
Mediation of Marketing Capabilities in the Influence of Market Orientation, Entrepreneurial Marketing on the Marketing Performance of Small Businesses in Bogor City

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ABSTRACT

Small businesses play a vital role in Indonesia's economic development, yet many still struggle to meet the dynamic demands of consumers. This study aims to examine the factors influencing the marketing performance of small businesses in Bogor City by applying both descriptive and verificative research methods. A survey was conducted on 350 respondents to explore the influence of market orientation, entrepreneurial marketing, and marketing capabilities on marketing performance, as well as the mediating role of marketing capabilities. Data was analyzed using Structural Equation Modeling (SEM) with LISREL 10.2 software. The findings indicate that market orientation and entrepreneurial marketing both significantly influence marketing capabilities. In turn, marketing capabilities, market orientation, and entrepreneurial marketing each have a significant direct impact on marketing performance. Furthermore, marketing capabilities mediate the relationship between market orientation and marketing performance and partially mediate the relationship between entrepreneurial marketing and marketing performance. The novelty of this research lies in the proposed mediation model, which links marketing capabilities as a critical pathway through which market orientation and entrepreneurial marketing affect marketing performance. The implications of these findings suggest that to enhance marketing performance, small business actors must prioritize strengthening their market orientation, particularly dimensions related to customer orientation. Measurement results show that customer orientation has the strongest correlation with market growth—specifically with increased sales and market share. Therefore, business owners' commitment to understanding and responding to customer needs should be emphasized, as it directly supports the most significant performance outcomes in small business marketing.

Keywords: Marketing performance, market orientation, entrepreneurial marketing, small business

INTRODUCTION

When running a marketing process, every marketer needs to have sufficient beliefs, views, and knowledge underlying their mindset in understanding the market, the courage to try implementing something new, and the ability to execute to achieve superior performance. Factors that can affect the performance of MSMEs have been identified in several previous studies. Anwar et al. stated that capital support from the government is

very helpful in maintaining and developing businesses. Nikolić et al. showed that individual characteristics, including the ability to manage, the age of business actors, and external factors such as location and infrastructure, affect the performance of MSMEs. Age, gender, education level, and marital status also influence business success. Furthermore, Utaminingsih's research demonstrated that well-managed innovations lead to good performance. In line with Rahmawati et al., product innovation is a key factor affecting the marketing performance of a business.

Synergy and collaboration between sectors, including with the government, can boost performance (Čirjevskis, 2022; Ivanova et al., 2019; Leydesdorff & Ivanova, 2021; Marinelli, 2022; Rachman & Sangare, 2023). Ananda et al. emphasized the importance of having human resources knowledgeable in information technology, especially when MSMEs interact with multinational companies. Clarke et al., in their study of companies going public, concluded that intellectual capital positively influences firm performance.

Market Orientation is seen as the philosophy of a business and the behavioral process of business management. Business philosophy refers to a set of values, beliefs, attitudes, and company culture that contribute to operational order through a series of business management activities. Furthermore, market orientation is understood as behaviors or activities that reflect the implementation of marketing concepts. Market-oriented behavior is reflected in the marketer's understanding of customers and competitors, as well as the coordinated use of resources that affect the achievement of marketing performance results. Several previous studies revealed that market orientation affects marketing performance. However, some studies found that market orientation does not affect marketing performance (Cho & Lee, 2020; Fang et al., 2014; Octavia et al., 2020; Schulze et al., 2022; Yaskun et al., 2023).

In addition to understanding the market, it is necessary to never give up, have foresight in creating opportunities, and possess the courage to take risks and make decisions to act. These traits support product success and increase the customer base. Entrepreneurial marketing is a spirit, orientation, and process to pursue opportunities, create, and develop businesses that provide value for customers through relationships by applying innovation, creativity, sales, marketing, networking, and flexibility, all of which affect marketing performance. Entrepreneurial marketing is seen as having the ability to improve a company's marketing performance (Dhameria et al., 2021; Fink et al., 2020; Gliga & Evers, 2023; Polas & Raju, 2021; Zahara et al., 2023).

The understanding of the market as well as the nature of entrepreneurial marketing will form a foundation for marketing capabilities. Several studies state that entrepreneurial marketing affects marketing performance through reliable marketing capabilities. Similarly, market orientation is positively related to marketing capabilities. Studies conducted on MSMEs show that marketing capabilities mediate the relationship between market orientation, entrepreneurial marketing, and marketing performance.

Marketing capability is the ability to mobilize resources to carry out marketing activities so that customer needs can be met (Liu et al., 2023; Moi & Cabiddu, 2021). It is also described as the ability of a company to perform marketing activities such as building market position, promoting the business, conducting market analysis, recognizing target markets, setting and meeting sales targets, and achieving profit goals. Marketing capabilities drive a company's marketing performance, as research shows a positive effect of marketing capabilities on marketing performance. Additionally, marketing capabilities mediate the influence of market orientation and entrepreneurial marketing on marketing performance.

The dominant factors that support marketing performance according to food small business actors were identified through a preliminary survey by distributing 40 questionnaires to small business actors in Bogor, with 38 responses considered feasible. The first, second, and fourth statements in the pre-survey were chosen as factors affecting marketing performance by more than 50 percent of respondents. The first statement, regarding understanding consumer needs, competitor strengths, and coordination in running a business—an indicator of market orientation—was chosen by 60 percent of respondents. The second statement, describing a proactive attitude, creativity, innovation, and courage to take risks—dimensions of entrepreneurial marketing—was chosen by 52 percent of respondents. The fourth statement, concerning the ability to manage products, prices, promotion, and distribution—an indicator of marketing capability—was chosen by 71 percent of respondents as a factor affecting marketing performance. Other statements were chosen by no more than 30 percent of respondents. Based on the preliminary survey, this study focuses on the dominant factors: market orientation, entrepreneurial marketing, and marketing capabilities as key influences on marketing performance, supported by previous studies.

This study aims to analyze the marketing performance of small businesses domiciled in Bogor City, especially small food businesses, by considering several influencing factors. The problems to be analyzed include the influence of market orientation on marketing performance, the influence of entrepreneurial marketing on marketing performance, and the influence of marketing capabilities on marketing performance in food small businesses in Bogor City. Additionally, this study will examine the relationship between market orientation and marketing capabilities, as well as the mediating effect of marketing capabilities on the relationships between market orientation, entrepreneurial marketing, and marketing performance. The purpose of this study is to clarify and analyze the role of marketing capabilities as a mediator in the influence of market orientation and entrepreneurial marketing on marketing performance in small businesses in Bogor City, with the hope of providing deeper insights into the factors affecting marketing performance in this sector.

METHOD

This study employs a quantitative approach complemented by descriptive analysis to examine the causal relationships between market orientation, entrepreneurial marketing, marketing capabilities, and marketing performance among small businesses in Bogor City. Hypothetical models based on theoretical foundations and previous research guide the investigation. Data were collected through surveys using questionnaires distributed to small business actors, with the study adopting a cross-sectional design to capture a snapshot of opinions and behaviors at a specific point in time.

The research utilizes Structural Equation Modeling (SEM) to analyze the relationships between variables, treating market orientation and entrepreneurial marketing as exogenous latent variables, marketing capabilities as an intervening variable, and marketing performance as the endogenous latent variable. The population consists of 2,773 registered small business actors in Bogor City, with purposive sampling applied to select a representative sample. Data sources include both primary data collected directly from respondents and secondary data obtained from journals, books, and official records from local government offices.

Data collection involved two main methods: field research through surveys using a Likert-scale questionnaire, and library research to review relevant literature and previous studies. The combination of primary and secondary data aims to provide comprehensive insights into the factors influencing marketing performance in the small business sector. This methodological approach supports the study's goal of verifying the hypothesized relationships and understanding how market orientation and entrepreneurial marketing impact marketing capabilities and, ultimately, marketing performance.

RESULTS AND DISCUSSION

Hypothesis Testing

The hypothetical influence model calculation was obtained using the LISREL 10 Software. The results of the statistical calculation of the test in the hypothesis test are summarized and can be seen in the following table:

Table 1. Hypothesis Test Recapitulation

Hypothesis	Path Coefficient	Stuttgart	p-value	Results	Information
Direct Influence					
Market orientation affects marketing performance	0,2719	2,8109	0,005	H0 rejected	Significant
Entrepreneurial marketing affects marketing performance	0,3290	6,0250	0,000	H0 rejected	Significant
Marketing capabilities affect marketing performance	0,4727	4,8612	0,000	H0 rejected	Significant

Hypothesis	Path Coefficient	Stuttgart	p-value	Results	Information
Market orientation affects marketing capabilities	0.5847	7,9834	0,000	H0 rejected	Significant
Entrepreneurial marketing affects marketing capabilities	0,3031	4,5826	0,000	H0 rejected	Significant
Indirect Influence					Significant
Market orientation affects marketing performance through marketing capabilities	0,2764	4,1516	0.000	H0 rejected	Significant
Entrepreneurial marketing affects marketing performance through marketing capabilities	0,1433	3,3341	0.000	H0 rejected	Significant

Source: Results of LISREL 10 data processing

Testing the Influence of Market Orientation (MO) on Marketing Capabilities (MC)

Market orientation is hypothesized to affect marketing capabilities. To test the alleged research, the test hypothesis is statistically stated as follows:

H0:1: (= 0 Market orientation has no effect on marketing capabilities

H1:1: (≠ 0 Market orientation affects marketing capabilities

Based on the results of the calculation of the influence coefficient for market orientation to marketing capabilities, it was positive of 0.5847, with a t-value of 7.9834 and p-value = 0.000. The statistical value of the t-test obtained is in the subtraction area of H0, which is t-count greater than t-critical = 1.96. (t-count = 7.9834 > 1.96) and p-value < 0.05. Then a decision can be made to reject H0. It can be concluded that the results of statistical testing show that market orientation affects marketing capabilities with a positive influence on direction.

Testing the Influence of Entrepreneurial Marketing (EM) on Marketing Capabilities (MC)

Entrepreneurial marketing is hypothesized to affect marketing capabilities. To test the alleged research, the test hypothesis is statistically stated as follows:

H0:2: (= 0 Entrepreneurial marketing has no effect on marketing capabilities

H1:2: (≠ 0 Entrepreneurial marketing affects marketing capabilities

Based on the results of the calculation of the influence coefficient for entrepreneurial marketing, a positive score of 0.3031 was obtained with a calculation value of 4.5826 and p-value = 0.000. The statistical value of the t-test obtained is in the subtraction area of H0, which is t-count greater than t-critical = 1.96. (t-count = 4.5826 > 1.96) and p-value < 0.05. Then a decision can be made to reject H0. It can be concluded that the results of statistical testing show that entrepreneurial marketing influences marketing capabilities with a positive influence on direction

The Influence of Marketing Capabilities on Marketing Performance

Marketing capabilities are hypothesized to affect marketing performance. To test the alleged research, the test hypothesis is statistically stated as follows:

H0:5: = 0 Marketing capabilities have no effect on marketing performance

H1:5: $\neq$ 0 Marketing capabilities affect marketing performance

Based on the results of the calculation of the influence coefficient for marketing capability on marketing performance, it was obtained positive of 0.4727 with a tcal value of 4.8612 and p-value = 0.000. The statistical value of the t-test obtained is in the subtraction area of H0, which is t-count greater than t-critical = 1.96. (t-count = 4.8612 > 1.96) and p-value < 0.05. Then a decision can be made to reject H0 or a significant test. It can be concluded that the results of statistical testing show that Marketing Capability influences marketing performance with a positive influence on direction.

Testing the Influence of Market Orientation (MO) on Marketing Performance (MP)

Market orientation is hypothesized to affect marketing performance. To test the alleged research, the test hypothesis is statistically stated as follows:

H0:3: (= 0 Market Orientation has no effect on marketing performance

H1:3: ($\neq$ 0 Market Orientation affects marketing performance

Based on the results of the calculation of the influence coefficient for Market Orientation on Marketing Performance, a positive score of 0.2719 with a t-value of 2.8109 and p-value = 0.005 The statistical value of the t-test obtained is in the area of rejection H0, which is t-value greater than t-critical = 1.96. (t-value = 2.8109 > 1.96) and p-value < 0.05. Then a decision can be made to reject H0.

It can be concluded that the results of statistical testing show that Market Orientation influences marketing performance with a positive influence on direction.

Testing the Influence of Entrepreneurial Marketing (EM) on Marketing Performance (MP)

Entrepreneurial marketing is hypothesized to affect marketing performance. To test the alleged research, the test hypothesis is statistically stated as follows:

H0:4: (= 0 Entrepreneurial marketing has no effect on marketing performance

H1:4: ($\neq$ 0 Entrepreneurial marketing affects marketing performance

Based on the results of the calculation of the influence coefficient for entrepreneurial marketing on marketing performance, a positive score of 0.3290 was obtained with a calculated value of 6.0250 and p-value = 0.000. The statistical value of the t-test obtained is in the subtraction area of H0, which is t-count greater than t-critical = 1.96. (t-count = 6.0250 > 1.96) and p-value < 0.05. Then a decision can be made to reject H0. It can be concluded that the results of statistical testing show that entrepreneurial marketing has an effect on marketing performance with a positive influence direction.

The Influence of Market Orientation on Marketing Performance Through Marketing Capabilities

Market orientation is hypothesized to affect marketing performance through marketing capabilities. The calculation of the significance test of the statistical hypothesis is as follows:

H0:6: ($= 0$) Market orientation indirectly through marketing capabilities has no effect on marketing performance

H1:6: ($\neq 0$) Market orientation indirectly through marketing capabilities affects marketing performance

Testing for the significance of indirect effects using t-test statistics (sobel test). The value of the sobel t test is obtained from the calculation using Sobel Test for the Significance of Mediation Calculator on

www.danielsoper.com/statcalc3/calc.aspx?id=31.

Sobel Test Calculator for the Significance of Mediation

This calculator uses the Sobel test to tell you whether a mediator variable significantly carries the influence of an independent variable to a dependent variable; i.e., whether the indirect effect of the independent variable on the dependent variable through the mediator variable is significant. This calculator returns the Sobel test statistic, and both one-tailed and two-tailed probability values.

Please enter the necessary parameter values, and then click 'Calculate'.



A:

B:

SE_A:

SE_B:

Calculate!

Sobel test statistic: 4.15168889

One-tailed probability: 0.00001650

Two-tailed probability: 0.0000330

Figure 1. Value Calculation Results t Sobel Test Variabel Market Orientation

Source: www.danielsoper.com/statcalc3/calc.aspx?id=31

The results of the calculation of the sobel test value were obtained with a tcal value of 4.15168889 with a prob value (significance) of 0.00001650.

Table 2. Test the Significance of the Influence of Market Orientation on Marketing Performance through Marketing Capabilities

P _{Zx} × P _{Yz}	t _{count}	t _{critical}	P-value	Conclusion
0,2764	4,15168889	1,96	0.00001650	Significant

Source: Researcher Analysis

Based on the calculation results, the indirect effect coefficient (Indirect Effects) of market orientation on marketing performance through marketing capabilities is 0.2764. The results of the sobel test score obtained a calculated value of 4.15168889 and a p-value of 0.00001650. The statistical value of the t-test obtained is in the subtraction area of H_0 , which is t_{count} greater than $t_{kritis} = 1.96$. ($t_{cal} = 4.15168889 > 1.96$) and the $p < \text{value } 0.05$. So the decision was taken to reject H_0 . So it can be concluded that the results of statistical tests show that market orientation affects marketing performance through marketing capabilities.

The Influence of Entrepreneurial Marketing on Marketing Performance Through Marketing Capabilities

Entrepreneurial marketing is hypothesized to affect marketing performance through marketing capabilities. The calculation of the significance test of the statistical hypothesis is as follows:

$H_0: \gamma \leq 0$ Entrepreneurial marketing indirectly through Marketing capabilities has no effect on marketing performance

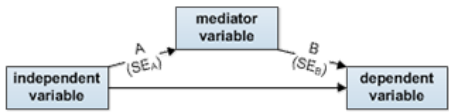
$H_1: \gamma > 0$ Entrepreneurial marketing indirectly through marketing capabilities affects marketing performance

Testing for the significance of indirect effects using t-test statistics (sobel test). The value of the sobel t test was obtained from the calculation using the Sobel Test for the Significance of Mediation Calculator in www.danielsoper.com/statcalc3/calc.aspx?id=31.

Sobel Test Calculator for the Significance of Mediation

This calculator uses the Sobel test to tell you whether a mediator variable significantly carries the influence of an independent variable to a dependent variable; i.e., whether the indirect effect of the independent variable on the dependent variable through the mediator variable is significant. This calculator returns the Sobel test statistic, and both one-tailed and two-tailed probability values.

Please enter the necessary parameter values, and then click 'Calculate'.



A: ?

B: ?

SE_A: ?

SE_B: ?

Calculate!

Sobel test statistic: 3.33413230

One-tailed probability: 0.00042783

Two-tailed probability: 0.00085566

Figure 2. Value Calculation Results t Sobel Test Variabel Market orientation

Source: www.danielsoper.com/statcalc3/calc.aspx?id=31

The results of the calculation of the Sobel test value were obtained with a t-count value of 3.33413230 with a prob value (significance) of 0.00085566

Table 3. Test of the Significance of the Influence of Entrepreneurial Marketing on Marketing Performance Through Marketing Capabilities

$P_{zx} \times P_{yz}$	t_{count}	$t_{critical}$	P-value	Conclusion
0,1433	3,33413230	1,96	0.00085566	Significant

Source: Researcher Analysis

Based on the calculation results, the coefficient of indirect effects of entrepreneurial marketing on marketing performance through marketing capabilities is 0.1433. The results of the sobel test score obtained a tcal value of 3.33413230 and a p-value of 0.00085566. The statistical value of the t-test obtained is in the subtraction area of H_0 , which is tcount greater than tkritis = 1.96. ($t_{cal} = 3.33413230 > 1.96$) and the p value < 0.05 . So the decision was taken to reject H_0 . So it can be concluded that the results of statistical testing show that entrepreneurial marketing has an effect on marketing performance through marketing capabilities.

Discussion

Respondent Description

The characteristics of the respondents show that most (61%) are male with an average age of 47 years, high school education, meaning that food small business actors are men of productive age and are experienced enough in running a business so that they survive running a business for an average of 6.5 years and are able to employ 6 employees. This indicates that the business is stable.

The results of respondents' answers to questions in the questionnaire that show the dimensions of the variables describe their perception of the variables being studied. Based on respondents' answers about the dimension of customer orientation, activities in providing more services for customer satisfaction are the highest indicators that reflect the dimension of customer orientation. The highest competitor onboarding dimension is reflected by responding when competitors perform certain strategic actions in marketing. Meanwhile, the dimension of coordination between functions is reflected in the activity of sharing information with employees about customer purchasing habits. Of these three dimensions, coordination between factions is a high dimension in reflecting market orientation variables. Respondents' responses to the Opportunity Focus dimension are reflected in respondents' activities monitoring the development of market tastes. The Proactiveness dimension is reflected in the respondent's action of preparing several alternative solutions to problems that may occur in his business. The Risk-Taking dimension is reflected by the respondents'

activities in collecting information on changes in environmental conditions that are risky to their business. The dimension of Customer Intensity is reflected by the actions of respondents in providing additional services to their customers. Resource leveraging is reflected in the willingness of respondents to involve all employees in marketing activities, Innovation is reflected in the spirit of respondents to use certain methods in determining modifications of the products offered. Of the 6 dimensions, the Proactiveness dimension is the dominant dimension in reflecting entrepreneurial marketing variables.

Respondents' responses regarding the dominant market research dimension are reflected by respondents' actions in anticipating customer needs. The price dimension is reflected by the respondent's action of setting the price based on the cost. The dimensions of the product are reflected by the respondents' actions to make quality products. The distribution dimension is reflected by the respondent's activities in managing and establishing good relationships with the people involved in the distribution. The promotional dimension is reflected from the respondents' marketing activities with direct face-to-face with customers. Of the five dimensions, the dominant distribution capability dimension reflects the marketing capability variable.

The development of respondent customers from various social class groups and various backgrounds reflects the dimensions of the respondent market growth. The profitability dimension is reflected by the increased profit per unit sold, meaning that the respondent succeeds in increasing its profit margin, this can be achieved if the price increases without being followed by an increase in costs or succeeds in achieving cost efficiency at the same price. The dimension of customer satisfaction is reflected by respondents' assessments of their customers inviting their friends to buy their products.

The relationship between the dimensions of the variables shows a significant relationship with the tightness of the low to medium ridges, showing that these dimensions cannot stand alone in contributing to their endogenous variables.

4.3.2. Model Measurement

Model measurements are carried out to measure how well the indicator can be used as a variable measurement instrument. Using confirmatory factor analysis (CFA), the validity and reliability of variable indicators were evaluated.

The results of the model suitability assessment based on the output of the goodness of the CFA model for each variable show that the constructs of market orientation, entrepreneurial marketing, marketing capabilities and marketing performance developed in the good research (Fit) means that by looking at the results of the goodness of fit index of several measures meet the model suitability measures.

The weight of the factor (Loading Factor) of each variable indicator in forming each latent variable dimension of the variables of market orientation, entrepreneurial marketing, marketing capabilities and marketing performance that is studied is above the recommended

average loading factor of 0.5, meaning that all indicators are valid and can be used in the calculation of the next SEM model

The t-Value obtained by each manifest variable is more than 1.96 so it can be said that the manifest variable used is significant in measuring latent variables.

The construct reliability value of the variable for each dimension is above 0.7 and the extracted variance result for the latent variable is more than 0.5. This means that the latent variables that are formed, namely the variables of market orientation, entrepreneurial marketing, marketing capabilities and marketing performance, have a high level of reliability and the indicators used in each variable have a good suitability.

Structural Equation Modeling (SEM)

The structural equation modeling (SEM) equation model is used to determine the influence of market orientation and entrepreneurial marketing variables on marketing performance through marketing capabilities.

A normality test of univariate and multivariate data was carried out before determining the method of estimating the structural equation model. The test uses the statistics of the kurtosis value test, the results of the significance value of the Skewness and Kurtosis test show that the indicator (observed) does not meet the normal distribution and likewise the multivariate normality value does not meet the normal distribution.

The results of the multicollinearity and singularity test through the sample covariance matrix value concluded that there was no multicollinearity and singularity in the research data. Because the sample size of 350 respondents and the data did not meet the normal data distribution, the estimate used was Robust Maximum Likelihood Estimation.

Based on the calculation of the model with the help of the LISREL software 10 research model drawings. Structural model evaluation focuses on the relationships between variables to ascertain whether the hypothetical relationships in the conceptualization model are supported by empirical data obtained through research results. Through the first structural equation, it is known that the relationship between the free variable of market orientation and the positive marketing capability as well as the relationship between the independent variable of entrepreneurial marketing and the positive marketing capability. This means that increasing market orientation activities, entrepreneurial marketing will encourage the marketing ability of small business actors in Bogor City. The coefficient of determining the model of the influence of market orientation and entrepreneurial marketing on marketing capabilities is 61.29 percent, meaning that the contribution of the influence of market orientation and entrepreneurial marketing can explain 61.29% to the variation in changes in marketing capabilities. The remaining 38.71% were explained by other variables that were not studied (personal characteristics factors, experience, technology, etc.).

The second structural equation shows that the relationship between market orientation variables to positive marketing performance, the relationship between entrepreneurial marketing to positive marketing performance, the relationship between marketing

capabilities and positive marketing performance means that improving the behavior of market orientation activities, entrepreneurial marketing and the marketing ability of small business actors will have an impact on increased marketing performance. The model of the influence of market orientation, entrepreneurial marketing, and marketing capabilities on marketing performance has a Coefficient of determination value of 87.19 percent, meaning that the variation in marketing performance of 87.19 % can be explained by market orientation, entrepreneurial marketing and marketing capabilities, the remaining 12.81 % is explained by other factors outside the model such as capital factors, access, business legality, etc. Market orientation is dominant in influencing the marketing performance of small businesses. This means that the dimensions of customer orientation, competitor orientation, and coordination between functions that reflect the market orientation of small business actors have a dominant influence on increasing sales, profitability and customer satisfaction.

The model fit test is carried out through several stages, namely the overall model fit test, the measurement model fit, and the structural model fit.

The results of the overall model fit or the goodness of fit assessment of a structural equation model show that the model seen from the chi-square value has not met the model fit measure (the chi-square value is greater than the chi-square table value with a significance level smaller than 0.05. A chi-square value of 0 indicates that the model has a perfect fit. This chi-square probability is expected to be insignificant. The expected value of chi – square is below the value of chi – table. However, the research model had a CMIN/DF value of < 0.3/0.5, GFI > 0.9, NFI > 0.9 and RMSEA < 0.08 which indicates a good level of conformity. Based on the results of the goodness of fit testing of the model that has been carried out on the data obtained, it can be concluded that the model in this study is in accordance with expectations. This is shown by the values of the index and the match of the model, the majority of which are good fit. Thus, it can be concluded that the overall fit of the model in this study is good. The results of the Goodness of Fit Test obtained show the model as a whole fit. The size of the Goodness of fit is in accordance with the recommendations and is greater than cut off value.

Measurement model fit is carried out to evaluate the relationship between latent variables and several observed variables (dimensions) separately through evaluation of the validity and reliability of the measurement model. The results of the validity and reliability testing of the measurement model of each variable were obtained loading factor of each variable dimension as a manifest variable for the variables of market orientation, entrepreneurial marketing, marketing capability and marketing performance all above the recommended average loading factor of 0.5 t-value of each manifest variable more than 1.96 so that it can be said that the manifest variable of each variable used is meaningful in Measure the variables of market orientation, entrepreneurial marketing, marketing capabilities, marketing performance. The Construct Reliability (CR) value of all variables ≥ 0.7 indicates

that the latent variables formed have a high level of reliability. The Variance Extract (VE) value ≥ 0.50 indicates that the manifest variable that forms the latent variable is correct.

The results of the structural model match using the t-value parameter resulted in seven hypotheses that were proposed, all of which were significant. This means that exogenous variables have a significant effect on endogenous variables of marketing performance

Discussion of Hypothesis Test Results

The Influence of Market Orientation on Marketing Performance

The results of statistical tests show that market orientation has an effect on marketing performance. The interpretation of these results means that the understanding of small business actors about customers is shown by the activity of providing services more than just transactions, responding when there is input about customer needs and preferences; the understanding of small business actors about their competitors as shown from the activity of responding with strategic actions when competitors make certain strategic changes in marketing; The activities of small business actors to coordinate between functions are shown by the behavior of sharing information with their employees about the habits and characteristics of their customers. These behavioral activities affect customer satisfaction, customer development, and profitability which is the achievement of the marketing performance of the business. If small business actors behave to reflect market orientation, it will affect the achievement of better marketing performance. In line with the results of previous research which stated that market orientation affects marketing performance.

The Influence of Marketing Orientation on Marketing Capabilities

The results of statistical testing show that market orientation has an effect on marketing capabilities. The interpretation of the results means that the understanding of small business actors about customers is shown by the activity of providing more services for satisfaction, responding when there is input about customer needs and preferences; the understanding of small business actors about their competitors as shown from the activity of responding with strategic actions when competitors make certain strategic changes in marketing; Small business activities to coordinate between functions that are shown by the behavior of sharing information with their employees about the habits and characteristics of their customers.

These behavioral activities have a positive effect on the ability of small business actors to obtain information about their products, the ability to set appropriate prices, the ability to make quality products, the ability to establish good relationships with those involved in distribution and the ability to communicate products to customers. If small business actors behave in a way that reflects market orientation, it will improve the ability of small businesses to market. In line with the results of previous research which stated that market orientation has a positive effect on marketing capabilities.

The Influence of Entrepreneurial Marketing on Marketing Performance

The results of statistical tests show that entrepreneurial marketing has an effect on marketing performance. The interpretation of the results means that the attitude of small

business actors who are proactive in dealing with various problems related to business to get opportunities is characterized by innovation, the courage to take risks and optimize resources, affecting the achievement of marketing performance is characterized by customer satisfaction, customers are growing, and profitability achievements. If small business actors behave that reflect better entrepreneurial marketing, it will affect the achievement of better marketing performance. This result is in line with the results of previous research which showed that entrepreneurial marketing has a real effect on marketing performance.

The Influence of Entrepreneurial Marketing on Marketing Capabilities

The results of statistical tests show that entrepreneurial marketing has an effect on marketing capabilities. The interpretation of these results means that the attitude of small business actors who are proactive in dealing with various problems related to business getting opportunities is characterized by innovation, the courage to take risks and optimize resources, affecting the ability of small business actors to perform various marketing functions in meeting customer needs. If small business actors behave that reflect improved entrepreneurial marketing, it will affect better marketing capabilities. In line with the results of previous research that stated that entrepreneurial marketing has an effect on marketing capabilities.

The Influence of Marketing Capabilities on Marketing Performance

The results of statistical testing show that marketing capabilities have an effect on marketing performance. The interpretation of the results means that the ability of small business actors to apply their knowledge, skills, and resources to perform various marketing functions affects the achievement of marketing performance characterized by customer satisfaction, customer development, and profitability achievement. If small business actors behave that reflect better marketing skills, it will affect the achievement of better marketing performance. In line with the results of previous research that stated that marketing capabilities affect marketing performance.

The Influence of Marketing Orientation on Marketing Performance Through Marketing Capabilities

The results of statistical tests show that market orientation affects marketing performance through marketing capabilities. This means that marketing capabilities can mediate the influence of market orientation on marketing performance. In line with previous research, it has been shown that marketing capabilities are able to mediate the influence of market orientation on marketing performance. The direct indirect influence of market orientation on marketing performance through marketing capabilities is greater than the direct influence of market orientation on marketing performance. This means that marketing capabilities mediate the influence of Orientation on marketing performance.

The Influence of Entrepreneurial Marketing on Marketing Performance Through Marketing Capabilities

The results of statistical testing show that entrepreneurial marketing affects marketing performance through marketing capabilities. This means that marketing capabilities can mediate the influence of entrepreneurial marketing on marketing performance. These results are supported by previous research that states that marketing capabilities mediate the influence of entrepreneurial marketing on marketing performance. The value of proactive behavior in exploiting new opportunities affects the ability to develop market information that can affect market growth.

The results of the calculation show that the direct influence of entrepreneurial marketing on marketing performance (0.3290) is greater than the indirect influence of entrepreneurial marketing on marketing performance through marketing capabilities (0.1433). This mediation is partial mediation, because either through or without variables of marketing capabilities, entrepreneurial marketing has a significant effect on marketing performance but the value of the direct influence coefficient is greater than the indirect influence coefficient. This means that the attitude and proactive behavior of entrepreneurial marketing reflection owned by small business actors have a direct effect on marketing performance and marketing capabilities only partially mediate indirect relationships.

CONCLUSION

Based on the hypothesis testing results, market orientation positively influences marketing performance by enhancing customer understanding, competitor awareness, and internal coordination, which in turn drives market growth, profitability, and customer satisfaction among food small businesses in Bogor City. Entrepreneurial marketing also significantly affects marketing performance, with proactive behavior, risk-taking, and resource optimization contributing to improved business outcomes. Marketing capabilities further impact marketing performance by enabling businesses to gather and utilize market information effectively. Additionally, both market orientation and entrepreneurial marketing strengthen marketing capabilities, which mediate the relationship between market orientation and marketing performance more strongly than the direct effect, while marketing capabilities only partially mediate the effect of entrepreneurial marketing on performance. For future research, it is suggested to explore other potential mediating variables or contextual factors that might better explain the relationship between entrepreneurial marketing and marketing performance, as well as to investigate these dynamics in different sectors or regions to enhance generalizability.

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