) revealed that MSMEs have limited resources, limited expertise and limited impact on their environment, which impacts their ability to carry out marketing. Ayandibu and Houghton, (2017) revealed that MSMEs generally still operate with simple management and in accordance with the capabilities of the owners or entrepreneurs who run them. Caldera, Desha and Dawe (2019) argue that one that determines success in implementing a sustainable business for MSMEs is the internal factor of the business actors themselves. Especially the way of thinking of business actors. Wang, (2016) states that the things that most hinder the development of MSMEs in developing countries are access to finance, taxes, competition, electricity, political factors,

The phenomenon faced by MSMEs demands to improve marketing performance. Improving marketing performance can be done through the strategic role of Human Resource management with the Resource-Based View (RBV) approach, which is an applied theory of Human Resource management strategies that can be used to develop models and enable predictions and understanding of the effects of resource practices. power on organizational functioning. The RBV theory put forward by Madhani (2009), that resources can generally include organizational processes, information and knowledge controlled by the company in implementing the company's business strategy. RBV theory as a means of explaining competitive advantage which ultimately results in superior performance within the company (Clulow et al., 2007). In general,

Improving marketing performance can be done through the role of entrepreneurial orientation. Entrepreneurial orientation is a characteristic and value that is held by the entrepreneur itself which is the nature of never giving up, daring to take risks, speed and flexibility (Debbie and Philip, 2001). Frishammar and Horte (2007) and Mafasiya et al. (2010) stated that entrepreneurial orientation consists of three dimensions: innovation, risk taking, and proactivity. Lee and Tsang, (2001) described indicators in entrepreneurial orientation namely the need for achievement, internal locus of control, self-reliance and extroversion.

Building Competitive Advantage through entrepreneurial Marketing in Order to Improve Marketing Performance of Msmes in Malang City

The results of previous research studies linking entrepreneurial orientation with marketing performance were carried out by Keh, et al. (2007) showed that entrepreneurial orientation plays an influential role in the acquisition and utilization of marketing information. Zhang and Zhang (2012), Hoque (2018), Karami and Tang (2019) concluded that entrepreneurial orientation has an influence on marketing performance. Different results were shown by Affendy, et al. (2015), Solikahan and Mohammad (2019) and Dewinta, et al. (2016) shows that entrepreneurial orientation does not affect marketing performance.

Based on some of the results of previous studies regarding the effect of entrepreneurial orientation on marketing performance, there are still differences in results, thus opening up a gap as a research gap. Research on competitive advantage can appear as a mediation.

Conceptually, competitive advantage is related to the Resource-based view. Akio, (2005) revealed that this resource-based approach aims to classify organizational strategic resources that have the most potential to create competitive advantage. Ireland, et al. (2003) suggests that if you can manage resources and capabilities in a strategic and structured manner, competitive advantage can be achieved and company performance will increase. The RBV approach makes a major contribution to how to improve marketing performance and effectiveness (Kayabasi & Mtetwa, 2016).

Bharadwaj et al. (1993) that competitive advantage is the result of implementing a strategy that utilizes various resources owned by the company. Porter (1990) explains that competitive advantage is the heart of marketing performance to face competition. Companies that want to increase the success of corporate entrepreneurship must be entrepreneurship oriented. (Dess and Lumpkin, 2005). Research linking entrepreneurial orientation with competitive advantage was conducted by Sirivanh, et al. (2014), Pardi, et al. (2014) that entrepreneurial orientation influences competitive advantage.

Competitive advantage is expected to create superior market performance and financial performance (Day and Wensley, 1988). Ferdinand (2011) states that competitive advantage can be obtained if the company succeeds in building, maintaining, and developing all the distinctive advantages possessed by the company as a result of operating the company's strategic assets. Lakhal (2009) states that there is a positive relationship between competitive advantage and company performance. Mansur and Yoshi (2012) state that there is a significant positive relationship between competitive advantage and company performance. Djodjobo and Tawas (2014) competitive advantage has a positive and significant effect on the marketing performance of the yellow rice business in Manado City.

Through the Resource-Based View (RBV) approach, the purpose of this study is to examine the role competitive advantage as a mediating effect Entrepreneurial orientation has a significant effect on the marketing performance of SMEs

LITERATURE REVIEWS

Resources Based View (RBV)

Resources Based View defined as a set of strategic assets that are rare, valuable, imperfectly imitable, and non-substitutable (Meso and Smith, 2000). Nieves and Osorio (2014) conducted an empirical study showing that a resource-based view can explain or influence a company's innovation capacity. The RBV theory states that internal and external factors influence company performance depending on the context of the competitive environment and industrial context (Makhija, 2003).

Marketing Performance

According to Ferdinand (2011) marketing performance is what the company wants to achieve, namely the company's ability to make the company effective, increase market share and profitability. According to James (2016) marketing performance is a measure of achievement of the overall marketing process activities of a company. Marketing performance can also be seen as a concept used to measure the extent to which market performance has been achieved for a product produced by a company. According to Runyan et al. (2008), marketing performance can be measured by three indicators, namely company effectiveness, sales growth and profitability. Miller, (2003) reveals marketing performance indicators can be seen from market results, customer assessment results, customer behavior results and financial results. Ferdinand,

Entrepreneurial Orientation

Entrepreneurial orientation is the behavior of entrepreneurs in managing their business. Entrepreneurship can also be defined as the process of creating value by using a unique set of resources to obtain or exploit an opportunity (Morris & Lewis, 1995). Jambulingam, et al. (2005) defines entrepreneurial orientation as a process, practice and decision-making activity that leads to the development and creation of new and innovative products that can differentiate an organization from other organizations in the market.

Entrepreneurial orientation will be able to bring organizations to superior performance (Todorovic and Ma, 2008). According to Mafasiya et al., (2010) there is a positive relationship between entrepreneurial orientation and business performance. It is also said that in the concept of multidimensional performance, the relationship between entrepreneurial orientation and performance may depend on the use of performance appraisal indicators. Entrepreneurial orientation describes an organizational behavior that includes the courage to take risks, being proactive, and innovative (Slevin and Covin, 1991). Gima and Anthony (2001) argue that organizations with high entrepreneurial orientation tend to be able to perform better than their competitors in

Building Competitive Advantage through entrepreneurial Marketing in Order to Improve Marketing Performance of Msmes in Malang City

terms of: (1) market share, (2) speed in entering the market, and (3) product quality level.

According to Lee and Tsang (2001) the elements of entrepreneurial orientation consist of elements of need for achievement, internal locus of control, self-reliance and extroversion. Meanwhile Steward (2003) examined the entrepreneurial aspect with the elements of achievement, innovation and risk towards goal orientation by comparing entrepreneurial attitudes in the USA with entrepreneurial attitudes in Russia. Meanwhile, according to Covin and Slevin, (1991), among management practices that are believed to facilitate entrepreneurial behavior are corporate strategic management practices.

Competitive Advantage

Bharadwaj et al (1993) explained that competitive advantage is the result of implementing a strategy that utilizes various resources owned by the company. Unique skills and assets are seen as a source of competitive advantage. Unique expertise is a company's ability to make its employees an important part in achieving competitive advantage. The company's ability to develop the skills of its employees properly will make the company superior and the implementation of human resource-based strategies will be difficult for competitors to imitate. While unique assets or resources are real resources needed by the company to carry out its competitive strategy.

Styagraha (1994) states that competitive advantage is the ability of a business entity (company) to provide more value to its products than its competitors and this value does bring benefits to customers. Bharadwaj et al., (1993) revealed that competitive advantage is measured by indicators of uniqueness, rareness, not easily imitated, not easily replaced, and competitive prices. Bratic, (2011) revealed that competitive advantage is measured in four indicators, namely: Price, Quality, Deliver Dependability, product innovation and time to market. Penget et al. (2011) priority measurement consists of cost priority, quality priority, deliver priority, flexibility priority and innovation. Michalic and Buhalis (2013) use image, quality, differentiation, contact and price in viewing competitive advantage.

METHOD

The population in this study were 10,904 MSME owners in Malang City and determining the number of samples in this study used a statistical approach with a 10% margin of error, it was known that the number of samples was 100 MSME owners. After determining the number of samples of 100 MSMEs in Malang City, then the sample was taken using simple random sampling technique, namely a probability sampling technique in which each element of the population has a known and equivalent probability of being selected. Each element is selected independently of every other element and the sample is drawn through a random procedure from the sampling frame. 1 = Very disagree, 2=disagree, 3=neutral,4=Agreed and 5 = Strongly Agree.

Table 1. Operational Matrix of Research Variables

No	Variable	Indicator	Source
1	Entrepreneurial Orientation	<i>Innovativeness</i>	Lumpkin and Dess (1996) and Mafasiya et al. (2010)
		<i>proactive</i>	
		<i>risk tasking</i>	
2	Competitive Advantage	Uniqueness	Bharadwaj et al.,(1993), Bratic, (2011) and Michalic and Buhalis (2013)
		Not easy to imitate	
		Not easy to replace	
		Competitive price	
3	Marketing Performance	Sales growth	Runyan et al. (2008), Ferdinand, (2011)
		Customer growth	
		product success	

Analysis of the data used in the study using Structural Equation Modeling (SEM). Several types of fit index that measure the degree of suitability between the hypothesized model and the data presented, to test the feasibility of a model. After the model meets the requirements, it is necessary to test the hypothesis based on the CR (critical ratio) tested with a probability value (p). If the p value <0.05 indicates a significant effect and if p> 0.05 indicates not significant. Meanwhile, to find out whether a variable is capable of acting as a mediating variable, a test will be carried out using the Baron and Kenney approach, (1986). The mediation test is used to determine whether the mediating variable is complete (complete mediation) or partial mediation.

RESULTS

Characteristics of Respondents

The characteristics of the respondents in this study are related to the individual characteristics or demography of MSMEs in Malang City which can be seen in Table 2 below.

Building Competitive Advantage through entrepreneurial Marketing in Order to Improve Marketing Performance of Msmes in Malang City

Table 2. Individual or Demographic Characteristics

individual characteristics	Number of people)	%
Gender		
Man	36	36
Woman	64	64
Age		
30 – 40 Years	18	18
41 – 50 Years	49	49
51 years and over	33	33
Last education		
junior high school	12	12
high school	62	62
Bachelor degree)	26	26
Experience as an entrepreneur		
1-5 years	9	9
6-10 years	11	11
11-15 years	21	21
15 years and over	59	59
Long standing business		
1-5 years	9	9
6-10 years	18	18
11-15 years	24	24
15 years and over	49	49

Based on Table 2, it can be explained that the characteristics of the respondents in terms of gender show that respondents who own MSMEs in Malang City are dominated by men, aged 41-50 years with a high school education level, have experience as entrepreneurs 15 years and over and businesses managed for 15 years and over . These results indicate that respondents are experienced in the ceramics business and can represent them in answering questions related to entrepreneurial orientation, competitive advantage and marketing performance

Instrument Testing

The results of testing the validity and reliability of the instrument can be seen in Table 3 below:

Table 3. Item Validity and Reliability Test Results

Variable	Items	Correlation		Coefficient	
		rcount	Status	alpha	status
Entrepreneurial Orientation	X1.1	0.834	Valid	0.790	Reliable
	X1.2	0.829	Valid		
	X1.3	0.860	Valid		
Competitive advantage	Y1.1	0.836	Valid	0.867	Reliable
	Y1.2	0.867	Valid		
	Y1.3	0.807	Valid		
	Y1.4	0.911	Valid		
Marketing Performance	Y2.1	0.893	Valid	0.846	Reliable
	Y2.2	0.885	Valid		
	Y2.3	0.857	Valid		

Based on the results of the validity and reliability tests performed on the itemsquestion, shows that all itemsquestiondeclared valid and reliable, because it meets the validity testing criteria used, namelypearson product moment correlation coefficient ($r \geq 0.3$) and fulfillreliability testing ieCronbachalpha value is greater than or equal to 0.6".

Confirmatory Factor Analysis Results

The measurement results of the dimensions or variable indicators that can form latent variables with CFA and the determination of indicators from research variables is based on value*factor loading*. A summary of the results of the CFA test on the indicators that make up the research variables is shown in Table 4

Building Competitive Advantage through entrepreneurial Marketing in Order to Improve Marketing Performance of Msmes in Malang City

Table 4. Factors Loading (λ) Research Variable Estimator

Variables and Indicators			FL	CR	p.s
Entrepreneurial orientation	->	<i>Innovativeness</i>	0.606	3,911	0.000
Entrepreneurial orientation	->	<i>proactive</i>	0.696	3,833	0.000
Entrepreneurial orientation	->	<i>risk tasking</i>	0.645	-	-
Competitive advantage	->	Uniqueness	0.848	7,055	0.000
Competitive advantage	->	Not easy to imitate	0.716	-	-
Competitive advantage	->	Not easy to replace	0.717	6,453	0.000
Competitive advantage	->	Competitive price	0.760	6,853	0.000
Marketing Performance	->	Sales growth	0.901	-	-
Marketing Performance	->	Customer growth	0.704	4,257	0.000
Marketing Performance	->	product success	0.479	3,692	0.000

Based on Table 4 it can be explained that the indicators that make up the market orientation variable have a factor loading (FL) value with a significance level (p) < 0.05 and a CR value indicating a number greater than 2.0. Thus it means that all of these indicators are important indicators as forming entrepreneurial orientation, competitive advantage and marketing performance. Furthermore, when viewed from the loading factor value of each indicator, the indicator that is considered to have the greatest or strongest contribution to forming the entrepreneurial orientation variable is proactive. The indicators that are considered to have the greatest or strongest contribution from the variable competitive advantage is the competitive price and the indicator that is considered to have the biggest or strongest contribution to shaping the marketing performance variable is sales growth.

SEM Analysis Results

Test results with *Structural Equation Modelling* (SEM), presented in Figure 1 below.

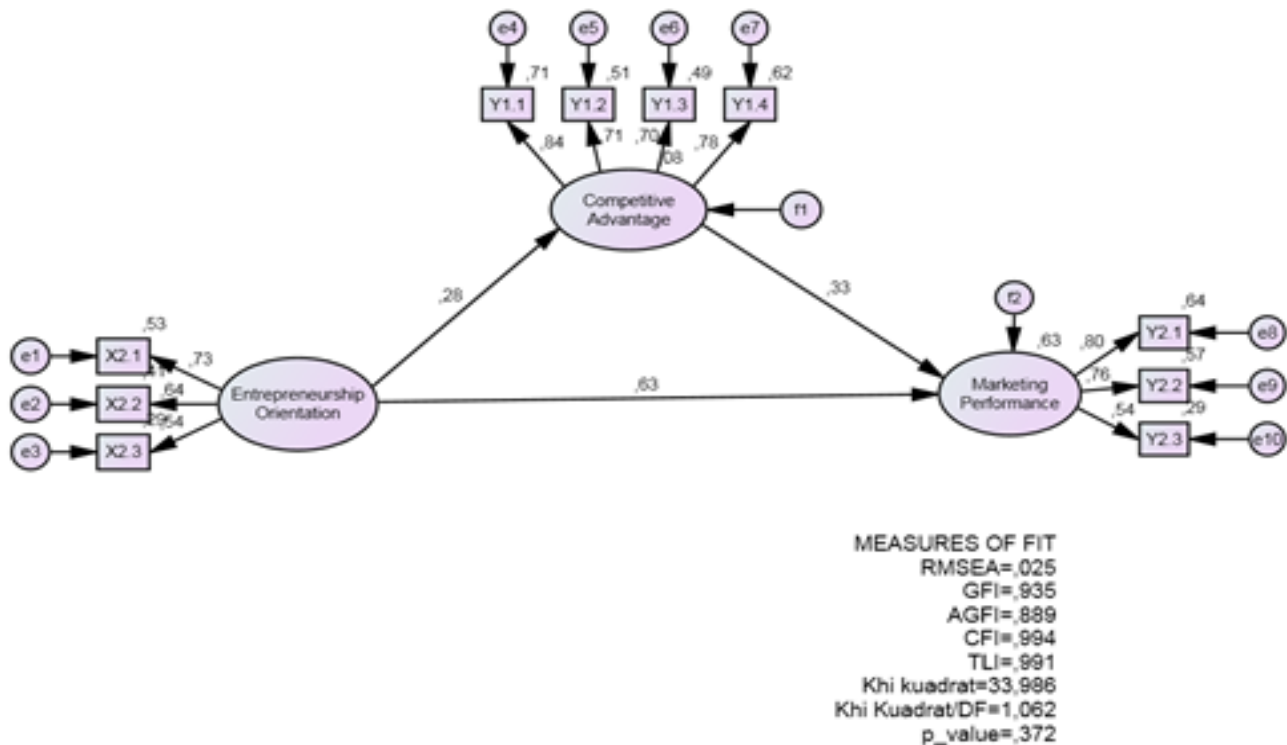


Figure 1. Path diagram of SEM analysis results

Based on the evaluation of the proposed model, it shows that the evaluation of the model on the construct as a whole has produced a value above critical, therefore the model can be categorized as suitable and feasible to use, so that it can be interpreted for further discussion.

Hypothesis Testing Results

Testing the hypothesis of the direct effect of market orientation and entrepreneurial orientation on marketing performance is used Critical ratio (Cr) from the results of the output regression Weight. The research hypothesis will be accepted if the p value is $< 5\%$ significance. The results of hypothesis testing are listed in Table 5 below

Building Competitive Advantage through entrepreneurial Marketing in Order to Improve Marketing Performance of Msmes in Malang City

Table 5. Results of Regression Weight Analysis

Connection			Path Coefficient	cr	p-values	Information
Entrepreneurial Orientation	->	Competitive Advantage	0.283	1,966	0.049	Significant
Competitive Advantage	->	Marketing performance	0.335	2,900	0.004	Significant
Entrepreneurial Orientation	->	Marketing performance	0.631	3,438	0.000	Significant
Entrepreneurial Orientation	->	Marketing performance	0.721	3,654	0.000	Significant

Hypothesis 1. Entrepreneurial orientation directly has a significant effect on marketing performance

The effect of entrepreneurial orientation on marketing performance produces a Cr value of 3.438 with a p-value of 0.000. Because the p-value is smaller than the statistical significance at $\alpha = 5\%$, the hypothesis which states that entrepreneurial orientation directly has a significant effect on marketing performance is acceptable, these results indicate that the application of entrepreneurial orientation contributes to improving marketing performance

Hypothesis 2. Entrepreneurial orientation directly has a significant effect on competitive advantage

The effect of entrepreneurial orientation on competitive advantage produces a Cr value of 1.966 with a p-value of 0.049. Because the p-value is smaller than the statistical significance at $\alpha = 5\%$, the hypothesis which states that entrepreneurial orientation directly has a significant effect on competitive advantage is acceptable, these results indicate that the application of entrepreneurial orientation contributes to increasing competitive advantage

Hypothesis 3. Competitive advantage directly has a significant effect on marketing performance

The effect of competitive advantage on marketing performance produces a Cr value of 2.900 with a p-value of 0.004. Because the p-value is smaller than the statistical significance at $\alpha = 5\%$, so the hypothesis which states that competitive advantage directly has a significant effect on marketing performance is acceptable, these results indicate that competitive advantage contributes to improving marketing performance

Hypothesis 4. Competitive advantage mediates the effect of entrepreneurial orientation on performance marketing

Based on the results of testing the coefficients of the path variable entrepreneurial orientation which is controlled by competitive advantage can significantly influence marketing performance with a coefficient value of 0.631, then the coefficient value is smaller (decreases) than the effect of entrepreneurial orientation on marketing performance without any competitive advantage mediating variable, with a value coefficient of 0.721. Thus it can be concluded that competitive advantage is partial mediation from the indirect effect of entrepreneurial orientation on marketing performance.

DISCUSSION

Entrepreneurial orientation directly has a significant effect on marketing performance

Micro, Small and Medium Enterprises in Malang City are required to have dynamic capabilities and strategies that are able to seize opportunities and update the market. Global business pressure and competition affect marketing performance. The success of marketing performance cannot be separated from the role of an entrepreneur in carrying out business activities who dare to take risks, coordinate managing capital or production facilities, have creative and innovative responses. An entrepreneurial orientation approach to decision making is critical to organizational success and the decision-making process, referencing the adoption of an “entrepreneurial orientation” (Lumpkin and Dess, 2001).

Based on the results of hypothesis testing, it can be concluded that MSMEs in Malang City who have proactive courage in running a business contribute to improving marketing performance as indicated by an increase in sales growth. The results of this study corroborate the study conducted by Dess and Lumpkin, (2005) that companies that wish to increase the success of corporate entrepreneurship must be entrepreneurship oriented. risk taking, speed and flexibility (Debbie and Philip, 2001). The main function of high entrepreneurial orientation is how to optimally involve risk measurement and risk taking.

Research linking entrepreneurial orientation with marketing performance was conducted by Keh, et al. (2007) show that entrepreneurial orientation plays an influential role in the acquisition and utilization of marketing information, and also has a direct effect on the performance of SMEs in Singapore. Zhang and Zhang (2012) concluded that entrepreneurial orientation has a positive influence on the business performance of SMEs in China. Hoque (2018) shows that entrepreneurial orientation has a positive influence on the performance of SMEs in Bangladesh. Karami and Tang (2019) concluded that entrepreneurial orientation has a significant effect on the performance of SMEs in New Zealand. Different results were shown by Affendy, et al. (2015) shows that entrepreneurial orientation does not affect the performance of SMEs in Malaysia. Solikahan and Mohammad (2019) concluded that entrepreneurial orientation does not affect the performance of Karawo UKM in Gorontalo City. Dewinta, et al. (2016) concluded that entrepreneurial orientation does not affect the performance of batik SMEs in Pekalongan City. Utama (2012), shows that the relationship between entrepreneurial orientation and market orientation is positive

Entrepreneurial orientation directly has a significant effect on competitive advantage

The results of testing the hypothesis prove that entrepreneurial orientation has an influence on competitive advantage. Increasing the competitive advantage of MSMEs in the city of Malang which is indicated by the products produced have the ability to create

Building Competitive Advantage through entrepreneurial Marketing in Order to Improve Marketing Performance of Msmes in Malang City

products that have their own uniqueness compared to their competitors (have their own characteristics), because the role of entrepreneurial-oriented MSME owners is shown by business owners marketing new products to new markets .

This conception is in accordance with the opinion of Bharadwaj et al. (1993) that competitive advantage is the result of implementing a strategy that utilizes various resources owned by the company. Porter (1990) explains that competitive advantage is the heart of marketing performance to face competition. Companies that want to increase the success of corporate entrepreneurship must be entrepreneurially oriented (Dess and Lumpkin, 2005). The results of this study are in accordance with the study conducted by Sirivanh, et al. (2014), Pardi, et al. (2014) that entrepreneurial orientation influences competitive advantage.

Competitive advantage directly has a significant effect on marketing performance

The results of hypothesis testing prove that competitive advantage has an influence on marketing performance. These results can be explained that MSMEs in Malang City will produce good marketing performance as indicated by with an increase in sales growth because MSMEs in the city of Malang have a high competitive advantage which is indicated by being able to create products that have their own uniqueness compared to their competitors (has its own characteristics).

This conception is in accordance with the study put forward by Superior Day and Wensley, (1988) that competitive advantage is expected to create superior market performance and financial performance. Ferdinand (2011) states that competitive advantage can be obtained if the company succeeds in building, maintaining, and developing all the distinctive advantages possessed by the company as a result of operating the company's strategic assets.

The results of this study are in accordance with a study conducted by Lakhali (2009) which states that there is a positive relationship between competitive advantage and company performance. Mansur and Yoshi (2012) state that there is a significant positive relationship between competitive advantage and company performance. Djodjobo and Tawas (2014) competitive advantage has a positive and significant effect on the marketing performance of the yellow rice business in Manado City.

Competitive advantage mediates the effect of entrepreneurial orientation on performance marketing

The results of hypothesis testing prove that competitive advantage is able to mediate the effect of entrepreneurial orientation on marketing performance. This result means that MSMEs in Malang City who have proactive courage in running a business are shown by marketing new products to new markets contributing to increasing competitive advantage which is shown by creating products that have their own uniqueness compared to their competitors (has its own characteristics). The existence of a product that has its own uniqueness compared to its competitors is able to improve the marketing performance of MSMEs in Malang City.

RESEARCH IMPLICATIONS

Theoretical Implications

The phenomenon faced by MSMEs demands to improve marketing performance. Improving marketing performance can be done through the strategic role of Human Resource management with the Resource-Based View (RBV) approach, which is an applied theory of Human Resource management strategies that can be used to develop models and enable predictions and understanding of the effects of resource practices. power on organizational functions.

Conceptually, competitive advantage is related to the Resource-based view. Akio, (2005) revealed that this resource-based approach aims to classify organizational strategic resources that have the most potential to create competitive advantage. Ireland, et al. (2003) suggests that if you can manage resources and capabilities in a strategic and structured manner, competitive advantage can be achieved and company performance will increase. The RBV approach makes a major contribution to how to improve marketing performance and effectiveness (Kayabasi & Mtetwa, 2016).

Based on the explanation about RBV, it can be concluded that Micro, Small and Medium Enterprises (MSMEs) in Malang City can win business competition in the long term, if the organization has the right strategy, including through aligning its resources with the market it wants to target without ignoring the conditions environment. Micro, Small and Medium Enterprises (MSMEs) in Malang City can improve marketing performance if they are able to control capabilities and resources as tangible and intangible assets that can be used to help choose and determine strategies to increase efficiency and effectiveness.

Practical Implications

The practical implications of this study are as follows:

1. MSMEs in Malang City are able to produce good marketing performance if MSMEs in Malang City who have proactive courage in running a business contribute to improving marketing performance as indicated by an increase in sales growth.
2. MSMEs in Malang City are able to produce good marketing performance if they focus on creating products that have their own uniqueness compared to their competitors (have their own characteristics).

CONCLUSION

Increasing the marketing performance of MSMEs in Malang City through sales growth due to the role of entrepreneurial orientation through being proactive. This means that SMEs that are proactive in running their business contribute to improving marketing performance as indicated by increased sales growth. Increasing the marketing performance of MSMEs in Malang City

Building Competitive Advantage through entrepreneurial Marketing in Order to Improve Marketing Performance of Msmes in Malang City

through sales growth due to the role of competitive advantage through uniqueness. This means that business owners are able to create products that are unique compared to their competitors (have their own characteristics) contributing to increased marketing performance as indicated by increased sales growth.

Based on the research findings, the suggestions given are focused on these variables. Suggestions put forward as follows:

1. Theoretical Suggestions

For science, the results of this study can enrich references and scientific treasures related to Resource-Based View (RBV) that Resource-Based View (RBV) can be implemented in MSMEs who want to get good marketing performance by means of organizational processes, information and knowledge controlled by the company in the implementation of business strategy.

2. Practical Advice

a. For MSME owners in Malang City, they need to carry out innovativeness and need to create products that are not easily imitated by competitors

b. In the current era of globalization, every business will face complexity, so that for further researchers to conduct studies network(networking) efforts to improve the marketing performance of MSMEs.

REFERENCES

- 1) Abdullah, A., Basalamah, S., Kamase, Jeni., Dani, I. 2017. Market Orientation and Entrepreneurial Competence towards Competitive Advantage and Marketing Performance on Micro Small and Medium Enterprises (MSMEs) On Seaweed Processing. *Journal of Research in Business and Management*, Volume 4, Issue 12, pp: 20-27.
- 2) Affendy, AH, Asmat Nizam., Abdul Talib., Farid MS2015. Entrepreneurial Orientation Effects on Market Orientation and SMEs Business Performance A SEM Approach. *Review of Integrative Business & Economics Research*, 4(3):259-271
- 3) Afsharghasemi, A., Zain, M., Sambasivan, M., & Imm, SNS 2013. Market orientation, government regulation, competitive advantage and internationalization of SMEs: A study in Malaysia. *Journal of Business Administration Research*, 2(2), 13
- 4) Baker, TL, Simpson, PM, and Siguaw, JA 1999. The Impact of Suppliers Perceptions on Reseller Market Orientation on Key Relationship Constructs. *Journal of the Academy of Marketing Science*, 27, 50-57
- 5) Basuki, and Rahmi Widyanti. 2012. Effect of Competitive Advantage Strategy and Market Orientation on Company Marketing Performance. *Journal of Management at the Islamic University of Kalimantan (UNISKA) Banjarmasin*.
- 6) Bharadwaj, SG, PRVaradarajan, & Fahly, J. 1993. Sustainable Competitive Advantage in Service Industries: A Conceptual Model and Research Propositions. *Journal of Marketing*. 1(57): 83-99.
- 7) Bratic, D. 2011. Achieving a Competitive Advantage by SCM. *IBIMA Business Review*, 20 (2):13
- 8) Debbie, L. and Philip, S. 2001. The Development Of Modern Entrepreneurship in China. *Stanford Journal of East Asia Affair*. Vol. 01
- 9) Dess, GG & Lumpkin, GT 2005. The Role Of Entrepreneurial Orientation in Stimulating effective corporate Entrepreneurship. *Academy of Management Executive*, 19(1), 147-156
- 10) Devara, K. Satya and Sulistyawati, E. 2019. The Role of Product Innovation in Mediating the Effect of Market Orientation on Marketing Performance. *E-Journal of Management*, Vol. 8, No. 10, p. 6367-6387
- 11) Djodjobo. NV, Tawas. NV 2014. The Effect of Entrepreneurial Orientation, Product Innovation, and Competitive Advantage on the Marketing Performance of Nasi Kuning Business in Manado City. *EMBA Journal* Vol.2 No.3
- 12) Efrata, T. Cristian, Radianto, WE Dwi, Marlina, MA Evi, Budiono, SC 2019. [The Impact of Innovation, Competitive Advantage, and Market Orientation on Firm's Marketing Performance in the Garment Industry in Indonesia](#). *Advances in Economics, Business and Management Research*, volume 100. International Conference of Organizational Innovation (ICOI 2019)
- 13) Frishammar, J. and Hörte, SA, 2007. The Role of Market Orientation and Entrepreneurial Orientation for New Product Development Performance in Manufacturing Firms. *Technology Analysis & Strategic Management*, 22(3): 251- 266
- 14) Ferdinand, A. 2011. *Marketing Management: A Strategic Approach*, BPUndip, Semarang
- 15) Greenley, G. 1995. Market Orientation and Company Performance: Empirical Evidence. *British Journal of Management* 40, pp. 33-46
- 16) Harrison-Walker, LJ 2001. The measurement of a market orientation and its impact on business performance. *Journal of Quality Management*, 6, 139-172
- 17) Hussein, A. Sabil. 2019. Entrepreneurial Market Orientation and Marketing Performance: An Evidence from Malang Soybean Cracker Industry. *Journal of Social Humanities (JSH)*, Special Edition.
- 18) Jaworski, BJ, & Kohli, AK, 1993. Market Orientation : Antecedents and Consequences, *Journal of Marketing*, Vol. 30, no. 4, pp. 467-477

Building Competitive Advantage through entrepreneurial Marketing in Order to Improve Marketing Performance of Msmes in Malang City

- 19) Kamyra, MT, Ntayi, JM, & Ahiauzu, A. 2010. Knowledge management and competitive advantage: The interaction effect of market orientation. *African Journal of Business Management*, 4(14), 2971–2980
- 20) Keh, HT, Nguyen, TTM, and Ng, HP (2007). The effects of entrepreneurial orientation and marketing information on the performance of SMEs. *Journal of business ventures*, 22(4), 592-611.
- 21) Lee DY and Tsang EWK, 2001, The Effect of Entrepreneurial Personality, Background and Network Activities on Venture Growth, *Journal of Management Studies* 38-4 pp 583- 602
- 22) Lakhali, L. 2009. Impact of Quality in Competitive Advantage and Organizational Performance. *Journal of the Operational Research Society*, 60 (25): 637- 645
- 23) Mafasiya, F. Fauzul, Hirobumi, T. and Tanaka, Y. 2010. Entrepreneurial Orientation and Business Performance of Small Medium Scale Enterprise of Hambantota District Sri Lanka. *Asian Social Science*. Vol.6,No.3.
- 24) Manek, D. 2013. Analysis of the Influence of Market Orientation on Marketing Performance in Processing Companies in Semarang City. *Journal of Indonesian Marketing Science*. Volume XII, No. , 121–148
- 25) Mansur, Shah MT & Takahashi Yoshi. 2012. Improvement of Firm Performance by Achieving Competitive Advantages Through Vertical Integration in the Apparel Industry of Bangladesh. *Asian Economic and Financial Review*, Vol. 2 (6), pp. 687-712
- 26) Mihalic, T. & Buhalis, D. 2013. Ict As A New Competitive Advantage Factor-Case Of Small Transitional Hotel Sector. *Economic and Business Review*, 15(1):33-56
- 27) Muis, I.2020. Marketing Strategy and Capability as the Mediators in Relationship of Market Orientation and Export Performance: A Case Study of Rattan Processing SMEs. *Binus Business Review*, 11(1), pp. 31-42
- 28) Miller, J. 2003. Outsourcing is Front Page. *Canadian Journal of Administrative Science*. Vol. 27. p. 168-179.
- 29) Narver, JC, & Slater, SF 1995. "The Effect of Market Orientation on Business Profitability, *Journal of Marketing*, pp:20 – 35.
- 30) Pardi, S., Suyadi, I., and Arifin, Z. 2014. The Effect of Market Orientation and Entrepreneurial Orientation toward Learning Orientation, Innovation, Competitive Advantages and Marketing Performance. *European Journal of Business and Management*, 6(21): 69-80.
- 31) Porter, M, E. 1990. *Competitive Strategy*. The Free Press. New York
- 32) Putri, AK, Suryana, Y., Tuhpawana, and Hasan, M. 2016. The Effect Of Market Orientation and Competitive Strategy On Marketing Performance A Survey on Furniture Product Industry in West Java, Indonesia. *International Journal Of Enomics, commerce and Management* Vol. IV, Issue 7, p. 274-289
- 33) Riswanto, A., Rasto., Hendrayati, H., Saparudin, M., Abidin, A. Zaenal, and Eka, AP Bumandafa. 2020. The Role Of Innovativeness-Based Market Orientation On Marketing Performance Of Small And Medium-Sized Enterprises In A Developing Country. *Management Science Letters*, 10, pp. 1947–1952
- 34) Runyan, R., Huddleston, P., and Swinney, J., 2006, Entrepreneurial Orientation. and Social Capital as Small Firm Strategies: a Study of Gender Differences from a Resource-Based Mew, *Entrepreneurship Management*, Vol. 2, pp. 455-477
- 35) Salehzadeh, R., Khazaei Pool, J., Tabaeian, RA, Amani, M. and Mortazavi, M. 2017. The impact of internal marketing and market orientation on performance: an empirical study in the restaurant industry, *Measuring Business Excellence*, Vol. 21 No. 4, pp. 273-290.
- 36) Solikahan, E. Zahra and Mohammad. A.2019. Entrepreneurial Orientation, Market Orientation And Financial Orientation In Supporting The Performance Of Karawo Smes In Gorontalo City. *Journal of Applied Management (JAM)* Volume 17 Number 4.
- 37) Sirivanh, T., Sasiwemon, S., and Meta, S. 2014. The Effect of Entrepreneurial Orientation and Competitive Advantage on SMEs' Growth: A Structural Equation Modeling Study. *International Journal of Business and Social Science*, 5(6): 189-194.
- 38) Uncles, Mark. 2000. Market Orientation. *Australian Journal of Management*. Vol. 25, No. 2
- 39) Zhang, Y., & Zhang, X. (2012) "The effect of entrepreneurial orientation on business performance: A role of network capabilities in China", *Journal of Chinese Entrepreneurship*, Vol. 4 Iss: 2, pp.132 – 142.