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Improving Marketing Performance Through Entrepreneurial Orientation Mediated by Competitive Advantage (Traders at Indrasari Traditional Market West Kotawaringin Regency)

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Abstract. *This study aims to examine the effect of entrepreneurial orientation on marketing performance with competitive advantage as a mediating variable among traders at Indrasari Traditional Market, West Kotawaringin Regency. This research uses a quantitative method with an explanatory approach. Data were collected through questionnaires distributed to 100 active stall traders using purposive sampling technique. Data analysis was conducted using the Partial Least Square (PLS) method. The results show that entrepreneurial orientation has a positive and significant effect on marketing performance. Entrepreneurial orientation also has a positive and significant effect on competitive advantage. Furthermore, competitive advantage has a positive and significant effect on marketing performance. The mediation test results indicate that competitive advantage is able to mediate the relationship between entrepreneurial orientation and marketing performance. This study concludes that improving entrepreneurial orientation supported by competitive advantage can enhance the marketing performance of traditional market traders.*

Keywords*: Advantage; Competitive; Entrepreneurial; Orientation.*

1. Introduction

A market is one of various systems, institutions, procedures, social relationships, and infrastructures where businesses sell goods, services, and labor to people in exchange for money. Goods and services are sold using legal tender. This activity is part of the economy and its regulation, enabling buyers and sellers to exchange with each other. This means that a market is a potential place of exchange, whether physical, where buyers and sellers gather or meet, or non-physical, enabling exchange.

A market is a place where people seek daily necessities, and where buyers and sellers exchange goods. Based on the quality of service, trade activities can be divided into traditional and modern. Traditional trade activities include traditional markets and retail stores, while modern trade activities are found in the form of modern markets known as malls, supermarkets, department stores, hypermarkets, and others.

Traditional markets are an economic facility built and managed by the government as a forum for community buying and selling activities. In West Kotawaringin Regency, there are 22 traditional markets spread across 6 (six) sub-districts. Of these, 11 markets are still actively operating, while the other 11 markets are no longer operating or inactive. One of the traditional markets that is still active is Indra Sari Market, located in Baru Village, South Arut District. This market functions as the main market in West Kotawaringin Regency and is the main center of trade activities in the area. Business facilities at Indra Sari Market consist of 287 kiosks and 648 stalls/boxes, which are used by traders to carry out their trading activities.

Traditional markets have long been considered to be relatively simple buildings with a less than pleasant atmosphere (cramped business premises, inadequate parking, poor market cleanliness, and so on). The goods traded are everyday necessities, with little regard for quality and relatively low prices.

Traditional markets are currently facing the increasingly sophisticated and modern market, requiring the government to exert extra effort to safeguard their existence within the authority they possess. It is feared that the continued growth of modern markets will negatively impact traditional market vendors.

The condition of the building, cleanliness, and garbage disposal areas that are not well maintained, the lack of parking space and poor air circulation as well as the increasing chaos of street vendors which automatically harms traders who sell in the market environment who have to pay full rent and fees and are one of the problems or causes of shortcomings in traditional markets.

Based on the Statutory Regulations, there are sub-affairs handled by the Trade Sector, namely the sub-affair of Trade Distribution Facilities which is the authority of the Regency, namely:

a. Development and management of trade distribution facilities and;

b. Guidance for managers of community trade distribution facilities in their work areas.

The existence of traditional markets is one of the most obvious indicators of the economic activities of the community in a region, therefore the community hopes that the government as a regulator should be able to accommodate all the aspirations that develop without anyone feeling disadvantaged.

Quality improvement is certainly necessary, which aims to raise the standard and increase production and as a process of improving business activities. The continued development of modern markets can have a negative impact on traditional market traders. Modern markets can compete with traditional traders through product, price, place, and promotion strategies. Modern markets also offer convenience and comfort for consumers by providing a variety of products in one place. To increase the competitiveness of traditional markets and revitalize their activities, a market revitalization program can be carried out. This program aims to increase trader income and expand market share.

In essence, modern markets and traditional markets have their respective advantages, with different market segments. In traditional markets, price bargaining still occurs, allowing for a personal and emotional closeness between sellers and buyers that is impossible when shopping in modern markets, because in modern markets, prices are fixed and marked with price tags. One of the advantages of modern markets over traditional markets is the ability to establish partnerships with large suppliers, usually for a fairly long period of time, which can increase efficiency through large economies of scale. Also, some pricing strategies include price cuts, and price discrimination between times, non-price strategies such as advertising, longer opening hours, combined purchases, and free parking.

Threats arising from the existence of modern markets include: first, the elimination of traditional sellers due to shifting consumer habits. The proximity of modern markets, coupled with their advantages over traditional markets, has led to a shift in traditional market buyers to modern markets. Second, concerns local economic issues. For traditional traders, the growing trend of modern markets will, and has already, led to a decline in the competitiveness of traditional markets and a weakening of their bargaining power with suppliers, who also supply traditional markets.

Research according to (Endi Sarwoko., 2008) suggests that the impact of the development of modern markets on the sustainability of traders in traditional markets can be said to be the application of business law, if traditional markets are unable to compete or provide better services to consumers, in terms of price, comfort, product quality, then consumers will abandon them. Especially for prices, it is indeed an advantage of modern markets, because they are able to sell at competitive prices or even lower than traditional markets for the same product, due to the ability of modern markets to take products in large quantities from suppliers, thus obtaining lower purchase prices. Meanwhile, traditional market traders must take goods with a long distribution chain, so that the price to consumers becomes more expensive with relatively smaller profits. The lack of supporting characteristics of traditional traders, namely poor planning strategies, limited access to capital due to insufficient collateral is one of the obstacles faced by traders in traditional markets (Wiboonpongse and Sriboonchitta, 2006).

Based on the explanation above, it is necessary to improve marketing performance. Marketing performance is an important element in assessing the results of implementing a company's marketing strategy. Marketing performance reflects the extent to which an organization or company is successful in its marketing activities (Oktavinus, 2019), marketing performance involves the process of understanding, creating, communicating, and providing value to customers with the main goal of increasing company profits through interactions with customers (Pertiwi, 2016), marketing performance is needed because it is a measuring tool for the company's success in achieving sales and market share goals, as well as being the basis for identifying the effectiveness of existing strategies based on research (Aliddin et al., 2025) marketing performance is influenced by entrepreneurial orientation and competitive advantage. There are other studies that support this research, namely showing that

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entrepreneurial orientation has a direct positive and significant effect on marketing performance, competitive advantage has a direct positive and significant effect on marketing performance, entrepreneurial orientation has a direct positive and significant effect on competitive advantage, and entrepreneurial orientation has a direct positive and significant effect through competitive advantage as a mediating variable on marketing performance (Latifah, 2023).

2. Research Methods

This study aims to determine the Improvement of Marketing Performance Through Entrepreneurial Orientation and Competitive Advantage of Traditional Market Traders in Indrasari Market, West Kotawaringin Regency. This research is a type of verification research using the explanatory research method (Explanatory Research) where an explanatory research according to Singarimbun in Singarimbun and Effendi (2012) is a study that explains the relationship between research variables with hypothesis testing. The population and sample are Traditional Market Traders in Indrasari Market, South Arut District, West Kotawaringin Regency, the measurement scale uses a Likert scale, data collection techniques by interview and questionnaire. The data analysis technique uses SmartPLS, hypothesis testing with the help of the SmartPLS (Partial Least Square) program version 4.1.1.6. Anything that can be used to gather information for related research is considered a data source. Obtaining relevant, valid, and accountable knowledge is the primary goal of research. This study uses both primary and secondary sources of information.

3. Results and Discussion

3.1. Respondent Descriptive

The respondent descriptive section will show various characteristics of the respondents who completed the research questionnaire. These characteristics consist of gender, age, and highest level of education. The following table shows the results of the respondent descriptive section:

Table Description of Sample Respondent Characteristics

Characteristics	Frequency	Percentage
Gender:		
Man	50	50%
Woman	50	50%
Total	**100**	**100%**
Age:		
18-29 years old	12	12%
30-40 years	24	24%
40-50 years	48	48%
> 50 years	16	16%

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Total	**100**	**100%**
Last education:		
Elementary School/Islamic Elementary School	12	12%
Junior High School/Islamic Junior High School	29	29%
Senior High School/Vocational High School	38	38%
S1 or D4	21	21%
S2	0	0
Total	**100**	**100%**

Based on the data in Table regarding the characteristics of the respondents, it can be concluded that the respondents in this study were balanced, 50% male, while 50% female respondents. In terms of age, the majority of respondents were in the 40-50 years age range (48%) and 30-40 years (24%), which indicates that most respondents were in the productive age range, meaning respondents had the ability and energy to actively participate in cooperative activities. In terms of their last education, most respondents had a high school/Islamic elementary school education of 38%, indicating that the majority of respondents had a fairly good level of education in running their businesses. However, respondents who had a junior high school/Islamic junior high school education were also quite large at 29%.

Although many respondents' formal education levels were below a bachelor's degree, they had considerable experience in the trading industry. This suggests that the respondents' experience can be a crucial factor in understanding and implementing marketing performance. With sufficient experience, they have developed the skills to market their products, understand customer needs and desires, and compete with other traders.

Descriptive variable analysis was conducted to determine how respondents assessed the research variables in question, based on their responses to each question item based on each variable's indicators. To measure each respondent's assessment, the author used a 1-5 Likert scale with the following explanation:

1	=	**Strongly Disagree**
2	=	Don't agree
3	=	Neutral

4	=	Agree
5	=	Strongly agree

The assessment level criteria are calculated using the calculation formula from Van Laerhoven (2004), namely as follows:

Class Interval = $\frac{\textit{Nilai Jawaban Tertinggi-Nilai Jawaban Terendah}}{\textit{Jumlah Kelas}}$

Class Interval = $\frac{5-1}{5}$

Class Interval = 0.8

Then Class Category (5):

1	Don't agree	=	1.81 – 2.60
2	Neutral	=	2.61 – 3.40
3	Agree	=	3.41 – 4.20

3.2. Data Analysis

Outer Model Testing

The results of this research data analysis were obtained using the PLS method. Structural Equation Modeling (SEM) analysis uses PLS, a quantitative data processing tool.

a. *Convergent Validity*

*Convergent validity*The aim is to measure the extent to which indicators can validly measure the intended variables, as seen from the outer loading value of each variable indicator used. A variable is considered to have good validity if its outer loading value is greater than 0.60. The outer loading values for each indicator can be seen in Table 4.3 below:

Table Outer loading values

Latent Variable	Indicator	Outer Loading
Entrepreneurial Orientation	OK1	0.677
	OK 2	0.888
	OK 3	0.891

	OK 4	0.737
	OK 5	0.778
Competitive Advantage	KB1	0.819
	KB 2	0.725
	KB 3	0.839
	KB 4	0.822
	KB 5	0.699
Marketing Performance	KP1	0.879
	KP 2	0.849
	KP 3	0.921
	KP 4	0.892
	KP 5	0.791

Source: Smart PLS Output

Based on the data in Table, it is known that all existing variable indicators have an outer loading value of more than 0.6, and no indicator has an outer loading value of less than 0.6. This indicates that all indicators used can be considered suitable and valid for further analysis.

Furthermore, to ensure that all variables used have good validity, the Average Variance Extracted (AVE) value of each variable in the study must be greater than 0.5, which is a requirement for achieving convergent validity. This indicates that all variables used have good validity, as seen in Table 4.4 below:

TableAverage Variant Extracted (AVE) Value

Latent Variable	AVE
Entrepreneurial Orientation	0.638
Competitive Advantage	0.613
Marketing Performance	0.753

Source: Smart PLS Output

Based on the results of the convergent validity test using the Average Variant Extracted (AVE) value in Table 4, all variables have AVE values above the minimum threshold of 0.50, so they are all declared valid. The Marketing Performance variable has the highest AVE value of 0.753, indicating that more than 75% of the indicator variance can be explained by this construct. The variables Entrepreneurial Orientation and Competitive Advantage are also valid with AVE values of 0.638 and 0.613, respectively. and also exceed 0.5, thus all latent variables have met the convergent validity criteria based on the AVE value of 60% of the indicator variance.

b. *Composite Reliability*

Composite Reliability The purpose of this test is to assess the reliability of the constructs used in the study, with a composite reliability value considered good if it is greater than 0.70. One way to test reliability is to look at the Cronbach's alpha value, where a good value is greater

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than 0.7 for each construct. The composite reliability values for each variable can be seen in Table below:

Table Composite reliability values

Latent Variable	Composite Reliability
Entrepreneurial Orientation	0.897
Competitive Advantage	0.887
Marketing Performance	0.938

Source: Smart PLS Output

Based on Table, it can be concluded that all variables used in this study have a composite reliability value of more than 0.7. This result indicates that all variables have met the composite reliability standard, meaning that all variables have a high level of reliability.

The inner model, often referred to as the measurement model, is the second stage of testing using the Smart PLS approach. Its purpose is to estimate the structural model, namely the paths or influences between research variables. The measurement results can be seen in Table 4.6 and Figure.

Source: Smart PLS Output

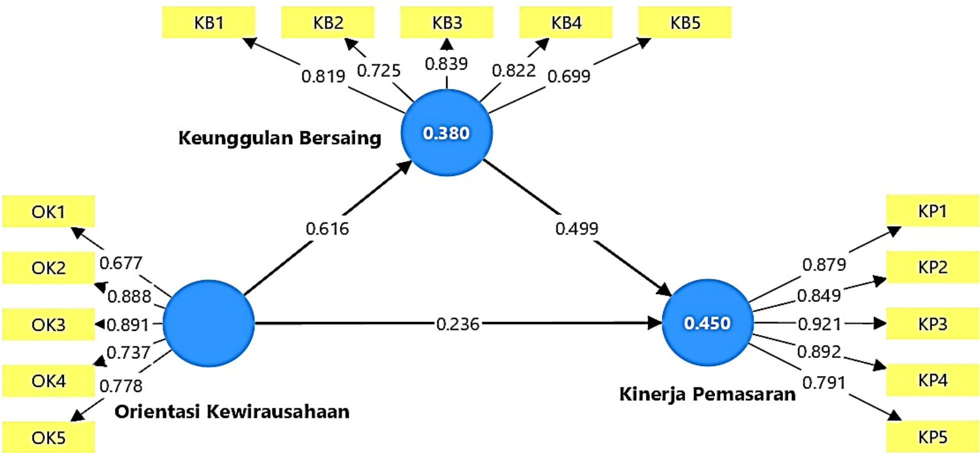

Figure Structural Model

Table Coefficient Measurement Results (Inner Model)

Influence	Path coefficient.	t-value	p-value	Decision
Entrepreneurship Orientation -> Marketing Performance	0.236	6,734	0.000	Accepted
Entrepreneurial Orientation -> Competitive Advantage	0.616	9,419	0.000	Accepted
Competitive Advantage-> Marketing Performance	0.499	4,530	0.000	Accepted

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Source: Smart PLS Output

Based on the results of the structural model (inner model) testing, path coefficients were obtained, indicating the relationship between the variables in this study. The effect of entrepreneurial orientation on marketing performance was found to be β = 0.236, with a positive correlation. These results indicate that entrepreneurial orientation significantly contributes to improving marketing performance. Therefore, the greater the competitive advantage a trader possesses, the better their marketing performance.

Furthermore, the effect of entrepreneurial orientation on competitive advantage has a coefficient value of β = 0.616, indicating a strong, positive relationship. This indicates that the stronger a trader's entrepreneurial orientation, reflected in their innovative, proactive, and risk-taking attitudes, the greater the business's ability to create competitive advantage.

The effect of entrepreneurial orientation on marketing performance has a coefficient value of β = 0.236, with a positive relationship. This result indicates that entrepreneurial orientation can directly improve marketing performance, although its influence is smaller than the influence of competitive advantage on marketing performance.

Hypothesis Testing:

Table 4.6 and Figure 4.1 present the results of the coefficient measurements used to conduct hypothesis testing. Path coefficients can have values between -1 and 1. Positive values are values between zero and one, while negative values are values between one and one-half (Ghozali, 2016).

Hypothesis testing 1:

Based on the data processing results, entrepreneurial orientation has been shown to have a positive effect on marketing performance. This is demonstrated by the original sample value of 0.407 (positive), indicating that the higher the respondents' entrepreneurial orientation, the better their marketing performance.

The p-value is 0.000 < 0.05, indicating a significant effect. Therefore, H1 is accepted, namely, that entrepreneurial orientation significantly influences marketing performance.

Hypothesis testing 2:

The research results show that entrepreneurial orientation has a positive effect on competitive advantage. The original sample value of 0.306 indicates a positive trend, meaning the stronger a business actor's entrepreneurial orientation, the greater their ability to create competitive advantage.

The p-value is 0.001 < 0.05, indicating a significant effect. Therefore, H2 is accepted, namely, that entrepreneurial orientation has a significant effect on competitive advantage.

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Hypothesis testing 3:

The research results show that competitive advantage influences marketing performance. The original sample value was 0.204, indicating that the higher the competitive advantage, the better the marketing performance.

The p-value is 0.000 < 0.05, indicating a significant effect. Therefore, H3 is accepted, namely that competitive advantage significantly influences marketing performance.

Hypothesis testing 4:

ResultsTesting shows that entrepreneurial orientation influences marketing performance through competitive advantage. This is demonstrated by the significant influence of entrepreneurial orientation on competitive advantage and the significant influence of competitive advantage on marketing performance. Thus, competitive advantage acts as a partial mediating variable in the relationship between entrepreneurial orientation and marketing performance, thus accepting H4.

3.2. Discussion of Research Results

1) The Influence of Entrepreneurial Orientation on Marketing Performance

Based onThe research results show that Entrepreneurial Orientation has a significant influence on Marketing Performance. This finding indicates that the higher the level of entrepreneurial orientation possessed by business actors, demonstrated through innovation, risk-taking, and proactiveness in identifying opportunities, the higher their marketing performance.

This positive influence aligns with the theory of entrepreneurial orientation, which states that entrepreneurially oriented companies are better able to navigate market dynamics, adapt more quickly, and have a greater ability to attract customers. Therefore, entrepreneurial orientation is a crucial factor driving improved marketing outcomes such as increased sales, market share, and customer loyalty.

The Influence of Entrepreneurial Orientation on Competitive Advantage

Based on the analysis also shows that Entrepreneurial Orientation significantly influences Competitive Advantage. This means that entrepreneurs with a strong entrepreneurial orientation tend to be able to create unique value that is difficult for competitors to imitate. Product innovation, service creativity, and the ability to understand market changes enable entrepreneurs to build a sustainable competitive advantage.

This finding is consistent with previous research that suggests entrepreneurial orientation is a key determinant in creating competitive advantage. Proactive and innovative entrepreneurs can introduce product differentiation and process efficiencies, thereby strengthening their market position.

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The Influence of Competitive Advantage on Marketing Performance

Based on research results, competitive advantage has been shown to significantly impact marketing performance. This indicates that the greater a business's competitive advantage, whether through product quality, competitive pricing, improved service, or innovation, the higher its marketing performance.

Competitive advantage enables businesses to more effectively capture consumer attention and retain customers, thus directly impacting sales growth and market position. In other words, competitive advantage acts as a strategic mediator that can strengthen the influence of entrepreneurial orientation on marketing performance.

This finding supports the theory of competitive advantage which states that companies with unique and superior value compared to competitors will more easily achieve optimal marketing performance.

The Influence of Competitive Advantage as a Mediating Variable

The results of this study also demonstrate that competitive advantage acts as a mediating variable in the relationship between entrepreneurial orientation and marketing performance. This means that entrepreneurial orientation not only directly influences marketing performance but also indirectly influences it through the formation of competitive advantage. Business actors with a strong entrepreneurial orientation are more innovative, proactive, and willing to take risks, thereby creating a strong competitive advantage. This advantage then drives improved marketing performance. Thus, competitive advantage functions as a strategic mechanism that strengthens the influence of entrepreneurial orientation on marketing performance. These findings support the theory of competitive advantage, which states that a company's internal capabilities, such as entrepreneurial orientation, will have an optimal impact on performance if accompanied by the creation of sustainable competitive advantage.

4. Conclusion

Based on the results of the analysis and discussion of research regarding the influence of entrepreneurial orientation on marketing performance with competitive advantage as a mediating variable, the following conclusions can be drawn: Entrepreneurial orientation has a positive and significant impact on marketing performance. This indicates that innovation, proactivity, and risk-taking can improve business actors' marketing performance. Entrepreneurial orientation has a positive and significant influence on competitive advantage. Businesses with a strong entrepreneurial orientation tend to be able to create unique value and differentiation compared to competitors. Competitive advantage has a positive and significant impact on marketing performance. Excellence in quality, price, service, and innovation drives increased sales and customer loyalty. Competitive advantage has been shown to mediate the effect of entrepreneurial orientation on marketing performance. This

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suggests that entrepreneurial orientation will have a more optimal impact on marketing performance if accompanied by the creation of sustainable competitive advantage.

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