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Article

Entrepreneurial orientation and relational capability: the network advantage to marketing performance in SMEs



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ABSTRACT

The intention of this study is to enhance the prevailing literature and conceptual framework by investigating the consequence of entrepreneurial approach and relational capability related marketing performance through network advantage. The research follows a empirical approach using a survey method. A purposive sampling technique was employed to select 138 samples of Batik MSMEs in Banjarnegara Regency. The data was obtained through a survey. Data analysis techniques were utilised employing Structural Equation Modelling (SEM) through the SmartPLS program. The findings from this study demonstrate that entrepreneurial orientation and relational capability each partly have a significant and favourable impact on network advantage. Furthermore, entrepreneurial orientation, relational capability, and network advantage each have a partly positive and significant influence on marketing performance. The influence of entrepreneurial orientation on marketing performance can be mediated by network advantage, whereas relational capability does not exhibit the same mediating effect.

Keywords:

Entrepreneurial orientation
Relational capability
Marketing performance
Network advantage

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Introduction

The existence of industry, especially small and medium industry, is needed in rural areas as an alternative to productive economic activities that rural communities have besides agriculture (Arsyad, 2011). The existence of small and medium scale economic enterprises (MSMEs) serve as a fundamental component of the national economy, providing essential support to a significant portion of the workforce in Indonesia. MSMEs are widely used by most economic actors in Indonesia for several reasons, including relatively small amounts of capital, not requiring a high level of skill, and licensing that is not complicated. With such characteristics, the growth of MSMEs is very large and automatically increases energy absorption. Work.

The phenomenon that the position of small industries is very important in developing the local economy, but these small industries still have a marginal position, due to lack of government attention. This research hopes that the presence of small and medium industries will be able to serve as a propeller of economic and social growth, and will be able to improve the welfare of local communities, especially in Banjarnegara Regency. Banjarnegara is a district located in Central Java.

Apart from being famous for the Dieng plateau, Banjarnegara is also famous for its batik craft art, namely Batik Gumelem. Gumelem Batik motifs are generally divided into two styles, namely classic and contemporary. The most dominant typical styles are udan liris and rijak sathe. Another characteristic of Gumelem Batik is that its colors are dominated by black, yellow and brown and have floral, kawung and machete motifs. One example of the Gumelan Batik pattern is refelected in the Figure 1 dan 2.



Figure 1 Gumelan Batik



Figure 2 Gumelan Batik

The process of making Gumelem Batik begins with designing according to the desired pattern on cotton or sunforis fabric. Then the sketch or design is made into batik using wax that has been heated and dabbed with brown, black, or other typical Gumelem Batik colors. Once dry, the color of the dab is covered using wax to save the color during the dyeing process. The purpose of the dyeing process is to produce another color on the fabric. After that, let it sit and then remove it using boiling water, aci, or tapioca to remove the wax that sticks to the fabric. Then the batik is dried in the sun and once dry it is ironed or pressed.

It is very important for Batik MSMEs in Banjarnegara Regency to have an entrepreneurial spirit to be able to survive in their business. Study of the importance of MSMEs having an entrepreneurial orientation in order to improve marketing performance. There are still several things that are gaps, such as entrepreneurial orientation (Eterpreunuere Orientation) which is increasingly diminishing due to competition. Several other researchers also added several variables to clarify this phenomenon. In the journal ([Kajalo & Lindblom, 2015](#)) market orientation fails to have a direct impact on performance, this is also supported by entrepreneurial orientation, because it is supported by the owner's spirit and entrepreneurial orientation which was also researched by ([Kasmir, 2017](#); [Sahoo & Yadav, 2017](#)), sees that the concept of entrepreneurial orientation can trigger organizational performance, another factor is marketing capability, which is considered to be a concern due to changes in people's lifestyles and according to Didonet et al., (2014) Marketing capabilities also have an impact on performance results, because organizations can move towards sustainable excellence.

Companies that have the ability to communicate with customers can present innovative solutions, enhance viewpoints, and spark creative ideas to encourage highest business efficiency ([Bernardus et al., 2022](#)), Researcher Hendar et al., (2020), states that firms with strategy first-rate quality relationship sales have a better sales strategy opportunity to optimize marketing performance. Therefore, essentially, the relational selling strategy is critical in connecting market sensing and brand management capabilities to marketing results. Researchers Wahyono and Raharjo (2021), stated that Relational Capability is able to encourage the creation of marketing performance, in other words Relational Capability influences marketing performance. This is confirmed by researchers Bernardus et al., (2022), who found that Relational Capability influences business performance.

Relational Capabilities and Network Advantage are two interrelated concepts from a business standpoint relationships and marketing strategy. Relational Capabilities refer to an enterprise's ability to regulate, retain and strengthen relationships with stakeholders, comprising customers, vendors, alliances and other involved parties network members. Network Advantage, on the other hand, refers to the advantages gained by a company through access and use of a strong and effective business network. These benefits can take the form of access to resources, information, knowledge, collaboration opportunities, and other competitive advantages gained through involvement in a broad and interconnected business network.

Relational Capabilities play an important role in creating and strengthening Network Advantage. By having good capabilities in building mutually beneficial relationships with stakeholders, companies can gain better access to relevant resources and information in business networks. This can provide competitive advantages for companies, such as greater access to business opportunities, better market knowledge, and support from strong business partners.

Network Advantage can yield positive results for a company's marketing performance. By having the advantage of a strong and effective business network, companies can experience increased performance in their marketing efforts. By having a strong Network Advantage, companies can improve their marketing performance by taking advantage of access to resources and information, collaboration opportunities, a good reputation, and wider dissemination of marketing messages. All of this contributes to more effective marketing efforts, sales growth, and a competitive advantage in the marketplace (Hunt & Morgan, 1995).

Entrepreneur Orientation

Entrepreneurship is displayed in a variety of ways. Entrepreneurship can be identified with job creation (Shaken et al., 2003). Gartner (2001) entrepreneurship is perceived as a process by which individuals or organizations seek opportunities regardless of the availability of resources. According to Kowo & Akanmu (2021) Entrepreneur orientation (EO) is the procedure, structure, and attitude of the company to capitalize on existing potentials. Company founders or someone who is entrepreneurial as an agent of change with the ability to utilize sustainable systems and handle complex choices in entrepreneurship and sustainable practices.

Firms with Entrepreneurial Orientation (EO) encompasses firms focused on technological breakthroughs, bold initiatives, and persistently identifying opportunities (Mustofa, et al 2017). EO encompasses decision-making processes, strategies and actions that facilitate new market entry. The extent of the phenomenon of companies exhibiting decision-designing mechanisms, protocols and engagements that will facilitate companies to mature into leaders in new businesses. In terms of behavior, the EO conceptual model is aligned with entrepreneurial strategies activities involving being resourceful, strategic and open to challenges. Economically motivated organizations will advance EO behavior via innovate models, integrated into jobs that take risks and always strive to design novel products through entrepreneurial agility to respond to emerging market trends (Kowo & Akanmu, 2021). Aligned with the explanation earlier, it can be concluded that entrepreneurially oriented companies are consistently resourceful, strategic and open to challenges.

Changes will later be adjusted and rearranged with various resources owned by a business in order to create harmony that can support better business processes. In addition, as an entrepreneur, we will certainly be oriented towards various ways to keep the business operating. This involves activities such as risk-taking, strategy formulation, and innovation that can bring profit. This orientation is something called Entrepreneurial Orientation, which will encourage entrepreneurs to continue to develop which is manifested through product development, strategy and several other components so that they will have a competitive advantage.

Researchers Michael & Suprpto, (2021), state that Entrepreneurial Orientation leads to significant improvements in Competitive Advantage, one of the competitive advantages is network advantage. Research by Rihayana, et al (2018), also supports that Entrepreneurial Orientation brings about a desirable and significant outcome on Competitive Advantage. This is also supported by researchers Lestari et al., (2019) who state that entrepreneurial orientation has a significant influence on SMEC culinary competitiveness. Grounded in the explanation previously mentioned, a hypothesis potentially derived: H1: Entrepreneurial Orientation exerts a strong and meaningful impact on Network Advantage.

Relational Capabilities

Relational Capabilities are defined as superior skills for managing a company's shared resources (Rodríguez-Díaz & Espino-Rodríguez, 2006). Relational Capability (RC) is a business institution's expertise in developing and governing its enterprise and cultural approach that focuses on retaining customers. This orientation must be owned by all its members. Smirnova et al. (2009) then mentioned that RC is the competence of a business in organization to explore and seize business

opportunities, develop knowledge and competencies to build sustainable competitiveness by utilizing its business relationships. Sivadas & Baker-Prewitt, (2000) previously showed that this ability is determined by mutual trust, communication and coordination between business organizations. Thus, strong RCs make companies have stronger cooperation, commitment and trust capabilities (Rodriguez-Diaz and Espino-Rodriguez, 2006; Morgan & Hunt, 1994).

Relational Capabilities refers to the ability of an organization to build and manage strong relationships with various parties, such as customers, suppliers, business partners, and competitors. Meanwhile, Network Advantage refers to the benefits gained by an organization through a wide and diverse network of relationships. Relational Capabilities have a key role in enhancing Network Advantage. Wahyono and Raharjo (2021) researchers state that relational capital, one of the indicators of relational capabilities, has substantial and beneficial effect in competitive advantage. Relational capital is the relationship that business actors establish with other parties in the business process carried out including the distribution process which includes customers, suppliers, partners and regulators (De Castro, et.al, 2004). From relationships that are well formed and carried out continuously, the ability to relate will affect competitiveness including generating creative ideas and also creating competitive advantages for businesses in various sectors (Nghah and Ibrahim, 2009). Derived from the explanation earlier, the hypothesis can be derived: H2: Relational Capabilities play a crucial role in improving Network Advantage

Marketing performance

Marketing performance is a framework used to evaluate the influence of strategies undertaken by corporate companies as a benchmark for evaluating current marketing actions (Ahmad, 2019). Elwisam (2019) claims that marketing performance constitutes a variant of job performance, evaluated through the holistic process of marketing activities inside an organization or industry. Sugiyarti & Ardyan (2017) maintains that performance marketing represents a performance metric reflecting the outcomes of a company or organization's marketing activities. The implementation of the marketing function within the company can be examined through its marketing performance (Pertiwi & Siswoyo, 2016). The findings indicate that marketing performance serves as a crucial measure for assessing the success of a firm, as defined by its marketing process. Ulya (2019) Marketing performance variables are defined by three essential criteria: sales volume, customer growth and profitability.

The Effect of Entrepreneur Orientation on Marketing performance

Entrepreneurial orientation (EO) denotes a firm's strategy approach that prioritizes innovation, risk-taking, proactive behavior, autonomy, and competitive aggression. Meanwhile, marketing performance includes the results and effectiveness of a firm's marketing efforts, such as increased sales, revenue, market share, and customer satisfaction (Carvalho and Reis, 2012).

Entrepreneurial orientation strategically impacts the performance of emerging businesses (Bhuian, Richard, & Shamma, 2010). Moreover, entrepreneurial orientation serves as a mediating variable that synthesizes four managerial characteristics—need for achievement, tolerance for ambiguity, conformity, and individualism—aimed at enhancing the performance of an organization. Researchers Gaol & Sigalingging (2022) stated that constructive linkage exist between entrepreneurial orientation on marketing performance. Krasnikov et al. (2009) conducted research and found that entrepreneurial orientation (EO) serve as a strategic orientation of a company that emphasizes innovation, taking risks, proactivity, can improve marketing performance. Build upon the explanation referred earlier, the hypothesis can be derived: H3: Entrepreneur Orientation has a positive and significant effect on Marketing performance.

The influence of Relational Capabilities on Marketing performance

Relational capability is the ability of a business entity to create and regulate its organization and cultural framework that focuses on retaining customers. This orientation must be owned by all its members (Day & Wensley, 1988). Smirnova et al. (2009) then mentioned that Relational Capability indicates the potential of a business organization to pinpoint and seize business opportunities, develop knowledge and competencies to build sustainable competitiveness by utilizing its business relationships. Sivadas and Dwyer (2000) previously showed that this ability is determined by mutual trust, communication and coordination between business organizations, so that strong Relational

Capability makes companies have stronger cooperation, commitment and trust capabilities that will affect marketing performance (Rodriguez-Diaz and Espino-Rodriguez, 2006). Researcher Jarratt, (2004) states that strong Relational Capability makes companies try to find partners or business networks that can improve marketing performance. This reinforces the view of Celuch et al (2012) which emphasizes that Relational Capability is a determining factor of marketing performance. Thus it can be said that, companies that have high Relational Capability will support the enhancement of marketing performance. Sulhaini researchers, et al (2018), state that Relational Capability can improve corporate performance. The stronger the relationship capabilities, the higher the company performance. Based on the explanation above, a hypothesis can be derived: H4: Relational Capabilities have a positive and significant effect on Marketing performance.

Network Advantage

The Resource-Based View of the internal business served as the primary foundation for the idea of network competence in Jian & Wang, (2013) study on strategic management. All of a company's assets, skills, procedures, and expertise are referred to as its resources or competences. (Barney, 1991). According to Barney, (1991), the resource-based view and competitive advantage assume that firms that are heterogeneous in terms of their mastery of strategic resource areas are very important assets. The capacity to use corporate networks and manage certain network relationships is known as a firm's network competence Jian and Wang (2013). According to Jian and Wang (2013) a company's capacity to establish and maintain connections with important suppliers, clients, and other organizations is known as network competence. The ability of the company to handle these interactions as a whole is another definition of network competence, which directly affects how competitive the company's performance is. Network competence is defined as a company's unique capacity to manage, leverage, and benefit from business ties (Ritter et al., 2002). Gomes, (1997) demonstrated that recent global changes have compelled companies worldwide to reformulate their business strategies. The company's strategic structure influences behaviors that can impact profitability. Competitive advantage theory posits that managers must identify strategies to thrive and succeed in global market competition (Porter, 1980, 1985). Maintaining and promoting intra-industry competition is essential for the company to achieve exceptional results.

A research model can be developed based on the information explained before.

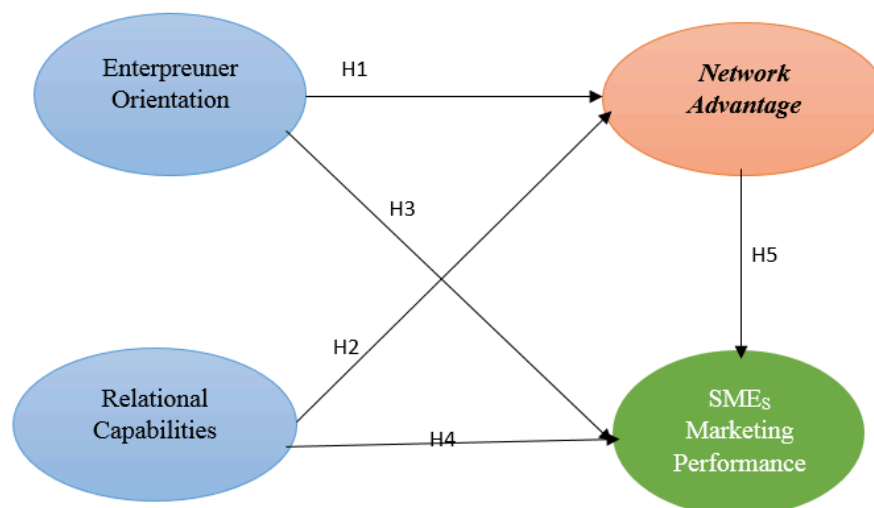


Figure 1 Research Model

Network Advantage refers to the advantage gained by an organization through a wide and diverse network of relationships. Performance Marketing, entails the measurement and evaluation of marketing outcomes to attain optimal performance. Through an extensive network of relationships, organizations can gain better access to potential customers and new markets. A strong network with customers, business partners, and other parties can open doors for collaboration, broader market outreach, and better promotional opportunities. This can increase the effectiveness of marketing efforts and achieve better results in reaching target markets. Sayekti, and Soliha's research (2016)

shows that Network Advantage positively influences Performance Marketing. Based on the explanation above, a hypothesis can be derived: H5: Network Advantage has a positive and significant effect on Performance Marketing.

Methods

Type of Research

This research is quantitative, employing methods such as surveys and causal techniques to examine cause-and-effect relationships. To analyze whether there is an influence between one variable and another using SEM (PLS Program). The data source consists of primary data. Primary data in a study is collected directly from the source through measurements and self-administered questionnaires.

Population and Sample

The population of this study were Batik MSME players in Banjarnegara Regency. The sampling technique is: purposive sampling, which involves selecting samples based on specific characteristics or criteria. These characteristics include. 1) Batik MSMEs in Banjarnegara Regency that have been established for more than 1 year, 2) Have employees of approximately 5 - 15 people.

Operational Definition of Variables and Their Measurement

Entrepreneurial Orientation refers to the inclination of businesses to seek new market opportunities and rejuvenate existing sectors, characterized by values such as risk tolerance, proactive engagement with market prospects, and the encouragement of innovation (Daradkeh and Mansoor 2023). Measurement uses a seven-point interval rating scale approach to (7) (1 to 7). This study identifies the dimensions of Entrepreneurial Orientation as risk tolerance, proactive market opportunity engagement, and innovation promotion. Relational capabilities are intangible assets derived from the efforts to develop, maintain, preserve, and enhance quality relationships within a company (Nuryakin, 2021).

Measurement uses a seven-point interval rating scale approach up to (7) (1 to 7). The dimensions of Relational Capabilities in this study consist of Quality Relationship with Buyer, Product Quality Information, Value Lifetime Orientation and Mutual Relationship. Marketing Performance assesses the overall sales outcomes of batik MSME businesses with a marketing approach that focuses on measuring and improving performance by involving the use of marketing methods and strategies to increase sales, customer growth and profit growth (Novrianda et al., 2022). Measurement uses a seven-point interval rating scale approach up to (7) (1 to 7). The dimensions of Marketing Performance in this study consist of Sales Growth, Customer Growth and Profit. Network Advantage is a business network built by a company that has the strength of integration in operational activities and companies as measured by indicators consisting of integrated networks, mutually beneficial, commitment, interdependent networks (Badwan, 2025). Measurement uses a seven-point interval rating scale approach up to (7) (1 to 7). The dimensions of Network Advantage in this study include of Consists Of Integrated Network, Mutually Beneficial, commitment, and interdependent networks.

Analysis

This research test uses Structural Equation Modeling (SEM) with the assistance of statistical tools in the form of SmartPLS software. Indicators that are made are built constructs by looking at their parameters. The measurement model uses convergent validity to assess the indicators, determining their validity and the constructs they are intended to measure, utilizing the maximum likelihood estimation technique applied in this study, derived from the theory established during the reliability test utilizing Cronbach's alpha (Cronbach's α) (Malkewitz et al., 2023).

Results and Discussion

Data processing techniques utilizing Partial Least Square (PLS) based structural equation modeling (SEM) methods necessitate two stages to evaluate the model fit of a research framework (Sijtsma & Pfadt, 2021). The assessment of the outer model using data analysis techniques with SmartPLS involves three criteria: Convergent Validity, Discriminant Validity, and Composite Reliability (Hayes & Coutts, 2020).

Table 1. Outer Loadings (Measurement Model)

| Variabel | Item | Outer Loadings | Keterangan |
|-----------------------------|------|----------------|------------|
| Entrepreneurial Orientation | EO1 | 0,828 | Valid |
| | EO2 | 0,830 | Valid |
| | EO3 | 0,742 | Valid |
| | EO4 | 0,767 | Valid |
| | RC1 | 0,704 | Valid |
| | RC2 | 0,735 | Valid |
| | RC3 | 0,745 | Valid |
| Relational Capability | RC4 | 0,683 | Valid |
| | RC5 | 0,834 | Valid |
| | RC6 | 0,821 | Valid |
| | RC7 | 0,714 | Valid |
| | NA1 | 0,959 | Valid |
| | NA2 | 0,796 | Valid |
| | NA3 | 0,948 | Valid |
| Network Advantage | NA4 | 0,959 | Valid |
| | MP1 | 0,756 | Valid |
| | MP2 | 0,816 | Valid |
| | MP3 | 0,847 | Valid |
| | MP4 | 0,830 | Valid |
| | MP5 | 0,776 | Valid |
| | MP6 | 0,755 | Valid |

Sumber: primary data processed, 2023

The outer model value, or the correlation between constructs and variables, demonstrates convergent validity, as all indicators exhibit a loading factor value exceeding 0.60. Therefore, the constructs for all variables remain included in the model (Purwanto & Sudargini, 2021). Thus, modification of the model is unnecessary.

Evaluating Reliability

A construct is considered to have high reliability when the value reaches 0.70. Table 3 presents the Composite Reliability values for all variables.

Table 2. Composite Reliability

| Konstruk | Composite Reliability | Description |
|----------|-----------------------|-------------|
| EO | 0,871 | Reliable |
| RC | 0,913 | Reliable |
| NA | 0,872 | Reliable |
| MP | 0,900 | Reliable |

Sumber: primary data processed, 2023

Table 3 indicates that all constructs satisfy the reliability criteria. The composite reliability value exceeds 0.70, aligning with the recommended criteria (Ndiango et al., 2024).

Discriminant Validity

Table 3 indicates that some loading factor values for each indicator of each latent variable exhibit the highest loading factor value in comparison to their loading values when associated with other latent variables. This indicates that each latent variable possesses strong discriminant validity (Hair Jr et al., 2020).

Table 3. Discriminant Validity Value (Cross Loading)

| Item | EO | RC | NA | MP | Description |
|------|-------|-------|-------|-------|-------------|
| EO1 | 0.828 | 0.203 | 0.352 | 0.574 | Good |
| EO2 | 0.830 | 0.116 | 0.274 | 0.443 | Good |
| EO3 | 0.742 | 0.104 | 0.217 | 0.460 | Good |
| EO4 | 0.767 | 0.537 | 0.582 | 0.519 | Good |
| RC1 | 0.062 | 0.704 | 0.463 | 0.459 | Good |
| RC2 | 0.113 | 0.735 | 0.602 | 0.409 | Good |
| RC3 | 0.125 | 0.745 | 0.535 | 0.389 | Good |
| RC4 | 0.309 | 0.683 | 0.898 | 0.540 | Good |
| RC5 | 0.223 | 0.834 | 0.844 | 0.434 | Good |
| RC6 | 0.322 | 0.821 | 0.788 | 0.473 | Good |
| RC7 | 0.607 | 0.714 | 0.534 | 0.338 | Good |
| NA1 | 0.559 | 0.527 | 0.959 | 0.395 | Good |
| NA2 | 0.476 | 0.527 | 0.796 | 0.596 | Good |
| NA3 | 0.352 | 0.309 | 0.948 | 0.548 | Good |
| NA4 | 0.274 | 0.223 | 0.959 | 0.495 | Good |
| MP1 | 0.217 | 0.322 | 0.359 | 0.756 | Good |
| MP2 | 0.582 | 0.067 | 0.423 | 0.816 | Good |
| MP3 | 0.463 | 0.338 | 0.422 | 0.847 | Good |
| MP4 | 0.605 | 0.590 | 0.507 | 0.830 | Good |
| MP5 | 0.223 | 0.796 | 0.217 | 0.776 | Good |
| MP6 | 0.322 | 0.948 | 0.582 | 0.755 | Good |

Sumber: primary data processed, 2023

Structural Model Testing (Inner Model)

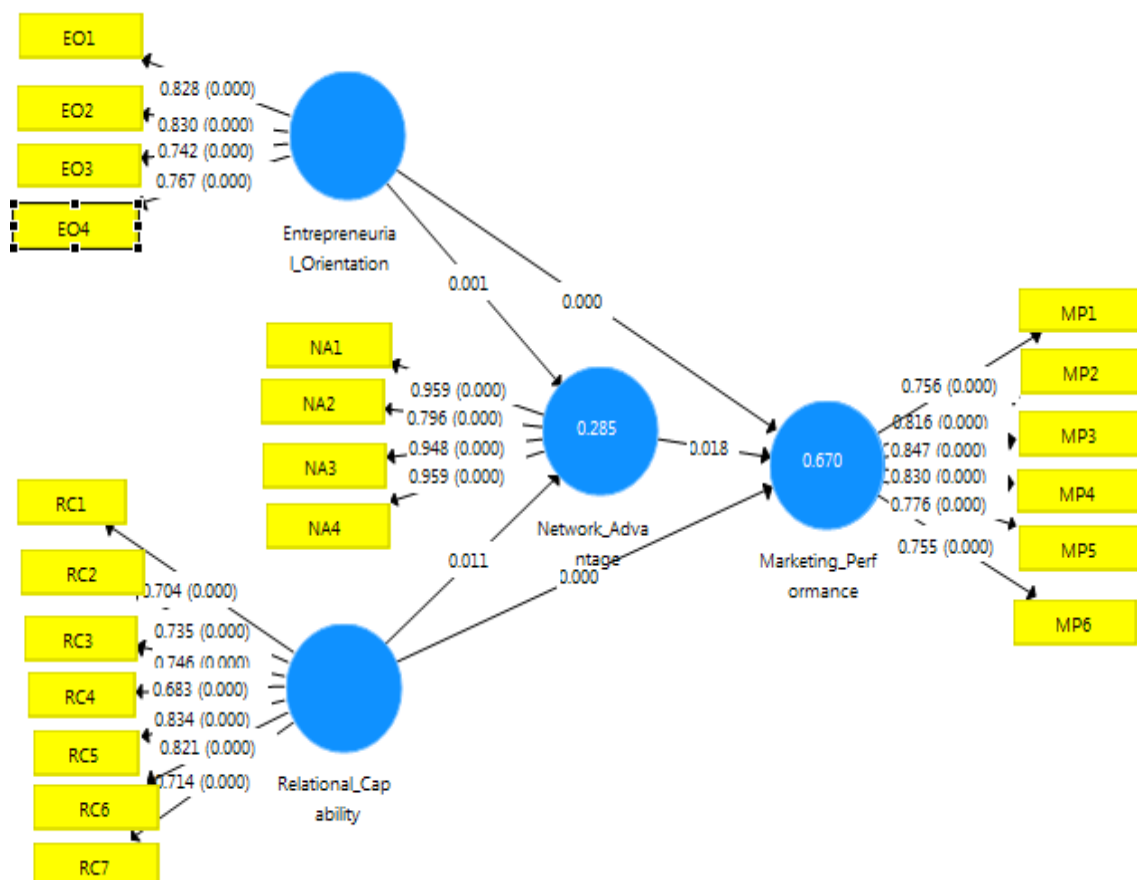


Figure 3 Structural Model

The inner model, or structural model, is analyzed to examine the relationships between constructs, significance values, and the R-squared of the research model (Nasution et al., 2020). The structural model is assessed through the R-square for the dependent construct t-test and the significance of the structural path parameter coefficients.

In assessing the model with PLS, it starts by looking at the R-square for each dependent latent variable. Table 4 is the result of the R-square estimation using SmartPLS.

Table 4. R-Square Value

| Variabel | R-Square |
|----------|----------|
| NA | 0,285 |
| MP | 0,670 |

Sumber: primary data processed, 2023

Table 4. shows the R-square value for the NA variable is obtained at 0.285, for the MP variable it is 0.670. These results indicate that 28.5% of Network Advantage (NA) variables can be influenced by Enterpreuneure Orientation (EO) and Relational Capability (RC) variables, and 67% of Marketing Performance (MP) variables are influenced by Enterpreuneure Orientation (EO), Relational Capability (RC) and Network Advantage (NA) variables (Williams et al., 2024).

Hypothesis Testing

The importance of the estimated parameters offers valuable insights into the connections among the variables under investigation (Muzafar et al., 2023). The foundation for evaluating the hypothesis relies on the value present in the outcome for inner weight output. The estimation output for testing the structural model is presented in Table 5.

Table 5. Result for Inner Weights

| Hubungan Antar Variabel | Estimate | T-Statistics | P-Value |
|---|----------|--------------|---------|
| Entrepreneurial Orientation → Network Advantage | 0,318 | 3,023 | 0,003 |
| Relational Capability → Network Advantage | 0,284 | 2,365 | 0,018 |
| Entrepreneurial Orientation → Marketing Performance | 0,357 | 5,007 | 0,000 |
| Relational Capability → Marketing Performance | 0,442 | 6,433 | 0,000 |
| Network Advantage → Marketing Performance | 0,187 | 3,002 | 0,003 |

Sumber: primary data processed, 2023

Hypothesis 1 in this study is that there is a positive effect of Entrepreneurial Orientation on Network Advantage. Based on data processing, it is known that the t-Statistics value on the relationship between Entrepreneurial Orientation and Network Advantage is 3.023, the P-Value is 0.003. Both of these values show a value above 1.96 for t-Statistics and below 0.05 for the P-value, thus it can be said that there is a positive and significant influence between Entrepreneurial Orientation on Network Advantage. This research hypothesis can be accepted.

Hypothesis 2 in this study is that there is a positive effect of Relational Capability on Network Advantage. The analysis indicates that the t Statistics value in the relationship between Relational Capability and Network Advantage is 2.365, the P-Value is 0.018. Both of these values show a value above 1.96 for t-Statistics and below 0.05 for the P-value, thus it can be said that there is a positive and significant influence between Relational Capability on Network Advantage. This research hypothesis can be accepted (Utami et al., 2021).

Hypothesis 3 in this study is that there is a positive effect of entrepreneurial orientation on marketing performance. Based on data processing, it is known that the t-Statistics value on the relationship between Entrepreneurial Orientation on Marketing Performance is 5.007, the P-Value is 0.000. Both of these values show a value above 1.96 for t-Statistics and below 0.05 for the P-value,

thus it can be said that there is a positive and significant influence between Enterpreuneure Orientation on Marketing Performance. This research hypothesis can be accepted.

Hypothesis 4 in this study is that there is a positive effect of Relational Capability on Marketing Performance. Based on data processing, it is known that the t-Statistics value on the relationship between Relational Capability and Marketing Performance is 6.433, the P-Value is 0.000. Both of these values show a value above 1.96 for t-Statistics and below 0.05 for the P-value, thus it can be said that there is a positive and significant influence between Relational Capability on Marketing Performance. This research hypothesis can be accepted.

Hypothesis 5 in this study is that there is a positive effect of Network Advantage on Marketing Performance. Based on data processing, it is known that the t-Statistics value on the relationship between Network Advantage and Marketing Performance is 3.002, the P-Value is 0.003. Both of these values show a value above 1.96 for t-Statistics and below 0.05 for the P-value, thus it can be said that there is a positive and significant influence between Network Advantage on Marketing Performance. This research hypothesis can be accepted.

Mediation Test (indirect effect)

The indirect effects table shows the significance of indirect effects between variables, which is the basis for testing on mediation. Smart PLS output can be seen as follows:

Table 6. Indirect Effect Output

| Hubungan Mediasi | Estimate | T-Statistics | P-Value |
|------------------|----------|--------------|---------|
| EO → NA → MP | 0,057 | 2,237 | 0,026 |
| RC → NA → MP | 0,052 | 1,721 | 0,086 |

Sumber: primary data processed, 2023

According to Table 4, it can be inferred that

Entrepreneurial Orientation affects Marketing Performance through Network Advantage. Based on the mediation test, the relationship between Enterpreuneure Orientation affects Marketing Performance which is mediated by Network Advantage, has a t-Statistics value of 2.237 which is greater than 1.96 and a P-Value of 0.026 which is smaller than 0.05. Thus it can be said that Network Advantage is able to mediate the effect of Enterpreuneure Orientation on Marketing Performance.

Relational Capability affects Marketing Performance through Network Advantage. Based on the mediation test, the Relational Capability relationship affects Marketing Performance which is mediated by Network Advantage, has a t-Statistics value of 1.721 which is smaller than 1.96 and a P-Value of 0.086 which is greater than 0.05. Thus it can be said that Network Advantage is unable to mediate the effect of Relational Capability on Marketing Performance.

Conclusion

This research elucidates that entrepreneurial orientation and relational capability exert a positive and substantial effect on both network advantage and marketing performance within Batik micro, small, and medium enterprises (MSMEs) located in Banjarnegara Regency. Entrepreneurial orientation characterized by risk-taking, proactiveness, and innovative practices empowers MSME proprietors to capitalize on opportunities, enhance competitive positioning, and generate value through ongoing innovation in products and services. These entrepreneurial characteristics not only augment internal strategic frameworks but also fortify external relationships, thereby facilitating improved access to markets, clientele, and strategic alliances. Consequently, MSMEs exhibiting robust entrepreneurial orientation are more favorably situated to attain superior marketing performance.

Relational capability is also of paramount importance as it cultivates trust-based interactions with a variety of stakeholders, including customers, suppliers, business collaborators, and financial institutions. Such relationships enable MSMEs to secure vital resources, encompassing capital, specialized knowledge, and market insights, which can significantly bolster marketing strategies and enhance customer satisfaction. Moreover, the establishment of network advantage fostered through

the interplay of strong entrepreneurial and relational capabilities affords MSMEs the opportunity to expand their market presence, uncover emerging prospects, and sustain enduring growth. Therefore, to maintain a competitive edge and ensure sustainability, Batik MSMEs in Banjarnegara are necessitated to enhance both their entrepreneurial acumen and relational competencies, as these elements serve as fundamental drivers of strategic advantage and marketing performance in the contemporary, dynamic business landscape.

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