

# Entrepreneurship, Market Orientation, and Marketing Performance in Culinary Business: Mediating Effects of Innovation and Competitive Advantage

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## ARTICLE INFO

Received: 10 Oct 2024

Revised: 05 Dec 2024

Accepted: 20 Dec 2024

## ABSTRACT

This study examines the mediating effects of innovation and competitive advantage on entrepreneurial orientation, market orientation, and marketing performance in the culinary business sector of Jayapura and Papua. This study uses quantitative exploratory analysis; within the population of 20 business owners who registered with the Tax Service Office in Jayapura, a questionnaire was completed to obtain their perspectives on these variables and their mediating effects. After validity and reliability tests and regression analysis using a structural equation model, this study found significant effects between entrepreneurship and market orientation, product innovation, and competitive advantage on marketing performance, and between entrepreneurship and product innovation, as well as between market orientation and competitive advantage. Product innovation has been proven to mediate entrepreneurship and marketing performance, along with competitive advantage in market orientation and marketing performance. Although this study is limited to culinary business respondents in the region, the findings are crucial in encouraging the development of small businesses, especially those engaged in the culinary sector, despite the amount of production, product variants, and their offered quality. Considering their ability to improve the regional economy, governments should pay more attention to the movement and success of these businesses.

**Keywords:** Market orientation, innovation, entrepreneurship orientation, competitive advantage, marketing performance

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## INTRODUCTION

### 1. Background

Currently, to compete in the target market, businesses must be able to face various challenges. Therefore, a company needs to anticipate the changes and expectations that customers want for the products developed. In creating value, the company not only looks for a value position that satisfies the target customer, but must also be better than its competitors (Slater & Narver, 2000).

Competition in the business world, especially in the culinary world, is currently experiencing a condition in which competition is rapidly increasing, which includes a struggle between price and quality, the creation of new knowledge, and the development of benefits as a first-mover advantage. It is more accurately described as dynamic environmental changes caused by new products, technologies, and competitors that threaten market quality (Hooley et al., 2000). Under such conditions, customers will have higher preferences because of the freedom to choose the products and services they want. Companies must understand this. Slater and Narver (1995) mentioned a company's ability to understand the desires and needs of consumers to provide products or services that consumers want and need, known as market orientation.

According to James (2016), marketing performance measures the achievement of the entire marketing process within a company. Marketing performance can also be considered a concept used to measure which market

performance has been achieved for a product that a company produces. Slater and Naver (1995) stated that companies that have made market orientation an organizational culture focus on external market needs, wants, and demands as a basis for formulating strategies for each business unit in the organization, which determines the success of marketing performance and the company.

Research result by Bharadwaj (1993) states that market orientation affects competitive advantage. A corporate culture that emphasizes the importance of a company paying attention to the market will strengthen its competitive advantage. This research is also supported by Akimova (2000), who states that companies that implement market orientation have advantages in terms of customer knowledge, and that these advantages can be used as a source for creating products that are suitable for customer needs.

Besides a market-oriented culture, companies must also adjust their performance to deal with a dynamic environment through innovation. Baker and Sinkula (1999) define innovation as a company mechanism to adapt in a dynamic environment to create satisfactory customer service performance. In this study, the concept of innovation is divided into two categories: the culture of innovation and the capacity to innovate, divided into technical and administrative innovation.

In addition to innovating to improve company performance, entrepreneurial orientation is also needed. Covin (2005) researched the implementation of-oriented companies. In his research, companies that could improve performance carried out operations using an entrepreneurial orientation approach. This research is also supported by Iqbal (2014), who states that entrepreneurial orientation, changes in the business environment, and availability of capital positively affect company performance. Ismawanti (2008) stated that firms with an entrepreneurial orientation can achieve their target market and be in a more forward market position than their competitors. The company constantly monitors the market changes and responds quickly. Innovation and proactivity are required to increase competitive advantages.

Competitive advantage improves the performance of related businesses, and Li (2000) states that there is a positive influence between competitive advantage and performance as measured by sales volume, profit level, market share, and return on investment. that there is a positive relationship between competitive advantage and performance, as measured by sales volume, profit level, market share, and return on investment. When producers are able to create a competitive advantage, they have the power to compete with other companies because their products will remain in high demand by customers. Thus, competitive advantage has a positive influence on improving a business's marketing performance.

Good business performance is useful when facing higher competition in the sector. Therefore, companies can maintain their market share and take advantage of opportunities that exist in business to increase their competitive advantage, including businesses in the culinary field. In Jayapura, culinary businesses were quite developed. There is a great opportunity for cafés in Jayapura; many new cafés have emerged with a more modern, attractive, and popular concept. This has led to higher competition for culinary cafés in Jayapura City. To overcome this high competition, café managers must have an effective strategy to attract and retain customers and increase company profitability.

Therefore, management needs to focus on orientation toward consumers and continue to innovate and form the right competitive advantage strategy to maximize marketing performance. Based on this description, researchers are interested in researching Market Orientation, Innovation, and Entrepreneurial Orientation to determine their relationships with Competitive Advantage and Marketing Performance.

### RESEARCH OBJECTIVES

- 1). Understand and analyze the effect of entrepreneurial orientation on innovation
- 2). Understand and analyze the effect of market orientation on competitive advantage
- 3). Understand and analyze the effect of entrepreneurial orientation on marketing performance
- 4). Understand and analyze the effect of market orientation on marketing performance
- 5). Understand and analyze the effect of innovation on marketing performance
- 6). Understand and analyze the effect of competitive advantage on marketing performance
- 7). Understand and analyze the effect of entrepreneurial orientation on marketing performance through innovation

- 8). Understanding and analyzing the effect of market orientation on marketing performance through competitive advantage.

## **THEORETICAL FRAMEWORK**

### **1). Market Orientation**

A market-oriented company is a company that makes customers a top priority for the company to conduct its business. According to Kohli and Jaworski (1990), market orientation involves gathering market intelligence to fulfill current and future customer needs. Narver and Slater (1990). defined market orientation as the organizational culture that is most effective in creating behaviors critical to creating superior value for buyers and performance in business. According to Uncles (2000:1), market orientation is a process and activity related to the creation and satisfaction of customers by continuously assessing their needs and desires. Narver and Slater (1990) state that market orientation consists of three components: customer orientation, competitor orientation, and interfunctional coordination. Customer and competitor orientation include every activity involved in obtaining information about customers and competitors in the target market and disseminating it throughout the business. At the same time, inter-functional coordination is based on customer and competitor information. This consists of coordinated business efforts.

### **2). Inovation**

Hurley and Hult (1998) defined innovation as a corporate mechanism to adapt to dynamic environments. Therefore, companies must be able to create new ideas and offer innovative products and service improvements that satisfy customers. Wahyono (2002) explained that continuous innovation in a company is a basic need to create a competitive advantage. Conventionally, innovation is defined as innovation related to new products. However, along with development, innovation includes the application of new ideas or processes. Innovation is also seen as a mechanism by which companies adapt to their dynamic environments.

### **3). Entrepreneurship Orientation**

Lumpkin and Dess (1996) argue that the basis of the strategy-making processes dimension is the same as that of the entrepreneurial orientation processes dimension. Lumpkin and Dess (1996). Introduces the concept of entrepreneurial management, which reflects the organizational processes, methods, and forms firms use to act entrepreneurially according to specific dimensions of entrepreneurial orientation. Runyan et al. (2008) established a basis for entrepreneurial orientation by defining entrepreneurial orientation. A company is said to have an entrepreneurial orientation if it is the first in product innovation, dares to take risks, and is proactive in innovating. Thus, entrepreneurial orientation is the process, practice, and activity that uses product innovation, risk-taking, and proactive efforts to win the competition.

### **4). Competitive Advantage**

Bharadwaj et al. (1993) explain that competitive advantage results from implementing strategies that utilize various resources owned by the company. Unique skills and assets are considered sources of competitive advantage. Every company competing in an industry has an explicit or implicit strategy. This strategy may be developed explicitly through the activities of various functional departments of a firm. Porter (1985) defined competitive advantage as a benefit strategy for companies cooperating to create a more effective competitive advantage in the marketplace. Li (2000) found a positive influence between competitive advantage and performance as measured by sales volume, profit level, market share, and return on investment. A competitive advantage can be obtained from a company's ability to process and utilize its resources and capital. Companies that can create a competitive advantage will be able to compete with other companies because their products will remain in demand. Thus, competitive advantage has a positive influence on a company's marketing performance.

### **5). Marketing Performance**

Marketing performance is frequently used to measure the impact of company strategy, which is always directed toward producing superior marketing performance. Based on the study by Runyan et al. (2008), Marketing performance also includes three dimensions: 1) company effectiveness, 2) sales growth, and 3) winnability. Sales volume, customer growth, and profit in other studies and marketing performance can be measured from the aforementioned dimensions by adding profitability, customer growth, and sales volume.

## Hypotheses

- H1: Entrepreneurial orientation has a direct effect on product innovation.
- H2: Market orientation has a direct effect on Competitive advantage
- H3: Entrepreneurial orientation has a direct effect on marketing performance
- H4: Market orientation has a direct effect on marketing performance
- H5: Product innovation has a direct effect on marketing performance
- H6: Competitive advantage has a direct effect on marketing performance
- H7: Entrepreneurial orientation has an indirect effect on marketing performance through product innovation
- H8: Market orientation has an indirect effect on marketing performance through competitive advantage

## RESEARCH METHODOLOGY

### Research Type and Design

This study was an experimental study using a quantitative research approach. According to Sugiyono (2013), experimental research can be interpreted as a method used to determine the effects of certain treatments on others under controlled conditions. A quantitative approach was used to formulate the research problem (Sugiyono, 2013).

### Research Population and Sample

The population is a generalization area consisting of objects/subjects with certain qualities and characteristics applied by researchers to be studied, and then conclusions (Sugiyono, 2013). The population in this study was café owners in Jayapura, with 27 entrepreneurs.

## Result and Discussion

### Respondent Profile

This research was conducted in the culinary sector in Jayapura using a sample of 27 business owners as respondents. Most respondents' culinary businesses were food stalls (55.6%), cafes (14.8%), coffee shops, meatballs, cake shops, ice bobos, martabaks, ciloks, and yellow rice. Most of the respondents were high school graduates (48.1%), followed by bachelor's degrees (33.3%), junior high school graduates (14.8%), and students (3.7%). The age of the respondents was quite varied, with most being under 30 years old (44.4%), followed by those between 30-40 years old (25.9%), and 29.6 those over 40 years old. Women dominated gender at 59.3%, while men accounted for only 40.7%.

### Verification Analysis Results

As this study aims to analyze the effect of entrepreneurial and market orientation on marketing performance mediated by product innovation and competitive advantage, the statistical technique used is SEM-PLS analysis. The path diagram model, operated using the SmartPLS program, is shown in Figure 1.

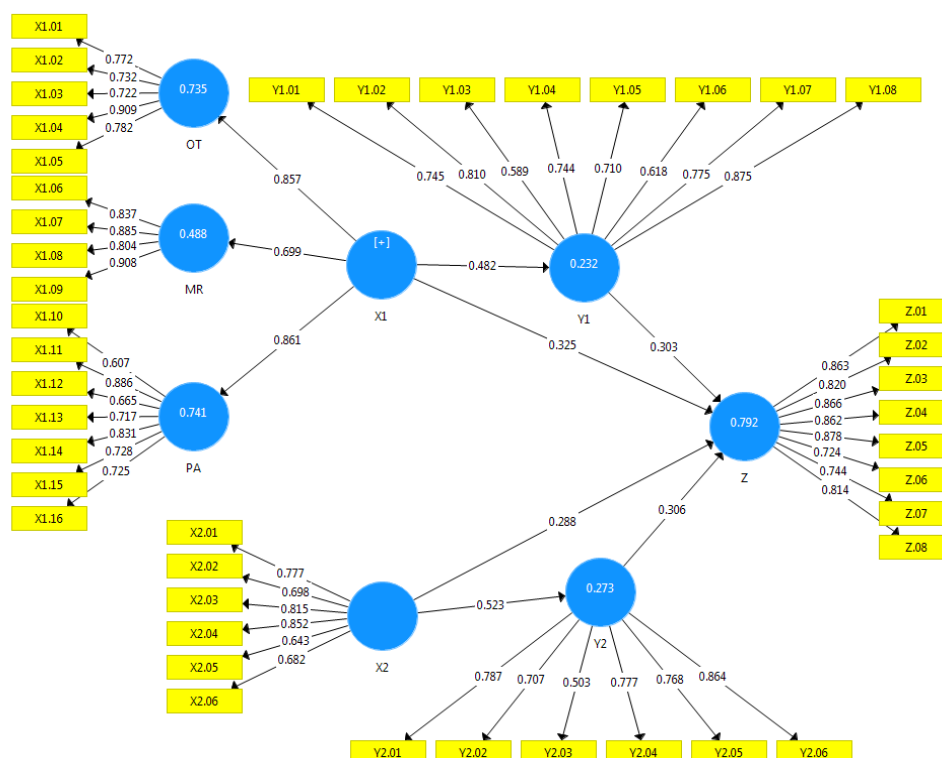


Figure 1. Standardized Coefficients Full Model

Source: PLS Data Processing (2022)

### Construct Reliability Test Results

Table 1. Summary of Construct Reliability Test Results

Construct (Variable)	Composite reliability	Conclusion
Autonomy (OT)	0,889	
Ability to Take Risks (MR)	0,919	Reliable
Proactive (PA)	0,894	Reliable
Entrepreneurship Orientation (X1)	0,849	Reliable
Market Orientation (X2)	0,883	Reliable
Product Innovation (Y1)	0,904	Reliable
Competitive Advantage (Y2)	0,878	Reliable
Marketing Performance (Z)	0,944	Reliable

Source: PLS Data Processing (2023)

Table 1 summarizes the results of the construct reliability test. Each construct (variable) had a composite reliability value > 0.70. Thus, it can be concluded that the measure used in this study was reliable.

## Convergent Validity Test Results

Table 2 Convergent Validity Test Results (First Order)  
Entrepreneurial Orientation Construct (X<sub>1</sub>)

Construct (Variable)	Dimension	Indicator	Factor Loading	AVE	Description
Entrepreneurship Orientation (X <sub>1</sub> )	Autonomy (OT)	X <sub>1.01</sub>	0,772	0,618	Valid
		X <sub>1.02</sub>	0,732		
		X <sub>1.03</sub>	0,722		
		X <sub>1.04</sub>	0,909		
		X <sub>1.05</sub>	0,782		
	Ability to take the risk (MR)	X <sub>1.06</sub>	0,837	0,739	Valid
		X <sub>1.07</sub>	0,885		
		X <sub>1.08</sub>	0,804		
		X <sub>1.09</sub>	0,908		
	Proactive (PA)	X <sub>1.10</sub>	0,607	0,551	Valid
		X <sub>1.11</sub>	0,886		
		X <sub>1.12</sub>	0,665		
		X <sub>1.13</sub>	0,717		
		X <sub>1.14</sub>	0,831		
		X <sub>1.15</sub>	0,728		
		X <sub>1.16</sub>	0,725		

In the first-order results, it can be seen that the loading factor value of each indicator is higher than 0.40. This means that all indicators are valid measuring instruments for their respective dimensions.

## Hypothesis Test Result

### 1). Effect of Entrepreneurial Orientation on Product Innovation

The first hypothesis tested is the effect of entrepreneurial orientation (X<sub>1</sub>) on product innovation (Y<sub>1</sub>) with the following statistical hypothesis: the path coefficient of entrepreneurial orientation on product innovation is positive, with a statistic value of 4.672 and a probability value close to zero. Because the t-statistic is higher than 1.96 and the probability value is <0.05, it is decided to accept H<sub>A</sub> at a 5% error level. Thus, entrepreneurial orientation affects product innovation in culinary businesses in Jayapura. The results of this study provide empirical evidence that strong entrepreneurial orientation will increase product innovation.

### 2). The Effect of Market Orientation on Competitive Advantage

The second hypothesis is the effect of market orientation (X<sub>2</sub>) on competitive advantage (Y<sub>2</sub>), with the following statistical hypothesis: the path coefficient of market orientation on competitive advantage is positive with a t-statistic value of 3.845 and a probability value close to zero. Because the t-statistic is higher than 1.96 and the probability value is <0.05, at the 5% error level, it is decided to accept H<sub>A</sub>. Thus, market orientation affects the competitive advantage of the culinary businesses in Jayapura. The results of this study provide empirical evidence that a strong market orientation increases competitive advantage.

### 3). The Effect of Entrepreneurial Orientation on Marketing Performance

The third hypothesis is the effect of entrepreneurial orientation (X<sub>1</sub>) on marketing performance (Z), with the following statistical hypothesis: the path coefficient of entrepreneurial orientation on marketing performance is

positive with a t-statistic value of 3.061 and a probability value of 0.002. Since the t-statistic is higher than 1.96 and the probability value is  $<0.05$ , it is decided to accept  $H_A$  at the 5% error level. Thus, entrepreneurial orientation affects the marketing performance of culinary businesses in Jayapura. This means that strong entrepreneurial orientation improves marketing performance.

#### **4). The Effect of Market Orientation on Marketing Performance**

The fourth hypothesis is the effect of market orientation ( $X_2$ ) on marketing performance (Z), with the following statistical hypothesis: the path coefficient of market orientation on marketing performance is positive with a t-statistic value of 2.095 and a probability value of 0.037. Because the t-statistic is higher than 1.96 and the probability value is  $<0.05$ , at the 5% error level, it is decided to accept  $H_A$ . Thus, market orientation affects the marketing performance of the culinary businesses in Jayapura. This means that strong market orientation improves marketing performance.

#### **5). Effect of Product Innovation on Marketing Performance**

The fifth hypothesis is the effect of product innovation ( $Y_1$ ) on marketing performance (Z), with the following statistical hypothesis: the path coefficient of product innovation on marketing performance is positive with a t-statistic value of 2.044 and a probability value of 0.042. Because tstatistic is higher than 1.96 and the probability value is  $<0.05$ , at the 5% error level, it is decided to accept  $H_A$ . Thus, product innovation affects the marketing performance of Jayapura's culinary businesses. This implies that high product innovation improves marketing performance.

#### **6). The Effect of Competitive Advantage on Marketing Performance**

The sixth hypothesis is the effect of competitive advantage ( $Y_2$ ) on marketing performance (Z), with the following statistical hypothesis: the path coefficient of competitive advantage on marketing performance is positive with a t-statistic value of 2.881 and a probability value of 0.004. Since the t-statistic is higher than 1.96 and the probability value is  $<0.05$ , it is decided to accept  $H_A$  at the 5% error level. Thus, competitive advantage affects the marketing performance of culinary businesses in Jayapura. This implies that a highly competitive advantage improves marketing performance.

#### **7) The Effect of Entrepreneurial Orientation on Marketing Performance through Product Innovation**

The seventh hypothesis is the effect of entrepreneurial orientation ( $X_1$ ) on marketing performance (Z) mediated by product innovation ( $Y_1$ ), with the following statistical hypothesis: the path coefficient of entrepreneurial orientation on marketing performance mediated by product innovation is positive, with a t-statistic value of 1.549 and a probability value of 0.123. Because the t-statistic is higher than 1.96 and the probability value is  $> 0.05$  at a 5% error rate, it is decided to reject  $H_A$ . Thus, entrepreneurial orientation indirectly through product innovation has no effect on marketing performance in culinary businesses in Jayapura.

#### **8). The Effect of Market Orientation on Marketing Performance through Competitive Advantage**

The eighth hypothesis is the effect of market orientation ( $X_2$ ) on marketing performance (Z) mediated by competitive advantage ( $Y_2$ ), with the following statistical hypothesis: the path coefficient of market orientation on marketing performance mediated by competitive advantage is positive, with a t-statistic value of 2.116 and probability value of 0.035. Because the t-statistic is higher than 1.96, and the probability value is  $<0.05$ , it was decided to accept  $H_A$  at a 5% error level. Thus, market orientation indirectly affects marketing performance through competitive advantage in Jayapura's culinary business. A strong market orientation supported by a high competitive advantage improves marketing performance.

## **DISCUSSION**

#### **1). The Effect of Entrepreneurial Orientation on Product Innovation**

The results of the hypothesis test indicate that entrepreneurial orientation has a direct effect on product innovation with a path coefficient value of  $\beta = 0.482$ . The results of the analysis indicate that entrepreneurial orientation can improve product innovation in Jayapura's culinary sector. This finding supports several recent



studies that have indicated the effect of entrepreneurial orientation on product innovation (Liao & Zhao, 2020; Soekotjo et al., 2021)

The results show that entrepreneurial orientation is measured in three dimensions, with the proactive attitude dimension having the lowest average score. The results showed that entrepreneurial orientation was measured in three dimensions, in which the proactive attitude dimension had the lowest average score. Therefore, culinary entrepreneurs need to be provided with training, understanding, and knowledge to develop their businesses further.

## **2). The Effect of Market Orientation on Competitive Advantage**

The results of the hypothesis testing show that market orientation directly affects competitive advantage, with a path coefficient value of  $\beta = 0.523$ . The results indicate that market orientation can increase the competitive advantage of culinary businesses in Jayapura. This finding supports several recent studies that have found an effect of market orientation on competitive advantage (Fatikha et al., 2021; Puspaningrum, 2020; Udriyah et al., 2019; Winarso et al., 2020).

A company's competitive advantage will be stronger if it emphasizes the importance of considering the market (Bharadwaj et al., 1993). Market orientation is the most effective organizational culture for creating behaviors essential for providing superior value to buyers and marketing performance in a business. Companies with a competitive advantage find it difficult for competitors to capture their market share. Therefore, market orientation is needed as marketing concepts are implemented to create a competitive advantage.

## **3). The Effect of Entrepreneurial Orientation on Marketing Performance**

The results of the hypothesis testing indicate that entrepreneurial orientation directly affects marketing performance, with a path coefficient value of  $\beta = 0.325$ . The hypothesis test results indicate that entrepreneurial orientation directly affects marketing performance with a path coefficient value of  $\beta = 0.325$ . This finding supports several recent studies showing the effect of entrepreneurial orientation on marketing performance (Fatikha et al., 2021; Kuncoro et al., 2021; Soekotjo et al., 2021).

Entrepreneurial orientation can determine high marketing performance. This is because business actors have a high degree of orientation with competitive advantages in three aspects: product and service quality and product innovation. Businesses have an advantage in terms of customer knowledge, which is used as a source to create products suitable for consumers' needs and desires.

## **4). The Effect of Market Orientation on Marketing Performance**

The results of the hypothesis testing show that market orientation directly affects marketing performance, with a path coefficient value of  $\beta = 0.288$ . The results indicate that market orientation can improve marketing performance in culinary businesses in Jayapura. This finding supports several studies that show the effect of market orientation on marketing performance (Fatikha et al., 2021; Kamboj & Rahman, 2017; Kuncoro et al., 2021; Puspaningrum, 2020; Udriyah et al., 2019)

*Market orientation* is a process and activity related to the creation and satisfaction of customers by continuously assessing their needs and desires. The implementation of market orientation improves a company's marketing performance. Market orientation is expected to provide psychological and social benefits to employees through a higher sense of pride and belonging, and a higher level of organizational commitment. Companies with a high market orientation will have high marketing performance.

## **5). The Effect of Product Innovation on Marketing Performance**

The hypothesis test results show that product innovation directly affects marketing performance with a path coefficient value of  $\beta = 0.303$ . The results indicate that product innovation can improve marketing performance in the culinary sector of Jayapura. This finding supports several recent studies showing the effect of product innovation on marketing performance (Soekotjo et al., 2021; Udriyah et al., 2019).

Product innovation affects marketing performance because of its ability to take products one step ahead of competitors. Product development is also an effective strategy to determine the success and survival of a business. Innovation is a product advancement used to improve the competitiveness of existing goods and services. Products



with advantages are seen as adding value to consumers. Therefore, in developing new products, an effective strategy is also a determinant of survival success, which requires effort, time, ability, and the amount of risk and failure.

#### **6). The Effect of Competitive Advantage on Marketing Performance**

The hypothesis test results show that competitive advantage directly affects marketing performance with a path coefficient value of  $\beta = 0.306$ . The results indicate that competitive advantage can improve marketing performance in the culinary sector of Jayapura. This finding supports several recent studies that show the effect of competitive advantage on marketing performance (Fatikha et al. 2021; Hidayatullah et al. 2019; Puspaningrum 2020).

A high competitive advantage reflects a company's high marketing performance. Culinary business owners in Jayapura City, with a higher competitive advantage, will improve the marketing performance of SMEs, and vice versa. If SMEs have a low competitive advantage, marketing performance will decrease, even if they are unable to engage in proper marketing to attract buyers. A competitive advantage can be achieved by providing facilities to outperform competitors and considering external factors.

#### **7). The Effect of Entrepreneurial Orientation on Marketing Performance through Product Innovation**

The test results indicate that product innovation mediates the effect of entrepreneurial orientation on marketing performance in Jayapura's culinary sector. This analysis indicates that entrepreneurial orientation indirectly affects marketing performance through product innovation in Jayapura's culinary sector. This finding supports several recent studies that show EO's effect of entrepreneurial orientation on marketing performance through product innovation (Kuncoro et al., 2018; Kuncoro et al., 2021; Soekotjo et al. 2021). Innovation can provide mediation by taking all the risks in which the entrepreneurial orientation indicator improves marketing performance (Ndubisi & Iftikhar, 2012).

#### **8). The Effect of Market Orientation on Marketing Performance through Competitive Advantage**

The hypothesis test results indicate that competitive advantage mediates the effect of market orientation on marketing performance in the culinary sector of Jayapura. The analysis revealed that market orientation indirectly affects marketing performance through competitive advantage in the culinary sector of Jayapura City. This finding supports several recent studies indicating the effect of market orientation on marketing performance through competitive advantage (Fatikha et al., 2021; Kamboj & Rahman, 2017; Puspaningrum, 2020; Udriyah et al., 2019).

Market orientation is constructed from customer orientation, competitor orientation, and interfunctional coordination, which lead to two decision criteria: long-term focus and profitability. Customer orientation is considered a control function in holding marketing roles and responsibilities within the company. Thus, culinary businesses in Jayapura City are an aspect of market orientation that is important to be aware of, and expected to continue encouraging business people to increase customer expectations. However, insufficient service has yet to increase expected sales targets. In addition to paying attention to customers, companies must also pay attention to their competitors to support business awareness. This implies that businesses must pay attention to competition, especially product innovation, to improve their market and competitive position.

### **CONCLUSION AND SUGGESTION**

#### **Conclusion**

Based on the results of the research conducted, it can be concluded that entrepreneurial and market orientations affect marketing performance mediated by innovation and competitive advantage in the culinary sector of Jayapura City. The conclusions are as follows:

- 1) Entrepreneurial orientation directly affects product innovation in the culinary sector of Jayapura City. The higher the company's orientation towards entrepreneurship, the higher is the product innovation.
- 2) Market orientation directly affects competitive advantage in the culinary sector of Jayapura. The higher the company's orientation to the market, the higher the competitive advantage.
- 3) Entrepreneurial orientation directly affects marketing performance in Jayapura's culinary businesses. This means that the higher the company's orientation toward entrepreneurship, the better the marketing performance.

- 4) Market orientation directly affects marketing performance in the culinary sector of Jayapura. This means that the higher the company's orientation to the market, the better is the marketing performance.
- 5) Product innovation directly affects marketing performance in Jayapura's culinary business. This means that the more product innovation is produced, the better the marketing performance.
- 6) Competitive advantage directly affects marketing performance in Jayapura City's culinary businesses. This means that the higher the competitive advantage, the better is the marketing performance.
- 7) Entrepreneurial orientation indirectly affects marketing performance through product innovation in Jayapura's culinary businesses. This means that entrepreneurial-oriented companies increase product innovation, which improves marketing performance.
- 8) Market orientation indirectly affects marketing performance through competitive advantage in Jayapura's culinary business. This means that market-oriented companies increase their competitive advantage, which improves marketing performance.

## Recommendation

The government's advice is to pay attention to the movement of business owners at the micro-scale because they have much different data from medium and large industries. Micro and small businesses can contribute to the development of regional economies. Furthermore, business actors are advised to increase the number of independent and mediating variables and expand their research to provide better results than existing research.

This study was conducted to encourage the success of small businesses, especially those in the culinary field, despite competition by increasing production, product variants, and quality improvement. This research is limited to research instruments distributed to culinary business respondents in Jayapura City.

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