

The Influence of Digital Marketing and Entrepreneurial Orientation and Market Orientation on Competitive Advantage and Marketing Performance in Msme In Sangatta East Kutai District

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ABSTRACT: *A prolonged pandemic as a result of the Coronavirus is one form of threat that attacks many countries in the world. This pandemic has had an impact on almost all sectors of life. The economic sector cannot be separated from this shift and many MSMEs have experienced business closures due to difficulties in adapting from MSME business models which tend to be conventional to digital business models. This is also experienced by several MSMEs in Sangatta, East Kutai Regency. This research was conducted with the aim of obtaining empirical evidence of the influence of digital marketing and entrepreneurial orientation and market orientation on competitive advantage and marketing performance in MSMEs in Sangatta, East Kutai Regency. The population in this study were MSMEs in Sangatta, East Kutai Regency as respondents consisting of 100 respondents. This research uses an analysis tool, namely SmartPLS. The results of analysis tests on the data obtained show that digital marketing has no significant effect on competitive advantage. However, entrepreneurial orientation and market orientation have a significant effect on competitive advantage and marketing performance.*

Keywords: *Digital Marketing, Entrepreneurial Orientation, Market Orientation, Competitive Advantage, Marketing Performance.*

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I. INTRODUCTION

Industrial development in Indonesia has greatly increased, and this can be seen from the development of industry 4.0 which is strongly encouraged by the Ministry of Industry. According to the Minister of Industry, this is so that Indonesia can compete with other countries in the industrial field. The Industrial Revolution 4.0 is a transformation effort towards improvement by integrating the online world and production lines in the industry, where all production processes run with the internet as the main support. Industrialization strengthened by innovation and technology is an important key to achieving Indonesia's economic growth. Indonesia's economic growth is inseparable from the many entrepreneurs from businesspeople who contribute to the business world. Micro, Small and Medium Enterprises (MSMEs) have an important role in the Indonesian economy, especially during the monetary crisis in 1998 and during the Covid-19 Pandemic. Judging from the role of MSMEs in the Indonesian economy which includes means of equitable distribution of the economic level of small people, means of alleviating poverty and means of foreign exchange income for the state, MSMEs are part of the Indonesian economy that is independent and has great potential. As a business entity that supports the Indonesian economy, the number of MSMEs has increased from year to year. Based on data from the Ministry of Cooperatives and Small and Medium Enterprises (Ministry of KUKM) in 2021, the number of MSME players in Indonesia reached 64.2 million with a contribution to gross domestic product (GDP) of 61.07 percent or IDR 8,573.89 trillion. MSMEs are able to absorb 97 percent of the total workforce and are able to collect up to 60.4 percent of the total investment in Indonesia. Based on these data, Indonesia has the potential for a strong national economic base because of the large number of MSMEs and the huge absorption of labour. The percentage of MSMEs increases every year so that the reduction in the number of unemployed in Indonesia will also decrease. In 2021, the government launched the Online Single Submission – Risk Based Approach (OSS

RBA) platform which is used as a medium for registering business licenses in Indonesia for business actors. At this time business competition is increasingly competitive, fast and unpredictable. This is because entrepreneurs strive to make improvements, refinements and even new innovations if they want the business to survive. For this reason, it is important for business entrepreneurs to change their maximum strategy in order to maintain the existence of the business built, including Micro, Small and Medium Enterprises (MSMEs). The development of small and medium industries (MSMEs) is an effort to improve the economy because of its enormous potential in driving the national economy. The development and growth of Micro, Small and Medium Enterprises (MSMEs) is one of the crucial driving forces.

MSME owners / entrepreneurs are required to always understand and understand the desires of consumers to survive so that they can compete with other entrepreneurs. This is according to the statement (Porter, 2006) That to maintain existence and face strength, companies need to pay attention to 5 factors or competitive factors (five forces), including competitors in the same company, bargaining power suppliers, bargaining power buyers, threats of new entrants and threats of product substitution. By paying attention to the five forces strategy, it will certainly be able to improve marketing performance. Marketing performance is a concept to measure the impact of the strategy implemented by the company as a reflection of existing marketing activities. Marketing performance is a measure of achievement obtained optimally in implementing the right strategy to manage its business well. To influence marketing performance, we must design an effective marketing strategy, so that competitive advantage can be realized prolonged. The competitive advantage that entrepreneurs have will have a positive impact on the company's marketing performance. In order for marketing performance to be maximized, there are many factors that influence it, including the importance of marketing networks, entrepreneurial orientation and market sensing capabilities.

Entrepreneurial orientation is a characteristic and value embraced by entrepreneurship itself which is the nature of never giving up, daring to take risks, speed and flexibility. For this reason, an entrepreneur must always think creatively to produce goods or services desired by the market in order to be able to compete with competitors and improve their marketing performance. Therefore, it is very important for an entrepreneur to be proactive about new opportunities, product innovation to support the company's capabilities, and no longer about complementing competitors but also having to be one step more understanding of consumer needs. A good understanding of customers will encourage management to understand correctly what are the wants and needs of consumers. By knowing the wants and needs of consumers, the company is required to be able to provide good products or services for consumers. When the company is able to create / provide good products or services in accordance with the wants and needs of consumers, it can be ascertained that consumers will buy the company's products or services. The company's ability to understand the wants and needs of consumers and provide products or services that consumers want, and need is known as market orientation. A good market orientation of a company will contribute to the implementation of a good marketing strategy by management. This will certainly have an impact on the level of effectiveness of the company's performance. The company's performance will be better along with the better the company's orientation to the target market. To maintain its market share, several companies implement various strategies that are planned and directed to build competitive advantage so that they can win the competition. All strategies made are expected to improve marketing performance. Corporate strategy is always directed to produce performance, both financial and marketing performance. Effective strategies can be seen in the most developed places through the means of devising a strategy.

Currently, several countries are worried about the issue of the threat of recession after going through the economic contraction due to the Covid-19 Pandemic. The issue of the threat of recession is caused by an increase in global inflation due to supply disruption due to the pandemic and the Russia-Ukraine war, which is accompanied by tighter monetary policy in advanced countries. In general, economic recession can be interpreted as a condition where the country's economy experiences a decline based on gross domestic product (GDP), the number of unemployed, and negative economic growth for two consecutive quarters. A prolonged pandemic as a result of the Corona virus is one form of threat that attacks many countries in the world. This pandemic has had an impact on almost all sectors of life. One of the affected sectors besides health is the economic sector. The economic sector is inseparable from the shift that previously there were many conventional businesses, so in recent years it has begun to shift to digital business. In relation to MSMEs as one of the economic subsectors, inevitably they have to keep up with the times. MSMEs as businesses originating from the community, which are able to develop and absorb labor and contribute to increasing the country's foreign exchange in the form of export receipts.

Based on the phenomenon, as many as 84% of micro and small enterprises (MSEs) and 82% of medium and large enterprises (UMB) have experienced a decrease in income since the Covid-19 pandemic occurred. The Covid-19 pandemic has had an impact on various fields, especially the economic sector. Some of the obstacles faced by MSMEs start from declining sales results, reduced buyers, and so on. Some are even forced to close because they are unable to survive and get high losses because sales do not sell. So that one of

the ways for MSMEs to rise again is to change the marketing orientation to digital form, where all buying and selling activities are carried out through electronic media. MSME digitalization is an effort to digitize the marketing of MSME products by MSME actors. In an era with increasingly sophisticated technology has made it easier for businesspeople to market and sell their products online. Some business actors no longer need a trading stall, because of changes in the way of selling through social media and e-commerce as a new space.

In East Kutai Regency, there are several MSME actors distributed in 18 sub-districts and recorded in the Cooperatives, Small and Medium Enterprises Office of East Kutai Regency for fiscal year 2022. With this number of actors, every MSME is required to be able to innovate in facing current development conditions. To further improve the existence and progress of small, micro and medium enterprises (MSMEs), the East Kutai government (Kutim) involved hundreds of MSME players to become participants in creative entrepreneurship training based on digital marketing. With the hope that business actors can develop their business through online marketing. The training is a learning opportunity for MSMEs in marketing products and it is expected that 50% of training participants can implement it. However, in reality, the ability of MSME actors to utilize this technology is still not fully achieved.

Many MSMEs are experiencing business closures, difficulty paying credit installments, employee salaries, business premises rental costs and electricity costs due to the difficulty of adapting from MSME business models that tend to be conventional to digital business models. Digitalization is believed to be a solution for MSMEs to rise, but in its implementation, MSME players still face several obstacles. Most MSMEs do not have the readiness of resources to use information technology, uneven internet access because some areas are still unreachable by internet access and also network problems (relational capital) both networks among entrepreneurs and government and banks.

Based on the above phenomenon, the author is interested in conducting research entitled "**The Influence of Digital Marketing and Entrepreneurial Orientation and Market Orientation towards Competitive Advantage and Marketing Performance in MSMEs in Sangatta, East Kutai Regency**". This study wants to know (1) whether digital marketing has an effect on competitive advantage; (2) whether entrepreneurial orientation affects competitive advantage; (3) whether market orientation affects competitive advantage; (4) whether digital marketing affects marketing performance; (5) whether entrepreneurial orientation affects marketing performance; (6) whether market orientation affects marketing performance; and (7) whether competitive advantage affects marketing performance.

II. LITERATURE REVIEW

Marketing Performance

Marketing performance is a factor that is often used for important elements of company performance in general, the performance of a company measures the impact of the strategy implemented by the company. The company's marketing performance can be seen from its marketing performance so far. Marketing performance is a concept to measure the marketing performance of a company. Every company has an interest in knowing its achievements as a mirror of the success of its business in market competition (Ferdinand, 2000). Performance or Performance is a system associated with processes and outcomes (Outcome) achieved. Marketing performance is a measure of achievement obtained from the overall marketing process activities of a company or organization. Marketing performance is a concept that measures a company's marketing performance. Every company is interested in studying its achievements to reflect the success of its business in market competition (Pattipeilohy, 2018). Marketing is an activity, a set of institutions and processes for creating, communicating, delivering and exchanging valuable offers for customers, customers, partners and society at large (Kotler, 2016). Marketing is a one-person activity that aims to satisfy, satisfy, and satisfy needs through the communication process. Marketing performance is a benchmark for the company's success in marketing its products in the market. Marketing performance is a concept used to measure the company's performance in marketing its products (Arbawa & Wardoyo, 2018).

Competitive Advantage

According to Porter (1994) in research (Suparyadi, 2003) explained that "competitive advantage is the concept of competitive advantage cannot be understood by looking at a company as a whole, but must be from the origin of competitive advantage that is the various different activities carried out by companies in innovating products, producing, marketing, delivering and supporting their products". Therefore, to face competition that is getting tighter day by day, every company must be able to read the opportunities for competitive advantage it has. Competitive advantage according to (Saiman, 2009) is a benefit that exists when a company has and produces a product or service that is seen from its target market better than the nearest competitors. To achieve competitive advantage, an entrepreneur must be able to recognize various basic elements. According to (Sudaryono, 2016) Competitive advantage is a benefit that exists when a company has and produces a product or service that is seen from its target market better than its closest competitors. When the company is able to

create superior value in its products compared to competitors, it will automatically bring many benefits to the company, many benefits will be obtained such as a good image, consumer loyalty, and when able to increase sales, it has a great opportunity to obtain greater profits as well.

Digital Marketing

(Dedi Purwana, 2017) Digital Marketing is a marketing activity that uses digital media using the internet that utilizes media in the form of the web, social media, e-mail, databases, mobile/wireless and digital TV to increase target consumers and to find out the profile, behavior, product value, and loyalty of customers or target consumers to achieve marketing goals. Digital marketing is an activity in the field of marketing that utilizes platforms on the internet in reaching target consumers, besides that Digital Marketing Defined as marketing products or services through the internet or called marketing-I, web marketing, Online Marketing, e-marketing or e-commerce (Hermawan, 2012).

Entrepreneurial Orientation

Entrepreneurial orientation is seen as having skills to improve the performance of an industry. Entrepreneurial orientation refers to processes, applications, and urgent decision making towards new inputs and has 4 aspects of entrepreneurship, namely innovative, proactive role, dare to take risks, and autonomy (Arbawa, D. L., & Wardoyo, 2020). The concept of entrepreneurship basically refers to the character, nature, and identity attached to a person who has a strong desire to realize innovative ideas into the real business world and can develop them resiliently (Mulyani, I. T., 2015). (Michael E. Porter, 2008) Defining entrepreneurial orientation as an industry benefit strategy to be able to compete more efficiently in the same market place. Entrepreneurial orientation refers to processes, applications, and urgent decision making towards new inputs and has 3 aspects of entrepreneurship, namely always innovative, playing a proactive role and daring to take risks.

Market Orientation

Market orientation is a process and activity related to the creation and satisfaction of customers continuously to evaluate customer needs and wants. The application of market orientation brings improved performance to the company. Market orientation is the most effective and efficient corporate culture to create good value for customers, and this will create sustainable upper performance for the company (Arbawa, D. L., & Wardoyo, 2020). Market orientation is a process carried out by the industry in obtaining data on market conditions with the aim of producing product advantages for consumers. Market orientation is also defined as the attitude of an organization in identifying each consumer need, competitive attitude, and telling data about the market to the entire organization (Yanuar, N. D., & Harti, 2020).

Relationship Between Variables

The Influence of Digital Marketing on Competitive Advantage

According to (Wardhana, 2015) Finding that strategy Digital Marketing influence up to 78% on the competitive advantage of MSMEs in marketing their products. The strategy consists of the availability of product information and guides, the availability of product images or photos, the availability of videos that are able to visualize products or display supporting presentations, the availability of online communication with entrepreneurs, the availability of tools for transactions and payment media, the availability of consumer support services, the availability of testimonials from buyers and visitor records. (Rahayu Lestari, 2022) In its study of 100 consumers showed that Digital Marketing Positive and significant effect on competitive advantage. Other researchers who conducted more specific studies on Digital Marketing be (Zuhdi et al, 2021) indicates that Digital Marketing exert a significant influence on competitive advantage.

H1: Digital marketing has a positive and significant effect on competitive advantage

The Influence of Entrepreneurial Orientation on Competitive Advantage

Entrepreneurial Orientation (EO) is defined as an organization's desire to identify and accept new opportunities and take responsibility for effecting change (Zehir, Cemal., 2015). Entrepreneurial orientation is considered as one of the situational strategies that allows companies to engage permanently, engage and follow risk-taking, innovative, and proactive behaviors that affect the performance of those companies. (El-Masry, 2021) In his research shows that entrepreneurial orientation has a positive and significant effect on competitive advantage.

H2: Entrepreneurial orientation has a positive and significant effect on competitive advantage

The Influence of Market Orientation on Competitive Advantage

Market orientation requires sufficient resources to create a sustainable competitive advantage. Market orientation involves customers and competitors, so creative industry players must understand the role of organizational culture. Marketing organizations must understand consumer needs and provide better value than competitors. Market orientation can improve innovation and business performance (Suliyanto & Rahab, 2012). The success of the creative industry in developing creativity and realizing it in the form of new market-oriented product innovations is expected to create competitive advantages. In research (Sutapa et al., 2017) shows that market orientation has a positive and significant effect on competitive advantage. (Haryono, 2017) in his research shows that market orientation has a positive effect on competitiveness. Market orientation indirectly has a positive but not significant effect on business competition based on business performance.

H3: Market Orientation has a positive and significant effect on Competitive Advantage.

The Influence of Digital Marketing on Marketing Performance

(Kotler, 2016), New Wave Technology is a technology that enables connectivity and interactivity between individuals and groups. New wave It encompasses three main strengths, namely cheap computers and mobile phones, cheap internet, and open source. Starting from that phenomenon, in terms of marketing finally known the term Digital Marketing. Digital marketing as the use of technology to assist marketing activities that aim to increase consumer knowledge by adjusting to their needs, Digital Marketing becomes an exploitation of digital technology used to create a channel to reach potential recipients to achieve company goals through meeting consumer needs more effectively. Empirical studies supporting this research on influence Digital Marketing towards Marketing Performance is a study conducted by Li et al. (2021), Dwidevi et al. (2020), Madhani et al. (2020) stated that Digital Marketing Significant effect on marketing performance. Unlike the case with research conducted by Garcia et al. (2019) states that Digital Marketing insignificant effect on marketing performance.

H4: Digital marketing has a positive and significant effect on Marketing Performance.

The Influence of Entrepreneurial Orientation on Marketing Performance

(Narver, 2015) Defining entrepreneurial orientation as the tendency or understanding of the need to be proactive to market opportunities and market dynamism, tolerant of risk, and flexible to change. Entrepreneurial orientation can also be interpreted as the orientation of companies that have principles on efforts to identify and take advantage of opportunities. In research conducted by (Nurjanah & Isa, 2021) shows that entrepreneurial orientation has a positive and significant effect on marketing performance.

H5: Entrepreneurial Orientation has a positive and significant effect on Marketing Performance.

The Influence of Market Orientation on Marketing Performance

A market-oriented company is a company that makes customers a mecca for companies to run their business. Market orientation is defined as the collection of market intelligence to meet current and future customer needs, the dissemination of market intelligence to various divisions and functions within the company and how the company responds to it. The role of market orientation will improve the strength and performance of innovative products such as collecting market information, disseminating market information, innovation and marketing performance. In research (Aulia et al., 2019) shows that market orientation has a positive and significant effect on marketing performance. Likewise with research conducted by (Sari & Farida, 2020) states that market orientation positively affects marketing performance.

H6: Market Orientation has a positive and significant effect on Marketing Performance.

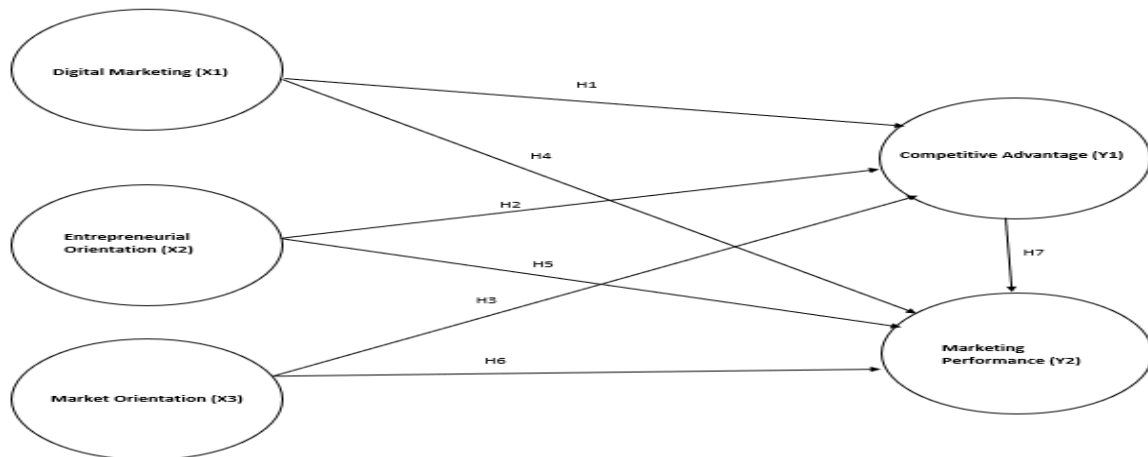
The Influence of Competitive Advantage on Marketing Performance

According to (Porter, 2003) explained that "competitive advantage is the concept of competitive advantage cannot be understood by looking at a company as a whole, but must be from the origin of competitive advantage that is the various different activities carried out by companies in innovating products, producing, marketing, delivering and supporting their products". Therefore, to face competition that is getting tighter day by day, every company must be able to read the opportunities for competitive advantage it has. In research conducted by (Nofrizal et al., 2021) shows that competitive advantage has a positive and significant effect on marketing performance.

H7: Competitive Advantage has a positive and significant effect on Marketing Performance.

Research Conceptual Framework

Figure 1. Research Conceptual Framework



III. RESEARCH METHOD

Operational of Definitions

1. Competitive Advantage (Y1)

Competitive advantage according to (Saiman, 2009) is a benefit that exists when a company has and produces a product or service that is seen from its target market better than the nearest competitors. To achieve competitive advantage, an entrepreneur must be able to recognize various basic elements. The indicator of competitive advantage above, the author refers to the opinion expressed by (Bharadwaj, Sundar G, P.R.Varadarajan, & Fahly, 2003) that the indicators used for the competitive advantage variable are:

- a. Worth
- b. Unlike others
- c. Not easily replaced, because an item that is valuable, different from others, and not easily replaced is an added value that will be an advantage of a company itself

2. Marketing Performance (Y2)

Marketing performance is the company's performance in terms of its marketing aspect. (Iskandar, 2018) mentioned that marketing performance can be measured through several indicators, namely

- a. Sales turnover, is the result of sales of the company's products within a certain period of time
- b. Increase in sales, which is an increase in the number of sales from year to year or from time to time
- c. Sales return, which is the amount of product sales that are returned (returned)
- d. Marketing area coverage, which is the reach of customer areas that can be served by the Company

3. Digital Marketing (X1)

According to the American Marketing Association in (Claesson, A., & Jonsson, 2017) Marketing defines marketing as an activity, a collection of institutions, and processes for creating, communicating, delivering, and offering a value exchange for customers, clients, partners, and society at large. spend time online. According to Mary W, et al (2003: 193) that digital marketing variable indicators that can influence consumer purchasing decisions include:

- a. Fulfilment / reliability is easy access in the accuracy of the display and description of the product that consumers receive in accordance with what consumers order.
- b. Website design is a liaison with the digital world as a whole online activities will be directed directly to potential customers. So, it can be concluded that website design includes the practicality of consumers in searching for information, order processes, appropriate personalization, and product selection.
- c. Customer service, namely good service, responsive, communicative, intelligent in responding to consumer questions and responding to consumer needs.
- d. Security / privacy includes privacy security of personal information and online payment systems.

4. Entrepreneurship Orientation (X2)

(Michael E. Porter, 2008) Defining entrepreneurial orientation as an industry benefit strategy to be able to compete more efficiently in the same marketplace. The indicators of entrepreneurial orientation are as follows:

- a. Innovative

- b. Risk taking
- c. Proactive

5. Market Orientation (X3)

Market orientation is the main concept of market orientation still involves generating, disseminating, sharing information, and reacting well to changing market needs to achieve organizational goals, guaranteeing the needs and desires of customers, while simultaneously considering the interests of all company stakeholders. The indicators in this study according to (Wahyono, 2002), namely:

- a. Customer orientation
- b. Competitive orientation

Population and Sample

The population used in this study is MSMEs located in Sangatta, East Kutai Regency with a total sample of 100 MSMEs with sample criteria as respondents are: (1) respondent are MSME actors domiciled in Sangatta and are residents of Sangatta city, East Kutai regency; (2) MSMEs already have a business license and have established their business for at least 2 years and have at least 1 employee; and (3) MSMEs use digital marketing as a promotional tool.

Analysis Method

In this study, data analysis used the Partial Least Square (PLS) approach. Partial Least Square (PLS) is used to estimate the partial least squares of regression models, otherwise known as projections against latent structures. PLS is a predictive technique that is an alternative to ordinary least square regression (Ordinary Least Square (OLS), or structural equation modelling (SEM).

Hypothesis Test

1. If the value of $t_{hitung} > t_{table}$ or sig. $< \alpha$ then H_1 is accepted and H_0 or if the probability value of significance is < 0.05 means that the exogenous variable has a significant effect on the endogenous variable.
2. But if $t_{hitung} \leq t_{table}$ or sig. $\geq \alpha$ then H_1 is rejected and H_0 is accepted. Or if the probability value of significance > 0.05 means that the exogenous variable has no significant effect on the endogenous variable.

IV. ANALYSIS AND DISCUSSION

Analysis Measurement Model (Outer Model)

Measurement Model Analysis (Outer Model) is an analysis that describes a relationship between indicators and variables by showing the level of significance that occurs in research. In the outer model testing using validity tests consisting of convergent validity, Average Variance Extracted (AVE), discriminant validity and reliability tests consisting of composite reliability and Cronbach alpha.

1. Convergent Validity

The convergent validity assessment is based on the correlation between the estimated item score/component score and SmartPLS software. The size of an individual reflex is considered high if it correlates more than 0.70 with the measured construct. The output of the SmartPLS model for convergent validity testing is as follows:

Table 1. Outer Loading

	Digital Marketing (X1)	Entrepreneurship Orientation (X2)	Market Orientation (X3)	Competitive Advantage (Y1)	Marketing Performance (Y2)
X1.1	0.962				
X1.2	0.962				
X1.3	0.950				
X1.4	0.910				
X2.1		0.772			
X2.2		0.701			
X2.3		0.890			
X3.1			0.796		
X3.2			0.874		
X3.3			0.721		
Y1.1				0.727	
Y1.2				0.771	
Y1.3				0.837	
Y2.1					0.971
Y2.2					0.932

	Digital Marketing (X1)	Entrepreneurship Orientation (X2)	Market Orientation (X3)	Competitive Advantage (Y1)	Marketing Performance (Y2)
Y2.3					0.936
Y2.4					0.756

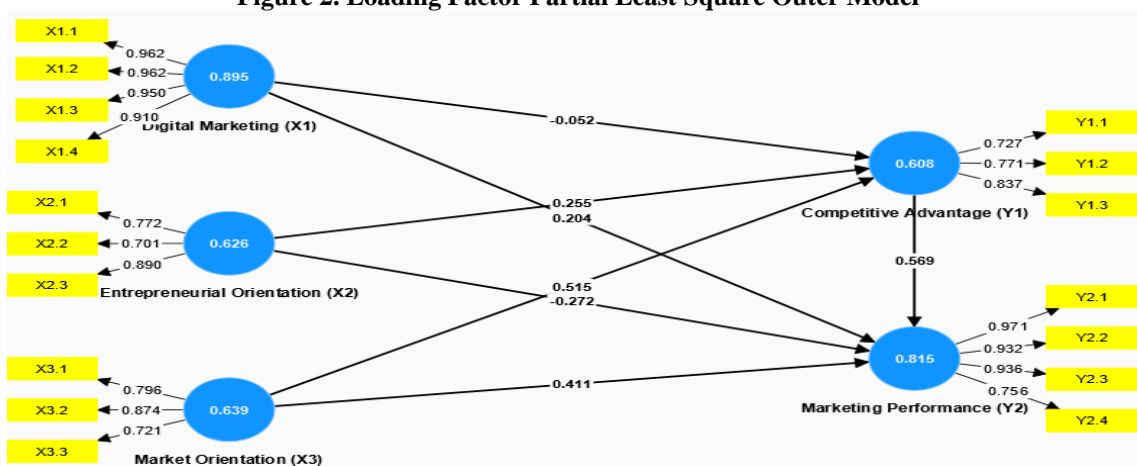
Source: Research Results, 2023

Based on table 1, the results of data processing above show that the outer model value meets the requirements so that it shows good discriminate validity because the correlation value of each indicator shows a value above 0.7. The indicators of each variable that has a high value will be explained as follows:

- The dominant indicator in the digital marketing variable is X1.1 with a value of 0.962, namely fulfilment / reliability where the company makes easy access to the accuracy of displays and product descriptions. Indicator X1.3 with a value of 0.950, namely customer service, namely the company provides good service, responsive and communicative in responding to consumer needs, is the lowest outer loading value in influencing digital marketing variables (X1). So that indicators X1.1, X1.2, X1.3 and X1.4 have values above 0.7 which means achieving convergent validity.
- The dominant indicator in the entrepreneurial orientation variable is indicator X2.3 with a value of 0.890, which is proactive where companies always try to be active in seeking information related to business opportunities and are brave and willing to establish partnership relationships with other companies and are willing to allocate funds for social media advertising promotion. Indicator X2.2 with a value of 0.701 that is risk taking in everything that happens is the lowest outer loading value in influencing the entrepreneurial orientation variable (X2). So that the indicators X2.1, X2.2, and X2.3 have values above 0.7 which means achieving convergent validity.
- The dominant indicator in market orientation is indicator X3.2 with a value of 0.874 which is competitor orientation where the company has a strategy used to deal with competitors. Indicator X3.3 with a value of 0.721 is market information where companies always try to find the latest information about market developments is the lowest outer loading value in influencing market orientation variables (X3). So that the indicators X3.1, X3.2 and X3.3 have values above 0.7 which means achieving convergent validity.
- The dominant indicator in the competitive advantage variable is the Y1.3 indicator with a value of 0.837 focusing on achieving competitive advantage in the target segment. Indicator Y1.1 with a value of 0.721 is cost advantage where the company makes and markets products efficiently compared to competitors is the lowest outer loading value in influencing the variable competitive advantage (Y1). So that the indicators Y1.1, Y1.2 and Y1.3 have values above 0.7 which means achieving convergent validity.
- The dominant indicator in the marketing performance variable is the Y2.1 indicator with a value of 0.971, which is the turnover where the product sales results are able to provide net profit to the company. Indicator Y2.4 with a value of 0.756, namely the reach of marketing areas that can be served by the wider company, is the lowest outer loading value in influencing marketing performance variables (Y2). So that the indicators Y2.1, Y2.2, Y2.3 and Y2.4 have values above 0.7 which means achieving convergent validity.

Based on the value of the loading factor listed in the table above, it can be described the loading factor diagram model of each indicator on the variables that have been studied, and the magnitude of the influence (R^2) of the independent variable on the dependence of the research model by figure 2 below:

Figure 2. Loading Factor Partial Least Square Outer Model



Source: Research results, 2023

2. Discriminant Validity

Discriminant validity is seen in the cross-loading between indicators and their constructs. If the relevant construct is an indicator higher than the correlation between the indicator and other constructs, it will indicate that the underlying construct predicts that the metric in their block is better than the other block. The following table of cross loading values is as follows:

Table 2. Cross Loading Research Table

	Digital Marketing (X1)	Entrepreneurship Orientation (X2)	Market Orientation (X3)	Competitive Advantage (Y1)	Marketing Performance (Y2)
X1.1	0.962	0.434	0.381	0.240	0.357
X1.2	0.962	0.401	0.350	0.206	0.324
X1.3	0.950	0.197	0.321	0.201	0.410
X1.4	0.910	0.234	0.316	0.175	0.363
X2.1	0.290	0.772	0.412	0.321	0.251
X2.2	0.175	0.701	0.228	0.262	0.137
X2.3	0.299	0.890	0.588	0.569	0.332
X3.1	0.283	0.275	0.796	0.393	0.617
X3.2	0.336	0.394	0.874	0.424	0.661
X3.3	0.244	0.666	0.721	0.706	0.388
Y1.1	0.047	0.306	0.429	0.727	0.383
Y1.2	0.297	0.396	0.570	0.771	0.791
Y1.3	0.093	0.522	0.455	0.837	0.422
Y2.1	0.397	0.313	0.698	0.697	0.971
Y2.2	0.373	0.342	0.632	0.709	0.932
Y2.3	0.314	0.288	0.640	0.671	0.936
Y2.4	0.303	0.228	0.530	0.561	0.756

Source: Research Results, 2023

Based on table 2 of the results of the cross-loading research table, it can be explained that all indicators in the block have a greater value than indicators in other blocks so that they meet the criteria in good discriminant validity which will be explained as follows:

- The digital marketing variable has 4 indicators attributed to X1.1 (0.962), X1.2 (0.962), X1.3 (0.950) and X1.4 (0.910) greater than the loading factor in the construct and has a value above 0.50 in one variable so that discriminant validity occurs.
- The entrepreneurial orientation variable has 3 indicators attributed to X2.1 (0.772), X2.2 (0.701), and X2.3 (0.890) greater than the loading factor in the construct and has a value above 0.50 in one variable so that discriminant validity occurs.
- The market orientation variable has 3 indicators attributed with X3.1 (0.796), X3.2 (0.874) and X3.3 (0.721) greater than the loading factor in the construct and has a value above 0.50 in one variable so that discriminant validity occurs.
- The competitive advantage variable has 3 indicators attributed with Y1.1 (0.727), Y1.2 (0.771) and Y1.3 (0.837) greater than the loading factor in the construct and has a value above 0.50 in one variable so that discriminant validity occurs.
- The marketing performance variable has 4 indicators attributed to Y2.1 (0.971), Y2.2 (0.932), Y2.3 (0.936) and Y2.4 (0.756) greater than the loading factor in the construct and has a value above 0.50 in one variable so that discriminant validity occurs.

In addition, another way is to look at the AVE (Average Variance Extracted) value of a construct with other correlation values. If the AVE value obtained is higher than the standard value of 0.5, it is said that the level of discriminant validity is considered good. The results showed the AVE value as in table 3 as follows:

Table 3. Average Variance Extracted (AVE)

	Average Variance Extracted (AVE)	Information
X1	0.895	Valid
X2	0.626	Valid
X3	0.639	Valid
Y1	0.608	Valid
Y2	0.815	Valid

Source: Research Results, 2023

Based on table 3 that the AVE value produced in the research conducted has a value above the standard of 0.5. So that in this study it is considered discriminant validity in Average Variance Extracted (AVE) is valid.

Composite Reliability

Composite reliability is used to test reliability on the resulting construct. The construct is declared reliability if the value produced in the study is above the standard, which is 0.70. Based on the calculation results using SmartPLS output, it can be seen in table 4 as follows:

Table 4. Composite Reliability

	Composite Reliability	Information
X1	0.972	Reliable
X2	0.833	Reliable
X3	0.841	Reliable
Y1	0.823	Reliable
Y2	0.946	Reliable

Source: Research Results, 2023

Based on table 4 that the value of composite reliability produced in the research conducted has a value above the standard value of 0.7. So, in this study the value of composite reliability above is reliable.

Cronbach's Alpha

Cronbach's alpha is a partial measure of composite reliability as the lower limit of the construct. The standard value of cronbach's alpha is 0.7 but if the value of cronbach's alpha is 0.6 it can still be said to be good in reliability. Based on the calculation results using SmartPLS output, it can be seen in table 5 as follows:

Table 5. Cronbach's Alpha

	Cronbach's Alpha	Information
X1	0.961	Reliable
X2	0.719	Reliable
X3	0.713	Reliable
Y1	0.694	Reliable
Y2	0.921	Reliable

Source: Research Results, 2023

Based on table 5 that Cronbach's alpha value produced in the research conducted has a value above the standard value of 0.7. So, in this study the value of Cronbach's Alpha above is reliable.

Structural Model Analysis (Inner Model)

Structural Model analysis (Inner Model) is tested to take into account the R-square value of each endogenous latent variable as the predictive power of the structural model. Changes in R-square values can be used to explain whether some exogenous latent variable has a major effect on endogenous variables as a goodness-fit model test. The R-square value is a value of 0.75 can be said to be strong, a value of 0.5 can be said to be moderate and a value of 0.25 can be said to be weak. Based on the results of calculations using SmartPLS output, it can be seen in table 6 as follows:

Table 5. R-Square

	R-Square
Competitive Advantage (Y1)	0.451
Marketing Performance (Y2)	0.693

Source: Research Results, 2023

Based on table 6 on the calculation of R-square in the inner model of the research data carried out can be explained as follows:

1. In the competitive advantage construct (Y1) produces an R-square value of 0.451 which means that the variables digital marketing (X1), entrepreneurial orientation (X2 and market orientation (X3) can explain the relationship of competitive advantage (Y1) with a percentage of 45.1% and the remaining 54.1% is explained by other variables that are not contained in the study.
2. In the marketing performance construct (Y2) produces an R-square of 0.693 which means that the variables digital marketing (X1), entrepreneurial orientation (X2 and market orientation (X3) and competitive

advantage (Y1) can explain the relationship between marketing performance (Y2) with a percentage of 69.3% and the remaining 30.7% is explained by other variables that are not contained in the study.

Hypothesis Testing

Hypothesis testing in research can be seen in the calculation of path coefficient bootstrapping which shows the results of the t-statistical test of the construct relationship studied. Hypothesis testing is included in structural models and the designation of the relationship of hypotheses with simulation practice. This bootstrapping test is designed to determine the direction of the relationship and the importance of the relationship for each latent variable. Hypothesis testing is done by comparing t-statistics or t-counts that have been established. The t-count value generated in the bootstrapping test must be greater than the one-way t-table, which is 1.96 means a standard error of 5% or a p-value below 0.05. Based on the formulation of the research problem and the results of research conducted with the inner model, it can be explained as follows:

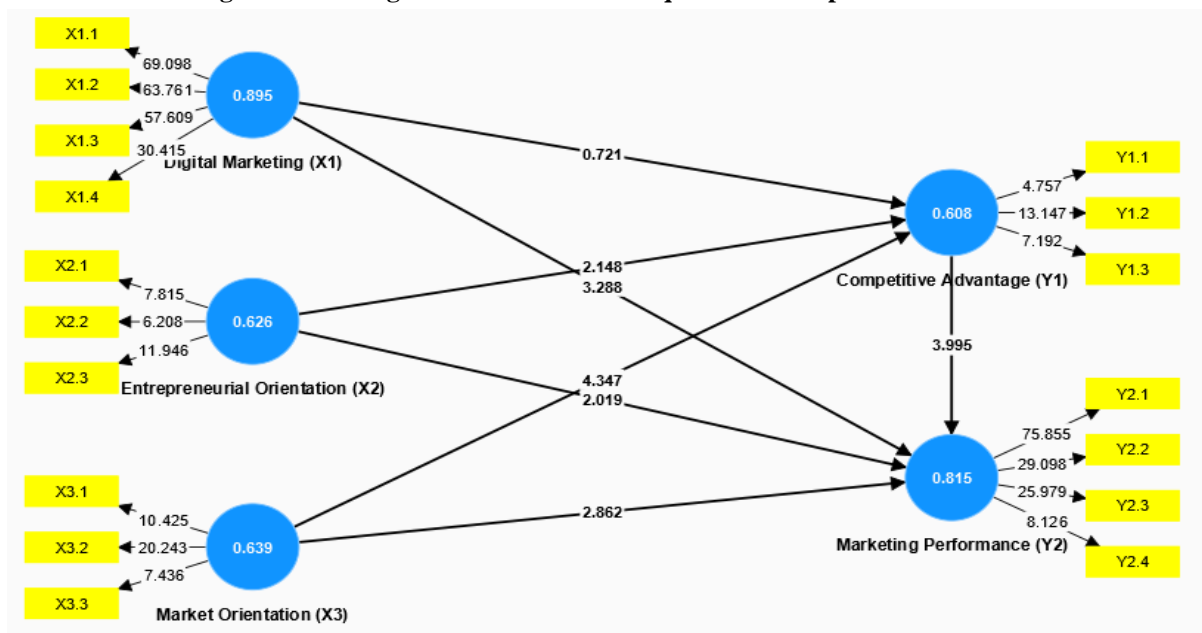
Table 6. Path Coefficients (Mean, STDEV, t-Values)

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ((O/STDEV))	P values	Information
Digital Marketing (X1) -> Competitive Advantage (Y1)	-0.052	-0.044	0.073	0.721	0.471	Insignificant
Digital Marketing (X1) -> Marketing Performance (Y2)	0.204	0.188	0.062	3.288	0.001	Significant positives
Entrepreneurial Orientation (X2) -> Competitive Advantage (Y1)	0.255	0.263	0.119	2.148	0.032	Significant positives
Entrepreneurial Orientation (X2) -> Marketing Performance (Y2)	-0.272	-0.261	0.135	2.019	0.044	Significant positives
Market Orientation (X3) -> Competitive Advantage (Y1)	0.515	0.515	0.118	4.347	0.000	Significant positives
Market Orientation (X3) -> Marketing Performance (Y2)	0.411	0.414	0.144	2.862	0.004	Significant positives
Competitive Advantage (Y1) -> Marketing Performance (Y2)	0.569	0.570	0.143	3.995	0.000	Significant positives

Source: Research Results, 2023

Then it can also be described bootstrap calculation model on the inner model that connects the original value and t-statistic from the path analysis in this study which appears that there is a relationship between variables that obtain values below the terms of acceptance of the hypothesis or below 1.96, then the following picture can be produced:

Figure 3. Loading Factor Partial Least Square Bootstrap on Inner Model



Source: Research Results, 2023

Based on the results of research using bootstrapping above in table 5.7 can be explained as follows:

1. Hypothesis 1: Digital marketing affects competitive advantage

It can be seen from table 5.7 that the relationship between digital marketing variables (X1) and competitive advantage (Y1) is insignificant with the t-statistic value of the t-table ($0.721 < 1.96$). The original sample estimate value is negative at 0.052 which indicates that the direction of the relationship between digital marketing and competitive advantage is not unidirectional. Thus, the hypothesis (H1) in this study that states that "Digital marketing has a significant effect on competitive advantage" can be rejected. This shows that digital marketing does not have a significant effect on competitive advantage. Then hypothesis 1 in this study was rejected.

2. Hypothesis 2: Digital marketing affects marketing performance

It can be seen from table 5.7 that the relationship between digital marketing variables (X1) and marketing performance (Y2) is significant with t-statistical values from t-tables ($3.288 > 1.96$). The original sample estimate value is positive at 0.204 which shows that the direction of the relationship between digital marketing and marketing performance is unidirectional. Thus, the hypothesis (H2) in this study which states that "Digital marketing has a significant effect on marketing performance" is acceptable. This shows that the more active MSMEs are in digital marketing, the higher the influence on the marketing performance obtained by the company.

3. Hypothesis 3: Entrepreneurial orientation affects competitive advantage

It can be seen from table 5.7 that the relationship between the variable of entrepreneurial orientation (X2) and competitive advantage (Y1) is significant with the t-statistical value of the t-table ($2.148 > 1.96$). The original sample estimate value is positive at 0.255 which shows that the direction of the relationship between digital marketing and marketing performance is unidirectional. Thus, the hypothesis (H3) in this study that states that "Entrepreneurial orientation has a significant effect on competitive advantage" is acceptable. This shows that the more active MSMEs are in the entrepreneurial orientation, the higher the influence on the competitive advantage obtained by the company.

4. Hypothesis 4: Entrepreneurial orientation affects marketing performance

It can be seen from table 5.7 that the relationship between the entrepreneurial orientation variable (X2) and marketing performance (Y2) is significant with the t-statistical value of the t-table ($2.019 > 1.96$). The original sample estimate value is negative at -0.272 which indicates that the direction of the relationship between digital marketing and marketing performance is negative. Thus, the hypothesis (H4) in this study which states that "Entrepreneurial orientation has a significant effect on marketing performance" is acceptable. This shows that the more active MSMEs are in an entrepreneurial orientation, the higher the influence on the marketing performance obtained by the company.

5. Hypothesis 5: Market orientation affects competitive advantage

It can be seen from table 5.7 that the relationship between the market orientation variable (X3) and competitive advantage (Y1) is insignificant with the t-statistic value of the t-table ($4.347 > 1.96$). The original sample estimate value is positive at 0.515 which indicates that the direction of the relationship between market orientation and competitive advantage is unidirectional. Thus, the hypothesis (H5) in this study that states that "Market orientation has a significant effect on competitive advantage" is acceptable. This shows that market orientation has a significant effect on competitive advantage. Then hypothesis 5 in this study is accepted.

6. Hypothesis 6: Market orientation affects marketing performance

It can be seen from table 5.7 that the relationship between the market orientation variable (X3) and marketing performance (Y2) is significant with the t-statistic value of the t-table ($2.862 > 1.96$). The original sample estimate value is positive at 0.411 which indicates that the direction of the relationship between market orientation and marketing performance is unidirectional. Thus, the hypothesis (H6) in this study that states that "Market orientation has a significant effect on marketing performance" is acceptable. This shows that the more active MSMEs are in market orientation, the higher the influence on the marketing performance obtained by the company.

7. Hypothesis 7: Competitive advantage affects marketing performance

It can be seen from table 5.7 that the relationship between the variable of competitive advantage (Y1) and marketing performance (Y2) is significant with the t-statistical value of the t-table ($3.995 > 1.96$). The original sample estimate value is positive at 0.569 which indicates that the direction of the relationship between market orientation and marketing performance is unidirectional. Thus, the hypothesis (H7) in this study which states that "Competitive advantage has a significant effect on marketing performance" is acceptable. This shows that the more active MSMEs are in competitive advantage, the higher the influence on the marketing performance obtained by the company.

Finding and Interpretation

1. The Influence of Digital Marketing on Competitive Advantage

Based on the results of hypothesis testing, it is proven that Digital Marketing has a positive influence on the competitive advantage of MSMEs in Sangatta, East Kutai Regency, this can be seen in the results of the analysis with a coefficient value of -0.052. The t-statistic value in this construct is 0.721 or $< t$ -table 1.96. For the value of p-value amounted to 0.471 of which > 0.05 . This shows that the influence that occurs in Digital Marketing With competitive advantage is insignificant influence, this means Digital Marketing weakening the performance of competitive advantage in MSMEs in Sangatta, East Kutai Regency. This research is in line with the results of the study (Farhas & Ependi, 2022) which reveals that Digital Marketing insignificant to competitive advantage, this is because MSMEs are not accustomed to and have not maximized in using information technology media as a promotional forum. In addition, research conducted by (Yuliana, 2018) also revealed that Digital Marketing does not have a significant influence on the competitive advantage of small and medium enterprises (SMEs) in Indonesia. This is due to several factors such as lack of understanding in SMEs`Digital marketing, limited resources, and high level of competition in the market digital. While (Puangpun, 2022) conduct research on hotels in Thailand to examine the influence Digital Marketing against competitive advantage. From the research conducted shows that Digital Marketing has a positive but not significant influence on competitive advantage. The high level of competition in the market digital Saturated, it is difficult for companies to stand out from their competitors by relying solely on digital marketing.

2. The Influence of Digital Marketing on Marketing Performance

Digital marketing has a positive influence on marketing performance in MSMEs in Sangatta, East Kutai Regency, this can be seen in the results of the analysis with a coefficient value of 0.204. The t-statistic value in this construct is 3.288 or $> t$ -table 1.96. For the value of p-value amounted to 0.001. This shows that the influence that occurs in Digital Marketing With marketing performance is a significant influence, this means Digital Marketing strengthening marketing performance for MSMEs in Sangatta, East Kutai Regency. This research is in line with Hendrawan et al (2019) which states that the value of sales performance will increase if the use of digital marketing is further increased in MSMEs Asti Gauri Bantarsari Cilacap. With the use of online facilities in terms of marketing, promotions and transactions will increase the sales value of Asti Gauri MSME products. Research by Sandy Yunita Geraldine Male and Ixora Lundia (2013) found that online marketing has a significant effect on the interest of consumers to become EF Taman Mini students, this shows that digital marketing is the latest marketing model that will increase sales value. In addition, research conducted by (Marbun & Simanjuntak, 2021) reveals that Digital Marketing Significant effect on marketing performance. Digital marketing Enable companies to interact with customers in a timely manner. realtime and build stronger relationships with them, in addition to that with Digital Marketing It can also reduce costs in terms of increasing sales and market share as well as profitability.

3. The Influence of Entrepreneurial Orientation on Competitive Advantage

Entrepreneurial orientation has a positive influence on the competitive advantage of MSMEs in Sangatta, East Kutai Regency, this can be seen in the results of the analysis with a coefficient value of 0.255. The t-statistic value in this construct is 2.148 or $> t$ -table 1.96. For a p-value of 0.032. This shows that the influence that occurs on entrepreneurial orientation with competitive advantage is a significant influence, this means that entrepreneurial orientation strengthens the performance of competitive advantage in MSMEs in Sangatta, East Kutai Regency. This research is in line with Rompis et al (2022) which can be explained that the Wood Handicraft Business in Tagulandang District, SITARO Regency which has a high entrepreneurial orientation will be able to increase marketing performance activities and vice versa, a low entrepreneurial orientation is certainly not able to improve marketing performance activities, because by having a good entrepreneurial orientation, it can determine marketing strategies and improve marketing performance. This finding supports the results of research from Muhammad Fakhri Rasyidi (2016) which states that a good entrepreneurial orientation can directly improve marketing performance. Reinforced again by research from Eri Kholifa (2020) which states that Entrepreneurial Orientation has a positive and significant effect on marketing performance through competitive advantages in MSMEs Sarung Goyor, Pernalang Regency. The higher the entrepreneurial orientation possessed by MSME players will be able to encourage the competitive advantage they have so as to improve the marketing performance of the products made.

4. The Influence of Entrepreneurial Orientation on Marketing Performance

Entrepreneurial orientation has a positive influence on marketing performance in MSMEs in Sangatta, East Kutai Regency, this can be seen in the results of the analysis with a coefficient value of -0.272. The t-statistic value in this construct is 2.019 or the t-table > 1.96 . For a p-value of 0.044. This shows that the influence that occurs on entrepreneurial orientation with marketing performance is a significant influence, this means that

entrepreneurial orientation strengthens marketing performance in MSMEs in Sangatta, East Kutai Regency. This research is in line with Rompis et al (2022) which can be explained that the Wood Handicraft Business in Tagulandang District, SITARO Regency which has a high entrepreneurial orientation will be able to increase marketing performance activities and vice versa, a low entrepreneurial orientation is certainly not able to improve marketing performance activities, because by having a good entrepreneurial orientation, it can determine marketing strategies and improve marketing performance. This finding supports the results of research from Muhammad Fakhri Rasyidi (2016) which states that a good entrepreneurial orientation can directly improve marketing performance. Reinforced again by research from Eri Kholifa (2020) which states that Entrepreneurial Orientation has a positive and significant effect on marketing performance through competitive advantages in MSMEs Sarung Goyor, Pemalang Regency. The higher the entrepreneurial orientation possessed by MSME players will be able to encourage the competitive advantage they have so as to improve the marketing performance of the products made.

5. The Influence of Market Orientation on Competitive Advantage

Market orientation has a positive influence on the competitive advantage of MSMEs in Sangatta, East Kutai Regency, this can be seen in the results of the analysis with a coefficient value of 0.515. The t-statistic value in this construct is 4.347 or $>$ t-table 1.96. For a p-value of 0.000 where $<$ 0.05. This shows that the influence that occurs on market orientation with competitive advantage is a significant influence, this means that market orientation strengthens the performance of competitive advantage in MSMEs in Sangatta, East Kutai Regency. The results of this study are in line with those that state that market orientation is a process of creating superior value in increasing competitive advantage which refers to changes that occur in the market and consumer needs in the face of every change. Processes and activities related to the creation and fulfillment of customer satisfaction are first identified (Uncles, 2018). In seeking market information, MSME players must continue to be able to assess customer wants or needs in strategizing. Thus, market orientation is one of the factors that can affect competitive advantage (Rahmadi, et al., 2018; Wirawan, 2016; Helia, et al., 2015).

6. The Influence of Market Orientation on Marketing Performance

Market orientation has a positive influence on marketing performance in MSMEs in Sangatta, East Kutai Regency, this can be seen in the results of the analysis with a coefficient value of 0.411. The t-statistic value in this construct is 2.862 or $>$ t-table 1.96. For the value of p-value amounted to 0.004. This shows that the influence that occurs on market orientation with marketing performance is a significant influence, this means that market orientation strengthens marketing performance in MSMEs in Sangatta, East Kutai Regency. This research is in line with research that has been conducted by (Sri Harini et al., 2022) which reveals that market orientation has a positive and significant effect on marketing performance. Where this gets a good assessment because processed food MSME players always try to understand target buyers, understanding to create superior value target buyers, understanding short-term advantages of competitors, understanding short-term weaknesses of competitors, understanding the capabilities of competitors, understanding long-term strategies of main competitors, understanding long-term strategies of potential competitors, utilizing company resources in a coordinated manner and utilization for creating superior value for target customers. In addition, this research is also in line with research conducted by (Israwati et al., 2023) which reveals that market orientation has a positive and significant effect on marketing performance. Market orientation allows companies to develop more targeted and effective marketing strategies by understanding customer needs and wants by determining the right target market and choosing the right marketing channels.

7. The Influence of Competitive Advantage on Marketing Performance

Competitive advantage has a positive influence on marketing performance in MSMEs in Sangatta, East Kutai Regency, this can be seen in the results of the analysis with a coefficient value of 0.569. The t-statistic value in this construct is 3.995 or $>$ t-table 1.96. For the value of p-value amounted to 0.000. This shows that the influence that occurs on competitive advantage with marketing performance is a significant influence, this means that competitive advantage strengthens marketing performance in MSMEs in Sangatta, East Kutai Regency. This research is in line with research that has been conducted by (Arbawa, D. L., & Wardoyo, 2020) which reveals that competitive advantage has a positive and significant effect on marketing performance where this means that if the advantage competes with indicators of price, quality, time to market can improve marketing performance. The higher the competitive advantage, the more increased marketing performance.

V. CLOSING

Conclusion and Recommendation

Conclusion

1. Digital marketing has a positive and insignificant influence on the competitive advantage of MSMEs in Sangatta, East Kutai Regency. This means that digital marketing variables have not been able to become variables that significantly increase competitive advantage for MSMEs in Sangatta, East Kutai Regency.
2. Digital marketing has a positive and significant influence on marketing performance for MSMEs in Sangatta, East Kutai Regency, the more active the use of digital marketing, the higher the marketing performance for MSMEs in Sangatta, East Kutai Regency.
3. Entrepreneurial orientation has a positive and significant influence on the competitive advantage of MSMEs in Sangatta, East Kutai Regency, the higher the entrepreneurial orientation, the higher the competitive advantage in MSMEs in Sangatta, East Kutai Regency.
4. Entrepreneurial orientation has a positive and significant influence on marketing performance in MSMEs in Sangatta, East Kutai Regency, the higher the entrepreneurial orientation, the higher the marketing performance in MSMEs in Sangatta, East Kutai Regency.
5. Market orientation has a positive and insignificant influence on the competitive advantage of MSMEs in Sangatta, East Kutai Regency. This means that the market orientation variable has not been able to become a variable that significantly increases the competitive advantage of MSMEs in Sangatta, East Kutai Regency.
6. Market orientation has a positive and significant influence on marketing performance for MSMEs in Sangatta, East Kutai Regency, the higher the market orientation, the higher the marketing performance on MSMEs in Sangatta, East Kutai Regency.
7. Competitive advantage has a positive and significant influence on marketing performance in MSMEs in Sangatta, East Kutai Regency, the higher the competitive advantage, the higher the marketing performance in MSMEs in Sangatta, East Kutai Regency.

Recommendation

1. Digital marketing has a positive and insignificant effect on competitive advantage, it is hoped that MSMEs can pay more attention in terms of developing knowledge of their resources to better understand the use of digital marketing.
2. Digital marketing has a positive and significant effect on marketing performance, so it is expected that MSMEs will better maintain the maximum use of digital marketing to improve marketing performance. The use of digital marketing platforms must always be updated, so MSMEs must always try to develop in their use.
3. Entrepreneurial orientation has a positive and significant effect on competitive advantage, so MSMEs are expected to better maintain entrepreneurial orientation both in terms of innovating and being proactive in seeking information related to existing opportunities for business.
4. Entrepreneurial orientation has a positive and significant effect on marketing performance, so MSMEs are expected to better maintain entrepreneurial orientation by establishing more partnership relationships with other companies and being willing to allocate funds for promotion and advertising on social media.
5. Market orientation has a positive and significant effect on competitive advantage, so MSMEs are expected to have strategies that will be used to deal with competitors and always try to focus on the needs of customers.
6. Market orientation has a positive and significant effect on marketing performance, so MSMEs are expected to better maintain market orientation so that the reach of marketing areas is wider.
7. Competitive advantage has a positive and significant effect on marketing performance, so MSMEs are expected to better maintain competitive advantage in terms of always trying to be unique and increase the number of sales so that sales turnover always increases from time to time.
8. For future research, if you will conduct research related to the title above, it is expected to add other variables or moderation / mediation variables. And if research is carried out like the title above in order to replace the object of research as in the scope other than MSMEs such as marketplaces and more modern objects in accordance with the times. Add the number of variable indicators so that research results are more varied, and accuracy is more precise and better.

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